



ISSN 0013-0400

ISBN 1-4039-9536-2

© Crown copyright 2005

Published with the permission of the
Controller of Her Majesty's Stationery Office
(HMSO).

This publication, excluding logos, may be reproduced free of charge, in any format or medium for research or private study subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as crown copyright and the title of the publication specified. This publication can also be accessed at the National Statistics website: www.statistics.gov.uk

For any other use of this material please apply for a free Click-Use Licence on the Office of Public Sector Information website: www.opsi.gov.uk/click-use/index.htm or write to The Licensing Division, St Clement's House, 2-16 Colegate, Norwich, NR3 1BQ. Fax 01603 723000 or e-mail: hmsolicensing@cabinetoffice.x.gsi.gov.uk

Contacts

For enquiries about this publication, contact the Editor, Paul Dickman.

Telephone: 020 7533 5914

E-mail: paul.dickman@ons.gsi.gov.uk

For general enquiries, contact the National Statistics Customer Contact Centre on 0845 601 3034 (minicom: 01633 812399)

E-mail: info@statistics.gsi.gov.uk

Facsimile: 01633 652747

Letters: Customer Contact Centre,
Room 1015,
Government Buildings,
Cardiff Road,
Newport NP10 8XG

You can also find National Statistics on the Internet at <http://www.statistics.gov.uk>

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

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political influence.

palgrave
macmillan

Economic Trends

No. 620, July 2005

Regulars

- 2 **In brief**
Summary from last month's economic statistics releases
- 4 **Economic update – July 2005**
Anis Chowdhury
Monthly overview of latest economic statistics
- 13 **Forecasts for the UK economy – June 2005**
Monthly comparison of independent forecasts for the UK economy

Features

- 15 **The effects of taxes and benefits on household income, 2003–04**
Francis Jones
An examination of how taxes and benefits redistribute income between various groups of households
- 61 **Experimental monthly index of services – development programme update**
Steve Drew and Darren Morgan
An account of the progress made in the development of the index of Services since the last *IOS Economic Trends* article in October 2003
- 79 **Consumer Prices Index and Retail Prices Index: updating weights for 2005**
David Baran
A description of how the weights used to compile both the CPI and RPI are updated using the latest information on household spending

Tables

- 93 **List of Tables**
- 94 **Notes to Tables**
- 95 **Tables**
- 174 **Sources**

Publications

- 180 **Portfolio of ONS macro-economic publications**

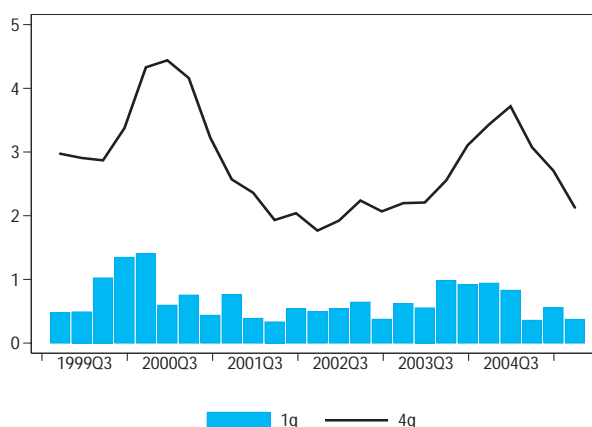
in brief

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

GDP growth

GDP

One quarter and four quarter growth



The downward revision reflects lower estimates of business services output.

Growth in the latest quarter is driven by a rise of 0.7 per cent in the service sector with strength within the transport, storage and communications, financial and business sectors and government and other. However, there was a decline in the distribution, hotels and catering sector.

Manufacturing output declined by 0.9 per cent in the latest quarter, with the largest falls in the electrical and optical industries, transport equipment and the paper, printing and publishing industries. Energy supply fell by 1.4 per cent and energy extraction fell by 0.4 per cent.

Construction output rose by 0.6 per cent in the latest quarter.

Household expenditure rose by 0.1 per cent, following 0.6 per cent growth in 2004 Q4, as expenditure on semi-durable goods, which includes clothing and footwear, slowed.

Government final consumption expenditure rose by 0.7 per cent in the latest quarter and is now 1.5 per cent above the level seen in 2004 Q1.

Exports fell by 0.9 per cent over the quarter, within which exports of goods fell by 1.1 per cent and exports of services fell by 0.4 per cent. Imports fell by 1.2 per cent as imports of goods fell by 2.1 per cent and imports of services rose by 1.9 per cent.

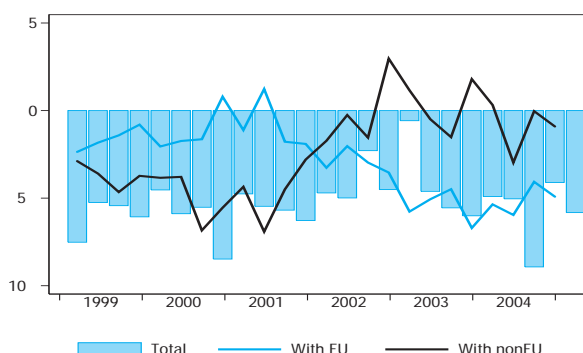
Compensation of employees, measured at current prices, rose by 1.5 per cent, driven by increases in average earnings and employers' social contributions.

Released: 30 June 2005

Balance of Payments

Current account balance

£ billion



Current account

The current account deficit widened to £5.8 billion (equivalent to 2.0 per cent of GDP) in the first quarter due to fall in the income surplus and rise in the deficit of transfers. The deficit on goods and services was broadly unchanged from the fourth quarter, with a lower goods deficit offset by a lower services surplus.

Of the total deficit of £5.8 billion, £4.9 billion was with EU countries and £0.9 billion with non-EU countries. In 2004 as a whole, the UK had a current account deficit of £22.1 billion with EU countries, primarily due to a trading deficit of £31.8 billion. In contrast, the UK had a deficit of only £0.9 billion with non-EU countries in 2004, although this compares with a £2.1 billion surplus in 2003.

Revisions

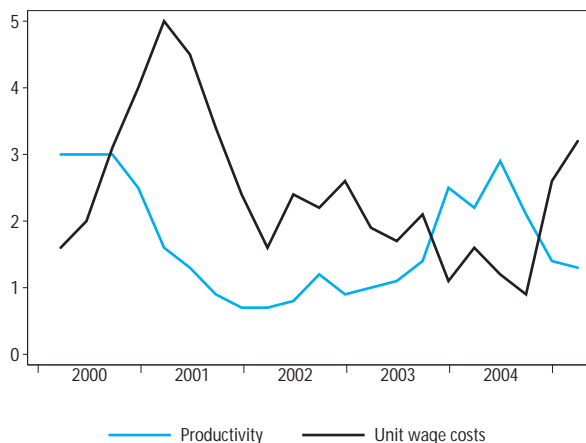
The current balance has been revised from the first quarter of 1996 as part of the annual Blue and Pink Book exercise. Changes up to 2001 are minimal. Revisions to 2002, 2003 and 2004 reduce the current account deficit by £1.1 billion, £2.0 billion and £2.7 billion respectively – the deficit for 2004 is now £23.0 billion. The main changes are to services and income. Service changes result from the incorporation of annual inquiry results and annual supply-use balancing, while income changes are due to late and corrected direct investment survey results (for most recent periods) and a review of the Bank for International Settlements data.

Released: 30 June 2005

Productivity

Whole economy productivity and unit wage costs, Annual growth

Per cent



In the first quarter of 2005, whole economy productivity (measured by output per worker) increased by 1.3 per cent compared with the same quarter a year ago, down from growth of 1.4 per cent in the last quarter. The fall in annual productivity growth was due to output growth decelerating by more than employment growth.

On a quarter-on-quarter basis, productivity grew by 0.1 per cent, down from the growth of 0.2 per cent in the previous quarter. The decrease in productivity growth on a quarter on previous quarter basis was due to a decrease in the rate of output growth.

The alternative measure of productivity – output per hour worked – showed that hourly productivity grew by 1.0 per cent in the first quarter of 2005 compared with the same quarter a year ago, up from growth of 0.7 per cent in the previous quarter.

In the first quarter of 2005, manufacturing productivity, on an output per job basis, was 3.0 per cent higher than the same quarter of 2004, down from growth of 4.3 per cent for the previous quarter. The decrease in the annual productivity growth figure was due to lower output than in the previous quarter.

On a quarterly basis, manufacturing productivity declined by 0.2 per cent in the first quarter of 2005, down from growth of 1.6 per cent in the previous quarter. This fall in quarterly productivity was mainly due to a fall in output.

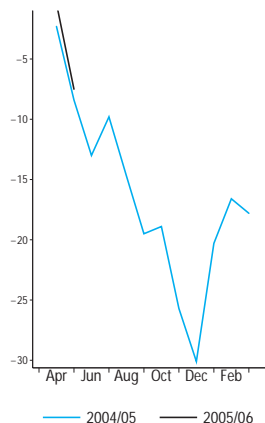
Whole economy unit wage costs in the first quarter of 2005 were 3.2 per cent higher than the same quarter a year earlier. This compares with a 2.6 per cent growth rate for the previous quarter. The fastest rate of unit wage cost growth was due to a combination of an increase in average wages and salaries growth and a fall in whole economy productivity growth. Manufacturing unit wage costs in the first quarter of 2005 increased by 0.4 per cent compared with the same quarter a year earlier, up from a decline of 0.9 per cent in the fourth quarter of 2004.

Released: 1 July 2005

Public Sector Finances

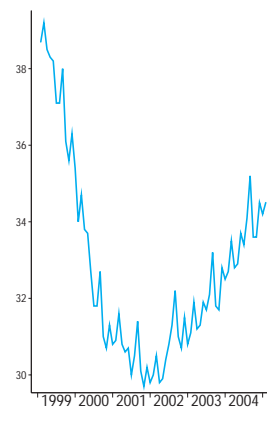
Cumulative public sector surplus on current account

£ billion



Net debt (as a percentage of GDP)

Per cent



In May 2005 the public sector showed a deficit on current budget of £7.1 billion, compared with a deficit of £6.0 billion in May 2004.

Concentrating on one month in isolation can give a distorted picture as movements can be erratic. Focusing on the financial year to date generally provides a better overview. Between April and May of the financial year 2005/6, the public sector recorded a deficit of £7.5 billion. At the same stage of the 2004/5 financial year a deficit of £8.4 billion had been recorded.

More generally the public sector recorded deficits between 1991/2 and 1997/8 before moving into surplus in 1998/9. Since 2002/3 deficits have been recorded.

An alternative measure of the public sector fiscal position is public sector net borrowing. This additionally takes account of capital investment. In May 2005 there was net borrowing of £8.7 billion, which compares with £7.0 billion in May 2004. The revised estimate for the 2004/5 financial year was net borrowing of £36.3 billion. In 2003/4 net borrowing of £35.7 billion was recorded. The Budget Report forecast for 2005/6 is net borrowing of £31.9 billion.

Public sector net debt, expressed as a percentage of gross domestic product (GDP), was 34.5 per cent at the end of May, compared with 32.7 per cent at the end of May 2004. Debt peaked at 44.0 per cent of GDP in 1997, its highest since the mid 1980s. The debt ratio then fell steadily as public sector finances improved, reaching a low of 29.7 per cent in February 2002. Since then it has risen. The Budget Report forecast for the end of March 2006 is 35.5 per cent.

Net debt was £418.5 billion at the end of May, compared with £378.2 billion a year earlier. The Budget Report 2005 forecast net debt at the end of March 2006 is £452.0 billion.

Released: 20 June 2005

Economic update

July 2005

Anis Chowdhury
Office for National Statistics

Overview

- The GDP growth in the first quarter of 2005 was 0.4 per cent, down from 0.6 per cent in the previous quarter.
- The service sector continued to lead economic growth, industrial production fell considerably following a slight increase in the previous quarter whilst the construction sector expanded less rapidly than in the previous quarter.
- Consumer spending rose by 0.1 per cent in the first quarter, slowing considerably from the previous quarter and 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 fixed investment rose by 0.3 per cent in the first quarter, reversing the 0.2 per cent fall in the previous quarter.
- Government spending is currently adding to economic growth but public sector finances show a widening deficit.
- The labour market remains tight. Employment rose and unemployment fell in the three months to April whilst the inactivity rate increased. Average earnings growth, including bonuses was up whilst earning growth excluding bonuses remained unchanged.
- Producer output price inflation growth slowed in May.
- Consumer price inflation picked remained unchanged in May and is still close to the two per cent government target.

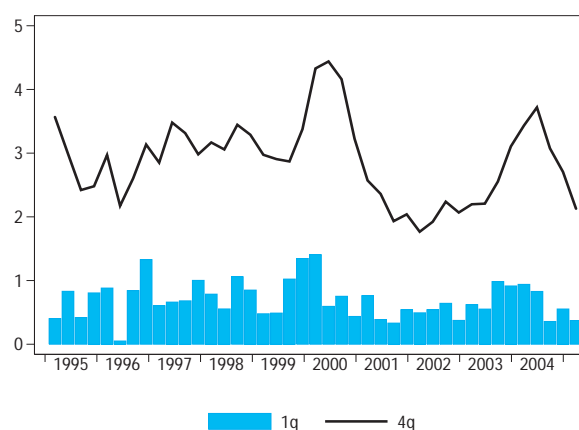
GDP activity – overview

The GDP growth for the first quarter of 2005 was 0.4 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 0.6 per cent. The annual rate of growth also fell considerably, to 2.1 per cent from 2.7 per cent in the previous quarter (Figure 1).

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 0.9 per cent, unchanged from the previous quarter. Strong growth in private investment continues to fuel growth as well as personal consumption. There was a narrowing in net trade due to lower import growth. Manufacturing output continues to remain flat. Japan's output grew by 1.2 per cent in 2005 quarter one rebounding from the sluggish growth in the previous quarter. Healthy domestic demand was the main

Figure 1
GDP

Growth



reason for the resurgence in the growth rate. Growth also came from higher capital expenditure. 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 0.1 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. Industrial production rebounded in April after a fall 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% in the previous quarter. Weaker industrial and agricultural output are the main reasons for the fall in Italian output.

Financial Market activity

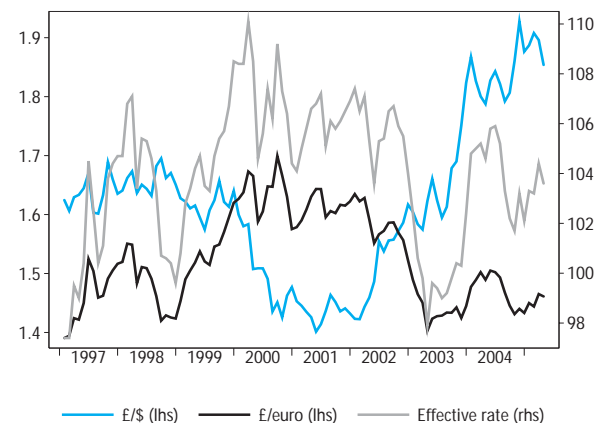
The stock market was up around four per cent in the first quarter of 2005, having risen by about four and a half per cent in the previous quarter. In the year to 2005 quarter one, the FTSE All-Share index gained around eleven per cent. Equity performance has been positive this year on the whole, although stock prices have been volatile. By the time this article was written the FTSE All-share index was at 2544.34 having increased by around five 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 1.86 while the Euro rate was 1.43.

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

£ equals



Output

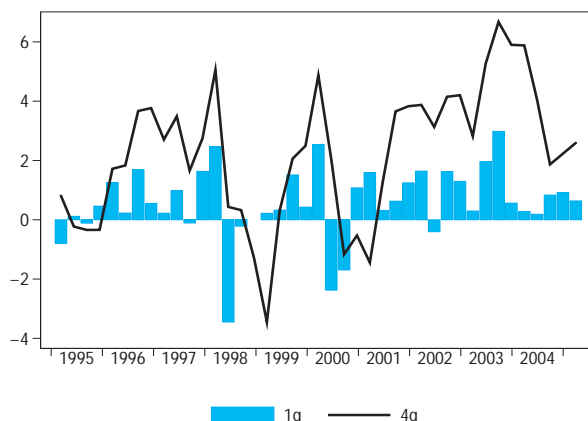
As mentioned above, GDP growth in 2005 quarter one was 0.4 per cent. On an annual basis, it was 2.1 per cent, a deceleration from 2.7 per cent in 2004 quarter four.

According to the latest figures the slight deceleration in economic growth was due to weaker industrial production figures, particularly for manufacturing. 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 increased slightly from the previous quarter, remaining quite robust and continues to lead economic growth.

Construction is estimated to have grown by 0.6 per cent following 0.9 per cent growth in the previous quarter. (Figure 3). As for external surveys of construction, the CIPS survey recorded a forty-third successive month in June. The index rose to 55.8 from 52.6 in May. The higher overall activity levels was due to volumes of new business placed with UK constructors rising at their fastest pace in seven months in June. 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

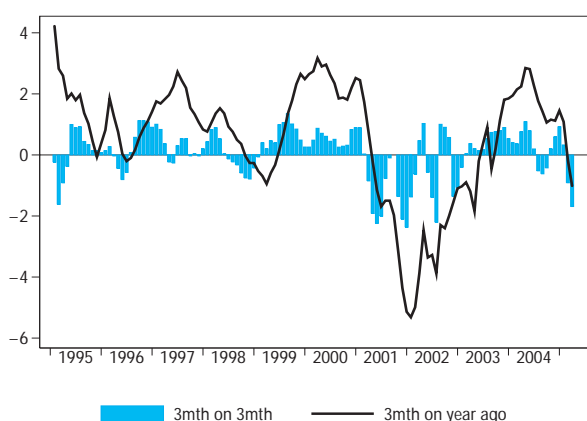
Growth



Total output from the production industries fell by 0.9 per cent, compared with a slight rise of 0.2 per cent in 2004 quarter four. Manufacturing fell by 0.9 per cent, compared to a 0.6 per cent increase in 2004 quarter four (Figure 4). Within manufacturing the largest falls were in the electrical and optical equipment industries, transport equipment and the paper, printing and publishing industries. Production growth in the mining and quarrying industries and electricity, gas and water supply industries remains volatile. Output in the electricity, gas and water supply industries fell by 1.4 per cent in quarter one, after a 0.3 per cent decline in quarter four and 0.8 per cent rise in quarter three. Output in mining and quarrying including oil and gas output fell again in the first quarter, by 0.4 per cent. This was a much smaller rate of decline than in the previous two quarters.

Figure 4
Manufacturing output

Growth

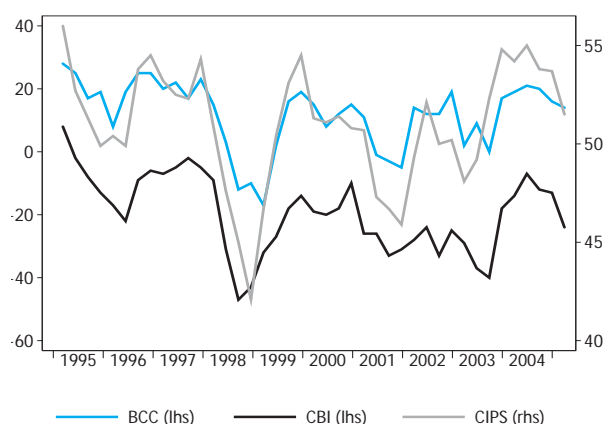


The slowdown in production might be explained by recent economic events such as the increase in the oil price, the interest rate rises, leading to a consumer slowdown and somewhat weaker global demand.

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 external 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



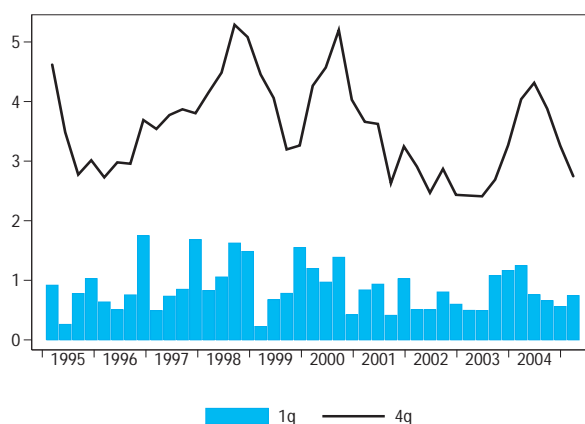
The CIPS headline index for manufacturing signalled a decrease in activity in 2005 quarter one. The headline index was 51.6 in March 2005 compared to 53.1 in December 2004. Both the orders and the output indicators followed the same trend as the headline figure. According to the latest figures in June, the UK manufacturing sector rebounded slightly in June after a slump in May. The CIPS index rose to 49.6 from 47.0 in May. It has been below 50.0 since April. There was improvement in new orders, which rose for the first time in three months, and new export orders which saw their first increase in half a year. Manufacturing output fell at a slower rate in June, mainly as a result of the recovery in new business.

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 June reports total manufacturing orders deteriorating further. Output expectations over the next three months also shows a further weakening.

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 0.7 per cent, slightly up on the previous quarter when it was 0.6 per cent. The main contribution to the growth rate came from business services and finance which grew by 1.0 per cent in 2005 quarter one following 0.7 per cent in the previous quarter, followed by a rise in government and other services at 0.8 per cent from 0.6 per cent in 2004 quarter four. This was partially offset by a lower rate of growth in transport storage and communication of 1.0 per cent having grown by 1.2 per cent in the previous quarter. Growth in distribution, hotels and catering fell sharply. (Figure 6)

Figure 6
Services output

Growth

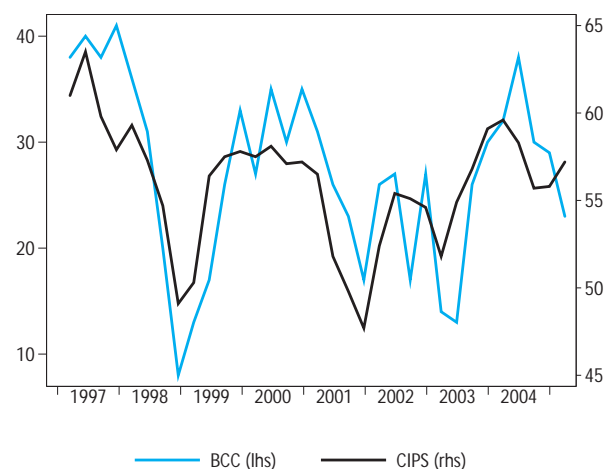


The Index of Distribution is a monthly series reporting the output of the distribution industries – which constitute approximately one-fifth of the total Index of Services. According to the latest release, the index of distribution industries in the three months to April decreased by 0.3 per cent compared with the three months to January. Motor trades was the most significant contributor to the fall. Wholesale also decreased in output while output from the retail trade was 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 June show the Business Activity Index at 55.8, up from 55.1 in May. 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

Balances

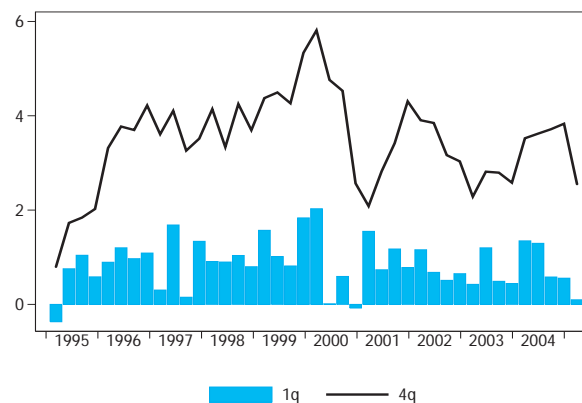


Household demand

The growth of household consumption declined in the third quarter of 2004 having grown strongly in the previous two quarters. Growth in 2004 quarter three was 0.6 per cent, down considerably from the 1.3 per cent growth in the first two quarters. In 2004 quarter four, growth remained subdued at 0.6 per cent. In 2005 quarter one the growth rate decelerated significantly to 0.1 per cent. (Figure 8)

Figure 8
Household demand

Growth



This slowdown can largely be attributed to lower spending on certain semi-durable goods which includes clothing and footwear. The weakness might be connected to the lagged effect of the three interest rises in the summer of 2004. 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.

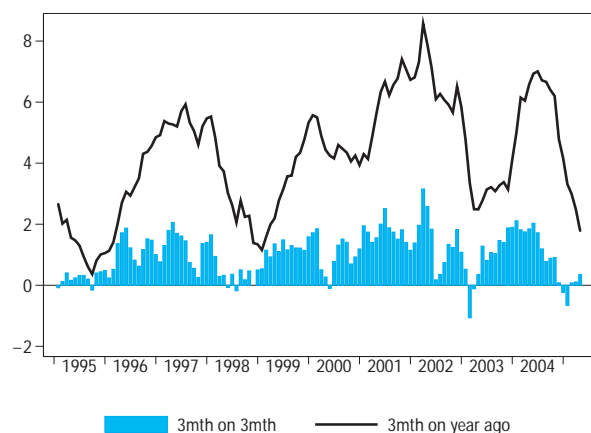
However, there are some factors that are supportive. The labour market is tight which might generate moderate growth in wages and thus personal disposable income increases. Low unemployment ensures that consumers are not only not overly concerned about their long-term job prospects, and are therefore 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 fall for the third month running in June, falling by minus three from minus one in May. 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 May 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. According to the latest figures, the volume of retail sales in the three months to May was 0.3 per cent higher than in the three months to April, when growth was 0.1 per cent and compares with growth of 1.8 per cent at the same time in 2004. Also, the underlying trend appears weak. Compared with the same period a year ago, the 1.8 per cent growth in sales in the three months to May was the lowest annual growth rate since March 1999.

Figure 9
Retail sales

Growth



On a dis-aggregated level, clothing stores showed the highest growth rate at 2.5 per cent with household goods and non-specialised stores showing decreases of 1.0 per cent and 0.6 per cent respectively. This was the sixth consecutive decrease for household goods stores in part due to decreased sales by DIY stores. The slowdown may be a result of the weakening of the housing market.

External surveys also show signs of growth slowing in recent months.

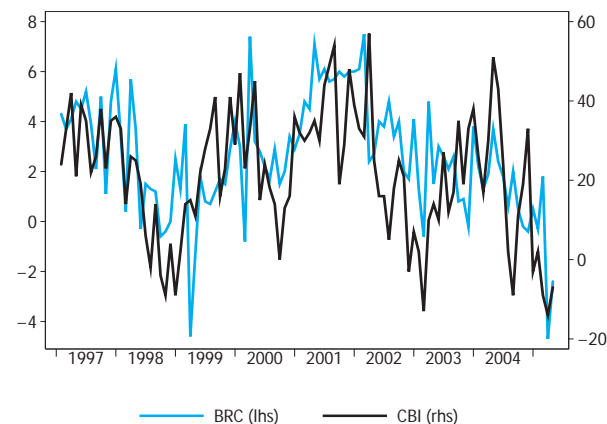
The CBI *Distributive Trades Survey* showed retail sales recording their biggest year-on-year fall in 22 years in June. The balance was minus 19 compared with minus 7 in May and minus 14 in April. The CBI attributes the slowdown to the effect of higher interest rates, the slowdown in the housing market and rising energy bills. Firms selling furniture and carpets, hardware and DIY products were all hard hit as a result of the sluggish housing market. Footwear and leather sales also fell sharply, and clothing sales remained weak. However, grocery sales volumes continued to increase strongly. It is worth noting that the CBI surveys 125 retailers accounting for about half the jobs on the high street whereas the ONS surveys 10,000 retailers, including on-line and mail order businesses.

In a separate survey (The CBI and Grant Thornton service sector survey), it was reported that the slowdown hitting high street sales is now spreading to the consumer services sector. The survey showed that consumer services firms - such as cinemas and tour operators - saw business volumes failing to increase for the first time in 18 months. Confidence also fell for the first time in nine months.

The British Retail Consortium (BRC) report that like-for-like retail sales fell by 0.5 per cent in June compared with June 2004. This follows a decrease of 2.4 per cent in May 2005 when compared with May 2004. The BRC report that the slowing decline was due to June's fine weather which helped sales of summer lines, and numerous discounts. However, the underlying trend deteriorated further with sales down 2.4 per cent in the three months to June from a 1.5 per cent fall in May. (Figure 10).

Figure 10
External retailing

Balances, 3 month moving average

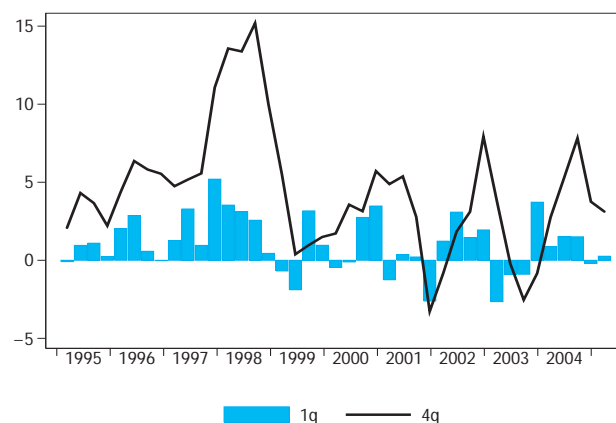


Business demand

The revised estimate of business investment for the first quarter of 2005 was 0.1 per cent higher than the previous quarter and 2.5 per cent higher than the first quarter of 2004. This represents an upward movement from the numbers reported previously. (Figure 11)

Figure 11
Total fixed business investment

Growth



Looking at business investment on a more dis-aggregated level shows investment falling across most sectors on the quarter except services.

Investment in private sector services is the most important component representing around three quarters of total business investment. This increased by 1.9 per cent in the latest quarter, and is 3.8 per cent higher than in 2004 quarter one.

Manufacturing investment according to the revised figures shows a further deterioration. The contraction follows a promising upturn in 2004 quarter four. 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, but since 1999 manufacturing investment has undergone a persistent contraction. During 2004, however, manufacturing investment appeared to recover. In 2004 quarter four, investment in the sector grew by 6.1 per cent and by 2.5 per cent in 2004. However, according to the latest figures for 2005 quarter one, fixed investment by private and public sector manufacturing fell by 3.9 per cent compared with the previous quarter and was up 4.4 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 recent weakness in consumer demand in the UK.

Construction and other production fell by 3.6 per cent on the quarter and by 3.3 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 first quarter of 2005 was 13.3 per cent, the same as the average net rate of return for 2004. Manufacturing companies' net rate of return was estimated at 6.0 per cent in the first quarter. This is lower than the average of 6.9 per cent for 2004. The profitability of service companies was 17.5 per cent, higher than the average for 2004 of 16.5 per cent. Generally, service sector profitability is higher than that of the manufacturing sector, reflecting the more capital-intensive nature of the manufacturing sector.

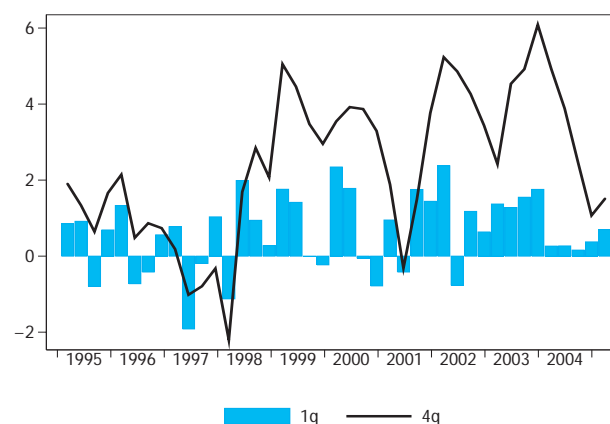
Evidence on investment intentions from the latest BCC and CBI surveys shows a not inconsistent picture. According to the quarterly BCC survey, the balance of manufacturing firms planning to increase investment in plant and machinery fell from plus 16 in 2004 quarter four to plus ten in 2005 quarter one. 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 higher pace of growth than in the fourth quarter of 2004 when output grew by 0.4 per cent. (Figure 12). Growth compared with the same quarter ago was 1.5 per cent. The government continues to be an important source of aggregate demand in the economy.

Figure 12
Government spending

Growth



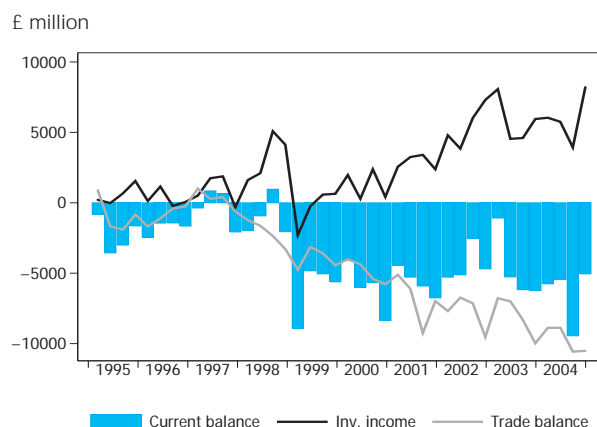
The latest figures on the public sector finances report up to May and show a deterioration. The current budget was in deficit by £7.1 billion, this compares with a £6.0 billion deficit in May 2004. Public sector net borrowing was £8.7 billion compared with net borrowing of £7.0 billion in May 2004 2004- the highest total since 1993. These figures partly reflect a slowdown in high-street spending which hit VAT revenues and partly due to a jump in net investment spending to £2.7 billion compared to £1.4 billion in May 2004/5. However, it is worth noting that monthly data can be volatile. The financial year to date may provide a better picture. In the financial year (April 2004 to May 2005) net borrowing presently stands at £10.2 billion compared to £9.8 billion to the same period in 2004/5. The current budget stands at £7.5 billion compared to the £8.4 billion deficit in the same period of 2004/5. 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 34.5 per cent of GDP.

Trade and the Balance of Payments

The publication of the quarterly Balance of Payments shows that the current account deficit widened in 2005 quarter one to £5.8 billion from a revised deficit of £4.1 billion in 2004 quarter four. (Figure 13). As a proportion of GDP the deficit increased from 1.4 per cent to 2.0 per cent. The widening deficit is mainly accounted for by a lower surplus on investment income which rose by £8.0 billion in 2005 quarter one compared to £9.2 billion in the previous quarter and a higher deficit on current transfers which was £3.4 billion in 2005 quarter one compared to £2.9 billion in 2004 quarter four. The lower surplus in investment income is due to a strong rise in foreign earnings on holdings of UK equity and debt securities offsetting a growth in UK earnings from investments abroad. The deficit in current transfers is mainly due to higher net contributions to EU institutions, but also partly to aid transfers associated with the Asian Tsunami.

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 more slowly 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.

The deficit in trade in goods narrowed in 2005 quarter one. The deficit was £14.9 billion compared with a figure of £15.5 billion in the previous quarter. Exports fell by £0.4 billion while imports fell by £0.9 billion. The deficit with the EU fell to £6.8 billion in the first quarter from £7.3 billion in 2004 quarter four. Exports to EU countries were virtually unchanged whilst imports from the EU fell by £0.4 billion. Exports to non-EU countries fell by £0.4 billion while imports from those countries fell by £0.5 billion. As a result the deficit with non-EU countries fell from £8.2 billion in the fourth quarter of 2004 to £8.0 billion in the first quarter of 2005.

In the first quarter of 2005, the trade in services was in surplus to the tune of £4.5 billion compared with £5.1 billion in the previous quarter. Exports of services fell by £0.1 billion in the first quarter: lower exports on the royalties and licence fees, and personal, cultural and recreational accounts were partially offset by higher exports of other business services and transportation. Imports rose by £0.4 billion, reflecting increases in imports of other business services and travel.

In terms of commodity breakdown of exports, all the main groups showed a fall in volume. For imports, among the main commodity groups, food, beverages and tobacco, other fuels and semi-manufactured goods showed a rise in volume.

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.

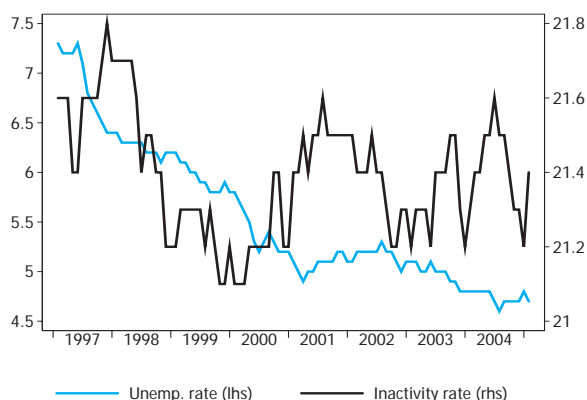
Labour Market

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 April 2005 and show a mixed picture.

The current employment rate stands at 74.8 per cent, down 0.1 per cent from the previous three-month period. The number of people in employment rose by 11,000 over the quarter. The unemployment rate was also unchanged on the quarter to stand at 4.7 per cent. (Figure 14). The number of unemployed fell by 15,000 over the quarter. The inactivity rate rose by 0.2 per cent to stand at 21.5 per cent. The claimant count measures the number of people receiving the job-seekers allowance. The latest figures for May show

Figure 14
Unemployment and economically inactive

Per cent



that this measure increased by 13,200, the fourth monthly consecutive rise and the worst such run since December 1992. Claimant count unemployment has now risen by 41,000 this year to reach 855,300 but is down 5,600 on the year. It has shown an average monthly increase of 3,900 over the last six months. The claimant count rate was 2.7 per cent in May, unchanged from the previous month and from a year earlier.

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.

Overall, inactivity increased in the three months to April 2005. This reverses the story in the previous three months where there was decreases in inactivity amongst most categories. The number of economically inactive people of working age was up 71,000 over the quarter to 7.91 million. Over the year the number increased by 81,000. Those looking after the family/home registered the largest increase of 38,000 followed by students on 26,000. The only decrease occurred amongst the retired, which fell by 8,000. This is a lower rate of increase compared to the previous three month period where the retired fell 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 people coming out of retirement to top up their pensions.

According to the LFS, in the period February to April 2005, 11,000 new jobs were created. The majority of the job creation was in employee jobs, which were up by 10,000 followed by unpaid family workers at 5,000. Self-employed jobs actually fell, by 3,000, continuing the trend of the previous quarter. Also, full-time jobs increased by 45,000 over the period while part-time jobs fell by 34,000. 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 available for the three months up to March 2005. Workforce jobs increased by 78,000 on the quarter and by 213,000 on the year. Figures show that finance & business services posted the biggest increase on the quarter of 44,000 followed by construction at 23,000. Education, health and public administration registered an increase of 18,000 reversing a decrease of 4,000, in the previous quarter. Manufacturing jobs continues to lose numbers, declining by 23,000 on the quarter and 86,000 on the year.

After steadily rising throughout most of 2004, headline average earnings growth stabilised at the beginning of 2005. Figures based on the average over a three-month period show that in the year to April 2005, average earnings excluding bonuses rose by 4.1 per cent, unchanged from the previous month. Average earnings, including bonuses was 4.6 per cent, up from 4.5 per cent in the previous month.

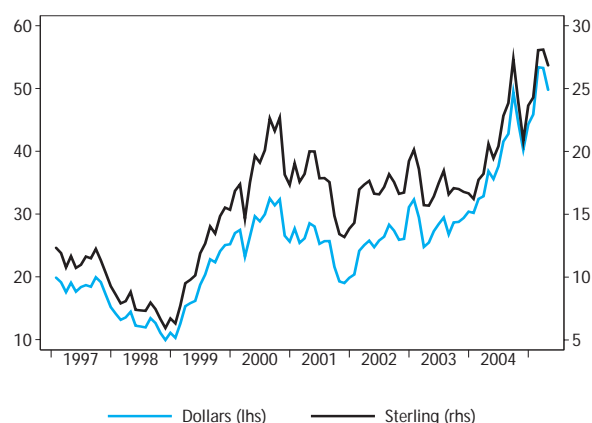
Wage growth in the public sector, excluding bonuses continues to outstrip that in the private sector. In April 2005, this widened further. Annual wage growth in April was 3.9 per cent in the private sector and 4.7 per cent in the public sector. However, when it comes to including bonuses, the picture shows wage growth in the private sector continuing to outstrip that of the public sector for the third month running. Annual wage growth in April was 4.7 per cent compared to the public sector of 4.6 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, although this has slightly weakened in 2005 quarter one. 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

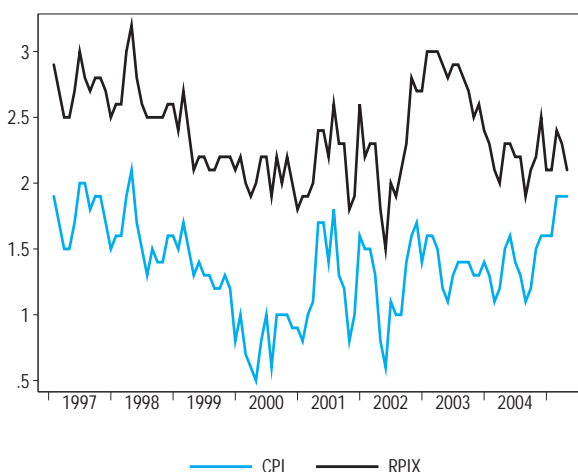


However, in the final three months of the year producer price inflation began to fall and this continued into the early part of 2005, although it still remained at levels substantially above those at the beginning of 2004. The latest figures for May show producer price inflation beginning to fall once again having seen an upturn in the previous month. The producer price index (PPI) increased by 2.7 per cent in the year to May, compared with a 3.3 per cent rise in the year to April, mainly reflecting falls in other manufactured, petroleum and alcohol product prices. The input price index rose by 7.8 per cent in the year to May, a slower rate of growth compared with 10.2 per cent in the year to April. Between April and May, the input index rose by 0.2 per cent. This mainly reflected price rises in home produced food, imported parts and equipment and fuels offset by a fall in crude oil prices. Reports suggest that manufacturers margins have been further squeezed from higher input prices despite lower oil prices. The lower producer prices may also be an indication that producers are more willing to absorb the price increases than pass them on to customers.

Growth in the consumer price index (CPI) – the government's target measure of inflation – was 1.9 per cent in May, unchanged from April and is close to the Chancellor's 2.0 per cent target. (Figure 16) Large downward pressures came from transport in particular fuels and lubricants which eased in May but which rose sharply a year earlier reflecting increased crude oil prices. Small downward effects came from clothing and footwear, housing and household services, furniture and household goods and communication charges. Large upward effects came from food and non-alcoholic beverages. Continuing the recent trend, food prices rose by more than a year ago, with the main upward effects coming from meat and fruit. Small upward effects also came from alcoholic beverages and tobacco and recreation and culture. The RPI inflation rate decreased to 2.9 per cent from 3.2 per cent in April. The RPIX inflation also fell from 2.3 per cent in April to 2.1 per cent in May.

Figure 16
Inflation

Growth, month on month a year ago



Forecasts for the UK economy

A comparison of independent forecasts, June 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	1.7	2.9
Inflation rate (Q4 per cent)			
CPI	1.9	1.4	3.1
RPI	2.6	1.8	3.6
Unemployment (Q4, million)	0.85	0.77	1.01
Current account (£ billion)	-26.9	-37.1	-19.5
Public Sector Net Borrowing (2004-05, £ billion)	37.0	33.0	43.1

Independent forecasts for 2006

	Average	Lowest	Highest
GDP growth (per cent)	2.4	0.1	3.1
Inflation rate (Q4 per cent)			
CPI	2.0	1.5	3.3
RPI	2.5	1.0	3.9
Unemployment (Q4, million)	0.89	0.74	1.25
Current account (£ billion)	-26.5	-35.4	-15.5
Public Sector Net Borrowing (2005-06, £ billion)	36.4	26.0	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.

The effects of taxes and benefits on household income, 2003–04

Francis Jones

Office for National Statistics

This analysis examines how taxes and benefits redistribute income between various groups of households in the United Kingdom. It shows where different types of households and individuals are in the income distribution and looks at the changing levels of income inequality over time. The tables and figures were renumbered starting from the 2000–01 publication and new tables and figures were added. Table 1, showing links between the current tables and figures and those for 1999–2000 and previous years, is included at the end of the summary section.

Redistribution through taxes and benefits

Government intervention, by means of taxes and benefits, alters the incomes of households. In general, households in the top half of the distribution pay more in taxes than they receive in benefits while the reverse is true for those in the lower half. Taxes and benefits therefore tend to reduce the differences between households' incomes. As shown in Table 4 for 2003–04, before government intervention, the top fifth of households have an average of around £63,200 per year in original income (that is, from sources such as earnings, occupational pensions and investments). This is around 17 times as great as the figure of around £3,700 for the bottom fifth. After taking account of taxes and benefits, the ratio for final income is greatly reduced to four to one, the same as in previous years. The effect on the transition between original income and final income for 2003–04, broken down by quintiles, is also shown graphically in Figure 1.

Cash benefits play the largest part in reducing inequality. The majority of these go to households in the lower part of the distribution, with the poorest two-fifths receiving 59 per cent of the total. As shown in Table 4, these households typically receive around £6,000 from cash benefits, representing around 61 per cent of gross income for the bottom quintile group and 37 per cent for the next group. These proportions are even higher for retired households in this part of the distribution (see Table 12). The majority of cash benefits for non-retired households come from non-contributory benefits and, for retired households, from contributory benefits,

Figure 1
Original income and Final income by quintile groups for ALL households, 2003–04

Average per household (£ per year)

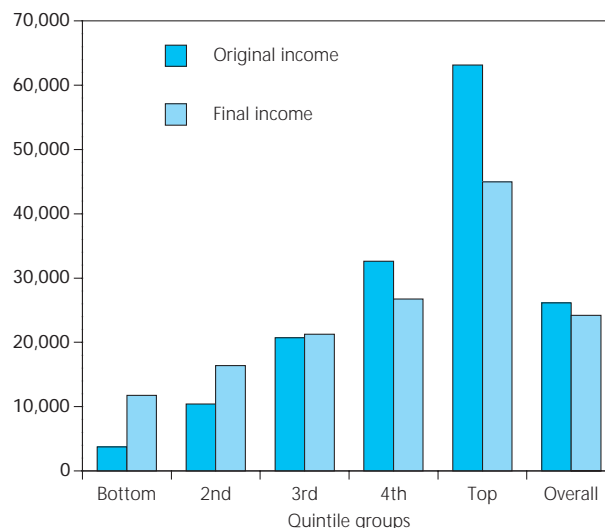
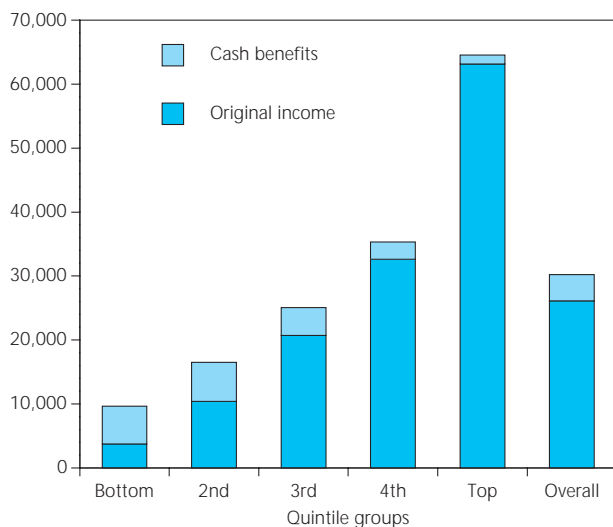


Figure 2
Gross income by quintile groups for ALL households, 2003–04

Average income per household (£ per year)



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

Direct taxes, except for Council tax and Northern Ireland rates, are progressive – they take a larger proportion of income from those higher up the income distribution because tax is not paid on the first tranche of income and higher rates of tax are paid on higher incomes. Therefore, they also contribute to a reduction in inequality although not to the same extent as cash benefits. The proportion of gross income paid in direct tax (Table 3) by the top fifth of households is 25 per cent compared with 10 per cent for the bottom fifth. For Council tax in Great Britain and domestic rates in Northern Ireland, the top quintile group pays the largest absolute amount (Table 14A). On the other hand, when expressed as a proportion of gross income (Table 3), the impact of Council tax in Great Britain and domestic rates in Northern Ireland is higher in the lower half of the distribution.

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

Households also receive benefits in kind from services provided free or at subsidised prices by government, such as health and education. The amount received falls gradually as income increases indicating that these benefits also lead to a reduction in inequality.

In 2003–04, three new tax credits were introduced: the child tax credit (CTC), working tax credit (WTC) and pension credit (PC). CTC and WTC have replaced working families'

tax credit, disabled person's tax credit, and children's tax credit, as well as some child allowances which were awarded as part of other benefits. PC has replaced Minimum Income Guarantee. In previous analyses, these tax credits were all treated as cash benefits. However, because of the way that the new tax credits are integrated within the tax system, CTC and WTC payments will be treated as negative income tax, at least to the extent that income tax *less* tax credits remains greater than or equal to zero, for each family. So now only for households paying little or no income tax, are tax credit payments treated either partially or wholly, as cash benefits. This is consistent with the way that tax credits are treated within the National Accounts.

Tax credit payments which are treated as negative income tax, rather than cash benefits, reduce the amount of income tax paid by households. These payments are made predominantly to households in the middle three quintiles, and the average amount of income tax paid by these households is reduced by between £180 and £220 per year. Treating these payments as negative income tax, rather than cash benefits, means they are no longer part of gross income, which as a result is lower by this amount. Tables which present 2003–04 data, but with tax credits treated as in previous years, are available on request. This article includes Table 3A, which shows taxes as a percentage of gross income, using the old treatment of tax credits, to enable comparison with previous years. The data on tax credit payments presented in this analysis, are thought to under-estimate the true level of payments due to under-reporting in the Expenditure and Food Survey (EFS). Further details are provided in the section on concepts and sources.

Characteristics across the income distribution

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

Some household types are more likely to be in higher income groups, while others tend to appear in the lower groups (Tables 4, 15 and 15A). Single person households are slightly more likely to be in the higher income groups, while households consisting of two adults with no children, are very clearly concentrated in those higher groups.

Households containing two adults with children tend to be not quite as high up the income distribution as those with no children. Those with one child tend to have slightly higher incomes than those with two children, while those with three or more children are more likely to be in the bottom half of the distribution.

Households which consist of only one adult with children are much more concentrated in the lower income groups. Retired households are also concentrated in the bottom half of the income distribution.

Adults and children are not spread evenly throughout the income distribution. For example, there are more children in households in the lower half of the distribution.

Among adults, women appear fairly evenly spread across income groups but there are more men in households in the higher groups than in the lower groups.

Trends in income inequality

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

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

Concepts and sources

Redistribution through taxes and benefits

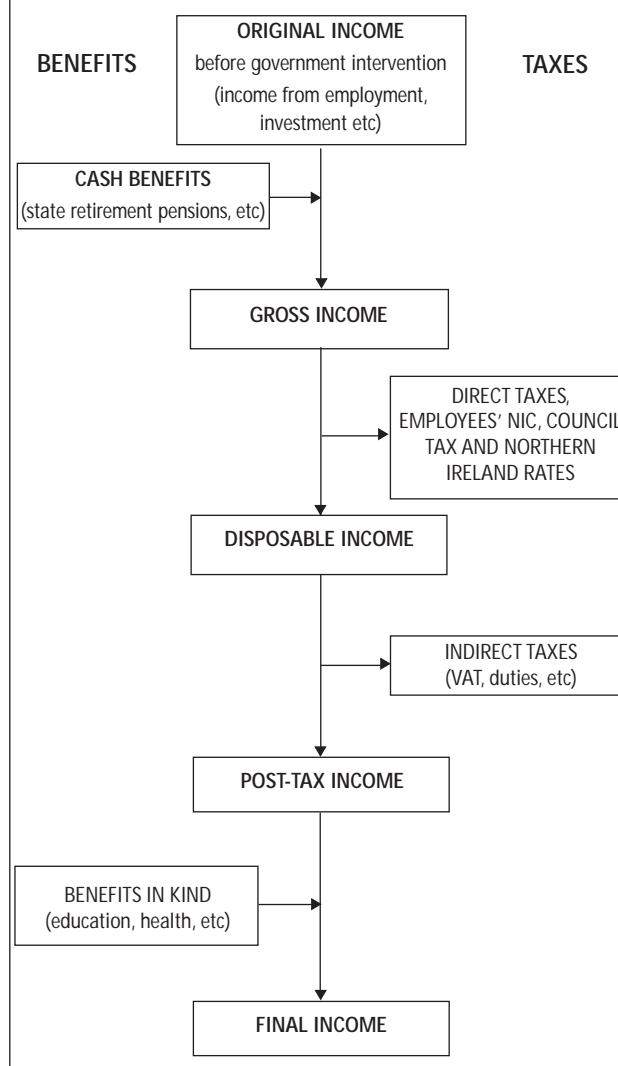
This study examines how taxes and benefits redistribute income. It adds the value of government benefits to the private income of households and subtracts the value of taxes to look at different measures of household income.

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

The analysis only allocates those taxes and benefits that can reasonably be attributed to households. Therefore, some government revenue and expenditure is not allocated such as revenue from corporation tax and expenditure on defence and public order. There are three main reasons for non-allocation. Some taxes and benefits fall on people who do not live in private households. In other cases, there is no clear conceptual basis for allocation to particular households. Finally, there may be a lack of data to enable allocation. In this study, some £287 billion of taxes and compulsory social contributions have been allocated to households. This is equivalent to 64 per cent of general government expenditure, which totalled around £448 billion in 2003 (Table 13). Similarly, £247 billion of cash benefits and benefits in kind have been allocated to households, making up 55 per cent of general government expenditure (Table 13).

The estimated values of taxes and benefits reflect the methodology used in this study. They are based on assumptions about which taxes and benefits should be covered and to whom they should apply. Where it is practical, the methodology used is similar to that used in previous years. However, there have been some changes in the underlying surveys and improvements in the methodology. For example, changes from 1996–97 onwards include new questions for the self-employed and the use of data which are grossed up to the UK household population. A household is

Diagram 1
Stages of redistribution



defined in terms of the harmonised definition as used in the Census and nearly all other government household surveys since 1981. This is one person, or a group of persons, who have the accommodation as their only or main residence and (for a group) share the living accommodation, that is a living or sitting room, or share meals together or have common housekeeping. Up until 1999–2000, the definition was based on the pre-1981 Census definition and required members to share eating and budgeting arrangements as well as shared living accommodation. The definition of a household comprised people who lived at the same address and who shared common catering for at least one meal a day. The effect of the change was fairly small, but not negligible.

For this reason, one should be cautious about making direct comparisons with earlier studies. Comparisons with previous years are also affected by sampling error. This is especially true for estimates which are based on sub-samples such as the results for decile or quintile groups, or particular households types, which will be subject to relatively larger sampling errors.

Time series are presented for some of the more robust measures, and these include Gini coefficients and other measures of inequality in Tables 26 and 27. We do not think it

is appropriate to equivalise the final income measure because this contains notional income from benefits in kind (for example, state education): the equivalence scales used in the article are based on actual household spending and do not, therefore, apply to such items as notional income.

Unit of analysis

The unit of analysis used in this study is the household. The households are ranked by their equivalised disposable income, which the analysis uses as a proxy for their level of welfare. Equivalisation is a standard methodology that takes into account the size and composition of households and adjusts their incomes to recognise differing demands on resources. For example, a couple would need a higher income than a single person to achieve the same standard of living. The equivalence scale used in this analysis is the *McClements scale* (before housing costs are deducted). So a single person's income of £6,100 is treated as equivalent to an income of £10,000 for a couple (see Appendix 2, paragraph 48). Households with the same equivalised income do not necessarily have the same standard of living where other characteristics are different. For example, households which own their homes outright would be in a better position than identical households with the same income which had to pay rent or mortgage payments. Also, households which include disabled people may require additional resources to maintain the same standard of living as those without disabled people. Equivalisation does not adjust for these differences.

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

Data source

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

The survey results are re-weighted and grossed so that the totals reflect the whole household population in terms of age, sex and region. Different initial weights are applied to different types of household in order to correct for over or under-representation of these groups in the responding sample of the EFS. Studies have indicated that the EFS suffers from under-representation of individuals at the very top of the income distribution. This under-representation is not directly corrected by the re-weighting and grossing methodology and may lead to some under-estimation of

income. Those who are interested in the level of income for the top decile group of the income distribution should refer to the Department for Work and Pensions publication *Households Below Average Income 2003–04*.¹ This analysis uses data from the Family Resources Survey and contains an income adjustment for households at the top of the income distribution, which is made using the Inland Revenue's Survey of Personal Incomes.

The estimates of CTC and WTC payments presented in this analysis under-estimate the true level of payments and so need to be interpreted with some caution. Comparing estimates from the EFS with administrative data from HM Revenue and Customs (HMRC), the EFS estimate of total tax credit payments to all households is only around 60 per cent of the HMRC figure.

Some tax credit payments may be included in estimates of wages and salaries – WTC is often received through the pay packet.

However, it is likely that the EFS does not succeed in identifying all the sample households that are in receipt of tax credits. In 2003–04 this was exacerbated by administrative problems with the processing of claims in the first few months after the introduction of the new tax credits in April 2003. For many households there were delays before a backdated award was received. This meant that EFS interviews which took place in the early months of the year would not have recorded the payment of tax credits, even though an award may subsequently have been made for that period. This under-reporting will result in lower estimates of income. Further work is needed to try and improve estimation of tax credit payments.

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

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

Table 1

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

Old table or chart number	New Name	Description
Chart 1	Diagram 1	Stages of redistribution
	Figure 1	Original income and final income by quintile groups of all households, 2003–04
	Figure 2	Gross income (original income & cash benefits) by quintile groups of all households, 2003–04
Chart 2	Figure 3	Sources of gross income by quintile groups of equivalised disposable income, 2003–04
Chart 3	Figure 4	Summary of the effects of taxes and benefits on all households, 2003–04
Chart 4	Figure 5	Gini coefficients 1981 to 2003–04
Chart 5	Figure 6	Income stages by non-retired household types, 2003–04
Look up table	Table 1	Comparison between old tables and new table numbers and additional tables
A	Table 2	Percentage shares of household income and Gini coefficients, 2003–04
B	Table 3	Taxes as a percentage of gross income, disposable income and expenditure for all households by quintile groups, 2003–04
	Table 3A	Taxes as a percentage of gross income, disposable income and expenditure for all households by quintile groups – tax credits treated wholly as a benefit, 2003–04
C	Table 4	Summary of the effects of taxes and benefits by quintile groups of all households, 2003–04
D	Table 5	Percentage shares of household income and Gini coefficients for non-retired households, 2003–04
E	Table 6	Summary of the effects of taxes and benefits on non-retired households by quintile groups, 2003–04
F	Table 7	Cash benefits for non-retired households by quintile groups, 2003–04
G	Table 8	Taxes as a percentage of gross income for non-retired households by quintile groups, 2003–04
H	Table 9	Indirect taxes as a percentage of (a) disposable income and (b) household expenditure for non-retired households by quintile groups, 2003–04
I	Table 10	Benefits in kind for non-retired households by quintile groups, 2003–04
J	Table 11	Percentage shares of household income and Gini coefficients for retired households, 2003–04
K	Table 12	Summary of the effects of taxes and benefits on retired households by quintile groups, 2003–04
Appendix 1	Appendix 1	
1	Table 13	Taxes and benefits allocated to households as a percentage of general government expenditure, 2003
2A	Table 14	Average incomes, taxes and benefits by decile groups of all households, 2003–04
New quintiles	Table 14A	Average incomes, taxes and benefits by quintile groups of all households, 2003–04
2B	Table 15	Household characteristics of decile groups of all households, 2003–04
New quintiles	Table 15A	Household characteristics of quintile groups of all households, 2003–04
3A	Table 16	Average incomes, taxes and benefits by decile groups of non-retired households, 2003–04
New quintiles	Table 16A	Average incomes, taxes and benefits by quintile groups of non-retired households, 2003–04
3B	Table 17	Household characteristics of decile groups of non-retired households, 2003–04
New quintiles	Table 17A	Household characteristics of quintile groups of non-retired households, 2003–04
4A	Table 18	Average incomes, taxes and benefits by decile groups of retired households, 2003–04
New quintiles	Table 18A	Average incomes, taxes and benefits by quintile groups of retired households, 2003–04
4B	Table 19	Household characteristics of decile groups of retired households, 2003–04
New quintiles	Table 19A	Household characteristics of quintile groups of retired households, 2003–04
5	Table 20	Average incomes, taxes and benefits by decile groups of non-retired households without children, 2003–04
6	Table 21	Average incomes, taxes and benefits by decile groups of non-retired households with children, 2003–04
7	Table 22	Distribution of households by household type, 2003–04
8	Table 23	Summary of the effects of taxes and benefits, by household type, 2003–04
9	Table 24	Average incomes, taxes and benefits by decile groups of all households (ranked by unadjusted disposable income), 2003–04
10	Table 25	Cross-tabulation of households ranked by disposable income, unadjusted and equivalised, 2003–04
Appendix 2	Appendix 1	Long run time series
1	Table 26	Percentage shares of equivalised total original, gross, disposable and post-tax incomes by quintile groups for all households, 1981 to 2003–04
2	Table 27	Gini coefficients for the distribution of income at each stage of the tax-benefit system
3	Table 27	and P90/P10 and P75/P25 ratios for disposable income for all households, 1981 to 2003–04
Appendix 3	Appendix 2	Methodology and definitions
Diagram A	Diagram 3	Complete income inequality
Diagram B	Diagram 2	Lorenz curve for a typical income distribution

Note:

Symbols The following symbols have been used throughout the article

0 negligible (less than half the final digit shown)

- nil

Results for all households

Overall effect

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

In this analysis, income before taxes and benefits is termed original income and includes income from earnings, occupational pensions and investments. The extent of inequality in this measure of income can be seen by looking at the proportion of total original income received by groups of households in different parts of the income distribution. At this stage, the richest fifth of households (those in the top quintile group) receive 51 per cent of all original income (Table 2). This compares with only 3 per cent for households in the bottom fifth.

Adding cash benefits to original income produces gross income. In contrast to original income, the amount received from cash benefits is higher for households lower down the income distribution than for those at the top. This has an equalising effect on the distribution. It raises the share of income received by the bottom quintile group to 7 per cent of gross income while the share of the top fifth is reduced to 44 per cent. Figure 3 shows a breakdown of gross income by quintiles.

Table 2
Percentage shares of household income and Gini coefficients¹, 2003–04

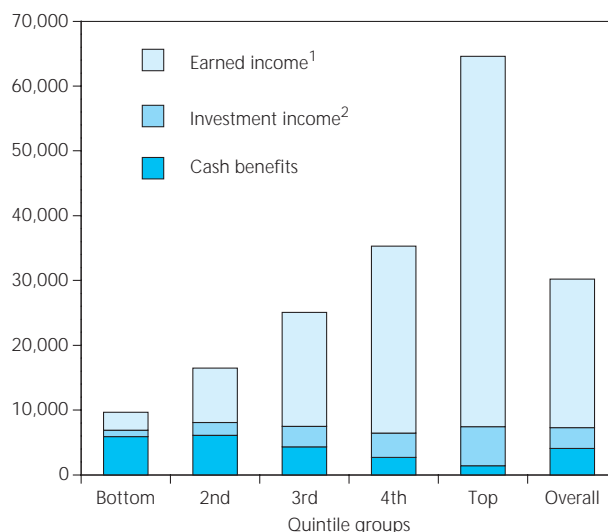
	Percentage shares of equivalised income for ALL households ²			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group ²				
Bottom	3	7	8	7
2nd	7	11	12	12
3rd	15	16	17	16
4th	24	22	22	22
Top	51	44	42	44
All households	100	100	100	100
Decile group ²				
Bottom	1	3	3	2
Top	33	29	27	29
Gini coefficient (per cent)	52	37	34	38

¹ This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 53).

² Households are ranked by equivalised disposable income.

Figure 3
Sources of gross income by quintile groups of equivalised disposable income, 2003–04

Average per household (£ per year)



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

² Investment income includes occupational pensions and annuities.

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

Tables 3, 14 and 14A show the effect of direct and indirect tax on each quintile and decile group in more detail. Households at the lower end of the income distribution pay smaller amounts of direct tax compared with households with higher incomes. Of the total income tax paid by all households, the bottom two quintile groups together pay about 6 per cent. This compares with 81 per cent of the total paid by the top two-fifths combined.

In addition, low income households also pay a smaller proportion of their income in income tax. This is due to the progressive nature of the income tax system. As a proportion of their gross incomes, households in the bottom quintile group pay 3 per cent in income tax on average compared with 18 per cent for those in the top quintile group.

For national insurance contributions, the amount paid as a proportion of gross income rises as income rises until the fourth quintile group. The proportion then falls for the top fifth. This is because in 2003–04 national insurance contributions were levied at 11 per cent on weekly earnings from £89 to £595, and at only 1 per cent thereafter. So many people in the top quintile group will have a significant part of their earnings taxed at this lower rate.

Council tax in Great Britain and domestic rates in Northern Ireland are shown in Tables 3, 14 and 14A. Households in the lower part of the income distribution pay smaller absolute amounts. After taking into account council tax benefits and rates rebates, net payments by the bottom quintile group are typically under half of those in the top fifth.

Table 3

Taxes as a percentage of gross income, disposable income and expenditure for ALL households by quintile groups¹, 2003–04**(a) Direct and indirect taxes as a percentage of gross income****(b) Indirect taxes as a percentage of disposable income****(c) Indirect taxes as a percentage of expenditure²**

	Quintile groups of ALL households ¹					All households
	Bottom	2nd	3rd	4th	Top	
(a) Percentages of gross income						
Direct taxes						
Income tax ³	3.3	5.9	9.9	13.5	18.3	13.5
Employees' NIC	1.4	2.8	4.4	5.4	4.6	4.4
Council tax & Northern Ireland rates ⁴	4.9	3.7	3.1	2.5	1.7	2.5
<i>All direct taxes</i>	<i>9.6</i>	<i>12.4</i>	<i>17.5</i>	<i>21.4</i>	<i>24.6</i>	<i>20.4</i>
Indirect taxes						
VAT	10.7	8.1	7.3	6.4	4.9	6.4
Duty on alcohol	1.5	1.2	1.1	0.9	0.6	0.9
Duty on tobacco	3.2	1.8	1.3	0.9	0.4	1.0
Duty on hydrocarbon oils & Vehicle excise duty	2.9	2.4	2.3	2.1	1.4	1.9
Other indirect taxes	9.7	6.7	5.7	4.8	3.6	5.0
<i>All indirect taxes</i>	<i>28.0</i>	<i>20.3</i>	<i>17.8</i>	<i>15.1</i>	<i>10.9</i>	<i>15.1</i>
<i>All taxes</i>	<i>37.7</i>	<i>32.7</i>	<i>35.2</i>	<i>36.4</i>	<i>35.5</i>	<i>35.5</i>
(b) Percentages of disposable income						
VAT	11.8	9.2	8.9	8.1	6.5	8.0
Duty on alcohol	1.7	1.4	1.4	1.2	0.8	1.1
Duty on tobacco	3.6	2.1	1.5	1.1	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	3.3	2.8	2.8	2.6	1.8	2.4
Other indirect taxes	10.7	7.6	6.9	6.1	4.8	6.2
<i>All indirect taxes</i>	<i>31.0</i>	<i>23.2</i>	<i>21.5</i>	<i>19.2</i>	<i>14.4</i>	<i>19.0</i>
(c) Percentages of expenditure ²						
VAT	7.9	8.0	7.9	7.4	7.1	7.5
Duty on alcohol	1.1	1.2	1.2	1.1	0.9	1.1
Duty on tobacco	2.4	1.8	1.4	1.0	0.6	1.2
Duty on hydrocarbon oils & Vehicle excise duty	2.2	2.4	2.5	2.4	2.0	2.3
Other indirect taxes	7.2	6.6	6.1	5.7	5.2	5.9
<i>All indirect taxes</i>	<i>20.8</i>	<i>20.1</i>	<i>19.1</i>	<i>17.7</i>	<i>15.9</i>	<i>17.9</i>

¹ Households are ranked by equivalised disposable income.

² Calculated to be consistent with disposable income. See paragraph 35 of Appendix 2 for the definition of expenditure.

³ After deducting those tax credit payments which are treated as negative income tax (see Appendix 2, paragraph 22), and tax relief at source on life assurance premiums.

⁴ After deducting discounts, council tax benefits and rates rebates.

Table 3A

Taxes as a percentage of gross income, disposable income and expenditure for ALL households by quintile groups – tax credits treated wholly as a benefit¹, 2003–04**(a) Direct and indirect taxes as a percentage of gross income****(b) Indirect taxes as a percentage of disposable income****(c) Indirect taxes as a percentage of expenditure²**

	Quintile groups of ALL households ²					All households
	Bottom	2nd	3rd	4th	Top	
(a) Percentages of gross income						
Direct taxes						
Income tax ³	3.8	7.2	10.7	13.9	18.4	13.9
Employees' NIC	1.4	2.8	4.4	5.3	4.6	4.3
Council tax & Northern Ireland rates ⁴	4.9	3.6	3.0	2.5	1.7	2.5
<i>All direct taxes</i>	<i>10.1</i>	<i>13.6</i>	<i>18.2</i>	<i>21.7</i>	<i>24.6</i>	<i>20.7</i>
Indirect taxes						
VAT	10.6	8.0	7.3	6.3	4.9	6.3
Duty on alcohol	1.5	1.2	1.1	0.9	0.6	0.9
Duty on tobacco	3.2	1.8	1.3	0.9	0.4	1.0
Duty on hydrocarbon oils & Vehicle excise duty	2.9	2.4	2.3	2.1	1.4	1.9
Other indirect taxes	9.6	6.6	5.6	4.8	3.6	4.9
<i>All indirect taxes</i>	<i>27.9</i>	<i>20.0</i>	<i>17.6</i>	<i>15.0</i>	<i>10.9</i>	<i>15.1</i>
<i>All taxes</i>	<i>38.0</i>	<i>33.6</i>	<i>35.8</i>	<i>36.7</i>	<i>35.5</i>	<i>35.8</i>
(b) Percentages of disposable income						
VAT	11.8	9.2	8.9	8.1	6.5	8.0
Duty on alcohol	1.7	1.4	1.4	1.2	0.8	1.1
Duty on tobacco	3.6	2.1	1.5	1.1	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	3.3	2.8	2.8	2.6	1.8	2.4
Other indirect taxes	10.7	7.6	6.9	6.1	4.8	6.2
<i>All indirect taxes</i>	<i>31.0</i>	<i>23.2</i>	<i>21.5</i>	<i>19.2</i>	<i>14.4</i>	<i>19.0</i>
(c) Percentages of expenditure ²						
VAT	7.9	8.0	7.9	7.4	7.1	7.5
Duty on alcohol	1.1	1.2	1.2	1.1	0.9	1.1
Duty on tobacco	2.4	1.8	1.4	1.0	0.6	1.2
Duty on hydrocarbon oils & Vehicle excise duty	2.2	2.4	2.5	2.4	2.0	2.3
Other indirect taxes	7.2	6.6	6.1	5.7	5.2	5.9
<i>All indirect taxes</i>	<i>20.8</i>	<i>20.1</i>	<i>19.1</i>	<i>17.7</i>	<i>15.9</i>	<i>17.9</i>

¹ Households are ranked by equivalised disposable income.² Calculated to be consistent with disposable income. See paragraph 35 of Appendix 2 for the definition of expenditure.³ After deducting tax relief at source on life assurance premiums.⁴ After deducting discounts, council tax benefits and rates rebates.

On the other hand, when expressed as a proportion of gross income, the burden decreases as income rises. Council tax in Great Britain and domestic rates in Northern Ireland represent 5 per cent of gross income for those in the bottom fifth but less than 2 per cent for those in the top quintile group.

Indirect taxes

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

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

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

Another way of looking at how taxes and benefits change inequality is to calculate Gini coefficients – a widely used summary measure of inequality (see Appendix 2, paragraph 53). It can take values from 0 to 100 per cent where a value of zero would indicate that each household had an equal share of income, while higher values indicate greater inequality.

The Gini coefficients (as shown in Tables 2 and 27) produce a similar picture to the shares of income discussed earlier. For 2003–04, the figure of 52 per cent for original income is reduced to 37 per cent for gross income by the inclusion of cash benefits – a large reduction in inequality. The coefficient for disposable income shows the equalising effect of direct taxes with the figure falling further to 34 per cent. The picture of indirect taxes reversing this effect is confirmed by the Gini coefficient rising to 38 per cent for post-tax income. The Gini coefficients for original, gross, disposable and post-tax income are all slightly higher in 2003–04 than they were in 2002–03, although they are still lower than they were in 2001–02.

As discussed earlier, there are many households in the lowest decile in particular, for which income is temporarily low or possibly under-reported. These households may well be wealthier and have higher expenditures than many households in higher deciles.

Characteristics of households

Different types of household are not spread evenly throughout the income distribution. Information about the characteristics of households in the different income groups is shown in Table 4, with more detail in Tables 15 and 15A. Household size does not vary much across the income distribution, with an average of between 2.2 and 2.5 people per household in each decile group in 2003–04. There are differences in the split between adults and children. A child (that is, a dependent) is defined as either aged under 16, or aged 16, 17 or 18, not married and receiving full-time non-advanced further education. There are fewer children in the upper half of the income distribution, and particularly in the top quintile. The pattern for the numbers of men and women also varies across income groups. The number of women is fairly constant while households in the higher income groups tend to have more men than the lower groups. Higher income groups also contain more economically active people. The top fifth of households has about three times as many economically active people as the bottom fifth.

Non-retired households with one adult and one or more children are concentrated in the lower groups, as shown in Tables 4, 15A and 22. Around two-thirds of these households are in the bottom two quintile groups. This group makes up the majority of lone parent families. However, some lone parents will be part of larger households and will be included in other household types. For two adult households with children, the position in the income distribution tends to vary according to the number of children. Those with three or more children tend to be in lower groups than those with only one or two. Households with three or more children are less likely to have two economically active adults compared to those with fewer children, partly reflecting the fact that the youngest child or children may not yet be of school age. This increases the chance that households with three or more children will be found in the lower part of the income distribution. Where there are no children in the household, non-retired two adult households tend to be found in the higher income groups.

Table 4

Summary of the effects of taxes and benefits by quintile groups on ALL households¹, 2003–04

	Quintile groups of ALL households ¹						Ratio Top/Bottom quintile
	Bottom	2nd	3rd	4th	Top	All households	
Income, taxes and benefits per household (£ per year) ²							
Original income	3 750	10 410	20 710	32 630	63 150	26 130	17
<i>plus</i> cash benefits	5 910	6 090	4 360	2 690	1 420	4 100	0
Gross income	9 660	16 500	25 070	35 330	64 570	30 230	7
<i>less</i> direct taxes ³ and employees' NIC	930	2 050	4 380	7 540	15 890	6 160	17
Disposable income	8 730	14 450	20 700	27 780	48 680	24 070	6
<i>less</i> indirect taxes	2 710	3 350	4 460	5 320	7 030	4 570	3
Post-tax income	6 020	11 100	16 240	22 460	41 650	19 500	7
<i>plus</i> benefits in kind	5 720	5 280	5 020	4 270	3 340	4 730	1
Final income	11 750	16 380	21 270	26 730	44 990	24 220	4
Number of individuals per household							
<i>Children</i> ⁴	0.6	0.6	0.6	0.5	0.4	0.5	
<i>Adults</i>	1.6	1.7	1.9	2.0	1.9	1.8	
<i>Men</i>	0.7	0.8	0.9	1.0	1.0	0.9	
<i>Women</i>	0.9	0.9	1.0	1.0	0.9	1.0	
People	2.2	2.3	2.5	2.5	2.3	2.4	
People in full-time education	0.6	0.5	0.6	0.5	0.3	0.5	
Economically active people	0.5	0.8	1.3	1.6	1.7	1.2	
Retired people	0.6	0.6	0.5	0.3	0.2	0.4	
Household type (percentages)							
Retired	40	41	27	16	8	26	
Non-retired							
1 adult	15	11	12	14	21	15	
2 adults	12	12	19	27	39	22	
1 adult with children ⁵	12	7	5	3	1	6	
2 adults with children	14	19	23	23	19	20	
3 or more adults ⁶	8	10	15	17	12	12	
All household types	100	100	100	100	100	100	

¹ Households are ranked by equivalised disposable income.

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

³ These are income tax (after deducting those tax credit payments which are treated as negative income tax (see Appendix 2, paragraph 22), and tax relief at source on life assurance premiums), Council tax and Northern Ireland rates but after deducting discounts, council tax benefits and rates rebates.

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

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

⁶ With or without children.

Retired households are over-represented at the lower end of the distribution with 62 per cent falling into the bottom two quintile groups (as shown in Table 22). Those consisting of one retired woman are more concentrated towards the bottom compared to those with one retired man.

Stages of redistribution

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

On average, households receive about £26,100 a year in original income but this varies widely between households. Those in the top quintile group have around £63,200 compared with about £3,700 for the bottom fifth. This pattern is driven by differences in the numbers of economically active people and the employment status of the chief economic supporter between the groups. For example, as shown in Tables 15 and 15A, nine in ten chief economic supporters of households in the top quintile group are economically active compared with three in ten of those in the lowest. The chief economic supporters in the top fifth are predominantly full-time employees or self-employed. Those in the bottom fifth are more likely to work part-time or be unemployed or economically inactive. Those in the higher deciles tend to have better paid jobs as well as being more likely to be economically active.

Wages and salaries and income from self-employment are typically the most important source of income, together making up three-quarters of gross income on average (as shown in Table 14A). Cash benefits are also a significant source, particularly for households in the lower half of the distribution. This will include those tax credit payments which are treated as benefits. Of the total amount of cash benefits received, the bottom two quintile groups together receive 59 per cent. These households typically receive around

£6,000 from cash benefits, representing around 61 per cent of gross income for the bottom quintile group and 37 per cent for the next group.

Higher income groups pay both higher amounts of direct tax and higher proportions of their income in direct tax (Tables 3, 4, 14 and 14A). The top quintile group pays about £15,900 per household in income tax, national insurance contributions and Council tax or Northern Ireland rates – 25 per cent of gross income. In contrast, the direct tax bill for households in the bottom fifth is around £900, representing 10 per cent of their gross income. Looking at income tax on its own, around 81 per cent of the total is paid by the top two quintile groups. The average amount of income tax paid by households is reduced by tax credit payments which are treated as negative income tax. This mainly affects households in the middle three quintiles where the average amount of income tax paid is reduced by between £180 and £220.

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

The final stage in the redistribution process is the addition of benefits in kind, such as those from state education and the health service. Households in the bottom quintile group receive the equivalent of around £5,700 from all benefits in kind, compared to £3,300 received by the top fifth (see Figure 4). These are described in more detail later in the analysis.

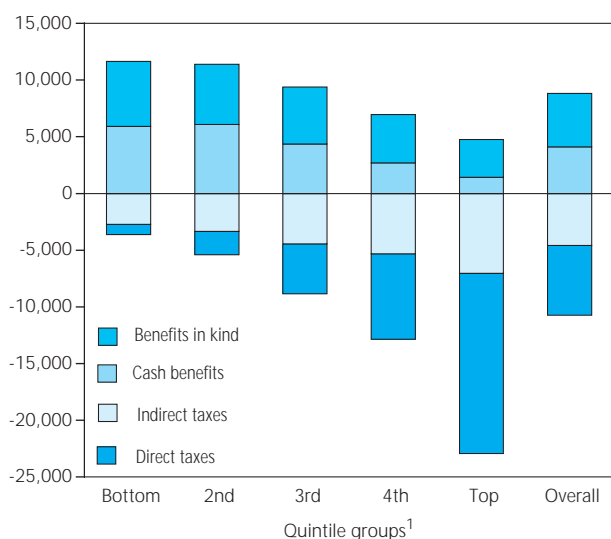
Taken as a whole, the tax and benefit systems redistribute income from high income households to those on low incomes. The average final income for the quintile groups ranges from £11,700 to £45,000, a ratio of one to four compared to a ratio of one to 17 for original income, that is, before government intervention, as shown in Table 4.

Changes in inequality over time

There are many ways of measuring income inequality. Different measures may show different trends depending on whether they are particularly sensitive to changes in one part of the distribution. Calculation of several measures of inequality allows us to see whether a particular trend is peculiar to one particular measure or backed up by others. Tables 26 and 27 (at the end of Appendix 1) show trends for three measures of inequality. Table 26 shows trends for the shares of income figures that have already been seen for 2003–04 earlier in this analysis. Table 27 contains time series for Gini coefficients and another concept: using the ratio of the incomes at two points in the distribution. Two such measures are calculated: the ratio of the disposable income at the 90th percentile compared to the 10th (P90/P10); and the ratio of the 75th percentile to the 25th (P75/P25). (The 90th percentile is the income below which nine out of ten households lie and the 75th percentile is the income below which three quarters of households lie.) An advantage of the measure of the ratio of the 75th percentile to the 25th is that it is not affected by extreme values at either end of the distribution, which may be inaccurately measured. However, it does not reflect changes within households in the middle of the distribution.

Figure 4
Summary of the effects of taxes and benefits on ALL households, 2003–04

Average income per household (£ per year)



1 Households are ranked throughout by their grossed equivalised disposable incomes.

Figure 5
Gini coefficients, 1981 to 2003–04

Percentage



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

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

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

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

Table 26 shows trends in the shares of income and tells the same story as the Gini coefficient: one of increasing inequality of disposable income in the 1980s then a flatter picture in the 1990s. Changes in income distribution over time have been the focus of much study. The Organisation for Economic Co-operation and Development (OECD)³ has commissioned a number of studies into this, and has identified a number of reasons for possible shifts, in particular the widening of the income distribution during the 1980s. The most prominent reasons given are globalisation of trade pushing down some wages, recent technological changes having a bias against unskilled workers, and other developments concerning the deregulation of labour and product markets.

