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graphic statistics, including the retail prices  
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as well as the periodic census of the popula-  
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# Economic Trends

No. 627, February 2006

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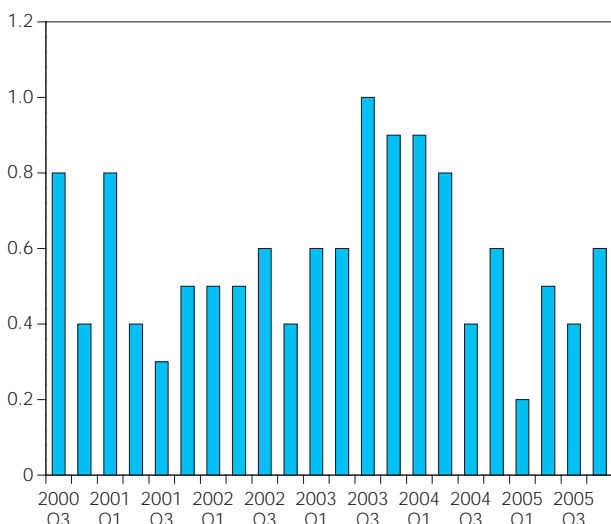
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# in brief

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

## GDP growth

Quarterly growth (per cent)



GDP rose by 0.6 per cent in the fourth quarter of 2005, up from 0.4 per cent in the previous quarter. For the year 2005 as a whole GDP increased by 1.8 per cent over 2004.

Production fell by 0.6 per cent. A 0.8 per cent fall in manufacturing was partly offset by a 1.3 per cent rise in mining and quarrying.

Services grew by 0.9 per cent compared with 0.7 per cent in the previous quarter. Distribution, hotels and restaurants grew by 1.2 per cent up from 0.2 per cent in the third quarter. Retail, wholesale and hotels and restaurants contributed to the stronger growth in the fourth quarter.

Transport, storage and communication grew by 1.1 per cent, compared with 0.7 per cent in the third quarter. There was growth across the transport industries and in post and telecommunications.

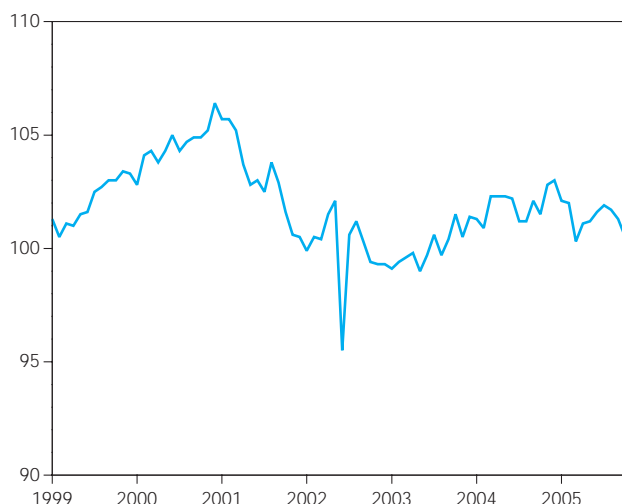
Business services and finance rose by 1.1 per cent, compared with 0.8 per cent in the third quarter. There was increased output from business services and banking.

Government and other services rose by 0.5 per cent, compared with 0.8 per cent in the third quarter. The weaker growth in quarter four was due to recreation. Public administration, education and health increased broadly in line with the previous quarter.

Construction rose by 0.3 per cent, compared with 0.5 per cent in the third quarter.

## Index of manufacturing

2002=100



Manufacturing output decreased by 0.8 per cent in the three months to November compared with the three months to August, with eleven out of the thirteen subsectors showing decreases in output and two showing increases.

There were significant decreases in the food, drink and tobacco industries, where output decreased by 1.5 per cent and the paper, printing and publishing industries, where output decreased by 1.2 per cent. There were no significant increases on the three-monthly basis.

Overall production decreased by 0.7 per cent on a three-monthly basis. Within production there were decreases of 0.3 per cent in the energy supply sector and 0.7 per cent in the mining and quarrying sector, the latter decrease caused by a significant decrease in the oil extraction industry.

Between October and November, manufacturing output increased by 0.4 per cent. Ten of the thirteen subsectors showed increases in output and three showed decreases. There were two significant increasing subsectors in November. These were the transport equipment subsector (1.3 per cent) and the machinery and equipment subsector (1.5 per cent). There were no significant decreases in output between October and November.

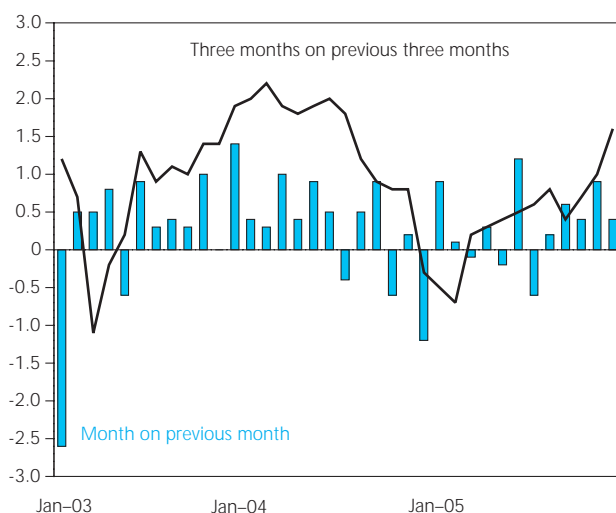
Released: 25 January 2006

The overall Index of Production increased by 0.6 per cent between October and November. Mining and quarrying output decreased by 0.5 per cent, while energy supply output increased by 3.8 per cent. Within the energy supply sector the gas supply output increased by 10.4 per cent. November was colder than the long-term average temperature and this increased demand for gas within the UK for heating purposes. In addition to strong UK gas extraction figures, large volumes of gas were also imported from Europe to meet the high demand.

Released: 12 January 2006

## Retail sales growth

Per cent



Retail sales indices – seasonally adjusted (2000=100)

December's retail sales results show a continuation of the increased growth seen since the summer.

The volume of retail sales in the three months October to December 2005 was 1.6 per cent higher than in the previous three months, the highest since July 2004. This follows growth of 1.0 per cent in the three months to November and compares with a decrease of 0.3 per cent at the same time in 2004.

Three-monthly growth in sales volume for food stores was 1.1 per cent and 2.0 per cent for non-food stores. Three-monthly growth was positive for all sectors including the non-store sector at 0.8 per cent where it was positive for the first time since June 2005. Non-specialised stores showed growth of 2.7 per cent with household goods stores showing the largest growth of 3.6 per cent.

Compared with the same period a year ago, sales volumes in the three months to December 2005 were up 2.8 per cent, the highest since March 2005. Within non-food stores growth was positive for all sectors, the strongest being non-specialised stores at 4.4 per cent and household goods at 3.8 per cent.

Analysis of monthly figures shows that the total sales volume increased by 0.4 per cent between November and December, following an upwardly revised increase of 0.9 per cent for November and 0.4 per cent in October. There were increases on the month for household goods stores, 'other' non-food stores and non-store retailing. Growth was highest for household goods stores at 5.2 per cent, the largest since January 2000, reflecting a relatively strong December for furniture stores and electrical goods stores. Growth for non-store retailing showed an increase of 1.6 per cent reflecting increased sales by specialist internet retailers. There were monthly decreases for food stores at 0.6 per cent, non-specialised stores at 0.2 per cent and clothing stores at 2.6 per cent, reflecting a lower than usual seasonal impact in December, following a relatively strong November.

For the three months to December the unadjusted value of retail sales was 1.8 per cent higher than in the same period a year earlier. Average weekly sales in December were £6.4 billion, 3.6 per cent higher than a year ago, the highest growth since November 2004. This also represents the highest annual growth for a December since 2001. Sales values for food stores increased by 4.2 per cent over the year compared with 3.8 per cent for non-food stores, the first positive growth for non-food stores since March 2005.

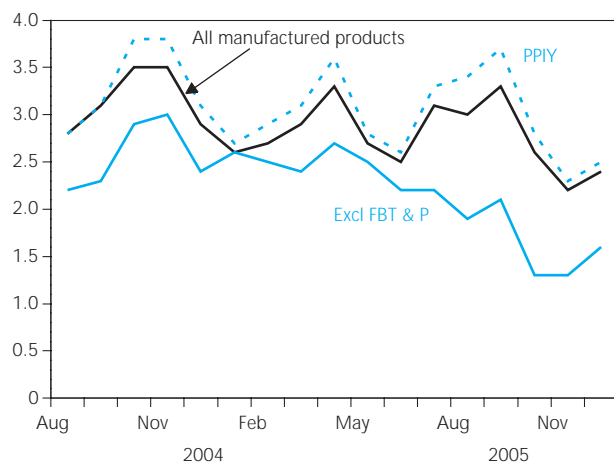
In 2005 as a whole, the total value of retail sales is estimated at £249 billion, up 1.0 per cent on 2004. This compares with growth of 4.6 per cent in 2004 and is the lowest annual increase since the Second World War. The previous record low was 2.6 per cent in 2003.

Released: 20 January 2006

# Producer prices

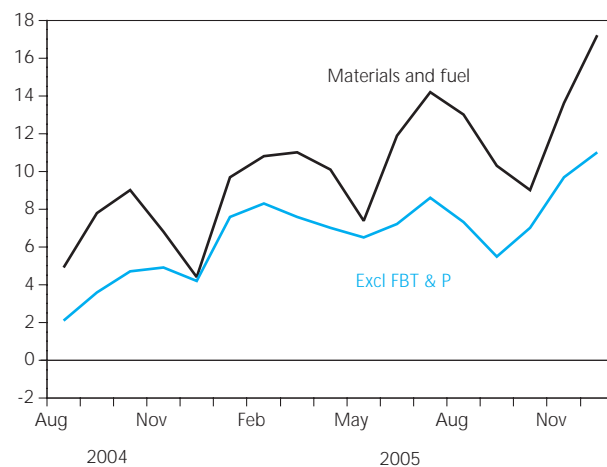
## Output prices (what manufacturers sell)

12 months percentage change



## Input prices (materials and fuel manufacturers buy)

12 months percentage change



In December, output price annual inflation for all manufactured products rose to 2.4 per cent from 2.2 per cent in November. Input price annual inflation rose from 13.6 per cent in November to 17.2 per cent in December.

Month on month, the output prices measure for all manufactured products fell 0.2 per cent in December, mainly reflecting a fall in petroleum products prices.

The 'narrow' output prices measure, which leaves out volatile sectors, showed an annual increase of 1.6 per cent. The seasonally adjusted prices measure rose 0.1 per cent between November and December.

Month on month, the input prices measure of UK manufacturers' materials and fuels rose 1.0 per cent. This mainly reflected a rise in fuel prices, crude oil, metals and home produced food. In seasonally adjusted terms the index rose 0.9 per cent between November and December.

The 'narrow' input prices measure rose 11.0 per cent in the year to December. In seasonally adjusted terms the index rose 0.4 per cent between November and December.