Other explanations for trends in recent years offered by, for example, the Institute for Fiscal Studies (IFS)⁴ include: the effect of wage growth in some areas; the change in the importance of self-employment income; the change in the level of unemployment and the type of people affected; the importance of additional income sources; demographics; and the tax and benefit system.

Results for non-retired Households

Overall effect

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

Characteristics of households

Unlike for all households, the average household size tends to decrease as income increases, as shown in Tables 17 and 17A. This fall is largely accounted for by the decrease in the average number of children in each household from 1.0 in the bottom quintile group to 0.4 in the top.

Other patterns are similar to those for all households. One adult households with children are concentrated at the bottom of the distribution with 41 per cent of these households in the bottom fifth and a further 25 per cent in the second quintile group (Table 22). Two adult households with three or more children are also concentrated towards the bottom although not to the same extent. Two adult households without children are over-represented at the top.

Table 5
Percentage shares of household income and
Gini coefficients¹ for NON-RETIRED households,
2003–04

	Percentage shares of equivalised income for NON-RETIRED households			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group ²				
Bottom	3	6	7	6
2nd	10	12	12	12
3rd	16	16	17	16
4th	24	23	22	22
Top	47	43	41	44
All non-retired households	100	100	100	100
Decile group ²				
Bottom	1	2	3	2
Top	30	28	27	29
Gini coefficient (per cent)	45	37	34	38

1 This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 53).

2 Households are ranked by equivalised disposable income.

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

Original income

The average original income for non-retired households is £32,700 (Table 6). As mentioned above, inequality of original income is lower for non-retired households than for all households. The ratio of the average for the top quintile group to the bottom is 11 to one (compared to 17 to one for all households).

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

Cash benefits

Table 7 gives a summary of the benefits that each quintile group receives. There are two types of cash benefits: contributory benefits which are paid from the National Insurance Fund (to which individuals and their employers make contributions while working) and non-contributory benefits.

Table 6
Summary of the effects of taxes and benefits on NON-RETIRED households by quintile groups¹, 2003–04

	Quintile groups of NON-RETIRED households ¹					All non-retired households	Ratio Top/Bottom quintile
	Bottom	2nd	3rd	4th	Top		
Income, taxes and benefits per household (£ per year)							
Original income	6 180	18 310	28 770	39 880	70 570	32 740	11
<i>plus</i> cash benefits	5 540	4 030	2 280	1 580	900	2 870	0
Gross income	11 730	22 340	31 050	41 460	71 460	35 610	6
<i>less</i> direct taxes ² and employees' NIC	1 240	3 540	6 270	9 490	17 890	7 690	14
Disposable income	10 480	18 790	24 780	31 970	53 580	27 920	5
<i>less</i> indirect taxes	3 360	4 390	5 270	5 970	7 350	5 270	2
Post-tax income	7 130	14 400	19 510	26 000	46 230	22 650	6
<i>plus</i> benefits in kind	6 310	5 720	4 810	4 010	3 220	4 810	1
Final income	13 430	20 110	24 320	30 010	49 440	27 460	4
Number of individuals per household							
<i>Children</i> ³	1.0	0.9	0.7	0.5	0.4	0.7	
<i>Adults</i>	1.8	2.0	2.0	2.1	1.9	1.9	
<i>Men</i>	0.8	0.9	1.0	1.1	1.0	1.0	
<i>Women</i>	0.9	1.0	1.0	1.0	0.9	1.0	
People	2.8	2.9	2.8	2.6	2.3	2.7	
People in full-time education	1.0	0.9	0.7	0.5	0.4	0.7	
Economically active people	0.9	1.5	1.8	1.9	1.8	1.6	
Retired people	0.1	0.1	0.1	0.1	0.1	0.1	

1 Households are ranked by equivalised disposable income.

2 These are income tax (after deducting those tax credit payments which are treated as negative income tax (see Appendix 2, paragraph 22), and tax relief at source on life assurance premiums), Council tax and Northern Ireland rates but after deducting discounts, council tax benefit and rates rebates.

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

Table 7
Cash benefits for NON-RETIRED households by
quintile groups¹, 2003–04

	Quintile groups of NON-RETIRED households ¹					All non- retired house- holds
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Contributory						
Retirement pension	230	560	500	580	260	420
Incapacity benefit	650	390	210	140	30	290
Job seeker's allowance ²	70	10	10	0	0	20
Other	50	60	50	50	40	50
Total contributory	990	1 020	760	770	330	780
Non-contributory						
Income support ³	1 460	490	190	40	20	440
Tax credits ⁴	470	530	210	80	20	260
Child benefit	670	650	510	370	270	500
Housing benefit	1 190	500	170	60	40	390
Job seeker's allowance ⁵	180	30	20	0	-	50
Sickness/disablement related	430	660	350	180	90	340
Other	150	150	80	80	120	120
Total non-contributory	4 550	3 010	1 520	810	570	2 090
Total cash benefits	5 540	4 030	2 280	1 580	900	2 870
Cash benefits as a percentage of gross income						
	47	18	7	4	1	8

¹ Households are ranked by equivalised disposable income.

² Contribution based.

³ Including pension credit.

⁴ Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).

⁵ Income based.

For non-retired households, non-contributory benefits make up nearly three-quarters of all cash benefits on average.

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

Most non-contributory benefits, particularly income support and housing benefit, are income related and so payments are concentrated in the two lowest quintile groups. The presence of some individuals with low incomes in high income households means that some payments are recorded further up the income distribution. Of the total amount of income support and housing benefit paid to non-retired households, 88 per cent goes to the bottom two-fifths, with the majority of this going to the bottom quintile.

Child benefit is based on the number of children in the household. Levels of child benefit received are therefore higher at the lower end of the distribution, as these households tend to have more children. Working tax credits

and child tax credits, which are in excess of any income tax paid by the household and so are regarded as benefits, go predominantly to households with lower incomes. Of the total amount, 76 per cent goes to the bottom two quintiles although, unlike income support and housing benefit, more is paid to the second quintile than the bottom quintile.

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

For all non-retired households, as shown in Table 7, cash benefits provide 8 per cent of gross income on average. For those in the bottom quintile group they form a much larger proportion – 47 per cent. Their payment results in a significant reduction in income inequality.

Direct taxes

Households at the lower end of the income distribution pay smaller amounts of direct tax (including income tax, employees' national insurance contributions, and Council tax and Northern Ireland rates net of council tax benefits and rates rebates) compared with households with higher incomes (Tables 16 and 16A). Of the total income tax paid by non-retired households, the bottom two quintile groups together pay about 9 per cent. This compares with about 76 per cent of the total paid by the top two-fifths.

Households receiving tax credits pay a slightly reduced amount of income tax. The biggest effect is on households in the second quintile who pay on average £370 less income tax.

Table 8
Taxes as a percentage of gross income for NON-
RETIRED households by quintile groups¹, 2003–04

	Quintile groups of NON-RETIRED households ¹					All non- retired house- holds
	Bottom	2nd	3rd	4th	Top	
Percentages						
Direct taxes						
Income tax ²	4.6	8.2	11.9	14.6	18.9	14.4
Employees' NIC	2.5	4.6	5.6	6.1	4.6	5.0
Council tax & NI rates ³	3.5	3.1	2.6	2.3	1.5	2.2
All direct taxes	10.6	15.9	20.2	22.9	25.0	21.6
All indirect taxes	28.6	19.7	17.0	14.4	10.3	14.8
All taxes	39.2	35.5	37.2	37.3	35.3	36.4

¹ Households are ranked by equivalised disposable income.

² After deducting those tax credit payments which are treated as negative income tax (see Appendix 2, paragraph 22), and tax relief at source on life assurance premiums.

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

In addition, low income households also pay a smaller proportion of their income in income tax (Table 8). This is due to the progressive nature of the income tax system. As a proportion of their gross incomes, households in the bottom quintile group typically pay 5 per cent in income tax compared with 19 per cent for those in the top quintile group.

In 2003–04 national insurance contributions were levied at 11 per cent on weekly earnings from £89 to £595 and at only 1 per cent thereafter. This was a change from 2002–03 when contributions were levied at 10 per cent on earnings from £89 to £585, with no contribution for earnings above this level. Table 8 shows that, for the average non-retired household, national insurance contributions accounted for 5 per cent of gross income. This had increased from 4.3 per cent in 2002–03.

Council tax in Great Britain and domestic rates in Northern Ireland are shown net of council tax benefits and rates rebates in Tables 8, 16 and 16A. Households in the lower part of the income distribution pay smaller absolute amounts in local taxes. Net payments by the bottom quintile group are only about two-fifths of those in the top fifth (Table 16A). When expressed as a proportion of gross income in Table 8, the impact decreases as income rises. Council tax and Northern Ireland rates represent 3.5 per cent of gross income for the bottom fifth but only 1.5 per cent for those in the top quintile group.

Indirect taxes

The amount of indirect tax that each household pays is estimated from its expenditure recorded in the EFS. However, as described earlier in this analysis, the income and

expenditure data recorded in the EFS are not fully compatible because they are recorded in different ways (see Appendix 2, paragraph 6). Therefore, to give a more complete picture of the impact of indirect taxes, they are shown in Table 9 as a proportion of disposable income and, separately, as a proportion of expenditure. In addition, indirect taxes are also shown as a proportion of gross income in Table 8 so that the impact of direct and indirect taxes can be compared.

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

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

Benefits in kind

The Government provides certain goods and services to households either free at the time of use or at subsidised prices. This study allocates these benefits in kind to individual households in order to arrive at final income. The largest

Table 9

Indirect taxes as a percentage of (a) disposable income and (b) household expenditure¹ for NON-RETIRED households by quintile groups², 2003–04

	Quintile groups of NON-RETIRED households ²					All non-retired households
	Bottom	2nd	3rd	4th	Top	
(a) Percentages of disposable income						
VAT	12.2	9.4	8.8	7.9	6.2	7.9
Duty on alcohol	1.7	1.4	1.3	1.2	0.8	1.1
Duty on tobacco	4.1	2.0	1.5	1.1	0.5	1.3
Duty on hydrocarbon oils & Vehicle excise duty	3.4	3.1	2.9	2.6	1.7	2.4
Other indirect taxes	10.6	7.4	6.7	5.9	4.5	6.1
All indirect taxes	32.0	23.4	21.3	18.7	13.7	18.9
(b) Percentages of expenditure ¹						
VAT	8.0	7.9	7.6	7.4	7.0	7.4
Duty on alcohol	1.1	1.2	1.1	1.1	0.9	1.1
Duty on tobacco	2.7	1.7	1.3	1.0	0.5	1.2
Duty on hydrocarbon oils & Vehicle excise duty	2.3	2.6	2.5	2.4	1.9	2.3
Other indirect taxes	7.0	6.3	5.8	5.5	5.1	5.7
All indirect taxes	21.1	19.7	18.3	17.4	15.5	17.7

¹ Calculated to be consistent with disposable income. See paragraph 35 of Appendix 2 for the definition of expenditure.

² Households are ranked by equivalised disposable income.

two categories for which such imputations are made are health and education services. The imputed value of these benefits is based on the estimated cost of providing them. This expenditure on health and education, which is allocated to households, is equivalent to around 27 per cent of total general government expenditure, as shown in Table 13. Other items for which imputations are made are free school meals, welfare milk, housing subsidy and travel subsidies. These items are equivalent to a further 1 per cent of general government expenditure. Table 10 gives a summary of the value of these benefits for each quintile group for non-retired households.

The benefit in kind from education is allocated to a household according to its members' use of state education (Appendix 2, paragraph 38). Households in the lower quintiles receive the highest benefit from education, as shown in Table 10. This is due to the concentration of children in this part of the distribution. In addition, children in households in the higher quintiles are more likely to be attending private schools and an allocation is not made in these cases. The impact of expenditure on free school meals and welfare milk is greatest in the lower income groups, where children are more likely to have school meals provided free of charge.

The benefit from the health service is estimated according to the age and sex of the household members rather than their actual use of the service, as the EFS does not contain this information (Appendix 2, paragraph 40). The imputed benefit is relatively high for young children, low in later childhood and through the adult years until it begins to rise from late middle age onwards. This benefit is similar in the bottom two quintiles then falls gradually as income rises, as shown in Table 10. This pattern is a reflection of the demographic composition of households. Studies by Sefton⁵

have attempted to allow for variations in use of the health service according to socio-economic characteristics.

The housing subsidy, which excludes housing benefit (Appendix 2, paragraph 41), is spread between public sector, housing association and Registered Social Landlord tenants. Since such households tend to be concentrated in the lower half of the income distribution, this is where the imputed benefit is highest, as shown in Table 10.

Travel subsidies cover the support payments made to bus and train operating companies. The use of public transport by non-retired households is partly related to the need to travel to work and therefore to the number of economically active people in a household. This results in estimates of these subsidies being higher for households in higher income quintiles. This pattern is also due to London and the South East having higher levels of commuting by public transport together with higher than average household incomes.

Taken together, the absolute value of these benefits in kind declines as household income increases. The ratio of benefits in kind to post-tax income decreases from 88 per cent for the lowest quintile group to 7 per cent for the highest, as shown in Table 10. This indicates that these benefits contribute to the reduction in inequality.

The effects of taxes and benefits by household type

The tax and benefit systems affect different types of household in different ways reflecting, in part, the number and ages of people within each household type. Of the types of non-retired households shown in Figure 6, only those containing one adult and children are net gainers, with average final incomes of £19,400 compared to original incomes of £9,200 (Table 23). This table also has a more detailed breakdown that shows that households with two adults and three or more children are also net beneficiaries, but to a smaller extent.

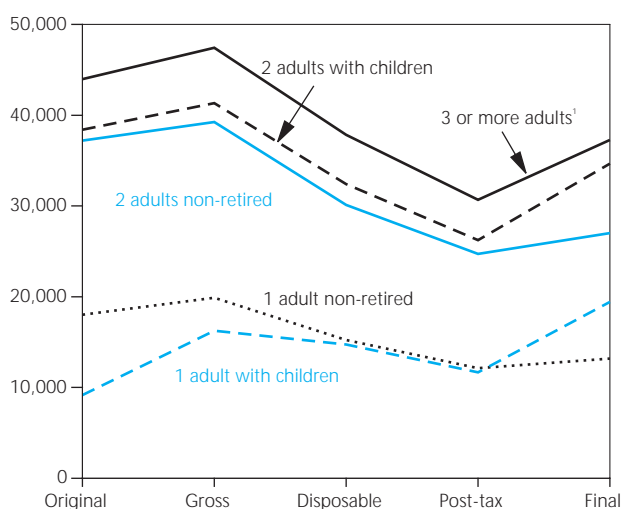
Table 10
Benefits in kind for NON-RETIRED households by quintile groups¹, 2003–04

	Quintile groups of NON-RETIRED households ¹					All non-retired households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Education	3 620	3 010	2 210	1 630	1 060	2 310
National health service	2 390	2 540	2 460	2 250	2 010	2 330
Housing subsidy	110	50	30	10	0	40
Travel subsidies	70	80	90	110	150	100
School meals and welfare milk	110	40	10	10	0	30
All benefits in kind	6 310	5 720	4 810	4 010	3 220	4 810
Benefits in kind as a percentage of post-tax income	88	40	25	15	7	21

¹ Households are ranked by equivalised disposable income.

Figure 6
Income stages by NON-RETIRED household types, 2003–04

Average income (£ per year)



¹ With or without children.

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

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

Results for retired households

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

There is a high degree of inequality in original income between households. Tables 11, 18 and 18A show that, before government intervention, the richest fifth of retired households receive 57 per cent of total original income, while the Gini coefficient for this measure of income is 63 per cent. Both these measures are higher (showing more inequality) than equivalent figures for non-retired households. After the impact of taxes and benefits there is a large reduction

in inequality. Cash benefits play by far the largest part in bringing about this reduction. Income tax payments make a further, though much smaller, contribution. Payments of indirect taxes result in an increase in inequality.

Overall, retired households receive an average of £7,500 in original income with most of this coming from occupational pensions and investments (Tables 12, 18 and 18A). Original income ranges from £1,400 for the bottom quintile group to £20,700 for the top. On the other hand, amounts received from cash benefits vary less across the distribution. On average, households in the bottom fifth receive around £5,900 from this source, while those in the second to fifth quintile groups receive between £7,700 and £8,500. These cash benefits make up large proportions of the gross incomes for the bottom four quintiles ranging from 81 per cent for the bottom quintile group to 50 per cent for the fourth quintile group. The top fifth are much less dependent on cash benefits – these account for only 27 per cent of their gross incomes.

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

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

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

Table 23 gives some details of the effect of taxes and benefits on different types of household. On average, both one adult retired households and those with two or more adults are net gainers from the tax and benefit systems. For one adult retired households there are distinct differences in original income by gender. Men received £6,800 compared to £3,700 for women. After the addition of benefits and the deduction of taxes, the differences are greatly reduced, so that final income levels for these men is only marginally higher than for women.

Table 11
Percentage shares of household income and Gini coefficients¹ for RETIRED households, 2003–04

	Percentage shares of equivalised income for RETIRED households ²			
	Original income	Gross income	Disposable income	Post-tax income
Quintile group ²				
Bottom	4	10	10	9
2nd	7	14	14	14
3rd	11	17	17	17
4th	21	22	22	22
Top	57	38	36	37
All retired households	100	100	100	100
Decile group ²				
Bottom	2	4	4	4
Top	40	24	22	23
Gini coefficient (per cent)	63	28	26	30

1 This is a measure of the dispersion of each definition of income (see Appendix 2, paragraph 53).

2 Households are ranked by equivalised disposable income.

Table 12

Summary of the effects of taxes and benefits on RETIRED households by quintile groups¹, 2003-04

	Quintile groups of RETIRED households ¹					All retired households
	Bottom	2nd	3rd	4th	Top	
Income, taxes and benefits per household (£ per year)						
Original income						
Earnings	90	90	430	790	1 450	570
Occupational pensions	950	2 100	3 220	6 660	14 630	5 510
Investment income	320	490	540	1 030	4 450	1 370
Other income	20	50	50	80	120	70
Total original income	1 380	2 730	4 250	8 560	20 660	7 510
<i>plus</i> Contributory benefits	5 040	6 170	5 800	6 170	5 970	5 830
Non-contributory benefits	830	1 530	2 270	2 310	1 690	1 730
Total cash benefits	5 870	7 700	8 070	8 480	7 660	7 560
Gross income	7 250	10 430	12 320	17 030	28 320	15 070
<i>less</i> Income tax ²	90	270	440	1 130	3 660	1 120
Employees' NIC	10	0	10	40	130	40
Council tax & Northern Ireland rates ³	600	600	540	730	980	690
Disposable income	6 560	9 560	11 310	15 130	23 550	13 220
<i>less</i> Indirect taxes	1 720	2 150	2 310	2 990	3 890	2 610
Post-tax income	4 840	7 410	9 000	12 140	19 660	10 610
<i>plus</i> National health service	4 550	4 470	4 150	4 490	3 910	4 310
Housing subsidy	40	60	80	60	30	50
Other benefits in kind	120	120	120	130	150	130
Final income	9 550	12 060	13 350	16 830	23 740	15 110
Cash benefits as a percentage of gross income	81	74	66	50	27	50
Retirement pension as a percentage of cash benefits	85	79	70	71	76	76

¹ Households are ranked by equivalised disposable income.

² After deducting those tax credit payments which are treated as negative income tax (see Appendix 2, paragraph 22), and tax relief at source on life assurance premiums.

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

Acknowledgements

The author gratefully acknowledges the considerable work done for this study by Caroline Lakin, Peter Mayne, Paul Janvier, Daniel Annan, Craig Corbet, and Usuf Islam.

References

- 1 Department for Work and Pensions (2005) *Households below average income 2003–04*, Corporate Document Services.
- 2 For the theory used, please see Cowell F. (1989) *Sampling variance and decomposable inequality measures*, Journal of Econometrics, 42.
- 3 Organisation for Economic Co-operation and Development (1996) *Growth, equity and distribution*, OECD Economic Outlook 60.
- 4 Clark T. and Taylor J. (1999) *Income Inequality: a tale of two cycles?* Fiscal Studies, Volume 20, Number 4 and Goodman A. and Shephard A. (2002) *Inequality and living standards in Great Britain: some facts*, The Institute for Fiscal Studies Briefing Note 19.
- 5 Sefton T. (1997) *The changing distribution of the social wage*, London School of Economics and Political Science and Sefton T. (2002) *Recent changes in the distribution of the social wage*, London School of Economics and Political Science.

APPENDIX 1

Table 13 (Appendix 1)

Taxes and benefits allocated to households as a percentage of general government expenditure, 2003

Taxes and compulsory social contributions ¹ allocated to households			Benefits allocated to households		
	£ million	Percentage of GGE ²		£ million	Percentage of GGE ²
Income tax (gross)	113 140	25.3	Cash benefits		
Tax reliefs	–60	0.0	Contributory (National Insurance, etc)		
Income tax (net)	113 080	25.3	Retirement	46 010	10.3
			Incapacity benefit	6 800	1.5
Employees' & self-employed NI contributions	32 180	7.2	Widows' and guardians' allowances	1 030	0.2
Council tax	18 420	4.1	Maternity/Statutory maternity pay	1 110	0.2
			Job seekers allowance	520	0.1
			Social fund	2 160	0.5
			Other	290	0.1
Taxes on final goods and services					
VAT	51 770	11.6	Non-contributory		
Duty on hydrocarbon oils	11 340	2.5	Income support	15 000	3.4
Duty on tobacco	7 840	1.8	Working and child tax credits	6 860	1.5
Vehicle excise duty	3 710	0.8	Other family benefits	9 370	2.1
Duty on wines, cider, perry and spirits	4 190	0.9	War pensions	1 110	0.2
Duty on beer	2 830	0.6	Other	17 370	3.9
Betting duties	850	0.2			
Camelot: payments to NLDF	1 180	0.3	Student support	880	0.2
Stamp duty on house purchase	1 970	0.4			
Other	2 120	0.5	Rent rebates and allowances	11 950	2.7
Taxes & NI contributions on Intermediate goods & services ³			Benefits in kind		
Employers' NI contributions	13 380	3.0	Health services	71 460	16.0
Commercial & industrial rates	8 540	1.9	Education	51 030	11.4
Duty on hydrocarbon oils	5 700	1.3	Travel subsidies ⁴	2 320	0.5
VAT	3 740	0.8	Housing subsidy	1 150	0.3
Vehicle excise duty	450	0.1	School meals and welfare milk	960	0.2
Other	3 340	0.7			
Total	286 630	64.0	Total	247 380	55.2
Total government expenditure	447 760				

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

2 Expressed as a percentage of general government expenditure.

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

4 Including concessionary fares expenditure.

Source: United Kingdom National Accounts, 2003 Edition.

Table 14 (Appendix 1)

Average incomes, taxes and benefits by decile groups of ALL households, 2003–04

	Decile groups of all households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	9 348	11 667	13 712	15 956	18 444	21 206	24 486	29 555	38 420		
Number of households in the population ('000s)	2 464	2 469	2 465	2 468	2 465	2 469	2 468	2 466	2 467	2 468	24 670
Original income											
Wages and salaries	1 340	3 110	5 382	9 368	13 884	18 617	22 556	29 741	36 014	58 843	19 885
Imputed income from benefits in kind	8	-	26	30	97	144	278	432	716	1 573	330
Self-employment income	439	578	695	1 268	1 018	1 346	2 232	2 522	4 326	12 745	2 717
Occupational pensions, annuities	401	890	1 250	1 871	2 216	2 623	2 520	3 021	2 962	3 515	2 127
Investment income	256	233	240	381	480	563	612	917	1 452	3 572	871
Other income	141	99	113	187	219	221	269	161	226	360	200
Total	2 586	4 910	7 706	13 105	17 915	23 514	28 467	36 794	45 695	80 608	26 130
Direct benefits in cash											
Contributory											
Retirement pension	1 807	2 754	2 838	2 422	2 322	1 758	1 537	1 174	925	553	1 809
Job seeker's allowance (Contribution based)	58	40	11	14	15	6	4	3	5	4	16
Incapacity benefit	337	554	375	284	179	209	163	162	36	25	232
Widows' benefits	32	28	36	56	52	54	22	28	19	3	33
Statutory Maternity Pay/Allowance	1	3	1	1	2	7	17	15	13	44	10
Non-contributory											
Income support ¹	914	1 075	728	471	345	190	174	25	39	6	397
Child benefit	404	397	363	452	425	402	367	354	276	229	367
Housing benefit	714	875	920	592	474	246	223	64	74	13	420
Job seeker's allowance (Income based)	173	86	46	8	31	2	15	0	-	-	36
Invalid care allowance	34	43	116	74	36	51	18	22	13	3	41
Attendance allowance	8	46	90	71	73	85	63	11	21	-	47
Disability living allowance	149	253	422	437	398	331	295	157	85	42	257
War pensions/War widows' pensions	2	18	6	23	28	34	34	41	43	-	23
Severe disablement allowance	50	34	43	60	37	63	13	1	14	4	32
Industrial injury disablement benefit	5	28	23	33	34	38	15	26	15	3	22
Student support	14	30	15	58	36	40	18	16	35	103	37
Government training schemes	15	8	10	9	12	5	3	3	12	-	8
Tax credits ²	170	319	366	390	278	185	90	68	60	15	194
Other non-contributory benefits	181	173	189	137	139	101	75	72	55	44	117
Total cash benefits	5 067	6 763	6 598	5 591	4 915	3 805	3 147	2 242	1 740	1 091	4 096
Gross income	7 654	11 673	14 304	18 697	22 829	27 319	31 614	39 037	47 436	81 700	30 226
Direct taxes and Employees' NIC											
Income tax	287	455	854	1 548	2 258	3 170	4 190	5 675	7 478	16 287	4 220
Less: Tax credits ³	16	96	170	271	232	211	186	167	65	21	144
Employees' NI contributions	92	183	330	610	925	1 301	1 622	2 161	2 616	3 326	1 317
Council tax and Northern Ireland rates ⁴	730	766	746	814	828	862	899	952	1 027	1 142	876
Less: Council tax benefit/Rates rebates	278	265	214	139	93	55	48	13	10	7	112
Total	815	1 043	1 545	2 563	3 686	5 066	6 477	8 609	11 046	20 726	6 158
Disposable income	6 839	10 630	12 759	16 134	19 144	22 253	25 137	30 428	36 390	60 973	24 069
Equivalised disposable income	6 706	10 527	12 698	14 818	17 243	19 874	22 824	26 827	33 303	60 042	22 486
Indirect taxes											
Taxes on final goods and services											
VAT	968	1 098	1 133	1 538	1 685	1 989	2 110	2 381	2 758	3 563	1 922
Duty on tobacco	287	339	347	263	325	316	366	266	300	210	302
Duty on beer and cider	54	83	79	100	118	127	142	175	172	143	119
Duty on wines & spirits	76	79	104	121	141	184	140	186	252	250	153
Duty on hydrocarbon oils	212	225	255	366	417	495	525	617	655	730	450
Vehicle excise duty	65	67	76	107	125	140	148	179	186	195	129
Television licences	86	79	85	90	93	98	104	110	109	110	96
Stamp duty on house purchase	44	30	38	68	66	86	107	131	188	395	115
Customs duties	16	17	18	22	23	27	28	31	36	44	26
Betting taxes	20	23	27	32	52	40	61	35	36	25	35
Insurance premium tax	23	23	26	33	38	46	52	60	65	85	45
Air passenger duty	11	21	6	10	15	15	25	29	37	53	22
Camelot National Lottery Fund	33	45	48	48	64	56	59	65	62	35	52
Other	8	13	7	21	29	12	31	25	23	19	19
Intermediate taxes											
Commercial and industrial rates	153	161	166	205	222	254	265	296	339	419	248
Employers' NI contributions	255	268	277	341	371	424	442	493	566	699	414
Duty on hydrocarbon oils	103	108	112	138	150	171	179	199	229	283	167
Vehicle excise duty	21	22	23	29	31	35	37	41	47	58	35
Other	137	144	149	184	200	229	238	266	305	377	223
Total indirect taxes	2 572	2 847	2 976	3 716	4 166	4 746	5 058	5 587	6 367	7 692	4 573
Post-tax income	4 267	7 783	9 783	12 418	14 978	17 506	20 079	24 841	30 023	53 281	19 496
Benefits in kind											
Education	2 612	1 908	1 566	2 113	1 995	1 775	1 605	1 477	1 254	822	1 713
National health service	3 037	3 430	3 351	3 160	3 120	2 874	2 697	2 520	2 234	2 074	2 850
Housing subsidy	80	89	83	67	49	38	27	15	5	0	45
Rail travel subsidy	25	13	15	24	23	39	43	56	78	106	42
Bus travel subsidy	57	61	55	62	53	58	46	50	53	41	54
School meals and welfare milk	80	60	39	28	14	9	9	4	4	1	25
Total	5 890	5 559	5 109	5 455	5 254	4 794	4 428	4 122	3 628	3 044	4 728
Final income	10 157	13 342	14 892	17 873	20 232	22 300	24 507	28 963	33 651	56 326	24 224

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 14A (Appendix 1)

Average incomes, taxes and benefits by quintile groups of ALL households, 2003–04

	Quintile groups of all households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)	11 667	15 956	21 206	29 555		
Number of households in the population ('000s)	4 933	4 933	4 934	4 934	4 935	24 670
Original income						
Wages and salaries	2 225	7 375	16 250	26 148	47 428	19 885
Imputed income from benefits in kind	4	28	121	355	1 144	330
Self-employment income	509	982	1 182	2 377	8 535	2 717
Occupational pensions, annuities	645	1 560	2 420	2 770	3 239	2 127
Investment income	245	310	521	764	2 512	871
Other income	120	150	220	215	293	200
Total	3 748	10 406	20 714	32 631	63 152	26 130
Direct benefits in cash						
Contributory						
Retirement pension	2 280	2 630	2 040	1 355	739	1 809
Job seeker's allowance (Contribution based)	49	12	10	3	4	16
Incapacity benefit	445	330	194	163	30	232
Widows' benefits	30	46	53	25	11	33
Statutory Maternity Pay/Allowance	2	1	4	16	29	10
Non-contributory						
Income support ¹	994	599	268	100	22	397
Child benefit	400	408	413	361	252	367
Housing benefit	795	756	360	144	44	420
Job seeker's allowance (Income based)	130	27	17	8	-	36
Invalid care allowance	39	95	43	20	8	41
Attendance allowance	27	81	79	37	11	47
Disability living allowance	201	430	364	226	64	257
War pensions/War widows' pensions	10	14	31	37	21	23
Severe disablement allowance	42	51	50	7	9	32
Industrial injury disablement benefit	17	28	36	21	9	22
Student support	22	37	38	17	69	37
Government training schemes	12	9	9	3	6	8
Tax credits ²	244	378	231	79	37	194
Other non-contributory benefits	177	163	120	74	50	117
Total cash benefits	5 915	6 095	4 360	2 695	1 416	4 096
Gross income	9 663	16 501	25 074	35 325	64 568	30 226
Direct taxes and Employees' NIC						
Income tax	371	1 201	2 714	4 932	11 882	4 220
less: Tax credits ³	56	221	221	176	43	144
Employees' NI contributions	138	470	1 113	1 892	2 971	1 317
Council tax and Northern Ireland rates ⁴	748	780	845	925	1 085	876
less: Council tax benefit/Rates rebates	271	177	74	30	9	112
Total	929	2 054	4 376	7 543	15 886	6 158
Disposable income	8 734	14 447	20 698	27 782	48 682	24 069
Equivalised disposable income	8 617	13 758	18 559	24 825	46 672	22 486
Indirect taxes						
Taxes on final goods and services						
VAT	1 033	1 336	1 837	2 246	3 160	1 922
Duty on tobacco	313	305	321	316	255	302
Duty on beer and cider	69	90	122	158	158	119
Duty on wines & spirits	77	112	163	163	251	153
Duty on hydrocarbon oils	218	311	456	571	693	450
Vehicle excise duty	66	92	132	163	191	129
Television licences	83	87	96	107	109	96
Stamp duty on house purchase	37	53	76	119	292	115
Customs duties	17	20	25	30	40	26
Betting taxes	22	30	46	48	31	35
Insurance premium tax	23	30	42	56	75	45
Air passenger duty	16	8	15	27	45	22
Camelot National Lottery Fund	39	48	60	62	49	52
Other	11	14	21	28	21	19
Intermediate taxes						
Commercial and industrial rates	157	185	238	280	379	248
Employers' NI contributions	261	309	398	468	633	414
Duty on hydrocarbon oils	106	125	161	189	256	167
Vehicle excise duty	22	26	33	39	53	35
Other	141	167	214	252	341	223
Total indirect taxes	2 710	3 346	4 456	5 322	7 030	4 573
Post-tax income	6 025	11 101	16 242	22 460	41 652	19 496
Benefits in kind						
Education	2 260	1 840	1 885	1 541	1 038	1 713
National health service	3 233	3 256	2 997	2 609	2 154	2 850
Housing subsidy	84	75	44	21	3	45
Rail travel subsidy	19	19	31	49	92	42
Bus travel subsidy	59	59	55	48	47	54
School meals and welfare milk	70	34	11	7	2	25
Total	5 725	5 282	5 024	4 275	3 336	4 728
Final income	11 749	16 383	21 266	26 735	44 988	24 224

1 Including pension credit.

2 Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).

3 Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.

4 Council tax and Northern Ireland rates after deducting discounts.

Table 15 (Appendix 1)

Household characteristics of decile groups of ALL households, 2003–04

	Decile groups of all households ranked by equivalised disposable income										All house- holds
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	2.3	2.2	2.2	2.4	2.5	2.5	2.4	2.5	2.4	2.2	2.4
Adults	1.6	1.6	1.7	1.8	1.9	1.9	1.9	2.0	2.0	1.8	1.8
Men	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	0.9
Women	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.9	1.0
Children	0.6	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4	0.3	0.5
Economically active people	0.4	0.5	0.7	1.0	1.2	1.4	1.5	1.7	1.7	1.6	1.2
Retired people	0.5	0.7	0.7	0.6	0.5	0.4	0.3	0.3	0.2	0.1	0.4
People in full-time education	0.69	0.55	0.47	0.62	0.59	0.54	0.48	0.46	0.39	0.30	0.51
In state primary schools	0.28	0.27	0.27	0.30	0.30	0.27	0.23	0.23	0.18	0.15	0.25
In state secondary schools	0.19	0.19	0.13	0.20	0.20	0.19	0.18	0.14	0.11	0.06	0.16
In further and higher education	0.20	0.08	0.06	0.10	0.08	0.07	0.05	0.06	0.07	0.04	0.08
In other educational establishments	0.02	0.01	0.01	0.02	0.01	0.01	0.03	0.03	0.04	0.05	0.02
Composition (percentages)											
Household type											
Retired											
1 adult	21	22	26	19	15	11	12	5	4	4	14
1 adult men	4	4	7	6	4	3	4	2	2	1	4
1 adult women	17	18	19	13	10	8	8	3	2	2	10
2 or more adults	15	22	19	17	16	12	8	7	5	3	12
Non-retired											
1 adult	16	13	11	11	11	13	13	15	17	25	15
1 adult men	9	8	7	6	6	6	7	8	12	16	9
1 adult women	7	5	4	5	5	7	6	7	5	9	6
2 adults	13	11	11	13	17	20	24	30	38	40	22
3 or more adults	4	4	5	5	7	11	11	13	12	8	8
1 adult with children	12	11	7	7	6	5	4	2	1	1	6
2 adults with 1 child	6	4	4	6	8	8	9	10	9	9	7
2 adults with 2 children	5	5	7	11	11	12	12	11	10	7	9
2 adults with 3 or more children	4	5	5	5	3	3	3	3	2	3	3
3 or more adults with children	3	3	3	7	6	5	5	5	3	3	4
Household tenure											
Rented											
Local authority rented	23	24	26	17	14	8	6	3	1	0	12
Housing association or RSL	10	14	14	9	7	6	5	2	1	0	7
Other rented unfurnished	4	4	6	6	6	3	4	3	5	6	5
Rented furnished	9	4	3	4	5	6	4	5	5	5	5
Rent free	1	2	1	2	2	2	2	1	1	1	1
Owner occupied											
With mortgage	14	15	18	33	37	44	54	59	62	62	40
Rental purchase	0	0	0	-	1	0	0	0	0	0	0
Owned outright	38	36	31	30	30	31	26	26	25	26	30
Age of chief economic supporter											
Under 25	9	3	4	3	4	3	3	2	3	2	4
Over 24 and under 35	13	14	11	11	13	15	17	18	21	23	16
Over 34 and under 45	17	16	16	21	21	22	23	24	24	29	21
Over 44 and under 55	12	10	12	16	17	19	20	24	26	24	18
Over 54 and under 65	17	15	15	13	14	17	18	17	18	15	16
Over 64 and under 75	13	17	21	20	17	13	12	10	5	6	13
Over 74	20	25	22	16	15	11	8	5	3	2	13
Employment status of chief economic supporter											
Self-employed	6	5	5	7	5	5	7	8	11	14	7
Full-time employee	5	12	20	33	48	55	62	69	72	74	45
Part-time employee	9	9	10	10	9	8	6	7	6	4	8
Unemployed	7	4	2	1	1	1	0	0	1	1	2
Unoccupied and under minimum NI age	39	26	18	13	8	6	4	3	2	2	12
Retired/unoccupied over minimum NI age	34	43	44	36	30	24	20	12	8	6	26
Other	0	0	-	-	-	-	0	-	-	-	0

Table 15A (Appendix 1)

Household characteristics of quintile groups of ALL households, 2003–04

	Quintile groups of all households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	2.2	2.3	2.5	2.5	2.3	2.4
Adults	1.6	1.7	1.9	2.0	1.9	1.8
Men	0.7	0.8	0.9	1.0	1.0	0.9
Women	0.9	0.9	1.0	1.0	0.9	1.0
Children	0.6	0.6	0.6	0.5	0.4	0.5
Economically active people	0.5	0.8	1.3	1.6	1.7	1.2
Retired people	0.6	0.6	0.5	0.3	0.2	0.4
People in full-time education	0.62	0.54	0.56	0.47	0.35	0.51
In state primary schools	0.27	0.28	0.28	0.23	0.17	0.25
In state secondary schools	0.19	0.16	0.19	0.16	0.09	0.16
In further and higher education	0.14	0.08	0.08	0.05	0.05	0.08
In other educational establishments	0.02	0.02	0.01	0.03	0.04	0.02
Composition (percentages)						
Household type						
Retired						
1 adult	21	23	13	8	4	14
1 adult men	4	7	4	3	2	4
1 adult women	17	16	9	6	2	10
2 or more adults	19	18	14	8	4	12
Non-retired						
1 adult	15	11	12	14	21	15
1 adult men	9	6	6	8	14	9
1 adult women	6	5	6	6	7	6
2 adults	12	12	19	27	39	22
3 or more adults	4	5	9	12	10	8
1 adult with children	12	7	5	3	1	6
2 adults with 1 child	5	5	8	9	9	7
2 adults with 2 children	5	9	12	11	8	9
2 adults with 3 or more children	4	5	3	3	2	3
3 or more adults with children	3	5	5	5	3	4
Household tenure						
Rented	48	44	29	17	13	30
Local authority rented	24	22	11	4	1	12
Housing association or RSL	12	11	6	4	1	7
Other rented unfurnished	4	6	4	4	5	5
Rented furnished	7	4	5	5	5	5
Rent free	1	1	2	1	1	1
Owner occupied	52	56	71	83	87	70
With mortgage	15	26	40	56	62	40
Rental purchase	0	0	0	0	0	0
Owned outright	37	31	30	26	25	30
Age of chief economic supporter						
Under 25	6	3	4	3	2	4
Over 24 and under 35	13	11	14	17	22	16
Over 34 and under 45	17	18	22	23	26	21
Over 44 and under 55	11	14	18	22	25	18
Over 54 and under 65	16	14	15	17	17	16
Over 64 and under 75	15	20	15	11	5	13
Over 74	22	19	13	7	3	13
Employment status of chief economic supporter						
Self-employed	6	6	5	8	12	7
Full-time employee	9	27	51	66	73	45
Part-time employee	9	10	8	7	5	8
Unemployed	6	2	1	0	1	2
Unoccupied and under minimum NI age	33	15	7	3	2	12
Retired/unoccupied over minimum NI age	38	40	27	16	7	26
Other	0	-	-	0	-	0

Table 16 (Appendix 1)

Average incomes, taxes and benefits by decile groups of NON-RETIRED households, 2003–04

	Decile groups of non-retired households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	9 743	12 642	15 350	18 099	20 651	23 531	27 116	32 153	41 657		
Number of households in the population ('000s)	1 820	1 818	1 823	1 819	1 821	1 821	1 818	1 822	1 819	1 822	18 204
Original income											
Wages and salaries	2 410	7 007	12 482	18 685	23 041	26 578	31 451	37 259	42 004	66 719	26 764
Imputed income from benefits in kind	11	31	37	98	166	319	461	499	1 013	1 824	446
Self-employment income	715	1 051	1 479	1 776	1 904	2 569	2 359	3 687	4 703	16 425	3 667
Occupational pensions, annuities	206	312	559	594	900	854	1 055	1 473	1 681	1 606	924
Investment income	180	86	177	245	314	329	503	624	1 178	3 309	694
Other income	219	137	204	278	306	268	259	134	210	459	248
Total	3 742	8 624	14 937	21 677	26 630	30 917	36 087	43 676	50 789	90 343	32 742
Direct benefits in cash											
Contributory											
Retirement pension	110	343	450	668	542	452	553	603	345	169	423
Job seeker's allowance (Contribution based)	78	59	9	19	7	6	4	4	1	4	19
Incapacity benefit	602	692	527	250	301	125	237	51	59	8	285
Widows' benefits	52	40	49	71	42	15	22	37	10	2	34
Statutory Maternity Pay/Allowance	4	1	2	-	10	23	17	15	8	60	14
Non-contributory											
Income support ¹	1 361	1 566	712	262	200	171	72	15	34	8	440
Child benefit	647	701	661	638	567	460	417	316	307	236	495
Housing benefit	1 096	1 285	641	350	195	137	76	44	60	18	390
Job seeker's allowance (Income based)	281	70	40	23	20	12	9	-	-	-	45
Invalid care allowance	61	42	177	65	29	23	26	7	14	5	45
Attendance allowance	5	-	4	12	17	21	-	8	10	-	8
Disability living allowance	246	318	566	340	278	190	213	57	72	25	231
War pensions/War widows' pensions	-	2	4	3	-	12	-	2	25	-	5
Severe disablement allowance	83	47	62	36	54	36	1	-	9	6	33
Industrial injury disablement benefit	7	45	28	22	40	5	22	24	20	-	21
Student support	20	56	70	59	41	1	31	24	39	140	48
Government training schemes	27	8	17	18	9	3	6	12	5	-	10
Tax credits ²	292	651	591	465	289	129	75	81	29	12	261
Other non-contributory benefits	106	82	77	67	54	47	41	41	27	33	57
Total cash benefits	5 080	6 008	4 687	3 370	2 693	1 866	1 824	1 340	1 075	724	2 867
Gross income	8 822	14 632	19 624	25 047	29 323	32 783	37 911	45 016	51 863	91 067	35 609
Direct taxes and Employees' NIC											
Income tax	416	920	1 718	2 685	3 524	4 413	5 430	6 963	8 510	18 625	5 320
less: Tax credits ³	40	223	367	376	301	237	188	124	56	18	193
Employees' NI contributions	151	430	807	1 235	1 598	1 902	2 289	2 735	3 022	3 533	1 770
Council tax and Northern Ireland rates ⁴	697	734	782	813	847	861	919	989	1 020	1 153	881
less: Council tax benefit/Rates rebates	324	275	147	61	37	26	17	11	5	8	91
Total	900	1 586	2 792	4 296	5 630	6 913	8 433	10 551	12 492	23 285	7 688
Disposable income	7 922	13 045	16 832	20 751	23 692	25 870	29 478	34 465	39 371	67 782	27 921
Equivalised disposable income	6 628	11 253	14 070	16 739	19 350	22 062	25 191	29 646	36 249	65 999	24 719
Indirect taxes											
Taxes on final goods and services											
VAT	1 169	1 381	1 576	1 943	2 183	2 184	2 436	2 635	2 889	3 756	2 215
Duty on tobacco	401	450	399	356	385	372	387	301	268	229	355
Duty on beer and cider	80	101	126	147	145	160	185	183	171	154	145
Duty on wines & spirits	81	102	129	137	194	156	185	213	255	267	172
Duty on hydrocarbon oils	257	311	397	529	555	585	620	670	700	758	538
Vehicle excise duty	69	77	107	141	147	152	168	195	184	196	144
Television licences	107	104	109	108	109	113	117	113	112	112	111
Stamp duty on house purchase	46	33	69	75	90	109	129	156	214	440	136
Customs duties	19	21	23	26	29	29	31	35	37	47	30
Betting taxes	22	23	31	56	48	74	34	35	32	28	38
Insurance premium tax	24	27	32	42	50	50	58	63	65	87	50
Air passenger duty	14	6	7	16	17	22	27	38	33	51	23
Camelot National Lottery Fund	31	47	53	61	65	64	65	72	56	38	55
Other	13	18	17	42	8	27	48	20	21	22	24
Intermediate taxes											
Commercial and industrial rates	182	200	217	246	274	280	294	329	347	447	282
Employers' NI contributions	303	334	362	411	456	467	491	549	580	746	470
Duty on hydrocarbon oils	123	135	146	166	184	189	198	222	234	301	190
Vehicle excise duty	25	28	30	34	38	39	41	46	48	62	39
Other	164	180	195	221	246	251	265	296	312	402	253
Total indirect taxes	3 132	3 582	4 025	4 760	5 223	5 324	5 780	6 169	6 558	8 142	5 270
Post-tax income	4 790	9 463	12 806	15 991	18 469	20 546	23 698	28 296	32 813	59 640	22 651
Benefits in kind											
Education	4 022	3 225	2 962	3 065	2 524	1 905	1 853	1 410	1 273	841	2 308
National health service	2 290	2 488	2 550	2 520	2 489	2 436	2 282	2 224	2 035	1 982	2 330
Housing subsidy	105	125	63	44	38	27	13	10	4	1	43
Rail travel subsidy	28	24	33	28	39	45	54	67	83	127	53
Bus travel subsidy	45	41	39	51	46	45	36	63	40	44	45
School meals and welfare milk	121	96	52	24	14	10	8	3	3	1	33
Total	6 611	5 999	5 699	5 731	5 150	4 469	4 245	3 777	3 439	2 996	4 812
Final income	11 402	15 463	18 506	21 723	23 619	25 015	27 943	32 073	36 253	62 636	27 463

1 Including pension credit.

2 Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).

3 Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.

4 Council tax and Northern Ireland rates after deducting discounts.

Table 16A (Appendix 1)

Average incomes, taxes and benefits by quintile groups of NON-RETIRED households, 2003–04

	Quintile groups of non-retired households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)	12 642	18 099	23 531	32 153		
Number of households in the population ('000s)	3 638	3 642	3 642	3 641	3 642	18 204
Original income						
Wages and salaries	4 708	15 584	24 809	34 355	54 361	26 764
Imputed income from benefits in kind	21	68	242	480	1 418	446
Self-employment income	883	1 627	2 236	3 023	10 564	3 667
Occupational pensions, annuities	259	577	877	1 264	1 644	924
Investment income	133	211	321	563	2 244	694
Other income	178	241	287	197	335	248
Total	6 183	18 307	28 773	39 882	70 566	32 742
Direct benefits in cash						
Contributory						
Retirement pension	227	559	497	578	257	423
Job seeker's allowance (Contribution based)	69	14	6	4	2	19
Incapacity benefit	647	389	213	144	34	285
Widows' benefits	46	60	28	30	6	34
Statutory Maternity Pay/Allowance	3	1	17	16	34	14
Non-contributory						
Income support ¹	1 463	487	185	43	21	440
Child benefit	674	650	513	367	271	495
Housing benefit	1 191	495	166	60	39	390
Job seeker's allowance (Income based)	176	31	16	4	-	45
Invalid care allowance	52	121	26	17	9	45
Attendance allowance	3	8	19	4	5	8
Disability living allowance	282	453	234	135	49	231
War pensions/War widows' pensions	1	4	6	1	13	5
Severe disablement allowance	65	49	45	0	8	33
Industrial injury disablement benefit	26	25	22	23	10	21
Student support	38	64	21	27	89	48
Government training schemes	18	17	6	9	2	10
Tax credits ²	471	528	209	78	21	261
Other non-contributory benefits	94	72	51	41	30	57
Total cash benefits	5 544	4 029	2 279	1 582	899	2 867
Gross income	11 727	22 336	31 053	41 463	71 465	35 609
Direct taxes and Employees' NIC						
Income tax	668	2 202	3 968	6 197	13 568	5 320
less: Tax credits ³	131	371	269	156	37	193
Employees' NI contributions	290	1 021	1 750	2 512	3 278	1 770
Council tax and Northern Ireland rates ⁴	715	797	854	954	1 087	881
less: Council tax benefit/Rates rebates	299	104	32	14	6	91
Total	1 243	3 544	6 272	9 492	17 889	7 688
Disposable income	10 484	18 791	24 781	31 971	53 576	27 921
Equivalised disposable income	8 941	15 404	20 706	27 418	51 124	24 719
Indirect taxes						
Taxes on final goods and services						
VAT	1 275	1 760	2 184	2 535	3 322	2 215
Duty on tobacco	426	378	378	344	249	355
Duty on beer and cider	91	137	153	184	162	145
Duty on wines & spirits	92	133	175	199	261	172
Duty on hydrocarbon oils	284	463	570	645	729	538
Vehicle excise duty	73	124	150	182	190	144
Television licences	106	109	111	115	112	111
Stamp duty on house purchase	40	72	100	142	327	136
Customs duties	20	24	29	33	42	30
Betting taxes	23	44	61	35	30	38
Insurance premium tax	26	37	50	61	76	50
Air passenger duty	10	11	19	32	42	23
Camelot National Lottery Fund	39	57	65	69	47	55
Other	16	29	18	34	21	24
Intermediate taxes						
Commercial and industrial rates	191	232	277	311	397	282
Employers' NI contributions	319	386	462	520	663	470
Duty on hydrocarbon oils	129	156	186	210	268	190
Vehicle excise duty	27	32	39	43	55	39
Other	172	208	249	280	357	253
Total indirect taxes	3 357	4 393	5 274	5 974	7 350	5 270
Post-tax income	7 127	14 399	19 508	25 997	46 227	22 651
Benefits in kind						
Education	3 624	3 013	2 214	1 632	1 057	2 308
National health service	2 389	2 535	2 462	2 253	2 009	2 330
Housing subsidy	115	53	32	12	3	43
Rail travel subsidy	26	30	42	61	105	53
Bus travel subsidy	43	45	45	49	42	45
School meals and welfare milk	109	38	12	6	2	33
Total	6 305	5 715	4 809	4 011	3 218	4 812
Final income	13 432	20 114	24 317	30 008	49 444	27 463

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 17 (Appendix 1)

Household characteristics of decile groups of NON-RETIRED households, 2003–04

	Decile groups of non-retired households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	2.7	2.8	2.9	2.9	2.9	2.7	2.6	2.6	2.4	2.2	2.7
Adults	1.8	1.8	1.9	2.0	2.1	2.0	2.0	2.1	1.9	1.8	1.9
Men	0.8	0.8	0.9	1.0	1.0	1.0	1.1	1.1	1.0	1.0	1.0
Women	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	1.0
Children	1.0	1.0	0.9	0.9	0.8	0.7	0.6	0.4	0.4	0.4	0.7
Economically active people	0.7	1.0	1.3	1.7	1.8	1.8	1.8	2.0	1.8	1.7	1.6
Retired people	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
People in full-time education	1.07	0.96	0.87	0.90	0.76	0.58	0.57	0.45	0.41	0.32	0.69
In state primary schools	0.44	0.51	0.45	0.41	0.41	0.27	0.28	0.23	0.19	0.15	0.33
In state secondary schools	0.30	0.30	0.26	0.32	0.24	0.22	0.19	0.11	0.12	0.06	0.21
In further and higher education	0.28	0.14	0.13	0.15	0.09	0.05	0.08	0.07	0.06	0.04	0.11
In other educational establishments	0.04	0.01	0.03	0.02	0.02	0.03	0.02	0.04	0.04	0.06	0.03
Composition (percentages)											
Household type											
Non-retired											
1 adult	24	22	21	16	15	17	16	16	22	28	20
1 adult men	14	14	11	9	7	9	10	9	14	19	12
1 adult women	11	8	10	6	9	9	6	7	8	9	8
2 adults	20	20	20	23	24	30	35	39	40	44	29
3 or more adults	7	7	9	9	14	13	13	17	11	7	11
1 adult with children	19	19	11	9	6	6	3	2	2	1	8
2 adults with 1 child	8	8	7	13	11	11	11	10	11	8	10
2 adults with 2 children	10	10	17	16	18	13	14	10	11	7	12
2 adults with 3 or more children	7	9	8	5	4	3	3	2	2	3	5
3 or more adults with children	6	6	7	10	8	7	5	5	3	3	6
Household tenure											
Rented	63	64	42	32	25	22	16	14	13	14	30
Local authority rented	32	30	16	13	8	6	3	2	1	0	11
Housing association or RSL	12	20	10	6	5	5	2	1	1	0	6
Other rented unfurnished	5	8	7	7	4	4	5	3	5	7	5
Rented furnished	13	6	7	5	7	6	5	7	5	5	7
Rent free	2	0	1	2	2	2	1	1	1	1	1
Owner occupied	37	36	58	68	75	78	84	86	87	86	70
With mortgage	21	23	42	50	55	61	67	67	68	65	52
Rental purchase	1	-	0	1	0	1	0	-	0	-	0
Owned outright	15	13	16	17	20	16	16	19	19	21	17
Age of chief economic supporter											
Under 25	13	7	6	4	5	5	3	3	2	2	5
Over 24 and under 35	21	23	19	18	18	20	22	20	23	25	21
Over 34 and under 45	26	30	29	33	29	28	29	23	29	30	29
Over 44 and under 55	19	17	23	25	23	25	24	31	27	26	24
Over 54 and under 65	19	19	17	13	18	19	15	19	17	15	17
Over 64 and under 75	1	2	5	4	4	2	4	3	2	2	3
Over 74	1	2	1	3	2	1	1	1	0	-	1
Employment status of chief economic supporter											
Self-employed	9	9	9	9	7	9	8	10	11	17	10
Full-time employee	9	27	48	66	68	77	79	77	82	77	61
Part-time employee	14	17	15	14	11	8	8	9	5	4	11
Unemployed	11	6	3	1	1	1	0	0	1	1	3
Unoccupied and under minimum NI age	55	37	22	7	7	3	3	1	1	1	14
Retired/unoccupied over minimum NI age	1	3	3	3	4	2	3	2	1	0	2
Other	0	0	-	-	-	0	-	-	-	-	0

Table 17A (Appendix 1)

Household characteristics of quintile groups of NON-RETIRED households, 2003–04

	Quintile groups of non-retired households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	2.8	2.9	2.8	2.6	2.3	2.7
Adults	1.8	2.0	2.0	2.1	1.9	1.9
Men	0.8	0.9	1.0	1.1	1.0	1.0
Women	0.9	1.0	1.0	1.0	0.9	1.0
Children	1.0	0.9	0.7	0.5	0.4	0.7
Economically active people	0.9	1.5	1.8	1.9	1.8	1.6
Retired people	0.1	0.1	0.1	0.1	0.1	0.1
People in full-time education	1.01	0.88	0.67	0.51	0.36	0.69
In state primary schools	0.48	0.43	0.34	0.25	0.17	0.33
In state secondary schools	0.30	0.29	0.23	0.15	0.09	0.21
In further and higher education	0.21	0.14	0.07	0.07	0.05	0.11
In other educational establishments	0.03	0.02	0.03	0.03	0.05	0.03
Composition (percentages)						
Household type						
Non-retired						
1 adult	23	18	16	16	25	20
1 adult men	14	10	8	10	16	12
1 adult women	9	8	9	7	8	8
2 adults	20	22	27	37	42	29
3 or more adults	7	9	13	15	9	11
1 adult with children	19	10	6	2	1	8
2 adults with 1 child	8	10	11	10	9	10
2 adults with 2 children	10	16	15	12	9	12
2 adults with 3 or more children	8	6	4	3	2	5
3 or more adults with children	6	9	7	5	3	6
Household tenure						
Rented	64	37	24	15	13	30
Local authority rented	31	15	7	2	1	11
Housing association or RSL	16	8	5	2	0	6
Other rented unfurnished	6	7	4	4	6	5
Rented furnished	10	6	7	6	5	7
Rent free	1	2	2	1	1	1
Owner occupied	36	63	76	85	87	70
With mortgage	22	46	58	67	67	52
Rental purchase	0	0	1	0	0	0
Owned outright	14	17	18	18	20	17
Age of chief economic supporter						
Under 25	10	5	5	3	2	5
Over 24 and under 35	22	18	19	21	24	21
Over 34 and under 45	28	31	29	26	29	29
Over 44 and under 55	18	24	24	27	26	24
Over 54 and under 65	19	15	18	17	16	17
Over 64 and under 75	1	4	3	4	2	3
Over 74	2	2	2	1	0	1
Employment status of chief economic supporter						
Self-employed	9	9	8	9	14	10
Full-time employee	18	57	73	78	79	61
Part-time employee	16	15	9	8	4	11
Unemployed	8	2	1	0	1	3
Unoccupied and under minimum NI age	46	14	5	2	1	14
Retired/unoccupied over minimum NI age	2	3	3	2	0	2
Other	0	-	0	-	-	0

Table 18 (Appendix 1)

Average incomes, taxes and benefits by decile groups of RETIRED households, 2003–04

	Decile groups of retired households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	8 777	10 210	11 607	12 899	14 002	15 600	17 667	20 684	24 849		
Number of households in the population ('000s)	646	647	646	646	647	645	647	649	645	648	6 466
Original income											
Wages and salaries	49	102	78	51	284	539	547	934	926	1 694	520
Imputed income from benefits in kind	-	-	-	-	-	-	19	-	-	38	6
Self-employment income	26	-	28	21	38	-	33	37	-	252	43
Occupational pensions, annuities	741	1 158	1 910	2 290	2 346	4 100	5 292	8 030	9 349	19 918	5 513
Investment income	339	297	533	443	437	642	1 031	1 035	1 745	7 161	1 366
Other income	19	29	82	27	84	21	55	101	70	166	65
Total	1 174	1 586	2 630	2 831	3 189	5 302	6 977	10 138	12 089	29 229	7 515
Direct benefits in cash											
Contributory											
Retirement pension	4 394	5 613	6 148	5 988	5 480	5 767	6 217	5 850	6 103	5 543	5 710
Job seeker's allowance (Contribution based)	-	-	13	14	-	-	31	-	-	10	7
Incapacity benefit	38	6	150	27	156	150	65	7	165	67	83
Widows' benefits	19	16	-	-	38	-	34	128	35	27	30
Statutory Maternity Pay/Allowance	-	-	-	-	-	-	-	-	-	-	-
Non-contributory											
Income support ¹	203	253	238	319	408	319	285	424	255	41	275
Child benefit	10	-	18	1	-	7	1	9	9	3	6
Housing benefit	77	97	282	728	1 004	802	830	467	658	81	503
Job seeker's allowance (Income based)	26	30	13	16	-	-	15	-	-	-	10
Invalid care allowance	-	13	51	21	59	3	11	84	55	-	30
Attendance allowance	16	76	79	214	154	220	180	279	280	72	157
Disability living allowance	83	96	180	198	299	495	496	600	649	217	331
War pensions/War widows' pensions	-	41	32	2	-	74	36	73	225	242	73
Severe disablement allowance	2	-	-	14	30	78	41	69	14	27	27
Industrial injury disablement benefit	10	-	14	15	13	43	90	19	29	9	24
Student support	-	-	-	-	-	3	-	42	-	0	4
Government training schemes	-	-	-	0	-	-	-	-	-	-	0
Tax credits ²	11	-	18	-	-	9	3	6	-	-	5
Other non-contributory benefits	280	339	296	319	285	246	336	227	234	275	284
Total cash benefits	5 168	6 581	7 532	7 875	7 927	8 212	8 671	8 284	8 711	6 614	7 557
Gross income	6 342	8 167	10 162	10 706	11 116	13 514	15 647	18 421	20 800	35 843	15 072
Direct taxes and Employees' NIC											
Income tax	77	111	229	316	294	598	886	1 375	2 009	5 332	1 123
less: Tax credits ³	2	3	3	2	6	4	2	3	7	11	4
Employees' NI contributions	21	5	4	0	7	22	33	51	59	194	40
Council tax and Northern Ireland rates ⁴	796	789	836	778	732	803	879	891	933	1 188	862
less: Council tax benefit/Rates rebates	179	216	199	218	258	187	169	132	138	17	171
Total	712	687	867	873	770	1 231	1 628	2 181	2 856	6 687	1 849
Disposable income	5 631	7 480	9 295	9 833	10 346	12 283	14 019	16 240	17 945	29 156	13 223
Equivalised disposable income	7 125	9 479	10 923	12 241	13 408	14 764	16 647	19 112	22 416	35 893	16 201
Indirect taxes											
Taxes on final goods and services											
VAT	733	636	874	770	788	1 091	1 133	1 411	1 287	2 255	1 098
Duty on tobacco	120	110	233	193	150	206	153	182	132	51	153
Duty on beer and cider	25	32	44	43	58	41	53	56	54	55	46
Duty on wines & spirits	66	49	80	92	94	90	117	141	97	180	101
Duty on hydrocarbon oils	159	131	153	137	155	174	182	253	257	402	200
Vehicle excise duty	58	61	68	62	60	79	92	107	107	177	87
Television licences	54	38	52	57	52	62	56	67	62	69	57
Stamp duty on house purchase	42	29	28	27	34	39	57	52	72	189	57
Customs duties	12	10	14	12	13	16	18	19	18	29	16
Betting taxes	16	20	24	28	28	34	32	28	34	25	27
Insurance premium tax	21	18	28	19	19	25	27	36	41	82	31
Air passenger duty	4	2	63	7	7	9	9	17	14	62	20
Camelot National Lottery Fund	37	39	48	49	45	43	47	46	35	25	41
Other	0	0	2	1	9	6	16	2	1	15	5
Intermediate taxes											
Commercial and industrial rates	110	97	132	117	123	150	172	185	174	273	153
Employers' NI contributions	183	162	220	195	206	249	287	308	290	455	256
Duty on hydrocarbon oils	74	65	89	79	83	101	116	124	117	184	103
Vehicle excise duty	15	14	18	16	17	21	24	26	24	38	21
Other	99	87	119	105	111	134	154	166	156	245	138
Total indirect taxes	1 830	1 601	2 291	2 008	2 051	2 570	2 745	3 228	2 973	4 812	2 611
Post-tax income	3 801	5 880	7 004	7 825	8 295	9 713	11 274	13 012	14 971	24 344	10 612
Benefits in kind											
Education	58	-	66	4	35	24	4	78	46	53	37
National health service	4 176	4 926	4 639	4 297	4 233	4 075	4 767	4 210	4 002	3 820	4 315
Housing subsidy	38	38	45	67	82	80	72	47	49	3	52
Rail travel subsidy	20	5	1	0	6	6	8	17	30	24	12
Bus travel subsidy	72	80	91	78	81	76	88	74	75	64	78
School meals and welfare milk	1	-	4	-	-	2	0	-	-	-	1
Total	4 365	5 049	4 846	4 446	4 437	4 263	4 939	4 426	4 202	3 964	4 494
Final income	8 166	10 929	11 850	12 270	12 732	13 976	16 213	17 438	19 173	28 308	15 106

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 18A (Appendix 1)

Average incomes, taxes and benefits by quintile groups of RETIRED households, 2003–04

	Quintile groups of retired households ranked by equivalised disposable income					All households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Quintile points (equivalised £)	10 210	12 899	15 600	20 684		
Number of households in the population ('000s)	1 293	1 291	1 292	1 296	1 294	6 466
Original income						
Wages and salaries	76	64	412	740	1 310	520
Imputed income from benefits in kind	-	-	-	10	19	6
Self-employment income	13	24	19	35	126	43
Occupational pensions, annuities	950	2 100	3 223	6 661	14 634	5 513
Investment income	318	488	540	1 033	4 453	1 366
Other income	24	54	53	78	118	65
Total	1 380	2 731	4 246	8 557	20 659	7 515
Direct benefits in cash						
Contributory						
Retirement pension	5 003	6 068	5 624	6 033	5 823	5 710
Job seeker's allowance (Contribution based)	-	13	-	16	5	7
Incapacity benefit	22	88	153	36	116	83
Widows' benefits	18	-	19	81	31	30
Statutory Maternity Pay/Allowance	-	-	-	-	-	-
Non-contributory						
Income support ¹	228	279	363	355	148	275
Child benefit	5	9	3	5	6	6
Housing benefit	87	505	903	648	369	503
Job seeker's allowance (Income based)	28	14	-	8	-	10
Invalid care allowance	6	36	31	47	28	30
Attendance allowance	46	146	187	229	176	157
Disability living allowance	90	189	397	548	433	331
War pensions/War widows' pensions	21	17	37	54	233	73
Severe disablement allowance	1	7	54	55	20	27
Industrial injury disablement benefit	5	15	28	54	19	24
Student support	-	-	1	21	0	4
Government training schemes	-	0	-	-	-	0
Tax credits ²	6	9	4	4	-	5
Other non-contributory benefits	309	307	265	281	255	284
Total cash benefits	5 874	7 703	8 069	8 477	7 663	7 557
Gross income	7 255	10 434	12 315	17 034	28 322	15 072
Direct taxes and Employees' NIC						
Income tax	94	273	446	1 130	3 671	1 123
less: Tax credits ³	3	3	5	3	9	4
Employees' NI contributions	13	2	14	42	127	40
Council tax and Northern Ireland rates ⁴	793	807	767	885	1 060	862
less: Council tax benefit/Rates rebates	197	209	222	150	78	171
Total	699	870	1 000	1 905	4 771	1 849
Disposable income	6 555	9 564	11 315	15 130	23 550	13 223
Equivalised disposable income	8 302	11 582	14 086	17 880	29 154	16 201
Indirect taxes						
Taxes on final goods and services						
VAT	685	822	940	1 272	1 771	1 098
Duty on tobacco	115	213	178	168	92	153
Duty on beer and cider	29	44	50	54	54	46
Duty on wines & spirits	58	86	92	129	138	101
Duty on hydrocarbon oils	145	145	164	218	330	200
Vehicle excise duty	60	65	70	100	142	87
Television licences	46	54	57	61	66	57
Stamp duty on house purchase	36	28	36	54	130	57
Customs duties	11	13	14	19	24	16
Betting taxes	18	26	31	30	29	27
Insurance premium tax	19	24	22	31	61	31
Air passenger duty	3	35	8	13	38	20
Camelot National Lottery Fund	38	48	44	47	30	41
Other	0	1	7	9	8	5
Intermediate taxes						
Commercial and industrial rates	103	124	136	178	223	153
Employers' NI contributions	173	208	228	297	373	256
Duty on hydrocarbon oils	70	84	92	120	151	103
Vehicle excise duty	14	17	19	25	31	21
Other	93	112	123	160	201	138
Total indirect taxes	1 715	2 150	2 310	2 987	3 893	2 611
Post-tax income	4 840	7 414	9 004	12 143	19 658	10 612
Benefits in kind						
Education	29	35	29	41	49	37
National health service	4 551	4 468	4 154	4 488	3 911	4 315
Housing subsidy	38	56	81	59	26	52
Rail travel subsidy	13	1	6	13	27	12
Bus travel subsidy	76	84	78	81	69	78
School meals and welfare milk	1	2	1	0	-	1
Total	4 707	4 646	4 350	4 682	4 083	4 494
Final income	9 547	12 060	13 354	16 825	23 740	15 105

1 Including pension credit.

2 Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).

3 Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.

4 Council tax and Northern Ireland rates after deducting discounts.

Table 19 (Appendix 1)

Household characteristics of decile groups of RETIRED households, 2003–04

	Decile groups of retired households ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (number)											
People	1.5	1.4	1.6	1.5	1.4	1.6	1.6	1.6	1.5	1.5	1.5
Adults	1.4	1.4	1.6	1.5	1.4	1.6	1.6	1.6	1.5	1.5	1.5
Men	0.6	0.5	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.7	0.6
Women	0.9	0.9	0.9	0.9	0.8	0.9	0.9	1.0	0.8	0.8	0.9
Children	0.0	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Economically active people	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retired people	1.3	1.4	1.5	1.4	1.3	1.4	1.5	1.4	1.4	1.4	1.4
People in full-time education	0.02	-	0.02	0.00	0.01	0.01	0.00	0.02	0.01	0.00	0.01
Composition (percentages)											
Household type											
Retired											
1 adult	59	57	43	55	63	51	47	47	57	48	53
1 adult men	12	8	10	15	16	18	16	11	19	22	15
1 adult women	47	49	34	39	47	33	32	36	38	26	38
2 or more adults	41	43	57	45	37	49	53	53	43	52	47
Household tenure											
Rented	18	23	28	41	49	38	39	24	24	5	29
Local authority rented	11	9	17	23	30	23	20	9	11	-	15
Housing association or RSL	5	11	7	11	12	11	11	10	8	2	9
Other rented unfurnished	1	2	1	5	3	4	3	1	3	1	2
Rented furnished	1	-	-	1	1	-	2	1	2	-	1
Rent free	1	1	4	1	3	1	3	2	1	1	2
Owner occupied	82	77	72	59	51	62	61	76	76	95	71
With mortgage	6	6	3	5	4	10	3	5	6	7	6
Rental purchase	-	-	0	-	-	-	-	-	-	-	0
Owned outright	76	71	69	54	47	52	58	71	69	88	65
Age of chief economic supporter											
Under 25	-	-	-	-	-	-	-	-	-	-	-
Over 24 and under 35	1	-	1	-	-	-	-	-	-	-	0
Over 34 and under 45	1	-	-	-	-	-	-	-	1	1	0
Over 44 and under 55	1	-	-	1	1	-	0	2	-	1	1
Over 54 and under 65	14	9	7	13	9	14	7	16	11	19	12
Over 64 and under 75	35	29	43	41	40	47	50	46	48	48	43
Over 74	49	62	49	45	51	39	42	37	40	31	45
Employment status of chief economic supporter											
Self-employed	-	-	-	-	-	-	-	-	-	1	0
Full-time employee	-	-	-	-	-	-	-	1	-	1	0
Part-time employee	-	1	-	-	-	-	1	-	-	-	0
Unemployed	-	-	-	-	-	-	-	-	-	-	-
Unoccupied and under minimum NI age	11	3	5	7	5	8	4	11	7	15	8
Retired/unoccupied over minimum NI age	89	96	95	93	95	92	95	88	93	83	92

Table 19A (Appendix 1)

Household characteristics of quintile groups of RETIRED households, 2003–04

	Quintile groups of retired households ranked by equivalised disposable income					All house- holds
	Bottom	2nd	3rd	4th	Top	
Average per household (number)						
People	1.5	1.5	1.5	1.6	1.5	1.5
Adults	1.4	1.5	1.5	1.6	1.5	1.5
Men	0.5	0.6	0.6	0.7	0.7	0.6
Women	0.9	0.9	0.8	0.9	0.8	0.9
Children	0.0	0.0	0.0	0.0	0.0	0.0
Economically active people	0.0	0.0	0.1	0.1	0.1	0.1
Retired people	1.4	1.5	1.4	1.5	1.4	1.4
People in full-time education	0.01	0.01	0.01	0.01	0.01	0.01
Composition (percentages)						
Household type						
Retired						
1 adult	58	49	57	47	53	53
1 adult men	10	12	17	13	20	15
1 adult women	48	36	40	34	32	38
2 or more adults	42	51	43	53	47	47
Household tenure						
Rented	21	34	44	31	14	29
Local authority rented	10	20	27	15	6	15
Housing association or RSL	8	9	11	11	5	9
Other rented unfurnished	2	3	3	2	2	2
Rented furnished	0	0	0	1	1	1
Rent free	1	3	2	3	1	2
Owner occupied	79	66	56	69	86	71
With mortgage	6	4	7	4	7	6
Rental purchase	-	0	-	-	-	0
Owned outright	73	62	49	64	79	65
Age of chief economic supporter						
Under 25	-	-	-	-	-	-
Over 24 and under 35	0	0	-	-	-	0
Over 34 and under 45	0	-	-	-	1	0
Over 44 and under 55	0	1	0	1	0	1
Over 54 and under 65	11	10	11	11	15	12
Over 64 and under 75	32	42	44	48	48	43
Over 74	56	47	45	40	36	45
Employment status of chief economic supporter						
Self-employed	-	-	-	-	0	0
Full-time employee	-	-	-	0	0	0
Part-time employee	0	-	-	0	-	0
Unemployed	-	-	-	-	-	-
Unoccupied and under minimum NI age	7	6	7	8	11	8
Retired/unoccupied over minimum NI age	93	94	93	92	88	92

Table 20 (Appendix 1)

Average incomes, taxes and benefits by decile groups of NON-RETIRED households without children, 2003–04

	Decile groups of non-retired households without children ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
Decile points (equivalised £)	10 363	13 690	17 183	20 062	22 934	26 012	30 186	35 240	45 708		
Number of households in the population ('000s)	1 089	1 087	1 092	1 088	1 089	1 092	1 089	1 089	1 089	1 092	10 896
Original income											
Wages and salaries	2 242	6 206	11 437	17 683	21 730	27 113	31 647	35 902	40 421	66 680	26 106
Imputed income from benefits in kind	8	27	15	129	172	247	350	519	858	1 872	420
Self-employment income	667	1 093	1 384	1 369	1 703	1 656	2 457	2 836	3 664	15 082	3 191
Occupational pensions, annuities	289	507	1 017	1 321	1 209	1 458	1 581	2 068	1 993	1 969	1 341
Investment income	256	108	389	317	373	451	592	635	1 341	3 145	761
Other income	128	112	239	141	100	137	121	150	546	234	191
Total	3 592	8 054	14 481	20 960	25 288	31 062	36 749	42 111	48 825	88 981	32 010
Direct benefits in cash											
Contributory											
Retirement pension	312	573	1 092	1 048	729	809	753	785	362	203	667
Job seeker's allowance (Contribution based)	100	24	38	10	9	8	-	1	2	6	20
Incapacity benefit	806	994	545	336	243	323	180	34	39	14	351
Widows' benefits	54	52	98	32	-	32	13	27	5	3	32
Statutory Maternity Pay/Allowance	-	-	1	-	-	-	1	-	-	40	4
Non-contributory											
Income support ¹	397	907	424	256	158	65	30	18	-	13	227
Child benefit	7	8	3	4	7	10	13	3	-	-	5
Housing benefit	813	1 092	478	168	158	52	37	10	-	30	284
Job seeker's allowance (Income based)	197	108	41	13	6	30	1	-	-	-	39
Invalid care allowance	53	141	78	41	20	20	10	11	-	-	38
Attendance allowance	9	-	19	22	31	-	-	30	-	-	11
Disability living allowance	252	628	565	379	211	256	141	48	34	23	254
War pensions/War widows' pensions	-	-	-	5	15	5	-	46	-	-	7
Severe disablement allowance	105	98	73	81	39	16	1	16	-	10	44
Industrial injury disablement benefit	29	52	31	29	31	28	43	28	6	-	28
Student support	45	21	43	38	1	40	-	13	222	-	42
Government training schemes	16	3	13	15	4	0	-	8	-	-	6
Tax credits ²	27	37	28	22	7	56	13	2	25	-	22
Other non-contributory benefits	76	100	69	89	68	50	42	47	19	49	61
Total cash benefits	3 297	4 840	3 638	2 590	1 737	1 798	1 277	1 126	714	391	2 141
Gross income	6 889	12 893	18 120	23 550	27 025	32 860	38 026	43 237	49 538	89 372	34 151
Direct taxes and Employees' NIC											
Income tax	430	808	1 770	2 591	3 395	4 574	5 488	6 486	8 226	18 065	5 183
Less: Tax credits ³	3	12	13	21	15	32	17	11	5	5	14
Employees' NI contributions	147	352	730	1 196	1 518	1 994	2 368	2 740	3 062	3 711	1 782
Council tax and Northern Ireland rates ⁴	667	692	776	787	796	857	917	960	981	1 105	854
Less: Council tax benefit/Rates rebates	260	253	133	55	31	20	5	7	3	10	78
Total	981	1 587	3 129	4 499	5 662	7 373	8 750	10 168	12 261	22 865	7 728
Disposable income	5 908	11 306	14 991	19 051	21 362	25 487	29 276	33 069	37 277	66 507	26 423
Equivalised disposable income	6 362	12 006	15 406	18 582	21 372	24 462	28 093	32 373	39 905	71 529	27 009
Indirect taxes											
Taxes on final goods and services											
VAT	987	1 181	1 437	1 672	1 806	2 079	2 194	2 482	2 619	3 590	2 005
Duty on tobacco	309	480	333	378	407	428	291	351	258	287	352
Duty on beer and cider	108	122	142	147	157	212	193	185	152	176	159
Duty on wines & spirits	92	119	125	168	174	196	213	242	257	301	189
Duty on hydrocarbon oils	244	261	365	458	529	562	599	605	651	728	500
Vehicle excise duty	70	67	107	124	136	152	180	174	167	189	137
Television licences	99	99	103	105	106	121	110	112	113	111	108
Stamp duty on house purchase	45	28	66	57	77	93	117	154	215	423	128
Customs duties	17	18	21	23	26	27	30	32	34	44	27
Betting taxes	23	29	34	48	48	43	41	37	28	28	36
Insurance premium tax	23	22	31	41	41	51	61	57	65	83	48
Air passenger duty	22	3	6	15	11	24	30	33	34	49	23
Camelot National Lottery Fund	35	47	54	76	59	72	86	73	46	38	59
Other	7	1	20	9	33	16	16	36	14	16	17
Intermediate taxes											
Commercial and industrial rates	159	172	194	215	243	253	281	304	319	413	255
Employers' NI contributions	265	287	325	358	405	423	469	508	533	689	426
Duty on hydrocarbon oils	107	116	131	145	164	171	189	205	215	278	172
Vehicle excise duty	22	24	27	30	34	35	39	42	44	58	36
Other	143	154	175	193	218	228	253	274	287	371	230
Total indirect taxes	2 775	3 230	3 695	4 263	4 673	5 185	5 392	5 908	6 051	7 872	4 904
Post-tax income	3 133	8 076	11 295	14 788	16 689	20 302	23 884	27 161	31 227	58 635	21 519
Benefits in kind											
Education	1 827	461	420	263	245	185	172	290	266	-	413
National health service	1 556	1 871	1 921	2 031	1 847	1 875	1 853	1 812	1 460	1 469	1 769
Housing subsidy	84	96	54	39	38	16	12	3	5	1	35
Rail travel subsidy	34	33	51	24	60	65	37	74	100	122	60
Bus travel subsidy	29	36	44	38	45	39	49	53	44	43	42
School meals and welfare milk	-	-	-	-	-	-	-	-	-	-	-
Total	3 531	2 497	2 491	2 395	2 234	2 180	2 123	2 232	1 875	1 635	2 319
Final income	6 664	10 573	13 786	17 183	18 924	22 482	26 007	29 393	33 101	60 271	23 838

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 21 (Appendix 1)

Average incomes, taxes and benefits by decile groups of NON-RETIRED households WITH CHILDREN, 2003–04

	Decile groups of non-retired households with children ranked by equivalised disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
<i>Decile points (equivalised £)</i>	9 286	11 693	13 974	15 800	18 022	20 326	23 097	26 807	34 383		
Number of households in the population ('000s)	730	727	734	730	730	733	731	726	732	736	7 308
Original income											
Wages and salaries	2 407	6 419	13 070	17 936	23 579	27 651	30 843	37 635	45 275	72 620	27 743
Imputed income from benefits in kind	15	-	48	80	144	249	307	853	1 080	2 071	485
Self-employment income	664	1 424	1 160	2 171	1 796	2 297	3 854	3 430	6 426	20 536	4 376
Occupational pensions, annuities	110	181	174	307	176	233	486	319	321	712	302
Investment income	77	66	56	124	164	205	256	459	797	3 751	596
Other income	285	183	162	250	469	473	537	364	262	332	332
Total	3 557	8 273	14 670	20 869	26 327	31 109	36 284	43 060	54 160	100 022	33 833
Direct benefits in cash											
Contributory											
Retirement pension	7	64	78	222	23	27	94	67	28	-	61
Job seeker's allowance (Contribution based)	75	80	2	4	6	3	2	-	9	-	18
Incapacity benefit	522	409	291	185	105	149	150	16	31	12	187
Widows' benefits	47	18	50	86	24	58	36	-	59	-	38
Statutory Maternity Pay/Allowance	2	11	3	1	-	25	34	64	52	95	29
Non-contributory											
Income support ¹	2 306	2 538	1 267	653	228	244	194	70	-	77	758
Child benefit	1 298	1 386	1 355	1 263	1 242	1 245	1 115	1 143	1 086	1 117	1 225
Housing benefit	1 404	1 510	980	505	292	355	103	92	96	149	549
Job seeker's allowance (Income based)	278	168	56	1	6	36	-	-	-	-	54
Invalid care allowance	54	51	142	130	70	5	41	21	27	21	56
Attendance allowance	-	-	-	-	8	-	22	-	-	-	3
Disability living allowance	212	225	316	328	189	215	227	84	61	101	196
War pensions/War widows' pensions	-	-	17	-	-	-	-	-	-	-	2
Severe disablement allowance	51	14	30	47	-	28	8	-	-	-	18
Industrial injury disablement benefit	9	11	4	42	19	7	14	-	11	-	12
Student support	28	44	32	106	137	47	2	1	60	110	57
Government training schemes	34	18	29	5	35	4	1	3	40	-	17
Tax credits ²	563	1 020	1 361	1 047	834	647	340	99	206	66	618
Other non-contributory benefits	163	59	70	62	41	43	26	24	22	11	52
Total cash benefits	7 057	7 627	6 081	4 687	3 261	3 136	2 409	1 685	1 786	1 760	3 949
Gross income	10 614	15 900	20 751	25 556	29 588	34 245	38 693	44 745	55 946	101 782	37 782
Direct taxes and Employees' NIC											
Income tax	360	864	1 728	2 440	3 272	4 253	5 376	6 617	9 507	20 834	5 525
less: Tax credits ³	51	315	680	719	688	622	559	458	393	121	461
Employees' NI contributions	138	415	841	1 192	1 589	1 944	2 234	2 652	3 067	3 458	1 753
Council tax and Northern Ireland rates ⁴	739	754	800	824	867	882	949	1 002	1 098	1 314	923
less: Council tax benefit/Rates rebates	400	308	175	94	38	36	23	16	13	13	111
Total	787	1 410	2 514	3 644	5 002	6 421	7 977	9 798	13 265	25 471	7 629
Disposable income	9 827	14 489	18 238	21 912	24 587	27 824	30 717	34 947	42 681	76 311	30 153
Equivalised disposable income	7 129	10 434	12 842	14 887	16 918	19 158	21 653	24 590	30 060	55 372	21 304
Indirect taxes											
Taxes on final goods and services											
VAT	1 268	1 484	1 796	2 098	2 346	2 673	2 617	3 029	3 406	4 574	2 529
Duty on tobacco	492	446	525	318	422	324	311	379	225	143	359
Duty on beer and cider	33	85	103	129	152	149	140	156	157	138	124
Duty on wines & spirits	63	69	132	131	160	182	170	149	186	225	147
Duty on hydrocarbon oils	241	340	427	544	622	676	656	747	807	891	595
Vehicle excise duty	64	77	115	143	160	167	175	193	215	235	154
Television licences	114	113	116	112	114	112	111	123	116	113	115
Stamp duty on house purchase	46	37	62	94	82	123	119	198	226	503	149
Customs duties	21	23	26	29	31	35	35	37	44	58	34
Betting taxes	20	21	23	27	93	41	25	118	27	27	42
Insurance premium tax	24	25	40	44	47	58	62	65	72	97	53
Air passenger duty	3	9	5	13	21	20	22	39	48	58	24
Camelot National Lottery Fund	31	38	51	51	60	63	59	59	54	34	50
Other	15	43	18	29	76	9	18	92	20	16	34
Intermediate taxes											
Commercial and industrial rates	198	216	247	271	291	332	330	355	415	554	321
Employers' NI contributions	330	360	411	452	486	554	550	593	692	924	535
Duty on hydrocarbon oils	133	145	166	183	196	224	222	239	280	373	216
Vehicle excise duty	28	30	34	38	41	46	46	49	58	77	45
Other	178	194	222	244	262	299	296	319	373	498	288
Total indirect taxes	3 301	3 755	4 518	4 948	5 662	6 089	5 963	6 942	7 423	9 538	5 814
Post-tax income	6 526	10 735	13 720	16 964	18 924	21 736	24 753	28 005	35 258	66 773	24 339
Benefits in kind											
Education	6 104	6 001	5 366	5 667	5 643	5 233	4 586	4 699	4 305	3 729	5 133
National health service	3 075	3 070	3 356	3 117	2 918	3 089	3 197	3 180	3 068	3 576	3 165
Housing subsidy	132	143	92	61	37	30	35	13	7	1	55
Rail travel subsidy	16	11	18	18	26	29	58	39	89	117	42
Bus travel subsidy	64	47	41	54	50	44	70	26	58	39	49
School meals and welfare milk	258	211	140	79	42	28	33	21	13	6	83
Total	9 649	9 484	9 014	8 996	8 715	8 454	7 979	7 978	7 540	7 468	8 528
Final income	16 175	20 219	22 734	25 960	27 639	30 189	32 732	35 983	42 798	74 241	32 867

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 22 (Appendix 1)

Distribution of households¹ by household type, 2003–04

	Retired households				Non-Retired households		
	1 adult Men	1 adult Women	All 1 adult	2 or more adults	1 adult Men	1 adult Women	All 1 adult
Decile groups of households ranked by equivalised disposable income							
Number of households ('000s)							
Bottom	103	418	522	373	219	183	402
2nd	100	435	535	544	203	114	316
3rd	175	472	648	476	163	110	272
4th	146	318	464	423	150	129	279
5th	104	256	360	402	150	119	270
6th	78	187	265	284	154	165	319
7th	90	202	293	201	180	143	323
8th	55	71	126	170	200	170	370
9th	56	39	95	122	287	126	413
Top	36	61	96	67	392	224	616
All households in population ('000s)	944	2 459	3 403	3 063	2 097	1 483	3 580

	Non-Retired households							
	2 adults	3 or more adults	1 adult with children	2 adults with 1 child	2 adults with 2 children	2 adults with 3 or more children	3 or more adults with children	All house- holds
Decile groups of households ranked by equivalised disposable income								
Number of households ('000s)								
Bottom	311	108	302	137	132	96	82	2 464
2nd	271	103	270	104	131	112	83	2 469
3rd	277	135	178	93	179	120	86	2 465
4th	319	112	173	146	269	117	166	2 468
5th	418	176	137	199	282	82	140	2 465
6th	502	276	112	199	307	73	131	2 469
7th	603	261	97	216	291	68	115	2 468
8th	733	318	61	235	261	63	130	2 466
9th	937	284	35	226	237	41	74	2 467
Top	984	186	19	210	162	62	66	2 468
All households in population ('000s)	5 356	1 959	1 385	1 765	2 252	834	1 073	24 670

1. See Appendix 2 for definition of retired households, adults and children.

Table 23 (Appendix 1)

Summary of the effects of taxes and benefits, by household type¹, 2003–04

	Retired households				Non-Retired households		
	1 adult Men	1 adult Women	All 1 adult	2 or more adults	1 adult Men	1 adult Women	All 1 adult
Average per household (£ per year)							
Original income	6 804	3 688	4 552	10 807	19 328	16 127	18 002
<i>plus</i> Cash benefits	6 129	6 568	6 446	8 792	1 758	2 036	1 873
Gross income	12 933	10 256	10 998	19 599	21 085	18 163	19 875
<i>less</i> Direct taxes and employees' NIC	1 652	993	1 175	2 598	4 976	4 153	4 635
Disposable income	11 282	9 263	9 823	17 001	16 110	14 010	15 240
<i>Equivalised disposable income</i>	<i>18 464</i>	<i>15 177</i>	<i>16 089</i>	<i>16 326</i>	<i>26 409</i>	<i>22 968</i>	<i>24 983</i>
<i>less</i> Indirect taxes	2 002	1 486	1 629	3 702	3 283	2 873	3 113
Post-tax income	9 279	7 777	8 194	13 299	12 826	11 137	12 126
<i>plus</i> Benefits in kind	3 357	3 859	3 719	5 354	994	1 172	1 068
Final income	12 637	11 636	11 913	18 653	13 820	12 309	13 194

	Non-Retired households							
	2 adults	3 or more adults	1 adult with children	2 adults with 1 child	2 adults with 2 children	2 adults with 3 or more children	3 or more adults with children	All house- holds
Average per household (£ per year)								
Original income	37 200	43 424	9 173	37 462	38 469	40 188	45 023	26 130
<i>plus</i> Cash benefits	2 058	2 856	7 088	2 240	2 718	4 917	4 540	4 096
Gross income	39 258	46 281	16 261	39 702	41 187	45 105	49 563	30 226
<i>less</i> Direct taxes and employees' NIC	9 142	9 512	1 529	8 584	8 964	9 419	9 737	6 158
Disposable income	30 116	36 769	14 733	31 118	32 223	35 687	39 826	24 069
<i>Equivalised disposable income</i>	<i>29 426</i>	<i>24 101</i>	<i>15 076</i>	<i>25 588</i>	<i>22 121</i>	<i>20 851</i>	<i>20 932</i>	<i>22 486</i>
<i>less</i> Indirect taxes	5 387	6 858	3 047	5 701	6 324	6 806	7 729	4 573
Post-tax income	24 729	29 911	11 685	25 416	25 899	28 880	32 097	19 496
<i>plus</i> Benefits in kind	2 282	4 708	7 740	5 387	8 853	13 709	10 001	4 728
Final income	27 011	34 619	19 425	30 803	34 753	42 589	42 098	24 224

¹ See Appendix 2 for definitions of retired households, adults and children.

Table 24 (Appendix 1)

Average incomes, taxes and benefits by decile groups of all households (ranked by UNADJUSTED disposable income), 2003–04

	Decile groups of all households ranked by unadjusted disposable income										All households
	Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top	
Average per household (£ per year)											
<i>Decile points (£)</i>	7 422	9 890	12 690	15 794	19 493	23 329	27 860	33 882	44 404		
Number of households in the population ('000s)	2 466	2 465	2 470	2 467	2 466	2 466	2 467	2 465	2 469	2 468	24 670
Original income											
Wages and salaries	621	1 381	3 626	6 330	10 819	17 371	23 190	30 041	39 504	65 973	19 885
Imputed income from benefits in kind	4	5	19	29	58	127	168	460	738	1 698	330
Self-employment income	279	274	301	597	1 055	1 658	2 239	2 614	3 606	14 546	2 717
Occupational pensions, annuities	453	1 134	1 775	2 635	2 806	2 280	2 568	2 568	2 186	2 762	2 127
Investment income	266	246	314	540	685	603	726	951	1 182	3 192	871
Other income	86	95	118	161	212	194	256	267	223	385	200
Total	1 709	3 135	6 153	10 293	15 636	22 233	29 249	36 901	47 438	88 557	26 130
Direct benefits in cash											
Contributory											
Retirement pension	2 266	3 089	3 062	2 858	2 203	1 523	1 182	885	629	393	1 809
Job seeker's allowance (Contribution based)	38	13	11	19	30	12	15	7	9	5	16
Incapacity benefit	290	332	345	324	246	218	270	111	135	53	232
Widows' benefits	39	40	62	41	42	22	30	37	7	9	33
Statutory Maternity Pay/Allowance	-	1	3	0	0	6	12	10	22	50	10
Non-contributory											
Income support ¹	395	796	928	680	489	269	121	128	121	39	397
Child benefit	79	151	250	235	413	477	480	530	516	535	367
Housing benefit	612	1 097	865	654	408	194	193	52	61	60	420
Job seeker's allowance (Income based)	94	45	57	54	45	17	8	15	26	0	36
Invalid care allowance	11	17	31	70	88	73	38	36	32	14	41
Attendance allowance	32	69	124	93	30	61	16	19	11	13	47
Disability living allowance	54	245	336	531	440	293	255	129	193	93	257
War pensions/War widows' pensions	1	17	8	40	66	69	2	8	3	12	23
Severe disablement allowance	30	15	56	68	54	42	20	10	11	12	32
Industrial injury disablement benefit	3	16	26	31	48	14	39	21	20	3	22
Student support	2	16	40	20	19	22	27	42	47	131	37
Government training schemes	2	7	1	8	15	5	7	8	6	16	8
Tax credits ²	16	93	179	237	506	407	215	132	135	20	194
Other non-contributory benefits	165	226	192	156	132	73	80	57	46	40	117
Total cash benefits	4 130	6 284	6 578	6 119	5 276	3 798	3 011	2 237	2 031	1 498	4 096
Gross income	5 839	9 418	12 730	16 412	20 911	26 031	32 260	39 138	49 469	90 054	30 226
Direct taxes and Employees' NIC											
Income tax	199	338	696	1 316	2 024	2 972	4 299	5 544	7 506	17 310	4 220
less: Tax credits ³	3	5	25	83	220	316	238	258	215	74	144
Employees' NI contributions	49	75	225	423	736	1 212	1 696	2 153	2 824	3 772	1 317
Council tax and Northern Ireland rates ⁴	675	677	738	800	862	865	924	969	1 035	1 220	876
less: Council tax benefit/Rates rebates	249	275	221	162	95	53	32	18	9	10	112
Total	671	810	1 412	2 294	3 307	4 681	6 650	8 390	11 140	22 219	6 158
Disposable income	5 167	8 608	11 318	14 117	17 604	21 351	25 610	30 748	38 328	67 835	24 069
Indirect taxes											
Taxes on final goods and services											
VAT	705	771	983	1 278	1 631	1 964	2 220	2 590	2 858	4 223	1 922
Duty on tobacco	176	246	257	297	325	332	363	345	405	274	302
Duty on beer and cider	47	51	60	91	101	133	142	166	199	203	119
Duty on wines & spirits	62	64	87	108	135	169	166	193	262	286	153
Duty on hydrocarbon oils	138	150	200	293	416	468	539	635	748	911	450
Vehicle excise duty	49	48	71	92	122	138	156	178	198	236	129
Television licences	70	74	83	89	100	107	111	109	111	111	96
Stamp duty on house purchase	41	22	33	52	81	92	121	139	171	402	115
Customs duties	12	13	16	19	23	26	29	33	38	53	26
Betting taxes	15	22	26	30	32	48	37	38	72	32	35
Insurance premium tax	18	15	24	32	38	43	57	59	69	95	45
Air passenger duty	10	3	22	10	13	13	22	36	27	65	22
Camelot National Lottery Fund	25	33	44	50	60	49	65	67	73	49	52
Other	4	8	3	3	20	20	33	18	47	32	19
Intermediate taxes											
Commercial and industrial rates	115	122	154	180	218	244	274	316	357	499	248
Employers' NI contributions	193	203	256	301	363	408	458	527	596	832	414
Duty on hydrocarbon oils	78	82	104	122	147	165	185	213	241	336	167
Vehicle excise duty	16	17	21	25	30	34	38	44	50	69	35
Other	104	110	138	162	196	220	247	284	321	448	223
Total indirect taxes	1 879	2 055	2 583	3 235	4 051	4 673	5 264	5 989	6 843	9 156	4 573
Post-tax income	3 288	6 553	8 735	10 882	13 553	16 678	20 346	24 759	31 486	58 680	19 496
Benefits in kind											
Education	782	750	1 097	1 192	1 792	2 136	2 021	2 415	2 578	2 364	1 713
National health service	2 632	3 073	3 252	2 902	2 907	2 792	2 725	2 789	2 645	2 780	2 850
Housing subsidy	74	93	85	62	49	33	22	18	12	4	45
Rail travel subsidy	14	13	21	22	24	30	44	49	76	129	42
Bus travel subsidy	44	61	58	49	59	43	53	51	56	63	54
School meals and welfare milk	10	27	58	40	34	27	15	18	13	5	25
Total	3 556	4 017	4 570	4 268	4 865	5 062	4 880	5 341	5 380	5 345	4 728
Final income	6 844	10 570	13 306	15 150	18 418	21 740	25 226	30 099	36 865	64 025	24 224

¹ Including pension credit.² Child tax credit and working tax credit payments which are treated as benefits (see Appendix 2, paragraph 22).³ Child tax credit and working tax credit payments which are treated as negative income tax. Also includes tax relief at source on life assurance premiums.⁴ Council tax and Northern Ireland rates after deducting discounts.

Table 25 (Appendix 1)

Cross-tabulation of households ranked by disposable income, unadjusted and equivalised, 2003–04

(i) Quintile groups		Quintile groups of equivalised disposable income					All households	
		Bottom	2nd	3rd	4th	Top		
Number of households in the population ('000s)								
Quintile groups of unadjusted disposable income								
Bottom		3 175	1 702	53	-	-		4 930
2nd		1 330	1 617	1 229	761	-		4 937
3rd		402	1 175	1 986	868	502		4 932
4th		26	409	1 400	2 019	1 079		4 933
Top		-	31	265	1 286	3 354		4 937
All households		4 933	4 933	4 934	4 934	4 935		24 670

(ii) Decile groups		Decile groups of equivalised disposable income									All households		
		Bottom	2nd	3rd	4th	5th	6th	7th	8th	9th	Top		
Number of households in the population ('000s)													
Decile groups of unadjusted disposable income													
Bottom		1 445	851	169	-	-	-	-	-	-	-	-	2 466
2nd		598	281	787	746	53	-	-	-	-	-	-	2 465
3rd		239	782	352	65	576	457	-	-	-	-	-	2 470
4th		107	202	551	649	60	137	619	142	-	-	-	2 467
5th		54	230	319	296	815	221	29	357	145	-	-	2 466
6th		20	98	204	355	258	692	449	34	357	-	-	2 466
7th		1	22	47	216	409	365	521	566	16	305	-	2 467
8th		-	4	31	115	200	427	411	520	536	222	-	2 465
9th		-	-	4	27	94	140	383	588	830	403	-	2 469
Top		-	-	-	-	-	31	56	259	582	1 539	-	2 468
All households		2 464	2 469	2 465	2 468	2 465	2 469	2 468	2 466	2 467	2 468		24 670

Table 26 (Appendix 1)

Percentage shares of equivalised total original, gross, disposable and post-tax incomes by quintile groups for ALL households¹, 1981 to 2003–04²

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Original income												
Bottom	3	3	3	3	2	3	2	2	2	2	2	2
2nd	9	8	8	7	7	7	7	7	7	7	7	6
3rd	17	17	17	17	17	16	16	16	16	15	16	15
4th	26	26	26	26	27	26	25	26	26	25	26	26
Top	46	46	47	47	47	49	50	50	49	51	50	50
All households	100	100	100	100	100	100	100	100	100	100	100	100
Gross income												
Bottom	8	9	9	9	8	8	7	7	7	7	7	7
2nd	12	12	12	12	12	11	11	11	11	10	10	11
3rd	17	17	17	17	17	16	16	16	16	16	16	16
4th	23	23	23	23	24	23	23	23	23	23	23	23
Top	39	39	39	39	40	41	43	43	42	44	44	43
All households	100	100	100	100	100	100	100	100	100	100	100	100
Disposable income												
Bottom	9	9	9	10	9	9	8	8	8	7	7	7
2nd	13	13	13	13	13	12	12	11	12	11	11	11
3rd	17	17	17	17	17	17	16	16	17	16	16	16
4th	23	23	23	23	23	23	23	23	23	23	23	23
Top	38	37	38	37	38	40	41	42	41	43	42	42
All households	100	100	100	100	100	100	100	100	100	100	100	100
Post-tax income												
Bottom	9	9	9	9	9	8	8	7	7	6	7	7
2nd	13	13	13	13	13	12	12	11	11	10	11	11
3rd	17	17	17	17	17	16	16	16	16	15	16	16
4th	22	22	22	22	23	22	22	22	23	23	23	23
Top	39	39	39	38	39	41	43	44	43	45	44	44
All households	100	100	100	100	100	100	100	100	100	100	100	100

	1993	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
Original income												
Bottom	2	2	2	3	2	2	3	2	2	3	3	3
2nd	6	6	6	7	7	7	7	7	7	7	7	7
3rd	15	14	15	15	15	15	15	15	15	14	15	15
4th	25	25	25	25	25	25	25	25	25	24	25	24
Top	52	52	51	50	51	51	52	52	50	52	50	51
All households	100	100	100	100	100	100	100	100	100	100	100	100
Gross income												
Bottom	7	7	7	7	7	7	7	7	6	6	7	7
2nd	11	11	11	11	11	11	11	11	11	11	11	11
3rd	16	16	16	16	16	16	16	16	16	15	16	16
4th	23	23	23	23	23	23	23	23	23	22	23	22
Top	44	44	43	43	44	44	44	44	44	45	43	44
All households	100	100	100	100	100	100	100	100	100	100	100	100
Disposable income												
Bottom	8	8	8	8	8	8	7	7	7	7	8	8
2nd	12	12	12	12	12	12	12	12	12	12	12	12
3rd	16	16	16	17	16	16	16	16	16	16	17	17
4th	23	23	23	23	23	23	23	23	23	22	23	22
Top	42	42	41	40	42	42	42	42	42	43	41	42
All households	100	100	100	100	100	100	100	100	100	100	100	100
Post-tax income												
Bottom	7	7	7	7	7	7	6	6	6	6	6	7
2nd	11	11	11	12	11	11	11	11	11	11	12	12
3rd	16	16	16	16	16	16	16	16	16	15	16	16
4th	22	22	22	23	22	22	22	22	22	22	23	22
Top	44	44	43	43	44	44	45	45	44	46	43	44
All households	100	100	100	100	100	100	100	100	100	100	100	100

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

Table 27 (Appendix 1)

Gini coefficients for the distribution of income at each stage of the tax-benefit system and P90/P10 and P75/P25¹ ratios for disposable income for all households, 1981 to 2003–04²

	Gini coefficients (per cent)				Ratios for disposable income	
	Equivalised income				P90/P10	P75/P25
	Original	Gross	Disposable	Post-tax		
1981	46	31	28	31	3.4	2.0
1982	47	31	28	31	3.3	2.0
1983	48	32	28	31	3.3	1.9
1984	49	31	28	30	3.3	2.0
1985	49	32	29	32	3.5	2.1
1986	50	34	31	35	3.7	2.1
1987	51	36	33	36	4.1	2.2
1988	51	37	35	38	4.4	2.4
1989	50	36	34	37	4.5	2.4
1990	52	38	36	40	4.9	2.5
1991	51	37	35	39	4.8	2.5
1992	52	37	34	38	4.6	2.4
1993	53	38	35	38	4.5	2.3
1993/94	54	37	34	38	4.5	2.3
1994/95	53	37	33	37	4.5	2.3
1995/96	52	36	33	37	4.2	2.2
1996/97	53	37	34	38	4.4	2.3
1997/98	53	37	34	38	4.5	2.3
1998/99	53	38	35	39	4.5	2.3
1999/00	53	38	35	40	4.6	2.4
2000/01	51	38	35	39	4.5	2.3
2001/02	53	39	36	40	4.5	2.3
2002/03	51	37	33	37	4.3	2.2
2003/04	52	37	34	38	4.1	2.1

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

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

APPENDIX 2

METHODOLOGY AND DEFINITIONS

The allocation of government expenditure and its financing

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

Expenditure and Food Survey (EFS)

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

3. One of the main purposes of the EFS is to produce information on household expenditure patterns which is used to derive the weights for the retail prices index. The fieldwork is undertaken by ONS and by the Northern Ireland Statistics and Research Agency. *Family Spending 2003–04*, published on the National Statistics website in June 2005, shows detailed results on expenditure and income from the 2003–04 survey, and how they vary with household characteristics. The report also includes an outline of the survey design.

4. The number of households in the United Kingdom responding to the EFS in 2003–04 was 7,000 (about one in every 3,500 households). The response rate was 58 per cent. To count as a co-operating household, all members aged

16 and over must fill in the diaries for both weeks and give full details of income, etc. The available evidence suggests that households containing a couple with non-dependent children, those where the head is self-employed, and those where the head was born outside the United Kingdom, are less likely to co-operate than others (see *A comparison of the Census characteristics of respondents and non-respondents to the 1991 Family Expenditure Survey* by Kate Foster, *Survey Methodology Bulletin*, ONS, No 38, Jan 1996). In addition, response in Greater London is noticeably lower than in other areas.

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

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

Unit of analysis

7. The basic unit of analysis used is the household, and not the family, individual or benefit unit. A household is defined in terms of the harmonised definition as used in the Census and nearly all other government household surveys since 1981. This is one person, or a group of persons, who have the accommodation as their only or main residence and (for

a group) share the living accommodation, that is a living or sitting room, or share meals together or have common housekeeping. Up until 1999–2000, the definition was based on the pre-1981 Census definition and required members to share eating and budgeting arrangements as well as shared living accommodation. The definition of a household comprised people who lived at the same address and who shared common catering for at least one meal a day. The effect of the change was fairly small, but not negligible. Spending on many items, particularly on food, housing, fuel and light, is largely joint spending by the members of the household. Without further information or assumptions it is difficult to apportion indirect taxes between individuals or other sub-divisions of households.

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

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

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

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

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

11. The sample households have been classified according to their compositions at the time of the interview. This classification is sensible for the vast majority of households, but it can be misleading for the very small number of cases where a spouse is absent from the household at the time of interview. The absent spouse may well be working away from home (for example, on an oil rig), or living separately – but contributing financially to the household's upkeep. These contributions would be picked up as part of the household's original income. Also, it is likely that some households will have changed their composition during the year.

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

- employees at work
- employees temporarily away from work through illness, temporary lay-off, industrial action, etc.
- on government training schemes
- self-employed

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

Income: redistributive stages

13. Stage one:

Original income *plus* cash benefits = Gross income.

Stage two:

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

Stage three:

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

Stage four:

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

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

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

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

17. About 98 per cent of original income comes from earnings, occupational pensions (including annuities) and investment income. The tiny bit remaining comes from a variety of sources: trade union benefits, income of children under 16, private scholarships, earnings as a mail order agent or baby-sitter, regular allowance from a non-spouse, allowance from an absent spouse and the imputed value of

rent-free accommodation. Households living in rent-free dwellings are each assigned an imputed income. This is counted as employment income if the tenancy depends on the job.

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

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

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

Contributory:

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

Non-contributory:

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

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

22. Child tax credit (CTC) and working tax credit (WTC) are more complicated. They are classified as negative income tax, but only to the extent that income tax less tax credits, remains greater than or equal to zero for each family. So for households paying relatively little or no income tax, tax credit payments are regarded either partially or wholly, as cash benefits. As discussed in the article, estimates of tax credit

payments for 2003–04 are thought to under-estimate the true level of payments due to under-reporting in the EFS.

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

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

25. Income tax is shown after the deduction of those tax credit payments which are regarded as negative income tax.

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

27. Up until 2000–01 the figures for Council tax and Northern Ireland rates included charges made by water authorities for water, environmental and sewerage services. From 2001–02 these were treated as charges for a service rather than a tax, so the current figures for local taxes are not strictly comparable with those up to 2000–01.

28. The tax estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances, with the exception of tax relief obtained 'at source'. In 2003–04, there were two types of tax relief obtained in this way: tax credits paid through employers, and life assurance premium relief. Where households are eligible for these reliefs, imputations are made and deducted from recorded income tax payments.

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

- Duties on alcoholic drinks, tobacco, petrol, oil, betting, etc
- Value Added Tax (VAT)
- Customs (import) duties
- Motor vehicle duties
- Air passenger duty

- Insurance premium tax
- Driving licenses
- Television licenses
- Stamp duties
- Fossil fuel levy
- Camelot: payments to National Lottery Distribution Fund.

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

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

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

33. Indirect taxes on intermediate goods and services include:

- Rates on commercial and industrial property
- Motor vehicle duties
- Duties on hydrocarbon oils
- Employers' contributions to National Insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
- Customs (import) duties
- Stamp duties
- VAT
- Independent Commission franchise payments
- Landfill tax
- Consumer Credit Act fees.

34. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the analysis, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and

final consumption using estimated input-output techniques. This process is not an exact science, and many assumptions have to be made. Some analyses, for example, that by Dilnot, Kay and Keen *Allocating Taxes to Households: A Methodology*, suggest that the taxes could be progressive rather than regressive if one were to use different incidence assumptions.

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

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

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

- State education
- School meals and welfare milk
- National Health Service
- Housing subsidy
- Railway travel subsidy
- Bus travel subsidy (including concessionary fares schemes).

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

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

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

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

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

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

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

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

46. In allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services.

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

Equivalence scale

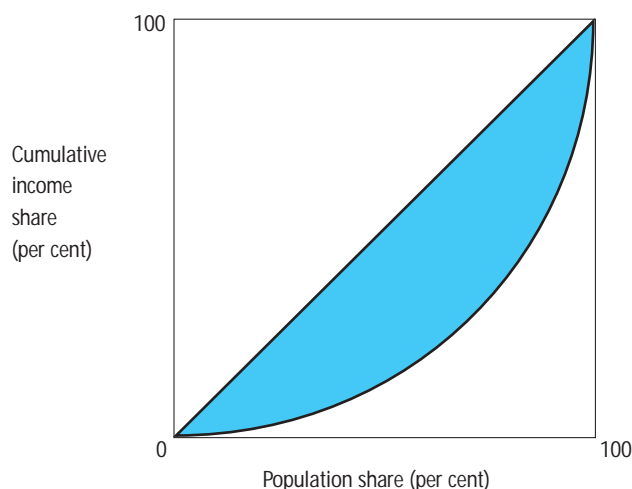
48. The equivalence scale used in this analysis is the *McClements scale* (**before** housing costs are deducted). The scales (separate ones for before and after housing costs) were developed by Dr L D McClements at the Department of Health and Social Security (DHSS) in the mid-seventies, based on expenditure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

49. The equivalence values are given below:

Type of household member	Equivalence value
Married head of household (that is, a married or cohabiting couple)	1.00
1st additional adult	0.42
2nd (or more) additional adult	0.36 (per adult)
Single head of household (adult)	0.61
1st additional adult	0.46
2nd additional adult	0.42
3rd (or more) additional adult	0.36 (per adult)
Child aged:	
16–18	0.36
13–15	0.27
11–12	0.25
8–10	0.23
5–7	0.21
2–4	0.18
Under 2	0.09

Diagram 2

Lorenz curve for a typical income distribution



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

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

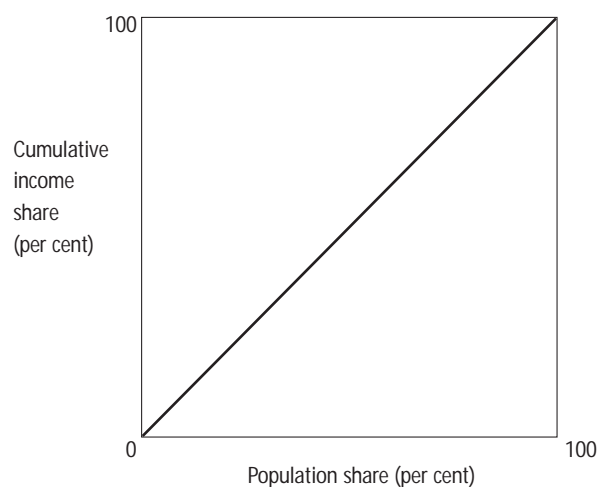
52. It is important to note that most monetary values shown in the analysis are ordinary (that is, un-equivalised) £ per year, not equivalised £ per year. Where equivalised values do appear (for example, the quintile points in Table 16A of Appendix 1), they are shown in *italics*.

Gini coefficient

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

Diagram 3

Complete income equality



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

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

Impact of population weighting

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

Sampling errors and reliability

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

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

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

where the design factor is 1.1 for 2003–04, and S^2 is the estimate of the population variance.

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

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

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

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

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

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

Previous analyses

63. This analysis is the latest in an annual series covering the years from 1957 onwards. From 1987 onwards, the analyses have used a very different methodology, in particular households are ranked by their equivalised disposable income. Hence, the results are completely incompatible with earlier years. Last year the analysis was published on the National Statistics website in May, and in the June 2004 edition of *Economic Trends*. A list of the previous articles was included in the article published in March 1997.

64. The results in all analyses are intended to be free standing: they were not designed for direct comparison with other years except where some limited comparisons were made in them. Such comparisons are difficult because of changes in definitions, however, some broader measures like the Gini coefficients are relatively robust and will stand comparison with other years: this year's analysis gives such a comparison for the years 1981 to 2003–04.

Experimental monthly index of services – development programme update

**Steve Drew and
Darren Morgan**
Office for National Statistics

This article includes reviews of the achievements in terms of published outputs and the improvements made in the methods and data sources to measure the Index of Services (IoS). It also looks at the recent revisions performance of the IoS and its components, as well as the progress being made on dropping IoS's 'experimental' label. The article concludes by looking at the challenges of the next 12 months and also puts UK development into an international context.

Introduction

This article sets out the progress made in the development of the Index of Services (IoS) since the last IoS *Economic Trends* article (Drew and Morgan, 2003). It also gives details of the remaining work that must be done, and the issues that need to be addressed, before the IoS can be launched as a mainstream National Statistic.

This article covers:

- the background to the IoS
- the achievements made since October 2003 in developing the IoS
- an analysis of the revisions performance of the Index of Distribution (IoD) and IoS
- international context of the development programme of the IoS
- next steps towards dropping IoS's 'experimental' label.

Background

The Office for National Statistics (ONS) launched the IoS (an experimental monthly chained volume index) in December 2000. This was the first step towards providing, for the service industries, the periodicity, range and quality of output indicators that production industries have had for many years. Plans for the future development of the IoS were also explained at its launch.

Since December 2000 the IoS development programme has included improving the conceptual appropriateness of the indicators, increasing the amount of monthly data used in the index and improving the timeliness of the publications. A series of articles have been published in *Economic Trends* describing the progress of the project.

What is published in the IoS?

The IoS is published on an experimental basis and consists of five main components:

- distribution
- hotels and restaurants
- transport, storage and communication
- business services and finance
- government and other services

Of these components, distribution became a mainstream National Statistic in May 2001 after undergoing a quality assurance process.

Use of the National Statistics website

The Index of Distribution (IoD) has been published every month as a National Statistic since May 2001. The IoD release receives around 750 visitors per month.

The IoS release has also been published every month since December 2000 in the experimental statistics area of the National Statistics website. It is worth noting that the experimental IoS release generates just as much interest as the IoD.

Achievements since the last article

The next six sections review progress made in the following areas:

- developments made in the published outputs, including plans for publishing additional detail in the experimental IoS release
- indicator developments, including:
 - overview of the industry review process
 - reviews of the water transport, supporting and auxiliary transport, real estate, public administration and defence, education and health and social work industries
- progress made in increasing the monthliness of the IoS
- price developments
- methods developments
- seasonal adjustment and data primacy

Table 1
The publication of the IoD/IoS in relation to the publication of quarterly GDP

Date	National Accounts Publication	IoD & IoS Publication
22 Jul 05	Gross Domestic Product Preliminary Estimate Quarter 2 2005	IoD & IoS – May 2005
26 Aug 05	UK Output, Income & Expenditure Quarter 2 2005	IoD & IoS – June 2005
28 Sep 05	Quarterly National Accounts Quarter 2 2005	IoD & IoS – July 2005
21 Oct 05	Gross Domestic Product Preliminary Estimate Quarter 3 2005	IoD & IoS – August 2005
25 Nov 05	UK Output, Income & Expenditure Quarter 3 2005	IoD & IoS – September 2005
23 Dec 05	Quarterly National Accounts Quarter 3 2005	IoD & IoS – October 2005

Published outputs

Improving timeliness

What commitment did we make in October 2003's Economic Trends?

We said that we would speed up the IoD and the IoS by one day from January 2004.

Have we met the commitment?

We met this commitment in January 2004. The IoD and IoS are both now released on the same day as all three quarterly GDP First Releases.

Table 1 compares the publication dates of the IoD and IoS and the quarterly GDP Releases.

Level of detail at which the IoS is published

What commitment did we make in October 2003's Economic Trends?

We said that we would work with ONS time-series methodologists to reach a conclusion on whether there is scope for the IoS to be published at a more detailed level.

Have we met the commitment?

A quality assurance team from ONS's Methodology Directorate is currently evaluating the IoS to determine if the IoS should be classified to National Statistics status. This team has recommended that all two-digit Standard Industrial Classification (SIC) 'divisional level' data should be published as part of the evaluation process. We are currently assessing how best to publish this extra detail. Two issues with the IoS publishing two-digit SIC divisional level data are that:

- the IoS will reveal quarterly divisional-level data one month earlier than is the current practice
- these data will be published in the *experimental* IoS release ahead of the quarterly GDP releases.

Indicator developments

Indicator developments for IoS are being taken forward within the industry review programme. This reviews the data sources and methods used on an industry-by-industry basis, assesses available alternative data sources and then makes recommendations for improvement. At Blue Book 2004, seven industries were reviewed and implemented, and reports were published at the time explaining the changes. For Blue Book 2005, six industries have been reviewed and summaries of these reviews are set out below. The industries are as follows:

- water transport
- supporting and auxiliary transport activities
- real estate (phase II)

- public administration and defence
- education
- health and social work

Full reports for each of the industries reviewed are available from the following weblink:

http://www.statistics.gov.uk/IoS_Methodology/future_improvements.asp#irr

Background on conceptual basis

It will help to explain the conceptual basis of the IoS before describing the changes that have been made to it. The experimental monthly IoS uses the same concepts and data sources as the output approach to measuring GDP for services. The main concepts are summarised below.

The level of Gross Value Added (GVA) for each industry is measured in basic prices as:

GVA = outputs *less* inputs

Or, in more detail:

GVA = turnover *less* purchases for intermediate consumption
 plus changes in inventories
 plus own account capital formation

It is impractical to collect the data relating to each industry necessary to carry out the GVA calculation every month. So the IoS generally uses indirect indicators to estimate the short-term change in GVA.

The preferred type of indicator is one that measures an industry's deflated gross output (or turnover). An appropriate price index is used to remove the effects of price changes; this process is known as deflation.

The use of volume indicators is also acceptable. This requires no deflation but will usually miss quality changes, or changes in the mix of outputs.

Water transport industry review

Water transport represents 0.3 per cent of services and 0.2 per cent of the whole economy by GVA weight.

Previous methodology

For passenger-sea and coastal water transport, the indicator used was passenger revenue data on sea travel from the International Passenger Survey deflated by a price index for sea travel.

For freight sea and coastal water transport, turnover receipts data from a quarterly Chamber of Shipping survey were used, deflated by an inappropriate price index. The quarterly data series were then benchmarked onto more comprehensive annual data.

For inland water transport, an annual direct-volume indicator of non-seagoing waterway traffic from the Department for Transport was used.

The main reasons for changing this approach were:

- the passenger-sea and coastal water transport was missing the output from business-to-business transactions (that is, road freight using passenger ferries)
- the benchmarking of the Chamber of Shipping quarterly onto annual data used non-standard ONS methods
- more appropriate deflators are available for deflating the output of freight sea and coastal transport.

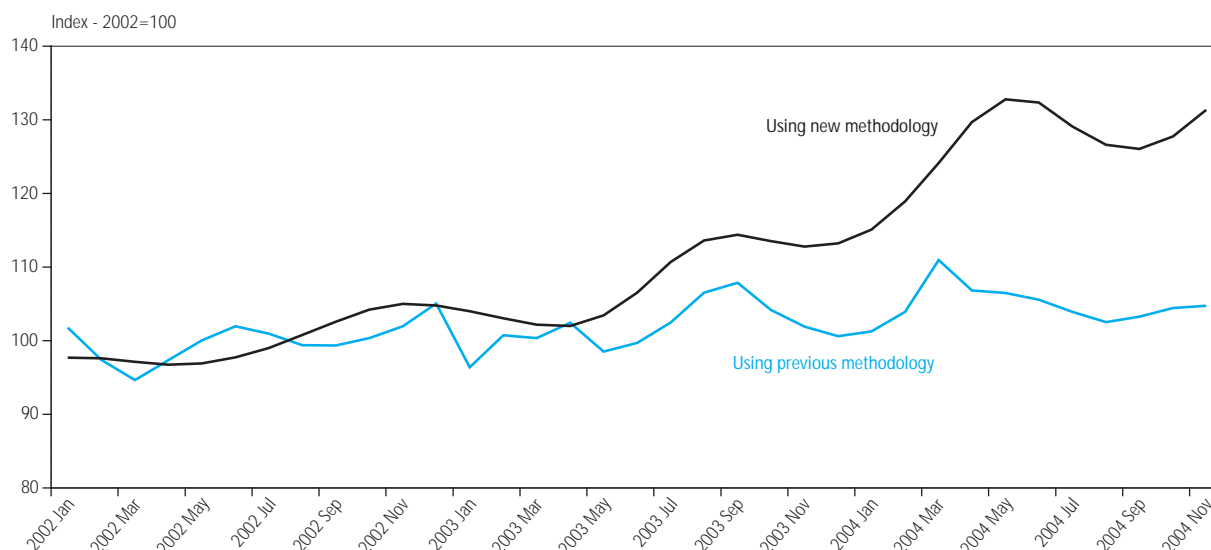
New methodology

The following improvements have been made:

- volume data on road freight vehicles travelling to mainland Europe have augmented the sea passenger travel indicator, to capture the business-to-business activity on passenger ferries
- the Retail Price Index (RPI) for sea fares is now used to deflate the passenger-sea and coastal transport

Figure 1

Water transport (SIC 2003 division 61) Chained volume measures, seasonally adjusted



- the Corporate Services Price Index (CSPI) is now used for freight sea and coastal transport

Figure 1 shows the monthly path of data produced by the new methodology for water transport compared with previous methodology.

Benefits of new methodology

- more comprehensive measure of the output of ferry companies
- improved deflation of a number of components
- introduction of the standard ONS function for benchmarking, making the methodology more robust.

Supporting and auxiliary transport activities industry review

The supporting and auxiliary transport activities industry represents 2.5 per cent of services and 1.8 per cent of the whole economy by GVA weight.

Previous methodology

Deflated turnover was used as the proxy indicator for half of the industry. The ONS's Monthly Inquiry into Distribution and Service Sector (MIDSS) were deflated using a miscellaneous transport deflator.

For other supporting water transport activities, the total UK imports and exports data were used, benchmarked onto more detailed annual data on traffic at UK ports.

For other supporting air transport activities, data from the Civil Aviation Authority were used, which mainly cover numbers of passengers and cargo passing through air terminals.

The main reasons for changing this approach were:

- an inappropriate miscellaneous transport deflator was used for three industries

- MIDSS are available for other supporting water transport activities
- for travel agents, output should be measured using their commission, not the total turnover.

New methodology

The following improvements have been introduced:

- MIDSS for other supporting water transport activities have replaced the inappropriate volume indicator on imports and exports
- the miscellaneous transport deflator has been replaced with more appropriate price indices
- commission data for travel agents has been replaced by turnover data.

Figure 2 shows the monthly path of the data produced by the new methodology for supporting and auxiliary transport activities compared with previous methodology.

Benefits of new methodology

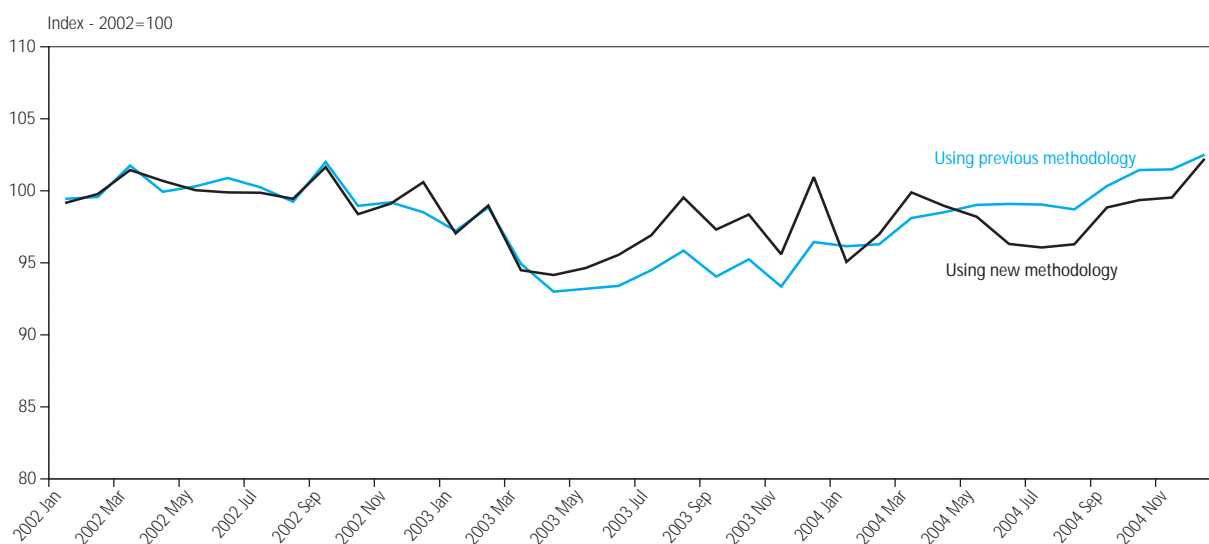
- MIDSS are available for the first estimate of IoS
- more appropriate deflators are being used
- the correct output concept for travel agents is now being measured.

Real Estate Phase II industry review

This review was split into two for practical reasons, and the first phase was implemented in June 2004. The second phase focused just on real estate activities with own property and letting of property other than dwellings.

The real estate industry represents 13.7 per cent of services and 10.1 per cent of the whole economy by GVA weight. Phase II of the review covers 18 per cent of real estate.

Figure 2
Supporting transport activities (SIC division 63) Chained volume measures, seasonally adjusted



Previous methodology

Real estate activities with own property and letting of property other than dwellings were jointly measured using the Investment Property Databank (IPD) Total Return Index and Local Authorities employment and capital consumption data.

The main reasons for changing this approach were:

- development of real estate is not covered by the existing indicators
- employment data were used as an indicator for real estate activities with own property which is input-based and inappropriate
- IPD Total Return Index was used as an indicator for commercial letting, which is not appropriate to this industry.

New methodology

The industry review sourced volume data on property transactions specifically for property companies and the public sector from Revenue and Customs. For letting of property other than dwellings, the review recommended a net income series, sourced from IPD, deflated by IPD Rental Value Index.

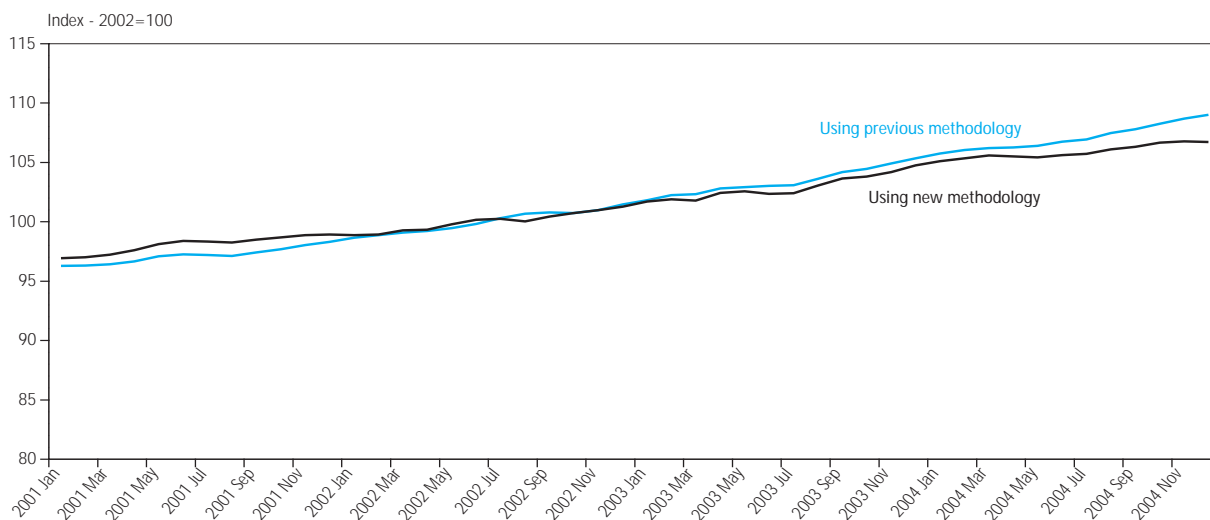
Figure 3 shows the monthly path of the data produced by the new methodology for real estate compared with the previous methodology.

Benefits of new methodology

- where Revenue and Customs property transactions data have been introduced, we will now be measuring buying/selling and development of own real estate, an activity that had previously been omitted
- more appropriate data series are being used to measure letting of commercial property
- real estate output is no longer linked to the increases in property prices.

Figure 3

Real estate activities (SIC division 70) Chained volume measures, seasonally adjusted



Public Administration and Defence, Education and Health and Social Work industry review

Whilst these industries were reviewed prior to the last Blue Book, the work of the Atkinson Review and recent review of Public Sector Employment (PSE), has meant that these industries needed to be revisited.

Together, these three divisions represent 24.0 per cent of services and 17.7 per cent of the whole economy by GVA weight.

Previous methodology

A mixture of volume methods was used, covering input methods (employment and capital consumption) and direct output methods (indices of government output). For marketed output, deflated turnover was also used.

The main reasons for reviewing these industries were:

- the Atkinson Review of government output and productivity recommended improved methods for a number of indicators
- the review of PSE meant that the basis of the data used for the employment based methods had changed.

New methodology

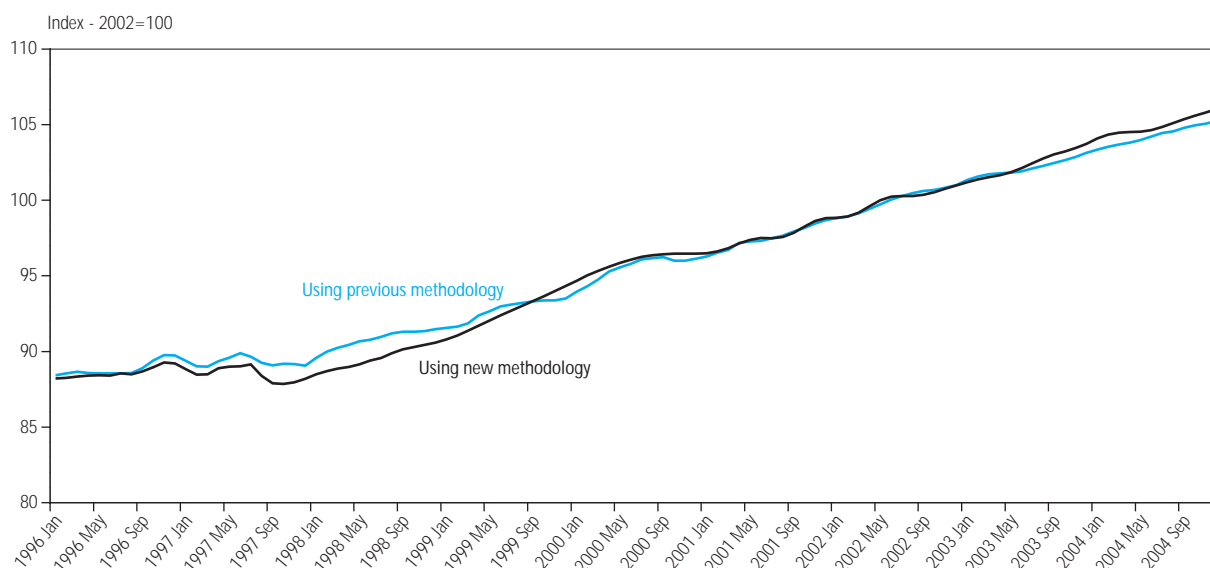
The review recommended that new PSE data should be taken on wherever used in these industries. The review also recommended dropping the capital consumption indicators used.

Figure 4 shows the monthly path of the data produced by the new methodology compared with the previous methodology.

Benefits of new methodology

- improved coverage, periodicity and timeliness of PSE data
- improved government output indicators through better coverage.

Figure 4

Public sector dominated industries (SIC 2003 divisions 75, 80 & 85) Chained volume measures, seasonally adjusted**Increasing the monthliness of the IoS****What commitments did we make in October 2003's Economic Trends?**

We said that we would:

- Continue to review the seasonal adjustment of those industries where monthly data are only available from April 2000 and January 2001. The reviews determine if the quality of the adjustment of the relatively short time series of monthly data is robust enough for the monthly data to be seasonally adjusted.
- Review the data sources and methods for those industries where monthly turnover data are being collected but are not being used to compile the IoS and GDP(O). We would then consider whether deflated turnover data would be a more appropriate proxy for estimating GVA than the current methodology.
- Explore monthly data sources outside ONS.

Have we met the commitments?

- Those industries where monthly data collection began in April 2000 and January 2001 have been reviewed twice since October 2003 by ONS time-series methodologists. This has led to a further six series (taking the total to 15) that are now deemed suitable for use as monthly indicators. This leaves 29 series where stable monthly seasonal patterns are yet to emerge. These series will next be reviewed in December 2005.
- There has been good progress in making more use of the monthly turnover data that were being collected but not used in the compilation of the IoS and GDP(O):
 - in June 2004 monthly turnover data began to be used to measure 'Motion picture and video activities', 'News

agency activities' and 'Artistic & literary creation & interpretation'

- in June 2005 monthly turnover data began to be used to measure 'Other supporting water transport activities' and 'Private education'.

- We have also had good success in identifying and securing monthly data from sources outside ONS:

in June 2004:

- volume data from the Strategic Rail Authority for passenger travel on railways began to be used to help improve the measurement of 'transport via railways'.
- turnover data from Customs & Excise began to be used to measure 'real estate agencies', 'management of real estate', 'libraries & museums' and 'sporting activities & other recreational activities'.

How much have these developments increased the monthliness of the IoS?

- in June 2005 the IoS was based on 42 per cent of monthly data. This compares with 38 per cent in October 2003
- for the market sector parts of the IoS, 53 per cent were based on monthly data by June 2005.

Price developments

Corporate Services Price Indices (CSPIs) measure the price movements of services provided by businesses to businesses and government. Indices have now been developed for 32 industries, of which 21 are currently used within the IoS and GDP(O). Since the last *Economic Trends* article, 13 indices have been added, this includes the CSPI for sea freight that has been introduced at Blue Book 2005. A full breakdown of the CSPIs published and used by IoS can be found in Appendix 2 of this article.

Future development plans

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

Methods developments

What commitments did we make in October 2003's Economic Trends?

We said that we would report the conclusions reached on two issues raised by the Short-term Output Indicators Review (STOIR) that were being taken forward by the IoS Development programme. The two issues were:

- review of tax inconsistencies on the valuation of output
- review of the importance of inventories and work in progress (WIP) in the service sector.

A closure report for the STOIR was published in early 2004 outlining the progress made in implementing the findings of the review. For the two issues above, the findings were as follows.

The review of tax inconsistencies concluded that they were not significant, and changes in either VAT or excise duties would only affect six per cent of the indicators used to proxy total GVA, and such changes could be managed by current quality assurance processes.

The review of inventory adjustment for the service sector found that changes in WIP were significant in Division 74 (Other business activities), and when looking at annual data, there are a number of other industries where both the level and changes in WIP are high when compared with output and GVA. However, the conclusion of the review was that the subject of inventory adjustments would be considered within the National Accounts Re-engineering Project (see Aldin and Tuke, 2004).

Seasonal adjustment/Data Primacy

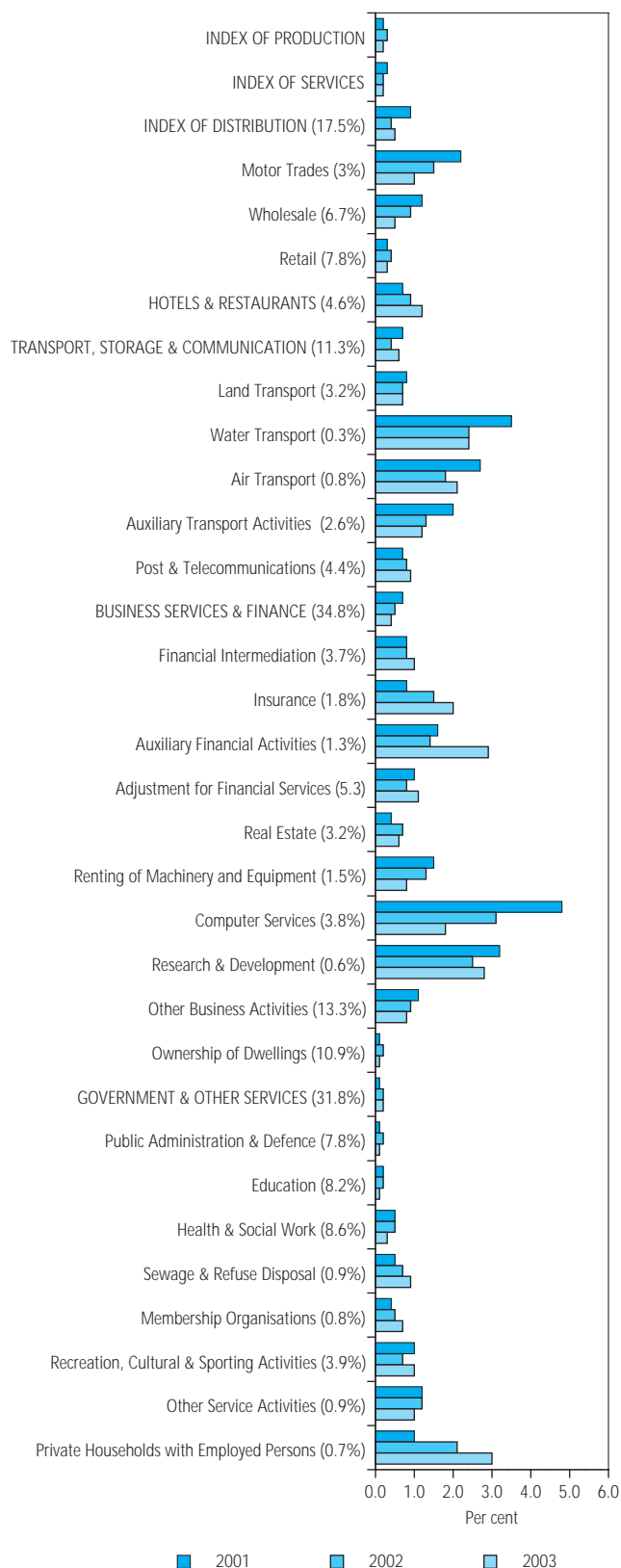
What commitments did we make in October 2003's Economic Trends?

We said that we would work with ONS time series methodologists to identify the optimal seasonal adjustment method for IoS and GDP(O). This work was commissioned as the monthly IoS is constrained to the quarterly GDP(O) series, at the two-digit SIC level of detail; this is to ensure that the two indicators have consistent growth rates. The issue is therefore whether monthly or quarterly data should take precedence (primacy) in the compilation of the IoS and GDP(O), that is:

- should the quarter be created by an average of the seasonally adjusted months, or

Figure 5

Absolute average revisions to month on month growth rates between first publication and publication 12 months later



1 Figures for the first year refer to revisions for the 12 months to December 2001. Figures for the second year refer to revisions for the 12 months to December 2002 and figures for the third year refer to revisions for the 12 months to December 2003.
 2 Revisions are after benchmarking to the equivalent series within quarterly GDP(O) and constraining to national accounts revisions policy.
 3 To indicate the relative importance of revisions to the components, weights within the IoS are shown in brackets next to the descriptions.

- should the quarter be formed by seasonally adjusting the quarterly data; the monthly data to then be benchmarked on to the quarter (in practice, this means that month-on-month movements in the monthly data can be lost).

Have we met the commitment?

ONS time series methodologists conducted the 2004 annual seasonal adjustment review for GDP(O) and IoS as a joint exercise. The review recommended that monthly data should take primacy in the measurement of an additional 23 per cent of the service sector element of quarterly GDP(O); monthly data already takes primacy in the measurement of the retail industry. We are currently working through how best to implement this change in methodology. The industries that would be most affected are 'wholesale', 'air transport', 'transport support', 'computer services', 'recreation' and 'other services'.

Revisions analysis

As part of the IoS development programme, information on revisions is used to:

- assess the quality of the IoS and its components
- target areas for improvement – work to address 'problem' industries identified by revisions analysis, such as Insurance and Private Households with Employed Persons, has already started.

Revisions performance is also one of the criteria being used to determine when we can drop IoS's 'experimental' label and whether it is appropriate to publish the components of the IoS at a more detailed level.

This section looks at the revisions performance of the IoS, IoD, and their constituent components. The focus in this article is on the absolute average (that is, irrespective of direction) and mean revisions to the month-on-month and three month-on- three month growth rates between first publication and publication 12 months later.

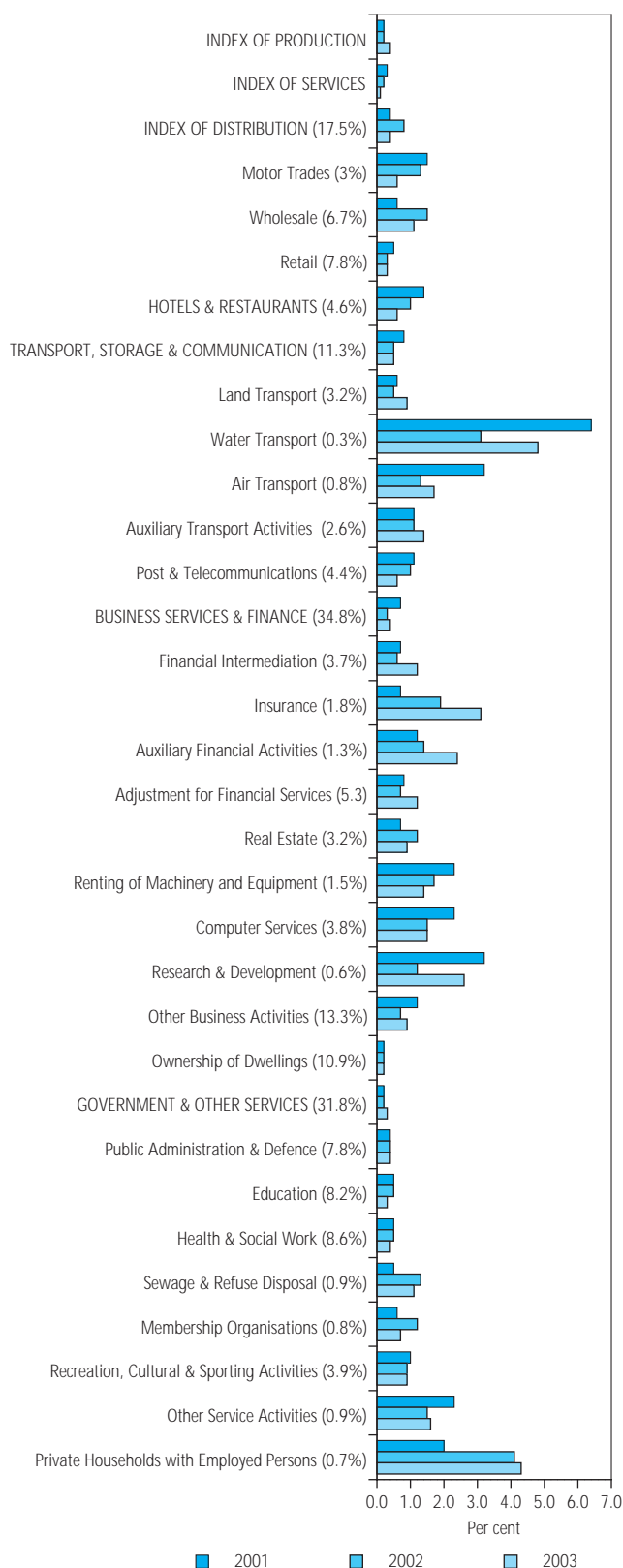
Absolute average revisions analysis (Figures 5 & 6)

IoS

- The size of revisions to the headline IoS have improved between the first and third years of publication both in terms of month-on-month and 3 month-on-3 month growth rates. IoS revisions performance over this period compares favourably with the headline Index of Production (IoP).
- The favourable comparison with the IoP, however, needs to be set in context. A proportion of the IoS is currently derived by forecasting/interpolating quarterly or annual data. This tends to give a relatively smooth series with small first revisions to the monthly path.
- It follows that first revisions to the monthly path are likely to increase when we replace some of these quarterly/annual sources with true monthly data.

Figure 6

Absolute average revisions to 3 month on 3 month growth rates between first publication and publication 12 months later



1 Figures for the first year refer to revisions for the 12 months to December 2001. Figures for the second year refer to revisions for the 12 months to December 2002 and figures for the third year refer to revisions for the 12 months to December 2003.
 2 Revisions are after benchmarking to the equivalent series within quarterly GDP(O) and constraining to national accounts revisions policy.
 3 To indicate the relative importance of revisions to the components, weights within the IoS are shown in brackets next to the descriptions.

IoD

- The 3 month-on-3 month revisions to the IoD series in its third year have improved compared to the second year and are comparable with those shown in its first year. There were larger revisions to the IoD in the second year. The revisions performance in the second year can be attributed to a number of reasons:
 - as part of the programme to improve sources and methods within the IoS, the methods used to measure wholesale and motor trades completely changed in June 2002. This caused large one-off revisions
 - the distortion to the seasonal path caused by the extended Jubilee holidays in June 2002 led to larger revisions than normal to wholesale and motor trades.
- The stability of the IoD should now improve. This is because the methods for all three components – motor trades, wholesale and retail have now been improved by the IoS development programme. This means that the industries are not only measured by more robust methods but that the large one-off revisions that occurred in 2002 and 2003 when the changes in methods were implemented should not occur again.

Lower Level Components

- When comparing revisions in the third year of publication to those in the first year, Business Services and Finance (the largest component of IoS) has improved both its monthly and three-monthly revisions performance. Those industries within Business Services and Finance which show the most improvement over the three-year period are Renting, Computer Services and Other Business Activities. The data for these industries (except for a part of Renting) are all sourced from an internal ONS data survey, the Monthly Inquiry into the Distribution and Service Sector (MIDSS). Given that there has been a continuing programme of work to improve the quality of the MIDSS data in recent years, this is an encouraging result.
- On a 3 month-on-3 month basis, all published components of the IoS (except Government and Other Services) show either comparable or improved revisions performance in its third year compared to its first. Government and Other Services' poorer performance in its third year is largely attributable to the poor revisions performance of Private Households with Employed Persons. Data sources for this component include the Expenditure and Food Survey, which can be subject to large revisions owing to forecasts being replaced by actual data. An Industry Review of this series is currently underway and is due to finish towards the end of 2005.
- Government and Other Services is though, the published section that shows the smallest overall revisions both month-on-month and 3 month on 3 month. One possible reason for this is that a high proportion of data feeding into this component is currently derived by forecasting and interpolating quarterly or annual series. This process tends to give relatively smooth series with small revisions to the latest monthly path.

Mean average revisions analysis (Figures 7 & 8)

IoS

- There has been an improvement in the mean revision to 3 month-on-3 month growth rates of the headline IoS since the first year of published data. The revisions performance compares favourably with the IoP over this period.
- The month-on-month mean revision for total IoS in 2003 is significantly different from zero. This is largely due to the revisions performance of Business Services and Finance.

IoD

- Both the month-on-month and 3 month-on-3 month revisions to growth rates to the headline IoD have improved in the third year of publication when compared to the second. The relatively large mean revision in the second year of publication can be attributed to the changes implemented in motor trades and wholesale as a result of the industry review in June 2002 and the distortions to the seasonal path caused by the extended Jubilee holidays in June 2002 as noted earlier.

Lower Level Components

- All of the published components, apart from Business Services and Finance, show an improvement in their month-on-month revisions performance in the third year compared to the second. The month-on-month and 3 month-on-3 month mean revisions for Business Services and Finance in 2003 are significantly different from zero.
- The published section showing the smallest overall mean revisions both month-on-month and 3 month-on-3 month is Government and Other Services. Again, one possible reason for this is the high proportion of forecasting and interpolation of annual and quarterly series taking place in this section.
- The worst performing industries both month-on-month and 3 month-on-3 month are Insurance and Private Households with Employed Persons. Both of these series are currently undergoing an industry review process that is due to finish towards the end of 2005.

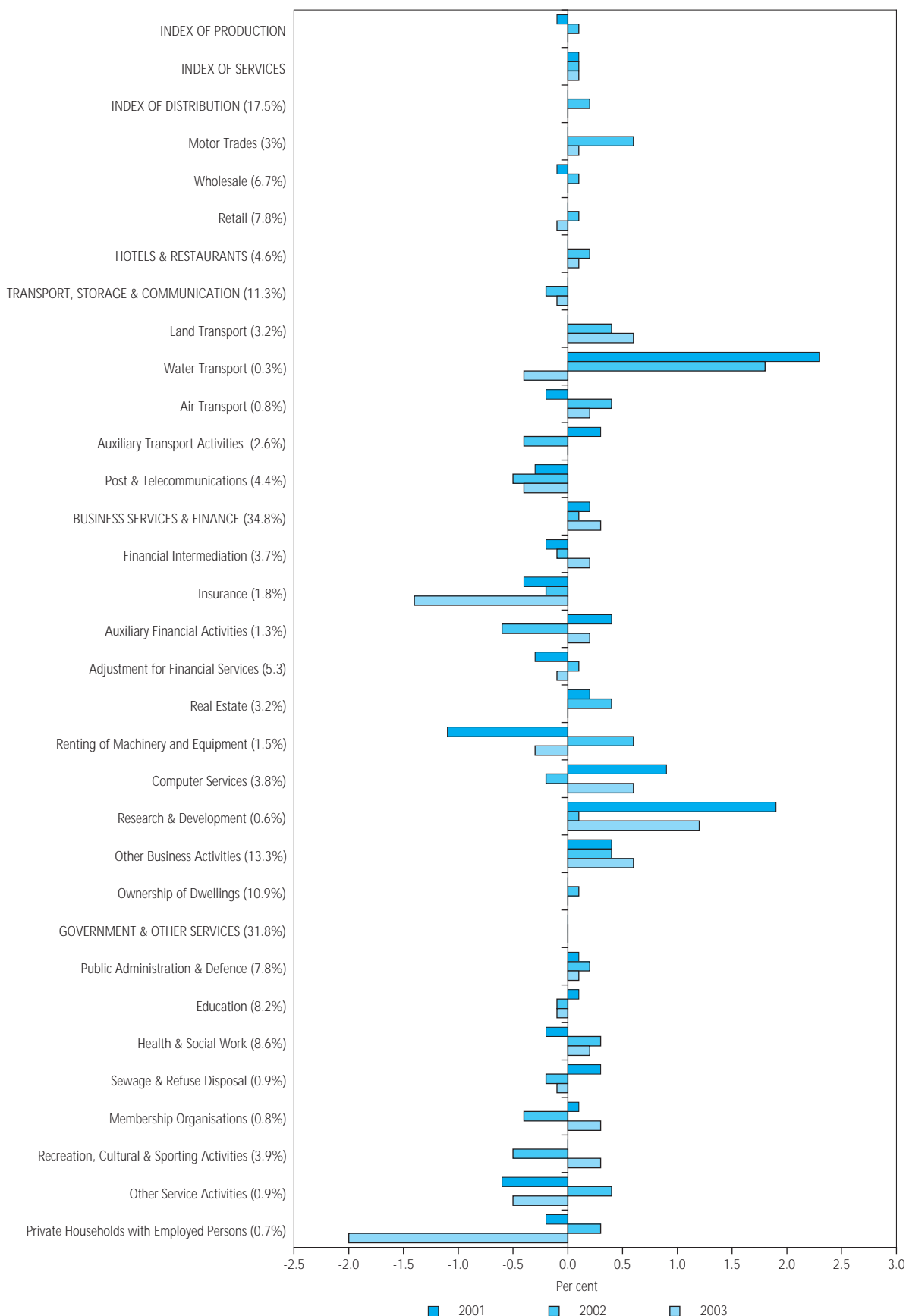
International aspect

Over the past few years, service sector output measurement has become an increasingly important topic for other countries and for international organisations. This section sets out some of these developments as well as the role the UK is playing in this arena.

Internationally, the OECD takes the lead in co-ordinating service sector statistics, and has been putting together a manual on constructing Index of Services Production (ISP). This manual will set out best practice for compiling monthly ISPs. Together with the other leading countries (Canada, Korea, Japan), the UK has been one of the main contributors to this manual.

Figure 7

Mean revisions to month on month growth rates between first publication and publication 12 months later



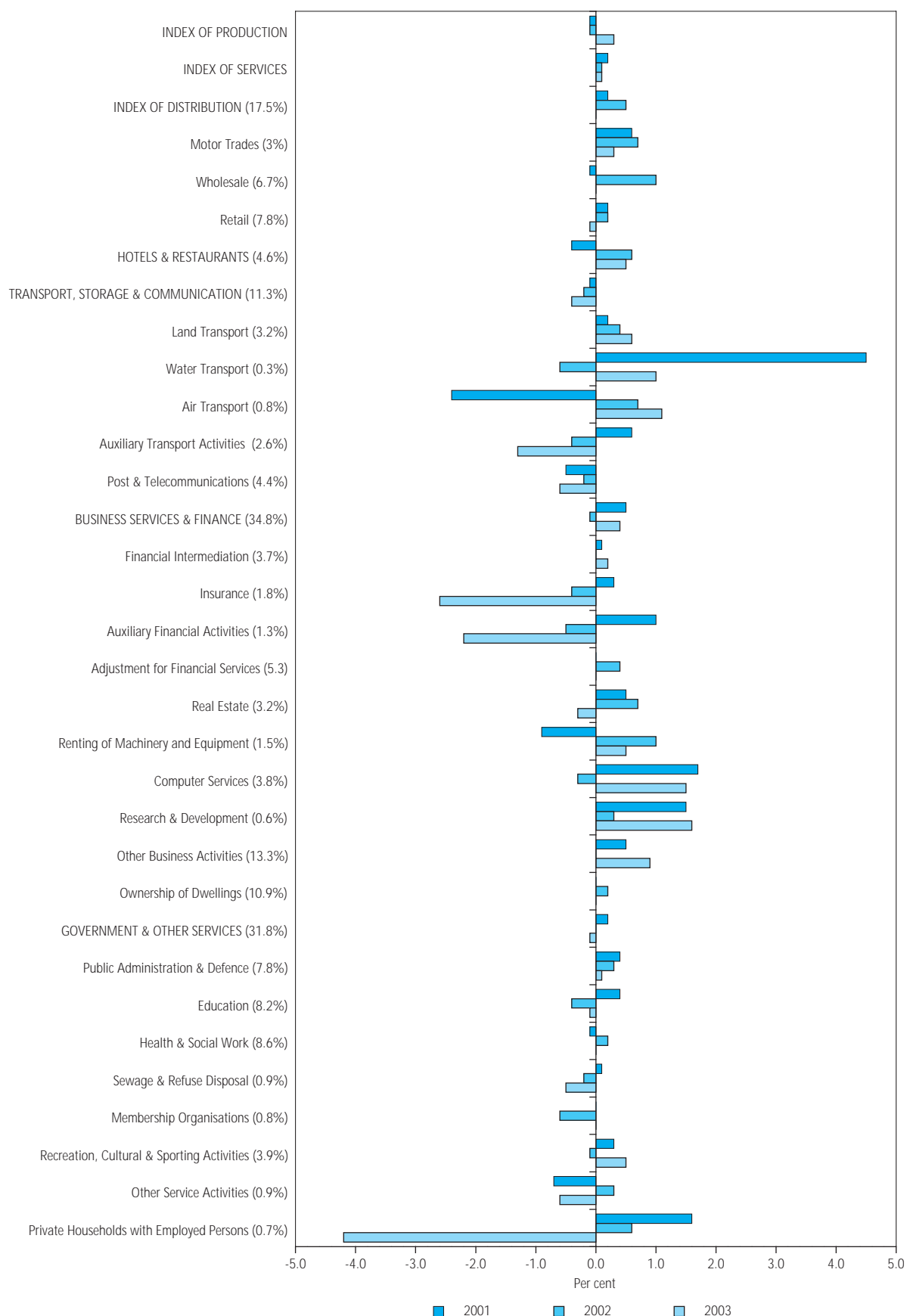
1 Figures for the first year refer to revisions for the 12 months to December 2001. Figures for the second year refer to revisions for the 12 months to December 2002 and figures for the third year refer to revisions for the 12 months to December 2003.

2 Revisions are after benchmarking to the equivalent series within quarterly GDPQ and constraining to national accounts revisions policy.

3 To indicate the relative importance of revisions to the components, weights within the IoS are shown in brackets next to the descriptions.

Figure 8

Mean revisions to 3 month on 3 month growth rates between first publication and publication 12 months later



1 Figures for the first year refer to revisions for the 12 months to December 2001. Figures for the second year refer to revisions for the 12 months to December 2002 and figures for the third year refer to revisions for the 12 months to December 2003.

2 Revisions are after benchmarking to the equivalent series within quarterly GDPQ and constraining to national accounts revisions policy.

3 To indicate the relative importance of revisions to the components, weights within the IoS are shown in brackets next to the descriptions.

In June 2004, the UK also organised a session at the Conference of European Statisticians in Paris on 'Price and Volume measurement in the service sector'. The conference was attended by the heads of the main National Statistics Institutes throughout the world and the session flagged up the importance of work in this area and the challenges that are being faced.

At the end of June 2004, the UK was also invited by the OECD to present a one-day seminar on how the IoS is compiled, the source data used, the development programme and our future plans.

Nomenclature

It is important to note that in 2003 the UK, along with the rest of the EU, moved over to the SIC 2003 industrial classification system. From the beginning of 2003, all surveys were collected on the new basis. This means that the main survey used in the annual accounts, the Annual Business Inquiry, is available on the new basis for 2003 in 2005. Since the short-term output indicators are benchmarked onto the annual national accounts, the IoS will move over to the new classification at Blue Book 2005. The new nomenclature made only minor changes, and has a limited impact on the IoS. The changes affecting the IoS can be found in the annex to this article.

Next steps for dropping the experimental label from the IoS

These next sections covers the work and issues that have been and will continue to be addressed as part of the evaluation of the IoS, to determine if it is appropriate for the IoS to be classified to National Statistic status. It covers:

- the progress made and the future plans for the evaluation of the IoS
- the future plans for handling the issues of:
 - increasing the monthliness of the IoS
 - seasonal adjustment and data primacy.
- the schedule for future industry reviews
- increasing the monthliness of the IoS
- seasonal adjustment and data primacy.

Evaluation of the IoS: progress made and future plans

The evaluation process to determine if it is appropriate for the IoS to be classified to National Statistics status has started. As noted earlier in this article, a quality assurance team from ONS's methodology directorate has been set up to evaluate the IoS. The IoS team and ONS methodologists have developed a framework and process for assessing the IoS. The framework and process has been applied and tested on three trailblazer industries (two-digit SIC divisions) and has worked well.

Hotels & Restaurants, Land Transport and Post & Telecommunications were chosen to test the process as their:

- data sources and methods have been improved as part of the IoS development programme; this means that the current methods are unlikely to change in the near future
- data sources are based on monthly, quarterly and annual periodicity, ONS and non-ONS surveys and deflated turnover and direct-volume indicators.

This means that these industries should provide many of the different scenarios that will be faced when the remainder of the IoS is evaluated and so should be a good test of the evaluation process.

The recommendations from the evaluation of the trailblazer industries are:

- Hotels & Restaurants should be awarded National Statistics status.
- Land Transport and Post & Telecommunications should first be published as an experimental series before a final decision is made on reclassifying the industries from experimental to National Statistics status. In fact, as noted earlier in the article, it has been recommended that all two-digit SIC divisional level data should be published as experimental series as part of the evaluation process.

Hotels & Restaurants can now be awarded National Statistics status because it has been published as an experimental series since December 2000.

The main rationale to publish divisional level data, before a final decision is made on the National Statistics status, is to give users an opportunity to comment on the robustness and quality of the data before a final decision is made on the suitability of the industries to be classified to National Statistics status.

Future programme for the evaluation of the IoS

The Hotels & Restaurants component of the IoS will become a National Statistic in the September IoS release, published in November 2005. We will assess the remaining industries in line with the evaluation programme that has been put in place. This programme will lead to the entire IoS being evaluated and a decision made towards the end of 2006/ early 2007 on whether the total IoS should be classified as a National Statistic. We will keep users informed of progress via the monthly experimental IoS release and future articles in *Economic Trends*.

The issues surrounding publishing additional detail in the IoS were raised earlier in this article. We are already working with our colleagues in Methodology and National Accounts to assess the impact of publishing divisional level data a month earlier than is current practice and how best to do this. This work includes analysing the data content and the revisions performance of the divisional level data as if these data were published one month earlier.

We expect to be in a position to publish additional detail in the IoS release before the end of 2005.

Schedule for industry reviews

This article has already highlighted the progress made on the industry review programme. The future schedule of reviews has been set out below – the relative priorities for the review order have been agreed in consultation with our main users. It should be noted that some of the reviews will now be completed in 2007.

Table 2

Industries to be reviewed	Implementation date
Financial Intermediation	Blue Book 2006
Air transport	Blue Book 2006
Membership organisations	Blue Book 2006
Other service activities	Blue Book 2006
Activities of households as employers of domestic staff	Blue Book 2006
Business services (phase 2)	Blue Book 2007
Computer services (phase 2)	Blue Book 2007
Research & Development	Blue Book 2007
Renting	Blue Book 2007

Increasing the monthliness of the IoS

As has already been set out earlier in this article, IoS is now using as monthly series, 15 out of 44 of those series that moved from quarterly to monthly data collection in 2000 and 2001. We will continue to:

- review the seasonal adjustment of the remaining 29 industries to determine if the quality of the adjustment of the relatively short time series of monthly data is robust enough for the monthly data to be seasonally adjusted. The next review is due in December 2005
- seek monthly data through the industry review programme.

Seasonal adjustment and data primacy

As with the issue of increasing the level of detail published in the IoS release, we are already working with our colleagues in National Accounts to assess the impact of and how best to implement this methodological change.

We expect to be able to implement this change before the end of 2005.