Released: 16 January 2006

# Economic update

## February 2006

Anis Chowdhury

Office for National Statistics

### Overview

- The preliminary estimate for GDP growth in the fourth quarter of 2005 was 0.6 per cent, up from 0.4 per cent in the previous quarter.
- The increase in the growth rate was due to an acceleration in service sector growth and the arresting of the decline in oil production in quarter three. This was offset in part by negative growth in manufacturing production.
- From the demand perspective consumer spending appears to have picked up in quarter four. Government as well as business expenditure showed flat growth in quarter three.
- The public sector finances deficit showed a deterioration in December 2005
- The UK trade deficit widened in November 2005.
- Labour market conditions showed signs of weakening in the fourth quarter. The employment rate decreased whilst the unemployment rate increased in the three months to November. The claimant count increased for the 11th month running. Average earnings growth fell in November.
- Producer output price inflation rose slightly in December, though input price inflation showed a much more substantial increase.
- Consumer price inflation decreased in December hitting the Government's 2 per cent target.

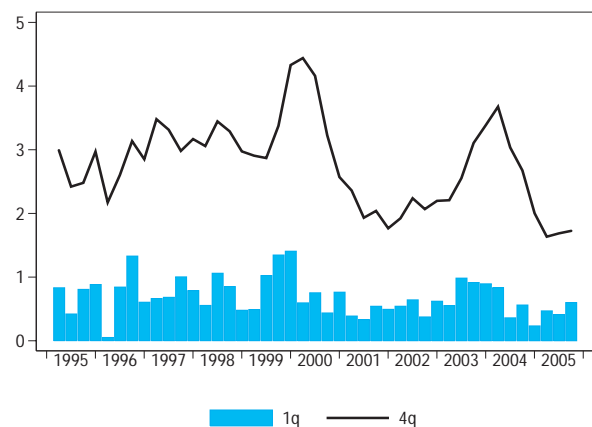
### GDP activity – overview

Preliminary figures for the fourth quarter of 2005 are now available and show growing activity into this period. The initial estimate of GDP growth in 2005 quarter four was 0.6 per cent, an acceleration from the 0.4 per cent growth in 2005 quarter three. The initial estimate for the annual rate of growth rose to 1.8 per cent from 1.7 per cent in the previous quarter. It should be remembered that this preliminary GDP release does contain some element of estimation for certain sectors of the economy. The number will be firmed up later as more data becomes available (Figure 1).

Data for 2005 quarter four are not yet available for the other major OECD economies. Data for quarter three shows a mixed picture of the world economy. US GDP growth for the third quarter of 2005 recorded a robust expansion of 1.0 per cent, up slightly from the previous quarter growth rate of 0.8 per cent. Household demand continues to be a major contributor to GDP growth. The acceleration in the third quarter primarily reflected increases in personal consumption expenditure and federal government spending as well as a smaller decrease in private inventory investment. This was

Figure 1  
GDP

Growth



partially offset by a deceleration in exports and residential fixed investment. Japan's output slowed markedly in 2005 quarter three. Growth was 0.2 per cent compared to 1.2 per cent in 2005 quarter two. The deceleration was partly due to a slowdown in household consumption expenditure and partly due to a sharp decrease in corporate investment. There was also a negative contribution from net exports. This was partially offset by an increase in private residential investment. Government expenditure remained flat compared to the previous quarter.

Growth in the three biggest mainland EU economies – France, Germany and Italy – shows a mixed picture. Growth overall however, remains subdued. German GDP growth was 0.6 per cent in 2005 quarter three following growth of 0.2 per cent in the previous quarter. The main positive contribution came from exports, rising strongly on the quarter. There was also a strong rise in corporate investment, particularly in machinery and equipment. According to business surveys, this reflects increasing optimism of industry. On the downside, household consumption expenditure continues to make a negative contribution to growth, decreasing for the third successive quarter. This partly reflects the flat growth in nominal disposable income and is partly due to the relatively weak labour market. France GDP growth showed a sharp rebound in 2005 quarter three. Growth was 0.7 per cent, compared to the 0.1 per cent growth rate in 2005 quarter two. The marked increase was mainly due to a sharp rise in household final consumption expenditure and a rise in corporate investment. Net exports also made a positive contribution to growth for the first time in two years. Italy, in contrast, recorded a lower growth rate of 0.3 per cent following growth of 0.7 per cent in the previous quarter. Industrial output was the main contributor to the growth rate. Services output was flat whilst agricultural output continues to remain weak.

### Financial Market activity

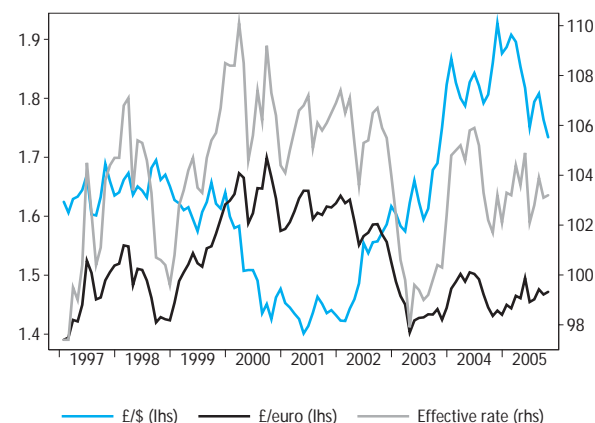
Equity performance has been positive this year on the whole, although stock prices have been volatile. The FTSE All - Share index was up by about 3 per cent in 2005 quarter four having risen by around 7 per cent in the previous quarter.

As for currency markets, 2005 quarter four saw sterling's average value depreciate by 2 per cent against the dollar while against the euro, sterling's value depreciated by around 1 per cent. Overall, the quarterly effective exchange rate remained flat after decreasing by 1 per cent in the previous quarter (Figure 2). At the time of writing this article the dollar/pound rate was 1.76 while the rate was 1.46 against the euro.

The recent movements in the exchange rate might be linked to a number of factors. Firstly, the depreciation of sterling against the dollar partly reflects the strength of the US economy. The recent hikes in interest rates in the US may have contributed to the rebound in the dollar, particularly as rates have been stable elsewhere. In the UK, interest rates were lowered in August 2005 by 0.25 per cent to stand at 4.50 per cent, well above rates in the euro zone at 2.5 per cent and to a lesser extent, the US, where the rate currently stands at 4.25 per cent. The depreciation of sterling against the euro in the fourth quarter is partly due to stronger euro output growth and partly due to expectations of higher interest rates in the euro zone.

Figure 2  
Exchange rates

£ equals



### Output

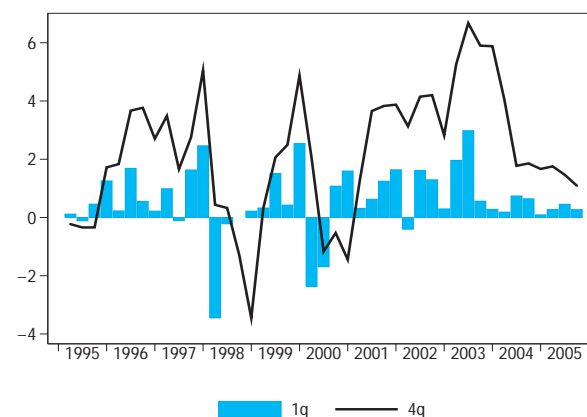
GDP growth in 2005 quarter four is estimated to be 0.6 per cent, a slight acceleration from the 0.4 per cent growth in the previous quarter. On an annual basis, it was 1.8 per cent, up from 1.7 per cent in 2005 quarter three. It is worth noting here that these preliminary estimates are based on partial information, which has to be augmented with a considerable amount of estimation to produce these initial numbers.

According to the preliminary figures the growth rate of 0.6 per cent in the UK economy was due to a combination of factors. Industrial production fell. Construction output grew at a slower rate than the previous quarter. Service sector output however accelerated. Service output remains robust and continues to lead economic growth.

No actual late numbers are yet available at this stage for construction. Figures for construction output are derived from a quarterly survey, the results of which are still unavailable at the time of the initial GDP estimate for the quarter. This initial figure is a forecast calculated by the DTI using a variety of techniques. Using this methodology, construction is estimated to have grown by 0.3 per cent following 0.5 per cent growth in the previous quarter (Figure 3).

Figure 3  
Construction output

Growth

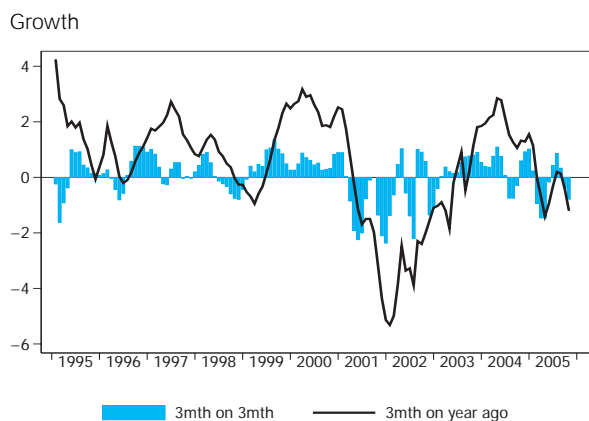




As for external surveys of construction, the CIPS survey echoes the subdued growth, with the measure showing a slowdown in the average growth of the headline index in quarter four to 53.6, down from 56.4 in quarter three, reflecting weaker growth in new orders. The commercial and housing sectors also saw slower growth. The RICS survey reported above average growth for the fourth quarter, with 17 per cent more surveyors reporting a rise in workloads than reporting a decline, similar to the previous quarter. Overall, RICS report that construction workloads remained steady, partly due to a rebound in private commercial activity.

Total output from the production industries fell by 0.6 per cent in 2005 quarter four, unchanged from the previous quarter. The main contribution to the decrease came from a fall in manufacturing output of 0.8 per cent following a muted rise of 0.3 per cent in the previous quarter (Figure 4). There was also a decrease in the output of the electricity, gas and water supply industries of 0.2 per cent, a lower rate of decrease compared to the decrease of 1.0 per cent in the previous quarter. This was offset by an increase of 1.3 per cent in mining and quarrying (including oil & gas extraction), reversing the large decrease of 7.7 per cent of the previous quarter, suggesting the extended maintenance issues of the third quarter are no longer a factor. It is worth noting that production growth in the mining and quarrying industries and electricity, gas and water supply industries has been volatile in recent quarters. Agriculture, forestry and fishing output decreased by 0.3 per cent, a lower rate of decline compared to fall of 0.6 per cent in the previous quarter.

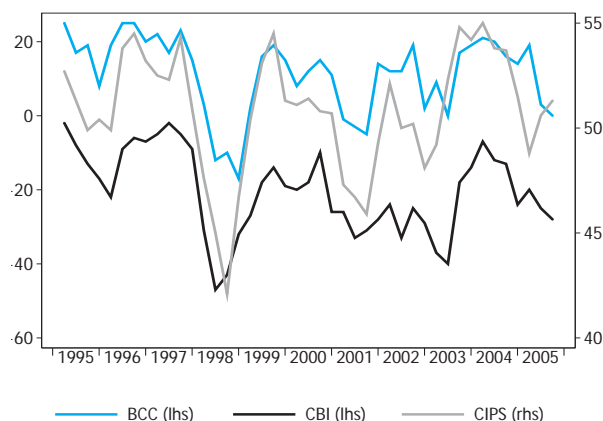
Figure 4  
Manufacturing output



External surveys of manufacturing for 2005 quarter four (Figure 5) show some signs of improvement compared to the third quarter, but overall remain subdued. The gap between external surveys and official data has narrowed recently as the external surveys have become more pessimistic. 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

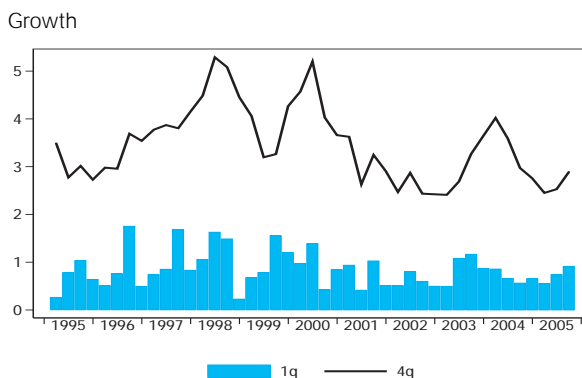
Balances



The CIPS headline index for manufacturing signalled an increase in activity in 2005 quarter four. The headline index was 51.3 in 2005 quarter four compared to 50.6 in quarter three. The 2005 quarter four BCC survey also reports a modest improvement. The balance for home orders and sales rose for both to plus 13 and plus 6 respectively. The CBI in its quarter four Industrial Trends Survey report a continuing weakness in the manufacturing sector. The balance for home orders was minus 15, whilst the balance for manufacturing output was minus 6.

Overall, the service sector, by far the largest part of the UK economy and the main driver of UK growth recently, continues to grow. The growth rate was 0.9 per cent, up from 0.7 per cent in the previous quarter. Within the sector, contributions to the growth rate appear broad based with distribution, hotels and catering, financial and business services and transport and communication services making major contributions (Figure 6).

Figure 6  
Services output



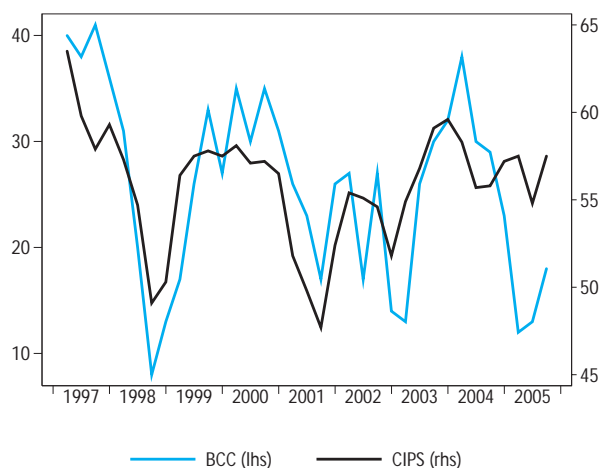
The Index of Distribution is a monthly series reporting the output of the distribution industries – which constitute approximately one-fifth of the total Index of Services. According to the latest release, distribution output rose by 0.7 per cent in the three months to November compared with the three months to August.

The external surveys on services show a mixed picture in quarter four, but show an improvement overall. The CIPS

Index of Services rose strongly to 57.5 from 54.8 in quarter three, mirroring the trend in official figures. Positive new orders growth was partly offset by expectations, which although high, fell from quarter three. The CBI in its latest (November) services sector survey make the distinction between the business and professional services sector who reported robust results and the consumer services sector which is characterised by continuing sluggishness. The BCC report an overall improvement in the service sector, but the results remained weak. Service balances for home sales, export sales & orders, and confidence balances rose but recorded declines in balances for home orders and employment (Figure 7).

Figure 7  
External services

Balances

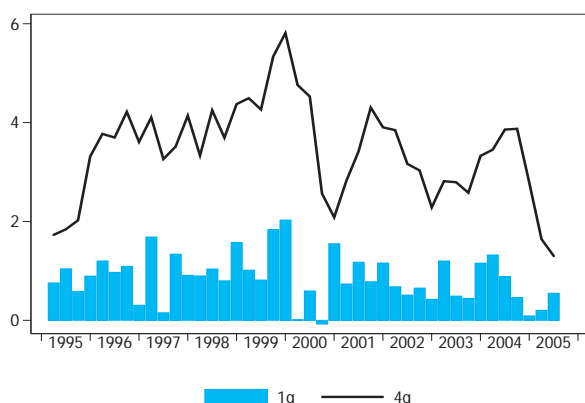


### Household demand

Household consumption expenditure was 0.5 per cent in 2005 quarter three, up from 0.2 per cent in 2005 quarter two. Although this does represent a pick up, it is still subdued when compared to the first three quarters of 2004. Growth compared with the same quarter a year ago was only 1.3 per cent, down from 1.6 per cent in the previous quarter. The increase in expenditure in the third quarter is in part due to higher expenditure on semi-durable goods, with modest growth in durable goods expenditure (Figure 8).

Figure 8  
Household demand

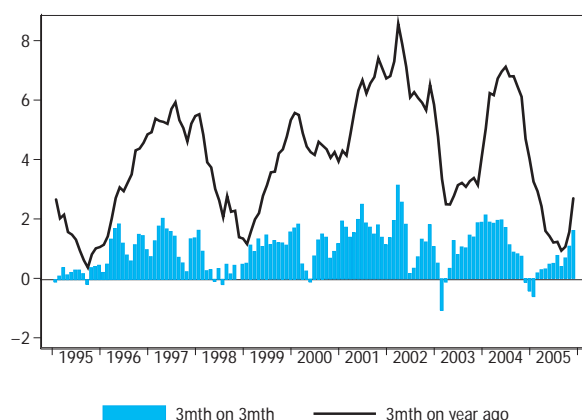
Growth



Retail sales figures are published on a monthly basis and the latest available figures are for December and show a continuation of the increased growth seen since summer. 2005 (Figure 9). According to the latest figures, the volume of retail sales in the three months to December 2005 was 1.6 per cent higher than the previous three months, the highest since July 2004. This follows growth of 1.0 per cent in the three months to November. The increase in growth may be due in part to heavy discounting and sales effects in quarter four.

Figure 9  
Retail sales

Growth

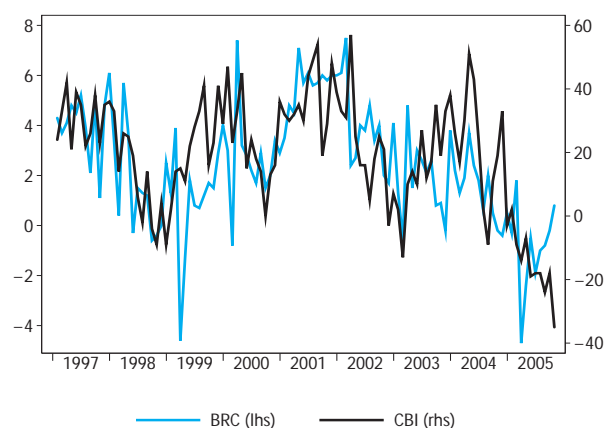


At a disaggregated level, during the three months to the end of December, sales volume for food stores was 1.1 per cent and 2.0 per cent for non-food stores. Non specialised stores showed growth of 2.7 per cent with household goods stores showing the largest growth of 3.6 per cent.

External surveys for retail sales confirm the official picture. The CBI report a very sharp change showing a balance of zero in December following a balance of minus 35 in the previous month. The British Retail Consortium (BRC) also report a similar story. They report that like-for-like retail sales was 2.6 per cent in December, up sharply from 0.8 per cent in November. This follows negative balances in previous recent months (Figure 10).

Figure 10  
External retailing

Balances, 3 month moving average





Indicators for consumer expenditure in 2005 quarter four appear mixed. The relative weakness of consumer spending might be connected to the lagged effect of the three interest rises in the summer of 2004. Indeed, the savings ratio was 5.5 per cent in quarter three, virtually unchanged from the previous quarter, but a jump from the 4.7 per cent growth in the second quarter – reflecting an increased inflow of funds into savings accounts. However the Bank of England reduced interest rates by 0.25 per cent in August 2005 and this is expected to shore up consumer spending. Retail sales show a modest pick. The stock market grew further albeit modestly in quarter four.

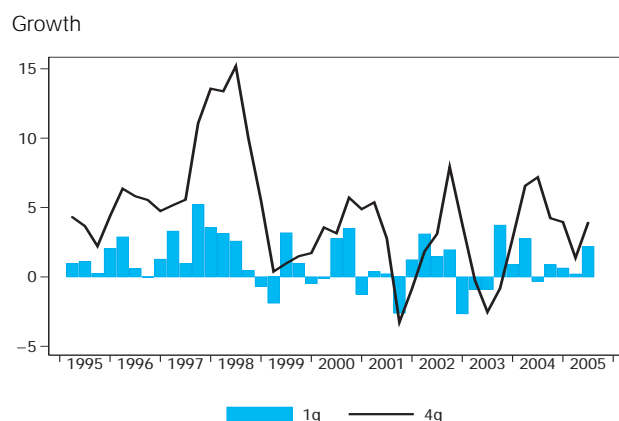
Potential negatives include a weakening in the labour market and subdued wage growth. Indices of consumer confidence also generally report a negative picture for quarter four. The housing market continues to remain cool in quarter four. Also, some argue that the possibility of higher taxes in the future and increasing tax bills in the last couple of years may also explain some of the consumer slowdown. Higher oil prices could also be a factor in terms of displacing expenditure on certain durable goods.

As household consumption has risen faster than disposable income in recent years the household sector has become a considerable net borrower. It is possible, that due to relatively high debt levels, consumer expenditure growth will be more tied to the growth of personal disposable income in the future. As a major part of personal debt is tied up in equity release, the lower rate of growth in house prices, may lower personal disposable income.

## Business demand

The revised estimate of business investment for the third quarter of 2005 shows virtually flat growth. Business investment for the third quarter of 2005 was 0.3 per cent higher than the previous quarter and 1.2 per cent higher than the third quarter of 2004 (Figure 11).

Figure 11  
Total fixed business investment



Looking at business investment on a more dis-aggregated level shows that the muted increase on the quarter was due to increases in investment in 'other services' and construction. This was offset by falls in manufacturing. Investment in

private sector services is the most important component representing around three quarters of total business investment. Private sector services rose by 1.2 per cent in 2005 quarter three, compared with the third quarter of 2004, services rose by 0.4 per cent.

Manufacturing investment according to the revised estimate for the third quarter shows a modest fall. 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. In 2005 quarter three private sector manufacturing fell by 2.1 per cent.

Construction and other production fell by 0.6 per cent on the quarter and rose by 1.5 per cent compared with the third quarter of 2004.