Conclusion

Good progress continues to be made in the development of the IoS. The IoD and the IoS are now published coincidental with all three quarterly GDP first releases. The industry review programme has now covered the majority of service sector industries and has delivered further improvements to the data sources and methods. The review programme has now covered 76 per cent of the service sector.

On methods developments, it has been recommended that the monthly seasonal adjustment of an additional 23 per cent of the service sector takes primacy over quarterly GDP.

On revisions performance, there has been a general improvement at the IoS level and the lower level components. At the lower level the improvements are most significant in the industries that have already been reviewed.

The focus of the project is now on dropping the experimental label of the IoS. To this end, good progress has also been made, and a quality assurance framework and evaluation process has been put in place to assess the appropriateness of the IoS to be given National Statistics status.

Any questions or comments on this article are welcome, as are offers to participate in the process of improving industry sources and methods.

References

- Drew S and Morgan D (2003) Experimental Monthly Index of Services – An update. *Economic Trends* No. 599, pp 84–95. <http://www.statistics.gov.uk/CCI/article.asp?ID=476>
- Jones G (2003) Economic Statistics and the Standard Industrial Classification 2003. *Economic Trends* No. 593, pp 21–28. <http://www.statistics.gov.uk/CCI/article.asp?ID=331>
- Office for National Statistics (2000) *National Statistics Quality Review Series No 1 – Review of Short-Term Output Indicators*, available for download from http://www.statistics.gov.uk/methods_quality/quality_review/economy.asp#stoir
- Office for National Statistics (2005) *Atkinson Review: Final report – measurement of government output and productivity for the National Accounts*. Palgrave Macmillan: Basingstoke, available for download from http://www.statistics.gov.uk/about/data/methodology/specific/PublicSector/Atkinson/final_report.asp
- Pike R and Reed G (2000) Introducing the Experimental Monthly Index of Services. *Economic Trends* No. 565, pp 51–68. <http://www.statistics.gov.uk/CCI/article.asp?ID=68>
- Pike R and Drew S (2002) Experimental Monthly Index of Services. *Economic Trends* No. 583, pp 70–78. <http://www.statistics.gov.uk/CCI/article.asp?ID=138>
- Pritchard A (2004) Measuring government health services output in the UK national accounts: the new methodology and further analysis. *Economic Trends* No. 613, pp 69–81. <http://www.statistics.gov.uk/cci/article.asp?ID=988>
- Tuke A and Aldin V (2004) Reviewing the methods and approaches of the UK National Accounts. *Economic Trends* No. 602, pp 47–57. <http://www.statistics.gov.uk/CCI/article.asp?ID=690>
- UNECE (2004). Conference of European Statisticians - Session on Price and Volume measurement in the service sector. Agenda, papers and final report can be found at <http://www.unece.org/stats/documents/2004.06.ces.htm>
- For more information on the IoS, including latest data and some of the articles above, please visit the IoS area on the National Statistics website: <http://www.statistics.gov.uk/ios>

Appendix 1

SIC 2003 – changes affecting the service sector

Whilst the survey collection in ONS moved over to the SIC 2003 classification at the beginning of 2003, because the UK has a coherent set of national accounts, the short-term indicators have remained on the SIC 1992 classification until the annual accounts are also available on the new basis. This annex sets out the main changes that affect the service sector. It should be noted that the impact of SIC 2003 has mostly been cosmetic, as most of the changes were at the level below compilation within the IoS.

Table 3 – List of SIC changes

SIC(92) structure	SIC 2003 structure changes are shown in bold type	Type of change
51.33 Wholesale of dairy produce, eggs and edible oils and fats	51.33/1 Wholesale of dairy produce 51.33/2 Wholesale of eggs and egg products 51.33/3 Wholesale of edible oils and fats	4 < ⁵ ₅
51.34 Wholesale of alcoholic and other beverages	51.34/1 Wholesale of fruit and vegetable juices, mineral waters and soft drinks 51.34/2 Wholesale of wine, beer, spirits and other alcoholic beverages	4 < ⁵ ₅
51.61 Wholesale of machine tools	51.81 Wholesale of machine tools	Re-number
51.62 Wholesale of construction machinery	51.82 Wholesale of mining, construction and civil engineering machinery	Re-number
51.63 Wholesale of machinery for the textile industry, and of sewing and knitting machines	51.83 Wholesale of machinery for the textile industry, and of sewing and knitting machines	Re-number
51.64 Wholesale of office machinery and equipment	51.84 Wholesale of computers, computer peripheral equipment and software 54.85 Wholesale of other office machinery and equipment	4 < ⁴ ₄
51.65 Wholesale of other machinery for use in industry, trade and navigation	51.86 Wholesale of other electronic parts and equipment 51.87 Wholesale of other machinery for use in industry, trade and navigation	4 < ⁴ ₄
51.66 Wholesale of agricultural machinery and accessories and implements, including tractors	51.88 Wholesale of agricultural machinery and accessories and implements, including tractors	Re-number
51.70 Other wholesale	51.90 Other wholesale	Re-number
52.11/1 Retail sale by confectioners, tobacconists and newsagents (CTNs) 52.11/9 Retail sale in non-specialised stores with food, beverages or tobacco predominating, not elsewhere classified	52.11/1 Retail sale by confectioners, tobacconists and newsagents (CTNs) 52.11/2 Retail in non-specialised stores holding an alcohol licence, with food, beverages or tobacco predominating, not elsewhere classified (currently coded to 52.11/9) 52.11/3 Retail in non-specialised stores not holding an alcohol licence, with food, beverages or tobacco predominating, not elsewhere classified (currently coded to 52.11/9)	5 < ⁵ ₅
52.48/1 Retail sale of floor coverings 52.48/2 Retail sale of photochartic, optical and precision equipment, office supplies and equipment (including computers, etc.) 52.48/3 This code is no longer in use 52.48/4 Retail sale of jewellery, clocks and watches	52.48/1 Retail sale of floor coverings 52.48/2 Retail sale of photochartic, optical and precision equipment, office supplies and equipment (including computers, etc.) 52.48/3 This code is no longer in use 52.48/4 Retail sale of jewellery, clocks and watches	5 < ⁵ ₅

SIC(92) structure	SIC 2003 structure changes are shown in bold type	Type of change
52.48/5 Retail sale of sports goods, games and toys, stamps and coins	52.48/5 Retail sale of sports goods, games and toys, stamps and coins	
52.48/9 Other retail sale in specialised stores not elsewhere classified	52.48/6 Retail sale in commercial art galleries 52.48/7 Retail sale by opticians 52.48/8 Retail of mobile telephones 52.48/9 Other retail sale in specialised stores not elsewhere classified	
52.50 Retail of second-hand goods in stores	52.50/1 Retail of antiques, including antique books 52.50/9 Retail of other second-hand goods	$4 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
55.11/1 Hotels and motels, with restaurant (licensed)	55.10/1 Hotels and motels, with restaurant (licensed)	$\begin{smallmatrix} 4 \\ 4 \end{smallmatrix} > 4$
55.11/2 Hotels and motels, with restaurant (unlicensed)	55.10/2 Hotels and motels, with restaurant (unlicensed)	
55.12 Hotels and motels without restaurant	55.10/3 Hotels and motels, without restaurant	
63.12 Storage and warehousing	63.12/1 Storage of frozen and refrigerated goods 63.12/2 Storage of liquids or gases 63.12/3 Storage of grain 63.12/9 Other storage and warehousing	$4 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
65.23/1 Activities of Investment Trusts	65.23/1 Activities of Investment Trusts	$5 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
65.23/2 Activities of unit trusts and property unit trusts	65.23/2 Activities of unit trusts	
65.23/3 Security dealing on own account	65.23/3 Security dealing on own account	
65.23/4 Activities of bank holding companies	65.23/4 Activities of bank holding companies	
65.23/5 Activities of venture and development capital companies	65.23/5 Activities of venture and development capital companies	
65.23/6 this code is no longer in use	65.23/6 This code is no longer in use	
65.23/9 Financial intermediation n.e.c.	65.23/7 Activities of open-ended investment companies (currently coded to 65.23/1 and 65.23/2) 65.23/8 Activities of property unit trusts (currently coded to 65.23/2) 65.23/9 Financial intermediation n.e.c.	
66.01 Life insurance	66.01/1 Life insurance 66.01/2 Life re-insurance	$4 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
66.03 Non-life insurance	66.03/1 Non-life insurance 66.03/2 Non-life re-insurance	$4 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
72.20 Software consultancy and supply	72.21 Software publishing 72.22 Other software consultancy and supply	$4 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
74.11/1 Activities of Patent and Copyright Agents	74.11/1 Activities of Patent and Copyright Agents	$5 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
74.11/9 Legal activities not elsewhere classified	74.11/2 Barristers at Law 74.11/3 Solicitors 74.11/9 Other legal activities not elsewhere classified	
74.15 Holding companies	74.15 Holding companies 'Head offices' move to 74.15. Currently they are coded to the main activity of the businesses they serve.	Definitional
74.70/1 Traditional cleaning activities	74.70/1 Traditional cleaning services	$5 < \begin{smallmatrix} 5 \\ 5 \end{smallmatrix}$
74.70/9 Cleaning activities not elsewhere classified	74.70/2 Window cleaning services 74.70/3 Disinfecting and exterminating services 74.70/4 Specialised cleaning services 74.70/5 Furnace and chimney cleaning services 74.70/9 Other cleaning services not elsewhere classified	

SIC(92) structure	SIC 2003 structure changes are shown in bold type	Type of change
74.81/1 Operation of coin-operated photocharctic machines 74.81/2 Other portrait photocharctic activities 74.81/9 Other photocharctic activities n.e.c.	74.81/1 This code is no longer in use* 74.81/2 Portrait photocharctic activities 74.81/3 Other specialist photocharcty (currently coded to 74.81/9) 74.81/4 Film processing (currently coded to 74.81/9) 74.81/9 Other photocharctic activities n.e.c.	$5 <_5^5$ & Definitional
74.83 Secretarial and translation activities	74.85 Secretarial and translation activities 74.86 Call centre activities	$4 <_4^4$
74.84/1 Credit reporting and collection agency activities 74.84/2 Speciality design activities 74.84/3 Activities of exhibition and fair organisers 74.84/4 Activities of conference organisers 74.84/9 Other business activities not elsewhere classified	74.87/1 Credit reporting and collection agency activities 74.87/2 Speciality design activities 74.87/3 Activities of exhibition and fair organisers 74.87/4 Activities of conference organisers 74.87/9 Other business activities not elsewhere classified	Re-number
90.00 /1 Sewage disposal activities 90.00/2 Refuse disposal activities 90.00/3 Sanitation and similar activities	90.01 Collection and treatment of sewage 90.02 Collection and treatment of other waste 90.03 Sanitation, remediation and similar activities	$4 <_4^4$
92.72 Other recreational activities not elsewhere classified	92.72/1 Motion picture, television and other theatrical casting 92.72/9 Other recreational services not elsewhere classified	$4 <_5^5$
93.05 Other service activities not elsewhere classified	93.05/1 Operation of coin-operated photocharctic machines* 93.05/9 Other service activities not elsewhere classified	$4 <_5^5$ & Definitional
New Class 96.00	96.00 Undifferentiated goods producing activities of private households for own use	New
New Class 97.00	97.00 Undifferentiated services producing activities of private households for own use	New

Key to symbols for changes:

Type of change	Description
Re-title	This is where the change is the re-titling of the SIC description
Re-number	This is where the change to the SIC is a re-numbering of the 4 or 5 digit code.
Definitional change	This is where the definition of what is included within the SIC has changed, i.e. something has been added or removed.
$4 >_4^4$	This is the case where two or more existing 4-digit classifications are grouped into 1 4-digit group.
$4 <_4^4$	This is where one 4-digit group is split into 2 or more 4-digit groups
$4 <_5^5$	This is where one 4-digit group is split out into 2 or more 5-digit groups
$5 <_5^5$	This is where one 5-digit group is split into 2 or more 5-digit groups

Appendix 2

List of CSPIs published and used by IoS

This appendix sets out the CSPIs that are published and used in IoS and GDP(O). There are two tables; one setting out the CSPIs that are used as direct deflators, and the other where they are used as proxy deflators (that is, not appropriate to the industry, but the best available price index in the circumstances).

Table 4 - CSPIs used as direct deflators

SIC	Industry	GVA wt	BB2001	BB2002	BB2003	BB2004	BB2005
50.2	Vehicle Maintenance	4.4		Y	Y	Y	Y
55.1	Hotels	8.7			Y	Y	Y
55.5	Canteens & Catering	3.8			Y	Y	Y
60.101	Business Rail Fares	1.5					
60.109	Rail Freight	0.4					
60.231	Bus & Coach Hire	0.6	Y	Y	Y	Y	Y
60.249	Road Freight Haulage	13.1	Y	Y	Y	Y	Y
61.101	Commercial Vehicle Ferries	0.4					
61.102	Sea & Coastal Water Freight	1.2					Y
62.101/201	Business Airfares	6.7					
63.4	Freight Forwarding	4.2			Y	Y	Y
64.11	National Post	6.0					
64.12	Courier Services	3.1	Y	Y	Y	Y	Y
64.2	Business Telecommunications	23.3			Y	Y	Y
65.121	Banking Services	20.1					
70.2	Property Rentals	8.7					
70.3	Real Estate	2.7				Y	Y
71.1	Contract Car Hire	4.0					
71.32	Construction Plant Hire	2.1	Y	Y	Y	Y	Y
74.13	Market Research	0.8			Y	Y	Y
74.3	Technical Testing	1.2			Y	Y	Y
74.5	Recruitment Agencies	14.0			Y	Y	Y
74.602	Security Services	2.3	Y	Y	Y	Y	Y
74.7	Industrial Cleaning	2.8	Y	Y	Y	Y	Y
74.819	Commercial Film Processing	0.9	Y	Y	Y	Y	Y
74.82	Contract Packaging	0.4			Y	Y	Y
74.83(pt)	Secretarial Services	0.2			Y	Y	Y
74.83(pt)	Translation Services	0.2			Y	Y	Y
80.42	Adult Education	6.5				Y	Y
90.001	Sewerage Services	2.6					
90.002	Waste Disposal	2.6	Y	Y	Y	Y	Y
93.01	Washing & Dry Cleaning	1.1					
Total			8	9	19	21	22

Weights are parts per thousand of total GVA as at 2000 consistent with Blue Book 2005

Table 5 - CSPIs used as proxy deflators

SIC	Industry	Used for	BB2001	BB2002	BB2003	BB2004	BB2005
50.2	Vehicle Maintenance						
55.1	Hotels						
55.5	Canteens & Catering	70.32				Y	
60.101	Business Rail Fares						
60.109	Rail Freight						
60.231	Bus & Coach Hire						
60.249	Road Freight Haulage	63.10					Y
61.101	Commercial Vehicle Ferries						
61.102	Sea & Coastal Water Freight						
62.101/201	Business Airfares						
63.4	Freight Forwarding	63.22					Y
64.11	National Post						
64.12	Courier Services						
64.2	Business Telecommunications						
65.121	Banking Services						
70.2	Property Rentals	70.32				Y	
70.3	Real Estate						
71.1	Contract Car Hire						
71.32	Construction Plant Hire						
74.13	Market Research						
74.3	Technical Testing						
74.5	Recruitment Agencies						
74.602	Security Services	70.32				Y	
74.7	Industrial Cleaning	70.32				Y	
74.819	Commercial Film Processing						
74.82	Contract Packaging						
74.83(pt)	Secretarial Services						
74.83(pt)	Translation Services						
80.42	Adult Education						
90.001	Sewerage Services						
90.002	Waste Disposal						
93.01	Washing & Dry Cleaning						
Total			0	0	0	4	2

Consumer Prices Index¹ and Retail Prices Index: updating weights for 2005

David Baran
Office for National Statistics

The Consumer Prices Index (CPI) and the Retail Prices Index (RPI) measure the changes from month to month in the cost of a representative 'basket' of goods and services bought by consumers within the United Kingdom. This involves weighting together price changes in the indices according to household spending patterns for different categories of goods and services so that each takes its appropriate share. At the beginning of each year the weights used to compile both the CPI and RPI are updated using the latest available information on household spending.

The weights shown in Tables W1 and W2 will be used in the compilation of the CPI and RPI respectively throughout 2005. This article describes the sources for these weights, explains why weights are important and provides a brief explanation of the main changes to these weights between 2004 and 2005.

Background

Each year the Office for National Statistics (ONS) reviews the basket of goods and services and updates the weights used to aggregate price changes, to ensure that the selection of products in the basket and their weights remain representative of the overall pattern of expenditure of the typical household covered by the published price indices.

Changes to the CPI / RPI basket

The updating of the weights coincides with the annual review of the CPI and RPI baskets. These are selected to represent a typical household's spending. Further details are given in 'Consumer prices index and Retail prices index: The 2005 basket of goods and services' available on the National Statistics website at: www.statistics.gov.uk/cci/article.asp?ID=1059

Why are weights used?

Price increases for certain items have a bigger effect on the overall change in the cost of the 'basket' than others. For example, an average household spends about ten times as much on footwear as they do on postal services, so a five per cent increase in the price of footwear would have ten times as much effect on the total cost of the 'basket' when compared to a five per cent increase in postal charges. The weights for both the CPI and RPI reflect these varying degrees of importance. Each item in the index is weighted to reflect the proportion of household expenditure spent on the item.

Frequency of updating

CPI 'class weights' which correspond to 'section weights' in the RPI, and item weights for both the CPI and RPI are updated every year to coincide with the general review of the representative items in the basket. Class and section weights represent fairly broad commodity groups such as 'bread' or 'footwear', item weights reflect narrower groupings or types of products such as 'white sliced bread' or 'men's training shoes'.

Annual updates to the weights are necessary so that the weights reflect the introduction of new items and the removal of old ones. Using up-to-date expenditure data ensures that the CPI and RPI remain representative of current expenditure patterns. For example, Tables W1 and W2 show the effect of changing expenditure patterns underlying the CPI and RPI weights between years, while W5 shows the actual expenditures underlying the 2005 RPI section weights at January 2005 prices.

Population coverage

Expenditure weights reflect the expenditure patterns of the target population of households covered by the index. As the latter differs between the CPI and RPI this means that the expenditure weights also differ between the two indices.

CPI

The CPI covers all expenditure within the UK made by:

- private households
- residents of institutional households such as University halls of residence or nursing homes
- tourists.

Information on spending patterns, which underlie the CPI weights, largely comes from the household expenditure component of the UK National Accounts. This is in accordance with Household Final Monetary Consumption Expenditure (HFMCE) concept as defined in the European System of Accounts 1995 (ESA95). The weights shown in Table W1 will be used to compile the CPI for the period January 2005 to December 2005 inclusive.

RPI

By contrast, the expenditure underlying the RPI weights is more limited, being based on the spending of private UK based households only, excluding:

- the top 4 per cent of households by income
- 'pensioner' households (where the head of the household is retired and economically inactive) and where at least three-quarters of the household income is derived from state benefits.

The RPI aims to represent the spending patterns of the 'average' household, as such the above households are excluded because they have 'atypical' spending patterns. Information on spending patterns underlying the RPI weights mainly comes from the ONS Expenditure and Food Survey (EFS), which is also one of the major inputs into the household expenditure component of the UK National Accounts. The weights shown in Table W2 will be used to compile the RPI for the period February 2005 to January 2006 inclusive.

Weighting structures

CPI

The CPI is classified according to COICOP (Classification of Individual Consumption by Purpose), the international classification of household expenditure, as used by both the National Accounts and the EFS. For the 2005 weights, the information about spending patterns for most COICOP classes was obtained from the latest available data from the National Accounts (Blue Book 2004) – this relates to

the calendar year 2003 uprated to December 2004 using movements in the relevant COICOP class price indices.

For insurance, a 'net' concept is used in the construction of the weights, that is, expenditure on insurance relates only to the 'service charge' element of insurance premiums paid. The remainder of the premiums paid represent 'claims paid out'; this expenditure is redistributed to the appropriate COICOP classes. To avoid the possibility of 'negative' weights in years where claims expenditure exceeds premiums paid, a three year average of National Accounts data is used.

Currently, expenditure by households on owner occupied housing costs is excluded from the CPI, due to the difficulties of measuring these costs in a comparable way internationally. Eurostat, the statistical office of the European Commission, in conjunction with the National Statistical Institutes of the EU Member States, are currently undertaking a pilot study to investigate the possibilities of including owner occupied housing costs at some point in the future.

RPI

By comparison, the RPI has a bespoke classification system which has evolved over time following the recommendations of various RPI Advisory Committees. For the 2005 weights, the information about spending patterns for most sections was obtained from the latest available data from the EFS which covers the period from July 2003 to June 2004 uprated to January 2005 using movements in the relevant section indices. However, for the sections covering expenditure on furniture and repairs & maintenance charges, three years of EFS data are used because of the large sampling errors that can arise from a single year's data for these expenditure categories.

The EFS is a continuous household survey, which monitors the spending patterns of around 6,000 to 6,500 households across the country each year. From this survey the changing pattern of household spending can be monitored at regular intervals. For a few sections, namely soft drinks, confectionery, alcoholic drink and tobacco products, the amounts recorded in the EFS are known to under-record the actual expenditure on these items. Therefore appropriate adjustments are made using the HFMCE component of the National Accounts, which is derived from a variety of sources. In common with National Accounts, the weights used for alcohol and tobacco products include estimates of household expenditure on smuggled alcohol and tobacco.

Weights for the costs of owner-occupation, comprising mortgage interest payments and depreciation, are not based on EFS expenditures. The weight for depreciation is calculated using National Accounts data to estimate a rate of depreciation for household sector dwellings, which is applied to the average house price, excluding land, to give a notional annual cost of depreciation. The weight for mortgage interest payments is based on a modelled mortgage incorporating both repayment and endowment components over an average 23 year term. Each of these is updated annually and expressed in terms of average weekly expenditure.

Weight types

Class / Section and item weights

Each item included within the index belongs to a CPI 'class' or an RPI 'section'. Classes / sections are comprised of a group of similar or related goods or services items. They represent the lowest level of aggregation for which EFS and National Accounts expenditure weights can be reliably and consistently estimated. For example, expenditures on alcoholic beverages, such as lager and bitter, are aggregated together to derive a reliable weight for the 'beer' class or 'beer off sales' section. In total there are 85 classes and 85 sections for which weights are produced. Both class and section weights are given as parts per thousand.

As explained above, each class or section consists of one or more similar items and each of these items is also given a weight, known as an item weight, which reflects relative expenditure on that item within the class or section. For example, in the RPI the bread section is composed of six bread items with white sliced loaf having the largest item weight, reflecting the fact that this is the most popular type of bread purchased in the UK. Item weights are calculated from a variety of sources. The primary source is the EFS. Other sources used include a variety of market research information, national accounts data and other government sources. While adequate as inputs to the calculation of higher level consumer price indices, the item weights are not generally considered to be of publishable quality in their own right.

Pensioner weights

Pensioners largely dependent on benefits tend to have different spending patterns when compared to the remainder of the population. Specific indices have been compiled for these households since 1968 (separately for one and two-person pensioner households). These specific indices differ from the 'general' CPI and RPI in being quarterly rather than monthly. They exclude housing costs because of measurement problems, as well as certain other items such as canteen meals due to negligible expenditure levels. In addition, they contain some pensioner specific items such as OAP bus and rail fares. Due to the smaller EFS sample size, all pensioner weights are based on the last three years of available expenditure data (mid-2001 to mid-2004 for the 2005 weights) with all expenditures uprated to January 2005 prices. The separate weights calculated for these pensioner indices are shown in Tables W3 and W4.

Weight changes 2004 to 2005

Changes in patterns of expenditure

Changes in the weights of components over time reflect changes in the expenditure pattern of households. For example, in the RPI the weight for food has dropped from over a third of total spending in 1956 to around 11 per cent in 2005. Tables W1 and W2 show the changes in weights for both the CPI and RPI since the beginning of the current series.

The two sets of weights share common long-term trends in expenditure patterns, and are in general, broadly comparable. Though most components only change gradually over time, even over a comparatively short period such as the last five years, falls in the proportion of expenditure on food, and fuel and light and an increase in the proportionate expenditure on leisure services are discernible in both indices.

Due to the differing population and commodity coverage of the CPI and RPI, the different classification systems employed, and the differences in source data underlying both sets of weights, it is not straightforward to reconcile differences in weights between the two indices at a point in time, or to reconcile changes from one year and the next.

Tables W1 and W2 show that there have been some significant changes in the CPI and RPI weights between 2004 and 2005. In interpreting these tables it should be noted that there are many reasons for weight changes between years apart from changes in expenditure resulting from changes in quantities bought or changes in actual or relative prices. These include, new and improved data sources, year on year sample variability of the underlying data sources, and changes in classification systems.

For the CPI, the only classes to have changed by three parts per thousand or more are:

- *furniture & furnishings*, down five from 24 to 19: due to the incorporation of the latest Retail Sales survey results in the corresponding underlying National Accounts expenditure estimates
- *second hand cars*, down three from 20 to 17: as recorded expenditure only increased slightly, so the share of expenditure on second hand cars as a proportion of total expenditure fell
- *motor vehicles repairs*, down three from 27 to 24: reflecting a changed distribution of expenditure between vehicles repairs and motor vehicles insurance
- *games, toys, and hobbies* up four from 16 to 20: due to the incorporation of the latest Retail Sales survey results in the corresponding underlying National Accounts expenditure estimates.

For the RPI, the only sections to have changed by three parts per thousand or more are:

- *other foods*, down three from 15 to 12: largely due to changes in the classification of food items within the food group
- *wines & spirits on sales*, down three from 19 to 16: due to a decrease in recorded expenditure
- *mortgage interest payments*, up 11 from 39 to 50: reflecting both the increase in interest rates between January 2004 and January 2005 and the rise in house prices over the same period
- *purchase of motor vehicles*, down four from 63 to 59: reflecting lower prices

- *vehicles tax & insurance*, down four from 27 to 23: reflecting lower recorded expenditure and lower prices
- *entertainment and other recreation*, down three from 20 to 17: due to a fall in recorded expenditure.

Further information about the construction of the weights can be obtained from:

Sharon Nevill
Office for National Statistics
Consumer Prices and General Inflation Division
D2/20, 1 Drummond Gate, London, SW1V 2QQ
Tel: 020 7533 5822
E-mail: sharon.nevill@ons.gsi.gov.uk

Results of the Expenditure and Food Survey are published in the annual report *Family Spending*. For further information, please contact:

Kay Joseland
Office for National Statistics
Expenditure and Food Survey Branch
D1/23, 1 Drummond Gate, London, SW1V 2QQ
Tel: 020 7533 5752
E-mail: kay.joseland@ons.gsi.gov.uk

Notes

1. Prior to 10 December 2003, the Consumer Prices Index (CPI) was published in the UK as the Harmonised Index of Consumer Prices (HICP).

W1

CPI¹ weights 1996 to 2005

parts per 1000

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CPI (overall index)	CHZQ	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
01 Food and non-alcoholic beverages	CHZR	156	152	144	141	121	114	115	108	106	106
02 Alcoholic beverages and tobacco	CHZS	70	71	68	63	57	48	51	47	46	46
03 Clothing and footwear	CHZT	67	68	68	68	70	67	61	62	62	63
04 Housing, water, electricity, gas and other fuels	CHZU	134	133	136	133	118	112	107	104	103	105
05 Furniture, household equipment and maintenance	CHZV	90	91	92	92	78	78	69	68	75	65
06 Health	CHZW	7	7	8	7	14	25	23	23	22	24
07 Transport	CHZX	154	155	164	167	161	152	140	144	151	148
08 Communication	CHZY	21	21	22	23	25	25	24	25	26	25
09 Recreation and culture	CHZZ	131	130	132	133	149	159	159	163	150	151
10 Education	CJUU	11	11	14	10	13	12	17	20	16	17
11 Restaurants and hotels	CJUV	111	112	106	115	137	144	137	135	137	139
12 Miscellaneous goods and services	CJUW	48	49	46	48	57	64	97	101	106	111
All goods	ICVH	641	640	642	628	591	564	543	534	533	536
All services	ICVI	359	360	358	372	409	436	457	466	467	464
01.1 Food	CJUX	141	137	129	127	109	103	103	95	94	93
01.1.1 Bread and cereals	CJWB	25	25	23	23	19	18	16	16	16	15
01.1.2 Meat	CJWC	34	34	30	28	27	25	24	22	22	23
01.1.3 Fish	CJWD	6	5	6	6	5	5	4	4	4	4
01.1.4 Milk, cheese and eggs	CJWE	21	21	19	17	14	13	15	14	13	13
01.1.5 Oils and fats	CJWF	4	4	3	3	2	2	2	2	2	2
01.1.6 Fruit	CJWG	9	9	9	9	9	9	9	7	8	8
01.1.7 Vegetables including potatoes and tubers	CJWH	20	17	18	20	18	17	17	15	15	14
01.1.8 Sugar, jam, syrups, chocolate and confectionery	CJWI	15	15	14	14	12	11	13	12	12	12
01.1.9 Food products (nec)	CJWJ	7	7	7	7	3	3	3	3	2	2
01.2 Non-alcoholic beverages	CJUY	15	15	15	14	12	11	12	13	12	13
01.2.1 Coffee, tea and cocoa	CJWK	5	5	5	4	3	2	3	3	3	3
01.2.2 Mineral waters, soft drinks and juices	CJWL	10	10	10	10	9	9	9	10	9	10
02.1 Alcoholic beverages	CJUZ	35	35	32	30	26	20	20	19	19	20
02.1.1 Spirits	CJWM	10	10	9	8	7	5	5	5	5	5
02.1.2 Wine	CJWN	15	15	14	14	12	9	9	9	9	10
02.1.3 Beer	CJWO	10	10	9	8	7	6	6	5	5	5
02.2 Tobacco	CJWP	35	36	36	33	31	28	31	28	27	26
03.1 Clothing	CJVA	55	56	56	56	60	58	53	54	54	54
03.1.2 Garments	CJWR	50	51	51	51	56	54	49	50	50	51
03.1.3 Other clothing and clothing accessories	CJWS	4	4	4	4	2	2	3	3	3	2
03.1.4 Cleaning, repair and hire of clothing	CJWT	1	1	1	1	2	2	1	1	1	1
03.2 Footwear including repairs	CJVB	12	12	12	12	10	9	8	8	8	9
04.1 Actual rentals for housing	CJVC	55	55	57	57	53	53	50	50	48	47
04.3 Regular maintenance and repair of the dwelling	CJVD	19	19	21	20	20	20	19	17	20	20
04.3.1 Materials for maintenance and repair	CJWU	8	8	9	8	10	10	11	10	12	12
04.3.2 Services for maintenance and repair	CJWV	11	11	12	12	10	10	8	7	8	8
04.4 Water supply and misc. services for the dwelling	CJVE	15	15	15	16	12	10	10	9	9	10
04.4.1 Water supply	CJWW	7	7	8	8	6	5	5	4	4	5
04.4.3 Sewerage collection	CJWY	8	8	7	8	6	5	5	5	5	5
04.5 Electricity, gas and other fuels	CJVF	45	44	43	40	33	29	28	28	26	28
04.5.1 Electricity	CJXA	22	22	21	20	17	15	14	14	13	14
04.5.2 Gas	CJXB	20	19	19	17	13	11	12	12	11	12
04.5.3 Liquid fuels	CJXC	1	1	1	1	2	2	1	1	1	1
04.5.4 Solid fuels	CJXD	2	2	2	2	1	1	1	1	1	1
05.1 Furniture, furnishings and carpets	CJVG	38	39	40	42	33	33	28	27	32	25
05.1.1 Furniture and furnishings	CJXF	28	29	30	32	27	26	21	20	24	19
05.1.2 Carpets and other floor coverings	CJXG	10	10	10	10	6	7	7	7	8	6
05.2 Household textiles	CJXH	6	6	6	7	8	8	8	8	9	8
05.3 Household appliances, fitting and repairs	CJVI	13	13	13	14	12	11	9	9	10	8
05.3.1/2 Major appliances and small electric goods	CJXI	11	11	11	12	11	10	8	8	9	7
05.3.3 Repair of household appliances	CJXJ	2	2	2	2	1	1	1	1	1	1
05.4 Glassware, tableware and household utensils	CJVJ	7	7	8	7	7	7	8	8	9	8
05.5 Tools and equipment for house and garden	CJVK	9	9	10	8	6	6	5	5	5	6
05.6 Goods and services for routine maintenance	CJVL	17	17	15	14	12	13	11	11	10	10
05.6.1 Non-durable household goods	CJXK	9	9	8	8	7	7	5	5	5	5
05.6.2 Domestic services and household services	CJXL	8	8	7	6	5	6	6	6	5	5
06.1 Medical products, appliances and equipment	JKWO	7	7	8	7	10	12	10	10	10	12
06.1.1 Pharmaceutical products	CJYA	3	2	3	2	7	8	5	4	4	6
06.1.2/3 Other medical and therapeutic equipment	CJYH	4	5	5	5	3	4	5	6	6	6

Key: - not available (nec) not elsewhere available

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

Source: National Statistics

W1

CPI¹ weights 1996 to 2005

continued

parts per 1000

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
06.2 Out-patient services (Dec 1999=100)	ICVJ	—	—	—	—	4	4	4	5	4	4
06.2.1/3 Medical services & paramedical services (Dec 1999=100)	ICVK	—	—	—	—	2	2	2	3	2	2
06.2.2 Dental services (Dec 1999=100)	ICVL	—	—	—	—	2	2	2	2	2	2
06.3 Hospital services (Dec 2000=100)	ICVM	—	—	—	—	—	9	9	8	8	8
07.1 Purchase of vehicles	CJVM	58	56	64	68	55	46	45	52	55	53
07.1.1A New cars	CJXN	13	12	18	21	34	29	28	31	32	33
07.1.1B Second-hand cars	CJXO	43	42	43	44	18	14	14	18	20	17
07.1.2/3 Motorcycles and bicycles	CJXP	2	2	3	3	3	3	3	3	3	3
07.2 Operation of personal transport equipment	CJVN	76	79	80	78	74	73	63	62	65	63
07.2.1 Spare parts and accessories	CJXQ	8	8	11	9	7	6	5	5	5	6
07.2.2 Fuels and lubricants	CJXR	40	43	43	43	38	37	28	27	26	27
07.2.3 Maintenance and repairs	CJXS	21	21	19	19	21	23	23	23	27	24
07.2.4 Other services	CJXT	7	7	7	7	8	7	7	7	7	6
07.3 Transport services	CJVO	20	20	20	21	32	33	32	30	31	32
07.3.1 Passenger transport by railway	CJXU	6	6	5	6	8	9	9	8	7	8
07.3.2 Passenger transport by road	CJXV	11	11	11	10	14	14	14	14	15	14
07.3.3 Passenger transport by air	CJXW	2	2	3	4	9	9	8	7	7	8
07.3.4 Passenger transport by sea and inland waterway	CJXX	1	1	1	1	1	1	1	1	2	2
08.1 Postal services	CJVP	2	2	2	2	2	2	2	1	2	2
08.2/3 Telephone and telefax equipment and services	CJYB	19	19	20	21	23	23	22	24	24	23
09.1 Audio-visual equipment and related products	CJYQ	23	22	20	18	20	23	30	31	26	25
09.1.1 Reception and reproduction of sound and pictures	CJYC	8	8	6	5	7	8	7	7	6	6
09.1.2 Photographic, cinematographic and optical equipment	CJYD	5	4	4	4	3	4	5	5	4	4
09.1.3 Data processing equipment	CJYE	5	5	4	3	3	4	6	7	6	5
09.1.4 Recording media	CJYF	4	4	4	4	6	6	11	11	9	9
09.1.5 Repair of audio-visual equipment & related products	CJYG	1	1	2	2	1	1	1	1	1	1
09.2 Other major durables for recreation & culture (Dec 1999=100)	CJVR	—	—	—	—	7	8	8	8	8	9
09.2.1/2 Major durables for in/outdoor recreation (Dec 1999=100)	ICVN	—	—	—	—	7	8	8	8	8	9
09.3 Other recreational items, gardens and pets	CJVS	26	26	30	28	33	37	36	35	33	37
09.3.1 Games, toys and hobbies	ICVP	5	5	7	7	15	18	18	17	16	20
09.3.2 Equipment for sport and open-air recreation	ICVQ	3	3	3	3	5	4	5	5	4	4
09.3.3 Gardens, plants and flowers	CJYI	6	6	6	6	5	7	6	6	6	6
09.3.4/5 Pets, related products and services	CJYJ	12	12	14	12	8	8	7	7	7	7
09.4 Recreational and cultural services	CJVT	31	31	30	35	36	36	32	34	33	33
09.4.1 Recreational and sporting services	ICVR	12	11	10	13	14	15	9	9	9	9
09.4.2 Cultural services	ICVS	19	20	20	22	22	21	23	25	24	24
09.5 Books, newspapers and stationery	ICVT	20	20	19	19	25	25	22	20	19	18
09.5.1 Books	ICVU	5	4	4	3	4	5	5	5	5	5
09.5.2 Newspapers and periodicals	ICVV	10	11	10	10	10	10	9	8	8	7
09.5.3/4 Misc. printed matter, stationery, drawing materials	ICVW	5	5	5	6	11	10	8	7	6	6
09.6 Package holidays	ICVX	31	31	33	33	28	30	31	35	31	29
10.0 Education	CJUU	11	11	14	10	13	12	17	20	16	17
11.1 Catering services	CJVV	107	108	103	109	116	128	118	118	119	121
11.1.1 Restaurants & cafes	CJYL	100	101	96	102	109	121	107	107	107	108
11.1.2 Canteens	CJYM	7	7	7	7	7	7	11	11	12	13
11.2 Accommodation services	CJVV	4	4	3	6	21	16	19	17	18	18
12.1 Personal care	CJVV	26	27	26	26	29	28	27	26	26	29
12.1.1 Hairdressing and personal grooming establishments	CJYN	7	7	7	7	8	8	8	7	7	8
12.1.2/3 Appliances and products for personal care	CJYO	19	20	19	19	21	20	19	19	19	21
12.3 Personal effects (nec)	CJVX	9	9	8	8	9	9	9	9	9	11
12.3.1 Jewellery, clocks and watches	ICVZ	5	3	3	4	7	7	7	6	6	8
12.3.2 Other personal effects	ICWA	4	6	5	4	2	2	2	3	3	3
12.4 Social protection (Dec 1999=100)	CJYV	—	—	—	—	6	12	14	14	13	13
12.5 Insurance	CJVZ	6	6	4	6	6	6	5	6	7	8
12.5.2 House contents insurance	CJYP	2	2	2	3	2	2	1	1	1	1
12.5.3 Health insurance (Dec 1999=100)	JKWP	—	—	—	—	2	2	2	2	3	2
12.5.4 Transport insurance	CJYQ	4	4	2	3	2	2	2	3	3	5
12.6 Financial services (nec)	CJWA	2	2	1	1	1	1	22	23	26	26
12.6.2 Other financial services (nec)	CJYK	2	2	1	1	1	1	22	23	26	26
12.7 Other services (nec)	ICVY	5	5	7	7	6	8	20	23	25	24

Source: National Statistics

W2 RPI weights 1987 to 2005

parts per 1000

		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
ALL ITEMS	CZGU	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Food and catering	CBVV	213	213	203	205	198	199	189	187	184	191	185	178	179	170	169	166	160	160	159
Alcohol and tobacco	CBVW	114	114	119	111	109	116	113	111	111	113	114	105	100	95	97	99	98	97	96
Housing and household expenditure	CBVX	335	330	341	346	353	344	336	326	356	353	351	359	358	355	362	363	365	367	387
Personal expenditure	CBVY	112	109	110	108	101	99	97	95	93	92	96	95	95	101	96	94	92	93	89
Travel and leisure	CBVZ	226	234	227	230	239	242	265	281	256	251	254	263	268	279	276	278	285	283	269
Consumer durables ¹	CBWA	139	141	135	132	128	127	127	127	123	116	122	121	127	126	125	126	126	121	122
Seasonal food	CZHA	26	25	23	24	24	22	21	20	22	22	19	18	20	18	18	20	17	19	19
Food excluding seasonal	CZHB	141	138	131	134	127	130	123	122	117	121	117	112	108	100	98	94	92	92	91
All items excluding seasonal food	CZGW	974	975	977	976	976	978	979	980	978	978	981	982	980	982	982	980	983	981	981
All items excluding food	CZGV	833	837	846	842	849	848	856	858	861	857	864	870	872	882	884	886	891	889	890
All goods	DOHD	616	620	602	599	586	600	581	578	556	556	556	546	543	533	526	529	522	518	510
All services	DOHH	298	295	296	286	291	305	339	348	343	344	346	347	351	358	354	361	361	358	352
Other indices																				
All items excluding:																				
mortgage interest payments (RPIX)	CZGY	956	958	940	925	924	936	952	956	958	958	961	955	958	960	954	964	961	961	950
housing	CZGX	843	840	825	815	808	828	836	842	813	810	814	803	807	805	795	801	797	791	776
mortgage interest payments and council tax	DOGY	914	915	898	885	877	905	920	926	929	929	931	925	925	927	920	930	925	923	911
mortgage interest payments and depreciation	DOGZ	956	958	940	925	924	936	952	956	928	929	932	923	928	924	914	924	919	914	901
Food	CZGZ	167	163	154	158	151	152	144	142	139	143	136	130	128	118	116	114	109	111	110
Bread	CZVO	9	9	9	8	8	7	7	7	6	6	6	5	5	5	5	5	4	4	4
Cereals	CZVP	4	4	4	4	4	4	4	4	4	5	4	4	4	4	3	4	3	3	3
Biscuits and cakes	CZVQ	10	9	9	9	9	9	9	9	8	9	9	9	8	8	7	7	6	7	6
Beef	CZVR	10	10	10	9	7	7	7	7	6	6	4	4	4	4	4	3	4	4	4
Lamb	HKIC	4	3	3	3	3	3	3	2	2	2	2	2	2	2	2	2	2	2	2
of which home-killed lamb	CZVS	3	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1
imported lamb	CZVT	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Pork	CZVU	4	4	3	4	3	3	2	2	2	2	2	2	2	2	2	1	2	1	1
Bacon	CZVV	4	4	4	4	3	4	3	3	3	3	3	3	2	2	2	2	2	2	2
Poultry	CZVW	7	7	6	7	6	6	6	6	6	5	6	6	6	5	5	5	3	4	3
Other meat	CZVX	11	10	9	10	9	9	8	8	8	9	9	8	8	7	7	7	7	7	7
Fish	HKHK	6	5	5	5	6	5	5	5	4	5	4	4	4	4	4	3	3	3	4
of which fresh fish	CZVY	2	2	2	2	2	1	2	2	2	3	2	2	2	2	2	2	2	2	2
processed fish	CZVZ	4	3	3	3	4	4	3	3	2	2	2	2	2	2	2	1	1	1	2
Butter	CZWA	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Oils and fats	CZWB	3	3	3	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1
Cheese	CZWC	5	5	4	5	4	4	4	4	5	5	4	5	4	3	3	3	3	3	3
Eggs	CZWD	3	3	2	2	2	2	2	2	2	1	2	1	1	1	1	1	1	1	1
Milk, fresh	CZWE	14	13	12	11	11	11	10	10	9	9	8	7	6	6	5	5	5	5	5
Milk products	CZWF	2	3	3	3	3	3	3	3	3	4	4	4	4	4	3	4	4	4	4
Tea	CZWG	3	3	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1
Coffee and other hot drinks	CZWH	4	3	3	3	2	2	2	2	3	3	2	2	2	2	2	2	1	1	1
Soft drinks	CZWI	7	8	9	11	12	12	11	10	9	10	10	10	10	10	11	10	11	10	12
Sugar and preserves	CZWJ	3	3	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1
Sweets and chocolates	CZWK	13	13	12	13	11	13	12	13	13	13	13	12	12	12	11	11	10	10	11
Potatoes	HKIE	7	7	6	6	6	7	6	5	7	8	5	6	8	6	6	6	5	5	5
of which unprocessed potatoes	CZWL	4	4	3	3	3	3	2	2	3	3	1	2	3	2	2	2	2	2	2
potato products	CZWM	3	3	3	3	3	4	4	3	4	5	4	4	5	4	4	4	3	3	3
Vegetables other than potatoes	HKIF	11	12	11	12	12	10	10	10	11	10	10	9	9	8	8	10	7	9	9
of which fresh vegetables	CZWN	7	8	7	8	8	7	7	7	8	7	6	7	6	6	8	5	7	7	7
processed vegetables	CZWO	4	4	4	4	4	3	3	3	3	3	3	3	2	2	2	2	2	2	2
Fruit	HKIG	9	8	9	9	9	9	8	7	8	7	8	7	7	7	7	7	7	7	7
of which fresh fruit	CZWP	7	6	7	7	7	7	6	6	6	6	6	6	6	6	6	6	6	6	6
processed fruit	CZWQ	2	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1
Other foods	CZWR	12	12	12	12	14	15	15	16	15	13	14	14	14	13	13	12	15	15	12
Catering	CZHC	46	50	49	47	47	47	45	45	45	48	49	48	51	52	53	52	51	49	49
Restaurant meals	CZWS	23	25	26	24	24	25	23	23	23	23	24	24	25	26	26	26	26	26	25
Canteen meals	CZWT	7	8	7	7	8	7	7	7	7	7	7	7	7	6	6	5	5	4	5
Take-aways and snacks	CZWU	16	17	16	16	15	15	15	15	15	18	18	17	19	20	21	21	20	19	19
Alcoholic drink	CZHD	76	78	83	77	77	80	78	76	77	78	80	71	69	65	68	68	68	68	67
Beer	CZVW	45	46	50	47	46	46	44	44	48	47	50	43	41	38	37	36	36	35	37
on sales	CZWW	40	41	44	41	40	40	38	38	40	37	38	33	33	30	31	30	30	30	31
off sales	CZWX	5	5	6	6	6	6	6	6	8	10	12	10	8	8	6	6	6	5	6
Wines and spirits	CZWY	31	32	33	30	31	34	34	32	29	31	30	28	28	27	31	32	32	33	30
on sales	CZWZ	13	14	14	13	14	13	13	11	9	10	11	10	11	11	15	19	19	19	16
off sales	CZXA	18	18	19	17	17	21	21	21	20	21	19	18	17	16	16	13	13	14	14

Key: .. not available

Source: National Statistics

1 Consumer durables: Furniture, furnishings, electrical appliances and other household equipment, men's, women's and children's outerwear, footwear, audio-visual equipment, CDs and tapes, toys, photographic and sports goods.

W2 RPI weights 1987 to 2005

continued

parts per 1000

		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Tobacco	CZHE	38	36	36	34	32	36	35	35	34	35	34	34	31	30	29	31	30	29	29
Cigarettes	CZXB	33	32	32	30	28	32	31	32	31	32	31	32	29	28	27	28	26	26	26
Other tobacco	CZXC	5	4	4	4	4	4	4	3	3	3	3	2	2	2	2	3	4	3	3
Housing	CZHF	157	160	175	185	192	172	164	158	187	190	186	197	193	195	205	199	203	209	224
Rent	CZXD	34	33	32	32	33	35	39	42	43	46	47	47	47	46	47	47	45	43	42
Mortgage interest payments	CZXE	44	42	60	75	76	64	48	44	42	39	45	42	40	46	36	39	39	50	
Depreciation (Jan 1995 = 100)	DOGX	..	..	..	..	..	..	..	..	30	29	29	32	30	36	40	40	42	47	49
Council tax and rates	CZXF	42	43	42	40	47	31	32	30	29	29	30	30	33	33	34	34	36	38	39
Water and other charges	CZYG	7	7	7	7	8	9	10	10	11	12	11	12	12	12	10	11	11	11	11
Repairs and maintenance charges	CZXH	8	9	9	8	8	9	11	11	10	11	10	10	10	10	11	10	10	11	12
Do-it-yourself materials	CZXI	16	19	17	15	13	16	16	14	13	12	14	12	11	11	14	13	13	14	
Dwelling insurance and ground rent	CZXL	6	7	8	8	7	8	8	7	9	8	8	7	7	7	6	7	7	7	7
Fuel and light	CZHG	61	55	54	50	46	47	46	45	45	43	41	36	34	32	29	31	29	28	31
Coal and solid fuels	CZHK	6	5	4	4	3	3	2	2	2	2	1	1	1	1	1	1	1	1	1
Electricity	CZXL	28	26	26	24	23	24	24	23	22	21	18	17	16	15	15	15	14	13	15
Gas	CZXM	24	21	22	19	17	18	18	18	18	17	16	15	13	12	13	12	12	13	
Oil and other fuels	CZKN	3	3	2	3	3	2	2	2	2	1	2	1	1	2	1	2	2	2	2
Household goods	CZHH	73	74	71	71	70	77	79	76	77	72	72	72	74	72	71	73	72	71	71
Furniture	CZHO	13	14	13	14	16	19	21	20	19	19	20	20	20	20	21	22	23	24	24
Furnishings	CZXP	11	12	12	11	12	13	15	13	14	13	13	14	13	14	12	13	13	13	14
Electrical appliances	CZXR	15	16	14	13	10	11	10	11	10	7	9	9	10	9	10	10	8	7	8
Other household equipment	CZXR	12	10	10	9	9	9	7	8	8	7	7	8	7	6	7	6	7	6	5
Household consumables	CZXS	14	14	14	16	16	16	17	17	16	16	15	15	15	15	14	14	14	14	14
Pet care	CZXT	8	8	8	8	7	9	9	8	10	8	8	8	7	9	7	7	7	7	6
Household services	CZHI	44	41	41	40	45	48	47	47	47	48	52	54	57	56	57	60	61	59	61
Postage	CZHU	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1
Telephones, telemessages, etc	CZIV	16	16	15	15	15	16	15	15	15	15	15	16	17	18	19	21	22	22	23
Domestic services	CZJW	7	7	8	8	9	8	9	9	9	10	10	9	11	10	9	10	10	10	11
Fees and subscriptions	CZXX	19	16	16	15	19	22	21	21	21	21	25	27	27	27	28	28	28	26	26
Clothing and footwear	CZHT	74	72	73	69	63	59	58	54	54	56	55	55	58	53	51	51	51	51	48
Men's outerwear	CZHY	15	14	14	14	14	11	12	11	11	10	11	11	13	12	11	11	11	10	9
Women's outerwear	CZJZ	22	22	22	22	20	18	19	20	18	18	18	18	17	20	16	17	17	18	17
Children's outerwear	CZJA	9	9	9	8	7	7	6	7	6	6	7	6	6	7	7	6	6	6	6
Other clothing	CZJB	12	12	13	11	10	11	10	10	10	9	10	10	9	8	8	7	7	7	6
Footwear	CZJC	16	15	15	14	12	12	11	10	10	10	10	10	10	11	11	10	10	10	10
Personal goods and services	CZHK	38	37	37	39	38	40	39	37	39	38	40	40	40	43	43	43	41	42	41
Personal articles	CZJD	11	11	11	12	11	11	11	10	11	10	11	11	11	12	12	13	12	12	12
Chemists goods	CZJE	16	15	15	17	16	17	17	18	18	18	19	19	19	17	17	16	16	15	16
Personal services	CZJF	11	11	11	10	11	12	11	9	10	10	10	10	10	14	14	14	13	15	13
Motoring expenditure	CZHL	127	132	128	131	141	143	136	142	125	124	128	136	139	146	140	141	146	146	136
Purchase of motor vehicles	CZYG	52	58	55	58	66	67	58	60	46	48	47	53	58	58	57	62	62	63	59
Maintenance of motor vehicles	CZJH	20	18	19	20	22	21	21	23	21	20	21	24	23	23	21	21	22	20	19
Petrol and oil	CZJI	37	36	34	33	33	33	35	37	37	37	39	39	38	43	41	36	38	36	35
Vehicle tax and insurance	CZJY	18	20	20	20	20	22	22	22	21	19	21	20	20	22	21	22	24	27	23
Fares and other travel costs	CZHM	22	23	23	21	20	20	21	20	19	17	20	20	21	21	23	20	20	21	19
Rail fares	CZJK	7	7	7	6	6	5	6	6	5	4	4	4	5	5	6	5	5	5	5
Bus and coach fares	CZJL	7	7	7	7	5	6	5	5	5	5	5	5	5	5	5	5	5	4	4
Other travel costs	CZJM	8	9	9	8	9	9	10	9	9	8	11	11	11	11	12	10	10	12	10
Leisure goods	CZHN	47	50	47	48	48	47	46	48	46	45	47	46	47	46	49	48	48	46	46
Audio-visual equipment	CZJN	12	13	11	11	10	11	10	10	7	7	10	10	10	10	11	12	10	10	10
CDs and tapes	CZJO	3	5	5	6	6	6	7	6	7	6	6	6	6	6	6	7	10	5	6
Toys, photographic and sports goods	CZJP	11	11	10	10	12	10	9	12	13	11	11	11	13	12	13	11	11	12	13
Books and newspapers	CZJQ	16	16	16	15	15	15	15	14	13	14	13	12	12	12	13	12	10	11	10
Gardening products	CZJR	5	5	5	6	5	5	5	6	6	7	7	7	6	6	6	6	7	8	7
Leisure services	CZHO	30	29	29	30	30	32	62	71	66	65	59	61	61	66	64	69	71	70	68
Television licences and rentals	CZYS	13	11	10	9	8	9	8	9	9	9	10	10	10	10	10	13	8	11	12
Entertainment and other recreation	CZYT	17	18	19	21	22	23	24	25	26	21	19	18	18	20	18	18	22	20	17
Foreign holidays (Jan 1993 = 100)	CBXQ	..	..	..	..	..	..	30	29	24	24	23	25	25	30	29	32	34	31	32
UK holidays (Jan 1994 = 100)	DOEE	..	..	..	..	..	..	..	8	7	11	7	8	8	6	7	6	7	8	7

Source: National Statistics

W3 RPI pensioner indices: 1 person pensioner household weights 1992 to 2005

parts per 1000

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Food	CBXR	311	303	294	285	279	278	282	284	275	272	270	256	256	249
Bread	CZVU	21	20	19	17	16	16	16	15	15	14	14	13	13	12
Cereals	CZVY	9	8	8	8	8	8	8	7	7	7	7	7	7	7
Biscuits and cakes	CZYW	21	22	23	22	23	23	25	26	27	26	24	21	20	19
Beef	CZYX	14	13	13	12	11	10	9	8	8	9	9	9	8	7
Home-killed lamb	CZYY	4	5	5	5	2	3	3	3	3	2	2	2	3	3
Imported lamb	CZYZ	4	3	2	2	2	4	3	3	2	2	2	2	3	3
Pork	CZZA	6	5	5	5	5	5	5	4	4	5	4	4	3	3
Bacon	CZZB	9	9	8	7	8	9	9	8	8	7	7	7	7	6
Poultry	CZZC	10	10	11	10	10	11	10	10	8	8	8	8	8	7
Other meat	CZZD	23	22	21	19	18	20	21	23	23	22	21	20	20	20
Fresh fish	CZZE	4	5	5	4	8	8	9	8	9	8	7	6	6	6
Processed fish	CZZF	12	11	11	10	7	6	6	6	5	5	5	5	5	5
Butter	CZZG	5	5	5	4	5	5	5	5	4	4	4	3	3	2
Oils and fats	CZZH	6	6	5	5	5	5	5	5	4	4	4	4	4	5
Cheese	CZZI	7	8	8	8	8	8	8	7	7	7	7	7	6	6
Eggs	CZZJ	6	6	6	6	5	5	5	4	4	4	3	3	3	3
Milk, fresh	CZZK	31	31	28	26	25	24	23	22	20	19	19	18	17	16
Milk products	CZZL	4	5	5	5	6	6	7	6	7	7	7	8	8	9
Tea	CZZM	10	10	9	8	7	7	7	8	7	6	6	5	4	4
Coffee and other hot drinks	CZZN	5	5	5	7	6	5	6	5	5	4	5	4	4	4
Soft drinks	CZZO	8	8	7	7	8	9	9	8	8	8	8	8	8	9
Sugar and preserves	CZZP	9	8	8	7	7	7	6	6	5	5	5	5	5	4
Sweets and chocolates	CZZQ	8	8	9	9	9	10	11	12	13	13	12	11	11	11
Unprocessed potatoes	CZZR	7	5	6	9	8	4	5	7	5	6	6	5	6	5
Processed potatoes	CZZS	4	4	4	3	4	4	5	5	5	5	5	5	5	4
Fresh vegetables	CZZT	15	15	13	15	15	14	13	13	12	13	17	13	14	14
Processed vegetables	CZZU	6	6	5	4	5	5	5	5	5	5	5	5	5	4
Fresh fruit	CZZV	17	13	13	15	17	17	18	17	16	17	18	18	18	17
Processed fruit	CZZW	4	4	3	3	2	2	2	3	3	3	3	3	3	3
Other foods	CZZX	22	23	24	23	19	18	18	25	26	27	26	27	29	31
Total Seasonal food		53	49	48	54	55	51	53	52	49	50	53	47	50	48
Catering	CBXU	31	32	33	32	37	40	41	40	39	40	40	41	43	42
Restaurant meals	CZZY	20	21	21	21	23	24	24	25	25	26	27	28	29	29
Canteen meals	CZZZ	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Take-aways and snacks	CBVM	11	11	12	11	14	16	17	15	14	14	13	13	14	13
Alcoholic drink	CBXV	26	26	26	26	27	28	30	31	32	31	31	29	27	28
Beer "on" sales	CBVO	13	12	11	11	10	10	10	11	13	12	11	10	9	9
Beer "off" sales	CBVP	2	3	3	3	3	4	4	4	3	3	3	2	2	3
Wines & spirits "on" sales	CBVR	2	2	2	2	2	2	3	3	3	3	3	3	2	2
Wines & spirits "off" sales	CBVS	9	9	10	10	12	12	13	13	13	13	14	14	14	14
Tobacco	CBXW	31	33	32	35	34	38	40	39	37	34	30	26	25	26
Cigarettes	CBVT	29	31	31	33	32	35	36	35	33	31	28	24	23	24
Other tobacco	CBVU	2	2	1	2	2	3	4	4	4	3	2	2	2	2
Fuel and light	CBXY	170	167	156	152	142	139	129	119	115	105	109	104	104	108
Coal and solid fuels	CBWC	19	17	13	12	13	13	11	8	8	7	8	6	5	3
Electricity	CBWD	85	84	79	76	72	71	66	62	59	54	54	51	52	55
Gas	CBWE	55	53	52	53	50	49	49	46	44	40	44	42	42	45
Oil and other fuels	CBWF	11	13	12	11	7	6	3	3	4	4	3	5	5	5

Key: - zero .. not available

Source: National Statistics

W3 RPI pensioner indices: 1 person pensioner household weights 1992 to 2005

continued

parts per 1000

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Household goods	CBXZ	98	97	100	105	111	104	96	102	110	127	118	125	115	115
Furniture	CBWG	14	15	14	15	14	15	14	22	29	39	32	34	28	30
Furnishings	CBWH	19	18	18	22	22	21	19	20	23	28	26	26	23	21
Electrical appliances	CBWI	15	12	17	18	22	16	12	9	10	10	12	15	16	12
Other household equipment	CBWJ	7	7	7	8	11	11	10	8	8	8	8	10	9	13
Household consumables	CBWK	33	35	34	33	33	31	30	30	29	30	30	29	28	27
Pet care	CBWL	10	10	10	9	9	10	11	13	11	12	10	11	11	12
Household services	CBYA	91	96	100	101	107	105	101	90	95	96	111	118	118	117
Postage	CBWM	5	6	6	6	6	6	6	6	6	5	5	4	4	4
Telephones, telemessages, etc	CBWN	46	46	43	40	39	40	43	41	40	37	41	44	46	45
Domestic services	CBWO	22	21	20	20	27	30	31	26	30	34	38	42	42	41
Fees and subscriptions	CBWP	18	23	31	35	35	29	21	17	19	20	27	28	26	27
Clothing and footwear	CBYB	54	53	55	55	51	51	52	50	49	48	52	54	54	50
Men's outerwear	CBWQ	5	4	4	4	4	5	5	5	4	4	4	4	3	2
Women's outerwear	CBWR	16	15	19	20	19	18	20	21	21	21	24	28	27	23
Children's outerwear	CBWS	2	1	1	1	1	1	1	2	4	4	3	2	1	2
Other clothing	CBWT	18	18	17	16	15	15	15	13	12	11	11	9	11	11
Footwear	CBWU	13	15	14	14	12	12	11	9	8	8	10	11	12	12
Personal goods and services	CBYC	55	55	53	47	50	52	59	60	65	68	68	66	66	70
Personal articles	CBWV	9	9	8	8	9	10	11	14	17	20	17	13	13	17
Chemists goods	CBWW	20	21	20	20	22	23	24	22	23	24	25	24	23	23
Personal services	CBWX	26	25	25	19	19	19	24	24	25	24	26	29	30	30
Motoring expenditure	CBYD	27	28	36	34	36	36	33	48	51	60	48	51	53	56
Purchase of motor vehicles	CBWY	4	3	8	6	6	5	3	10	11	16	12	13	10	11
Maintenance of motor vehicles	CBWZ	6	7	8	9	10	11	8	11	10	12	11	12	14	13
Petrol and oil	CBXA	9	10	11	10	11	11	12	15	17	18	13	14	15	17
Vehicle tax and insurance	CBXB	8	8	9	9	9	9	10	12	13	14	12	12	14	15
Fares and other travel costs	CBYE	20	19	19	22	22	22	23	22	21	19	18	19	23	23
Rail fares	CBXC	3	3	2	2	2	2	2	2	2	1	1	1	1	1
Bus and coach fares	CBXD	10	9	9	10	10	9	10	9	9	8	7	7	7	6
Other travel costs	CBXE	7	7	8	10	10	11	11	11	10	10	10	11	15	16
Leisure goods	CBYF	50	51	51	46	44	46	50	52	51	51	50	50	49	51
Audio-visual equipment	CBXF	5	7	8	5	3	4	5	6	5	5	4	5	3	3
Records, tapes and CDs	CBXG	1	1	2	2	2	1	2	1	2	2	2	2	2	3
Toys, photographic and sports goods	CBXH	4	3	2	2	2	4	4	5	4	4	4	5	5	4
Books and newspapers	CBXI	34	35	33	30	29	29	30	31	31	30	30	28	28	28
Gardening products	CBXJ	6	5	6	7	8	8	9	9	9	10	10	10	11	13
Leisure services	CBYG	36	40	45	61	60	61	64	63	60	49	55	61	67	65
Television licences and rentals	CBXK	33	33	32	31	29	30	32	32	32	22	25	23	20	18
Entertainment and other recreation	CBXL	3	3	4	5	7	7	8	7	7	6	6	7	9	9
Foreign holidays (Jan 1993 = 100)	CBWB	..	4	6	12	12	9	8	9	8	9	10	15	20	21
UK holidays (Jan 1994 = 100)	DOEF	..	..	3	12	12	15	16	15	13	12	14	16	18	17

Source: National Statistics

W4 RPI pensioner indices: 2 person pensioner household weights 1992 to 2005

parts per 1000

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Food	CDJQ	331	316	300	289	287	288	283	284	267	269	265	248	249	247
Bread	CBYH	21	20	18	16	15	15	15	14	14	13	13	12	12	12
Cereals	CBYI	9	9	8	8	8	8	8	8	7	7	6	6	6	6
Biscuits and cakes	CBYJ	22	23	23	22	23	24	24	24	23	23	22	21	20	19
Beef	CBYK	18	18	17	15	15	13	12	11	11	11	11	11	11	11
Home-killed lamb	CBYL	5	6	6	6	4	4	3	3	3	3	3	3	4	3
Imported lamb	CBYM	5	3	3	3	4	5	4	3	3	3	3	3	4	4
Pork	CBYN	8	7	6	7	7	8	6	6	6	6	5	5	5	4
Bacon	CBYO	11	10	9	8	9	10	10	9	9	8	8	7	7	7
Poultry	CBYP	11	11	11	11	10	11	11	12	10	10	9	8	8	8
Other meat	CBYQ	24	23	21	19	18	20	21	22	21	21	21	20	20	20
Fresh fish	CBYR	6	6	6	4	10	8	8	9	9	9	8	7	7	7
Processed fish	CBYS	13	12	11	10	4	6	6	5	5	5	5	5	4	4
Butter	CBYT	5	4	4	4	4	4	4	4	3	3	3	2	2	2
Oils and fats	CBYU	7	6	6	5	6	6	6	6	5	5	5	5	5	5
Cheese	CBYV	8	8	8	7	8	8	8	7	7	7	7	6	6	6
Eggs	CBYW	5	5	5	5	5	5	4	4	3	3	3	3	3	3
Milk, fresh	CBYX	29	29	26	25	23	22	21	19	17	16	16	15	15	14
Milk products	CBYY	4	5	5	5	5	5	6	6	7	7	7	7	7	8
Tea	CBYZ	10	9	8	7	6	7	6	6	5	5	5	4	4	4
Coffee and other hot drinks	CBZA	5	4	5	6	6	5	5	4	4	4	4	3	3	3
Soft drinks	CBZB	10	8	7	7	7	8	8	9	8	9	8	8	8	9
Sugar and preserves	CBZC	8	8	7	6	7	7	6	6	5	5	5	5	5	5
Sweets and chocolates	CBZD	9	10	10	10	9	10	10	12	12	14	13	12	11	11
Unprocessed potatoes	CBZE	8	6	7	10	9	4	5	8	5	7	7	6	6	6
Processed potatoes	CBZF	4	4	4	4	5	5	5	6	6	5	5	4	5	4
Fresh vegetables	CBZG	15	14	13	15	14	13	12	13	12	13	17	14	14	15
Processed vegetables	CBZH	7	6	6	5	6	6	6	5	5	5	5	5	5	5
Fresh fruit	CBZI	16	14	13	14	14	14	15	15	15	15	16	15	16	15
Processed fruit	CBZJ	5	4	4	4	3	3	3	4	4	3	4	4	4	4
Other foods	CBZK	23	24	23	21	23	24	25	24	23	24	21	22	22	23
Total seasonal foods		55	51	50	54	56	48	47	52	47	50	54	48	50	49
Catering	CDJT	31	28	29	29	38	40	43	36	36	36	36	38	37	43
Restaurant meals	CBZL	22	20	21	21	24	24	25	24	25	26	27	30	30	35
Canteen meals	CBZM	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Take-aways and snacks	CBZN	9	8	8	8	14	16	18	12	11	10	9	8	7	8
Alcoholic drink	CDJU	42	43	39	40	41	40	43	42	44	41	40	39	37	37
Beer "on" sales	CBZP	19	20	18	18	16	16	17	16	16	14	14	14	14	13
Beer "off" sales	CBZQ	6	7	6	6	7	7	8	7	7	6	5	5	5	5
Wines & spirits "on" sales	CBZS	3	3	3	3	3	3	3	3	3	3	4	4	3	3
Wines & spirits "off" sales	CBZT	14	13	12	13	15	14	15	16	18	18	17	16	15	16
Tobacco	CDJV	40	41	40	36	34	35	36	35	31	28	27	24	22	20
Cigarettes	CBZU	36	38	36	33	30	31	32	31	27	24	23	20	17	16
Other tobacco	CBZV	4	3	4	3	4	4	4	4	4	4	4	4	5	4
Fuel and light	CDJX	114	110	103	104	96	95	88	88	84	79	76	74	71	77
Coal and solid fuels	CCZE	15	12	10	10	9	12	10	12	8	9	6	6	4	4
Electricity	CCZF	56	57	51	52	47	47	43	42	40	37	37	35	34	37
Gas	CCZG	38	37	37	38	35	31	31	31	31	28	29	29	29	32
Oil and other fuels	CCZH	5	4	5	4	5	5	4	3	5	5	4	4	4	4

Key: - zero .. not available

Source: National Statistics

W4 RPI pensioner indices: 2 person pensioner household weights 1992 to 2005

continued

parts per 1000

		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Household goods	CDJY	96	96	102	105	107	101	106	116	113	111	111	115	114	112
Furniture	CCZI	15	16	16	18	20	19	19	28	30	32	33	34	36	32
Furnishings	CCZJ	12	18	20	21	23	24	25	24	19	20	17	19	17	22
Electrical appliances	CCZK	15	12	17	20	19	14	17	19	17	11	14	17	17	13
Other household equipment	CCZL	16	11	11	9	10	11	12	9	10	10	10	8	8	10
Household consumables	CCZM	30	30	29	28	28	26	25	26	27	28	27	25	25	25
Pet care	CCZN	8	9	9	9	7	7	8	10	10	10	10	12	11	10
Household services	CDJZ	58	60	62	61	59	56	58	59	56	60	64	65	61	57
Postage	CCZO	6	6	5	5	5	5	4	5	5	4	3	2	2	3
Telephones, telemessages, etc	CCZP	30	30	28	27	27	27	26	25	25	25	26	27	29	28
Domestic services	CCZQ	9	10	10	10	9	12	14	14	9	15	15	16	11	12
Fees and subscriptions	CCZR	13	14	19	19	18	12	14	15	17	16	20	20	19	14
Clothing and footwear	CDKA	61	55	56	51	53	51	43	43	45	50	46	46	45	47
Men's outerwear	CCZS	12	9	9	10	10	10	8	8	8	9	9	8	9	9
Women's outerwear	CCZT	16	16	17	16	16	15	12	14	16	17	16	18	15	17
Children's outerwear	CCZU	1	1	2	1	2	2	2	2	2	2	2	1	2	2
Other clothing	CCZV	18	16	16	14	15	14	12	10	11	13	12	11	10	9
Footwear	CCZW	14	13	12	10	10	10	9	9	8	9	7	8	9	10
Personal goods and services	CDKB	56	63	63	57	54	59	60	57	58	62	65	64	65	65
Personal articles	CCZX	10	10	11	9	11	13	14	13	15	16	15	15	17	19
Chemists goods	CCZY	23	25	24	22	22	25	25	25	24	24	23	21	21	23
Personal services	CCZZ	23	28	28	26	21	21	21	19	19	22	27	28	27	23
Motoring expenditure	CDKC	75	84	103	103	105	108	112	112	129	130	129	132	144	144
Purchase of motor vehicles	CDIX	10	19	26	28	20	25	26	33	35	33	32	30	36	36
Maintenance of motor vehicles	CDIY	20	12	18	19	26	25	27	23	25	24	29	32	35	31
Petrol and oil	CDIZ	22	30	34	34	37	37	36	34	42	45	39	41	40	42
Vehicle tax and insurance	CDJA	23	23	25	22	22	21	23	22	27	28	29	29	33	35
Fares and other travel costs	CDKD	18	18	19	18	17	15	16	16	18	17	15	15	15	14
Rail fares	CDJB	3	2	2	2	2	2	1	1	1	1	1	1	1	1
Bus and coach fares	CDJC	10	9	8	7	7	7	8	7	7	6	5	5	5	5
Other travel costs	CDJD	5	7	9	9	8	6	7	8	10	10	9	9	9	8
Leisure goods	CDKE	51	48	45	45	50	52	50	48	50	52	52	54	56	56
Audio-visual equipment	CDJE	4	3	3	2	5	5	4	2	3	3	5	6	7	6
Records, tapes and CDs	CDJF	2	2	2	2	2	2	2	3	2	2	2	3	3	3
Toys, photographic and sports goods	CDJG	3	3	3	3	4	4	4	4	5	6	7	6	6	7
Books and newspapers	CDJH	32	32	28	28	29	31	30	28	28	28	27	27	26	26
Gardening products	CDJI	10	8	9	10	10	10	10	11	12	13	11	12	14	14
Leisure services	CDKF	27	38	39	62	59	60	62	64	69	65	74	86	84	81
Television licences and rentals	CDJJ	22	22	22	20	17	18	19	21	21	17	20	19	16	16
Entertainment and other recreation	CDJK	5	5	5	6	7	8	12	10	10	7	8	10	9	10
Foreign holidays (Jan 1993 = 100)	CBXP	..	11	9	22	19	14	11	14	18	23	27	38	39	38
UK holidays (Jan 1994 = 100)	DOEG	..	..	3	14	16	20	20	19	20	18	19	19	20	17

Source: National Statistics

W5 Average weekly expenditure of households underlying 2005 weights at January 2005 prices

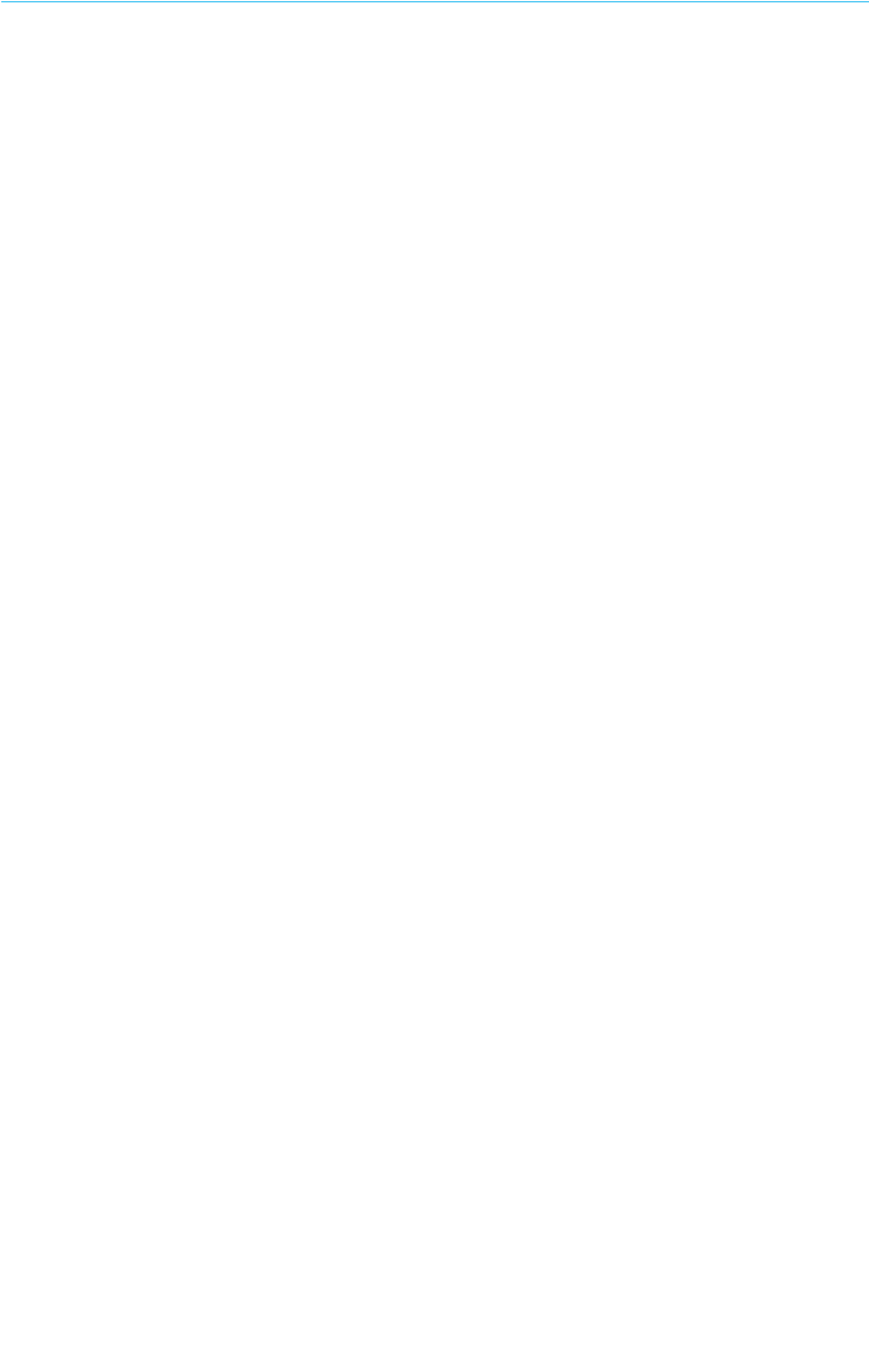
pounds

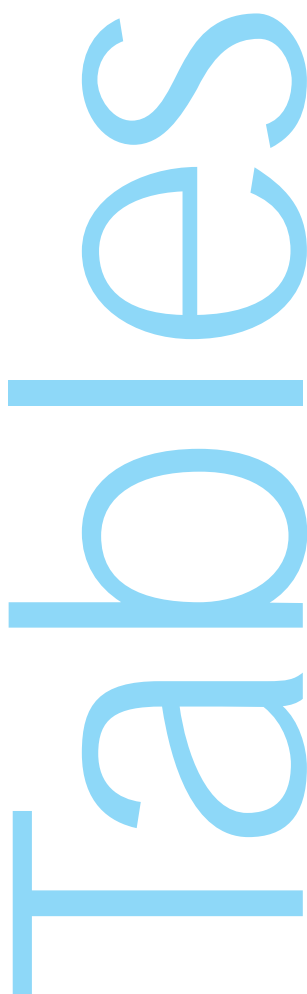
	General index house- holds	1 person pensioner house- holds	2 person pensioner house- holds		General index house- holds	1 person pensioner house- holds	2 person pensioner house- holds
Food	48.26	21.34	38.99	Fuel and light	13.64	9.35	12.29
Bread	1.86	1.01	1.87	Coal and solid fuels	0.22	0.25	0.64
Cereals	1.50	0.56	1.01	Electricity	6.63	4.78	5.89
Biscuits and cakes	2.77	1.67	3.06	Gas	5.98	3.89	5.17
Beef	1.66	0.60	1.68	Oil and other fuels	0.81	0.43	0.59
Home-killed lamb	0.31	0.23	0.54	Household goods	32.29	9.96	17.63
Imported lamb	0.33	0.25	0.57	Furniture	11.12	2.62	5.08
Pork	0.60	0.26	0.70	Furnishings	6.52	1.84	3.42
Bacon	0.85	0.51	1.05	Electrical appliances	3.48	1.05	2.07
Poultry	1.56	0.59	1.21	Other household equipment	2.10	1.09	1.52
Other meat	3.11	1.74	3.18	Household consumables	6.16	2.36	4.01
Fresh fish	0.85	0.48	1.13	Pet care	2.91	1.01	1.53
Processed fish	0.70	0.42	0.69	Household services	27.90	10.21	9.02
Butter	0.23	0.21	0.35	Postage	0.50	0.35	0.41
Oils and fats	0.64	0.40	0.78	Telephones, telemessages, etc	10.49	3.92	4.53
Cheese	1.41	0.54	0.93	Domestic services	5.11	3.59	1.85
Eggs	0.43	0.26	0.46	Fees and subscriptions	11.81	2.35	2.24
Milk, fresh	2.11	1.35	2.23	Clothing and footwear	21.69	4.31	7.22
Milk products	1.65	0.75	1.20	Men's outerwear	4.17	0.20	1.37
Tea	0.39	0.34	0.56	Women's outerwear	7.56	1.99	2.70
Coffee and other hot drinks	0.59	0.31	0.55	Children's outerwear	2.68	0.15	0.24
Soft drinks	5.28	0.77	1.37	Other clothing	2.89	0.95	1.40
Sugar and preserves	0.49	0.39	0.75	Footwear	4.39	1.02	1.51
Sweets and chocolates	4.78	0.93	1.67	Personal goods and services	18.65	6.08	10.36
Unprocessed potatoes	0.73	0.41	0.89	Personal articles	5.58	1.47	2.99
Potato products	1.26	0.37	0.68	Chemists goods	7.24	2.01	3.74
Other fresh vegetables	3.03	1.20	2.35	Personal services	5.83	2.60	3.63
Processed vegetables	0.73	0.36	0.73	Motoring expenditure	62.07	4.90	22.60
Fresh fruit	2.62	1.49	2.44	Purchase of motor vehicles	26.72	0.97	5.64
Processed fruit	0.49	0.29	0.66	Maintenance of motor vehicles	8.75	1.13	4.84
Other foods	5.32	2.65	3.70	Petrol and oil	16.02	1.51	6.62
Catering	22.35	3.62	6.82	Vehicle tax and insurance	10.57	1.28	5.50
Restaurant meals	11.41	2.48	5.51	Fares and other travel costs	8.99	2.06	2.31
Canteen meals	2.09			Rail fares	2.22	0.13	0.23
Take-aways and snacks	8.85	1.14	1.31	Bus and coach fares	2.04	0.56	0.79
Alcoholic drink	30.81	2.47	5.91	Other travel costs	4.73	1.37	1.29
Beer "on" sales	14.24	0.78	2.14	Leisure goods	21.18	4.39	9.06
Beer "off" sales	2.60	0.27	0.82	Audio-visual equipment	4.64	0.30	1.01
Wines & spirits "on" sales	7.42	0.19	0.46	CDs and tapes	2.88	0.22	0.47
Wines & spirits "off" sales	6.55	1.24	2.50	Toys, photographic and sports goods	5.89	0.38	1.11
Tobacco	13.38	2.20	3.20	Books and newspapers	4.68	2.38	4.17
Cigarettes	11.98	2.04	2.49	Gardening products	3.09	1.10	2.29
Other tobacco	1.40	0.16	0.71	Leisure services	30.91	5.65	12.96
Housing¹	101.47			Television licences and rentals	5.43	1.57	2.49
Rent	18.96			Entertainment & other recreation	7.63	0.76	1.66
Mortgage interest payments	22.84			Foreign holidays	14.46	1.86	6.10
Depreciation	22.21			UK holidays	3.38	1.46	2.71
Council tax and rates	17.90			ALL ITEMS	453.59	86.53	158.37
Water and other charges	5.06						
Repairs and maintenance charges	5.28						
Do-it yourself materials	6.15						
Dwelling insurance and ground rent	3.06						

Note: Expenditure is rounded to two decimal places. For this reason, the section data may not add up to the group and all items totals.