Evidence on investment intentions from the latest BCC and CBI surveys does not show an inconsistent picture. According to the quarterly BCC survey, the balance of manufacturing firms planning to increase investment in plant and machinery fell by one point to plus eight. The CBI in its 2005 quarter four Industrial Survey also report a weak investment position. The balance for investment in plant and machinery was minus 14, partly reflecting a downturn in manufacturing capacity requirements.

Despite the rise in spending over the last twelve months, the environment still remains a mixed one for investment. Some consider that subdued investment sits oddly with low interest rates by historical standards. A more pessimistic view of global demand may have dampened investment as may have subdued domestic demand. Profitability though is likely to be an important factor determining investment.

High profitability can be 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.

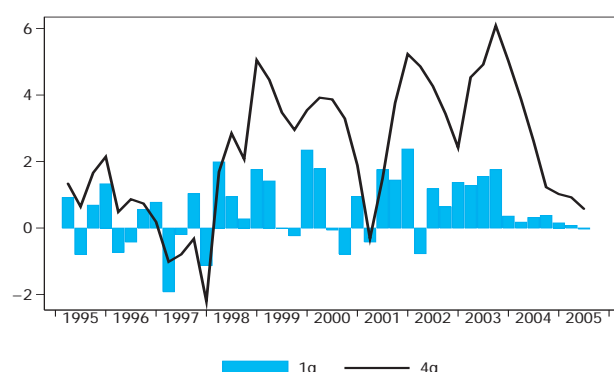
The overall profitability of UK private non- financial corporations in the third quarter of 2005 was 13.4 per cent, lower than the estimate of 13.8 per cent recorded in the previous quarter. Manufacturing companies' net rate of return was estimated at 6.2 per cent in the third quarter. This is lower than the average of 7.0 per cent for 2004. The lower rate of return may be partly a reflection of lower export growth and partly due to the consumer slowdown and competitive pressures within the domestic economy. The profitability of service companies was 16.6 per cent, virtually unchanged from the previous quarter. It is higher than the 2004 average of 16.4 per cent. Generally, service sector profitability is higher than that of the manufacturing sector, reflecting the more capital- intensive nature of the manufacturing sector.

## Government demand

Government final consumption expenditure is subdued and in real terms was flat in quarter three after having risen by just 0.1 per cent in the previous quarter. Growth compared with the same quarter a year ago was 0.6 per cent, compared with a 0.9 per cent rise in the previous quarter (Figure 12).

Figure 12  
Government spending

Growth



The latest figures on the public sector finances report up to December and show a deterioration from a year ago. It is worth noting that monthly data are volatile. The financial year to date provides a better picture. The figures for the current financial year to date (April 2005 to December 2005) shows net borrowing presently stands at £38.9 billion compared to £38.4 billion in the same period in 2004/05. The Treasury forecast is of £37 billion for the whole year. The current budget deficit stands at £23.6 billion, a lower deficit compared to the £27.4 billion deficit in the same period of 2004/05. 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. These figures mainly reflect higher net government investment. Tax revenues continue to be buoyant but figures suggest that this may not be keeping pace with expenditure.

Public sector net debt by the end of December 2005, was 37.2 per cent of GDP. This compares with net debt of of 33.2 per cent in December 2003/04.

## Trade and the Balance of Payments

The UK continues to have a trade deficit in goods with imports rising faster than exports.

In the three months ending November, exports of goods rose 2.5 per cent and goods imports rose 3 per cent. Exports to EU countries increased by 1.5 per cent and exports to non-EU countries increased by 3 per cent. Imports from EU countries rose 1.5 per cent and those from non-EU countries rose 5 per cent.

According to the latest trade figures for November, the UK's deficit on trade in goods and services is estimated to have widened to £4.5 billion from a deficit of £3.4 billion in October. In the three months ended November, a less volatile measure, the deficit on trade in goods and services narrowed to £12.0 billion from a £12.8 billion deficit in the previous

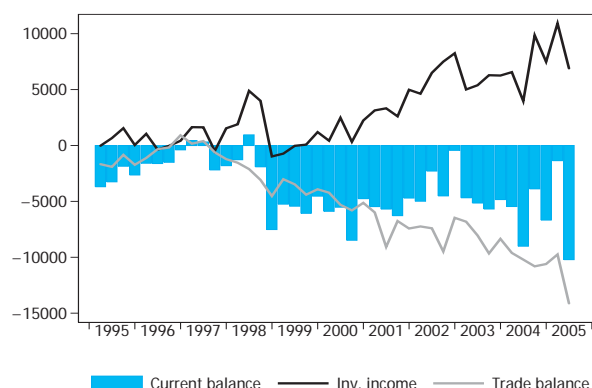
three months. This was partly due to a higher deficit in oil which was £0.9 billion in the three months to November compared with a deficit of £0.4 billion in the previous three months.

These figures need to be treated with caution as they may have been distorted by VAT Missing Trader Intra-Community (MTIC) Fraud. The effect of this fraud would lead to an over recording of exports and under recording of imports. For instance, traders import goods, mainly on high value and easily transportable goods such as mobile phones and computer chips VAT free, sell them on for a sum including VAT, and then disappear before passing the VAT to Customs and Revenue. A more sophisticated version of the fraud known as 'carousel fraud' enables goods to be imported and passed through a series of companies- before being exported out of the UK. The same goods are then re-imported, replicating the fraud. There are some indications that this type of fraud is now taking place to non- EU destinations and may be partially responsible for inflating recent non-EU export figures.

The publication of the quarterly Balance of Payments shows that the UK current account remained in substantial deficit in 2005 quarter three (Figure 13). The third quarter deficit was £10.2 billion compared to a deficit of £1.4 billion in the previous quarter. The marked deterioration in quarter three is due to a weaker trading position in both goods and services. The higher goods deficit was partly due to higher imports of oil. On the services side, there was a lower surplus in services, mainly due to the estimated payment of claims by Lloyds arising from the effects of Hurricane Katrina.

Figure 13  
Balance of payments

£ million



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 more than offset 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 in part due to weak demand from Continental Europe, whilst imports have grown strongly due to domestic spending.

External surveys on exports show a generally weak picture. The BCC reported that the export sales net balance fell by 2 points to plus 12. The CBI quarterly Industrial Trends Survey reports that the balance for export orders was minus 5.

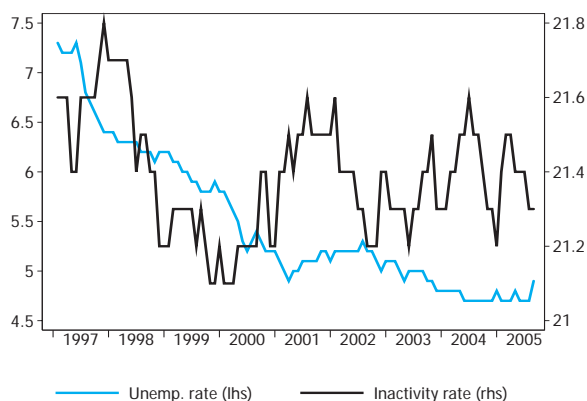
## Labour Market

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 November 2005 and show a weakening in the Labour Market. The employment rate was down whilst the unemployment rate increased. The claimant count increased for the 11th month running. Average earnings fell.

The current working age employment rate is 74.8 per cent, down 0.3 percentage points in the three months to August. The number of people in employment decreased by 22,000 over the quarter to currently stand at 28.76 million. The unemployment rate was 5.0 per cent, up 0.4 percentage points from the three months to August (Figure 14). The number of unemployed rose by 111,000 over the quarter to stand at 1.53 million. The claimant count measures the number of people receiving the job-seekers allowance. The latest figures for December show the claimant count level at 909,100 up 7,200 on the month, and up 84,100 on a year earlier.

Figure 14  
Unemployment and economically inactive

Per cent



As job vacancies are often filled from the pool of inactive workers rather than the unemployed, the weakening of labour market activity recently may be partly due to the rise in the inactivity level. 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.

However, inactivity increased in the three months to November. The inactivity level was 7.9 million, up 25,000 over the quarter. The largest increase in inactivity was amongst those 'looking after family/home', which rose by 29,000 followed by 'students' at 24,000. This was offset by falls in the 'retired' category of 29,000 followed by the 'other' category at 29,000.

According to the LFS, in the period September to November 2005, 22,000 jobs were lost. In the same reference period, employee jobs fell by 82,000 while self-employed jobs rose by 64,000 reversing the trend of previous recent quarters

where generation of jobs came from employees. From another perspective, full-time jobs was down by 16,000 and part-time jobs down by 6,000.

The industry disaggregation from 'workforce jobs' is only available for the three months to September 2005, up to which point, 9,000 jobs were created on the quarter – unchanged from the previous quarter. The largest job losses occurred in manufacturing of 20,000 followed by agriculture and distribution, hotels & catering, which both fell by 6,000. Total services on the other hand rose by 22,000, followed by construction on 11,000.

Average earnings growth shows an easing in the latest reference period. Average earnings growth, excluding bonuses, was 3.8 per cent in November, down from 3.9 per cent in October. Average earnings growth, including bonuses, grew by a subdued rate of 3.4 per cent in November, down from 3.6 per cent in October.

In terms of the public and private sector split, the gap in earnings growth excluding bonuses shows a slight widening in quarter four after signs of narrowing towards the end of quarter three. Public sector wage growth in the three months to November stood at 4.0 per cent (down from 4.8 per cent in June), compared to growth of 3.8 per cent in the private sector.

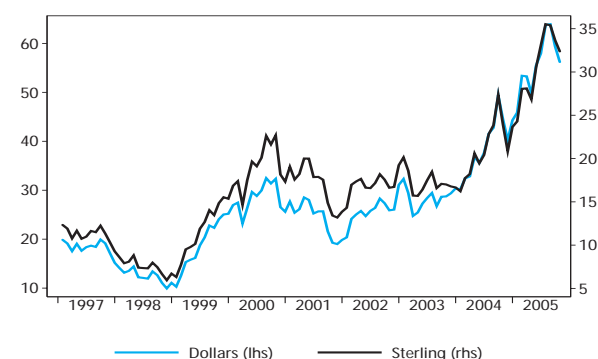
Overall, the numbers point to a weaker labour market, with unemployment levels increasing and employment levels decreasing, which is consistent with slower wage growth.

## Prices

The divergence between input and output price inflation for producers has continued through quarter four. Input prices grew by 17.2 per cent in the year to December, up from 13.6 per cent in November. Average quarterly growth was 13.3 per cent on the year ago, up from 12.4 per cent in the previous quarter. The main driver of growth remains energy, particularly oil prices (Figure 15). Taken together, oil and gas show record increases, although there has been a slight moderation in quarter four. On the core measure, input price inflation increased by 11.0 per cent in the year to December, up from 9.7 per cent in November. However, producer output inflation, which has been considerably lower, rose by 2.4 per cent in the year to December, up from 2.2 per cent in November. Average quarterly growth compared to

Figure 15  
Oil prices

Brent crude per barrel



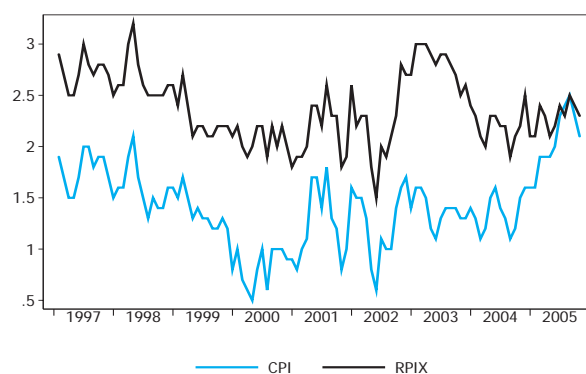
a year ago was 2.4 per cent, a deceleration from the 3.1 per cent growth in the previous quarter. On the core measure, output prices increased by 1.6 per cent in December, up from 1.3 per cent in November. One possible explanation for the limited impact of input price rises on output prices may be that producers may be more willing to absorb costs into their profit margins rather than pass them onto customers; an alternative may be that labour has become more cost-effective, either due to productivity gains and/or sluggish wage growth. The CBI in its quarterly Industrial Trends survey report that manufacturers are shedding jobs in order to counter rising costs.

Growth in the consumer price index (CPI) – the Government's target measure of inflation – hit the Bank of England's inflation target of 2.0 per cent in December, down from 2.1 per cent in November.

The largest downward effect on the CPI came from transport for the second successive month, due to large downward contributions from air travel and fuels and lubricants. Airfares were less than a year ago and petrol prices fell for the third successive month. Small downward pressures came from furniture and recreation and culture. The main upward effect came from clothing and footwear. The RPI fell to 2.2 per cent from 2.4 per cent in November. The RPIX also decreased in December, to 2.0 per cent, down from 2.3 per cent in November (Figure 16).

Figure 16  
Inflation

Growth, month on month a year ago



# Forecasts for the UK economy

## A comparison of independent forecasts, January 2006

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)	1.7	1.6	1.9
Inflation rate (Q4 per cent)			
CPI	2.2	2.0	2.6
RPI	2.4	2.0	2.9
Claimant unemployment (Q4, million)	0.90	0.84	0.93
Current account (£ billion)	-24.6	-29.2	-19.1
Public Sector Net Borrowing (2005-06, £ billion)	37.7	33.3	43.0

### Independent forecasts for 2006

	Average	Lowest	Highest
GDP growth (per cent)	2.1	0.6	2.7
Inflation rate (Q4 per cent)			
CPI	1.9	1.4	2.9
RPI	2.3	1.5	3.7
Claimant unemployment (Q4, million)	0.97	0.83	1.10
Current account (£ billion)	-27.3	-42.8	-17.2
Public Sector Net Borrowing (2006-07, £ billion)	38.4	33.3	49.8

*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.

# Regional economic indicators

## February 2006

Daniela New/Anis Chowdhury  
Office for National Statistics

### Overview

- ▣ London and the South East are the most productive regions in terms of GVA per head, and the only two regions above UK average. However, the gap with the other regions has reduced in 2004.
- ▣ London has the lowest rate of nominal GVA growth in 2004 (3.2 per cent) while the East Midlands has the highest growth in GVA (5.3 per cent), followed by the North East, the West Midlands, Yorkshire and The Humber and the East (5.1 per cent).
- ▣ London has the largest percentage increase in exports to both EU15 and non EU15 in the third quarter of 2005.
- ▣ The East Midlands recorded the largest growth in the employment rate of the English regions.
- ▣ Business confidence show negative balances in all English regions and UK devolved regions for the second successive quarter according to the October CBI Regional Survey.

This article brings together information for the 12 regions and countries of the United Kingdom, also known as NUTS level 1 regions under the European Nomenclature of Units for Territorial Statistics. For the rest of this article, the term 'region' is used for convenience.

### Headline indicators

This section presents a selection of regional economic indicators that provide an overview of the economic situation of UK regions. Some productivity indicators representing the economic activity of the regions are presented: the latest data (published in December 2005) on *Workplace Based Nominal Gross Value Added (GVA) and GVA per head*, and the most recent available *GVA per hour worked*. Other indicators, which represent some of the drivers of productivity, are also presented. In particular, the *Business Survival Rate* as indicator of enterprise and the *UK Regional Trade in Goods* as an indicator of competition, as identified by HMT and DTI. In addition, R&D statistics are presented as an indicator of innovation in the regions while the *Gross Disposable Household Income (GDHI)* is an indicator of the welfare of the people living in the region.

### Productivity

Table 1 and Table 2 show *workplace based nominal gross value added (GVA)* and *GVA per head* respectively for the UK regions. The GVA estimates presented here are on a workplace basis and they are the latest data available, published by ONS in December 2005. Regional GVA can be calculated both on a residence and a workplace basis: residence-based GVA allocates the income of commuters to where they live, whereas GVA on a workplace basis allocates their income to the regions where they work.<sup>1</sup> Conceptually, the workplace based figures provide the preferred measure.

Table 1 shows that most regions experienced a growth between 2003 and 2004 of approximately 5 per cent in current price terms (which does not take account of inflation or regional differences in prices). However, London had the lowest rate of nominal GVA growth, at 3.2 per cent. This is the second year in a row that London has the lowest rate of growth (in 2003 it was of 5.2 per cent, below the UK average of 5.6 per cent): this contributes to narrow the gap between London and the other regions.



The East Midlands had the highest growth in total GVA (5.3 per cent) between 2003 and 2004, followed by the North East, the West Midlands, Yorkshire and The Humber and the East (5.1 per cent). London and the South East remain the regions with the largest share of UK GVA (18.4 per cent and 14.8 per cent respectively) while Northern Ireland (2.3 per cent) and the North East (3.4 per cent) have the smallest.

Among UK regions there is a wide variation in size, which makes it difficult to compare the regions' economic performance using cash totals: comparisons are therefore usually expressed in terms of GVA per head of population (Table 2). UK average GVA per head in 2004 was £16,802. London was the region with the highest GVA per head in 2004 at £24,955, well above the UK average (48.5 per cent). However, the GVA per head for London includes the activity of commuters as well as people living in the London region but these commuters are not included in the denominator. GVA per head for the South East was also above the UK average, at £18,329 (9.1 per cent above UK average) per head. On the other hand, Wales, the North East and Northern Ireland had the lowest GVA per head, respectively of £13,292 (79.1 per cent of UK average), £13,433 (79.9 per cent) and £13,482 (80.2 per cent).

Table 3 shows the *GVA per hour worked* indices by region up to 2003, consistent with the GVA data published in December 2004. Data on Hours Worked for 2004 are not yet available, and therefore Table 3 (GVA per hour worked) has not yet been updated. Regional GVA per hour worked is the ratio of workplace based Gross Value Added estimates and Total Workforce Hours Worked. This index is considered to be a more appropriate indicator of regional productivity, since the numerator and denominator are both on a workplace basis, and it takes into account the proportions of full time and part time workers, which can vary by region. According to Table 3 the most productive regions in terms of GVA per hour worked in 2003 were London and the South East and they are also the only regions with productivity above the UK average. All other regions are below the UK average, with Northern Ireland and Wales having the lowest values, of 84.3 and 91.9 per cent of the UK level respectively.

## Welfare

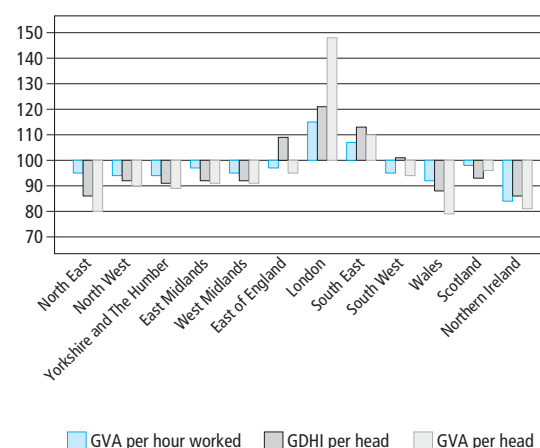
Table 4 contains the most recent available data for *Gross Disposable Household Income (GDHI) per head*. GDHI per head is a residence based measure that can be used as an indicator of the welfare of people living in a region. From the figures shown in Table 4 London is the region with the highest GDHI per head (£15,235), followed by the South East (£14,265) and the East of England (£13,685). The South West, at £12,704, is also above the UK average of £12,610. The regions with the lowest GDHI per head are Northern Ireland and the North East.

It is worth noting that the ranking of regions can change depending on whether the ranking is based on Productivity or Gross Disposable Household Income (see Figure 1, for the latest year available for all the indicators, which is 2003). London and the South East are the highest ranking regions on both measures. In contrast, the North East has the lowest

average income level of any UK region in 2003, at 15 per cent below the UK average, whereas the region's GVA per hour worked is just 5 per cent below the UK average, putting it in the middle of the overall regional ranking. The difference between the two indicators may be due to the relatively lower average earnings in the North East. Table 5 shows that the North East has the lowest median gross weekly pay in the country, which could have an upward effect on productivity and a downward effect on incomes. It is also noteworthy that the East of England and the South West, which are above the UK average for GDHI per head in 2003, are below the UK average in terms of GVA per hour worked (97.1 and 95.4 respectively).

Figure 1  
Indicators comparisons, 2003

UK less extra-region = 100



## Innovation

The R&D statistics published here are consistent with OECD's Frascati Manual which defines Research and Experimental Development (R&D). R&D is defined as "creative work undertaken systematically to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this knowledge to devise new applications".

R&D activity has been recognised, as part of the innovation process, as one of the drivers of productivity. In generating new technological inventions, innovation is a necessary, though not a sufficient condition for economic success. In addition, the presence of R&D activity can be a stimulant to the competitiveness of firms within a region.

Table 6 presents the estimated expenditure in R&D for the regions, in the years from 1999 to 2003, and broken down by the sector making the expenditure, namely Business sector (BERD), Government (GovERD) and Higher Education Institutions (HERD). The Higher Education Institutions (HEI) regional R&D estimates are obtained by allocating total R&D performed by HEIs to individual HEIs in proportion to their income from research grants and contracts. These estimates are less reliable and should be treated with caution.<sup>2</sup>

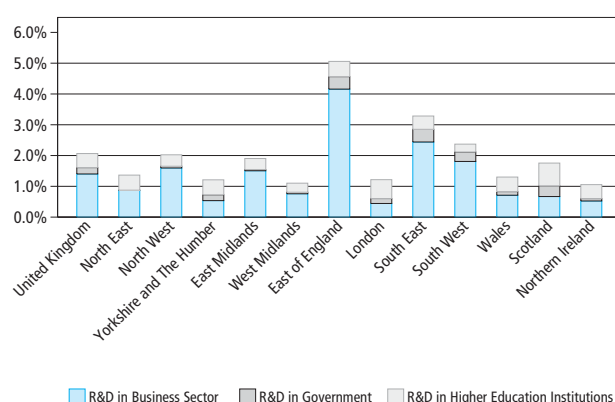
From the data shown in Table 6 we can see that the region with the highest total expenditure in Business and Government R&D in 2003 is the South East, followed by the East of England. In terms of total expenditure in R&D,

the South East is still the region with the highest share of UK in 2003 (23 per cent), followed by the East of England (21 per cent). North West is third with 11 per cent of the total expenditure in R&D. The regions with the smallest percentage of UK R&D in 2003 are Northern Ireland, Wales and the North East.