Source: National Statistics

¹ Housing costs are excluded from the pensioner indices because of measurement problems.





1. Summary

1.1	Selected monthly indicators	95
-----	-----------------------------	----

2. UK Economic Accounts

2.1	National accounts aggregates	96
2.2	Gross domestic product: by category of expenditure	98
2.3	Gross domestic product and shares of income and expenditure	100
2.4	Income, product and spending per head	100
2.5	Households' disposable income and consumption	102
2.6	Households' final consumption expenditure, chained volume measures	102
2.7	Gross fixed capital formation	104
2.8	Gross value added, chained volume indices at basic prices, by category of output	106
2.9	Gross value added chained volume indices at basic prices, by category of output service industries	108
2.10	Summary capital accounts and net lending/net borrowing	110
2.11	Private non-financial corporations: allocation of primary income account	112
2.12	Private non-financial corporations: secondary distribution of income account and capital account	114
2.13	Balance of payments: current account	116
2.14	Trade in goods (on a balance of payments basis)	119
2.15	Measures of UK competitiveness in trade in manufactures	120

3. Prices

3.1	Prices	122
-----	--------	-----

4. Labour market

4.1	Labour market activity: seasonally adjusted	124
4.2	Labour market activity: not seasonally adjusted	126
4.3	Labour market activity by age: seasonally adjusted	130
4.4	Jobs and claimant count	132
4.5	Regional claimant count rates	134
4.5A	Unemployment rates	136
4.6	Average earnings (including bonuses)	138
4.7	Productivity and unit wage costs	140

5. Selected output and demand indicators

5.1	Output of production industries	142
5.2	Engineering and construction: output and orders	144
5.3	Motor vehicle and steel production	146
5.4	Indicators of fixed investment in dwellings	148
5.5	Number of property transactions	150
5.6	Change in inventories: chained volume measures	152
5.7	Inventory ratios	152
5.8	Retail sales, new registrations of cars and credit business (Great Britain)	154
5.9	Inland energy consumption: primary fuel input basis	156

6. Selected financial statistics

6.1	Sterling exchange rates and UK reserves	158
6.2	Monetary aggregates	160
6.3	Counterparts to changes in money stock M4	162
6.4	Public sector receipts and expenditure	164
6.5	Public sector key fiscal indicators	164
6.6	Consumer credit and other household sector borrowing	166
6.7	Analysis of bank lending to UK residents, amounts outstanding	168
6.8	Interest rates, security prices and yields	170
6.9	A selection of asset prices	172

	Measures of variability of selected economic series	173
--	---	-----

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 7 July 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 173
- † data have been revised since the last edition; the period marked is the earliest in the table to have been revised
- * average (or total) of five weeks

National Statistics Online

www.statistics.gov.uk

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

Time Series Data

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

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

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

1.1 Selected monthly indicators

seasonally adjusted unless otherwise stated

		2003	2004	2004 Q3	2004 Q4	2005 Q1	2005 Mar	2005 Apr	2005 May	%Change Latest 3 months avg over previous 3 months
Output -chained volume measures (CVM) (2002 = 100 unless otherwise stated)										
Gross value added at basic prices	CGCE	102.5	105.6	105.9	106.4	106.8	..	..	..	0.4
Industrial production	CKYW	99.5	100.3	99.9	100.0	99.2	98.3	98.7	..	-1.4
Oil and gas extraction	CKZO	94.4	86.4	84.5	81.6	81.5	82.0	82.4	..	-0.2
Manufacturing	CKYY	100.1	101.9	101.7	102.3	101.3	100.0	100.5	..	-1.7
Construction	GDQB	105.2	108.9	109.1	110.1	110.8	..	..	..	0.6
Car production (thousands)	FFAO	138.1	137.2	137.9	136.7	138.4	139.4	141.3	131.0	0.0
Domestic demand										
Retail sales volume (2000 = 100)	EAPS	116.6	123.6	124.9	124.9	125.0	124.8	125.4	125.5	0.3
GB new registrations of cars ('000s) ¹	BCGT	2 646.2	2 598.8	709.9	496.9	697.9	440.4	178.9	..	38.0
Manufacturing: change in inventories (£m, CVM, reference year 2002)	DHEM	-727	-827	239	-333	648	..	..	..	..
Prices (12 monthly % change) and earnings (3 month average)										
Consumer prices index ¹	CJYR	1.4	1.3	1.2	1.4	1.7	1.9	1.9	1.9	..
Retail prices index ¹	CZBH	2.9	3.0	3.1	3.4	3.2	3.2	3.2	2.9	..
Retail prices index ¹ (less MIPS) ²	CDKQ	2.8	2.2	2.1	2.3	2.2	2.4	2.3	2.1	..
Producer output prices (less FBTP) ³	EUAA	1.3	1.9	2.0	2.8	2.4	2.4	2.6	2.6	..
Producer input prices ⁴	EUAB	1.5	4.0	5.4	6.8	10.7	11.0	10.2	7.8	..
GB average earnings - whole economy ⁵	LNNC	..	..	3.8	4.4	4.5	4.5	4.6	..	..
Foreign trade⁶ (2002 = 100 volumes unless otherwise stated)										
UK balance on trade in goods (£ million)	BOKI	-47 875	-58 614	-15 128	-15 458	-14 890	-4 638	-4 838	..	..
Non EU balance on trade in goods (£ million)	LGDT	-22 047	-29 450	-8 120	-8 200	-8 045	-2 338	-2 613	..	..
Non EU exports of goods (excl oil & erratics)	SHDJ	108.2	113.2	113.6	115.7	114.3	120.2	129.0	..	3.4
Non EU imports of goods (excl oil & erratics)	SHED	104.8	116.5	118.5	120.4	118.2	120.1	126.9	..	-0.7
Non EU import & price index (excl oil) ⁷	LKWQ	96.8	94.7	95.5	95.3	95.9	96.2	96.1	..	..
Non EU export & price index (excl oil) ⁷	LKVX	97.7	96.3	96.7	97.0	97.1	97.1	97.1	..	..
Labour market and productivity (2002 = 100 unless otherwise stated)										
UK claimant unemployment (thousands)	BCJD	933.3	853.6	836.3	831.1	820.9	831.3	842.1	855.3	2.9
UK employees in manufacturing (thousands)	YEJA	3 415	3 282	3 257	3 241	3 221	3 221	3 215	..	-0.6
Whole economy productivity ⁸	LNNN	101.6	104.0	104.3	104.6	104.7	..	..	..	0.1
Manufacturing productivity ⁸	LNXX	105.1	111.2	111.2	113.0	112.7	111.6	112.3	..	-1.0
Unit wage costs - whole economy	LNKX	101.7	103.3	103.3	104.6	105.7	..	..	..	1.1
Unit wage costs - manufacturing	LNNQ	98.5	96.6	96.5	95.8	98.0	100.7	98.5	..	3.2
Financial markets¹										
Sterling ERI (1990=100)	AGBG	100.2	104.1	104.8	102.4	102.9	103.2	104.4	103.6	0.8
Average exchange rate /US \$	AUSS	1.63	1.84	1.82	1.87	1.89	1.91	1.90	1.85	-0.7
Average exchange rate /Euro ⁹	THAP	1.45	1.47	1.49	1.44	1.44	1.44	1.47	1.46	1.2
3 month inter-bank rate ¹⁰	HSJA	3.95	4.81	4.82	4.81	4.90	4.90	4.86	4.79	..
3 month interest on US Treasury bills ¹¹	LUST	0.93	2.18	1.68	2.18	2.73	2.73	2.84	2.88	..
Monetary conditions/government finances										
M0 (year on year percentage growth)	VQMX	7.3	6.0	5.5	5.6	5.5	5.1	4.7	4.3	..
M4 (year on year percentage growth)	VQJW	7.2	8.6	9.1	9.2	10.7	10.6	10.8	11.6	..
Public sector net borrowing (£ million) ^{1,12}	ANNX	-35 711	-35 744	-9 744	-14 529	3 899	-4 580	-1 513	-8 735	..
Net lending to consumers (£ million)(broader)	RLMH	20 232	22 975	5 725	5 405	6 153	1 865	1 337	1 845	-14.8

		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	2005 Jun
Activity and expectations															
CBI output expectations balance ¹	ETCU	22	15	6	19	12	14	5	-6	10	19	9	5	-1	-5
CBI optimism balance ¹	ETBV	..	..	7	..	..	-10	..	..	-22	..	..	-15	..	..
CBI price expectations balance	ETDQ	2	6	6	10	9	-1	13	10	16	11	12	3	-4	-6
New engineering orders (2000 = 100)	JIQH	83.5	81.8	82.5	74.6	79.2	77.7	82.2	87.1	82.7	80.3	78.4	79.7	..	..

1 Not seasonally adjusted

2 MIPS: mortgage interest payments

3 FBTP : food, beverages, tobacco and petroleum

4 See footnote 2 on Table 3.1.

5 See footnote 2 on Table 4.6

6 All Non EU figures exclude Austria, Finland & Sweden

7 12 monthly percentage change

8 Output per filled job.

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

10 Last Friday of the period

11 Last working day

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

2.1 National accounts aggregates

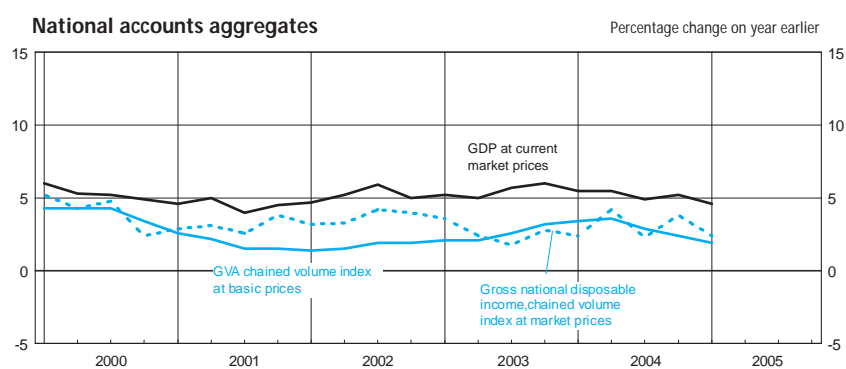
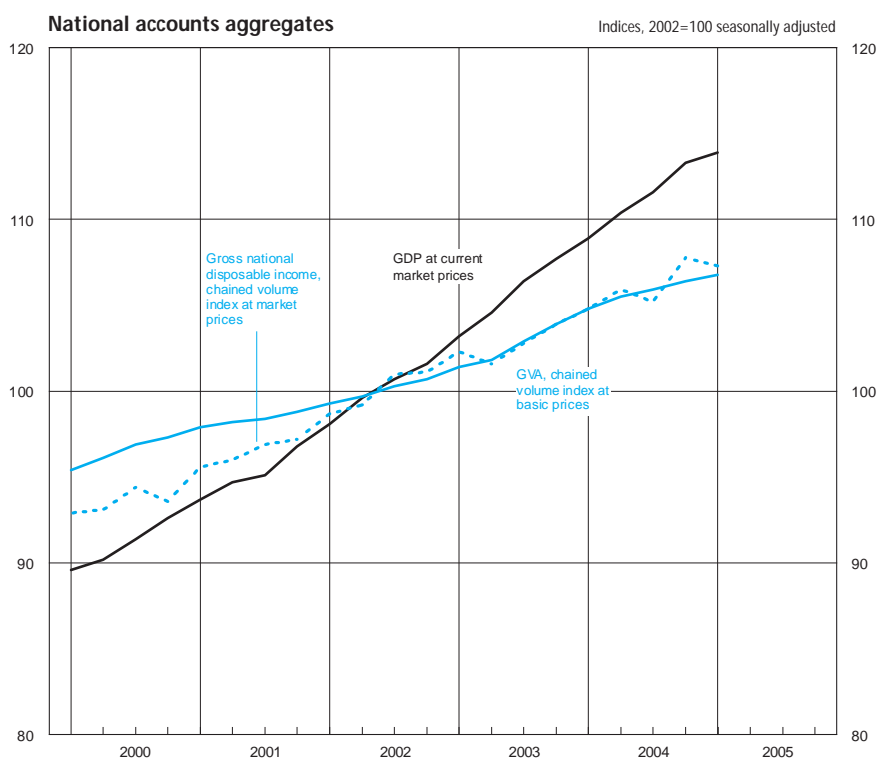
	£ million		Indices (2002 = 100)						
	At current prices		Value indices at current prices		Chained volume indices			Implied deflators ²	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices ¹	Value added (GVA) at basic prices	Gross national disposable income at market prices	Gross domestic product at market prices	Gross value added (GVA) at basic prices+	GDP at market prices	GVA at basic prices
Annual									
	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
2000	953 576 [†]	841 505 [†]	91.0 [†]	90.4 [†]	93.5 [†]	95.9 [†]	96.4 [†]	94.8 [†]	93.8 [†]
2001	996 758	883 412	95.1	94.9	96.4	98.0	98.3	97.0	96.5
2002	1 048 456	930 796	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	1 105 919	981 732	105.5	105.5	102.6	102.5	102.5	102.9	102.9
2004	1 164 439	1 033 324	111.1	111.0	105.9	105.8	105.6	104.9	105.1
Quarterly									
2000 Q1	234 970 [†]	207 333 [†]	89.6 [†]	89.1 [†]	92.9 [†]	95.0 [†]	95.4 [†]	94.3 [†]	93.4 [†]
Q2	236 346	208 163	90.2	89.5	93.1	95.6	96.1	94.3	93.1
Q3	239 522	211 428	91.4	90.9	94.4	96.3	96.9	94.9	93.7
Q4	242 738	214 581	92.6	92.2	93.6	96.7	97.3	95.7	94.8
2001 Q1	245 674	217 424	93.7	93.4	95.6	97.5	97.9	96.2	95.4
Q2	248 157	219 709	94.7	94.4	96.0	97.8	98.2	96.8	96.1
Q3	249 239	221 127	95.1	95.0	96.9	98.2	98.4	96.9	96.5
Q4	253 688	225 152	96.8	96.8	97.2	98.7	98.8	98.1	97.9
2002 Q1	257 004	227 916	98.1	97.9	98.7	99.2	99.3	98.9	98.7
Q2	261 090	232 002	99.6	99.7	99.2	99.7	99.7	99.9	100.0
Q3	264 065	234 484	100.7	100.8	101.0	100.4	100.3	100.4	100.4
Q4	266 297	236 394	101.6	101.6	101.1	100.7	100.7	100.9	100.9
2003 Q1	270 583	240 537	103.2	103.4	102.3	101.4	101.4	101.8	102.0
Q2	274 053	243 452	104.6	104.6	101.6	101.9	101.8	102.6	102.7
Q3	278 966	247 512	106.4	106.4	102.8	102.9	102.9	103.4	103.4
Q4	282 317	250 231	107.7	107.5	103.9	103.9	103.9	103.7	103.5
2004 Q1	285 507	252 769	108.9	108.6	104.8	104.8	104.8	103.9	103.7
Q2	289 407	256 804	110.4	110.4	105.9	105.7	105.5	104.4	104.6
Q3	292 512	259 688	111.6	111.6	105.2	106.1	105.9	105.2	105.4
Q4	297 013	264 063	113.3	113.5	107.8	106.7	106.4	106.2	106.6
2005 Q1	298 510	265 230	113.9	114.0	107.3	107.1	106.8	106.4	106.7
Percentage change, quarter on corresponding quarter of previous year ³									
Quarterly									
2000 Q1	6.1 [†]	5.7 [†]	6.1 [†]	5.7 [†]	5.2 [†]	4.3 [†]	4.2 [†]	1.6 [†]	1.4 [†]
Q2	5.2	4.8	5.2	4.8	4.3	4.5	4.4	0.7	0.4
Q3	5.1	5.2	5.1	5.2	4.8	4.1	4.3	1.0	0.9
Q4	4.9	5.3	4.9	5.3	2.4	3.2	3.4	1.5	1.9
2001 Q1	4.6	4.9	4.6	4.9	2.9	2.6	2.6	2.0	2.1
Q2	5.0	5.5	5.0	5.5	3.1	2.3	2.2	2.7	3.2
Q3	4.1	4.6	4.1	4.6	2.6	2.0	1.5	2.1	3.0
Q4	4.5	4.9	4.5	4.9	3.8	2.1	1.6	2.5	3.3
2002 Q1	4.6	4.8	4.6	4.8	3.2	1.7	1.4	2.8	3.5
Q2	5.2	5.6	5.2	5.6	3.3	1.9	1.5	3.2	4.1
Q3	5.9	6.0	5.9	6.0	4.2	2.2	1.9	3.6	4.0
Q4	5.0	5.0	5.0	5.0	4.0	2.0	1.9	2.9	3.1
2003 Q1	5.3	5.5	5.3	5.5	3.6	2.2	2.1	2.9	3.3
Q2	5.0	4.9	5.0	4.9	2.4	2.2	2.2	2.7	2.7
Q3	5.6	5.6	5.6	5.6	1.8	2.5	2.5	3.0	3.0
Q4	6.0	5.9	6.0	5.9	2.8	3.2	3.1	2.8	2.6
2004 Q1	5.5	5.1	5.5	5.1	2.4	3.4	3.4	2.1	1.7
Q2	5.6	5.5	5.6	5.5	4.2	3.7	3.6	1.8	1.9
Q3	4.9	4.9	4.9	4.9	2.3	3.1	2.9	1.7	1.9
Q4	5.2	5.5	5.2	5.5	3.8	2.7	2.4	2.4	3.0
2005 Q1	4.6	4.9	4.6	4.9	2.4	2.2	1.9	2.4	2.9

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 2002, £ million

Domestic expenditure on goods and services at market prices												
	Final consumption expenditure			Gross capital formation				Exports of goods and services+	Gross final expenditure	Imports of goods and services+	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	Non-profit institutions ²	General government	Gross fixed capital formation+	Changes in inventories ³	Acquisitions less disposals of valuables	Total					
Annual	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
2000	625 145 [†]	25 270 [†]	198 616 [†]	163 709 [†]	5 267 [†]	3	1 017 985 [†]	266 536 [†]	1 284 619 [†]	279 807 [†]	–	1 005 542 [†]
2001	644 895	25 247	201 996	167 563	6 196	373 [†]	1 046 424	274 274	1 320 810	293 213	–	1 027 905
2002	667 361	25 998	210 967	172 558	2 909	214	1 080 007	274 945	1 354 952	306 496	–	1 048 456
2003	684 841	26 229	220 449	172 573	4 602	–6	1 108 689	278 159	1 386 848	311 990	– [†]	1 074 858
2004	709 997	26 735	227 197	180 998	5 148	–11	1 150 064	287 736	1 437 800	328 776	550	1 109 574
Quarterly												
2000 Q1	155 841 [†]	6 151 [†]	49 110 [†]	40 052 [†]	481 [†]	2 [†]	251 678 [†]	64 146 [†]	315 800 [†]	67 027 [†]	–	249 056 [†]
Q2	155 859	6 272	49 985	40 010	1 171	–1	253 197	66 418	319 644	69 313	–	250 537
Q3	156 783	6 392	49 956	41 109	1 789	–3	256 003	66 960	322 977	70 725	–	252 424
Q4	156 662	6 455	49 565	42 538	1 826	5	257 107	69 012	326 198	72 742	–	253 525
2001 Q1	159 089	6 402	50 036	42 007	1 040	–18	258 590	70 148	328 833	73 449	–	255 459
Q2	160 258	6 323	49 827	42 160	1 375	210	260 275	69 408	329 749	73 368	–	256 450
Q3	162 141	6 280	50 701	42 249	1 662	38	263 114	67 325	330 410	73 187	–	257 301
Q4	163 407	6 242	51 432	41 147	2 119	143	264 445	67 393	331 818	73 209	–	258 695
2002 Q1	165 301	6 321	52 654	41 651	1 177	74	267 140	67 640	334 760	74 838	–	259 971
Q2	166 424	6 425	52 249	42 936	394	56	268 495	70 380	338 897	77 479	–	261 381
Q3	167 273	6 587	52 864	43 562	480	70	270 855	69 894	340 768	77 678	–	263 060
Q4	168 363	6 665	53 200	44 409	858	14	273 517	67 031	340 527	76 501	–	264 044
2003 Q1	169 079	6 558	53 929	43 232	103	–	272 901	71 403	344 304	78 620	– [†]	265 684
Q2	171 108	6 554	54 618	42 843	–387	102	274 837	68 719	343 556	76 406	–	267 150
Q3	171 946	6 564	55 464	42 459	2 339	–60	278 712	68 495	347 207	77 429	–	269 778
Q4	172 708	6 553	56 438	44 039	2 547	–48	282 239	69 542	351 781	79 535	–	272 246
2004 Q1	175 036	6 661	56 587	44 425	1 164	117	283 989	70 868	354 857	80 158	106	274 805
Q2	177 303	6 658	56 739	45 101	1 110	–81	286 830	71 856	358 686	81 736	133	277 083
Q3	178 333	6 689	56 829	45 780	978	–86	288 523	72 121	360 644	82 720	150	278 074
Q4	179 325	6 727	57 042	45 692	1 896	39	290 722	72 891	363 613	84 162	161	279 612
2005 Q1	179 501	6 799	57 441	45 811	1 978	–142	291 389	72 266	363 655	83 141	139	280 653
<i>Percentage change, latest quarter on corresponding quarter of previous year</i>												
2000 Q1	5.8 [†]	6.1 [†]	3.5 [†]	1.7 [†]			3.8 [†]	10.2 [†]	5.1 [†]	8.0 [†]		4.3 [†]
Q2	4.8	8.9	3.9	3.6			4.6	10.7	5.8	10.8		4.4
Q3	4.5	10.1	3.9	3.1			4.6	7.0	5.1	8.6		4.2
Q4	2.6	9.4	3.3	5.7			3.3	8.8	4.5	8.8		3.2
2001 Q1	2.1	4.1	1.9	4.9			2.7	9.4	4.1	9.6		2.6
Q2	2.8	0.8	–0.3	5.4			2.8	4.5	3.2	5.9		2.4
Q3	3.4	–1.8	1.5	2.8			2.8	0.5	2.3	3.5		1.9
Q4	4.3	–3.3	3.8	–3.3			2.9	–2.3	1.7	0.6		2.0
2002 Q1	3.9	–1.3	5.2	–0.8			3.3	–3.6	1.8	1.9		1.8
Q2	3.8	1.6	4.9	1.8			3.2	1.4	2.8	5.6		1.9
Q3	3.2	4.9	4.3	3.1			2.9	3.8	3.1	6.1		2.2
Q4	3.0	6.8	3.4	7.9			3.4	–0.5	2.6	4.5		2.1
2003 Q1	2.3	3.7	2.4	3.8			2.2	5.6	2.9	5.1		2.2
Q2	2.8	2.0	4.5	–0.2			2.4	–2.4	1.4	–1.4		2.2
Q3	2.8	–0.3	4.9	–2.5			2.9	–2.0	1.9	–0.3		2.6
Q4	2.6	–1.7	6.1	–0.8			3.2	3.7	3.3	4.0		3.1
2004 Q1	3.5	1.6	4.9	2.8			4.1	–0.7	3.1	2.0		3.4
Q2	3.6	1.6	3.9	5.3			4.4	4.6	4.4	7.0		3.7
Q3	3.7	1.9	2.5	7.8			3.5	5.3	3.9	6.8		3.1
Q4	3.8	2.7	1.1	3.8			3.0	4.8	3.4	5.8		2.7
2005 Q1	2.6	2.1	1.5	3.1			2.6	2.0	2.5	3.7		2.1

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

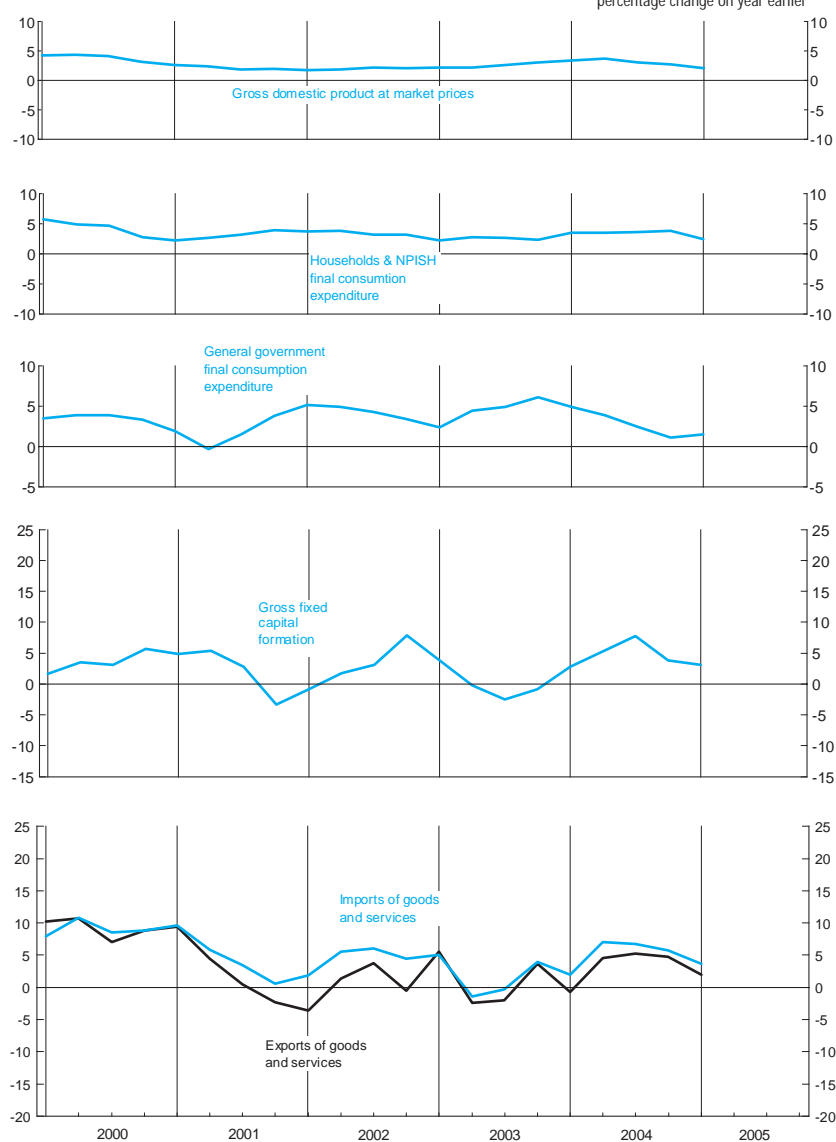
2 Non-profit making institutions serving households (NPISH).

3 Quarterly alignment adjustment included in this series.

Source: Office for National Statistics; Enquiries 020 7533 6031

Gross Domestic Product : by category of expenditure

chained volume measures
reference year 2002
percentage change on year earlier



2.3 Gross domestic product and shares of income and expenditure

	Percentage share of gross final expenditure						Percentage share of GDP by category of income				
	Gross domestic product at market prices	Gross final expenditure	Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus				Taxes on production and imports
			Household and NPISH	General government			Corporations ¹	Other ²	Compensation of employees	Mixed income	
Annual	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
2001	996 758 [†]	1 296 819 [†]	50.9 [†]	14.7 [†]	13.3	21.1	20.6 [†]	3.6	56.5 [†]	6.2 [†]	13.1
2002	1 048 456	1 354 952	51.2	15.6	13.0 [†]	20.3	21.7	3.0 [†]	56.1	6.3	12.9
2003	1 105 919	1 419 132	51.1	16.3	12.7	19.9 [†]	22.2	2.9	55.8	6.3	12.8 [†]
2004	1 164 439	1 492 245	51.0	16.5	13.1	19.5	22.5	2.8	55.7	6.3	12.8
Quarterly											
2001 Q1	245 674 [†]	322 092 [†]	50.2	14.4 [†]	13.2 [†]	22.1 [†]	20.5 [†]	3.5 [†]	56.6 [†]	6.2 [†]	13.1
Q2	248 157	324 395	50.5 [†]	14.4	13.4	21.7	19.7	4.3	56.5	6.3	13.2 [†]
Q3	249 239	323 645	51.5	14.8	13.5	20.2	20.8	3.2	56.7	6.3	13.0
Q4	253 688	326 687	51.5	15.2	13.1	20.3	21.6	3.2	56.2	6.1	13.0
2002 Q1	257 004	332 338	51.4	15.4	12.8	20.4	21.8	2.8	56.0	6.3	13.0
Q2	261 090	339 079	50.9	15.4	12.8	20.9	21.2	3.7	56.1	6.3	12.8
Q3	264 065	341 177	51.0	15.6	13.0	20.4	21.9	2.8	56.1	6.3	12.8
Q4	266 297	342 358	51.4	15.8	13.3	19.4	21.8	2.7	56.3	6.3	12.8
2003 Q1	270 583	349 262	51.0	16.0	12.3	20.7	22.6	2.4	56.0	6.3	12.7
Q2	274 053	350 763	51.4	16.3	12.3	19.9	21.9	3.2	55.8	6.3	12.7
Q3	278 966	356 950	51.1	16.4	12.9	19.6	22.3	2.7	55.9	6.3	12.8
Q4	282 317	362 157	50.8	16.6	13.2	19.4	21.9	3.3	55.7	6.3	12.9
2004 Q1	285 507	364 349	51.3	16.6	12.8	19.4	21.9	2.9	56.0	6.3	13.0
Q2	289 407	370 468	51.1	16.4	13.1	19.4	22.5	2.9	55.6	6.3	12.8
Q3	292 512	375 425	50.9	16.6	13.2	19.4	22.5	2.9	55.6	6.3	12.7
Q4	297 013	382 003	50.6	16.6	13.2	19.6	23.0	2.4	55.7	6.2	12.6
2005 Q1	298 510	382 948	50.7	16.8	13.1	19.4	22.5	2.5	56.2	6.3	12.4

1 Non-financial and financial corporations.

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

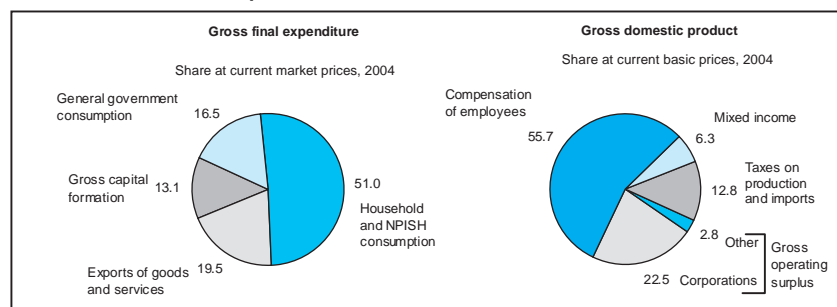
Source: Office for National Statistics; Enquiries 020 7533 6031

2.4 Income, product and spending per head

£

	At current prices				Chained volume measures (reference year 2002)		
	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	16 999 [†]	16 862 [†]	11 172 [†]	11 643 [†]	17 388 [†]	11 337 [†]	11 814 [†]
2002	18 041	17 674	11 687	11 971	17 675	11 688	11 971
2003	18 945	18 570	12 174	12 500	18 049	11 940	12 258
2004	19 968	19 547	12 768	12 897	18 624	12 366	12 491
Quarterly							
2001 Q1	4 187 [†]	4 162 [†]	2 738 [†]	2 880 [†]	4 328 [†]	2 804 [†]	2 948 [†]
Q2	4 236	4 200	2 775	2 900	4 340	2 819	2 947
Q3	4 260	4 214	2 819	2 929	4 350	2 848	2 958
Q4	4 317	4 286	2 840	2 934	4 370	2 866	2 961
2002 Q1	4 409	4 338	2 886	2 945	4 389	2 897	2 956
Q2	4 468	4 404	2 911	2 994	4 409	2 915	2 999
Q3	4 564	4 450	2 929	3 006	4 433	2 930	3 006
Q4	4 600	4 482	2 961	3 026	4 444	2 946	3 010
2003 Q1	4 680	4 549	2 992	3 061	4 466	2 953	3 021
Q2	4 678	4 603	3 030	3 135	4 487	2 984	3 087
Q3	4 755	4 682	3 064	3 130	4 528	2 996	3 060
Q4	4 832	4 736	3 088	3 174	4 568	3 007	3 090
2004 Q1	4 888	4 790	3 135	3 179	4 610	3 048	3 091
Q2	4 965	4 857	3 178	3 207	4 650	3 087	3 115
Q3	4 977	4 911	3 209	3 252	4 668	3 106	3 148
Q4	5 138	4 989	3 246	3 259	4 696	3 125	3 137
2005 Q1	5 136	5 009	3 261	3 307	4 709	3 126	3 171

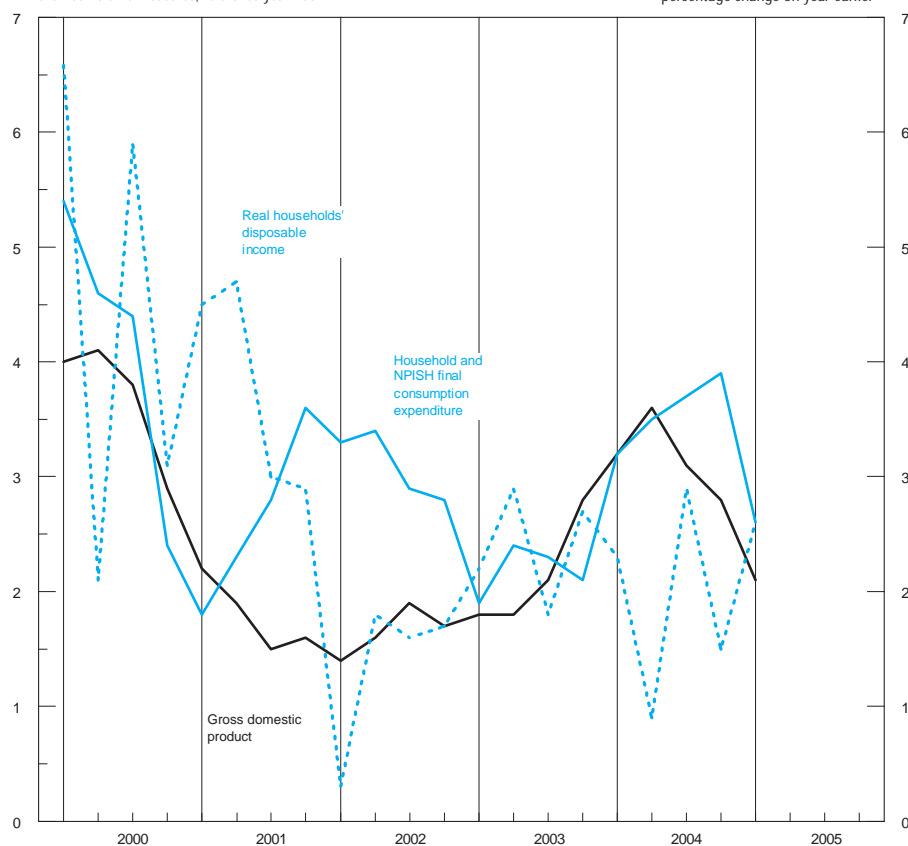
Shares of income and expenditure



Income, product and spending per capita

chained volume measures, reference year 2002

percentage change on year earlier



2.5 Households¹ disposable income and consumption

	£ million, current prices						£ million, chained volume measures, reference year 2002			
	Households' income before tax		Adjustment for the change in net equity of households in pension funds		Households' Total resources	Households' final consumption expenditure	Households' saving ratio ³ (percentage)+	Real households' disposable income+ ⁴	Household final consumption expenditure+	Real households' disposable income (index 2002=100)
	Total	of which: Wages and salaries	Gross households' disposable income ²							
Annual	RPHP	ROYJ	RPHQ	RPQJ	RPQK	RPQM	NRJS	NRJR	NPSP	OSXS
2002	1 015 614 [†]	509 546 [†]	710 144 [†]	17 906 [†]	728 050 [†]	693 359 [†]	4.8 [†]	710 144 [†]	693 359 [†]	100.0 [†]
2003	1 067 190	526 949	744 395	21 586	765 981	725 012	5.3	730 080	711 070	102.8
2004	1 115 198	550 788	768 304	25 712	794 016	760 678	4.2	744 118	736 732	104.8
Quarterly										
2002 Q1	249 009 [†]	125 136 [†]	174 431 [†]	4 005 [†]	178 436 [†]	170 968 [†]	4.2 [†]	175 100 [†]	171 624 [†]	98.6 [†]
Q2	253 005	126 891	177 530	4 289	181 819	172 601	5.1	177 785	172 849	100.1
Q3	255 632	128 052	178 374	4 740	183 114	173 836	5.1	178 397	173 859	100.5
Q4	257 968	129 467	179 809	4 872	184 681	175 954	4.7	178 862	175 027	100.7
2003 Q1	260 307	130 003	182 099	5 196	187 295	177 952	5.0	179 729	175 637	101.2
Q2	266 376	131 002	186 656	4 046	190 702	180 420	5.4	183 802	177 662	103.5
Q3	268 894	132 597	186 481	6 211	192 692	182 562	5.3	182 341	178 510	102.7
Q4	271 613	133 347	189 159	6 133	195 292	184 078	5.7	184 208	179 261	103.8
2004 Q1	273 846	135 417	189 501	6 567	196 068	186 882	4.7	184 241	181 697	103.8
Q2	276 879	136 685	191 098	5 871	196 969	189 399	3.8	185 609	183 961	104.5
Q3	281 418	138 227	193 695	6 153	199 848	191 131	4.4	187 502	185 022	105.6
Q4	283 055	140 459	194 010	7 121	201 131	193 266	3.9	186 766	186 052	105.2
2005 Q1	287 614	142 484	197 079	7 131	204 210	194 315	4.8	188 950	186 300	106.4

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 (2002 = 100).

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

2.6 Household final consumption expenditure^{1,2}

Chained volume measures

Reference year 2002, £ million

	UK National ⁴														
	UK Domestic ⁵														
	Total	Net tourism	Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	Household goods & services	Health	Transport	Communication	Recreation & culture	Education	Restaurants & hotels	Miscellaneous
COICOP³	-	-	0	01	02	03	04	05	06	07	08	09	10	11	12
Annual	ABJR	ABTH	ZAKW	ZWUN	ZAKY	ZALA	ZAVO	ZAVW	ZAWC	ZAWM	ZAWW	ZAXA	ZWUT	ZAXS	ZAYG
2002	667 361 [†]	10 563 [†]	656 798 [†]	61 493 [†]	25 966 [†]	39 092 [†]	121 238 [†]	40 448 [†]	10 778 [†]	99 797 [†]	14 675 [†]	81 363 [†]	9 381 [†]	76 298 [†]	76 269 [†]
2003	684 841	10 638	674 203	61 883	26 364	41 993	122 325	42 745	11 292	102 055	15 464	87 734	8 870	76 422	77 056
2004	709 997	11 139	698 858	63 195	26 606	45 905	125 070	45 243	11 830	103 907	16 332	95 449	8 831	78 241	78 249
Quarters															
2002 Q1	165 301 [†]	2 759 [†]	162 544 [†]	14 965 [†]	6 432 [†]	9 705 [†]	30 106 [†]	10 010 [†]	2 637 [†]	24 670 [†]	3 607 [†]	20 274 [†]	2 419 [†]	18 913 [†]	18 791 [†]
Q2	166 424	2 544	163 881	15 168	6 494	9 724	30 278	9 994	2 684	24 996	3 668	20 202	2 374	19 109	19 194
Q3	167 273	2 628	164 644	15 480	6 505	9 838	30 335	10 160	2 718	25 176	3 688	20 226	2 349	19 161	19 015
Q4	168 363	2 632	165 729	15 880	6 535	9 825	30 519	10 284	2 739	24 955	3 712	20 661	2 239	19 115	19 269
2003 Q1	169 079	2 821	166 258	15 339	6 538	10 066	30 405	10 514	2 767	25 372	3 746	21 055	2 222	18 881	19 353
Q2	171 108	2 745	168 363	15 881	6 556	10 412	30 476	10 803	2 796	25 633	3 846	21 592	2 211	18 927	19 230
Q3	171 946	2 639	169 307	15 412	6 627	10 741	30 567	10 604	2 834	25 558	3 924	22 323	2 216	19 333	19 168
Q4	172 708	2 433	170 275	15 251	6 643	10 774	30 877	10 824	2 895	25 492	3 948	22 764	2 221	19 281	19 305
2004 Q1	175 036	2 804	172 232	15 896	6 655	11 033	31 088	10 940	2 877	25 597	4 001	23 041	2 220	19 515	19 369
Q2	177 303	2 766	174 537	15 629	6 668	11 415	31 288	11 273	2 954	25 811	3 975	24 055	2 213	19 719	19 537
Q3	178 333	2 923	175 410	15 699	6 615	11 608	31 316	11 607	2 978	26 075	4 145	24 073	2 206	19 500	19 588
Q4	179 325	2 646	176 679	15 971	6 668	11 849	31 378	11 423	3 021	26 424	4 211	24 280	2 192	19 507	19 755
2005 Q1	179 501	2 824	176 677	15 886	6 686	11 844	31 480	11 465	2 986	26 303	4 331	24 676	2 181	19 861	18 978

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

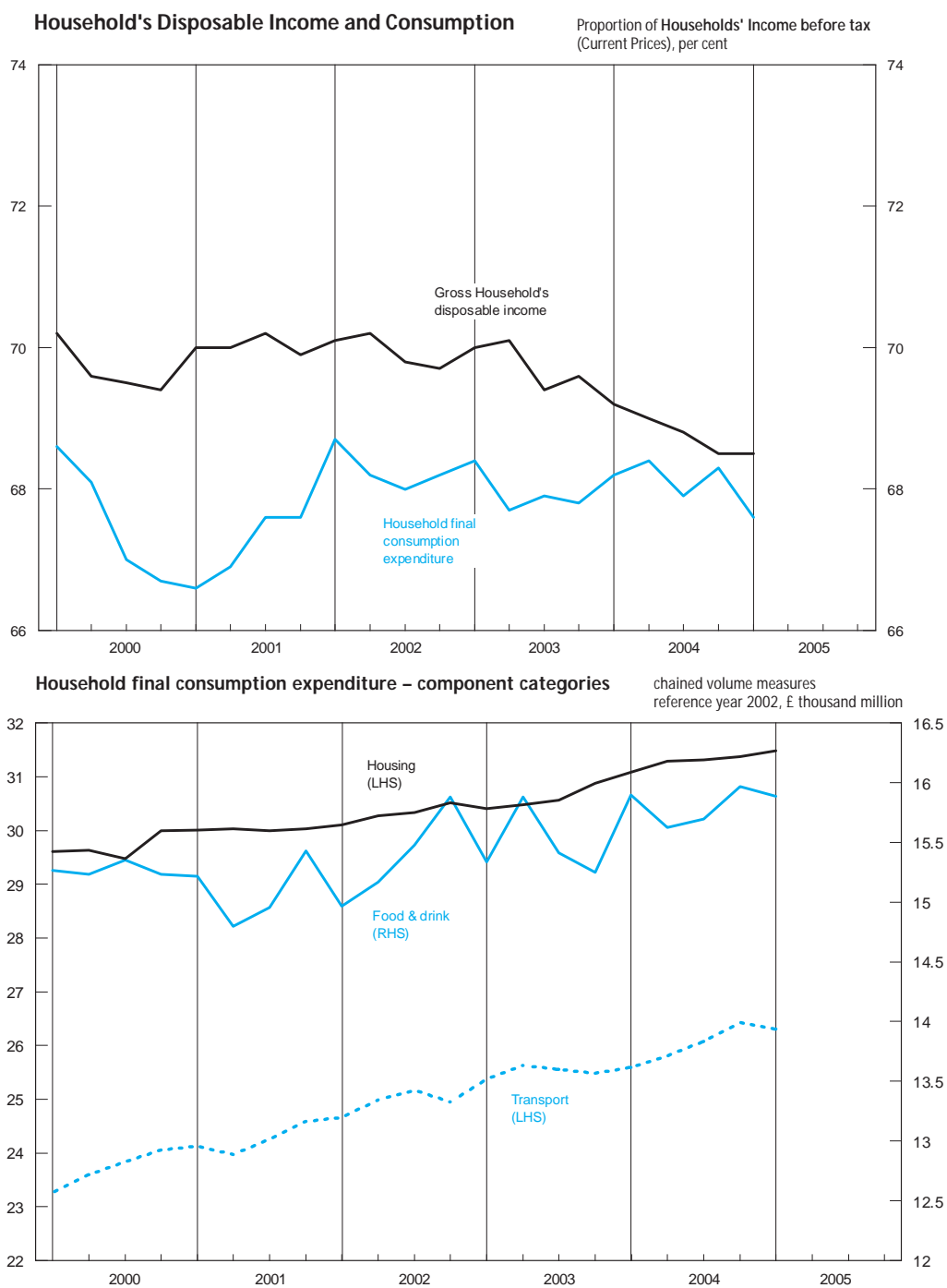
and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.

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 2002, £ million

	Analysis by sector						Analysis by asset					
	Business investment ¹	General government	Public corporations ²	Private sector		Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures ³	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	108 189 [†]	12 008 [†]	8 [†]	28 931 [†]	14 468 [†]	163 709 [†]	13 487 [†]	56 825 [†]	30 797 [†]	57 210 [†]	5 091 [†]	
2001	109 792	13 954	67	29 195	14 343	167 563	14 786	57 545	32 006	57 928	5 047	
2002	110 166	15 580	-41	31 455	15 398	172 558	16 214	56 421	34 499	59 836	5 588	
2003	107 747	18 244	-234	32 474	14 342	172 573	14 669	54 104	36 056	61 934	5 810	
2004	111 368	20 105	-266	35 548	14 243	180 998	14 245	57 090	38 866	64 601	6 196	
Quarterly												
2000 Q1	25 974 [†]	2 785 [†]	-1 [†]	7 486 [†]	4 091 [†]	40 052 [†]	3 324 [†]	13 307 [†]	7 926 [†]	14 416 [†]	1 234 [†]	
Q2	26 195	2 950	1	7 415	3 462	40 010	3 297	13 722	7 868	13 827	1 286	
Q3	27 345	2 886	-	7 260	3 527	41 109	3 284	14 517	7 715	14 164	1 277	
Q4	28 675	3 387	8	6 770	3 388	42 538	3 582	15 279	7 288	14 803	1 294	
2001 Q1	27 875	2 985	35	7 312	3 734	42 007	3 303	14 720	7 911	14 686	1 261	
Q2	27 726	3 618	28	7 155	3 539	42 160	3 881	14 262	7 891	14 830	1 251	
Q3	27 586	3 648	3	7 522	3 427	42 249	3 884	14 460	8 252	14 343	1 265	
Q4	26 605	3 703	1	7 206	3 643	41 147	3 718	14 103	7 952	14 069	1 270	
2002 Q1	27 145	3 726	4	7 295	3 440	41 651	4 045	13 697	8 006	14 602	1 306	
Q2	27 421	3 832	10	7 759	3 924	42 936	4 009	14 394	8 396	14 704	1 404	
Q3	27 325	4 029	-25	8 104	4 177	43 562	4 137	14 279	8 829	14 896	1 411	
Q4	28 275	3 993	-30	8 297	3 857	44 409	4 023	14 051	9 268	15 634	1 467	
2003 Q1	26 670	4 747	-13	7 831	3 997	43 232	3 871	13 766	8 824	15 347	1 424	
Q2	27 231	4 079	-49	8 031	3 551	42 843	3 454	13 043	8 835	16 074	1 437	
Q3	26 424	4 487	-98	8 237	3 409	42 459	3 633	13 317	9 165	14 885	1 459	
Q4	27 422	4 931	-74	8 375	3 385	44 039	3 711	13 978	9 232	15 628	1 490	
2004 Q1	27 437	4 764	-59	8 762	3 521	44 425	3 543	14 246	9 512	15 615	1 509	
Q2	27 644	5 034	-76	8 874	3 625	45 101	3 696	14 223	9 721	15 924	1 537	
Q3	28 194	5 228	-83	8 900	3 541	45 780	3 592	14 203	9 784	16 639	1 562	
Q4	28 093	5 079	-48	9 012	3 556	45 692	3 414	14 418	9 849	16 423	1 588	
2005 Q1	28 126	5 958	-85	8 914	2 898	45 811	3 422	14 495	9 701	16 596	1 597	
Percentage change, latest quarter on corresponding quarter of previous year												
2000 Q1	1.2 [†]	-4.6 [†]		-0.2 [†]	27.6 [†]	1.7 [†]	-14.9 [†]	4.1 [†]	-0.2 [†]	5.2 [†]	4.5 [†]	
Q2	3.4	6.0		4.2	0.2	3.6	-7.5	8.6	1.3	1.6	6.1	
Q3	3.7	2.7		6.1	-10.3	3.1	-12.0	10.0	6.8	-2.4	4.2	
Q4	9.5	21.7		-8.1	-20.1	5.7	-5.4	18.0	-7.2	1.1	2.7	
2001 Q1	7.3	7.2		-2.3	-8.7	4.9	-0.6	10.6	-0.2	1.9	2.2	
Q2	5.8	22.6		-3.5	2.2	5.4	17.7	3.9	0.3	7.3	-2.7	
Q3	0.9	26.4		3.6	-2.8	2.8	18.3	-0.4	7.0	1.3	-0.9	
Q4	-7.2	9.3		6.4	7.5	-3.3	3.8	-7.7	9.1	-5.0	-1.9	
2002 Q1	-2.6	24.8		-0.2	-7.9	-0.8	22.5	-6.9	1.2	-0.6	3.6	
Q2	-1.1	5.9		8.4	10.9	1.8	3.3	0.9	6.4	-0.8	12.2	
Q3	-0.9	10.4		7.7	21.9	3.1	6.5	-1.3	7.0	3.9	11.5	
Q4	6.3	7.8		15.1	5.9	7.9	8.2	-0.4	16.5	11.1	15.5	
2003 Q1	-1.7	27.4		7.3	16.2	3.8	-4.3	0.5	10.2	5.1	9.0	
Q2	-0.7	6.4		3.5	-9.5	-0.2	-13.8	-9.4	5.2	9.3	2.4	
Q3	-3.3	11.4		1.6	-18.4	-2.5	-12.2	-6.7	3.8	-0.1	3.4	
Q4	-3.0	23.5		0.9	-12.2	-0.8	-7.8	-0.5	-0.4	0.0	1.6	
2004 Q1	2.9	0.4		11.9	-11.9	2.8	-8.5	3.5	7.8	1.7	6.0	
Q2	1.5	23.4		10.5	2.1	5.3	7.0	9.0	10.0	-0.9	7.0	
Q3	6.7	16.5		8.0	3.9	7.8	-1.1	6.7	6.8	11.8	7.1	
Q4	2.4	3.0		7.6	5.1	3.8	-8.0	3.1	6.7	5.1	6.6	
2005 Q1	2.5	25.1		1.7	-17.7	3.1	-3.4	1.7	2.0	6.3	5.8	

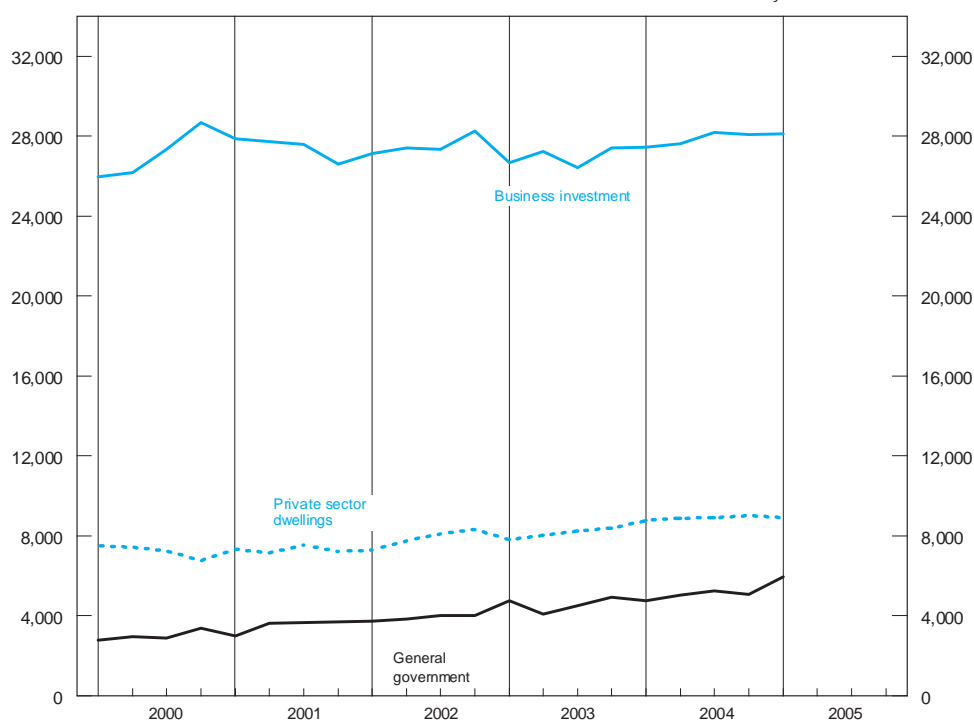
1 Not including dwellings and costs associated with the transfer of ownership of non-produced assets.

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

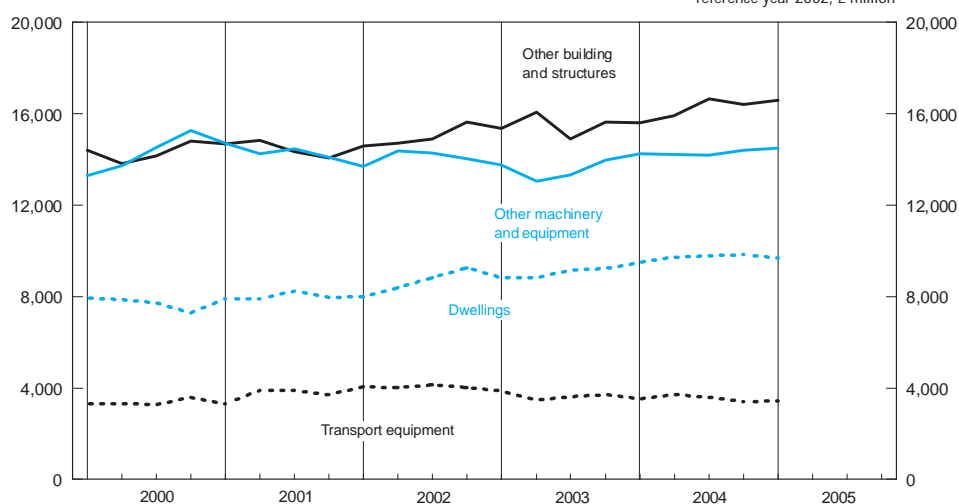
3 Including costs associated with transfer of ownership of non-produced assets.

Source: Office for National Statistics; Enquiries 020 7533 6010

Gross fixed capital formation-by sector

Chained volume measures,
reference year 2002, £ million

Gross fixed capital formation – by asset

Chained volume measures,
reference year 2002, £ million

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

2002 = 100

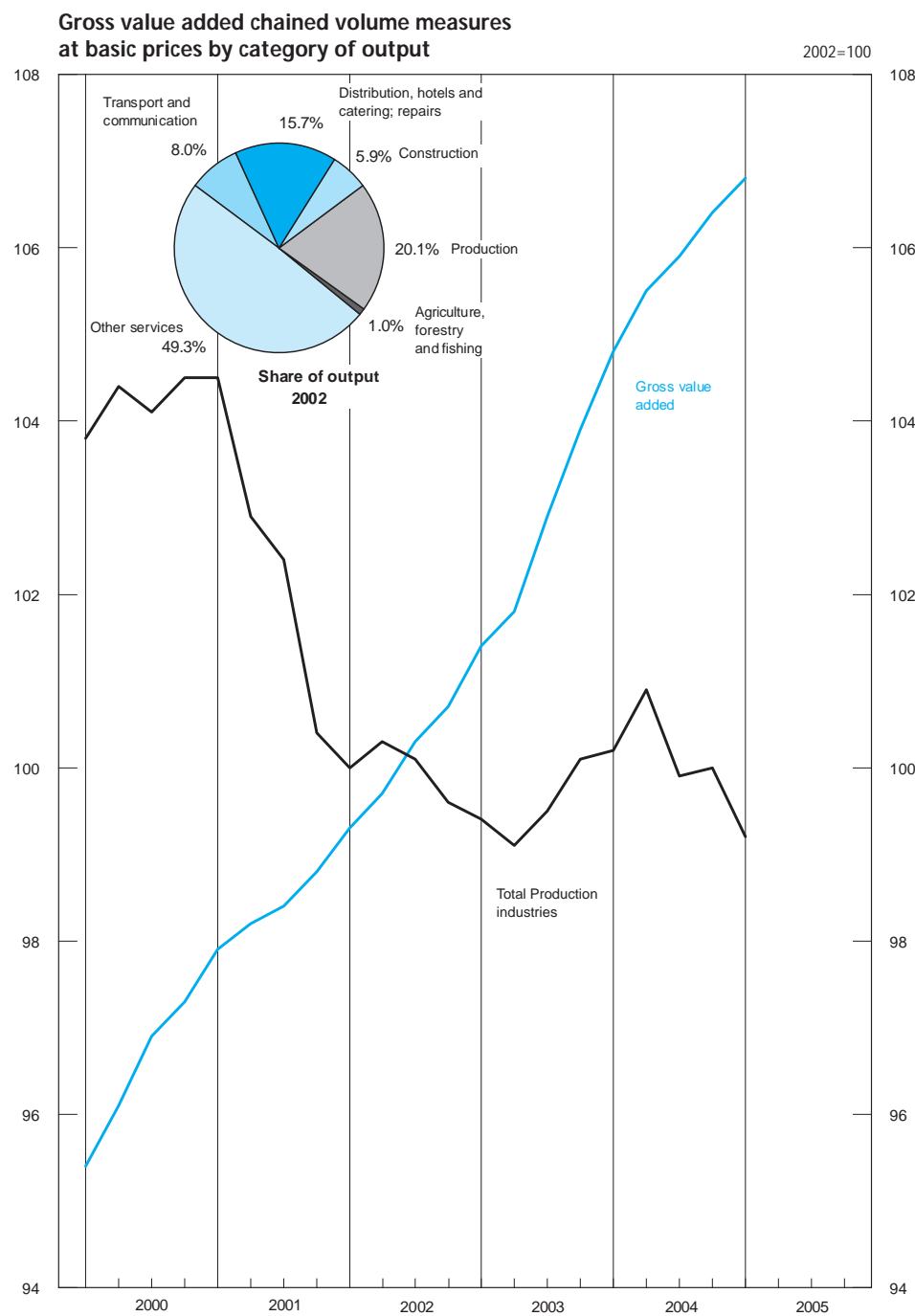
	Production						Service industries						Gross value added at basic prices	Gross value added excluding oil
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total			
2002 Weights ¹	10	24	159	18	201	59	157	80	264	229	730	1000	979	
	GDQA	CKYX	CKYY	CKYZ	CKYW	GDQB	GDQE	GDQH	GDQN	GDQU	GDQS	CGCE	JUNT	
2000	98.0 [†]	106.1 [†]	104.6 [†]	98.2 [†]	104.2 [†]	94.6 [†]	93.5 [†]	94.1 [†]	93.9 [†]	95.5 [†]	94.3 [†]	96.4 [†]	96.2 [†]	
2001	89.1	100.3	103.2	100.5	102.6	96.3	95.6	97.8	98.4	97.5	97.4	98.3	98.3	
2002	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	
2003	98.3	94.9	100.1	101.2	99.5	105.2	103.5	102.6	102.8	102.1	102.7	102.5	102.7	
2004	99.8	87.3	101.9	103.4	100.3	108.9	108.6	105.4	107.5	105.0	106.7	105.6	106.1	
Quarterly														
2000 Q1	98.6 [†]	110.2 [†]	103.8 [†]	96.9 [†]	103.8 [†]	96.9 [†]	92.5 [†]	91.2 [†]	92.0 [†]	94.6 [†]	92.9 [†]	95.4 [†]	95.1 [†]	
Q2	98.0	108.7	104.4	99.2	104.4	94.6	93.1	93.3	93.1	95.3	93.8	96.1	95.9	
Q3	99.3	105.0	104.6	98.1	104.1	93.0	94.3	95.4	94.8	96.0	95.1	96.9	96.7	
Q4	95.9	100.8	105.5	98.5	104.5	94.0	94.0	96.4	95.7	96.0	95.5	97.3	97.2	
2001 Q1	89.8	99.3	105.5	102.1	104.5	95.5	94.7	97.7	96.6	96.5	96.3	97.9	97.9	
Q2	88.2	101.9	103.2	101.1	102.9	95.8	95.1	98.0	98.4	97.1	97.2	98.2	98.1	
Q3	88.0	100.8	103.0	99.9	102.4	96.4	95.7	97.4	98.7	97.7	97.6	98.4	98.4	
Q4	90.2	99.2	100.9	98.8	100.4	97.6	97.0	98.0	99.8	98.6	98.6	98.8	98.8	
2002 Q1	98.4	100.1	100.2	98.2	100.0	99.2	98.6	99.6	99.1	99.2	99.1	99.3	99.3	
Q2	100.6	104.3	99.7	99.4	100.3	98.8	99.3	99.0	99.7	99.8	99.6	99.7	99.6	
Q3	101.0	95.6	100.7	101.2	100.1	100.4	100.4	100.1	100.6	100.2	100.4	100.3	100.4	
Q4	100.1	100.0	99.3	101.3	99.6	101.7	101.7	101.2	100.6	100.7	101.0	100.7	100.7	
2003 Q1	97.9	99.6	99.4	99.3	99.4	102.0	101.7	101.5	101.8	101.0	101.5	101.4	101.4	
Q2	97.8	95.2	99.5	100.2	99.1	104.0	103.0	102.3	101.8	101.6	102.0	101.8	102.0	
Q3	98.7	93.5	100.2	101.6	99.5	107.1	104.1	103.1	102.9	102.5	103.1	102.9	103.1	
Q4	98.8	91.1	101.1	103.5	100.1	107.7	105.3	103.4	104.8	103.4	104.3	103.9	104.2	
2004 Q1	99.9	89.8	101.5	103.7	100.2	108.0	107.4	104.0	106.3	104.0	105.6	104.8	105.1	
Q2	99.6	90.7	102.3	102.8	100.9	108.2	108.6	105.0	106.7	105.0	106.4	105.5	105.9	
Q3	99.8	85.6	101.7	103.7	99.9	109.1	109.2	105.5	108.1	105.1	107.1	105.9	106.3	
Q4	100.1	83.3	102.3	103.3	100.0	110.1	109.2	106.8	108.8	105.7	107.7	106.4	106.9	
2005 Q1	97.7	82.9	101.3	101.9	99.2	110.8	109.1	107.9	109.9	106.6	108.5	106.8	107.4	
Percentage change, latest quarter on corresponding quarter of last year														
2000 Q1	-0.6 [†]	1.6	2.8	1.9 [†]	2.6	4.9 [†]	2.8 [†]	8.8	3.3 [†]	4.5 [†]	4.3 [†]	4.3 [†]	4.3 [†]	
Q2	-0.1	-0.9	3.0	4.1	2.8	2.0	2.9	9.6 [†]	4.4	4.2	4.6	4.3	4.6	
Q3	1.4	-5.3 [†]	1.9	1.6	1.1	-1.2	3.4	11.1	6.0	3.7	5.2	4.3	4.4	
Q4	-3.2	-7.9	2.2	1.2	1.2	-0.5	2.3	9.0	4.8	2.6	4.0	3.4	3.6	
2001 Q1	-8.9	-9.9	1.6 [†]	5.4	0.7	-1.4	2.4	7.1	5.0	2.0	3.7	2.6	2.9	
Q2	-10.0	-6.3	-1.1	1.9	-1.4	1.3	2.1	5.0	5.7	1.9	3.6	2.2	2.3	
Q3	-11.4	-4.0	-1.5	1.8	-1.6 [†]	3.7	1.5	2.1	4.1	1.8	2.6	1.5	1.8	
Q4	-5.9	-1.6	-4.4	0.3	-3.9	3.8	3.2	1.7	4.3	2.7	3.2	1.5	1.6	
2002 Q1	9.6	0.8	-5.0	-3.8	-4.3	3.9	4.1	1.9	2.6	2.8	2.9	1.4	1.4	
Q2	14.1	2.4	-3.4	-1.7	-2.5	3.1	4.4	1.0	1.3	2.8	2.5	1.5	1.5	
Q3	14.8	-5.2	-2.2	1.3	-2.2	4.1	4.9	2.8	1.9	2.6	2.9	1.9	2.0	
Q4	11.0	0.8	-1.6	2.5	-0.8	4.2	4.8	3.3	0.8	2.1	2.4	1.9	1.9	
2003 Q1	-0.5	-0.5	-0.8	1.1	-0.6	2.8	3.1	1.9	2.7	1.8	2.4	2.1	2.1	
Q2	-2.8	-8.7	-0.2	0.8	-1.2	5.3	3.7	3.3	2.1	1.8	2.4	2.1	2.4	
Q3	-2.3	-2.2	-0.5	0.4	-0.6	6.7	3.7	3.0	2.3	2.3	2.7	2.6	2.7	
Q4	-1.3	-8.9	1.8	2.2	0.5	5.9	3.5	2.2	4.2	2.7	3.3	3.2	3.5	
2004 Q1	2.0	-9.8	2.1	4.4	0.8	5.9	5.6	2.5	4.4	3.0	4.0	3.4	3.6	
Q2	1.8	-4.7	2.8	2.6	1.8	4.0	5.4	2.6	4.8	3.3	4.3	3.6	3.8	
Q3	1.1	-8.4	1.5	2.1	0.4	1.9	4.9	2.3	5.1	2.5	3.9	2.9	3.1	
Q4	1.3	-8.6	1.2	-0.2	-0.1	2.2	3.7	3.3	3.8	2.2	3.3	2.4	2.6	
2005 Q1	-2.2	-7.7	-0.2	-1.7	-1.0	2.6	1.6	3.8	3.4	2.5	2.7	1.9	2.2	

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 2002, and are used to combine the industry output indices to calculate the totals for 2003 and 2004. For 2002 and earlier, totals are calculated using the equivalent weights for the previous year (e.g. totals for 2002 use 2001 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

2002 = 100

	Distribution hotels and catering; repairs		Transport, storage and communication		Business services and finance			Government and other services					Total services
	Motor trades; wholesale and retail trade; repairs	Hotels and restaurants	Transport and storage	Post and telecommunication	Financial intermediation ³	Real estate, renting and business activities	Ownership of dwellings	PAD ¹	Education	Health and social work	Other services ²	Adjustment for financial services ⁴	
2002 weights	124	34	48	31	68	162	78	50	60	67	52	-44	730
Annual	GDQC	GDQD	GDQF	GDQG	GDQI	GDQK	GDQL	GDQO	GDQP	GDQQ	GDQR	GDQJ	GDQS
2000	92.3 [†]	98.0 [†]	95.7 [†]	91.7 [†]	95.8 [†]	92.1 [†]	96.1 [†]	96.3 [†]	97.8 [†]	93.9 [†]	93.9 [†]	92.7 [†]	94.3 [†]
2001	95.2	97.4	97.3	98.5	100.9	97.2	98.8	97.5	98.6	96.6	97.1	97.2	97.4
2002	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
2003	102.9	105.9	100.8	105.4	101.8	105.7	102.2	103.5	100.5	103.2	101.2	110.8	102.7
2004	107.9	111.0	104.6	106.5	106.1	114.0	104.1	106.7	100.5	107.5	105.0	123.3	106.7
Quarterly													
2000 Q1	90.8 [†]	99.5 [†]	93.9 [†]	87.2 [†]	94.6 [†]	89.1 [†]	95.3 [†]	95.2 [†]	97.8 [†]	92.4 [†]	93.2 [†]	89.3 [†]	92.9 [†]
Q2	92.0	97.6	95.9	89.4	95.5	91.5	95.0	96.0	97.9	94.0	93.5	92.8	93.8
Q3	93.3	98.3	97.2	92.8	96.1	93.4	96.3	96.9	97.9	94.5	94.6	93.2	95.1
Q4	93.3	96.5	95.8	97.3	97.0	94.3	97.8	97.2	97.7	94.8	94.4	95.5	95.5
2001 Q1	94.2	97.0	96.8	99.1	99.2	95.5	98.1	97.0	97.8	95.4	95.8	97.7	96.3
Q2	94.5	97.1	97.6	98.7	101.2	97.0	98.7	97.4	98.4	96.4	96.1	96.5	97.2
Q3	95.2	97.9	97.4	97.4	100.7	97.5	99.2	97.3	98.9	96.8	97.8	97.1	97.6
Q4	96.8	97.8	97.5	98.8	102.4	98.7	99.3	98.4	99.3	98.0	98.8	97.4	98.6
2002 Q1	98.7	98.3	99.3	100.1	99.5	98.3	99.4	98.9	99.9	98.2	100.2	97.4	99.1
Q2	99.5	98.5	99.3	98.6	98.9	99.8	99.7	99.8	99.9	100.1	99.5	99.0	99.6
Q3	100.4	100.3	100.5	99.5	100.9	100.8	100.0	100.2	100.0	100.7	99.8	100.4	100.4
Q4	101.4	102.8	100.9	101.8	100.8	101.1	100.8	101.1	100.2	101.0	100.6	103.2	101.0
2003 Q1	101.0	104.2	99.7	104.4	101.2	103.1	101.5	102.2	100.3	101.7	99.6	105.3	101.5
Q2	102.2	106.0	99.5	106.6	101.7	104.1	101.8	103.1	100.5	102.1	100.5	110.1	102.0
Q3	103.6	106.1	101.8	105.0	101.6	106.2	102.3	104.3	100.5	103.5	101.6	111.9	103.1
Q4	104.8	107.2	102.1	105.5	102.6	109.5	103.2	104.5	100.5	105.4	102.9	115.8	104.3
2004 Q1	106.8	109.5	103.3	105.0	105.3	111.8	103.7	105.6	100.4	106.8	103.0	120.1	105.6
Q2	108.0	111.2	104.7	105.6	103.9	113.1	104.0	106.3	100.4	106.9	106.4	121.3	106.4
Q3	108.7	111.2	104.1	107.7	106.9	114.7	104.1	106.9	100.7	107.6	105.2	123.3	107.1
Q4	108.4	112.3	106.4	107.6	108.5	116.3	104.7	107.9	100.7	108.8	105.4	128.4	107.7
2005 Q1	108.2	112.3	108.4	107.0	110.0	117.5	104.9	108.9	101.0	109.4	107.0	128.9	108.5
Percentage change, quarter on corresponding quarter of previous year													
Quarterly													
2000 Q1	2.3	4.8	4.9 [†]	15.3	6.1 [†]	5.2	-1.8 [†]	5.5 [†]	2.9 [†]	4.8 [†]	5.0 [†]	4.9 [†]	4.3 [†]
Q2	3.3	1.5	7.6	12.9 [†]	4.6	8.8 [†]	-2.6	5.0	2.2	5.4	4.1	7.3	4.6
Q3	4.0 [†]	1.0 [†]	8.8	14.9	6.3	9.5	-0.3	4.5	1.7	4.7	4.0	7.5	5.2
Q4	3.3	-1.7	4.8	16.1	4.3	7.3	2.6	3.3	0.8	3.7	2.3	10.7	4.0
2001 Q1	3.7	-2.5	3.1	13.6	4.9	7.2	2.9	1.9	0.0	3.2	2.8	9.4	3.7
Q2	2.7	-0.5	1.8	10.4	6.0	6.0	3.9	1.5	0.5	2.6	2.8	4.0	3.6
Q3	2.0	-0.4	0.2	5.0	4.8	4.4	3.0	0.4	1.0	2.4	3.4	4.2	2.6
Q4	3.8	1.3	1.8	1.5	5.6	4.7	1.5	1.2	1.6	3.4	4.7	2.0	3.2
2002 Q1	4.8	1.3	2.6	1.0	0.3	2.9	1.3	2.0	2.1	2.9	4.6	-0.3	2.9
Q2	5.3	1.4	1.7	-0.1	-2.3	2.9	1.0	2.5	1.5	3.8	3.5	2.6	2.5
Q3	5.5	2.5	3.2	2.2	0.2	3.4	0.8	3.0	1.1	4.0	2.0	3.4	2.9
Q4	4.8	5.1	3.5	3.0	-1.6	2.4	1.5	2.7	0.9	3.1	1.8	6.0	2.4
2003 Q1	2.3	6.0	0.4	4.3	1.7	4.9	2.1	3.3	0.4	3.6	-0.6	8.1	2.4
Q2	2.7	7.6	0.2	8.1	2.8	4.3	2.1	3.3	0.6	2.0	1.0	11.2	2.4
Q3	3.2	5.8	1.3	5.5	0.7	5.4	2.3	4.1	0.5	2.8	1.8	11.5	2.7
Q4	3.4	4.3	1.2	3.6	1.8	8.3	2.4	3.4	0.3	4.4	2.3	12.2	3.3
2004 Q1	5.7	5.1	3.6	0.6	4.1	8.4	2.2	3.3	0.1	5.0	3.4	14.1	4.0
Q2	5.7	4.9	5.2	-0.9	2.2	8.6	2.2	3.1	-0.1	4.7	5.9	10.2	4.3
Q3	4.9	4.8	2.3	2.6	5.2	8.0	1.8	2.5	0.2	4.0	3.5	10.2	3.9
Q4	3.4	4.8	4.2	2.0	5.8	6.2	1.5	3.3	0.2	3.2	2.4	10.9	3.3
2005 Q1	1.3	2.6	4.9	1.9	4.5	5.1	1.2	3.1	0.6	2.4	3.9	7.3	2.7

1 Public administration and national defence; compulsory social security.

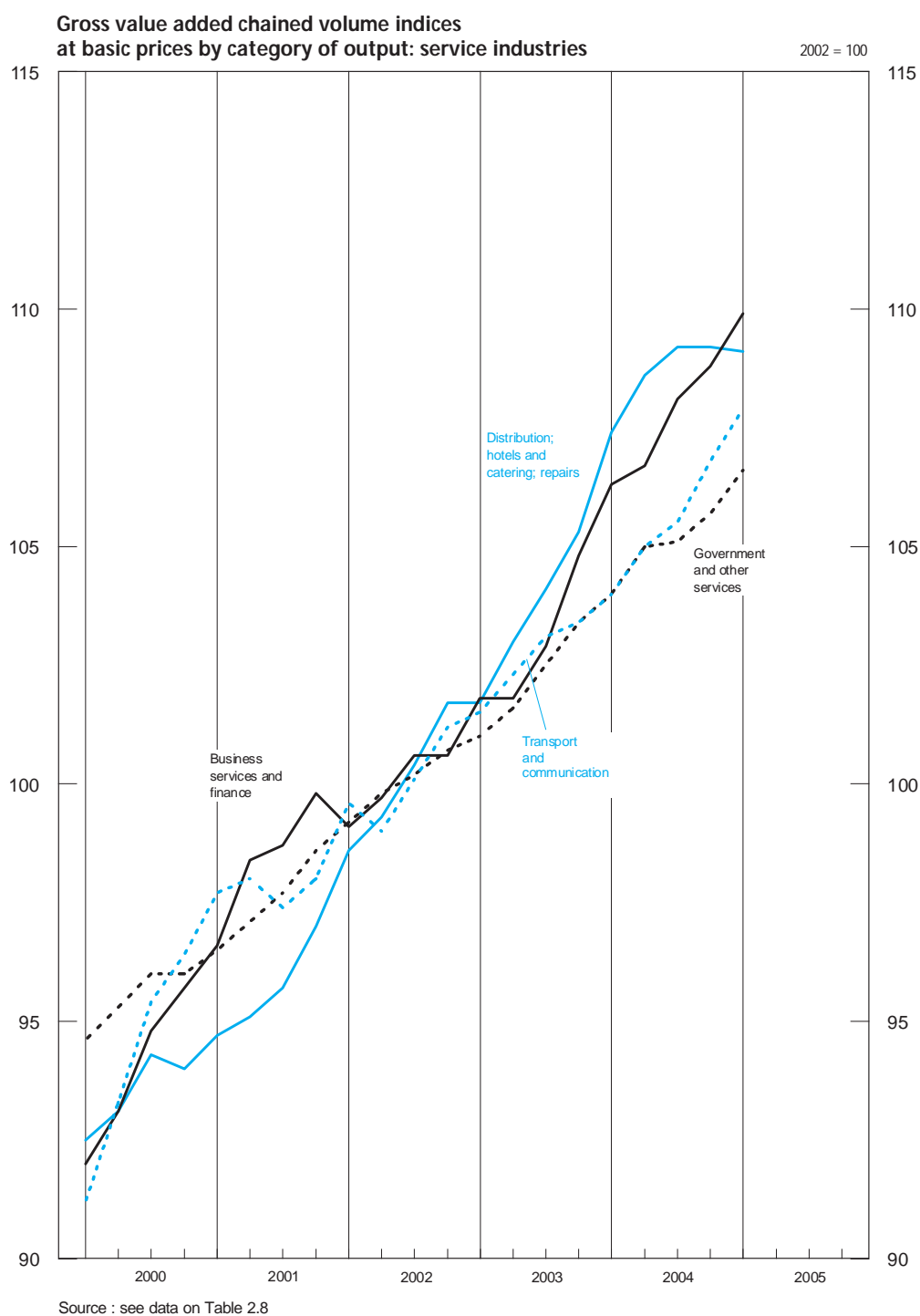
2 Comprising sections O, and P of the SIC(92).