The picture changes slightly if expenditure in R&D is analysed as a percentage of GVA, which is a measure commonly used in international comparisons. Figure 2 below shows the data for regional R&D as percentage of GVA for 2003. From the chart, we can see the region with the highest share of R&D expenditure in terms of GVA is the East of England, followed by the South East and the South West. These are the only regions with an R&D expenditure share of GVA above the UK average of 2 per cent. All the other regions are below the UK average.

Figure 2  
Research and development

Research of GVA



## Enterprise

Table 7 shows the net changes in VAT registered businesses for UK regions in the years 1999 to 2004. Data for 2004 were published in October 2005 by the Small Business Service (SBS) of DTI. The overall impact of these changes at UK level is larger in the most recent years, but overall not significant, as explained in the guidance for the revision, published by Small Business Services on its website ([www.sbs.gov.uk/sbsgov/action/Title](http://www.sbs.gov.uk/sbsgov/action/Title)). For further information about the methodology involved in the computation of the series, see article on the SBS website.<sup>3</sup>

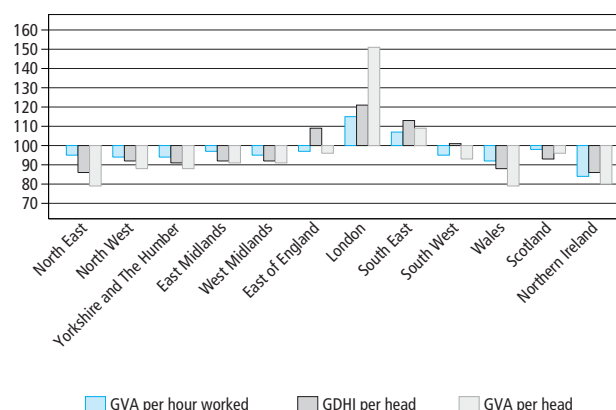
VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population. Many factors influence the pattern of business start-ups. Among these, the most important is economic growth, which encourages new ventures and creates demand for business.

The data show an overall positive net change in the VAT registrations and de-registrations in 2004 at UK level. Most of the UK regions show a positive net change, with East Midland and North West reporting the highest net changes (900 and 800 respectively). London and Northern Ireland are the regions with the highest negative net change (-500), followed by Scotland and West Midlands (both -100).

It is interesting to observe the business survival rates as well as the net changes in VAT registrations. These rates show the proportion of businesses that remain registered for VAT three years after their initial registration (which is the year shown in Table 8 and Figure 3). Although there has been a general increase in business survival rates since 1993, these rates vary greatly between regions. Northern Ireland, which appears to be one of the regions with the highest negative net change in VAT registrations in 2004, shows the highest survival rate (72.4 per cent) in 2002 while London has the lowest survival rate (62.8 per cent). The negative net change of VAT registration in Northern Ireland is explained by a low start up rate, which may suggest the existence of a risk-averse culture (see article 'Business Survival Rates', Small Business Service). This may justify why, when few people are taking risks, there is a self selection of the businesses with highest possibility of surviving. This is consistent with the figures shown in Table 8.

Figure 3  
Three year business survival rates

Percentage point differences from respective UK proportions



## Competition

Table 9 shows quarterly data for *UK Regional trade in goods by statistical value*<sup>4</sup> per region. Data are taken primarily from Customs systems used to process the UK's Overseas Trade in Goods Statistics. HM Customs and Excise do not receive information in respect of goods that move wholly within the UK, nor in intangibles and services such as banking or tourism.

Trade is allocated to a region by the postcode associated with a company's VAT registration. Some adjustments have been necessary for exports, to ensure that manufacturing that takes place at branch premises is properly allocated to the region where the branch is situated. However, these figures should be interpreted carefully for various reasons. Among these, it is worth noting that the value of exports produced is also dependent on the size of a region's economy; another reason is that the production of some goods may involve different stages and these stages may take place across different regions.

In the third quarter of 2005, London appears to be the region with the highest increase in exports both to EU15 countries (13.7 per cent) and to non EU15 countries (14.8 per cent). Comparing the third quarters of 2004 and 2005 London's export to EU15 countries increased by 7.8 per cent and exports to non-EU15 increased by 34.4 per cent.

Exports to EU15 countries in the third quarter of 2005 decreased for nine out of 12 regions (the exceptions being London, the South East and Scotland). On the other hand, exports to non-EU countries increased for most of the regions, except the Yorkshire and The Humber, the East, Wales and Northern Ireland.

The East Midlands and the West Midlands had in the third quarter of 2005 the largest decrease of exports to EU15 countries with respect to the previous quarter (–13.3 per cent and –12.6 per cent respectively) but their exports to non-EU15 countries have performed differently, with East Midlands increasing by 4.4 per cent and West Midlands stable at 0.6 per cent. A final note: South West's exports to EU15 decreased by 8.5 per cent with respect to the previous quarter while its exports towards non EU15 countries increased by 12.4 per cent.

Table 10 shows the *value of exports as a percentage of headline regional GVA*. These percentages stay more or less unchanged across all the regions apart from Scotland, which has shown a large downward movement in recent years. The North East and the East Midlands have the biggest share of GVA in exports (25 per cent and 23 per cent respectively) and, together with the East of England, the South East and Wales, they are the regions with shares above the UK average. South West and Yorkshire and The Humber have the smallest percentage of their GVA in exports.

## The Labour market

Tables 11 to 14 concern the labour market. Tables 11, 12 and 13 are seasonally adjusted; while Table 14 is unadjusted.

Table 11 shows the *unemployment rate* (according to the internationally consistent ILO definition). The UK rate in 2005 quarter three was 4.7 per cent, down 0.1 percentage point from the previous quarter. Unemployment has remained broadly stable for most regions. London had the largest decrease in the unemployment rate in the third quarter, falling by 0.4 percentage points. There was also a fall in the unemployment rate in the North East and Yorkshire and The Humber by 0.2 and 0.1 percentage points respectively. This was partially offset by a rise in the unemployment rate in the South West of 0.4 percentage points. Lower rates of increases were recorded in the South East (0.2), the East (0.1), and the West Midlands (0.1). The unemployment rate remained unchanged for the North West and the East Midlands. Among the devolved administrations, there was a large fall in the unemployment rate in Northern Ireland, by 0.7 percentage points.

The Scotland unemployment rate fell by 0.1 percentage point with the Wales rate remaining unchanged at 4.7 per cent, compared to the second quarter.

The UK *claimant count rate* (referring to people claiming Jobseeker's Allowance benefits), Table 12, was 2.9 per cent of the workforce in the UK in December 2005 quarter four, up from 2.8 per cent in September. This national rate masks large variations between regions and component countries of the UK. The North East continues to have the highest claimant count rate in the UK and in December 2005 stood at 4.1 per cent. This region has had the highest rate in every

year since 1999. The North East is followed by the West Midlands and London, who recorded claimant count rates of 3.8 per cent and 3.6 per cent respectively. The South East and the South West had the lowest claimant count rates, of 1.8 per cent and 1.7 per cent respectively. Among the devolved administrations, the claimant count rate increased in Northern Ireland to 3.4 per cent from 3.3 per cent in September and in Wales to 3.3 per cent from 3.2 per cent. In converse, the claimant count rate decreased in Scotland to 3.2 per cent from 3.3 per cent in September.

Quarterly *employment growth* (from the Labour Force Survey), Table 13, in the UK shows an overall increase in 2005 quarter three. The growth rate was 0.4 per cent compared to a growth rate of 0.1 per cent in quarter two. Employment rose across most English regions as well as the countries of the UK. The English region where growth was most rapid was the East Midlands where employment grew by 1.5 per cent followed by London at 1.2 per cent. The English regions to record a fall in employment were the North East, the West Midlands and the South West with the largest fall being registered by the North East at 0.6 per cent. As for the devolved administrations, employment grew by 2.3 per cent in Northern Ireland. In Wales, employment grew by 2.0 per cent and in Scotland by 0.4 per cent reversing declines for both in the previous quarter.

The number of *employee jobs* (from the Employers Surveys), Table 14, increased by 0.1 percentage point at the national level, unchanged from the previous quarter. Most English regions saw a rise in employee jobs. The largest rise was recorded by Yorkshire and The Humber where employee jobs grew by 0.4 percentage points. The only English regions to record decreases in employee jobs were the West Midlands, the East of England, the South East and the South West, with the latter registering the largest fall of 0.3 percentage points. Regarding the devolved administrations, Wales and Scotland showed rises in employee jobs of 0.5 and 0.6 percentage points respectively. In contrast, there was a fall of 0.1 percentage point in employee jobs in Northern Ireland following flat growth in the previous quarter. It should be noted that this survey does not take into account the self employed.

## CBI Manufacturing Survey

Almost all CBI data are presented on the basis of Government Office Regions, although London and the South East are combined. Table 15 shows *business conditions* as measured by the October survey. The general business optimism at the national level is in negative balance for the fourth successive quarter. There was a slight deterioration in the balance from minus 15 in July to minus 16 in October. The continued weakness in business confidence was attributed partly to weak global demand, particularly from the eurozone and partly to slowing consumer demand in the UK.

Table 15 shows that businesses in most regions were substantially less optimistic about the business situation in the October 2005 survey than in the July survey. Of the English regions, the South East and London followed by the West Midlands and the East of England had the largest negative balances. Of the devolved administrations, Wales had the largest negative balance followed by Northern Ireland.

UK manufacturing output, as measured by CBI/BSL balances for volume of output in Table 16 shows a modest fall in the level of output. The balance deteriorated slightly further in the October Survey compared to the July Survey. All of the English regions recorded negative balances except the East Midlands which recorded a modest positive balance. The West Midlands and London and the South East, followed by the East of England showed the largest negative balances in the English regions. Of the devolved administrations, Northern Ireland showed a marked negative balance followed by a modest negative balance for Wales. Scotland on the other hand recorded a moderate positive balance. For the next three months, most regions report a more positive outlook.

*New orders* in the manufacturing sector in the UK as a whole in the three months to October, according to the CBI/BSL survey, are presented in Table 17. These data show a negative balance for the fourth successive quarter. Most English regions recorded negative balances with the West Midlands, followed by the South West and London and The South East showing the largest negative balances. Only two English regions, the North West and Yorkshire and The Humber recorded slight positive balances. Of the devolved administrations, Northern Ireland posted the largest negative balance followed by Wales. Scotland on the other hand posted a positive balance. For the next three months most English regions and devolved administrations report a slightly negative outlook.

The balance for UK *export orders* in the October CBI/BSL survey in Table 18 shows a negative balance compared to the positive balance in the previous survey. Of the English regions, the West Midlands recorded the largest negative balance followed by the London and the South East, the North East and East of England. The English regions with positive balances were the North West, Yorkshire and The Humber and the South West. Of the devolved administrations, Northern Ireland showed the largest negative balance followed by Wales. In contrast, Scotland showed a slight positive balance. For the next three months, the English regions report a mixed outlook, with a negative balance for the UK overall. Scotland reports a positive outlook whilst Northern Ireland and Wales record a negative outlook.

The indicator for *firms working below capacity* in Table 19 shows an increase for the UK as a whole in the October survey to 60 from 54 in July. Of the English regions, Yorkshire and The Humber followed by the East of England had the lowest number of firms working below capacity whilst the North West followed by the West Midlands has the highest. Of the devolved administrations, Northern Ireland showed the largest percentage increase in firms working below capacity. Scotland and Wales in contrast showed the proportion of firms working below capacity, below the UK average.

## Footnotes

- 1 For further discussion of the workplace and residence measures of GVA, see *Economic Trends* article 'Regional Gross Value Added' published 16 March 2005.
- 2 See article 'Research and experimental development (R&D) statistics 2002' in *Economic Trends*, No. 610.
- 3 [www.sbs.gov.uk/content/analytical/statistics/vatmethodology03.pdf](http://www.sbs.gov.uk/content/analytical/statistics/vatmethodology03.pdf)
- 4 The statistical value of trade in goods is computed on the same common basis as the other EU member countries. This basis is the value of the goods plus the cost of movement to the border of the country that publishes the statistics, that is, the cost, insurance and freight (CIF) delivery terms value for Arrivals (imports); the Free on Board (FOB) delivery terms value for Dispatches (exports). The value of the trade under this common basis is called the 'statistical value'.



# 1

## Headline workplace based Gross value added<sup>1,2</sup> at basic prices

### NUTS 1 regions

£ million

	United Kingdom <sup>3</sup>	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	IGAE	IFZR	IFZS	IFZT	IFZU	IFZV	IGLF	IGLG	IGLH	IFZZ	IGAA	IGAB	IGAC	IGAD
1990	491 382	18 627	53 634	38 244	32 746	41 547	42 212	87 540	65 655	37 223	417 429	20 700	42 934	10 319
1997	705 214	25 218	73 566	53 773	46 869	59 203	61 241	125 572	99 781	54 522	599 744	28 432	60 755	16 283
1998	750 827	26 234	77 479	56 532	49 085	62 491	65 266	137 438	108 334	57 947	640 807	29 543	63 203	17 274
1999	785 039	27 005	80 613	58 363	50 879	64 796	68 195	145 682	115 002	60 795	671 329	30 473	65 160	18 077
2000	819 495	27 965	83 567	60 535	52 864	67 357	71 452	152 634	121 356	63 713	701 442	31 735	67 399	18 918
2001	862 214	29 343	87 914	63 732	55 828	70 556	75 430	160 350	128 188	67 335	738 676	33 512	70 210	19 817
2002	910 210	30 801	92 163	67 456	58 908	73 960	79 843	170 723	135 062	71 095	780 012	35 277	74 095	20 825
2003	961 461	32 518	97 096	71 553	62 434	77 797	85 028	179 672	142 462	75 086	823 646	37 359	78 504	21 952
2004 <sup>4</sup>	1 005 373	34 188	101 996	75 219	65 770	81 745	89 405	185 398	148 651	78 650	861 022	39 243	82 050	23 058

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

Source: National Statistics

2 Data are consistent with the headline series published on 21 December 2005.

3 UK less Extra-Region and statistical discrepancy.

4 Provisional

# 2

## Headline workplace based Gross value added<sup>1,2</sup> at basic prices: £ per head

### NUTS 1 regions

£

	United Kingdom <sup>3</sup>	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	IGAV	IGAI	IGAJ	IGAK	IGAL	IGAM	IGLI	IGLJ	IGLK	IGAQ	IGAR	IGAS	IGAT	IGAU
1990	8 585	7 208	7 853	7 772	8 201	7 962	8 296	12 876	8 641	7 974	8 751	7 234	8 449	6 467
1997	12 093	9 820	10 827	10 847	11 375	11 250	11 627	17 901	12 706	11 295	12 324	9 822	11 952	9 743
1998	12 840	10 244	11 407	11 403	11 877	11 855	12 310	19 452	13 733	11 949	13 126	10 189	12 449	10 296
1999	13 377	10 589	11 902	11 776	12 253	12 291	12 774	20 364	14 456	12 455	13 691	10 506	12 847	10 766
2000	13 917	10 995	12 336	12 208	12 683	12 782	13 293	21 092	15 187	12 957	14 247	10 917	13 312	11 241
2001	14 586	11 552	12 980	12 806	13 325	13 361	13 967	21 899	15 977	13 621	14 938	11 515	13 864	11 731
2002	15 344	12 136	13 586	13 510	13 950	13 944	14 725	23 161	16 791	14 312	15 711	12 067	14 658	12 274
2003	16 144	12 805	14 269	14 284	14 682	14 624	15 565	24 320	17 631	15 019	16 521	12 716	15 523	12 893
2004 <sup>4</sup>	16 802	13 433	14 940	14 928	15 368	15 325	16 281	24 955	18 329	15 611	17 188	13 292	16 157	13 482

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

Source: National Statistics

2 Data are consistent with the headline series published on 21 December 2005.

3 UK less Extra-Region and statistical discrepancy.

4 Provisional

# 3

## Gross value added (GVA) per hour worked indices<sup>1</sup> by region

### NUTS 1 regions

	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	DMOB	DMOH	DMOK	DMOL	DMON	DMOO	DMOR	DMOS	DMOT	DMOV	DMOW	DMOY	DMWA
1996	100.9	96.9	94.4	99.4	92.0	98.7	120.3	99.9	90.2	100.6	94.1	101.7	86.6
1997	97.7	97.8	94.6	97.1	92.3	98.6	121.5	99.1	90.0	100.6	94.7	101.7	85.0
1998	96.3	96.8	93.5	96.0	91.4	100.6	120.2	102.3	90.8	100.8	93.3	99.9	86.0
1999	97.7	95.5	94.5	94.8	93.8	98.6	117.8	104.1	93.2	100.9	93.6	99.4	85.0
2000	96.4	95.4	94.6	95.4	93.6	98.5	118.5	104.7	95.2	101.0	93.8	98.6	84.2
2001	99.3	95.5	96.4	96.6	94.6	97.5	116.5	104.7	93.5	101.1	92.8	96.8	86.2
2002	95.8	94.3	94.6	96.0	93.4	98.1	118.7	103.7	93.4	101.1	92.6	97.2	85.5
2003	95.1	94.4	93.7	96.9	94.6	97.1	115.4	106.5	95.4	101.1	91.9	98.1	84.3

# 4

## Gross disposable household income (GDHI)<sup>1,2</sup>: £ per head

### NUTS 1 regions

£

	United Kingdom <sup>3</sup>	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	DEPZ	LRCG	LRCR	DEQB	DEQC	DEQH	LRCI	DEQE	LRCJ	DEQG	LREV	DEQJ	DEQK	DEQL
1997	9 643	8 419	8 910	8 901	8 928	8 839	10 267	11 658	10 893	9 716	9 881	8 490	9 059	8 277
1998	9 902	8 580	9 136	9 151	9 147	9 058	10 531	12 058	11 225	9 973	10 160	8 661	9 228	8 450
1999	10 366	8 918	9 555	9 519	9 522	9 484	11 048	12 725	11 752	10 443	10 649	9 056	9 592	8 805
2000	11 097	9 504	10 207	10 163	10 195	10 169	11 876	13 601	12 564	11 159	11 404	9 737	10 268	9 424
2001	11 865	10 112	10 879	10 791	10 919	10 862	12 813	14 484	13 460	11 947	12 198	10 435	10 970	10 062
2002	12 184	10 414	11 171	11 068	11 213	11 149	13 225	14 750	13 803	12 276	12 517	10 759	11 328	10 401
2003 <sup>4</sup>	12 610	10 787	11 559	11 462	11 612	11 552	13 685	15 235	14 265	12 704	12 952	11 137	11 753	10 809

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

Source: National Statistics

2 Data are consistent with the headline series published 29 April 2005

3 UK less Extra Region

4 Provisional

## 5 Median gross weekly pay<sup>1</sup>

NUTS 1 regions

£

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	C5GR	C5GS	C5GT	C5GU	C5GV	C5GW	C5GX	C5GY	C5GZ	C5H2	C5H3	C5H4	C5H5
1998	334.9	302.4	317.9	313.7	312.0	320.4	337.0	419.0	350.3	314.8	308.9	313.8	298.1
1999	345.5	314.0	327.9	320.8	323.8	329.9	348.3	433.0	360.8	323.9	316.8	329.0	310.5
2000	359.0	329.3	340.9	335.0	330.8	340.9	358.1	460.0	377.3	336.0	327.5	338.4	320.2
2001	375.9	333.7	354.2	345.5	346.6	357.9	379.1	479.9	398.3	352.3	341.3	355.1	330.5
2002	390.9	344.8	368.5	360.0	362.3	366.6	392.6	501.1	419.9	365.0	349.4	371.7	342.0
2003	404.0	348.4	379.7	375.6	379.6	378.0	407.6	521.4	434.8	382.0	363.6	381.3	352.0
2004 <sup>2</sup>	422.8 419.5	372.9 370.3	397.7 394.6	393.0 389.7	390.0 383.9	397.1 392.4	423.4 419.2	544.7 537.4	451.1 447.2	394.9 392.9	386.8 381.8	394.6 390.9	375.0 372.7
2005	431.2	385.5	407.2	399.3	406.7	402.5	428.7	555.8	450.0	401.0	389.9	409.6	387.0

1 Median gross weekly earnings of full-time employees.

Source: Annual Survey of Hours and Earnings, National Statistics

2 The bottom figure includes supplementary information to improve inquiry coverage and the quality of the estimates. The top figure excludes this information and so is continuous with previous years figures.