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

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

5 See footnote 2 on Table 2.8

Source: Office for National Statistics; Enquiries 020 7533 5969



2.10 Summary capital accounts and net lending/net borrowing

£ million

	Non-financial corporations				Financial corporations				General Government			
	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets
Annual												
2001	RPJV 89 893 [†]	GZQW 2 661	RQBZ 103 976 [†]	RQAX 1 208 [†]	RPPS -9 450 [†]	GZQE -	RPYP 7 300 [†]	RPYO -43 [†]	RPQC 25 272 [†]	GZQU -4 081	RPZF 13 929	RPZE -916 [†]
2002	107 576	2 098 [†]	99 453	1 431	15 325	-	6 732	-36	1 602	-3 674 [†]	15 602 [†]	-1 087
2003	116 456	3 316	99 413	1 241	18 972	-	3 452	-3	-13 036	-5 525	18 244	-957
2004	127 173	2 959	104 742	1 564	22 591	-	3 915	-6	-11 404	-4 826	20 695	-1 071
Quarterly												
2001 Q1	22 815 [†]	599	25 568 [†]	271 [†]	-5 721 [†]	-	2 368 [†]	-9 [†]	8 635 [†]	-749 [†]	2 966 [†]	-222 [†]
Q2	21 835	627	26 171	305	-1 717	-	2 239	-11	6 420	-1 229	3 621	-221
Q3	23 676	719	26 324	331	-2 789	-	1 342	-11	6 372	-1 152	3 617	-234
Q4	21 567	716	25 913	301	777	-	1 351	-12	3 845	-951	3 725	-239
2002 Q1	25 584	517 [†]	25 016	379	2 755	-	843	-11	1 880	-1 054	3 803	-284
Q2	26 944	350	24 705	330	2 068	-	1 196	-10	192	-647	3 900	-233
Q3	27 663	561	24 418	358	4 060	-	3 068	-9	1 026	-971	4 019	-238
Q4	27 385	670	25 314	364	6 442	-	1 625	-6	-1 496	-1 002	3 880	-332
2003 Q1	29 099	729	22 061	282	6 274	-	2 120	-3	-2 249	-1 560	4 546	-205
Q2	27 352	947	24 024	332	3 677	-	876	-	-2 759	-1 468	4 190	-256
Q3	29 280	850	25 990	364	3 902	-	148	1	-2 867	-1 304	4 573	-252
Q4	30 725	790	27 338	263	5 119	-	308	-1	-5 161	-1 193	4 935	-244
2004 Q1	31 276	861	25 713	349	4 339	-	302	-	-3 243	-1 186	4 527	-247
Q2	31 659	840	25 989	398	5 225	-	768	-2	-1 011	-1 273	5 095	-275
Q3	29 253	608	26 238	423	5 755	-	1 320	-2	-3 280	-1 116	5 503	-279
Q4	34 985	650	26 802	394	7 272	-	1 525	-2	-3 870	-1 251	5 570	-270
2005 Q1	30 381	1 692	27 473	383	7 306	-	-545	-1	-3 251	-2 925	6 219	-264
	Households & NPISH				Net lending(+)/net borrowing(-) ³							
	Gross saving ¹	Capital transfers (net receipts)	Gross capital formation ²	Net acquisition of non-financial assets	Non-financial corporations	Financial corporations	General government	Households & NPISH	Rest of the world ⁴	Statistical Discrepancy		
Annual												
2001	RPQL 44 352 [†]	GZQI 3 023	RPZV 43 996 [†]	RPZU -152	RQAW -15 981 [†]	RPYN -16 707 [†]	RPZD 8 178 [†]	RPZT 3 531 [†]	RQCH 20 979 [†]	RVFE -		
2002	34 691	2 876 [†]	50 268	-176	4 864	8 629	-16 587	-12 525	15 619	-		
2003	40 969	3 876	55 475	-210	15 290	15 523	-35 848	-10 420	15 455	- [†]		
2004	33 338	4 358	62 575	-276	20 655	18 682	-35 854	-24 603	20 995	125		
Quarterly												
2001 Q1	12 161 [†]	418	10 881 [†]	-25	-3 363 [†]	-8 080 [†]	5 142 [†]	1 723 [†]	4 578 [†]	-4 953 [†]		
Q2	11 344	1 266	10 540	-36	-4 867	-3 945	1 791	2 106	4 915	-3 010		
Q3	10 640	747	11 628	-44	-3 009	-4 120	1 837	-197	5 489	1 299		
Q4	10 207	592	10 947	-47	-4 742	-562	-592	-101	5 997	6 664		
2002 Q1	7 468	787 [†]	12 028	-47	-68	1 923	-2 693	-3 726	4 564	-2 881		
Q2	9 218	556	12 968	-45	1 543	882	-4 122	-3 149	4 846	-2 161		
Q3	9 278	697	12 149	-43	2 713	1 001	-3 726	-2 131	2 143	5 233		
Q4	8 727	836	13 123	-41	676	4 823	-6 046	-3 519	4 066	-191		
2003 Q1	9 343	1 156	13 018	-46	6 110	4 157	-8 150	-2 473	355	-3 802		
Q2	10 282	779	13 255	-49	3 047	2 801	-8 161	-2 145	4 457	-1 887		
Q3	10 130	863	14 525	-55	2 938	3 753	-8 492	-3 477	5 278	4 141		
Q4	11 214	1 078	14 677	-60	3 195	4 812	-11 045	-2 325	5 365	1 548		
2004 Q1	9 186	1 132	15 234	-65	5 286	4 037	-8 709	-4 851	4 213	-7 158		
Q2	7 570	1 139	15 892	-68	5 270	4 459	-7 104	-7 115	4 460	-3 072		
Q3	8 717	899	15 656	-71	2 436	4 437	-9 620	-5 969	8 681	5 043		
Q4	7 865	1 188	15 793	-72	7 663	5 749	-10 421	-6 668	3 641	5 312		
2005 Q1	9 895	2 089	16 539	-74	3 642	7 852	-12 131	-4 481	5 087	-8 579		

1 Before providing for depreciation, inventory holding gains.

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

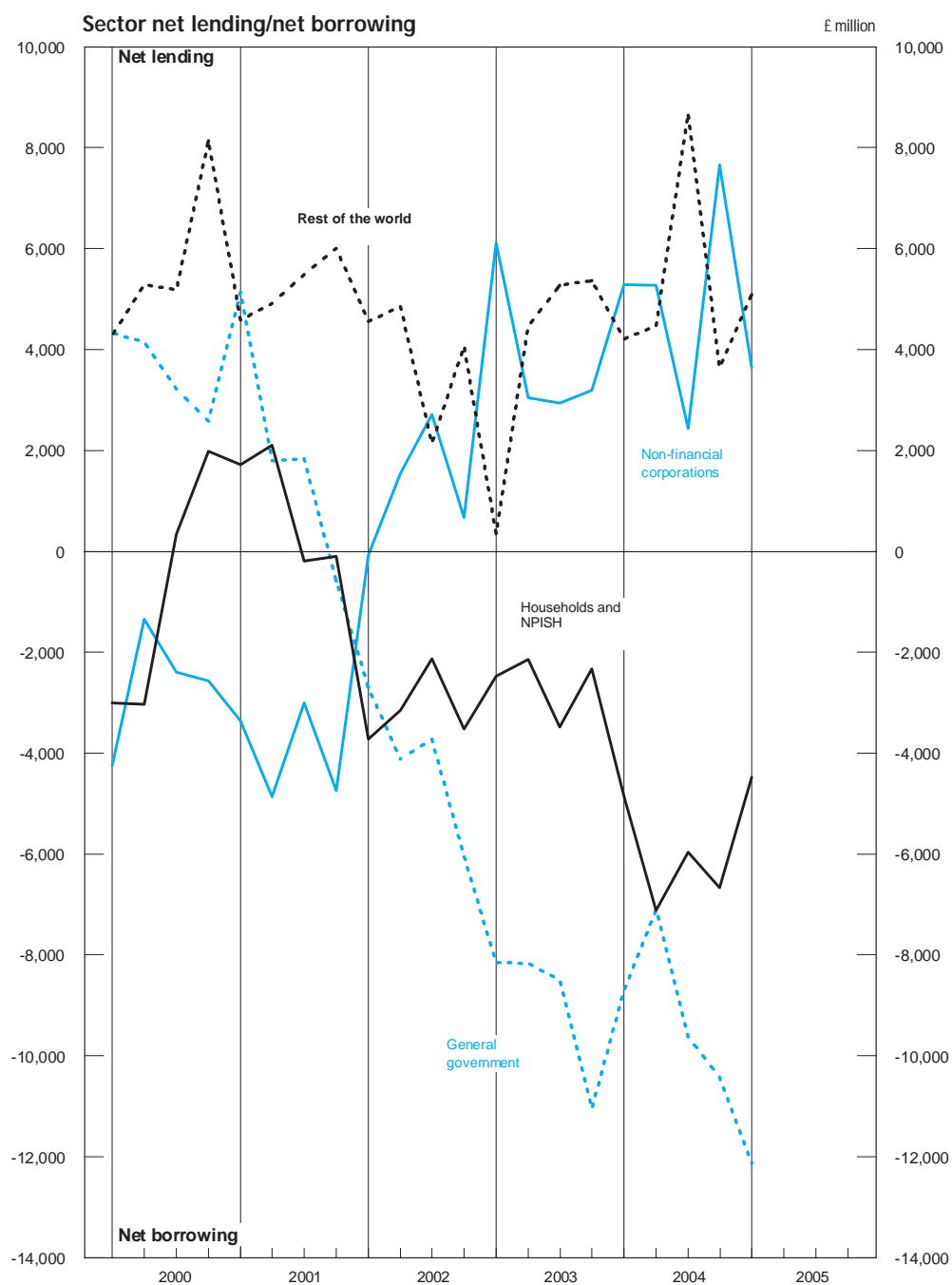
3 This balance is equal to gross saving *plus* capital transfers less gross fixed capital formation, less Net acquisition of non-financial assets, less changes in inventories.4 Equals, the current balance of payments accounts, *plus* capital transfers.

Sources: Office for National Statistics;

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

Columns 2,6,10 020 7533 5985;

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



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

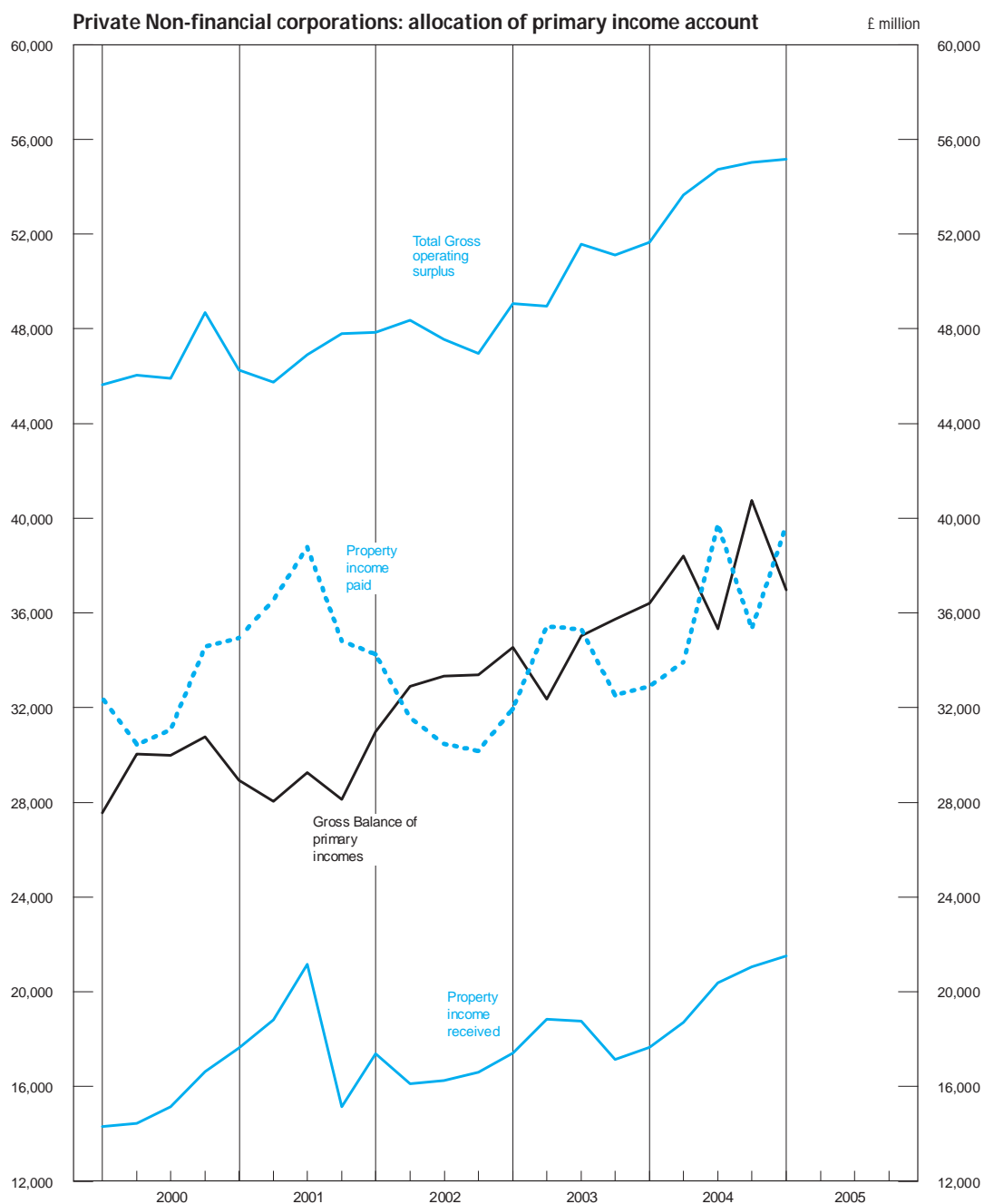
£ million

	Resources							Uses				
	Gross operating surplus							Property income payments				
	Gross trading profits											
	Continental shelf companies	Others ¹	Rental of buildings	Inventory holding gains	less operating surplus ¹	Property income receipts	Total resources ^{1,2}	Total payments	of which Dividends	of which Interest	Gross balance of primary incomes ¹	Share of gross national income ¹ (%)
Annual												
	CAGD	CAED	FCBW	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJL
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	136 603 [†]	8 948 [†]	-958	160 295 [†]	45 712 [†]	206 007 [†]	104 695 [†]	51 609 [†]	23 965 [†]	101 312 [†]	13.3 [†]
1997	13 978	149 200	9 254	-361	172 071	48 067	220 138	111 546	56 250	26 541	108 592	13.4
1998	11 696	153 287	9 724	753	175 460	49 543	225 003	110 015	51 578	31 095	114 988	13.2
1999	13 864	156 906	10 742	-1 801	179 711	48 045	227 756	118 244	61 101	31 016	109 512	12.1
2000	21 333	156 281	11 657	-2 941	186 330	60 525	246 855	128 508	55 846	37 912	118 347	12.4
2001	20 287	153 701	12 304	434	186 726	72 749	259 475	145 111	77 516	39 419	114 364	11.4
2002	19 132 [†]	161 586	12 885	-2 856 [†]	190 747	66 330	257 077	126 455	61 580	36 459	130 622	12.2
2003	18 631	172 608	13 652	-4 148	200 743	72 178	272 921	135 219	71 336	36 007	137 702	12.2
2004	18 897	186 050	14 225	-4 113	215 059	77 798	292 857	141 930	70 353	41 181	150 927	12.7
Quarterly												
1995 Q1	2 966	31 468 [†]	2 264	-1 738	34 960 [†]	9 221 [†]	44 181 [†]	21 980 [†]	9 747 [†]	5 620 [†]	22 201 [†]	12.6 [†]
Q2	3 113	30 827	2 336	-1 588	34 688	10 022	44 710	22 293	9 732	5 959	22 417	12.7
Q3	2 934	31 550	2 379	-1 181	35 682	11 776	47 458	25 500	13 092	6 112	21 958	12.2
Q4	3 111	31 306	2 400	18	36 835	11 929	48 764	25 858	13 647	6 407	22 906	12.5
1996 Q1	3 523	32 745	2 331 [†]	-800	37 799	10 997	48 796	27 293	12 654	6 119	21 503	11.5
Q2	3 929	33 334	2 248	-102	39 409	12 005	51 414	24 196	11 156	5 964	27 218	14.4
Q3	4 081	34 784	2 192	-208	40 849	10 185	51 034	25 512	12 420	5 895	25 522	13.3
Q4	4 169	35 740	2 177	152	42 238	12 525	54 763	27 694	15 379	5 987	27 069	14.0
1997 Q1	3 885	37 015	2 247	-23	43 124	10 951	54 075	25 631	12 345	6 125	28 444	14.4
Q2	3 288	37 262	2 294	239	43 083	11 608	54 691	27 945	14 723	6 623	26 746	13.2
Q3	3 448	37 756	2 341	-506	43 039	13 883	56 922	28 519	15 210	6 627	28 403	13.8
Q4	3 357	37 167	2 372	-71	42 825	11 625	54 450	29 451	13 972	7 166	24 999	12.1
1998 Q1	3 160	37 420	2 414	107	43 101	13 795	56 896	30 385	15 077	7 545	26 511	12.6
Q2	3 103	37 208	2 424	53	42 788	11 590	54 378	26 444	11 541	7 735	27 934	13.0
Q3	2 779	39 228	2 435	315	44 757	11 711	56 468	26 385	11 509	7 965	30 083	13.6
Q4	2 654	39 431	2 451	278	44 814	12 447	57 261	26 801	13 451	7 850	30 460	13.7
1999 Q1	2 648 [†]	39 068	2 592	-302	44 006	7 978	51 984	18 758	7 482	7 464	33 226	15.1
Q2	3 066	40 408	2 647	-440	45 681	14 108	59 789	36 939	23 479	7 413	22 850	10.2
Q3	4 018	38 310	2 715	-645	44 398	11 297	55 695	29 934	14 595	7 806	25 761	11.3
Q4	4 132	39 120	2 788	-414	45 626	14 662	60 288	32 613	15 545	8 333	27 675	12.0
2000 Q1	4 711	38 839	2 801	-702	45 649	14 310	59 959	32 410	15 181	8 844	27 549	11.7
Q2	5 221	38 791	2 875	-830	46 057	14 446	60 503	30 455	12 370	9 405	30 048	12.7
Q3	5 570	38 198	2 953	-799	45 922	15 138	61 060	31 071	12 127	9 615	29 989	12.5
Q4	5 831	40 453	3 028	-610	48 702	16 631	65 333	34 572	16 168	10 048	30 761	12.7
2001 Q1	5 531	37 366	3 039	329	46 265	17 627	63 892	34 961	15 759	10 406	28 931	11.7
Q2	5 498	37 173	3 071	5	45 747	18 820	64 567	36 530	19 491	9 929	28 037	11.2
Q3	4 950	38 913	3 093	-52	46 904	21 158	68 062	38 796	21 835	10 107	29 266	11.6
Q4	4 308	40 249	3 101	152	47 810	15 144	62 954	34 824	20 431	8 977	28 130	11.0
2002 Q1	4 329	41 071	3 181	-733 [†]	47 848	17 375	65 223	34 242	18 302	9 077	30 981	11.9
Q2	4 774	41 177	3 193	-762	48 382	16 111	64 493	31 588	15 336	9 123	32 905	12.4
Q3	4 771	39 943	3 232	-384	47 562	16 242	63 804	30 462	14 917	9 083	33 342	12.3
Q4	5 258	39 395	3 279	-977	46 955	16 602	63 557	30 163	13 025	9 176	33 394	12.2
2003 Q1	5 116	41 381	3 337	-761	49 073	17 415	66 488	31 951	15 883	9 146	34 537	12.4
Q2	4 047	42 817	3 393	-1 286	48 971	18 853	67 824	35 453	19 072	8 851	32 371	11.6
Q3	4 951	44 101	3 442	-912	51 582	18 770	70 352	35 302	19 538	8 904	35 050	12.4
Q4	4 517	44 309	3 480	-1 189	51 117	17 140	68 257	32 513	16 843	9 106	35 744	12.4
2004 Q1	4 642	44 413	3 507	-908	51 654	17 664	69 318	32 906	16 366	9 543	36 412	12.5
Q2	4 799	46 112	3 534	-799	53 646	18 705	72 351	33 932	16 442	10 282	38 419	13.0
Q3	4 889	47 315	3 570	-1 051	54 723	20 376	75 099	39 766	21 263	10 639	35 333	11.9
Q4	4 567	48 210	3 614	-1 355	55 036	21 053	76 089	35 326	16 282	10 717	40 763	13.3
2005 Q1	4 798	47 670	3 651	-954	55 165	21 516	76 681	39 697	21 145	11 017	36 984	12.1

1 Quarterly alignment adjustment included in this series.

2 Total resources equals total uses.

Source: Office for National Statistics; Enquiries 020 7533 6014



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

£ million

	Secondary Distribution of Income Account						Capital Account					
	Resources			Uses			Changes in liabilities & net worth		Changes in assets			
	Gross balance of primary incomes ¹	Other resources ²	Total ^{1,3}	Taxes on income	Other uses ⁴	Gross disposable income ^{1,5}	Net capital transfer receipts	Total ¹	Gross fixed capital formation	Changes in inventories ¹	Other changes in assets ⁶	Net lending (+) or borrowing (-) ^{1,7}
Annual												
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
1995	89 482	7 704	97 186	18 953	8 104	70 129	433	70 562	64 444	4 542	388	1 188
1996	101 312 [†]	8 420	109 732 [†]	23 080	9 938	76 714 [†]	428	77 142 [†]	72 778 [†]	1 672	263	2 429 [†]
1997	108 592	7 097	115 689	28 558	7 576	79 555	671	80 226	81 089	3 949	401	-5 213
1998	114 988	8 179 [†]	123 167	26 877	8 623 [†]	87 667	1 081	88 748	90 180	4 533	1 287	-7 252
1999	109 512	7 875	117 387	22 608	8 444	86 335	958	87 293	94 463	6 174	1 036	-14 380
2000	118 347	9 990	128 337	26 188	10 403	91 746	405	92 151	96 873	5 512	776 [†]	-11 010
2001	114 364	9 229	123 593	26 061	9 640	87 892	1 621	89 513	98 035	5 941	1 138	-15 601
2002	130 622	9 889	140 511	24 432 [†]	10 311	105 768	1 093 [†]	106 861	96 819	2 677 [†]	1 212	6 153
2003	137 702	10 199	147 901	23 461	10 633	113 807	2 692	116 499	95 556	3 954	862	16 127
2004	150 927	10 647	161 574	26 104	11 093	124 377	2 425	126 802	100 374	4 467	1 119	20 842
Quarterly												
1995 Q1	22 201 [†]	1 825	24 026 [†]	4 252	1 922	17 852 [†]	127	17 979 [†]	14 794	-268 [†]	121	3 332 [†]
Q2	22 417	1 936	24 353	5 420	2 032	16 901	98	16 999	16 117	2 234	125	-1 477
Q3	21 958	1 953	23 911	4 368	2 049	17 494	102	17 596	16 460	1 695	87	-646
Q4	22 906	1 990	24 896	4 913	2 101	17 882	106	17 988	17 073	881	55	-21
1996 Q1	21 503	2 238	23 741	6 109 [†]	3 336	14 296	125	14 421	17 497 [†]	1 218	63	-4 357
Q2	27 218	2 219	29 437	5 660	2 369	21 408	102	21 510	17 426	322	71	3 691
Q3	25 522	1 994	27 516	5 944	2 124	19 448	96	19 544	18 437	1	57	1 049
Q4	27 069	1 969	29 038	5 367	2 109	21 562	105	21 667	19 418	131	72	2 046
1997 Q1	28 444	1 771	30 215	7 017	1 888	21 310	233	21 543	19 263	740	64	1 476
Q2	26 746	1 757	28 503	7 763	1 901	18 839	164	19 003	20 458	515	94	-2 064
Q3	28 403	1 739	30 142	6 909	1 848	21 385	131	21 516	20 059	1 714	103	-360
Q4	24 999	1 830	26 829	6 869	1 939	18 021	143	18 164	21 309	980	140	-4 265
1998 Q1	26 511	2 217 [†]	28 728	6 768	2 328 [†]	19 632	343	19 975	21 896	1 376	256	-3 553
Q2	27 934	2 099	30 033	6 829	2 210	20 994	220	21 214	22 381	30	381 [†]	-1 578
Q3	30 083	1 891	31 974	6 712	2 002	23 260	248	23 508	23 326	954	379	-1 151
Q4	30 460	1 972	32 432	6 568	2 083	23 781	270	24 051	22 577	2 173	271	-970
1999 Q1	33 226	2 037	35 263	5 543	2 264	27 456	344	27 800	23 303	2 180	301	2 016
Q2	22 850	1 925	24 775	4 841	2 038	17 896	199	18 095	23 035	861	315	-6 116
Q3	25 761	1 608	27 369	5 868	1 722	19 779	216	19 995	24 096	1 275	191	-5 567
Q4	27 675	2 305	29 980	6 356	2 420	21 204	199	21 403	24 029	1 858	229	-4 713
2000 Q1	27 549	2 475	30 024	7 059	2 592	20 373	315	20 688	23 769	1 358	193	-4 632
Q2	30 048	2 429	32 477	6 410	2 526	23 541	20	23 561	23 549	1 123	157	-1 268
Q3	29 989	2 734	32 723	6 491	2 833	23 399	34	23 433	24 256	1 481	158	-2 462
Q4	30 761	2 352	33 113	6 228	2 452	24 433	36	24 469	25 299	1 550	268	-2 648
2001 Q1	28 931	2 253	31 184	6 489	2 354	22 341	200	22 541	24 862	734	238	-3 293
Q2	28 037	2 377	30 414	6 591	2 480	21 343	439	21 782	24 713	1 424	326	-4 681
Q3	29 266	2 262	31 528	6 011	2 365	23 152	485	23 637	24 730	1 606	297	-2 996
Q4	28 130	2 337	30 467	6 970	2 441	21 056	497	21 553	23 730	2 177	277	-4 631
2002 Q1	30 981	2 392	33 373	5 709	2 496	25 168	333 [†]	25 501	24 196	828	336	141
Q2	32 905	2 396	35 301	6 282	2 501	26 518	300	26 818	24 183	529	282	1 824
Q3	33 342	2 501	35 843	6 108	2 607	27 128	392	27 520	24 017	406	306	2 791
Q4	33 394	2 600	35 994	6 333	2 707	26 954	68	27 022	24 423	914	288	1 397
2003 Q1	34 537	2 562	37 099	5 964	2 669	28 466	541	29 007	22 504	-419	197	6 725
Q2	32 371	2 616	34 987	5 479	2 724	26 784	653	27 437	24 478	-454	264	3 149
Q3	35 050	2 602	37 652	6 378	2 711	28 563	786	29 349	23 775	2 251	254	3 069
Q4	35 744	2 419	38 163	5 640	2 529	29 994	712	30 706	24 799	2 576	147	3 184
2004 Q1	36 412	2 592	39 004	5 804	2 702	30 498	798	31 296	25 208	505	267	5 316
Q2	38 419	2 811	41 230	7 238	2 922	31 070	676	31 746	24 866	1 161	275	5 444
Q3	35 333	2 758	38 091	6 608	2 870	28 613	454	29 067	25 286	995	292	2 494
Q4	40 763	2 486	43 249	6 454	2 599	34 196	497	34 693	25 014	1 806	285	7 588
2005 Q1	36 984	2 460	39 444	7 260	2 603	29 581	1 545	31 126	25 440	2 089	233	3 364

1 Quarterly alignment adjustment included in this series.

2 Social contributions and other current transfers.

3 Total resources equals total uses.

4 Social benefits and other current transfers.

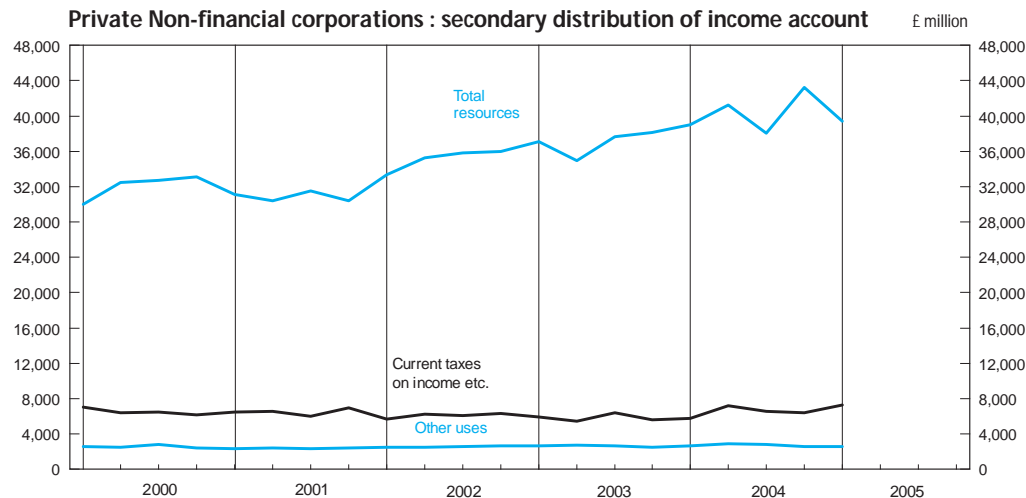
5 Also known as gross saving.

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

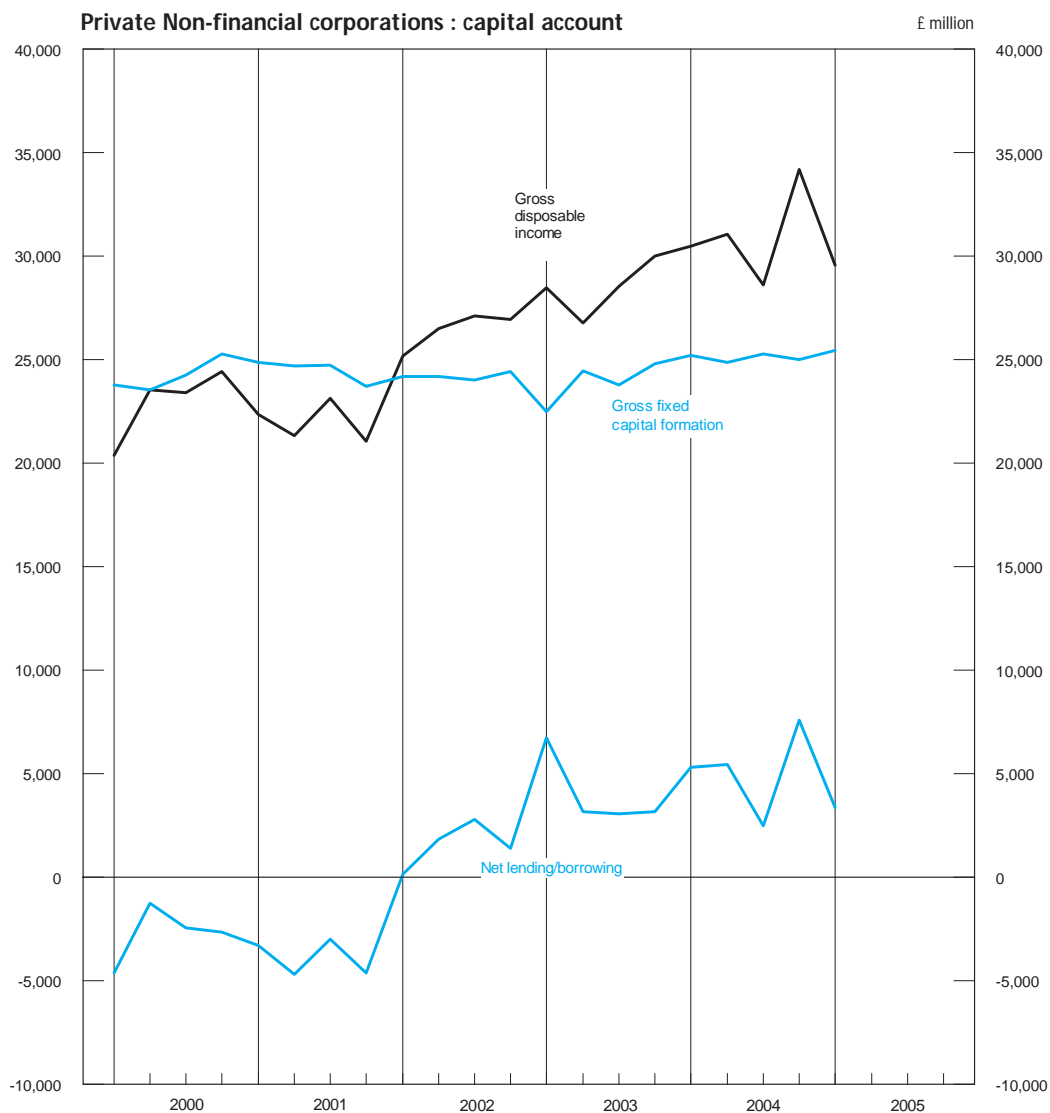
7 Gross of fixed capital consumption.

Source: Office for National Statistics; Enquiries 020 7533 6014

Private Non-financial corporations : secondary distribution of income account



Private Non-financial corporations : capital account



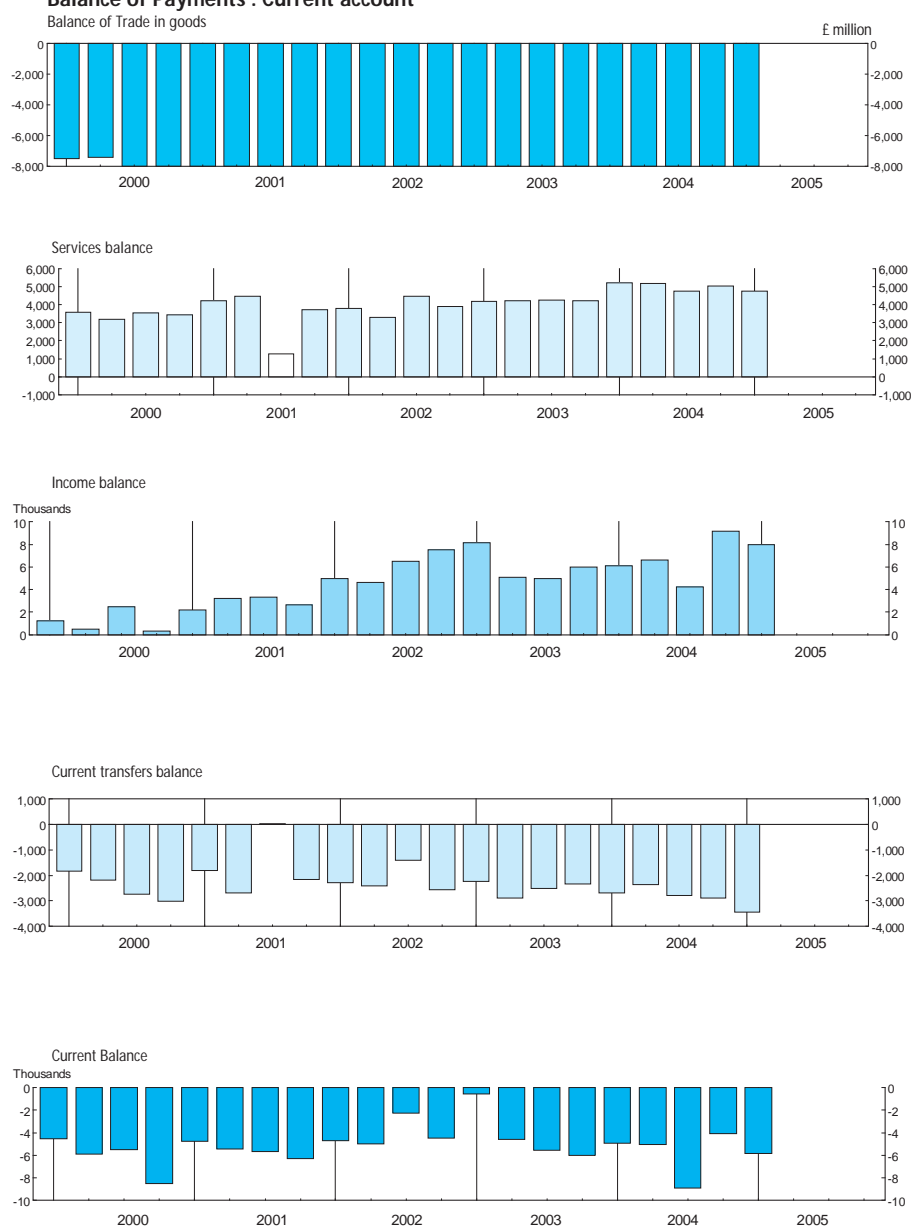
2.13 Balance of payments: current account

£ million

	Trade in goods and services						Income balance	Current transfers balance	Current balance	Current balance as % of GDP ¹
	Exports of goods+	Imports of goods+	Balance of trade in goods	Exports of services	Imports of services	Services balance				
Annual	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	HBOJ	IKBP	HBOP	AA6H
2000	187 936	220 912	-32 976	79 411 [†]	65 685 [†]	13 726 [†]	4 583 [†]	-9 752	-24 419 [†]	-2.6
2001	190 055	230 703	-40 648	83 061	69 358	13 703	11 371	-6 611	-22 185	-2.2
2002	186 511 [†]	233 598 [†]	-47 087 [†]	88 434	72 898	15 536	23 679	-8 615 [†]	-16 487	-1.6
2003	188 615	236 479	-47 864	93 616	76 734	16 882	24 192	-9 961	-16 751	-1.5
2004	190 859	249 473	-58 614	99 100	78 911	20 189	26 163	-10 713	-22 975	-2.0
Quarterly										
2000 Q1	44 374	51 854	-7 480	18 999 [†]	15 435 [†]	3 564 [†]	1 210 [†]	-1 825 [†]	-4 531 [†]	-1.9
Q2	46 851	54 256	-7 405	19 342	16 157	3 185	510	-2 178	-5 888	-2.5
Q3	47 445	56 289	-8 844	20 227	16 690	3 537	2 508	-2 723	-5 522	-2.3
Q4	49 266	58 513	-9 247	20 843	17 403	3 440	355	-3 026	-8 478	-3.5
2001 Q1	49 523	58 884	-9 361	21 764	17 534	4 230	2 182	-1 807	-4 756	-1.9
Q2	48 329	58 774	-10 445	21 922	17 464	4 458	3 202	-2 682	-5 467	-2.2
Q3	46 561	56 911	-10 350	18 775	17 495	1 280	3 355	29	-5 686	-2.3
Q4	45 642	56 134	-10 492	20 600	16 865	3 735	2 632	-2 151	-6 276	-2.5
2002 Q1	46 192 [†]	57 437 [†]	-11 245 [†]	21 716	17 897	3 819	4 993	-2 269	-4 702	-1.8
Q2	49 273	59 820	-10 547	21 475	18 169	3 306	4 649	-2 396	-4 988	-1.9
Q3	46 772	58 663	-11 891	22 936	18 449	4 487	6 521	-1 404	-2 287	-0.9
Q4	44 274	57 678	-13 404	22 307	18 383	3 924	7 516	-2 546	-4 510	-1.7
2003 Q1	49 034	59 686	-10 652	23 179	18 993	4 186	8 126	-2 237	-577	-0.2
Q2	46 813	57 856	-11 043	23 082	18 854	4 228	5 100	-2 898	-4 613	-1.7
Q3	46 302	58 602	-12 300	23 635	19 382	4 253	4 994	-2 501	-5 554	-2.0
Q4	46 466	60 335	-13 869	23 720	19 505	4 215	5 972	-2 325	-6 007	-2.1
2004 Q1	46 165	59 695	-13 530	24 462	19 257	5 205	6 105	-2 688	-4 908	-1.7
Q2	47 180	61 678	-14 498	24 702	19 522	5 180	6 641	-2 361	-5 038	-1.7
Q3	48 083	63 211	-15 128	24 614	19 860	4 754	4 234	-2 786	-8 926	-3.1
Q4	49 431	64 889	-15 458	25 322	20 272	5 050	9 183	-2 878	-4 103	-1.4
2005 Q1	49 056	63 946	-14 890	24 559	19 805	4 754	7 961	-3 431	-5 824	-2.0
Monthly										
2002 Jul	16 486 [†]	20 448 [†]	-3 962 [†]	7 507	5 971	1 536	..	..	..	..
Aug	14 816	18 990	-4 174	7 638	6 067	1 571	..	..	..	..
Sep	15 470	19 225	-3 755	7 639	6 041	1 598	..	..	..	..
Oct	15 055	19 490	-4 435	7 359	6 067	1 292	..	..	..	..
Nov	14 400	19 415	-5 015	7 167	5 802	1 365	..	..	..	..
Dec	14 819	18 773	-3 954	7 228	6 068	1 160	..	..	..	..
2003 Jan	16 537	20 055	-3 518	7 360	6 174	1 186	..	..	..	..
Feb	16 460	19 594	-3 134	7 511	6 233	1 278	..	..	..	..
Mar	16 037	20 037	-4 000	7 568	6 257	1 311	..	..	..	..
Apr	16 545	19 139	-2 594	7 416	6 070	1 346	..	..	..	..
May	15 293	19 405	-4 112	7 504	6 216	1 288	..	..	..	..
Jun	14 975	19 312	-4 337	7 498	6 175	1 323	..	..	..	..
Jul	15 675	19 479	-3 804	7 546	6 333	1 213	..	..	..	..
Aug	15 441	19 037	-3 596	7 694	6 364	1 330	..	..	..	..
Sep	15 186	20 086	-4 900	7 733	6 358	1 375	..	..	..	..
Oct	15 729	20 174	-4 445	7 743	6 389	1 354	..	..	..	..
Nov	15 110	19 919	-4 809	7 735	6 370	1 365	..	..	..	..
Dec	15 627	20 242	-4 615	7 813	6 571	1 242	..	..	..	..
2004 Jan	15 069	20 292	-5 223	7 803	6 375	1 428	..	..	..	..
Feb	15 234	19 458	-4 224	7 856	6 278	1 578	..	..	..	..
Mar	15 862	19 945	-4 083	7 827	6 154	1 673	..	..	..	..
Apr	15 683	20 611	-4 928	8 032	6 252	1 780	..	..	..	..
May	15 426	20 337	-4 911	8 087	6 292	1 795	..	..	..	..
Jun	16 071	20 730	-4 659	8 055	6 393	1 662	..	..	..	..
Jul	15 774	20 987	-5 213	7 888	6 386	1 502	..	..	..	..
Aug	15 876	21 038	-5 162	7 900	6 481	1 419	..	..	..	..
Sep	16 433	21 186	-4 753	7 969	6 533	1 436	..	..	..	..
Oct	16 195	21 541	-5 346	8 058	6 455	1 603	..	..	..	..
Nov	16 516	21 567	-5 051	8 188	6 545	1 643	..	..	..	..
Dec	16 720	21 781	-5 061	8 209	6 610	1 599	..	..	..	..
2005 Jan	16 267	21 440	-5 173	8 324 [†]	6 644 [†]	1 680 [†]
Feb	16 087	21 166	-5 079	8 243	6 616	1 627	..	..	..	..
Mar	16 702	21 340	-4 638	7 992	6 545	1 447	..	..	..	..
Apr	17 017	21 855	-4 838	8 044	6 605	1 439	..	..	..	..

1 Using series YBHA: GDP at current market prices

Sources: Office for National Statistics;
 Enquiries Columns 1-3 020 7533 6064; Columns 4-6 & 8 020 7533 6090;
 Columns 7, 9 & 10 020 7533 6078.

Balance of Payments : Current account

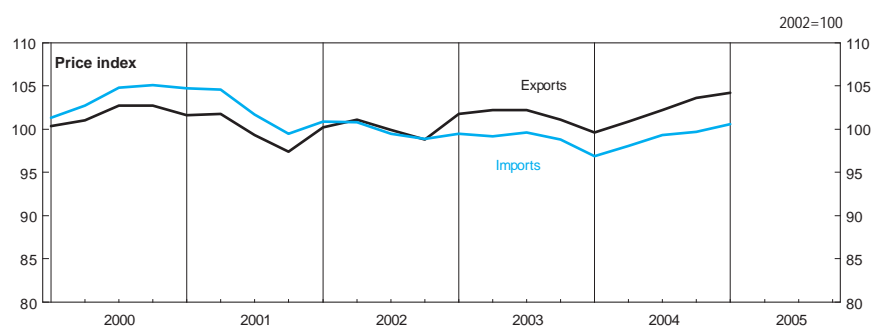
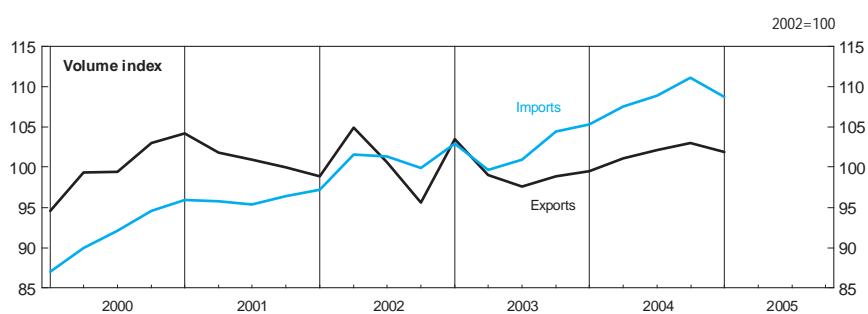
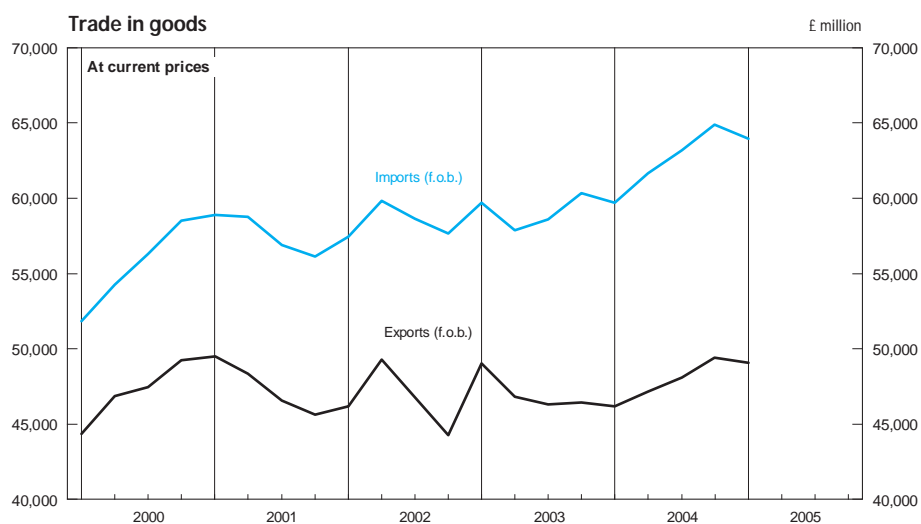
2.14 Trade in goods (on a balance of payments basis)

2002 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade ¹
Annual					
	BQKU	BQKV	BQKR	BQKS	BQKT
2000	99.1 [†]	90.9 [†]	101.7	103.5 [†]	98.3 [†]
2001	101.7	95.9	100.0	102.6	97.5
2002	100.0	100.0	100.0	100.0	100.0
2003	99.7	102.0	101.8 [†]	99.3	102.5
2004	101.4	108.2	101.6	98.5	103.1
Quarterly					
2000 Q1	94.6 [†]	87.0 [†]	100.4	101.3 [†]	99.1 [†]
Q2	99.3	90.0	101.0	102.7	98.3
Q3	99.4	92.1	102.7	104.8	98.0
Q4	103.0	94.6	102.7	105.1	97.7
2001 Q1	104.2	95.9	101.6	104.7	97.0
Q2	101.8	95.8	101.8	104.6	97.3
Q3	100.9	95.4	99.3	101.7	97.6
Q4	100.0	96.4	97.4	99.5	97.9
2002 Q1	98.9	97.2	100.2 [†]	100.9	99.3
Q2	104.9	101.6	101.1	100.8	100.3
Q3	100.6	101.3	99.9	99.5	100.4
Q4	95.6	99.9	98.8	98.9	99.9
2003 Q1	103.5	102.9	101.8	99.5	102.3
Q2	99.0	99.7	102.2	99.2	103.0
Q3	97.6	100.9	102.2	99.6	102.6
Q4	98.9	104.4	101.1	98.8	102.3
2004 Q1	99.5	105.3	99.6	96.9	102.8
Q2	101.1	107.5	100.9	98.1	102.9
Q3	102.1	108.9	102.2	99.3	102.9
Q4	103.0	111.1	103.6	99.7	103.9
2005 Q1	101.9	108.7	104.2	100.6	103.6
Monthly					
2002 Jul	106.2 [†]	106.1 [†]	100.1	99.3 [†]	100.8 [†]
Aug	95.0	98.3	100.4	99.6	100.8
Sep	100.6	99.5	99.2	99.5	99.7
Oct	97.4	101.0	98.9	99.2	99.7
Nov	93.8	101.3	98.3	98.6	99.7
Dec	95.6	97.4	99.3	98.9	100.4
2003 Jan	105.9	103.9	100.4 [†]	98.7	101.7
Feb	104.1	101.9	101.5	99.2	102.3
Mar	100.4	102.9	103.4	100.5	102.9
Apr	104.8	98.4	102.0	99.8	102.2
May	96.8	100.4	102.9	99.3	103.6
Jun	95.4	100.3	101.8	98.5	103.4
Jul	99.3	100.7	101.9	99.1	102.8
Aug	97.3	98.2	102.8	99.8	103.0
Sep	96.3	103.8	102.0	99.8	102.2
Oct	100.5	104.2	101.6	99.3	102.3
Nov	96.1	103.5	100.9	98.9	102.0
Dec	100.0	105.5	100.7	98.3	102.4
2004 Jan	97.0	107.2	99.7	97.2	102.6
Feb	99.2	103.6	98.7	95.9	102.9
Mar	102.3	105.1	100.4	97.6	102.9
Apr	100.8	108.1	100.7	97.7	103.1
May	98.7	105.8	101.7	98.8	102.9
Jun	103.9	108.6	100.3	97.9	102.5
Jul	101.5	109.4	100.6	98.2	102.4
Aug	101.0	109.0	102.3	99.5	102.8
Sep	103.7	108.3	103.7	100.3	103.4
Oct	100.5	110.0	105.3	101.0	104.3
Nov	102.5	110.2	103.9	99.8	104.1
Dec	106.1	113.1	101.7	98.2	103.6
2005 Jan	101.6	109.8	103.6	100.2	103.4
Feb	100.4	107.0	103.7	100.4	103.3
Mar	103.6	109.3	105.4	101.2	104.2
Apr	106.3	111.3	104.7	100.6	104.1

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

Source: Office for National Statistics; Enquiries 020 7533 6064



2.15 Measures of UK competitiveness in trade in manufactures

1995=100

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

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

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

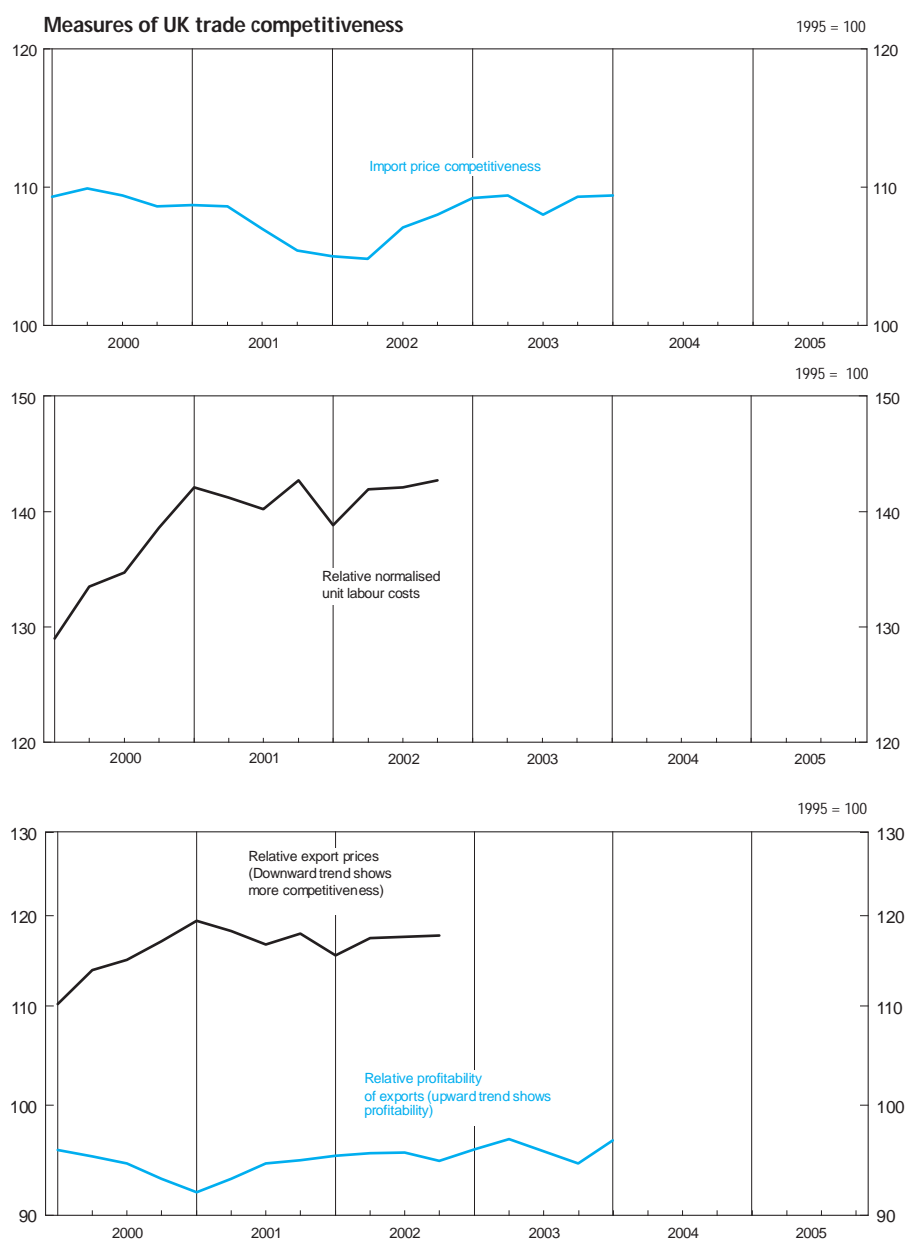
3 Includes the former German Democratic Republic as from 1991 Q1.

4 These series are on a SIC 92 basis.

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

6 Quarterly data have been obtained by interpolating the annuals.

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



3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index ^{3,4} (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index ⁶ (January 13, 1987=100)		Purchasing power of the pound ⁷ (NSA) (1985=100)	
	Materials and fuel purchased by manu- facturing industry (SA) ^{1,2}	Output: all manufact- ured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY) ⁵		1-person household	2-person household		
			Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index				
Annual	RNPE	PLLU	CHVJ		CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
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	98.4	103.4	111.2		1.4	186.3	2.8	184.0	2.2	175.4	2.1	160.9	166.6	51
Q3	100.8	104.2	111.2		1.2	187.4	3.1	184.3	2.1	175.6	1.9	160.5	166.1	50
Q4	103.3	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	105.7r [†]	105.2	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	97.2	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	101.2	104.9	112.5		1.6	189.9	3.5	186.4	2.5	177.9	2.5	..	..	50
2005 Jan	104.9r [†]	104.8	111.9		1.6	188.9	3.2	185.2	2.1	176.7	2.0	..	..	50
Feb	105.2r	105.1	112.2		1.6	189.6	3.2	185.9	2.1	177.4	2.0	..	..	50
Mar	106.9	105.8 [†]	112.7		1.9	190.5	3.2	186.8	2.4	178.3	2.3	..	..	50
Apr	107.1p	106.5p	113.1		1.9	191.6	3.2	187.8	2.3	179.0	2.3	..	..	49
May	107.4p	106.3p	113.5		1.9	192.0	2.9	188.2	2.1	179.4	2.2	..	..	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).

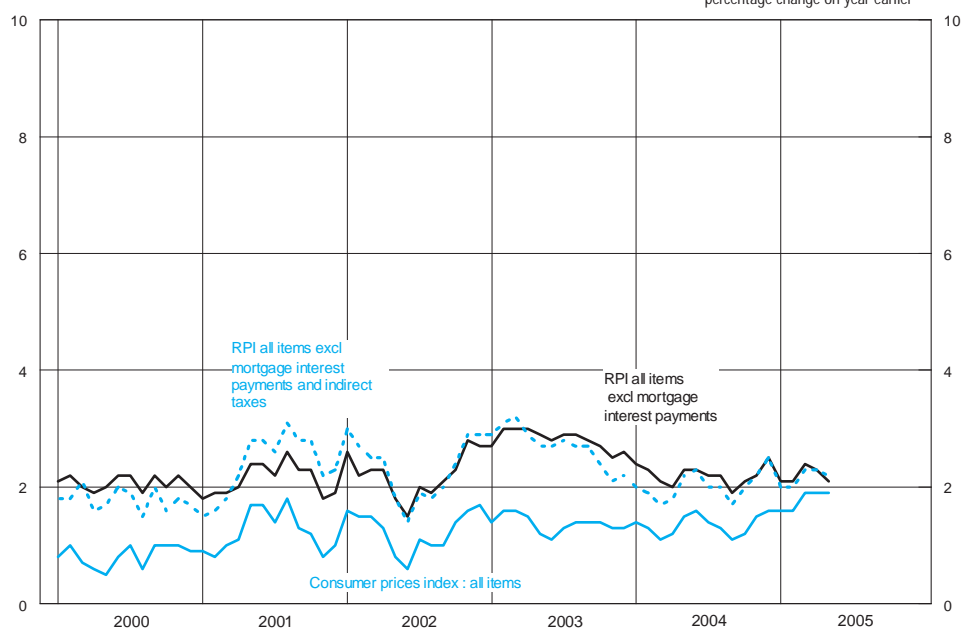
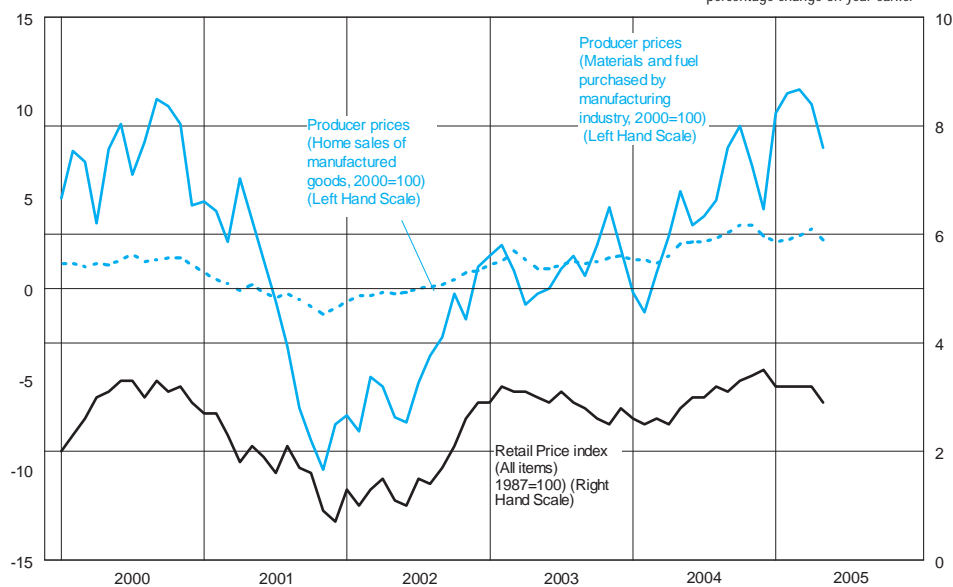
5 The taxes excluded are council tax, VAT, duties, car purchase tax and vehicle excise duty, insurance tax and airport tax.

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^{1,2}

United Kingdom

Thousands, seasonally adjusted³

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 ⁴
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
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
Percentage change on quarter										
2004q4 to 2005q1	0.4	-0.4	10.0	0.1	0.3	-1.1	0.2	0.0	0.2	
Percentage change on year										
2004q1 to 2005q1	0.7	-0.1	-2.5	10.5	0.6	-1.6	0.5	0.8	0.6	
MALE										
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
Percentage change on quarter										
2004q4 to 2005q1	0.4	-0.6	12.6	-7.2	0.2	-0.8	0.2	0.2	0.2	
Percentage change on year										
2004q1 to 2005q1	0.6	0.4	-7.1	6.7	0.6	-1.3	0.5	1.4	0.8	
FEMALE										
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
Percentage change on quarter										
2004q4 to 2005q1	0.3	0.4	8.3	11.0	0.4	-1.4	-0.1	-0.1	0.1	
Percentage change on year										
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^{1,2}

United Kingdom

Thousands, not seasonally adjusted

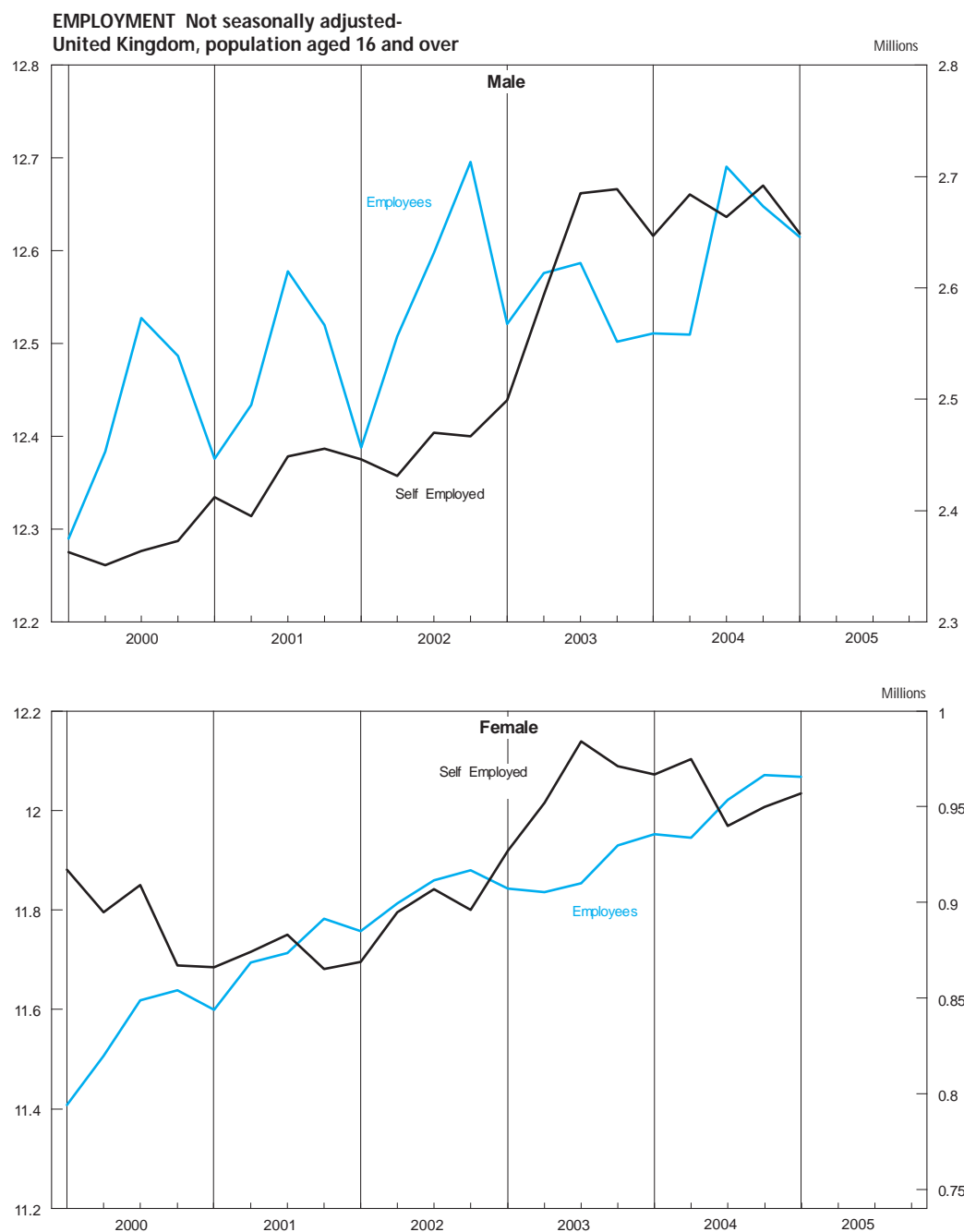
	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 ³
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
TOTAL										
2002 Q3	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2002 Q3	24 458	3 377	97	90	28 022	1 633	29 656	17 142	46 798	74.7
2002 Q4	24 576	3 363	95	99	28 133	1 476	29 609	17 263	46 872	74.9
2003 Q1	24 363	3 426	83	99	27 971	1 525	29 497	17 450	46 946	74.3
2003 Q2	24 412	3 545	86	91	28 134	1 416	29 550	17 470	47 020	74.6
2003 Q3	24 441	3 670	110	101	28 321	1 572	29 892	17 202	47 094	74.9
2003 Q4	24 433	3 660	100	110	28 303	1 422	29 724	17 445	47 169	74.7
2004 Q1	24 463	3 615	104	121	28 302	1 429	29 731	17 513	47 244	74.6
2004 Q2	24 454	3 659	96	121	28 330	1 387	29 717	17 601	47 318	74.5
2004 Q3	24 713	3 603	91	123	28 530	1 463	29 993	17 399	47 392	75.0
2004 Q4	24 719	3 642	97	127	28 586	1 378	29 963	17 502	47 465	75.0
2005 Q1	24 683	3 606	105	130	28 524	1 398	29 922	17 616	47 538	74.7
Percentage change on year 2004q1 to 2005q1	0.9	-0.2	1.0	7.4	0.8	-2.2	0.6	0.6	0.6	
MALE										
2002 Q3	MGTB	MGTE	MGTH	MGTK	MGTN	MGTO	MGTT	MGTW	MGSM	MGUI
2002 Q3	12 598	2 470	36	57	15 161	971	16 132	6 475	22 606	79.4
2002 Q4	12 696	2 467	34	63	15 260	867	16 127	6 523	22 650	79.7
2003 Q1	12 521	2 499	27	59	15 107	938	16 045	6 649	22 694	78.7
2003 Q2	12 576	2 594	31	52	15 253	864	16 116	6 621	22 738	79.3
2003 Q3	12 587	2 685	41	58	15 371	921	16 292	6 489	22 781	79.8
2003 Q4	12 502	2 689	38	62	15 291	855	16 146	6 679	22 825	79.2
2004 Q1	12 511	2 647	44	70	15 273	851	16 124	6 745	22 869	79.0
2004 Q2	12 510	2 684	40	71	15 305	819	16 124	6 789	22 913	79.0
2004 Q3	12 691	2 664	35	73	15 462	840	16 302	6 653	22 956	79.7
2004 Q4	12 648	2 692	37	77	15 454	808	16 262	6 735	22 997	79.5
2005 Q1	12 615	2 649	43	72	15 379	835	16 213	6 824	23 038	79.0
Percentage change on year 2004q1 to 2005q1	0.8	0.1	-2.3	2.9	0.7	-1.9	0.6	1.2	0.7	
FEMALE										
2002 Q3	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2002 Q3	11 860	907	60	33	12 862	662	13 524	10 668	24 192	69.8
2002 Q4	11 880	896	61	36	12 873	609	13 482	10 740	24 222	69.8
2003 Q1	11 843	927	55	40	12 865	587	13 452	10 801	24 252	69.6
2003 Q2	11 836	952	55	39	12 881	552	13 434	10 849	24 283	69.6
2003 Q3	11 854	984	69	43	12 950	650	13 600	10 713	24 313	69.7
2003 Q4	11 930	971	62	48	13 011	567	13 578	10 766	24 344	70.0
2004 Q1	11 952	967	60	51	13 029	578	13 608	10 767	24 375	69.9
2004 Q2	11 945	975	56	50	13 025	568	13 593	10 812	24 405	69.7
2004 Q3	12 022	940	56	50	13 068	623	13 691	10 746	24 437	70.0
2004 Q4	12 071	950	60	51	13 132	570	13 702	10 767	24 469	70.2
2005 Q1	12 068	957	62	58	13 146	563	13 709	10 792	24 501	70.1
Percentage change on year 2004q1 to 2005q1	1.0	-1.0	3.3	13.7	0.9	-2.6	0.7	0.2	0.5	

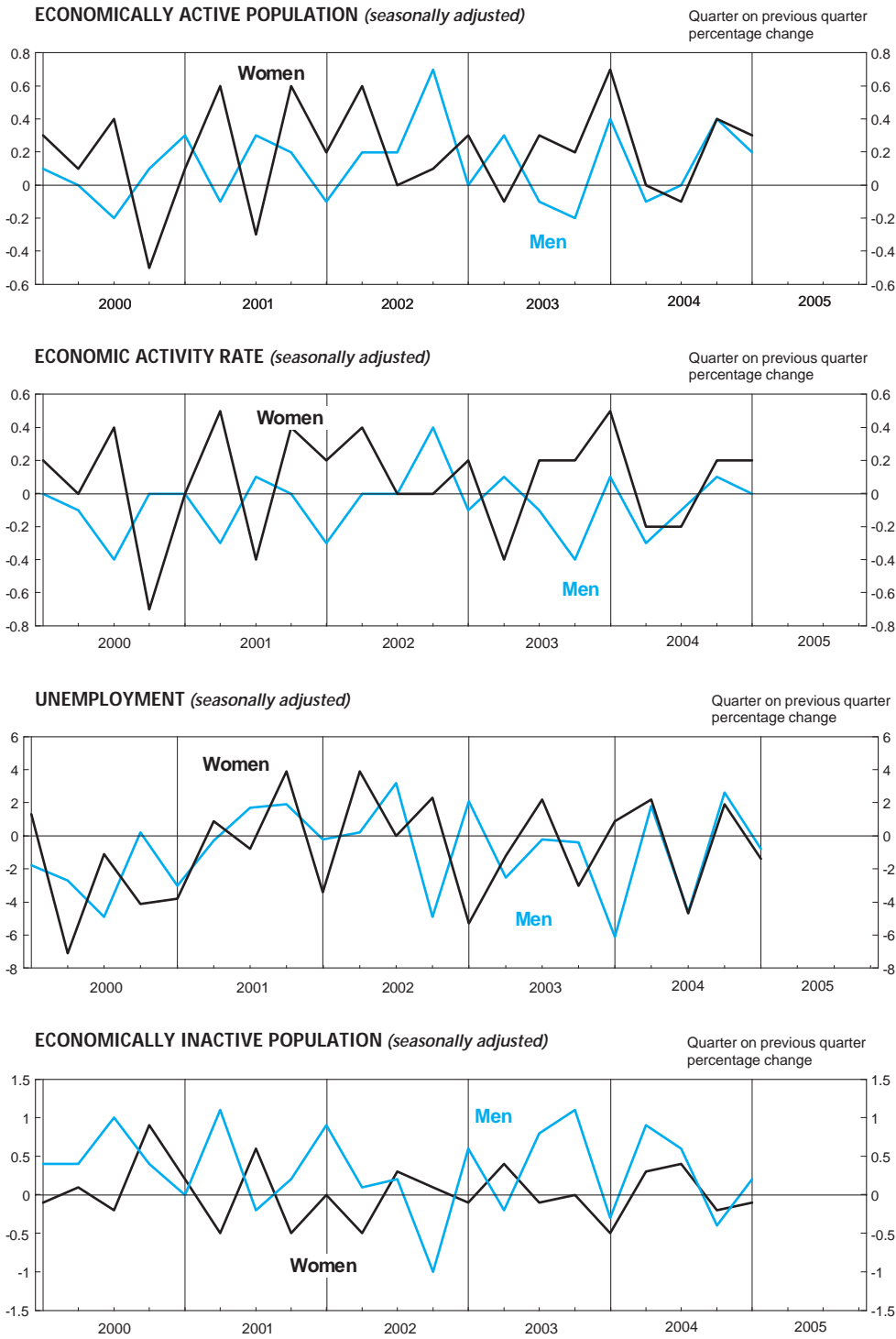
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

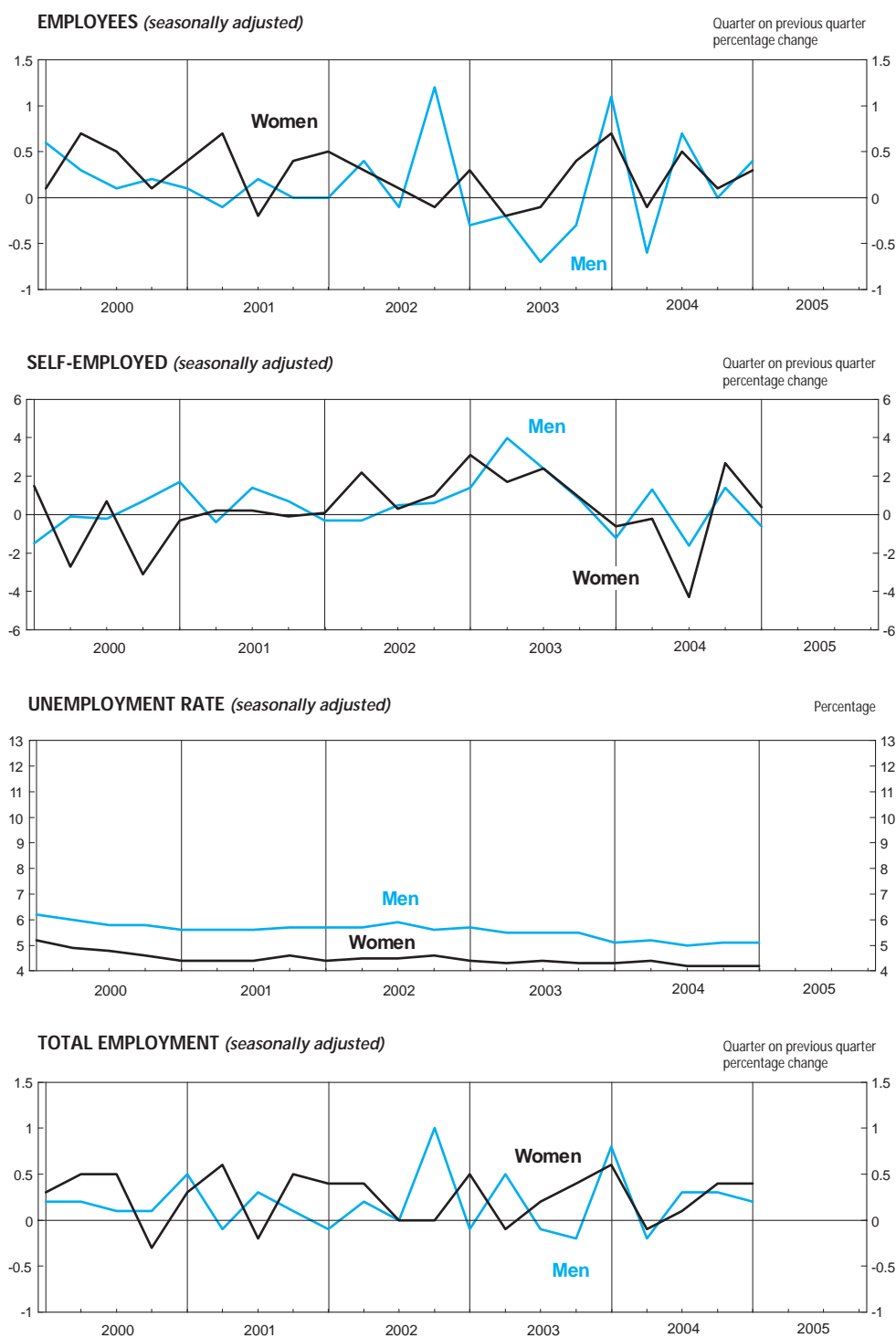
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases*.

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^{1,2}

United Kingdom

Thousands, seasonally adjusted³

	Total aged 16 and over			Age groups ⁴							
	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) ⁵											
	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) ⁶											
	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 ¹					Claimant count ^{5,6,9}			
	Workforce jobs ^{2,3,4}	Employee jobs ^{3,4}				Total	Percentage of workforce jobs and claimant count ⁷	Total Not seasonally adjusted	Job Centre vacancies ^{8,10}
		All industries	Manufacturing industry	Production industry	Service industries				
Annual	DYDC	BCAJ	YEJA	YEJF	YEID	BCJD	BCJE	BCJA	DPCB
2001	29 737	25 905	3 803	4 012	20 441	969.9	3.2	983.0	..
2002	29 875	25 990	3 599	3 801	20 771	946.6	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	..
Quarterly									
2001 Q1	29 643	25 817	3 858	4 065	20 322	999.7	3.3	1 064.1	394.1
Q2	29 737	25 905	3 803	4 012	20 441	970.7	3.2	978.4	..
Q3	29 726	25 914	3 753	3 960	20 502	949.7	3.1	958.5	..
Q4	29 840	25 999	3 700	3 906	20 643	959.7	3.1	931.0	..
2002 Q1	29 845	26 024	3 648	3 854	20 719	952.5	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	30 547 [†]	26 384 [†]	3 241 [†]	3 418 [†]	21 411 [†]	831.1	2.7	806.7	..
2005 Q1	30 625	26 474	3 221	3 398	21 509	820.9	2.6	879.8	..
Monthly									
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	..	26 384 [†]	3 241 [†]	3 418 [†]	21 406 [†]	825.0	2.6	810.2	..
2005 Jan	..	..	3 238	3 415	..	813.8	2.6	872.1	..
Feb	..	..	3 229	3 405	..	817.7	2.6	885.0	..
Mar	..	26 474	3 221	3 398	21 509	831.3	2.7	882.3	..
Apr	..	..	3 215	3 392	..	842.1 [†]	2.7	871.8	..
May	..	..	..	..	..	855.3	2.7	867.6	..

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

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

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

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

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

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

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

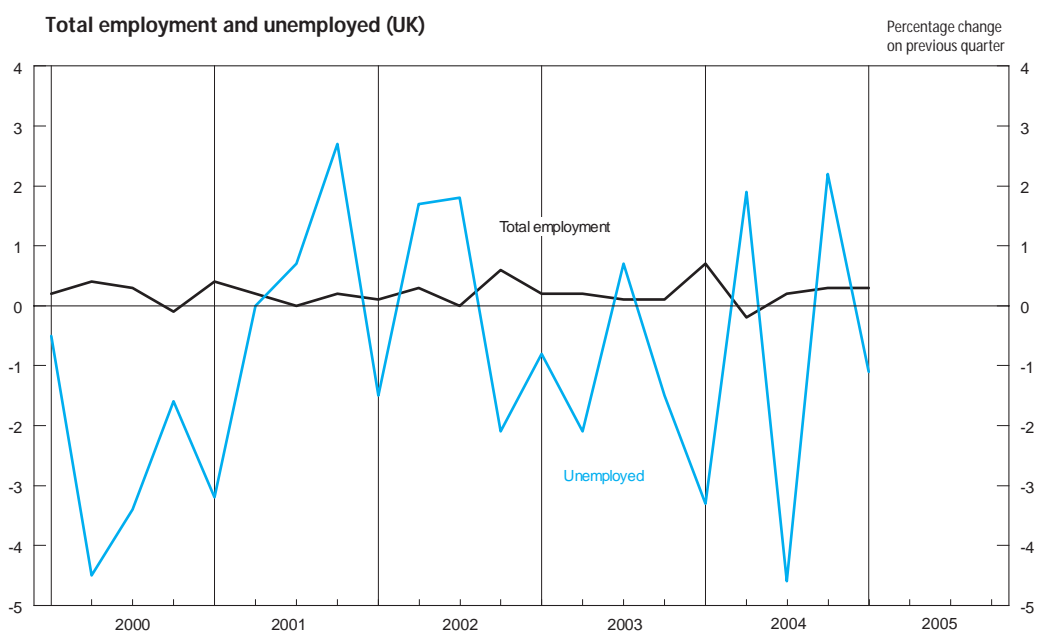
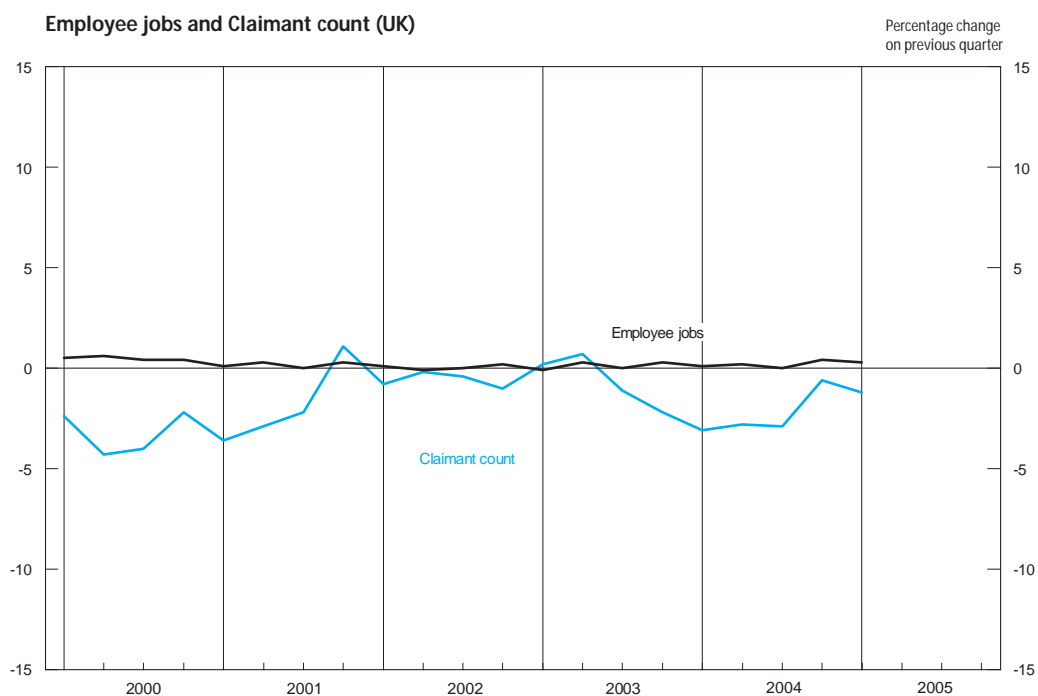
7 The denominator used to calculate claimant count unemployment rates is comprised of the workforce jobs plus the claimant count.

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

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

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

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



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

Percentages

	North East	North West ³	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
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	
Quarterly								
	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.

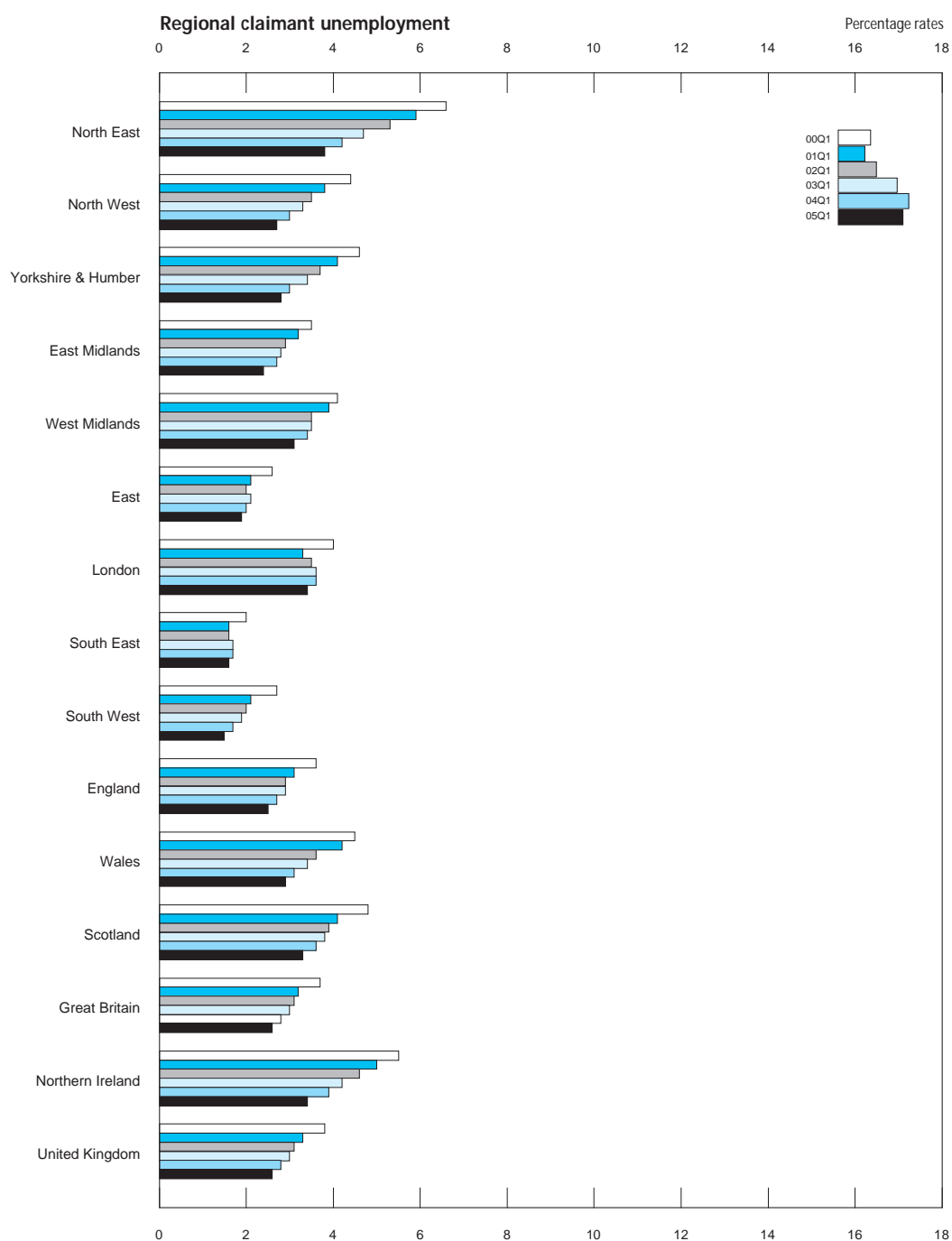
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

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^{1,2} by Government Office Region

Percentages, seasonally adjusted ⁴

	North East	North West ³	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
Quarterly								
	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ
1999 Q1	9.5	6.6	6.8	5.1	7.1	4.2	7.7	3.9
Q2	9.6	6.3	6.3	5.4	6.9	4.3	7.5	4.0
Q3	9.7	6.3	6.0	5.6	6.4	3.9	7.4	3.9
Q4	8.4	6.0	6.1	5.4	6.7	4.2	7.1	4.0
2000 Q1	8.8	6.0	6.4	5.1	6.1	3.9	7.6	3.5
Q2	8.9	5.3	6.1	4.8	6.1	3.7	7.4	3.3
Q3	8.9	5.4	5.9	4.8	5.7	3.7	6.9	3.1
Q4	7.7	5.3	6.1	4.7	6.0	3.6	6.8	3.4
2001 Q1	7.6	5.2	5.4	4.7	5.6	3.5	6.5	3.4
Q2	7.4	5.3	5.5	5.0	5.5	3.6	6.2	3.2
Q3	7.1	5.1	5.3	4.6	5.4	4.0	6.6	3.4
Q4	7.2	5.4	5.1	4.5	5.5	3.9	7.4	3.4
2002 Q1	7.2	5.4	5.0	4.8	5.6	3.6	6.9	3.6
Q2	6.5	5.5	5.3	4.6	5.7	3.7	6.8	3.9
Q3	6.3	5.5	5.6	4.6	5.9	3.8	7.1	4.0
Q4	7.5	5.0	5.1	4.7	5.7	4.1	6.7	4.0
2003 Q1	6.4	5.0	5.2	4.1	6.0	4.6	7.0	3.9
Q2	6.1	4.9	5.1	4.4	5.6	4.0	7.2	4.0
Q3	6.7	4.8	4.9	4.5	5.9	3.9	7.2	3.9
Q4	6.5	4.8	5.1	4.4	5.8	3.5	7.1	3.8
2004 Q1	5.4	4.6	4.7	4.7	5.5	3.4	6.9	3.9
Q2	5.5	4.4	4.6	4.4	5.5	3.8	7.0	3.7
Q3	5.9	4.3	4.5	4.0	5.0	3.5	7.1	3.7
Q4	6.3	4.6	4.7	4.1	4.8	3.8	7.3	3.5
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	

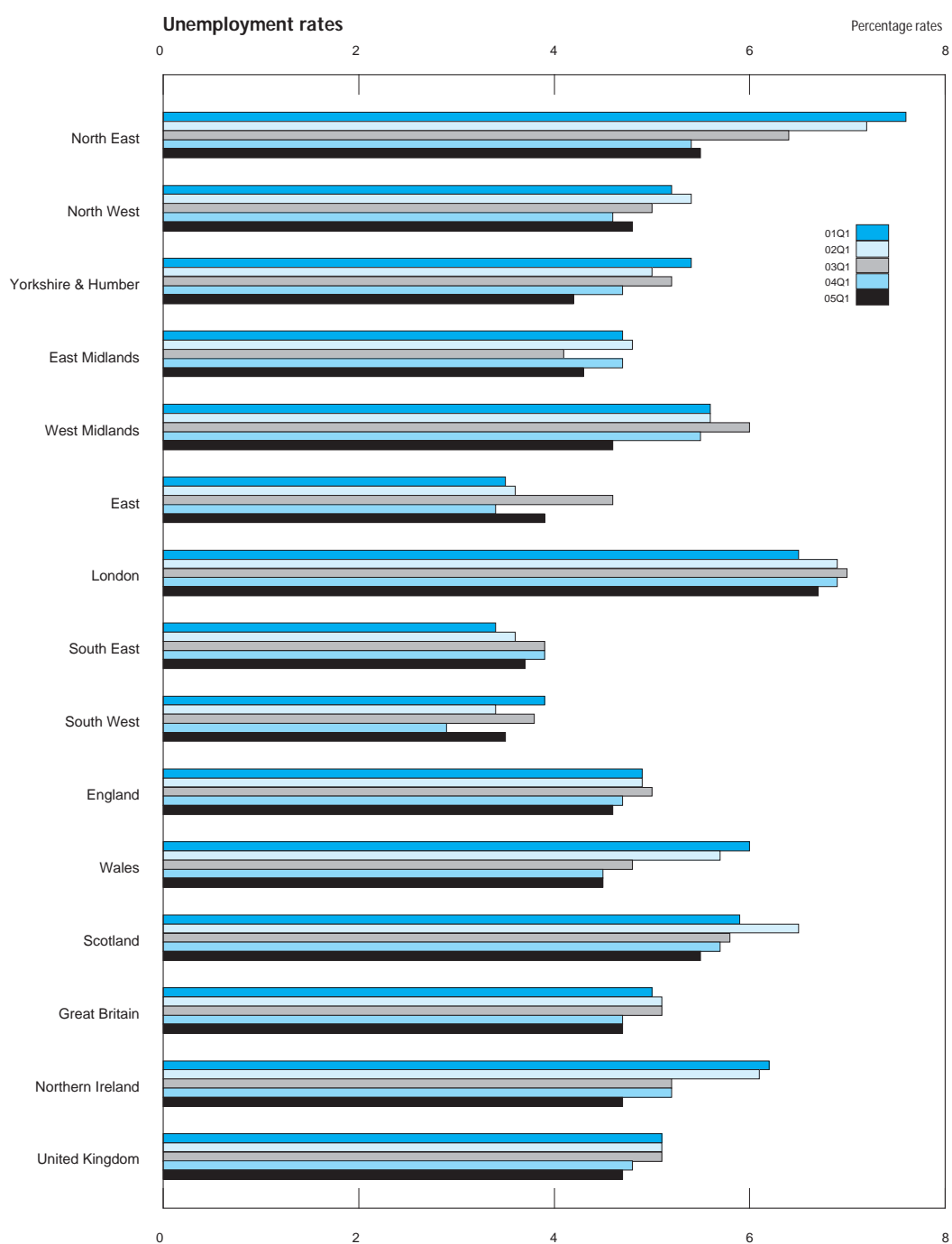
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

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

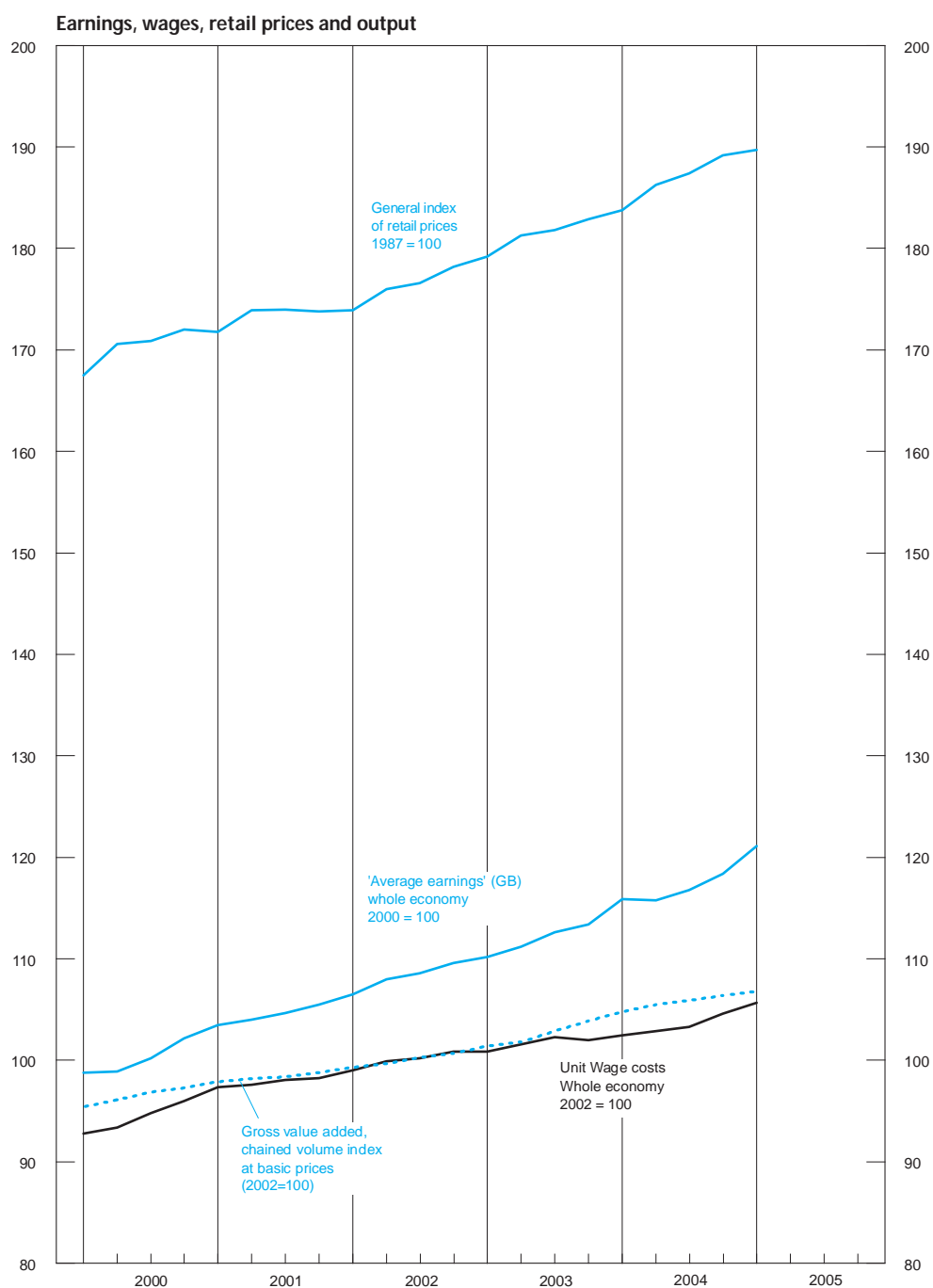
		Whole economy ¹	3 month average ²	Private sector	3 month average ²	Public sector	3 month average ²	Manufacturing industries ³	3 month average ^{2,3}	Production industries	3 month average ²	Service industries	3 month average ²	Private sector services	3 month average ²
Annual		LNMQ		LNKY		LNNJ		LNMR		LNMS		LNMT		JJGH	
2001		104.4		104.3		105.0		104.3		104.2		104.4		104.2	
2002		108.2		107.9		109.3		108.0		107.9		108.1		107.7	
2003		111.8		111.1		114.8		111.9		111.7		111.8		110.7	
2004		116.7 [†]		116.0		119.8		115.9 [†]		115.8		116.7		115.6	
Monthly			LNNC		LNNB		LNNF		LNNH		LNNI		LNNJ		JJGJ
2001	Jan	103.3	4.6	103.4	4.7	102.2	3.8	102.8	4.5	102.7	4.3	103.3	4.6	103.5	4.7
	Feb	103.7	4.8	103.8	4.9	102.6	3.6	103.2	4.6	103.4	4.4	103.7	4.8	103.9	4.9
	Mar	103.5	4.7	103.4	4.7	103.3	3.7	103.6	4.8	103.5	4.6	103.6	4.7	103.6	4.7
	Apr	103.8	5.0	103.7	5.0	104.6	4.4	103.8	5.2	103.7	5.1	103.7	4.9	103.5	4.9
	May	103.9	5.0	103.7	5.0	105.0	5.2	104.1	5.1	104.0	5.0	103.8	5.0	103.4	5.0
	Jun	104.2	5.2	104.0	5.2	105.2	5.5	104.3	4.9	104.1	4.8	104.1	5.1	103.8	5.1
	Jul	104.4	5.1	104.2	5.0	105.6	5.6	104.4	4.7	104.3	4.6	104.2	5.1	103.9	5.0
	Aug	104.8	4.9	104.6	4.7	105.9	5.6	104.8	4.7	104.6	4.6	104.7	4.8	104.3	4.6
	Sep	105.0	4.6	104.8	4.4	105.9	5.7	105.2	4.5	105.0	4.4	104.9	4.5	104.5	4.1
	Oct	105.2	4.2	105.0	3.9	106.5	5.7	105.2	4.3	105.1	4.2	105.1	4.1	104.8	3.7
	Nov	105.4	3.9	105.2	3.6	106.5	5.4	105.1	3.7	105.0	3.6	105.6	3.9	105.3	3.4
	Dec	106.0	3.3	105.8	2.9	106.8	5.2	105.4	3.1	105.2	3.1	106.0	3.3	105.7	2.8
2002	Jan	106.3	3.0	106.1	2.6	107.1	4.9	106.0	2.9	105.9	2.8	106.3	3.0	106.0	2.5
	Feb	107.0	2.9	106.9	2.6	107.2	4.7	105.8	2.7	105.6	2.6	107.1	2.9	106.9	2.4
	Mar	106.2	3.0	105.8	2.7	107.9	4.5	106.8	2.9	106.9	2.8	106.2	2.9	105.6	2.4
	Apr	107.9	3.3	107.9	3.1	108.3	4.1	107.3	3.0	107.1	2.9	107.8	3.2	107.7	3.0
	May	107.9	3.5	107.7	3.4	108.7	3.8	107.6	3.3	107.5	3.3	107.9	3.5	107.6	3.4
	Jun	108.1	3.8	108.0	3.9	108.8	3.5	108.1	3.5	107.9	3.4	108.1	3.9	107.9	4.0
	Jul	108.5	3.8	108.3	3.8	109.8	3.6	108.3	3.6	108.2	3.6	108.5	3.9	108.1	4.0
	Aug	108.5	3.7	108.4	3.8	109.0	3.4	108.8	3.7	108.7	3.8	108.3	3.8	108.0	3.8
	Sep	108.8	3.7	108.5	3.7	110.0	3.6	108.8	3.6	108.7	3.7	108.7	3.7	108.2	3.7
	Oct	109.2	3.6	108.8	3.6	110.9	3.7	109.3	3.7	109.2	3.8	109.0	3.6	108.4	3.5
	Nov	109.8	3.8	109.3	3.7	111.7	4.3	109.4	3.8	109.3	3.9	110.0	3.8	109.4	3.6
	Dec	109.7	3.8	109.2	3.6	112.1	4.7	109.9	4.1	109.8	4.1	109.5	3.7	108.6	3.4
2003	Jan	109.9	3.7	109.3	3.4	112.5	5.0	110.0	4.0	109.9	4.1	109.7	3.5	108.7	3.0
	Feb	110.2	3.3	109.5	2.9	112.8	5.1	110.4	4.1	110.1	4.1	109.9	3.0	108.8	2.3
	Mar	110.6	3.5	109.9	3.1	113.3	5.1	113.9	5.0	113.8	4.8	110.3	3.2	109.2	2.5
	Apr	110.7	3.2	109.9	2.7	113.9	5.1	110.1	4.5	110.1	4.5	110.6	3.0	109.5	2.3
	May	111.3	3.3	110.7	2.8	113.7	4.9	110.9	4.1	110.8	4.1	111.4	3.3	110.6	2.6
	Jun	111.5	3.0	110.8	2.4	114.7	5.1	111.2	2.8	111.2	2.9	111.6	3.1	110.6	2.3
	Jul	112.6	3.4	111.9	2.9	115.6	5.1	111.7	3.0	111.6	3.1	112.9	3.5	111.9	3.0
	Aug	112.3	3.5	111.5	2.9	115.5	5.6	112.1	3.0	111.9	3.0	112.4	3.7	111.2	3.0
	Sep	112.9	3.7	112.1	3.2	116.0	5.6	112.6	3.2	112.4	3.2	112.8	3.9	111.7	3.3
	Oct	113.1	3.6	112.4	3.2	116.0	5.4	112.8	3.2	112.7	3.2	113.0	3.7	111.9	3.2
	Nov	113.7	3.6	112.9	3.3	116.4	4.8	113.4	3.4	113.3	3.4	113.8	3.6	112.7	3.2
	Dec	113.5	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	4.6	117.3	4.6	117.1	4.2	114.1	3.5	113.9	3.4	118.3	4.9	118.7	5.1
	Feb	114.1 [†]	4.6	113.3 [†]	4.7	117.8	4.3 [†]	114.5 [†]	3.6	114.4 [†]	3.5 [†]	113.7 [†]	5.0	112.4 [†]	5.2
	Mar	116.3	5.1 [†]	115.7	5.4 [†]	118.4	4.3	117.5	3.5 [†]	117.1	3.5	115.8	5.5	114.9	5.9 [†]
	Apr	115.6	4.4	115.0	4.4	118.5	4.3	115.3	3.9	115.5	3.9	115.5	4.3 [†]	114.5	4.4
	May	115.8	4.6	115.1	4.6	119.0	4.4	115.6	4.0	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	4.4	115.5	4.4	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	120.6	4.7	120.0	4.7	123.3 [†]	4.6	118.8	3.5	118.6	3.5	120.9	4.9	120.1	5.0
	Mar	120.8	4.5	120.2	4.6	123.4	4.5	121.4	3.4	120.8	3.4	120.9	4.9	119.9	5.0
	Apr ¹	120.6	4.6	119.8	4.7	124.3	4.6	119.6	3.6	119.6	3.5	120.8	5.1	119.6	5.2

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 costs¹

United Kingdom

2002 = 100

	Productivity jobs			Output per worker ²	Output per filled job ³			Output per hour worked ⁴			Unit wage costs ⁵	
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Manufacturing industries
Annual	LNNM	LNOJ	LNOK	A4YM	LNNN	LNNW	LNNX	LZVB	LZVK	LZVF	LNNK	LNNQ
2002	100.0 [†]	100.0 [†]	100.0 [†]	100.7	100.0 [†]	100.0 [†]	100.0 [†]	100.0 [†]	100.0 [†]	100.0 [†]	100.0 [†]	100.0 [†]
2003	100.9	95.3	95.2	101.9	101.6	104.4	105.1	102.1	104.2	104.9	101.7	98.5
2004	101.6	91.7	91.7	102.3	104.0	109.3	111.2	104.6	108.4	110.2	103.3	96.6
Quarterly												
2002 Q1	99.6 [†]	101.6 [†]	101.6 [†]	100.4	99.6 [†]	98.4 [†]	98.6 [†]	99.1 [†]	97.5 [†]	97.7 [†]	99.0 [†]	99.7 [†]
Q2	99.9	100.8	100.8	100.3	99.8	99.5	98.9	100.2	100.4	99.8	99.9	100.9
Q3	100.0	99.2	99.2	101.2	100.3	100.9	101.5	100.2	101.5	102.1	100.2	99.1
Q4	100.4	98.3	98.3	100.9	100.3	101.3	101.0	100.6	100.6	100.3	100.9	100.3
2003 Q1	100.7	97.4	97.3	101.1	100.7	102.1	102.2	101.0	101.6	101.6	100.9	101.0
Q2	100.8	95.9	95.7	101.2	101.0	103.3	103.9	101.3	103.3	103.9	101.6	98.6
Q3	100.9	94.6	94.5	102.1	101.9	105.2	106.1	102.3	104.6	105.5	102.3	97.8
Q4	101.0	93.4	93.3	103.0	102.8	107.2	108.4	103.8	107.5	108.5	102.0	96.7
2004 Q1	101.5	92.7	92.6	102.9	103.3	108.1	109.5	103.7	107.5	108.8	102.5	97.5
Q2	101.5	92.2	92.2	104.0	103.9	109.5	111.0	104.9	108.8	110.2	102.9	96.4
Q3	101.5	91.4	91.4	104.4	104.3	109.3	111.2	105.2	108.1	110.1	103.3	96.5
Q4	101.7	90.6	90.5	104.7	104.6	110.4	113.0	104.5	109.2	111.8	104.6	95.8
2005 Q1	102.0	90.0	89.9	..	104.7	110.2	112.7	104.8	108.3	111.0	105.7	98.0
Monthly												
2004 Jan	..	..	92.6 [†]	109.3 [†]	96.6 [†]
Feb	..	..	92.6	..	..	..	108.9	..	..	..	..	97.4
Mar	..	..	92.7	..	..	..	110.3	..	..	..	..	98.6
Apr	..	..	92.3	..	..	..	110.8	..	..	..	..	96.3
May	..	..	92.1	..	..	..	111.0	..	..	..	..	96.4
Jun	..	..	92.1	..	..	..	111.1	..	..	..	..	96.4
Jul	..	..	91.8	..	..	..	110.5	..	..	..	..	97.1
Aug	..	..	91.4	..	..	..	111.1	..	..	..	..	96.5
Sep	..	..	91.0	..	..	..	112.1	..	..	..	..	95.9
Oct	..	..	90.8	..	..	..	111.5	..	..	..	..	96.8
Nov	..	..	90.4	..	..	..	113.4	..	..	..	..	95.1
Dec	..	..	90.3	..	..	..	114.0	..	..	..	..	95.6
2005 Jan	..	..	90.1	..	..	..	113.2	..	..	..	..	96.2
Feb	..	..	89.9	..	..	..	113.3	..	..	..	..	97.0
Mar	..	..	89.6	..	..	..	111.6	..	..	..	..	100.7
Apr	..	..	89.4	..	..	..	112.3	..	..	..	..	98.5

Percentage change, quarter on corresponding quarter of previous year

Quarterly	LNNO	LNNR	LNNS	A4YN	LNNP	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE	LOJF
2002 Q1	0.7	-4.5 [†]	-4.6	0.6	0.7 [†]	0.2 [†]	-0.4 [†]	1.3 [†]	-0.4 [†]	-0.8 [†]	1.6 [†]	3.3 [†]
Q2	0.6 [†]	-4.5	-4.5	0.4	0.9	2.1	1.2	2.6	4.1	3.3	2.4	2.3
Q3	0.7	-4.6	-4.6	1.1	1.2	2.5	2.5	2.1	4.1	4.3	2.2	1.1
Q4	1.0	-4.3	-4.3	0.6	0.9	3.7	2.9	1.8	3.7	3.0	2.6	1.2
2003 Q1	1.0	-4.2	-4.3	0.7	1.1	3.7	3.6	1.9	4.3	4.0	1.9	1.3
Q2	0.9	-4.9	-5.0	0.9	1.2	3.8	5.1	1.1	2.9	4.0	1.7	-2.3
Q3	0.9	-4.7	-4.8	0.9	1.6	4.3	4.5	2.1	3.0	3.3	2.1	-1.3
Q4	0.6	-5.1	-5.1 [†]	2.1	2.6	5.9	7.2	3.3	6.9	8.2	1.1	-3.6
2004 Q1	0.8	-4.8	-4.7	1.7	2.6	5.9	7.2	2.7	5.8	7.1	1.6	-3.4
Q2	0.7	-3.8	-3.7	2.8	2.9	6.0	6.8	3.5	5.4	6.1	1.2	-2.3
Q3	0.6	-3.4	-3.3	2.2	2.3	3.9	4.8	2.8	3.4	4.3	0.9	-1.4
Q4	0.7	-2.9	-3.0	1.7	1.7	3.0	4.3	0.7	1.6	3.0	2.6	-0.9
2005 Q1	0.6	-3.0	-3.0	..	1.4	2.0	3.0	1.0	0.8	2.0	3.2	0.4

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

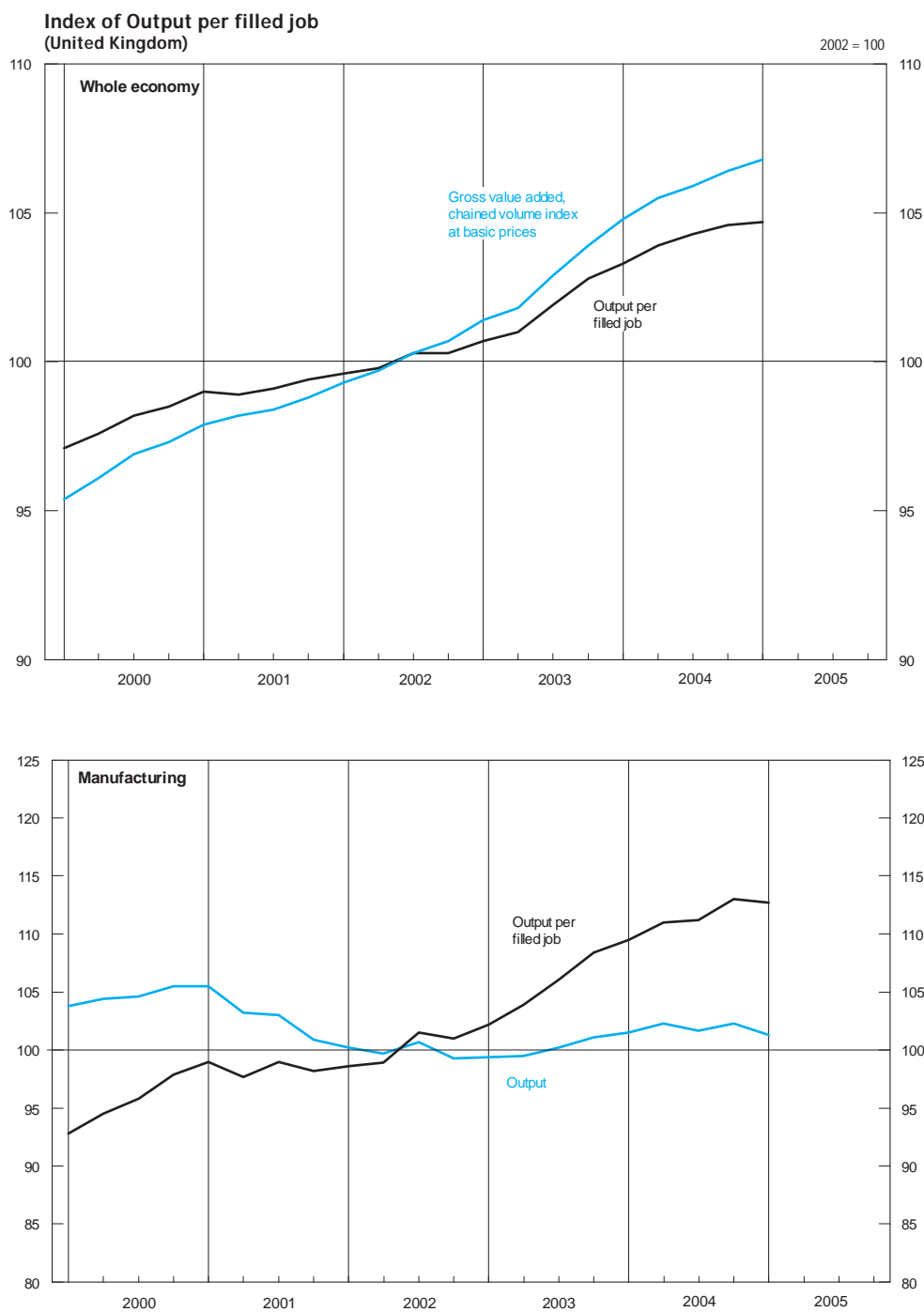
2 Output per worker is the ratio of Gross value Added (GVA) at basic prices to LFS Total Employment. On 29 July 2004, ONS published details on the National Statistics website of a change in productivity methodology. Output per worker is the new headline measure.

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



5.1 Output of production industries¹

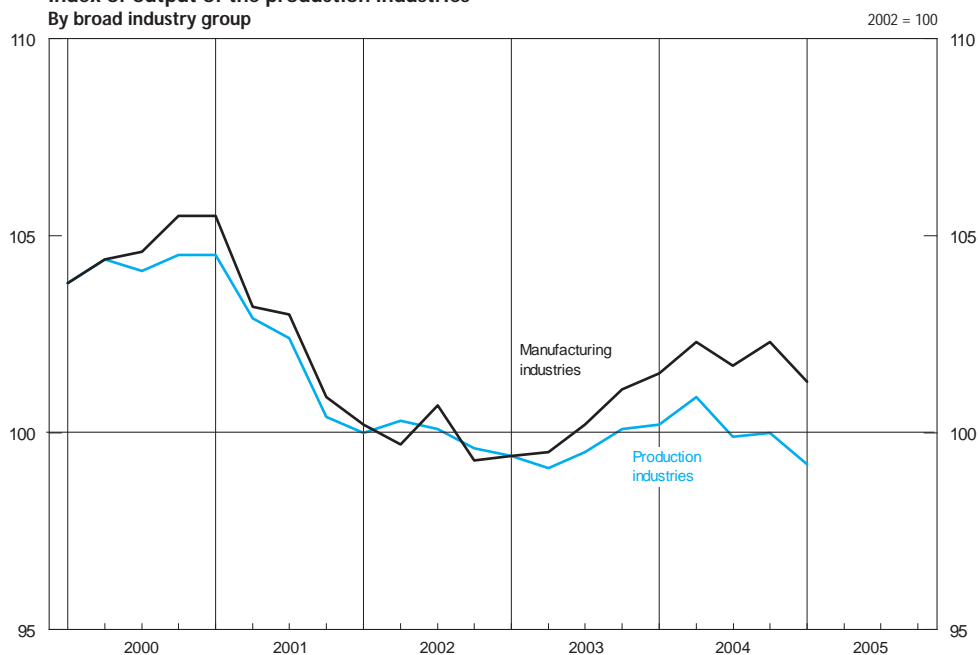
2002 = 100

	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>2002 weights</i>	<i>1 000</i>	<i>121</i>	<i>88</i>	<i>790</i>	<i>37</i>	<i>269</i>	<i>213</i>	<i>481</i>
Annual								
	CKYW	CKYX	CKYZ	CKYY	UFIU	UFJS	UFIL	JMOH
2000	104.2 [†]	106.1 [†]	98.2 [†]	104.6 [†]	96.3 [†]	98.8	110.2 [†]	105.5 [†]
2001	102.6	100.3	100.5	103.2	98.7	100.0	108.4	102.0
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	99.5	94.9	101.2	100.1	99.2	100.0 [†]	101.4	98.4
2004	100.3	87.3	103.4	101.9	104.7	99.7	105.1	98.1
Quarterly								
2000 Q1	103.8 [†]	110.2 [†]	96.9 [†]	103.8 [†]	96.6 [†]	99.0 [†]	108.2 [†]	105.3 [†]
Q2	104.4	108.7	99.2	104.4	96.2	99.2	109.6	105.9
Q3	104.1	105.0	98.1	104.6	96.0	98.5	110.3	105.5
Q4	104.5	100.8	98.5	105.5	96.3	98.3	112.6	105.3
2001 Q1	104.5	99.3	102.1	105.5	99.6	100.0	113.8	103.6
Q2	102.9	101.9	101.1	103.2	98.2	99.6	108.4	102.8
Q3	102.4	100.8	99.9	103.0	98.1	100.3	108.0	101.8
Q4	100.4	99.2	98.8	100.9	98.9	100.1	103.4	99.7
2002 Q1	100.0	100.1	98.2	100.2	102.0	100.4	99.6	99.9
Q2	100.3	104.3	99.4	99.7	99.1	100.1	99.6	100.8
Q3	100.1	95.6	101.2	100.7	98.8	100.6	101.4	99.4
Q4	99.6	100.0	101.3	99.3	100.1	98.9	99.4	100.0
2003 Q1	99.4	99.6	99.3	99.4	98.3	99.1	99.9	99.4
Q2	99.1	95.2	100.2	99.5	99.0	99.5	100.7	98.1
Q3	99.5	93.5	101.6	100.2	99.2	100.6	101.6	98.1
Q4	100.1	91.1	103.5	101.1	100.3	101.0	103.4	98.1
2004 Q1	100.2	89.8	103.7	101.5	102.2	100.1	103.2	98.8
Q2	100.9	90.7	102.8	102.3	105.1	100.3	105.0	99.2
Q3	99.9	85.6	103.7	101.7	106.6	98.7	105.9	97.4
Q4	100.0	83.3	103.3	102.3	104.7	99.6	106.4	97.1
2005 Q1	99.2	82.9	101.9	101.3	104.2	99.0	104.5	96.5
Monthly								
2003 Jan	99.1 [†]	99.1 [†]	99.0 [†]	99.1 [†]	100.7 [†]	98.7 [†]	99.3 [†]	99.2 [†]
Feb	99.7	100.6	101.3	99.4	97.8	99.1	100.3	100.0
Mar	99.4	99.2	97.7	99.6	96.3	99.6	100.2	99.1
Apr	99.2	95.4	98.6	99.8	98.9	98.8	102.2	98.1
May	98.6	95.4	99.8	99.0	97.6	100.1	99.0	97.7
Jun	99.3	94.9	102.2	99.7	100.5	99.4	100.9	98.6
Jul	99.9	94.7	100.7	100.6	100.5	101.1	101.9	98.4
Aug	99.0	93.3	101.5	99.7	97.6	100.2	100.5	97.8
Sep	99.6	92.5	102.5	100.4	99.3	100.4	102.4	98.1
Oct	100.8	93.1	105.0	101.5	99.9	101.9	103.2	99.2
Nov	99.4	90.8	102.0	100.5	101.0	100.1	103.1	97.3
Dec	100.1	89.4	103.6	101.4	99.9	100.9	104.0	97.9
2004 Jan	100.1	90.3	103.1	101.3	101.0	100.2	102.9	98.7
Feb	99.7	88.7	104.3	100.9	101.7	99.6	102.6	98.3
Mar	100.9	90.4	103.7	102.3	103.9	100.6	104.2	99.5
Apr	100.9	89.9	103.1	102.3	105.0	101.1	104.4	98.9
May	100.8	89.6	102.9	102.3	104.6	99.6	105.7	99.0
Jun	101.1	92.5	102.6	102.3	105.7	100.1	105.0	99.7
Jul	100.2	90.4	102.6	101.5	107.8	97.7	106.1	98.4
Aug	99.7	84.6	104.5	101.5	106.1	99.2	105.0	97.2
Sep	99.7	81.8	103.9	102.0	106.1	99.2	106.7	96.5
Oct	99.1	81.9	103.1	101.3	105.3	99.0	105.4	95.8
Nov	100.4	83.5	103.9	102.6	103.2	100.0	106.8	97.5
Dec	100.7	84.6	103.0	102.9	105.7	99.8	107.0	98.0
2005 Jan	99.6	82.8	101.2	102.1	103.4	99.8	105.4	96.7
Feb	99.6	82.5	101.7	101.9	105.3	99.6	105.2	96.6
Mar	98.3	83.5	102.8	100.0	103.9	97.6	102.9	96.2
Apr	98.7	83.7	104.0	100.5	105.0	97.6	103.5	96.8

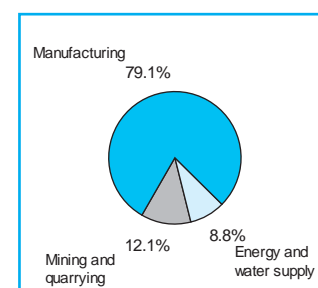
1 The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812059

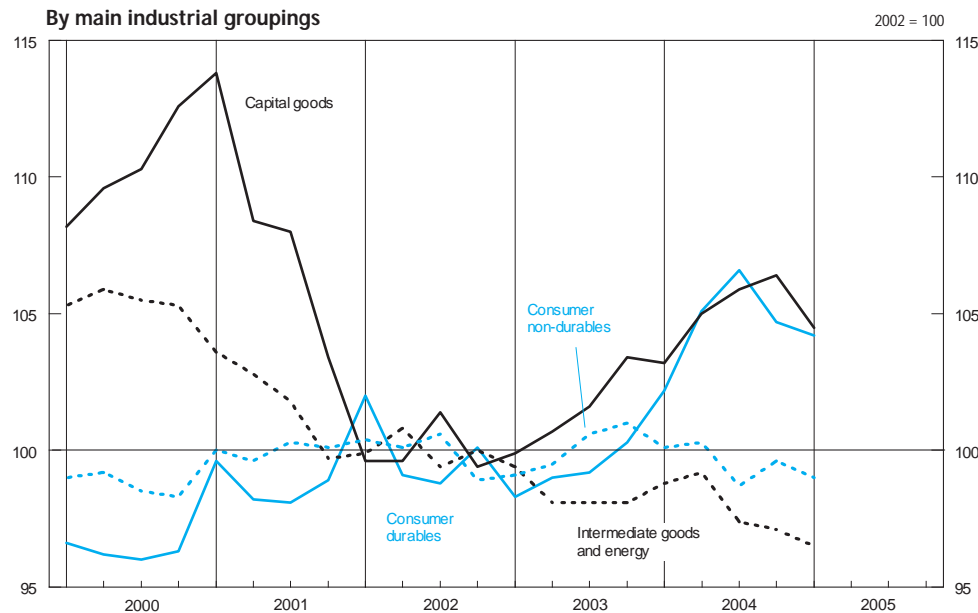
Index of output of the production industries
By broad industry group



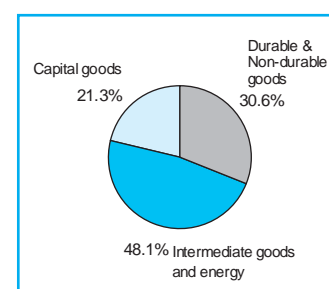
Share of output in 2002



By main industrial groupings



Share of output in 2002



5.2 Engineering and construction : output and orders

Seasonally adjusted Index numbers at constant prices¹

	Engineering (2000 =100)									Construction(GB) ⁵ (2000=100)	
	Total			Home			Export			Gross output+ ⁴	Orders received
	Orders ² on Hand	New ³ Orders	Turnover	Orders ² on Hand	New ³ Orders	Turnover	Orders ² on Hand	New ³ Orders	Turnover		
Annual	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
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	115.3 [†]	104.8
Quarterly											
2000 Q1	96.2	95.9	94.1	96.6	96.2	95.1	95.7	95.5	92.8	102.4	97.5
Q2	100.6	101.6	99.9	100.2	101.0	100.3	101.3	102.4	99.3	99.4	106.9
Q3	102.7	100.7	101.5	101.8	99.2	101.0	104.4	102.8	102.2	98.3	102.1
Q4	103.4	101.8	104.5	104.9	103.6	103.6	100.8	99.4	105.7	99.9	93.5
2001 Q1	104.4	102.1	104.4	106.2	102.2	104.7	101.3	102.0	104.2	101.2	108.4
Q2	102.0	91.0	97.1	108.2	97.8	99.0	91.3	81.9	94.5	101.3	95.6
Q3	99.9	86.6	92.0	107.6	91.5	96.0	86.9	79.9	86.6	102.1	103.6
Q4	94.4	78.5	87.8	104.6	86.4	93.9	77.2	67.8	79.6	103.5	90.5
2002 Q1	95.1	82.1	84.4	105.5	87.9	90.8	77.4	74.2	76.0	105.3	107.6
Q2	93.9	80.2	84.4	105.8	88.1	91.3	73.8	69.6	75.1	104.7	90.7
Q3	93.7	81.5	84.6	106.2	88.5	91.7	72.6	72.2	75.2	106.8	109.2
Q4	91.7	77.9	83.0	104.2	84.5	90.7	70.5	69.0	72.9	108.5	102.5
2003 Q1	90.9	78.6	83.0	103.1	89.0	94.3	70.2	64.7	68.1	108.7	104.7
Q2	91.7	82.0	83.7	104.8	92.7	94.3	69.6	67.5	69.9	110.4	95.8
Q3	91.5	80.4	83.4	106.2	91.4	93.3	66.6	65.7	70.4	113.5	98.0
Q4	92.5	82.7	84.3	108.6	92.5	93.1	65.2	69.4	72.7	114.4	92.7
2004 Q1	92.7	79.1	81.5	108.2	85.2	89.2	66.5	71.0	71.4	117.1 [†]	108.5
Q2	91.7	79.7	83.7	105.7	84.1	90.9	67.9	73.7	74.1	114.2	106.2
Q3	89.2	78.8	84.4	103.4	86.3	92.9	65.1	68.7	73.3	115.2	99.8
Q4	89.5	82.3	84.8	104.8	93.6	95.4	63.4	67.3	70.8	114.7	104.8
2005 Q1	88.4 [†]	80.5 [†]	83.1 [†]	100.7 [†]	86.9 [†]	93.2 [†]	67.6 [†]	71.9 [†]	69.7	115.2	103.6 [†]
Monthly											
2003 Jan	91.4	77.2	83.0	102.1	82.1	94.4	73.3	70.7	67.9	..	110.6
Feb	92.0	83.0	83.8	104.5	101.9	96.5	70.8	57.6	66.9	..	112.9
Mar	90.9	75.7	82.2	103.1	83.1	91.9	70.2	65.9	69.5	..	90.5
Apr	93.8	91.2	83.9	107.3	107.1	94.6	70.7	69.7	69.8	..	111.7
May	93.0	78.7	83.9	106.5	88.3	95.3	70.3	65.8	68.9	..	89.5
Jun	91.7	76.1	83.4	104.8	82.8	92.9	69.6	67.0	70.9	..	86.2
Jul	91.3	80.2	84.4	104.0	87.8	94.5	69.8	70.1	71.1	..	111.1
Aug	91.7	80.9	82.3	106.1	96.3	91.9	67.3	60.2	69.6	..	80.7
Sep	91.5	80.1	83.5	106.2	90.1	93.4	66.6	66.8	70.4	..	102.3
Oct	93.0	87.0	84.6	108.5	99.4	94.3	66.7	70.3	71.8	..	87.3
Nov	94.1	84.5	83.4	110.2	95.6	92.5	66.7	69.6	71.4	..	102.7
Dec	92.5	76.5	85.0	108.6	82.6	92.6	65.2	68.4	74.9	..	88.2
2004 Jan	93.7	83.8	82.1	108.8	88.2	90.7	68.1	78.0	70.8	..	90.2
Feb	90.9	68.5	81.2	106.6	75.7	87.7	64.2	58.9	72.6	..	126.1
Mar	92.7	85.1	81.3	108.2	91.8	89.2	66.5	76.1	70.8	..	109.2
Apr	91.0	73.7	82.4	104.8	72.6	89.1	67.6	75.1	73.6	..	103.4
May	91.7	83.5	83.9	105.3	89.5	91.0	68.6	75.4	74.4	..	111.3
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	88.9 [†]	82.7 [†]	83.5 [†]	104.2 [†]	96.0 [†]	94.2 [†]	62.8 [†]	64.9 [†]	69.3 [†]	..	103.9 [†]
Feb	88.8	80.3	83.4	103.3	87.0	94.2	64.1	71.4	69.2	..	99.8
Mar	88.4	78.4	82.4	100.7	77.7	91.3	67.6	79.3	70.6	..	107.0
Apr	87.9	79.7	84.4	101.8	93.6	93.2	64.3	61.0	72.8	..	111.4

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

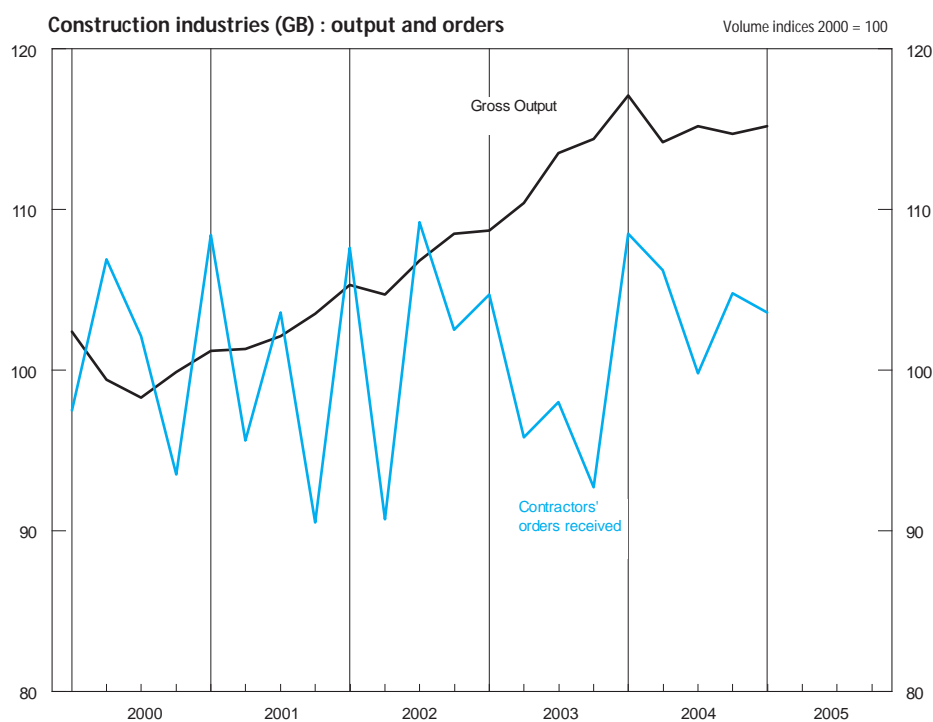
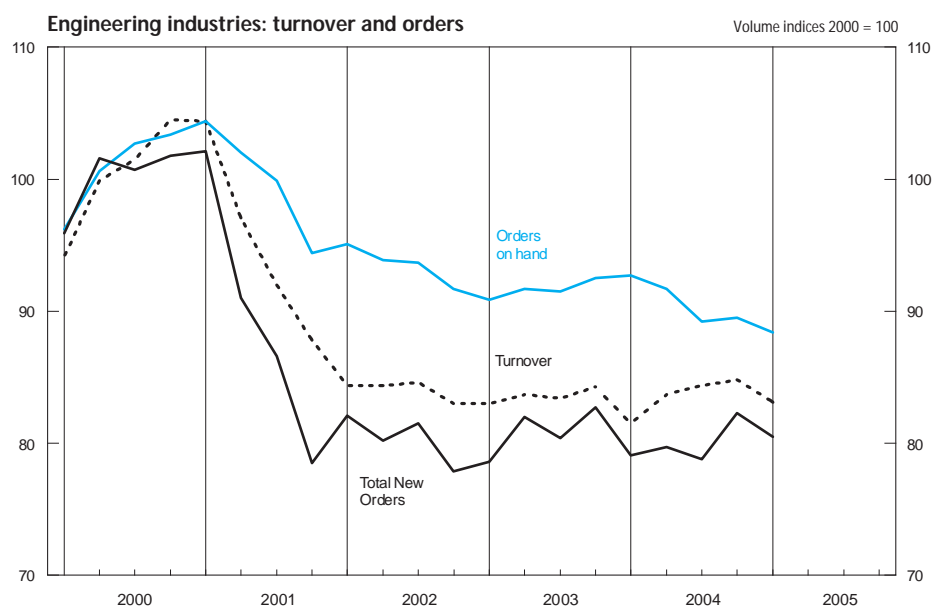
2 For Orders on Hand, the annual and quarterly index values represent the value at the end of the period in question, rather than the average value for that period, so the annual value shown for 2000 may not equal 100.

3 Net of cancellations.

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

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

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



5.3 Motor vehicle and steel production

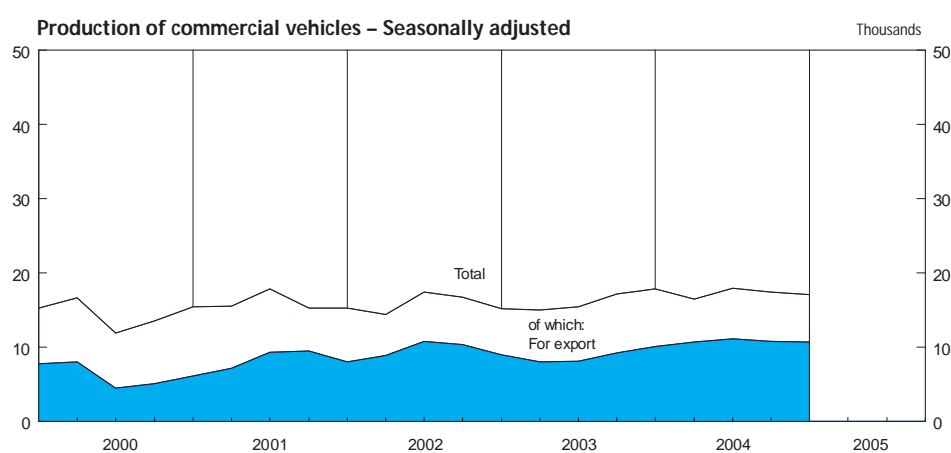
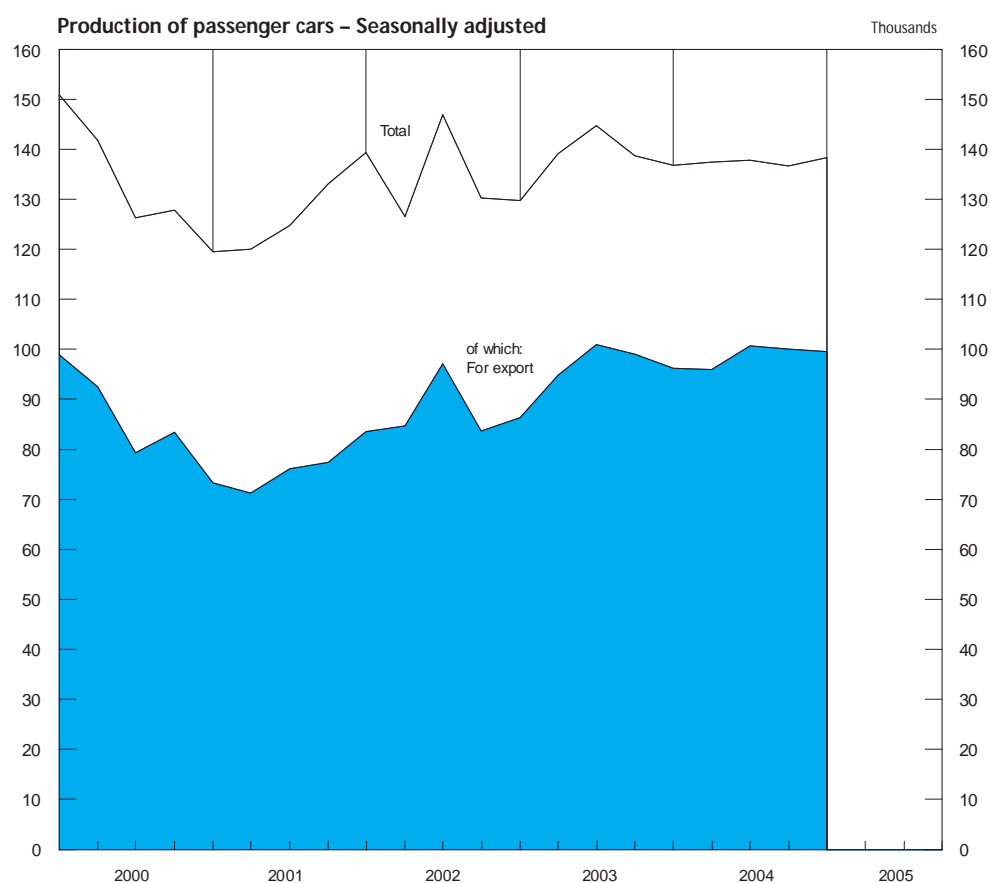
	Passenger cars ¹				Commercial vehicles ¹				Crude steel production (NSA) ² (thousand tonnes)
	Not seasonally adjusted		Seasonally adjusted		Not seasonally adjusted		Seasonally adjusted		
	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	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	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	98.3	17.4	10.7	17.4	10.7	13 765.8
Quarterly									
2000 Q1	164.8	105.0	150.9	98.9	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	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	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	138.4 [†]	99.6 [†]	18.4	11.3	17.1 [†]	10.7	3 305.6 [†]
Monthly									
2003 Jan	136.1	85.8	123.7	81.0	15.8	8.3	14.9	9.2	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	1 016.8 [†]
Mar	153.3	109.9	139.4 [†]	103.1 [†]	19.6	12.6	17.2 [†]	10.5 [†]	1 260.6*
Apr	139.8 [†]	105.1 [†]	141.3	101.8	18.9	11.4	20.0	11.9	1 161.8
May	132.0	99.1	131.0	93.4	17.5	10.7	18.1	10.3	1 128.9 ³

1 Annual and quarterly figures are monthly averages.

2 The totals are for 'usable steel' in accordance with the system used by the EC and the 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

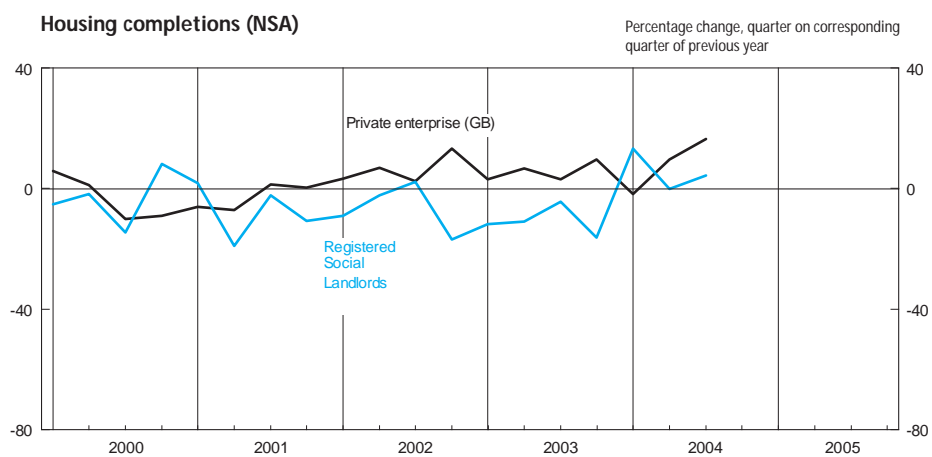
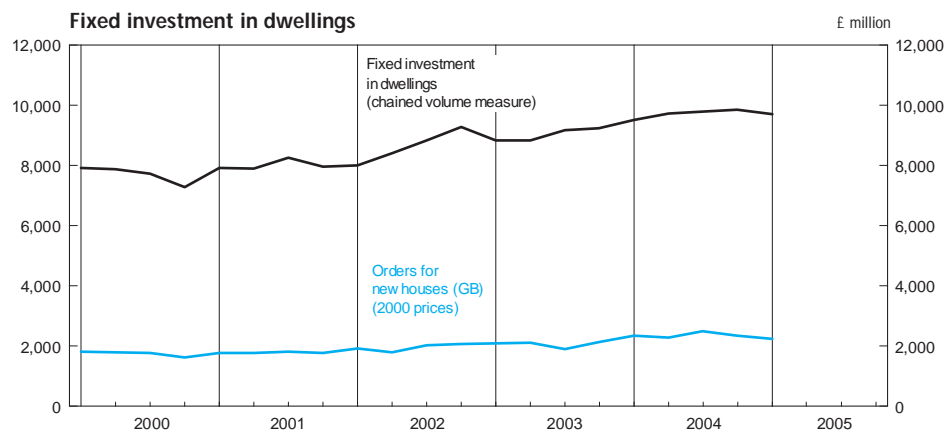
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2002)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) ¹ (GB)			Housing completions (NSA) ¹ (GB)			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) ³ (£)
			Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords ² (thousands)	Local Authorities (thousands)	
Annual									
	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
2001	32 006 [†]	7 122	162.7	16.8	0.3	139.8	20.9	0.3	134 234
2002	34 499	7 805	164.6	16.2	0.2	149.1	19.3	0.2	161 533
2003	36 056	8 219	177.1	16.2	0.3	157.9	17.2	0.2	186 427
2004	38 866	9 472	..	..	..	..	..	..	205 818
Quarterly									
2001 Q1	7 911 [†]	1 767	39.2	5.7	0.2	32.5	5.6	0.1	130 771
Q2	7 891	1 772	43.7	4.2	—	34.4	4.7	0.1	130 774
Q3	8 252	1 822	43.5	3.2	—	35.5	4.6	0.1	135 507
Q4	7 952	1 761	36.3	3.7	0.1	37.4	5.9	0.1	137 368
2002 Q1	8 006	1 916	41.7	5.4	0.1	33.6	5.1	—	143 996
Q2	8 396	1 782	42.5	3.8	0.1	36.8	4.6	0.2	157 646
Q3	8 829	2 031	44.0	3.4	—	36.4	4.7	—	164 293
Q4	9 268	2 075	36.3	3.6	—	42.4	4.9	—	173 254
2003 Q1	8 824	2 095	44.2	5.0	0.1	34.6	4.5	0.1	175 947
Q2	8 835	2 108	46.8	4.4	0.2	39.3	4.1	0.1	187 676
Q3	9 165	1 894	45.7	3.8	—	37.5	4.5	—	188 711
Q4	9 232	2 123	40.4	3.0	0.1	46.5	4.1	0.1	193 373
2004 Q1	9 512	2 346	46.9	6.5	—	34.0	5.1	—	194 276
Q2	9 721	2 287	51.5	4.2	0.1	43.1	4.1	0.1	204 679
Q3	9 784	2 488	50.7	3.7	—	43.7	4.7	—	212 505
Q4	9 849	2 351	..	..	..	..	..	..	211 812
2005 Q1	9 701	2 234 [†]	214 704
Monthly									
2003 Jan	..	789	..	..	..	..	..	..	175 758
Feb	..	650	..	..	..	..	..	..	174 039
Mar	..	655	..	..	..	..	..	..	178 045
Apr	..	757	..	..	..	..	..	..	188 126
May	..	698	..	..	..	..	..	..	187 498
Jun	..	653	..	..	..	..	..	..	187 403
Jul	..	692	..	..	..	..	..	..	186 807
Aug	..	597	..	..	..	..	..	..	191 100
Sep	..	605	..	..	..	..	..	..	188 227
Oct	..	724	..	..	..	..	..	..	195 551
Nov	..	743	..	..	..	..	..	..	189 913
Dec	..	656	..	..	..	..	..	..	194 655
2004 Jan	..	796	..	..	..	..	..	..	195 238
Feb	..	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	..	650 [†]	212 952
Feb	..	779	..	..	..	..	..	..	213 093
Mar	..	805	..	..	..	..	..	..	218 067
Apr	..	946	..	..	..	..	..	..	213 950

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

2 Includes registered and non-registered social landlords.

3 Series based on mortgage lending by all financial institutions rather than building societies only, as previously published. This change has been made necessary because of the mergers, takeovers and conversions to plc status affecting the building society sector. The series is based on the Office of the Deputy Prime Ministers' 5% survey of mortgage lenders (at completion stage), 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 prices.

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



5.5 Number of property transactions¹

Thousands

	Number of property transactions				Number of property transactions		
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales ^{4,5}	Not seasonally adjusted England, Wales & N. Ireland		Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales ^{4,5}	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR				
2000	1 433		1 471	Jul	132	120	135
2001	1 458		1 497	Aug	140	125	143
2002	1 586		1 627	Sep	124	124	127
2003	1 345		1 397	Oct	140	125	143
2004	1 786		1 830	Nov	137	131	141
				Dec	110	123	112
		FTAQ					
2000 Q1	367	392	379	2002 Jan	131	120	134
Q2	348	356	356	Feb	108	127	110
Q3	379	346	388	Mar	104	127	106
Q4	339	338	349	Apr	129	135	132
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	112	117	115
				May	113	117	116

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 measures¹

Reference year 2002, £ million

	Mining and quarrying	Manufacturing industries				Electricity, gas and water supply	Distributive trades		Other industries ³	Change in inventories
		Materials and fuel	Work in progress	Finished goods	Total		Wholesale ²	Retail ²		
Level of inventories at end-December 2004	1034	16 155	15 931	19 676	51 762	1726	27 873	26 080	45 284	153 759
Quarterly										
	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
2001 Q1	63	-652 [†]	325	-133	-459	-214	566 [†]	-130	1 215 [†]	1 040 [†]
Q2	-45	-200	331 [†]	224	354	190	-76	-160	1 112	1 375
Q3	93	352	271	32	656 [†]	88	519	229	76	1 662
Q4	-15	93	-413	45	-275	-15	-299	1 076 [†]	1 647	2 119
2002 Q1	48 [†]	118	36	615 [†]	769	-63 [†]	13	674	-264	1 177
Q2	-30	-82	-159	-128	-369	140	810	1 112	-1 269	394
Q3	-20	-115	341	-263	-37	-66	431	-74	246	480
Q4	-26	-311	-222	-588	-1 121	-110	-643	-94	2 852	858
2003 Q1	-25	540	137	34	711	67	169	167	-986	103
Q2	53	-385	-130	-215	-730	-5	-583	455	423	-387
Q3	-86	-213	-246	279	-180	-41	275	274	2 097	2 339
Q4	1	-34	-266	-228	-528	-1	369	247	2 459	2 547
2004 Q1	7	-89	60	-613	-642	156	40	1 047	556	1 164
Q2	-4	-96	-356	361	-91	-165	1 441	-617	546	1 110
Q3	-41	100	-80	219	239	5	-398	794	379	978
Q4	-1	-24	-271	-38	-333	-82	181	405	1 726	1 896
2005 Q1	7	371	174	103	648	-116	-65	-123	1 627	1 978

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

2 Wholesaling and retailing estimates exclude the motor trades.

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

Sources: Office for National Statistics; Enquiries Columns 1-8 01633 812351; Columns 9-10 020 7533 6031

5.7 Inventory ratios

	Manufacturers' inventories ¹ to manufacturing production				Retail inventories ¹ to retail sales ²	Total inventories ^{1,3} to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
Quarterly						
	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
2001 Q1	97.6 [†]	101.0 [†]	99.3 [†]	99.3	98.9	100
Q2	98.6	105.3	102.8	102.3 [†]	96.3 [†]	101
Q3	100.9	107.1	103.0	103.6	95.6	102 [†]
Q4	103.6	106.8	105.5	105.3	99.2	103
2002 Q1	104.6	107.4	109.0	107.1	100.5	103
Q2	105.4	107.7	109.7	107.7	103.5	103
Q3	103.3	108.6	107.1	106.4	102.4	102
Q4	102.4	108.3	105.1	105.3	100.1	103
2003 Q1	105.6	109.0	105.0	106.4	102.0	102
Q2	102.8	107.8	103.6	104.7	102.6	101
Q3	100.8	105.5	104.3	103.6	102.7	102
Q4	99.8	103.0	102.3	101.7	101.7	103
2004 Q1	99.6	103.8	99.5	100.9	104.3	102
Q2	97.6	100.1	100.0	99.3	99.7	102
Q3	98.9	100.3	101.8	100.4	102.1	103
Q4	98.5	98.4	101.3	99.5	103.7	103
2005 Q1	101.6	100.3	102.7	101.6	103.2	104

1 Chained volume measure: reference year 2002.

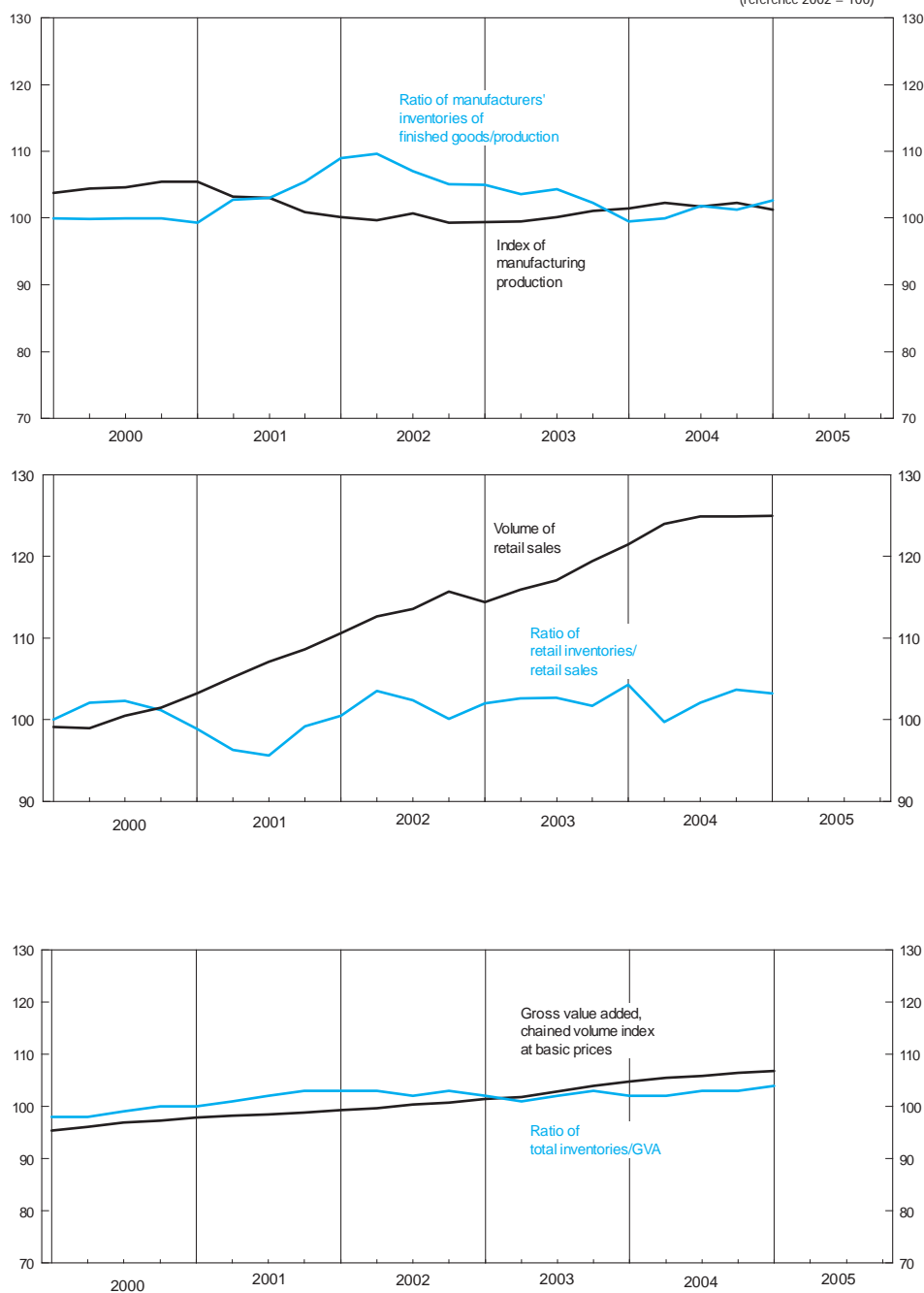
2 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

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 2002 = 100)



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

	Value of retail sales per week: total (average 2000=100) ^{1,2}	Volume of retail sales per week+(average 2000=100) ^{1,2}								New registrations of cars (NSA thousands) ⁵	Total consumer credit: Net lending (£ million) ^{3,4}	of which	
		All retailers	Predominantly food stores	Predominantly non-food stores								Credit cards ⁶	Other ⁶
				Total	Non-specialist stores	Textile, clothing and footwear	Household goods stores	Other stores	Non-store and repair				
<i>Sales in 2000</i> <i>£ million</i>	<i>207 149</i>	<i>207 149</i>	<i>89 041</i>	<i>106 359</i>	<i>18 781</i>	<i>27 880</i>	<i>27 699</i>	<i>31 999</i>	<i>11 749</i>				
Annual	EAQV	EAPS	EAPT	EAPV	EAPU	EAPX	EAPY	EAPW	EAPZ	BCGT	RLMH	VZQX	VZQY
2001	105.9	106.1	104.1	107.8 [†]	106.0 [†]	109.4	109.8 [†]	105.7 [†]	106.0 [†]	2 577.5	17 690 [†]	6 283	11 494 [†]
2002	111.1	112.7	108.2 [†]	116.4	110.4	121.0 [†]	117.9	114.7	113.2	2 682.0	21 158	7 610	13 595
2003	114.0 [†]	116.6 [†]	111.8	121.5	113.7	128.9	123.0	118.4	107.5	2 646.2	20 232	8 914	11 489
2004	119.2	123.6	116.4	130.3	117.7	139.0	131.6	129.0	117.8	2 598.8	22 975	9 962	13 003
Quarterly													
2001 Q1	102.9	103.2 [†]	102.8 [†]	103.8	104.4 [†]	105.0 [†]	105.9 [†]	100.5 [†]	100.4 [†]	704.2	3 286 [†]	1 356	2 126 [†]
Q2	105.4 [†]	105.2	103.7	106.5 [†]	106.0	107.1	109.6	103.6	105.8	617.7	4 535	1 696	2 802
Q3	107.0	107.1	104.6	108.9	106.7	110.7	110.1	107.7	110.1	725.6	4 150	1 223	2 937
Q4	108.1	108.6	105.5	111.1	107.5	113.9	112.9	109.1	108.6	530.0	5 719	2 008	3 629
2002 Q1	109.9	110.6	106.7	114.5	108.8	118.4	115.0	114.2	104.7	758.7	4 996	1 968	3 125
Q2	111.1	112.7	108.0	116.7	109.3	120.6	117.1	117.2	111.5	650.0	4 691	1 663	3 003
Q3	111.7	113.6	109.0	116.9	111.5	122.2	118.1	114.4	118.3	744.6	5 999	2 020	3 936
Q4	113.5	115.7	111.0	119.1	113.1	124.2	120.7	116.6	121.3	528.7	5 472	1 959	3 531
2003 Q1	112.4	114.4	110.0	118.9	110.8	126.2	118.8	117.4	107.6	737.6	5 021	2 293	2 804
Q2	113.3	115.9	111.7	120.4	112.5	127.9	122.6	116.6	106.5	642.7	5 556	2 483	3 061
Q3	114.6	117.1	112.6	122.1	114.0	130.4	123.7	118.2	106.2	742.8	4 964	2 120	2 810
Q4	116.3	119.4	113.5	125.3	117.1	132.2	126.7	122.8	110.1	523.1	4 691	2 018	2 814
2004 Q1	117.9	121.5	114.5	128.2	116.1	137.2	128.9	127.0	113.5	762.2	6 073	2 542	3 438
Q2	119.9	124.0	116.2	131.0	119.3	140.2	131.1	129.9	118.7	629.8	5 772	2 363	3 390
Q3	120.3	124.9	117.3	132.1	119.2	139.8	134.0	131.2	118.5	709.9	5 725	2 518	3 148
Q4	119.9	124.9	117.8	131.4	118.3	140.8	132.9	129.6	120.5	496.9	5 405	2 539	3 027
2005 Q1	119.9	125.0	119.0	130.3	119.7	141.8	131.1	126.0	122.9	697.9	6 153	2 551	3 575
Monthly													
2003 Jul	114.2	116.6 [†]	112.2 [†]	121.4 [†]	113.8 [†]	130.0 [†]	122.8 [†]	117.0 [†]	107.2 [†]	201.1	1 905 [†]	688 [†]	1 218 [†]
Aug	114.6	117.1	113.0	121.8	113.4	128.5	124.3	118.7	105.8	94.2	1 456	676	780
Sep	114.9	117.5	112.6	122.9	114.5	132.2	124.0	118.8	105.7	447.5	1 745	847	898
Oct	115.8 [†]	118.7	113.2	124.4	117.4	132.3	125.4	120.7	108.5	186.6	1 896	831	1 065
Nov	115.7	118.7	113.1	124.3	114.7	131.9	124.8	122.9	111.0	175.7	1 640	477	1 163
Dec	117.1	120.4	114.1	126.8	118.8	132.5	129.2	124.4	110.6	160.8	1 053	485	568
2004 Jan	117.7	120.9	113.9	127.6	115.2	136.7	127.7	126.9	112.4	199.6	1 995	746	1 249
Feb	117.7	121.1	114.4	127.7	116.5	135.9	128.9	126.1	112.0	92.3	2 033	600	1 433
Mar	118.2	122.3	114.9	129.1	116.4	138.6	129.9	127.8	115.7	470.3	1 994	1 251	744
Apr	119.0	122.9	115.4	130.1	118.5	139.7	130.1	128.5	114.7	191.1	1 804	847	957
May	119.7	123.9	116.2	130.8	120.0	140.9	130.1	129.0	119.2	197.6	1 939	762	1 177
Jun	120.6	124.9	117.0	132.0	119.2	140.2	132.9	131.7	121.5	241.1	2 195	860	1 335
Jul	119.5	123.8	116.4	130.7	116.5	135.9	133.9	131.7	118.0	188.2	1 788	853	935
Aug	120.2	124.8	117.3	131.9	121.1	141.3	132.9	129.3	116.4	87.3	2 147	916	1 231
Sep	121.0	126.0	118.0	133.3	119.8	141.7	135.1	132.4	120.5	434.4	1 884	814	1 070
Oct	120.4	125.1	117.9	131.9	118.6	141.7	132.6	130.5	119.1	171.8	1 708	818	889
Nov	120.8	125.8	118.3	132.7	120.1	142.1	134.8	129.9	120.3	175.6	1 811	803	1 009
Dec	118.9	124.0	117.2	130.0	116.6	139.1	131.6	128.5	121.8	149.5	1 731	660	1 071
2005 Jan	120.1	125.2	119.6	130.0	119.6	139.3	133.3	125.4	123.4	180.0	2 385	1 104	1 281
Feb	119.9	125.2	118.8	130.4	119.2	143.0	130.6	125.7	126.8	77.5	1 807	751	1 056
Mar	119.9	124.8	118.6	130.6	120.2	142.8	129.8	126.6	119.4	440.4	1 865	715	1 151
Apr	120.0	125.4	118.8	130.6	116.2	144.5	130.4	127.3	127.9	178.9	1 337	358	980
May	120.1	125.5	118.9	130.8	115.7	144.5	131.2	127.4	127.0	..	1 845	800	1 046

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

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

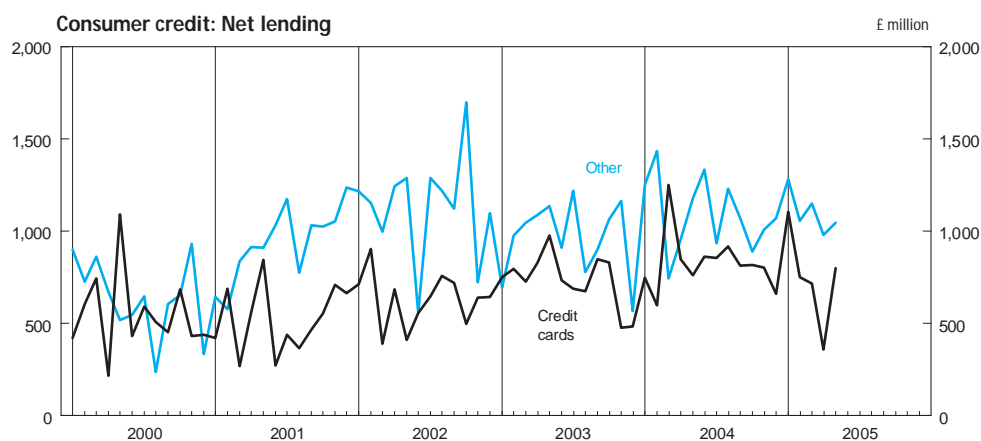
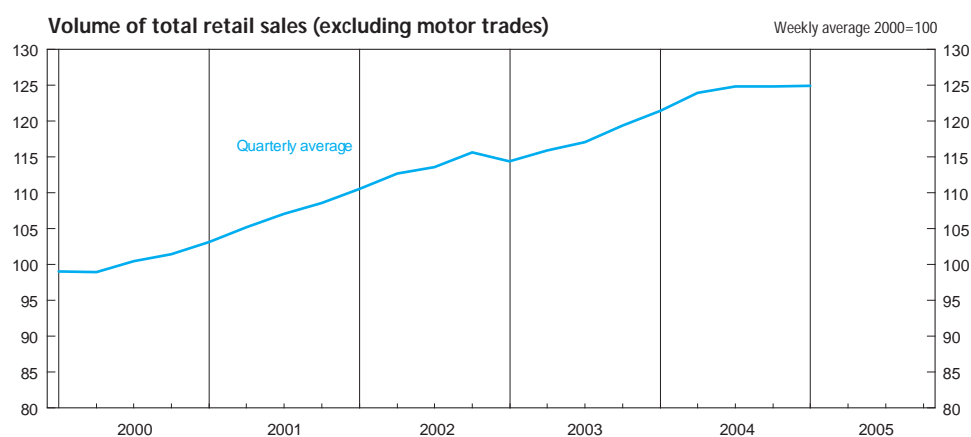
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

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

5 Seasonally adjusted data are not published in *Economic Trends*. Data up to 1998 are published in the *Economic Trends Annual Supplement*.

6 See Table 6.6, note 2.

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



5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

Seasonally adjusted and temperature corrected⁷ (annualised rates)

	Coal ¹	Petroleum ²	Natural gas ³	Nuclear	Primary electricity ⁵		Net imports ⁶	Total
					Wind and natural flow Hydro ⁴			
Annual	FDAI	FDAJ	FDAK	FDAL	FDAM		FDAW	FDAH
2000	40.0	77.8	98.7	19.7	0.5		1.2	237.9
2001	43.1	76.6	96.8	20.8	0.4		0.9	238.7
2002	40.0	75.4	99.3	20.0	0.5		0.7	236.0
2003	43.2	74.9	97.7	20.0	0.4		0.2	236.3
2004	42.1	75.9	100.7	18.3 [†]	0.5		0.6	238.2 [†]
Quarterly								
2000 Q1	38.9	81.3	110.8	20.1	0.6		1.1	252.9
Q2	40.6	74.4	95.3	19.8	0.4		1.3	231.9
Q3	40.2	77.8	85.4	19.4	0.5		1.3	224.5
Q4	40.5	77.6	103.1	19.4	0.5		1.2	242.3
2001 Q1	45.6	75.8	108.7	19.9	0.3		1.1	251.5
Q2	44.6	73.3	93.1	19.0	0.4		0.9	231.3
Q3	42.5	79.4	84.7	21.8	0.5		0.9	229.8
Q4	39.8	77.8	100.5	22.6	0.5		0.7	242.0
2002 Q1	42.1	78.0	108.6	21.2	0.6		0.6	251.2
Q2	35.8	76.4	96.5	20.0	0.7		1.0	230.4
Q3	38.4	76.3	89.0	19.9	0.5		0.2	224.3
Q4	43.6	71.0	103.1	18.9	0.4		1.1	238.1
2003 Q1	43.1	72.6	108.1	21.0	0.3		0.3	245.4
Q2	45.1	78.5	92.6	20.6	0.5		0.1	237.4
Q3	42.0	73.7	85.6	19.7	0.5		-0.1	221.5
Q4	42.5	74.6	104.4	18.6	0.4		0.4	240.9
2004 Q1	43.5	74.2	112.1	20.3 [†]	0.5		0.4	251.0 [†]
Q2	40.9	79.1	97.8	17.3	0.5		0.6	236.1
Q3	42.6	73.7	87.2	18.1	0.7		0.7	222.7
Q4	41.6	76.6	105.9	17.4	0.5		0.8	242.8
2005 Q1	45.6 [†]	80.7 [†]	108.5 [†]	19.5	0.5		0.7	255.4

Percentage change, quarter on corresponding quarter of previous year

Quarterly	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO
2000 Q1	3.9	-0.2	5.5	-13.8	12.1	-10.6	1.5
Q2	7.7	-5.0	5.5	-14.6	-25.9	1.9	0.2
Q3	5.1	3.5	1.4	-9.9	-12.3	12.9	1.6
Q4	3.1	2.0	-0.2	-7.7	6.2	-5.1	0.4
2001 Q1	17.2	-6.7	-1.9	-1.0	-43.8	-	-0.5
Q2	9.9	-1.5	-2.3	-4.2	-9.6	-30.3	-0.2
Q3	5.7	2.1	-0.9	12.8	4.7	-29.0	2.4
Q4	-1.6	0.3	-2.5	16.6	6.1	-45.0	-0.1
2002 Q1	-7.7	2.9	-0.1	6.8	73.8	-43.7	-0.1
Q2	-19.8	4.3	3.6	5.6	73.5	5.5	-0.4
Q3	-9.6	-4.0	5.1	-8.8	11.4	-75.5	-2.4
Q4	9.4	-8.8	2.6	-16.3	-32.7	67.6	-1.6
2003 Q1	2.4	-6.9	-0.5	-1.3	-42.4	-56.2	-2.3
Q2	26.0	2.7	-4.0	2.9	-29.6	-89.0	3.1
Q3	9.5	-3.3	-3.8	-0.9	-13.6	-	-1.3
Q4	-2.6	5.1	1.3	-1.6	-2.7	-59.6	1.2
2004 Q1	1.0	2.1	3.7	-3.1 [†]	42.8	61.0	2.3 [†]
Q2	-9.4	0.8	5.6	-15.9	-2.8	-	-0.6
Q3	1.4	-0.1	1.8	-8.4	42.9	-	0.6
Q4	-2.1	2.7	1.4	-6.5	49.1	92.5	0.8
2005 Q1	4.7 [†]	8.8 [†]	-3.1	-4.1	3.3	51.6	1.8

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

2 Excludes non-energy use.

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

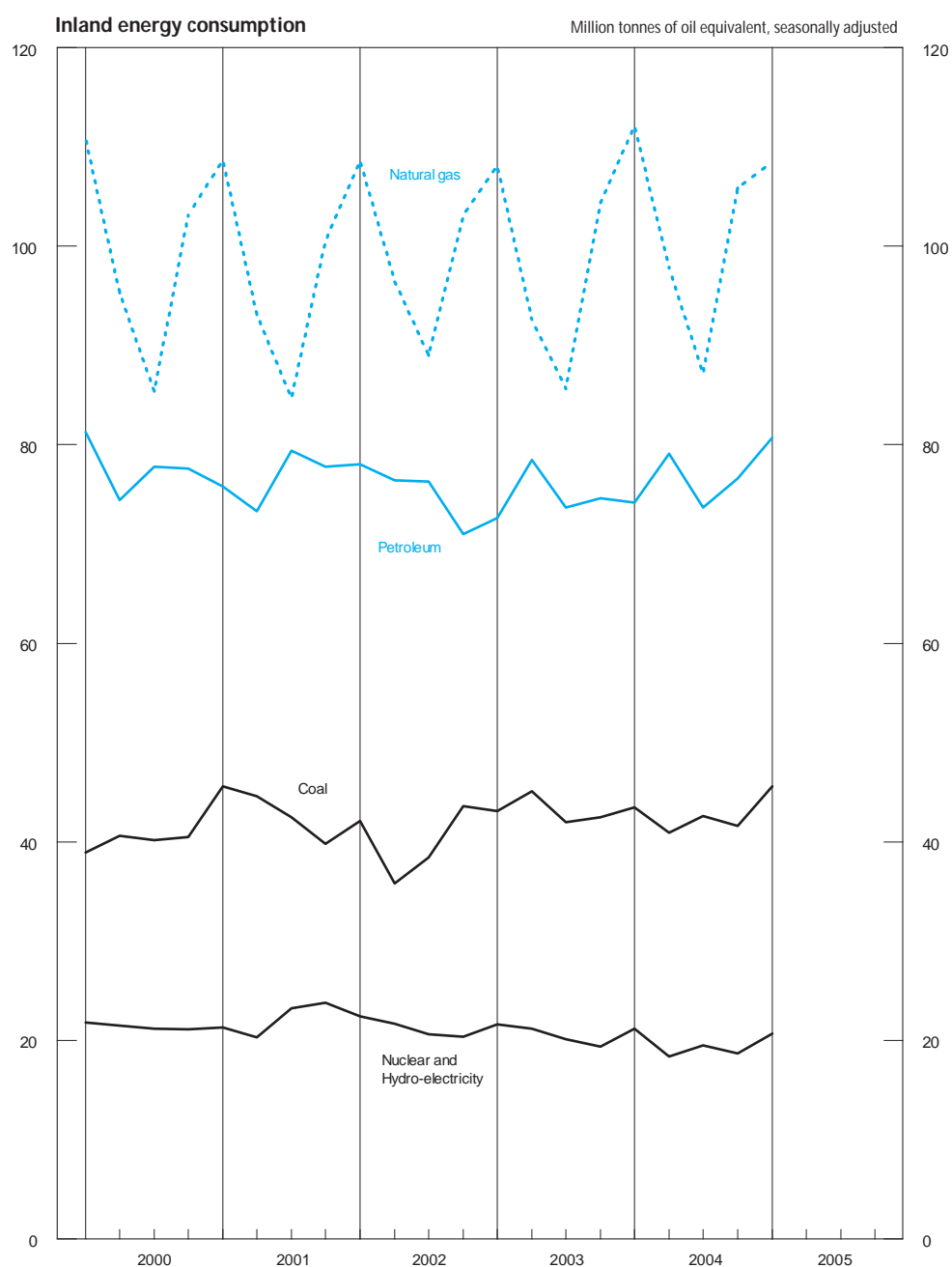
4 Includes generation by solar PV. Excludes generation from pumped storage stations.

5 Not temperature corrected.

6 Not seasonally adjusted.

7 For details of temperature correction see DTI energy statistics website at www.dti.gov.uk/energy/inform/dukes/dukes2003/01longterm.pdf

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



6.1 Sterling exchange rates and UK reserves⁴

Not seasonally adjusted

	Sterling exchange rate against major currencies ¹								UK inter- national reserves ³ at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro ²	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
Annual										
	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
2000	163.40	1.5162	2.558	1.6422	12.240	13.324	13.870	11.8057	32 227	107.5
2001	174.90	1.4400	2.430	1.6087	11.987	12.944	14.886	11.2312	27 773	105.8
2002	187.84	1.5026	2.334	1.5909	11.821	11.953	14.570	11.7265	26 566	106.0
2003	189.34	1.6346	2.197	1.4456	10.742	11.562	13.189	12.7337	25 724	100.2
2004	198.10	1.8320	2.276	1.4739	10.965	12.342	13.453	14.2707	25 908	104.1
Quarterly										
2000 Q1	171.99	1.6067	2.617	1.6286	12.1257	13.206	13.835	12.4926	22 090	108.4
Q2	163.52	1.5334	2.568	1.6398	12.2271	13.466	13.584	11.9236	26 898	107.7
Q3	159.19	1.4784	2.522	1.6336	12.1862	13.232	13.726	11.5304	28 818	106.4
Q4	158.89	1.4464	2.523	1.6670	12.4250	13.394	14.333	11.2735	32 227	107.6
2001 Q1	172.26	1.4584	2.424	1.5814	11.7988	12.965	14.230	11.3765	30 457	104.5
Q2	174.19	1.4208	2.487	1.6280	12.1436	13.039	14.847	11.0866	30 632	106.4
Q3	174.67	1.4380	2.432	1.6152	12.0231	12.928	15.203	11.2092	29 662	106.1
Q4	178.45	1.4428	2.375	1.6111	11.9887	12.845	15.264	11.2548	27 773	106.1
2002 Q1	188.79	1.4260	2.396	1.6263	12.0863	12.700	14.895	11.1230	28 053	106.9
Q2	185.29	1.4630	2.329	1.5923	11.8379	11.956	14.564	11.4015	28 623	105.3
Q3	184.85	1.5495	2.305	1.5747	11.6973	11.662	14.538	12.0871	27 950	105.7
Q4	192.42	1.5720	2.304	1.5716	11.6733	11.494	14.285	12.2547	26 566	106.0
2003 Q1	190.67	1.6017	2.189	1.4937	11.0987	11.313	13.709	12.5030	26 388	102.3
Q2	191.90	1.6194	2.163	1.4256	10.5851	11.344	13.032	12.6352	25 199	99.1
Q3	189.14	1.6108	2.209	1.4300	10.6264	11.794	13.103	12.5605	26 954	99.2
Q4	185.64	1.7065	2.228	1.4334	10.6591	11.796	12.913	13.2305	25 724	100.2
2004 Q1	197.07	1.8391	2.306	1.4708	10.9571	12.703	13.507	14.2983	25 266	104.1
Q2	198.21	1.8052	2.305	1.4992	11.1529	12.387	13.712	14.0831	25 178	105.2
Q3	199.95	1.8189	2.285	1.4877	11.0633	12.478	13.627	14.1861	25 382	104.8
Q4	197.18	1.8648	2.206	1.4388	10.6958	11.798	12.966	14.5080	25 908	102.4
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	26 103	104.4
May	197.70	1.8538	2.258	1.4611	10.877	11.805	13.428	14.4439	..	103.6

1 Average of daily Telegraphic Transfer rates in London.

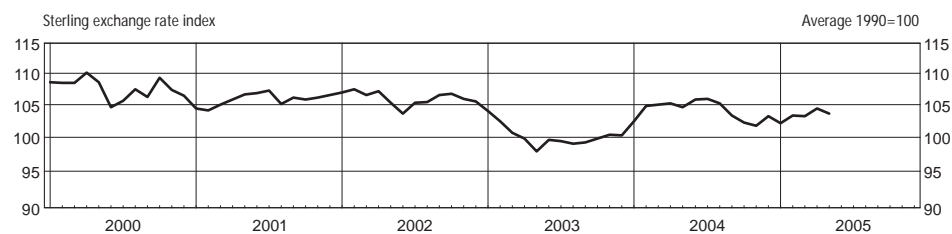
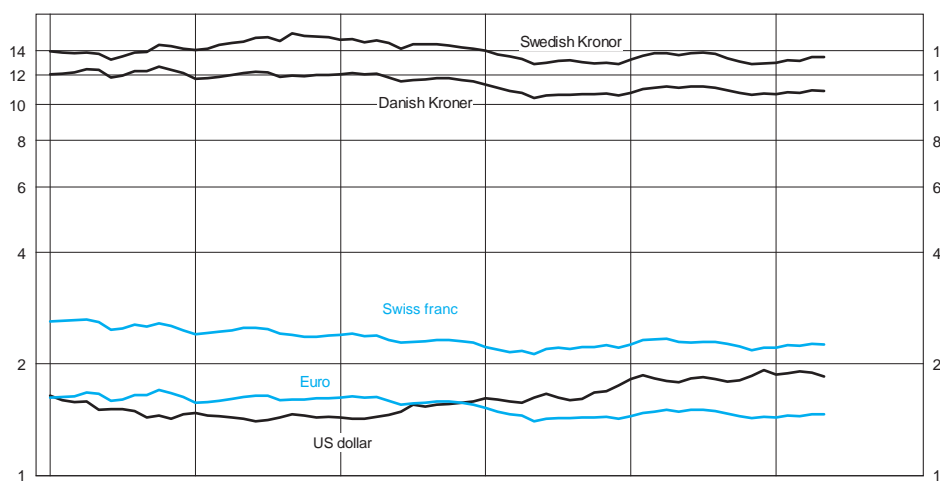
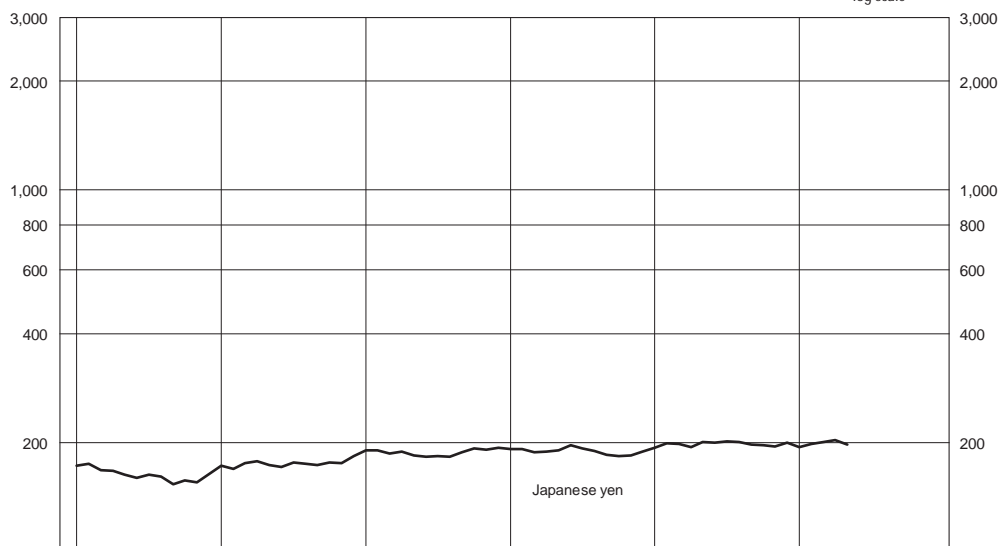
2 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.

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

4 These figures fall outside the scope of National Statistics.

Source: Bank of England: Enquiries 020 7601 4342

Sterling exchange rates

Relates to the £
log scale

6.2 Monetary aggregates^{1,3}

	M0				M4			
	Amount outstanding ² (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
Annual								
	AVAD	VQNB	AVAE	AVAM	AUYM	VQLC	AUYN	AUYU
2000	34 566	5.5	32 488 [†]	30.34	884 839	8.2	886 197 [†]	1.12
2001	37 319	8.0	35 097	29.67	942 433	6.7	943 774	1.09
2002	39 540	6.0	37 230	28.86	1 008 684	7.3	1 010 006	1.08
2003	42 317	7.0	39 932	28.37	1 081 136	7.3	1 082 469	1.07
2004	44 466	5.1	42 251	28.19	1 178 351 [†]	9.2	1 179 771	1.03
Quarterly								
						VQRY		
2000 Q1	29 968	7.7	30 565 [†]	30.46	836 240	5.4	835 353	1.15
Q2	30 896	7.0	31 218	30.58	856 220	6.9	853 237 [†]	1.12
Q3	31 821	8.0	31 878	30.39	866 379	9.0	868 778	1.11
Q4	34 566	5.5	32 488	29.93	884 839	8.2	886 197	1.10
2001 Q1	32 489	8.4	33 122	29.79	905 800	8.3	905 514	1.10
Q2	32 896	6.5	33 271	29.91	921 571	7.6	917 771	1.09
Q3	33 797	6.2	33 942	29.65	937 071	8.4	939 750	1.08
Q4	37 319	8.0	35 097	29.35	942 433	6.7	943 774	1.08
2002 Q1	35 157	8.2	35 564	28.87 [†]	955 196	5.7	955 490	1.08
Q2	36 225	10.1	36 608	28.88	975 699	6.1	971 011	1.08
Q3	36 511	8.0	36 665	28.94	989 475	5.9	992 543	1.08
Q4	39 540	6.0	37 230	28.75	1 008 684	7.3	1 010 006	1.07
2003 Q1	37 184	5.8	37 921	28.76	1 020 586	7.1	1 021 351	1.07
Q2	38 403	6.0	38 850	28.18	1 047 964	7.9	1 042 398	1.06
Q3	39 348	7.8	39 495	28.32	1 051 114	6.6	1 054 577	1.07
Q4	42 317	7.0	39 932	28.23	1 081 136	7.3	1 082 469	1.06
2004 Q1	39 812	7.1	40 624	28.30	1 101 920	7.9	1 103 079	1.04
Q2	41 109	7.0	41 337	28.21	1 133 767	8.1	1 127 283	1.04
Q3	41 749	6.1	41 774	28.15	1 147 995 [†]	9.0	1 152 025	1.03
Q4	44 466	5.1	42 251	28.09	1 178 351	9.2	1 179 771	1.02
2005 Q1	42 395	6.5	42 701	..	1 214 858	10.5 [†]	1 216 308	..
Monthly								
						VQLC		
2003 Jan	37 230	4.0	37 352 [†]	..	994 391	6.7	1 003 205 [†]	..
Feb	36 946	6.3	37 702	..	1 004 810	6.8	1 011 766	..
Mar	37 184	5.8	37 921	..	1 020 586	7.1	1 017 812	..
Apr	38 590	9.1	38 620	..	1 029 181	8.1	1 028 338	..
May	38 827	8.9	38 959	..	1 033 184	8.2	1 030 734	..
Jun	38 403	6.0	38 850	..	1 047 964	7.9	1 039 961	..
Jul	38 938	8.0	39 211	..	1 036 594	7.3	1 039 108	..
Aug	39 579	7.9	39 450	..	1 040 193	6.2	1 038 685	..
Sep	39 348	7.8	39 495	..	1 051 114	6.6	1 051 242	..
Oct	39 416	7.3	39 652	..	1 054 714	6.4	1 053 751	..
Nov	40 149	8.0	39 979	..	1 070 461	7.1	1 067 834	..
Dec	42 317	7.0	39 932	..	1 081 136	7.3	1 079 727	..
2004 Jan	40 222	8.0	40 199	..	1 080 414	8.7	1 089 796	..
Feb	39 448	6.8	40 268	..	1 087 988	8.4	1 096 452	..
Mar	39 812	7.1	40 624	..	1 101 920	7.9	1 099 438	..
Apr	40 799	5.7	40 823	..	1 109 195	7.6	1 106 262	..
May	40 668	4.7	41 020	..	1 121 526	8.3	1 119 088	..
Jun	41 109	7.0	41 337	..	1 133 767	8.1	1 124 762	..
Jul	41 115	5.6	41 397	..	1 133 424	9.2	1 134 641	..
Aug	41 489	4.8	41 471	..	1 142 861 [†]	9.8 [†]	1 142 947	..
Sep	41 749	6.1	41 774	..	1 147 995	9.0	1 147 558	..
Oct	41 722	5.8	41 948	..	1 157 641	9.5	1 157 869	..
Nov	42 222	5.2	42 036	..	1 165 875	8.8	1 164 507	..
Dec	44 466	5.1	42 251	..	1 178 351	9.2	1 174 151	..
2005 Jan	42 701	6.2	42 472	..	1 176 289	9.1	1 188 280	..
Feb	41 757	5.9	42 640	..	1 187 472	9.4	1 198 472	..
Mar	42 395	6.5	42 701	..	1 214 858	10.5	1 211 696	..
Apr	42 188	3.4	42 778	..	1 222 587	10.4	1 220 113	..

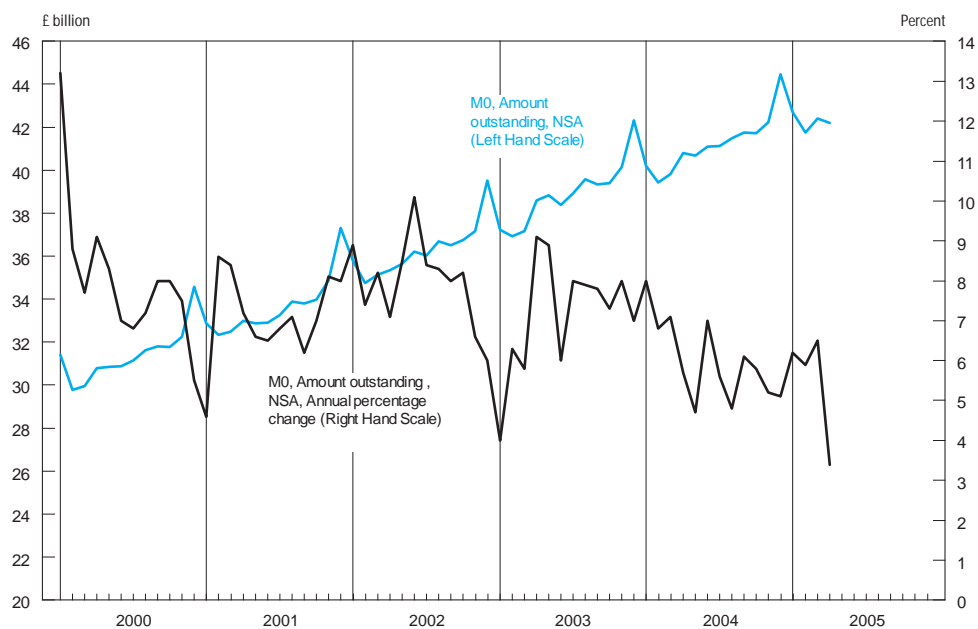
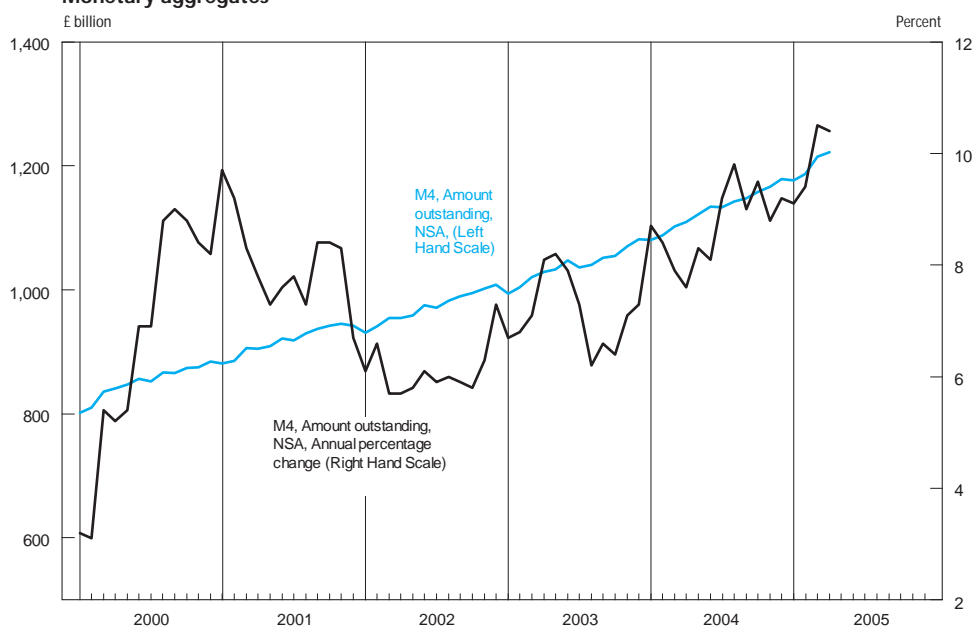
1 A fuller range of monetary aggregates is published monthly in the ONS publication *Financial Statistics*.

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

3 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5467

Monetary aggregates



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

£ million, not seasonally adjusted

Purchases by the M4 ² private sector of:												External and foreign currency financing of public sector		Banks' and Building Societies' sterling lending to the M4 private sector	External and foreign currency transactions of UK banks and building societies	Net non-deposit sterling liabilities of UK banks and building societies	Domestic counterparts	External and foreign currency counterparts	M4
	Public Sector Net Cash Requirement ³	Central government debt		Other public sector debt	Purchase of British government stocks by overseas sector		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	-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	-473 [†]	10 378	-3 067	127 712	-26 773	-20 721	134 106	-40 213	73 172							
2004	41 256 [†]	-25 020	-5 485	-1 216	2 235	-158	156 087 [†]	3 622	-67 417 [†]	165 524 [†]	1 230 [†]	99 336 [†]							
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	-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	31 [†]	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	-184	980	-1 222	30 591	-2 037	-17 995	25 737	-4 238	3 504							
Q4	17 169	-3 577	-5 316	-110	4 609	-176	40 779	-25 625	8 763	48 932	-30 409	27 287							
2004 Q1	135	-10 790	-977	-534	978	1 670	34 934	30 368	-33 164	22 724	31 060	20 620							
Q2	11 638	-1 917	140	-413	2 204	-136	37 475	4 925	-16 198	46 978	2 585	33 365							
Q3	7 317 [†]	-9 497	-1 505	-61	125	-1 441	51 828 [†]	-16 609 [†]	-16 341 [†]	47 963 [†]	-18 175 [†]	13 447 [†]							
Q4	22 166	-2 816	-3 143	-208	-1 072	-251	31 850	-15 062	-1 714	47 859	-14 240	31 904							
2005 Q1	-2 578	-11 347 [†]	3 199 [†]	-427	4 871 [†]	1 411	32 601	16 436	1 877	21 501	12 976	36 355							
Monthly																			
2003 Jan	-11 655	-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	-215 [†]	2 198	-86	6 015	4 204	-285	16 103	1 921	17 738							
Apr	283	-5 478	1 608	-244	-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	-72	-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	-3	2 091	-1 331	17 557	8 609	-17 856	23 643	5 187	10 975							
Oct	-1 649	-7 308	2 068	-96	-1 161	3 016	23 106	-21 921	5 455	16 163	-17 744	3 874							
Nov	5 791	6 269	-5 387	-41	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	-479	497	-1 574	9 263	11 040	-10 673	15 719	8 968	14 015							
Apr	-2 243 [†]	-5 084	2 975	-170	-1 908	80	10 350	6 667	-7 162	5 832	8 655	7 324							
May	3 229	-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	693 [†]	-5 118 [†]	3 187	1 523 [†]	-408							
Aug	3 261	784	1 567	-159	3 248	409	15 348	-6 508	-1 684	20 792	-9 347	9 762 [†]							
Sep	10 939	-5 332	-3 591	-144	-2 176	-1 733	22 220 [†]	-10 795	-9 540	23 984 [†]	-10 351	4 093							
Oct	-1 488	-3 043	653	-50	1 345	-56	14 820	-5 684	5 852	10 883	-7 084	9 651							
Nov	9 029	2 066	-1 882	-22	-1 944	286	2 130	-1 240	-2 711	11 302	989	9 580							
Dec	14 625	-1 839	-1 914	-136	-473	-480	14 901	-8 138	-4 855	25 674	-8 145	12 673							
2005 Jan	-16 825	-3 968 [†]	-367	2	1 098 [†]	1 714	16 670	-4 057	6 006	-4 484	-3 441	-1 920							
Feb	659	-4 699	4 277	-187	154	-406	4 483	14 433	-7 223	4 519	13 874	11 170							
Mar	13 588	-2 680	-711 [†]	-242	3 619	103	11 448	6 060	3 094	21 466	2 544	27 104							
Apr	-1 678	1 774	-29	-318	1 634	-37	7 482	4 531	-2 403	7 277	2 860	7 733							
May	5 189	..	..	..	..	..	..	..	..	..	..	..

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.

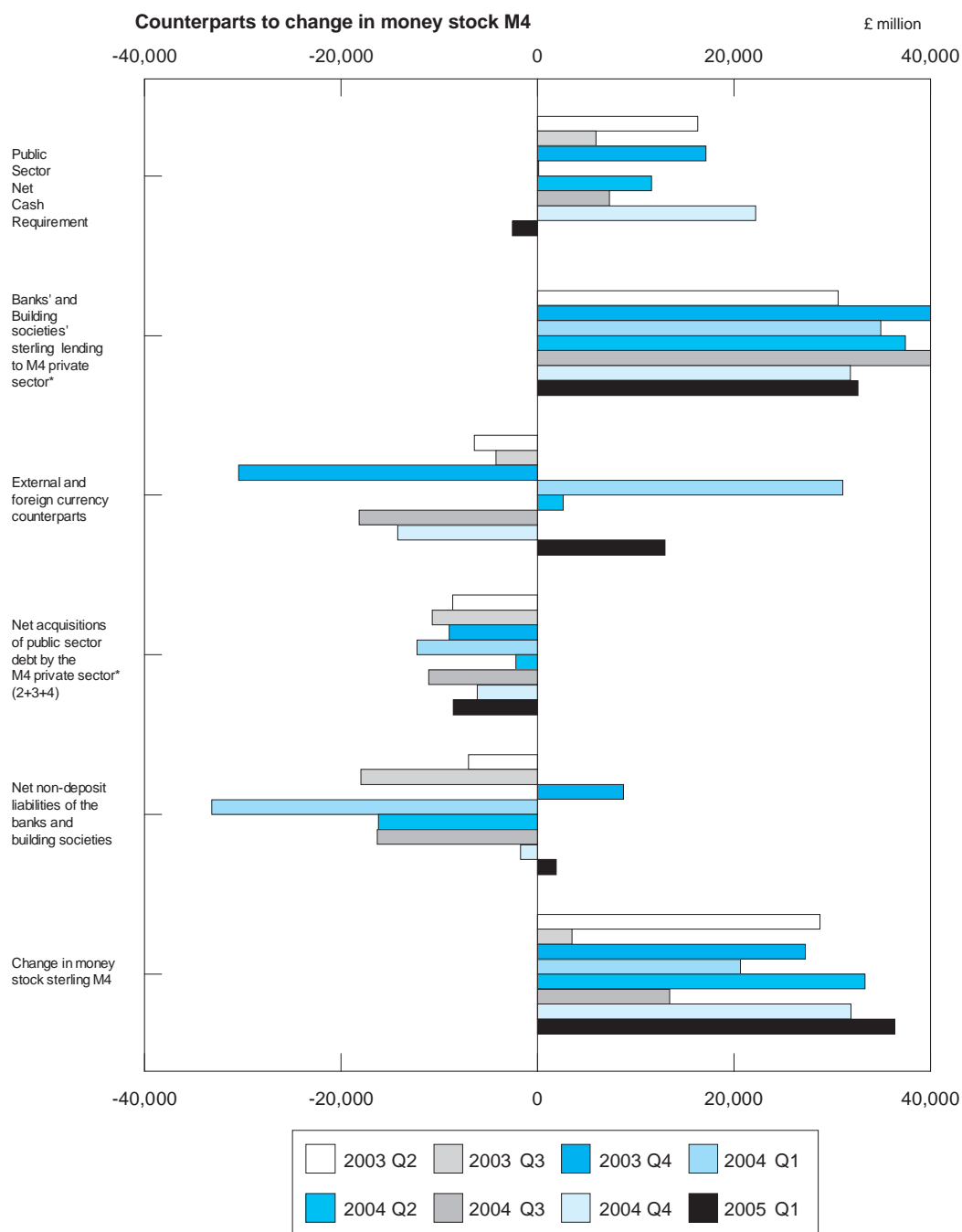
1 A wider range of figures is published monthly in *Financial Statistics*.

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		
Annual																		
2001	GZSN [†] 190 998	NMRL [†] 5 116	ANLY [†] 122 437	GZSI [†] -2 134	NNAI [†] 18 353	ANLO [†] 23 653	ANLT [†] 358 423	ANBP [†] 16 664	NMYE [†] 132 195	ANSO [†] 147 575	NMGI [†] 2 396	MJBC [†] 18 724	ANBO [†] 62 887	ANBQ [†] 5 391	ANBS [†] 2 260	ANBT [†] 388 092		
2002	210 945	5 273	123 288	-539	24 218	21 534	384 719	16 524	138 334	142 395	2 381	20 360	63 520	4 721	2 275	390 510		
2003	231 758	6 232	130 308	-855	28 780	22 721	418 944	17 486	145 735	143 508	2 416	22 555	72 505	4 836	1 932	410 973		
2004	246 783	6 732	137 865	-428	30 808	23 659	445 419	17 498	154 145	156 381	2 866	24 310	77 314	5 511	1 652	439 677		
Quarterly																		
2001 Q1	46 394	1 305	28 641	-261	4 689	6 324	87 092	4 084	31 498	47 192	569	4 289	17 957	1 701	753	108 043		
Q2	47 132	1 354	29 737	-259	4 664	5 995	88 623	4 042	32 820	29 131	612	4 870	14 518	1 283	406	87 682		
Q3	47 942	1 386	30 928	-1 294	4 219	5 340	88 521	4 060	33 815	35 513	617	4 839	15 064	1 275	698	95 881		
Q4	49 530	1 071	33 131	-320	4 781	5 994	94 187	4 478	34 062	35 739	598	4 726	15 348	1 132	403	96 486		
2002 Q1	50 954	1 211	30 075	12	5 409	5 236	92 897	4 132	32 658	44 764	556	4 812	18 231	1 027	654	106 834		
Q2	52 785	1 332	29 977	-126	6 067	5 437	95 472	3 987	33 910	28 727	607	5 172	14 624	1 187	467	88 681		
Q3	53 334	1 360	30 500	-375	6 845	4 631	96 295	4 152	35 796	35 762	619	5 221	14 972	1 230	698	98 450		
Q4	53 872	1 370	32 736	-50	5 897	6 230	100 055	4 253	35 970	33 142	599	5 155	15 693	1 277	456	96 545		
2003 Q1	56 352	1 207	30 829	-75	7 227	5 321	100 861	4 287	34 046	45 506	545	5 204	18 239	1 243	624	109 694		
Q2	57 968	2 040	31 540	-185	7 388	5 813	104 564	4 154	36 430	29 371	606	5 686	17 697	1 169	433	95 546		
Q3	58 327	1 458	32 810	-295	6 709	5 398	104 407	4 321	36 506	36 239	631	5 823	18 199	1 173	439	103 331		
Q4	59 111	1 527	35 129	-300	7 456	6 189	109 112	4 724	38 753	32 392	634	5 842	18 370	1 251	436	102 402		
2004 Q1	60 543	1 477	32 888	-222	8 197	5 454	108 337	4 436	36 784	47 638	650	5 850	20 799	1 248	437	117 842		
Q2	60 908	1 761	33 847	-187	7 219	5 683	109 231	4 123	38 323	32 450	726	6 115	18 284	1 372	416	101 809		
Q3	62 046	1 667	34 302	-36	8 241	5 847	112 067	4 191	38 697	39 835	754	6 214	18 836	1 422	399	110 348		
Q4	63 286	1 827	36 828	17	7 151	6 675	115 784	4 748	40 341	36 458	736	6 131	19 395	1 469	400	109 678		
2005 Q1	64 440	1 981	34 276	-374	9 262	6 327	115 912	4 411	37 294	54 144	706	6 172	21 763	1 455	385	126 330		

Sources: Office for National Statistics;
Enquiries 020 7533 5987

6.5 Public sector key fiscal indicators¹

£ million⁵, not seasonally adjusted

	Surplus on current budget ²		Net investment ³		Net borrowing ⁴		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion ⁶	% of GDP ⁷
Annual										
2002	ANLW [†] -6 073	ANMU [†] -8 302	-ANNV [†] 10 514	-ANNW [†] 9 985	NNBK [†] -16 587	ANNX [†] -18 287	RUUS [†] 16 421	RURQ [†] 18 227	RUTN [†] 345.2	RUTO [†] 32.2
2003	-21 023	-21 494	14 825	15 080	-35 848	-36 574	38 214	38 965	375.6	33.2
2004	-19 326	-23 831	16 528	15 490	-35 854	-39 321	41 337	41 256	417.7	35.2
Quarterly										
2002 Q1	11 192	10 999	4 812	4 793	6 380	6 206	-6 383	-6 323	311.7	30.2
Q2	-9 742	-10 417	1 011	981	-10 753	-11 398	7 126	7 069	318.7	30.5
Q3	-1 004	-1 522	2 563	1 925	-3 567	-3 447	-145	402	321.8	30.4
Q4	-6 519	-7 362	2 128	2 286	-8 647	-9 648	15 823	17 079	345.2	32.2
2003 Q1	5 917	5 834	5 870	6 375	47	-541	-1 305	-413	342.4	31.5
Q2	-12 165	-12 757	1 973	2 625	-14 138	-15 382	16 404	16 286	350.8	31.9
Q3	-4 405	-3 958	3 387	2 871	-7 792	-6 829	6 036	5 923	356.1	31.9
Q4	-10 370	-10 613	3 595	3 209	-13 965	-13 822	17 079	17 169	375.6	33.2
2004 Q1	6 293	6 240	5 515	5 918	778	322	506	135	376.0	32.8
Q2	-10 665	-13 042	2 589	2 328	-13 254	-15 370	11 518	11 638	389.0	33.5
Q3	-5 057	-6 417	4 091	3 327	-9 148	-9 744	6 966	7 317	395.1	33.7
Q4	-9 897	-10 612	4 333	3 917	-14 230	-14 529	22 347	22 166	417.7	35.2
2005 Q1	7 069	12 283	9 411	8 384	-2 342	3 899	-2 094	-2 578	415.2	34.5

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

2 Net saving, plus capital taxes.

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

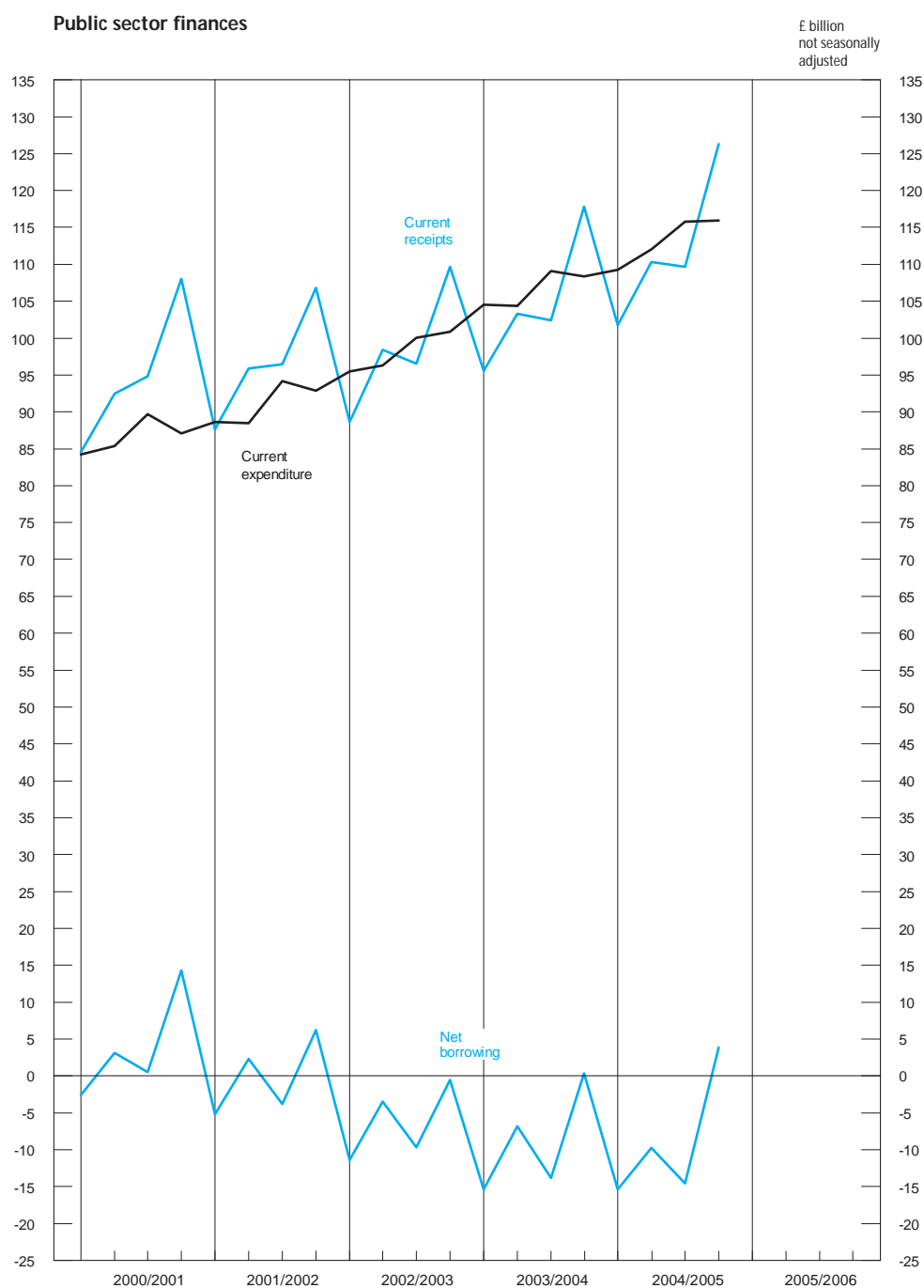
4 Net borrowing = surplus on current budget minus net investment.

5 Unless otherwise stated

6 Net amount outstanding at end of period.

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

Sources: Office for National Statistics;
Enquiries 020 7533 5984



6.6 Consumer credit and other household sector borrowing

£ million

Consumer credit									
	Total consumer credit ^{1,3}	of which		Banks ¹	Building Societies' Class 3 Loans ¹	Other specialist lenders ³	Retailers	Insurance companies	Loans secured on dwellings (NSA ¹)
		credit cards ^{1,2,3}	other ^{1,2,3}						
Amounts outstanding: quarterly									
	VZRI	VZRJ	VZRK	VRVV	VZRG	VZRH	RLBO	VZQZ	AMWT
1999 Q1	105 909 [†]	28 433	77 507	75 722	298	25 865	2 698	1 319	464 289 [†]
Q2	109 052	29 668	79 418	77 799	312	26 767 [†]	2 691	1 383	473 696
Q3	112 275	30 754	81 581	80 457	329	27 487	2 655	1 400	485 214
Q4	115 488	32 092	83 276 [†]	82 717	297	28 301	2 775	1 462	495 140
2000 Q1	119 287	33 449	85 866	86 036	315	28 852	2 664	1 415	504 490
Q2	122 022	34 931	87 121	88 725	315	28 936	2 612	1 310	515 767
Q3	124 292	36 290	88 055	91 028	349	29 130	2 554	1 273	526 770
Q4	127 330	37 619	89 577	94 306	392	29 010	2 503	1 197	536 674
2001 Q1	129 084	38 011	91 124	95 829	412	29 120	2 525	1 229	547 387
Q2	132 946	39 417	93 544	100 298	424	28 328	2 508	1 221	561 434
Q3	136 006	39 996	96 032	103 423	447	28 476	2 521	1 206	577 456
Q4	140 972	41 757	99 157	107 826	436	29 105	2 479	1 178	591 573
2002 Q1	144 302	43 411	100 933	111 034	463	29 186	2 508	1 183	606 729
Q2	147 209	43 430	103 790	113 165	460	29 628	2 571	1 193	626 121
Q3	152 935	45 930	106 973	118 316	523	30 420	2 559	1 196	653 083
Q4	157 097	47 235	109 856	120 956	610	31 840	2 533	1 182	675 769
2003 Q1	156 553	43 856	112 681	116 823	625	35 651	2 527	1 033	696 229
Q2	161 191	45 789	115 375	119 722	672	37 419	2 216	933	718 965
Q3	164 283	47 553	116 668	121 828	736	38 794	2 165	824	747 054
Q4	166 350	47 749	118 702	122 815	766	39 985	2 145	701	775 355
2004 Q1	170 297	49 094	121 199	127 221	751	39 660	2 078	690	799 607
Q2	174 619	50 444	124 151	130 849	777	40 062	2 034	698	826 911
Q3	178 229	51 600	126 547	133 815	836	40 928	1 987	676	854 519
Q4	182 478	53 683	128 876	137 471	904	41 591	1 938	661	877 365
2005 Q1	187 097	55 429	131 714	140 914	949	42 794	1 873 [†]	651	..
Amounts outstanding: monthly									
2003 Jan	157 664 [†]	47 474 [†]	110 190 [†]	121 266 [†]	601	32 033	2 542	1 143	..
Feb	154 702	43 620	111 082	119 885	616	30 348	2 539	1 089	..
Mar	156 119	43 702	112 417	116 300	633	35 462	2 510 [†]	1 033	..
Apr	157 516	44 201	113 314	117 013	658 [†]	36 549	2 491	990	..
May	159 381	45 119	114 262	118 365	656	36 706	2 471	959	..
Jun	160 875	45 690	115 184	119 437	686	37 534	2 215	933	..
Jul	162 272	46 316	115 957	120 912	699	37 697	2 197	904	..
Aug	163 363	46 866	116 498	121 780	716	37 677	2 202	868	..
Sep	164 108	47 545	116 562	121 713	726	38 821	2 157	824	..
Oct	165 468	47 993	117 476	121 875	733	39 884	2 152	776	..
Nov	166 052	47 835	118 216	122 543	730	40 128	2 151	732	..
Dec	166 084	47 502	118 581	122 660	738	39 994	2 139	701	..
2004 Jan	167 472	48 095	119 377	125 328	747	38 524	2 089	686	..
Feb	169 143	48 561	120 582	126 806	752	38 831	2 039	684	..
Mar	169 975	48 912	121 063	127 010	758	39 491	2 063	690	..
Apr	171 650	49 880	121 770	128 667	769	39 534	2 063	697	..
May	172 707	50 008	122 699	129 365	782	39 794	2 040	700	..
Jun	174 459	50 367	124 092	130 937	791	40 208	2 034	698	..
Jul	176 146	51 352	124 793	132 277	804	40 353	2 019	692	..
Aug	177 218	51 410	125 808	132 687	812	40 772	1 998	684	..
Sep	178 166	51 589	126 577	133 950	824	40 991	1 981	676	..
Oct	179 430	52 255	127 175	135 132	835	41 000	1 968	669	..
Nov	181 073	52 923	128 150	136 248	849	41 526	1 946	664	..
Dec	182 259	53 410	128 849	137 256	875	41 498	1 931	661	..
2005 Jan	184 217	54 333	129 884	138 647	893	41 763 [†]	1 908	658	..
Feb	185 604	54 907	130 697	139 614	912	42 143	1 880	655	..
Mar	186 783	55 183	131 600	140 799	959	42 676	1 858	651	..
Apr	187 402	55 063	132 339	141 143	941	42 964	1 833	647	..
May	188 520	55 686	132 834	141 828	962	43 169	1 822	643	..

1 These figures fall outside the scope of National Statistics.

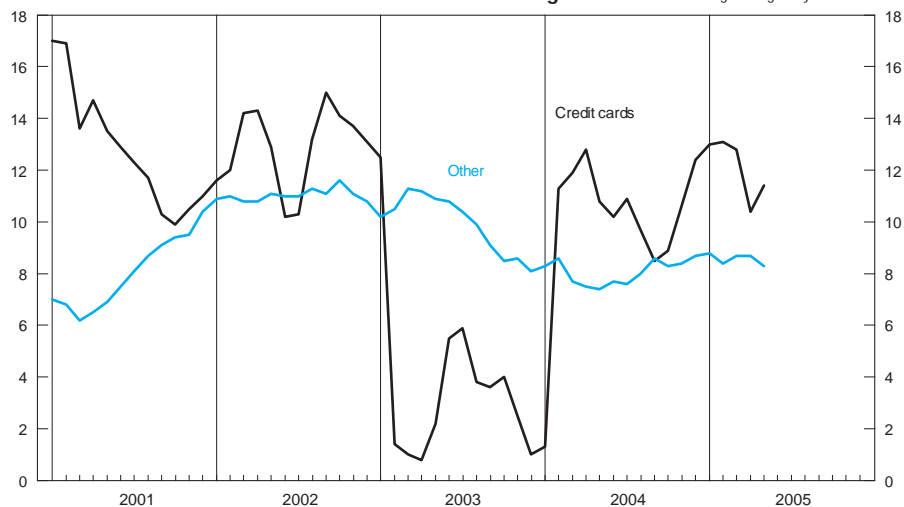
2 From January 1999 onwards, a more accurate breakdown between credit card and 'other lending' is available. Credit card lending by other specialist lenders can now be separately identified and is included for the first time within the credit card component. Hence, data from January 1999 onwards are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

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

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

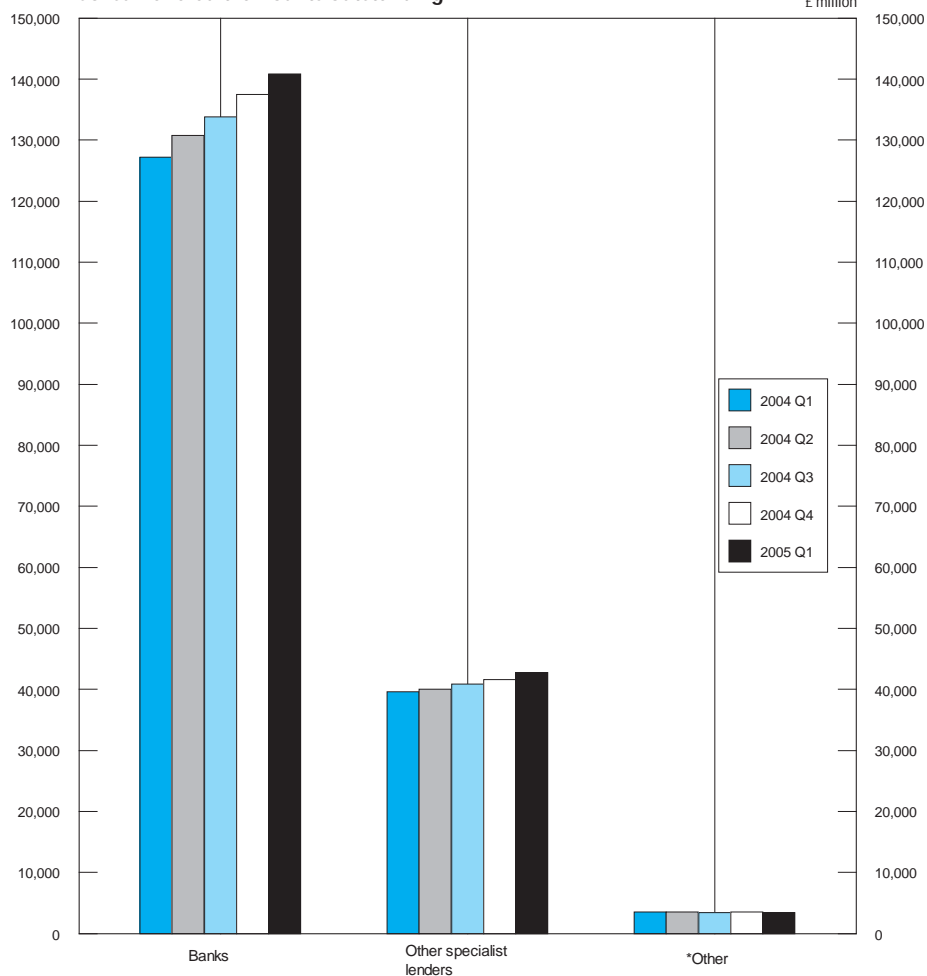
Consumer credit and other Household sector borrowing

Percentage change on year earlier



Consumer credit: amounts outstanding

£ million



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

6.7 Analysis of bank lending to UK residents^{1,3}

Amounts outstanding

£ million, not seasonally adjusted

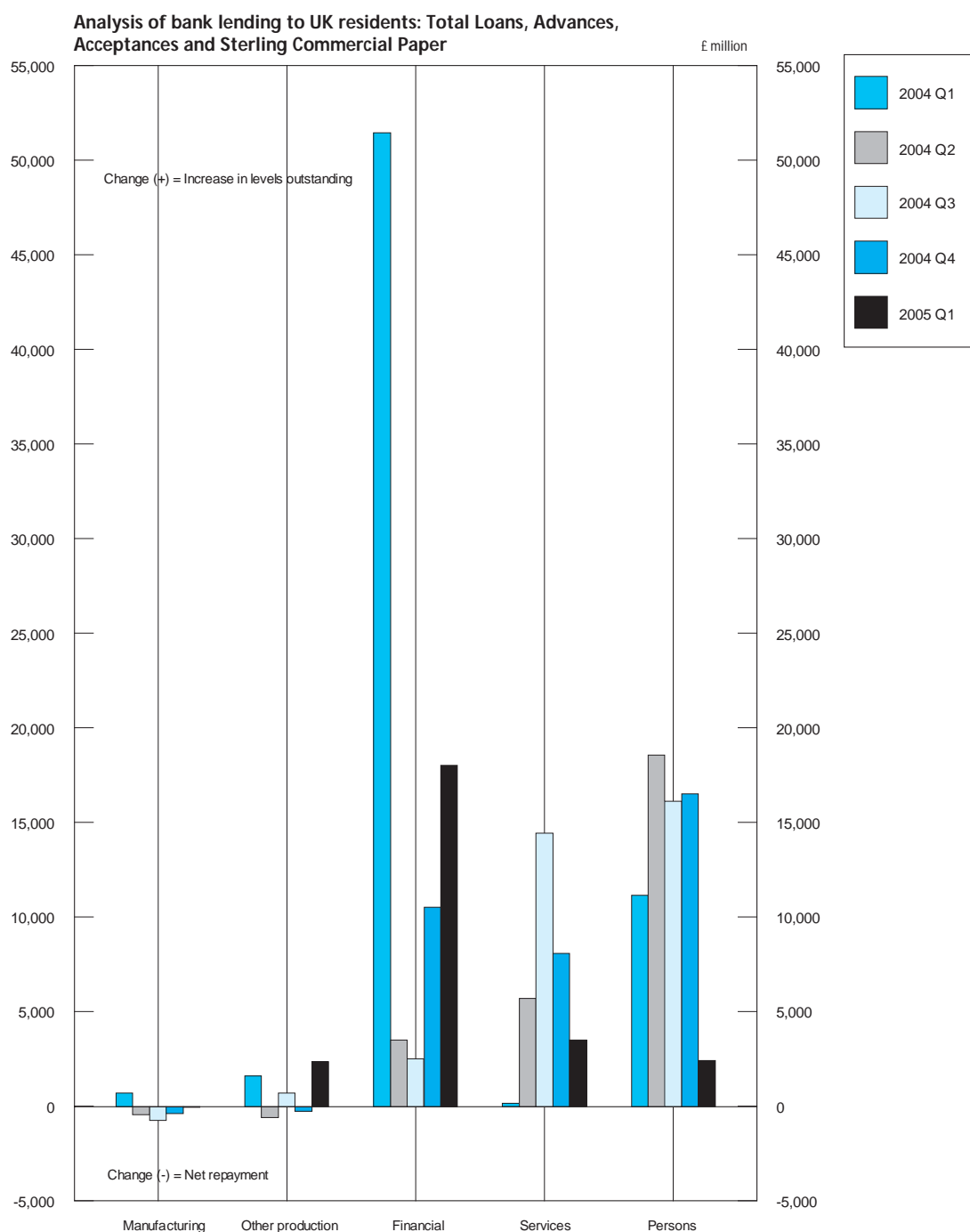
	Manufacturing ²	Other production	Financial	Services	Individuals	Total loans, advances and acceptances
Total Loans, Advances, Acceptances and Sterling Commercial paper						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
2004 Q1	43 295	34 468	442 482	251 277	631 534	1 403 058
Q2	42 857	33 780	446 852	256 301	648 049	1 427 840
Q3	41 789	34 098	465 256	269 605	651 188	1 461 936
Q4	41 315	33 801	472 690	276 838	667 312	1 491 955
2005 Q1	41 160	36 157	490 490 [†]	280 212 [†]	667 258	1 516 356
Of which in sterling						
	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	650 440	1 202 189
Q4	29 102	30 870	244 248	258 166	666 513	1 228 899 [†]
2005 Q1	29 449	32 943	243 283 [†]	261 800 [†]	666 392	1 234 885
Changes in total lending (sterling)						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
2004 Q1	607	2 009	8 956	1 831	11 141 [†]	24 545 [†]
Q2	268	-1 086	7 729	5 913	18 502	31 325
Q3	-700	767	12 657	12 797	16 055	41 576
Q4	-424	-476	5 318	7 083	16 455	27 956
2005 Q1	346	2 073	-3 039 [†]	3 634 [†]	2 353	6 387
Changes in total lending (foreign currencies)						
	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	5 208 [†]	1 024	64	6 574
2005 Q1	-383	296	21 082	-109	74	21 011
Facilities granted						
	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	1 822 758 [†]
2005 Q1	81 867	69 892	547 826 [†]	392 545 [†]	755 097	1 848 304
Of which in sterling						
	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	1 491 475 [†]
2005 Q1	53 207	54 301	281 433 [†]	351 154 [†]	753 287	1 494 401
Changes in sterling (facilities granted)						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
2004 Q1	1 910	2 442	10 363	6 971	15 418 [†]	37 104 [†]
Q2	-1 370	-2 712	8 642	3 120	23 203	30 883
Q3	-1 433	2 645	15 112	16 275	15 564	48 163
Q4	741 [†]	1 556	5 837	12 516	15 788	36 438
2005 Q1	1 244	718	-5 366 [†]	3 464 [†]	2 247	3 326
Changes in foreign currencies (facilities granted)						
	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	4 803 [†]	983	85	6 504
2005 Q1	158	1 487	20 870	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 yields⁵

Percentage rate

	Last Friday					Last working day	Average of working days	
	Treasury bill yield ¹	Inter-bank 3 months bid rate ³	Inter-bank 3 months offer rate ²	Sterling 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 ³ - 20 years
Annual								
	AJRP	HSAJ	HSAK	HSAL	HSAM	ZCMG	AJIB	AJLX
2001	3.87	4.03	4.06	3.98	4.02	..	1.83	4.78
2002	3.92	3.94	3.96	3.90	3.94	..	1.35	4.83
2003	3.90	3.95	3.98	3.95	3.98	..	1.10	4.64
2004	4.75	4.81	4.84	4.78	4.82	..	2.56	4.77
Monthly								
2001 Jan	5.57	5.69	5.72	5.66	5.72	6.00	5.35	4.51
Feb	5.46	5.53	5.56	5.50	5.53	5.75	5.01	4.57
Mar	5.29	5.44	5.47	5.40	5.43	5.75	4.86	4.56
Apr	5.11	5.25	5.28	5.23	5.25	5.50	4.27	4.86
May	5.02	5.16	5.19	5.16	5.17	5.25	3.95	4.99
Jun	5.10	5.19	5.25	5.18	5.18	5.25	3.80	5.07
Jul	5.04	5.16	5.22	5.16	5.17	5.25	3.60	5.03
Aug	4.71	4.84	4.88	4.83	4.84	5.00	3.43	4.81
Sep	4.33	4.41	4.47	4.41	4.51	4.75	2.52	4.93
Oct	4.16	4.13	4.19	4.10	4.13	4.50	2.15	4.80
Nov	3.81	3.94	4.00	3.92	3.96	4.00	2.00	4.51
Dec	3.87	4.03	4.06	3.98	4.02	4.00	1.83	4.75
2002 Jan	3.90	3.97	4.03	3.97	3.99	4.00	1.86	4.81
Feb	3.91	3.97	4.00	3.91	3.95	4.00	1.85	4.83
Mar	4.04	4.09	4.16	4.09	4.11	4.00	2.00	5.11
Apr	3.98	4.06	4.13	4.05	4.06	4.00	1.86	5.13
May	4.04	4.09	4.13	4.09	4.11	4.00	1.82	5.18
Jun	3.97	4.06	4.09	4.05	4.07	4.00	1.83	5.02
Jul	3.75	3.94	3.97	3.92	3.94	4.00	1.75	4.90
Aug	3.86	3.91	3.97	3.91	3.93	4.00	1.80	4.64
Sep	3.81	3.88	3.91	3.85	3.86	4.00	1.74	4.45
Oct	3.73	3.88	3.91	3.85	3.87	4.00	1.64	4.59
Nov	3.86	3.94	3.98	3.94	3.95	4.00	1.42	4.64
Dec	3.92	3.94	3.96	3.90	3.94	4.00	1.35	4.62
2003 Jan	3.79	3.88	3.91	3.88	3.89	4.00	1.29	4.44
Feb	3.49	3.59	3.64	3.60	3.62	3.75	1.30	4.39
Mar	3.51	3.57	3.61	3.57	3.59	3.75	1.25	4.54
Apr	3.47	3.55	3.58	3.54	3.56	3.75	1.28	4.67
May	3.44	3.54	3.57	3.55	3.55	3.75	1.22	4.46
Jun	3.50	3.55	3.59	3.55	3.56	3.75	1.09	4.39
Jul	3.32	3.36	3.40	3.36	3.38	3.50	1.06	4.65
Aug	3.53	3.54	3.57	3.54	3.56	3.50	1.11	4.68
Sep	3.59	3.66	3.67	3.63	3.65	3.50	1.13	4.76
Oct	3.81	3.86	3.90	3.85	3.87	3.50	1.13	4.88
Nov	3.86	3.90	3.94	3.90	3.92	3.75	1.12	4.95
Dec	3.90	3.95	3.98	3.95	3.98	3.75	1.10	4.83
2004 Jan	4.00	4.05	4.10	4.06	4.08	3.75	1.08	4.75
Feb	4.11	4.11	4.16	4.12	4.14	4.00	1.07	4.78
Mar	4.24	4.30	4.33	4.30	4.32	4.00	1.05	4.67
Apr	4.31	4.35	4.39	4.35	4.37	4.00	1.11	4.87
May	4.54	4.56	4.59	4.55	4.59	4.25	1.24	4.98
Jun	4.65	4.77	4.79	4.74	4.78	4.50	1.56	5.00
Jul	4.80	4.86	4.89	4.87	4.88	4.50	1.64	4.92
Aug	4.77	4.88	4.90	4.88	4.90	4.75	1.78	4.81
Sep	4.73	4.82	4.86	4.83	4.85	4.75	1.98	4.76
Oct	4.73	4.81	4.84	4.82	4.84	4.75	2.14	4.68
Nov	4.69	4.77	4.80	4.76	4.80	4.75	2.38	4.58
Dec	4.75	4.81	4.84	4.78	4.82	4.75	2.56	4.44
2005 Jan	4.71	4.79	4.81	4.77	4.81	4.75	2.75	4.44
Feb	4.79	4.87	4.90	4.86	4.90	4.75	2.90	4.53
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
May	4.70	4.79	4.81	4.78	4.82	4.75	3.31	4.41

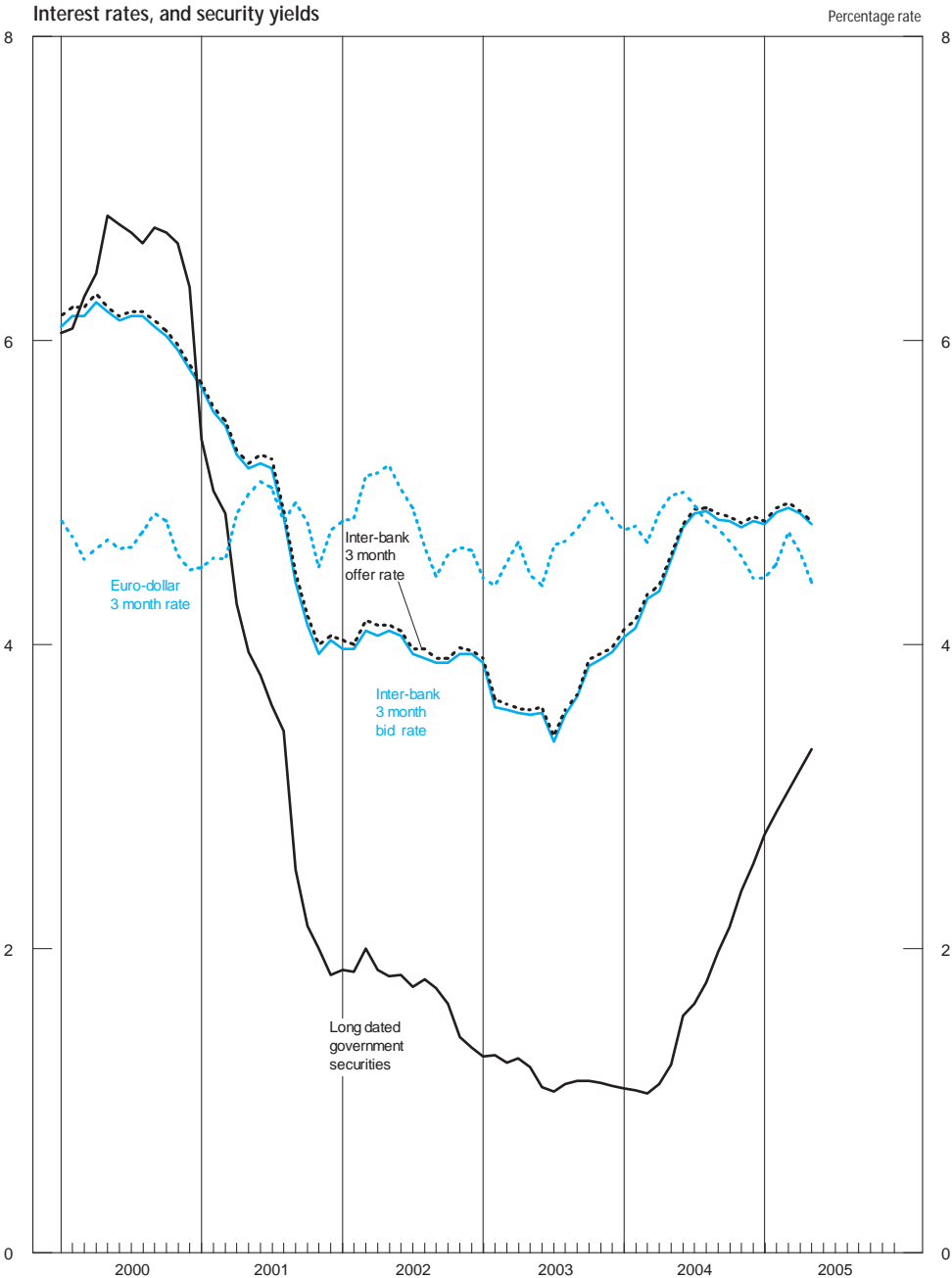
1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

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)			
	Plant and machinery bought as fixed assets by	Manufactured output	New dwellings ¹	Secondhand dwellings ¹	All dwellings ¹	Average price of agricultural land in England (1995 = 100) ²
	Motor vehicle industry	Motor vehicle industry				
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	96.1	138.6	144.6	143.9	..
Quarterly						
2001 Q1	102.9	95.4	90.8	92.1	92.1	155 ³
Q2	103.1	95.5	90.8	96.0	95.4	148 ³
Q3	101.2	95.4	94.1	99.4	98.8	160 ³
Q4	101.1	95.4	95.4	96.9	96.8	154 ³
2002 Q1	101.0	95.6	100.0	100.0	100.0	130 ³
Q2	100.5	95.5	106.5	108.4	108.2	139 ³
Q3	100.0	94.9	111.0	116.1	115.5	152 ^{3†}
Q4	99.2	94.9	117.1	121.8	121.3	148 ³
2003 Q1	99.1	94.6	119.3	124.0	123.4	136 ³
Q2	99.7	94.1	127.2	127.3	127.2	146 ³
Q3	99.9	94.5	127.9	131.1	130.7	179 ³
Q4	99.5	95.1	131.8	133.7	133.4	137 ³
2004 Q1	98.8	95.5	130.8	135.2	134.6	158 ³
Q2	99.3	96.2	137.8	143.1	142.5	160 ³
Q3	98.9	96.3	143.1	149.6	148.9	145 ³
Q4	98.8	96.5	142.6	150.7	149.8	..
2005 Q1	99.2p [†]	96.9	145.1	150.1	149.5	..
Monthly						
2003 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	98.9	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	98.9 [†]	96.6	143.9	149.6	148.9	..
Feb	99.4p	96.9	144.0	148.7	148.1	..
Mar	99.2p	97.1	147.4	151.9	151.3	..
Apr	98.8p	96.9p	144.6	150.8	150.1	..
May	99.0p	96.9p	..	..	..	..

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

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

³ Provisional estimates.

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

Measures of variability of selected economic series¹

	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 ³	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. ⁴	2.13	Jan 1990 to Dec 2004	2.8	2.7	0.7	3.6	4	0.9
Imports: value, f.o.b. ⁴	2.13	Jan 1990 to Dec 2004	2.2	2.0	0.7	2.9	3	0.9
Money stock - M0 ⁵	6.2	Jan 1990 to Dec 2004	0.6	0.3	0.5	0.6	1	0.6
Money stock - M4 ⁵	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

Index of sources

Abbreviations

DEFRA – Department for Environment, Food and Rural Affairs.

ODPM – Office of the Deputy Prime Minister.

	Table	Source	Further statistics (where available)
Asset prices	6.9	Office for National Statistics DEFRA ODPM	
Average earnings	1.1, 4.6	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Balance of payments (current account)	2.13	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Banking		Bank of England	Financial Statistics
Banking loans, advances and acceptances	6.7		
British government securities (long dated) 20 years yield	6.8	Bank of England	
Capital account summary, analysis by sector	2.10	Office for National Statistics	
Cars (see also Motor Vehicles)			
Production	1.1, 5.3	Office for National Statistics	News Release
Registration	5.8	Department of Transport	
Change in inventories			
By industry	5.6	Office for National Statistics	First Release
Manufacturing	1.1		Monthly Digest of Statistics
Ratios	5.7		
Total	2.2		
Claimant count (see Unemployment)			
Coal (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
Consumer prices index	1.1, 3.1	Office for National Statistics	First Release Focus on consumer price indices Labour Market Trends
Commercial vehicles, production (see also Motor vehicles)	5.3	Office for National Statistics	News Release
Construction industry			
Index of output (see also)			
Industrial production)	1.1, 2.8	Office for National Statistics	
Orders received	5.2, 5.4	Department of Trade and Industry	Construction Statistics
Output	5.2	Department of Trade and Industry	
Corporations		Office for National Statistics	
Financial corporations			Financial Statistics UK Economic Accounts
Capital transfers	2.10		
Gross saving	2.10		
In relation to gross domestic product	2.3		Monthly Digest of Statistics
Non-financial corporations			First Release
Allocation of primary income account	2.11		Financial Statistics
Capital account, net lending/net borrowing	2.12		UK Economic Accounts
Gross operating surplus	2.11		
Gross saving	2.10		
Property income received/paid	2.11		
Resources	2.11, 2.12		
Secondary distribution of income account	2.12		
Uses	2.11, 2.12	Office for National Statistics	
Consumer credit	5.8, 6.6	Office for National Statistics	Consumer Trends Financial Statistics
Counterparts to changes in money stock M4	6.3	Bank of England	Financial Statistics Press Notice

Credit business (see also Hire purchase)	5.8	Office for National Statistics	Financial Statistics
Current balance (see also Balance of payments)	2.13	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Dwellings (see also Housing)	5.4	Office for National Statistics ODPM	
Earnings (average)	1.1, 4.6	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Economic activity (Labour Force Survey)	4.1, 4.2, 4.3	Office for National Statistics	First Release Labour Market Trends
Electricity (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
Employees in employment	4.1, 4.2, 4.3, 4.4	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Energy	5.9	Department of Trade and Industry	Energy Trends UK Energy Statistics
Household final consumption expenditure on energy products	2.6	Office for National Statistics	Monthly Digest of Statistics
Output index for energy and water supply	5.1		Monthly Digest of Statistics
Primary fuel input: total, coal, petroleum, natural gas and primary electricity	5.9	Department of Trade and Industry	Energy Trends
Engineering industries		Office for National Statistics	News Release
Sales and orders: total, home market and export	1.1, 5.2		Monthly Digest of Statistics
Eurodollar-3-month rate (see also Interest rates)	6.8	Bank of England	Financial Statistics
Exchange rates	1.1, 6.1	Bank of England	First Release Financial Statistics
Expenditure (see also Total final expenditure)	2.2, 2.3	Office for National Statistics	Monthly Digest of Statistics UK Economic Accounts
Exports		Office for National Statistics	
Of goods	1.1, 2.13		First Release Monthly Digest of Statistics
Price index	1.1, 2.14		First Release UK Economic Accounts
Volume indices	2.14		First Release UK Economic Accounts
Of goods and services	2.2, 2.3		First Release UK Economic Accounts
Of passenger cars, commercial vehicles	5.3		News Release
Orders; engineering industries	5.2		News Release
Price indices	2.14		First Release UK Economic Accounts
Price index for manufactures (international comparisons)	2.15	International Monetary Fund	
Relative prices (as measure of trade competitiveness)	2.15		
Relative profitability (as measure of trade competitiveness)	2.15		International Financial Statistics
Unit value index	2.15		
Final expenditure (see also Total final expenditure)	2.2, 2.3	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
Financial corporations (see also corporations)	2.10	Office for National Statistics	Financial Statistics UK Economic Accounts
Fixed investment			
By sector and by type of asset	2.7	Monthly Digest of Statistics	
Dwellings (see also Housing)	2.7, 5.4	Office for National Statistics	
Gas (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
General government final consumption expenditure	2.2, 2.3	Office for National Statistics	Financial Statistics Monthly Digest of Statistics UK Economic Accounts
Gross disposable income: non-financial corporations	2.12	Office for National Statistics	First Release Financial Statistics

Gross domestic product	2.1	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
At basic prices	1.1, 2.1, 2.3, 2.4		
At market prices	2.1, 2.2		
By category of expenditure	2.2		
In relation to output	2.8		
In relation to stocks	5.7		
Per head	2.4		UK Economic Accounts
Gross fixed capital formation (see also Fixed investment)	2.2	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
By sector and type of asset	2.7		
Dwellings	2.7		
Gross household disposable income	2.4, 2.5	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
Gross national income (per head)	2.4	Office for National Statistics	
Gross operating surplus of non-financial corporations	2.11	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Gross saving (corporations)	2.10	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Household final consumption expenditure		Office for National Statistics	First Release Consumer Trends Monthly Digest of Statistics
Component categories	2.6		
In relation to personal income	2.5		
In relation to total final expenditure	2.3		
Per head	2.4		
Households' income before tax	2.4, 2.5	Office for National Statistics	Monthly Digest of Statistics
Housing			
Average price of new dwellings at mortgage completion stage	5.4	ODPM	Housing Statistics
Fixed investment in dwellings	2.7, 5.4	Office for National Statistics	
Orders received by contractors for new houses	5.4	Department of Trade and Industry	Monthly Digest of Statistics Press Notice
Starts and completions	1.1, 5.4	ODPM The Scottish Executive National Assembly for Wales	Housing Statistics
Imports			
Of goods	1.1, 2.13	Office for National Statistics	First Release Monthly Digest of Statistics
Price index	1.1, 2.14		
Volume indices	2.14		
Of goods and services	2.2		First Release Monthly Digest of Statistics UK Economic Accounts
Price competitiveness (manufactures)	2.15	Office for National Statistics	
Incomes		Office for National Statistics	
Households' gross disposable income	2.5		First Release Monthly Digest of Statistics UK Economic Accounts
Households' income before tax	2.5		First Release Monthly Digest of Statistics UK Economic Accounts
Income from employment as a percentage of gross domestic product (see also Wages: Earnings)	2.3		Monthly Digest of Statistics
Inventory holding gains (non-financial corporations)	2.11	Office for National Statistics	First Release Financial Statistics UK Economic Accounts

Industrial production: index of output	5.1	Office for National Statistics	First Release Monthly Digest of Statistics
By main industrial groupings	5.1		
By selected industries	5.1		
In relation to output (gross domestic product)	2.8		
In relation to stocks (manufacturing industries)	5.7		
Inter-bank 3-month rate (see also Interest rates)	6.8	Bank of England	Monetary and Financial Statistics
Interest rates	6.8	Bank of England	Financial Statistics
Eurodollar 3-month rate			
Inter-bank 3-month bid and offer rates			Bank of England
Local authorities 3-month deposit rate			
Selected retail banks base rate			
Sterling certificates of deposit 3-month bid and offer rates			
Treasury bill yield			
International Reserves	6.1	Bank of England	Financial Statistics
Key fiscal indicators	6.5	Office for National Statistics	
Labour Force Survey	4.1, 4.2, 4.3, 4.5a	Office for National Statistics	First Release Labour Market Trends
Local authorities 3-month deposit rate (see also Interest rates)	6.8	Bank of England	
Housing starts and completions (see also Housing)	5.4	ODPM	Housing Statistics Press Notice
Manufacturing industries		Office for National Statistics	Monthly Digest of Statistics
Change in inventories	1.1, 5.6		First Release
Inventory ratios	5.7		
Output (constant prices)	5.1		
in constant prices	1.1		
per filled job, per hour worked	4.7		
Money stock	1.1, 6.2	Bank of England	Financial Statistics Press Notice
Motor vehicles			
New car registrations	1.1, 5.8	Department of Transport	
Production of passenger cars and commercial vehicles: total and for export	1.1, 5.3	Office for National Statistics	News Release Monthly Digest of Statistics
National accounts	2.1 - 2.15	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
National disposable income at market prices	2.1	Office for National Statistics	
Non-financial corporations (see also Corporations)	2.10, 2.11, 2.12	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Operating surplus (see also Corporations)	2.3, 2.11	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Orders received			
By construction industry (see also Construction)	5.2	Department of Trade and Industry	Construction Statistics
By engineering industries (see also Engineering)	5.2	Office for National Statistics	News Release Monthly Digest of Statistics
Output			
By construction industry (see also Construction)	1.1, 2.8, 5.2	Office for National Statistics Department of Trade and Industry	Construction Statistics
By engineering industries (see also Engineering)	5.2	Office for National Statistics	News Release Monthly Digest of Statistics
Gross value added by category of	2.8		First Release Monthly Digest of Statistics
Gross value added at basic prices service inds.	2.9		
Per filled job (see also Productivity)	4.7		
Overseas trade (see Exports; Imports; Trade in goods)			
Petroleum (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
Population			
Estimates per capita, income, product and spending	2.4	Office for National Statistics	

Prices			
Asset prices	6.9	Office for National Statistics DEFRA ODPM	
Average price of new dwellings at mortgage completion (see also Housing)	5.4	ODPM	Housing Statistics
Consumer prices index	1.1, 3.1	Office for National Statistics	First Release Focus on Consumer price indices Labour Market Trends Labour Market Trends
Pensioner price index	3.1	Office for National Statistics	
Producer input and output prices	1.1		
Producer price index	3.1	Office for National Statistics	First Release Monthly Digest of Statistics
Retail prices index	1.1, 3.1		First Release Labour Market Trends Focus on Consumer price indices Monthly Digest of Statistics
Productivity (see Output per filled job)	4.7		First Release Labour Market Trends Monthly Digest of Statistics
Private sector			
Capital account, net lending/net borrowing	2.10	Office for National Statistics	Financial Statistics
Gross fixed investment	2.3, 2.7		Monthly Digest of Statistics
Housing starts and completions (see also Housing)	5.4	ODPM	Housing Statistics Press Notice
Producer price index (see also Prices)	3.1	Office for National Statistics	First Release Monthly Digest of Statistics
Production (see Industrial production; Motor vehicles; Output; Steel)		Office for National Statistics	
Productivity	1.1, 4.7	Office for National Statistics	Monthly Digest of Statistics
Profits (see also Companies)	2.3, 2.11	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Property income received/paid; non-financial corporations	2.11	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Property transactions	5.5	Board of Inland Revenue	
Public sector			
Expenditure and receipts	6.4	Office for National Statistics	
Fiscal indicators	6.5	Office for National Statistics	
Gross fixed capital formation	2.7		
Index numbers of output	2.9	Office for National Statistics	
Net cash requirement (PSNCR)	6.3, 6.5		First Release
Net borrowing	1.1, 6.5		Financial Statistics
Purchasing power of the pound	3.1	Office for National Statistics	
Regional claimant unemployment rates (see also Unemployment)	4.5	Office for National Statistics	First Release Labour Market Trends
Retail prices index (see also Prices)	1.1, 3.1	Office for National Statistics	First Release Monthly Digest of Statistics Focus on consumer prices indices Labour Market Trends
Retail sales			
Value index numbers	5.8	Office for National Statistics	First Release Monthly Digest of Statistics
Volume index numbers	1.1, 5.8		
Ratio of distributors' stocks to retail sales	5.7		
Savings ratio, household	2.5	Office for National Statistics	First Release Financial Statistics Monthly Digest of Statistics UK Economic Accounts
Selected retail banks' rates (see also Interest rates)	6.8	Bank of England	
Service industries			
Gross value added	2.8, 2.9	Office for National Statistics	First Release

Steel, production	5.3	Iron and Steel Statistics Bureau Ltd.	Monthly Digest of Statistics
Sterling certificates of deposit (see also Interest rates)	6.8	Bank of England	Financial Statistics
Sterling			
Exchange rate index	1.1, 6.1	Bank of England	Financial Statistics
Exchange rates against major currencies	6.1		
Taxes		Office for National Statistics	Financial Statistics
Public sector receipts of	6.4		
Payment of taxes by non-financial corporations	2.12		First Release Financial Statistics UK Economic Accounts
Total final expenditure on goods and services	2.2	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
Trade competitiveness measures	2.15	Office for National Statistics International Monetary Fund	International Financial Statistics
Trade in goods	1.1, 2.13, 2.14	Office for National Statistics	First Release Monthly Digest of Statistics UK Economic Accounts
Transfers (see also Balance of payments)	2.13	Office for National Statistics	First Release UK Economic Accounts
Treasury bill yield (see also Interest rates)	6.8	Bank of England	Financial Statistics
Unemployed (ILO)	4.1, 4.2, 4.3		First Release
Unemployment		Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Regional claimant count	4.5		
Total claimant count	1.1, 4.4		
Unit labour costs index (international comparisons)	2.15	International Monetary Fund	International Financial Statistics
Unit wage costs	4.7	Office for National Statistics	First Release
Vacancies	4.4	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Wages and salaries			
Unit costs - manufacturing	1.1, 4.7	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Unit costs - whole economy	1.1, 4.7		
In relation to gross household disposable income	2.5	Office for National Statistics	Monthly Digest of Statistics First Release Labour Market Trends
Per unit of output (see Unit wage costs)			
Wholesale price index for manufactures (international comparisons)	2.15	International Monetary Fund	International Financial Statistics
Workforce Jobs	4.4	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics

United Kingdom macro-economic statistics

Published by ONS

Annual publications

Economic Trends Annual Supplement

Input-Output Analyses

Overseas Direct Investment

Financial Statistics Explanatory Handbook

Share Ownership

UK Balance of Payments (Pink Book)

UK National Accounts (Blue Book)

First releases

- Share Ownership
- Foreign direct investment
- UK trade in services

Recent editions

Share Ownership 2004.
www.statistics.gov.uk/products/p930.asp

United Kingdom Balance of Payments: the Pink Book 2005.
Web version available 22 July,
www.statistics.gov.uk/products/p1140.asp.
Print version available 19 August.

United Kingdom National Accounts: the Blue Book 2005. Web version available 22 July,
www.statistics.gov.uk/products/p1143.asp.
Print version available 19 August.

Quarterly publications

UK Economic Accounts

Consumer Trends

Overseas Trade analysed
in terms of industry

First releases

- UK Balance of Payments
- UK National Accounts
- UK Output, Income & Expenditure
- GDP Preliminary estimate
- Business investment
- Investment by insurance companies, pension funds and trusts
- Govt Deficit & Debt under the Treaty (bi-annual)
- Profitability of UK companies
- Productivity

Consumer Trends 2005 quarter 1
www.statistics.gov.uk/products/p242.asp

United Kingdom Economic Accounts: 2005 quarter 1. Palgrave Macmillan, ISBN 1 4039 9643 1. Price £27.
www.statistics.gov.uk/products/p1904.asp

UK Trade in Goods analysed in terms of industry (MQ10): 2005 quarter 1
www.statistics.gov.uk/products/p731.asp

Monthly publications

Consumer Price Indices

Economic Trends

Producer Price Indices

Financial Statistics

Monthly Review of
External Trade Statistics

First releases

- UK Trade
- Public Sector Finances
- Consumer Price indices
- Producer Prices
- Retail Sales Index
- Index of Production
- Index of distribution

Financial Statistics: June 2005. Palgrave Macmillan, ISBN 1 4039 9109 X. Price £40.

Focus on Consumer Price Indices: June 2005.
www.statistics.gov.uk/products/p867.asp

Monthly review of External Trade Statistics (MM24): May 2005
www.statistics.gov.uk/products/p613.asp

Other publications

- Retail Prices 1914–1990
- Labour Market Trends
- National Accounts Concepts Sources and Methods -
- Sector Classification Guide for the National Statistics