## 6 Estimated expenditure on research and development

£ million

Business sector														
	United Kingdom	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
	D4DF	D4DG	D4DH	D4DI	D4DJ	D4DK	D4DL	D4DM	D4DN	D4DO	D4DP	D4DQ	D4DR	D4DS
1999	11 302	164	1 476	309	838	724	2 559	735	2 916	887	10 607	203	393	99
2000	11 510	164	1 451	304	933	576	2 758	810	2 964	867	10 827	144	400	139
2001	12 336	119	1 512	298	951	662	2 916	738	3 317	1 025	11 538	136	512	150
2002	13 110	128	1 661	357	1 063	695	2 741	950	3 268	1 274	12 138	182	640	149
2003	13 687	281	1 559	382	929	587	3 453	771	3 464	1 359	12 786	264	521	116

Government sector														
	United Kingdom	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
	D4DT	D4DU	D4DV	D4DW	D4DX	D4DY	D4DZ	D4E2	D4E3	D4E4	D4E5	D4E6	D4E7	D4E8
1999	2 086	2	56	46	56	191	248	231	648	301	1 779	60	233	14
2000	2 238	2	59	50	58	205	271	271	665	322	1 905	68	250	16
2001	1 829	4	66	50	68	65	277	238	515	254	1 537	49	226	16
2002	1 752	6	67	62	65	50	285	238	459	228	1 460	41	237	15
2003	2 010	2	54	134	22	38	336	279	583	231	1 679	43	271	17

Source: ONS

Higher Education sector														
	United Kingdom	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Northern Ireland
	D4E9	D4EA	D4EB	D4EC	D4ED	D4EE	D4EF	D4EG	D4EH	D4EI	D4EJ	D4EK	D4EL	D4EM
1999	3 324	112	259	269	181	179	253	833	491	147	2 723	129	408	64
2000	3 648	123	289	285	205	193	325	899	518	160	2 996	139	442	70
2001	4 034	142	322	317	224	207	366	979	562	178	3 296	155	510	73
2002	4 413	159	354	340	234	221	402	1 059	608	191	3 568	180	581	84
2003	4 457	158	363	347	223	228	412	1 069	614	192	3 606	175	575	100



## 7 VAT registrations and deregistrations<sup>1</sup>: net change<sup>2</sup>

### NUTS 1 regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	DCYQ	LREB	LRZS	DCYT	DCYU	DCYY	LRED	DEON	LREE	DCYX	DCZA	DCZB	DCZC
1999	28.1	0.5	1.7	1.2	1.7	2.1	3.0	8.3	6.2	2.3	—	0.7	0.6
2000	25.3	0.6	1.6	1.2	1.7	2.4	3.0	6.3	5.0	1.8	0.6	0.7	0.4
2001	17.4	0.1	1.3	0.8	1.6	1.7	1.7	3.1	3.9	1.6	0.7	0.3	0.6
2002	20.5	0.5	1.8	1.2	2.2	2.0	2.9	1.8	4.1	2.2	0.2	0.7	0.9
2003	21.5	0.8	2.4	2.5	1.9	1.3	2.2	3.5	3.6	1.9	0.3	0.7	0.4
2004	2.0	0.2	0.8	0.6	0.9	-0.1	0.1	-0.5	0.1	0.3	0.3	-0.1	-0.5

1 This series replaces the previously published dataset, actual figures not rounded.

Source: Small Business Services, DTI

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

## 8 Three year survival rates of VAT registered businesses, by region

### Percent still trading

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
Year of registration	D4BQ	D4BR	D4BS	D4BT	D4BU	D4BV	D4BW	D4BX	D4BY	D4BZ	D4C2	D4C3	D4C4	D4C5
1993	62.1	58.5	59.2	60.6	62.7	60.9	63.6	61.4	63.5	63.4	61.9	61.3	63.0	68.5
1994	62.5	58.6	59.8	61.3	61.9	61.9	64.2	60.8	64.3	64.6	62.2	63.6	62.2	73.7
1995	65.3	62.4	62.7	64.3	65.0	63.1	67.1	62.6	68.3	68.1	65.0	65.5	64.9	76.1
1996	66.0	64.7	63.6	64.3	65.2	64.7	68.5	63.3	69.5	68.6	66.0	66.5	64.0	75.0
1997	67.4	66.4	64.2	66.7	67.1	65.9	69.8	64.2	70.7	70.2	67.3	67.7	66.5	75.0
1998	66.3	66.2	65.1	65.1	66.6	66.4	68.8	62.5	69.6	68.7	66.3	66.5	64.5	72.4
1999	66.5	65.5	64.9	66.1	67.7	66.5	68.1	62.8	69.7	68.0	66.4	68.0	65.3	72.4
change 1993-99	4.4	7.0	5.7	5.5	5.0	5.6	4.5	1.4	6.2	4.6	4.5	6.7	2.3	3.9

Source: Small Business Service Jan 2004

## 9 UK Regional trade in goods by statistical value per region

### Value of Exports by Region

£ million

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland	Unknown
EU 15 Exports	D4C6	D4C7	D4C8	D4C9	D4CA	D4CB	D4CC	D4CD	D4CE	D4CF	D4CG	D4CH	D4CI	D4CJ	D4CK
2004 Q3	25 712	1 231	2 221	1 417	1 857	1 719	2 421	2 248	3 942	1 448	18 504	1 251	1 408	628	3 912
Q4	27 939	1 305	2 360	1 541	1 982	1 976	2 736	2 218	4 227	1 480	19 824	1 427	1 595	703	4 392
<b>Total 2004</b>	<b>105 609</b>	<b>5 048</b>	<b>9 100</b>	<b>5 816</b>	<b>7 575</b>	<b>7 451</b>	<b>10 225</b>	<b>9 030</b>	<b>15 660</b>	<b>5 840</b>	<b>75 745</b>	<b>5 235</b>	<b>5 969</b>	<b>2 626</b>	<b>16 034</b>
2005 Q1	27 351	1 293	2 312	2 312	2 095	1 816	2 594	2 402	3 918	1 544	19 676	1 367	1 369	663	4 277
Q2	27 819	1 301	2 480	2 480	2 200	2 043	2 680	2 131	4 015	1 491	19 924	1 208	1 419	719	4 549
Q3	26 365	1 234	2 418	2 418	2 064	1 771	2 341	2 424	4 130	1 365	19 260	1 095	1 458	651	3 902
<b>Year to Date 2005*</b>	<b>81 536</b>	<b>3 828</b>	<b>7 210</b>	<b>4 754</b>	<b>6 358</b>	<b>5 675</b>	<b>7 615</b>	<b>6 956</b>	<b>12 062</b>	<b>4 400</b>	<b>58 859</b>	<b>3 670</b>	<b>4 246</b>	<b>2 033</b>	<b>12 728</b>
	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland	Unknown
Non-EU 15 Exports	D4CL	D4CM	D4CN	D4CO	D4CP	D4CQ	D4CR	D4CS	D4CT	D4CU	D4CV	D4CW	D4CX	D4CY	D4CZ
2004 Q3	21 651	809	2 242	1 110	1 637	1 515	1 973	3 434	3 484	1 042	17 246	795	1 585	434	1 591
Q4	23 351	802	2 314	1 248	1 824	1 647	2 203	3 288	3 984	1 064	18 374	883	1 644	495	1 955
<b>Total 2004</b>	<b>84 938</b>	<b>3 074</b>	<b>8 738</b>	<b>4 354</b>	<b>6 340</b>	<b>6 273</b>	<b>7 804</b>	<b>13 424</b>	<b>13 696</b>	<b>3 897</b>	<b>67 599</b>	<b>3 082</b>	<b>5 963</b>	<b>1 764</b>	<b>6 530</b>
2005 Q1*	19 893	604	1 916	1 161	1 442	1 449	1 689	3 704	3 018	830	15 812	751	1 344	407	1 580
Q2	24 206	857	2 256	1 341	1 790	1 845	2 224	4 020	3 847	1 022	19 202	927	1 755	460	1 862
Q3	25 026	878	2 374	1 322	1 869	1 857	2 166	4 616	3 971	1 149	20 201	905	1 823	447	1 650
<b>Year to Date 2005*</b>	<b>69 125</b>	<b>2 339</b>	<b>6 546</b>	<b>3 823</b>	<b>5 101</b>	<b>5 151</b>	<b>6 079</b>	<b>12 340</b>	<b>10 835</b>	<b>3 001</b>	<b>55 215</b>	<b>2 583</b>	<b>4 922</b>	<b>1 314</b>	<b>5 092</b>

\* Provisional data - subject to revision

Source: Statistics and Analysis of Trade Unit (SATU)

## 10 Value of export goods as a percentage of headline regional GVA

percentage

	United Kingdom*	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	D4D2	D4D3	D4D4	D4D5	D4D6	D4D7	D4D8	D4D9	D4DA	D4DB	D4DC	D4DD	D4DE
2001	21.4	24.2	18.5	14.0	24.3	19.0	21.4	14.6	20.4	12.1	21.2	23.8	19.2
2002	20.1	22.5	18.3	13.5	21.8	18.7	20.3	15.2	19.1	10.6	18.8	21.1	16.1
2003	19.1	24.6	17.5	13.0	22.7	17.2	20.8	13.0	20.2	12.1	19.2	16.8	18.4

\* UK figures include trade and GVA that cannot be allocated to regions

Sources: DTI analysis of information provided by the Statistics and Analysis; of Trade Unit &amp; HM Revenue and Customs

# 11 Unemployed as a percentage of the economically active population<sup>1,2</sup> seasonally adjusted

NUTS 1 regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	MGSX	YCNC	YCND	YCNE	YCNF	YCNH	YCNH	YCNH	YCNJ	YCNK	YCNL	YCNM	YCNN	ZSFB
2002 Q3	5.3	6.2	5.5	5.6	4.7	5.9	3.9	7.1	4.0	4.0	5.2	5.2	6.4	6.1
Q4	5.1	7.3	4.9	5.0	4.8	5.7	4.0	6.6	4.0	4.0	5.0	5.1	6.1	5.5
2003 Q1	5.1	6.6	4.9	5.3	4.0	6.0	4.7	7.0	3.9	3.8	5.1	4.8	6.0	5.3
Q2	4.9	6.1	5.0	5.1	4.4	5.6	3.9	7.2	3.9	3.4	4.9	4.5	5.3	5.2
Q3	5.0	6.6	4.9	4.9	4.6	5.9	3.9	7.2	3.9	3.2	5.0	4.7	5.9	5.6
Q4	4.9	6.3	4.7	5.0	4.4	5.7	3.5	7.0	3.9	3.1	4.8	4.8	5.8	6.3
2004 Q1	4.8	5.6	4.5	4.8	4.7	5.5	3.5	7.0	3.9	3.0	4.7	4.6	5.8	5.3
Q2	4.8	5.5	4.4	4.5	4.3	5.5	3.8	7.0	3.6	3.7	4.7	4.2	6.0	5.2
Q3	4.7	6.0	4.4	4.6	4.0	5.0	3.5	7.2	3.7	3.2	4.6	4.9	5.2	5.0
Q4	4.7	6.4	4.6	4.7	4.2	4.8	3.8	7.2	3.5	3.4	4.7	4.2	5.6	4.6
2005 Q1	4.7	5.7	4.8	4.3	4.3	4.7	3.9	6.7	3.7	3.6	4.6	4.5	5.6	4.8
Q2	4.8	6.8	4.4	4.7	4.4	4.6	3.9	7.1	3.8	3.2	4.7	4.6	5.5	5.0
Q3	4.7	6.6	4.4	4.6	4.4	4.7	4.0	6.7	4.0	3.6	4.7	4.6	5.4	4.3

1 Periods are calendar quarters.

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

Source: Labour Force Survey, National Statistics

# 12 Claimant count rates as a percentage of total workforce

NUTS 1 regions

Seasonally adjusted

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	BCJE	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR	DPBM	DPBP	DPBQ	DPBR
2002	3.1	5.1	3.5	3.6	2.8	3.5	2.1	3.6	1.6	1.9	3.6	3.9	4.4
2003	3.0	4.5	3.2	3.4	2.8	3.5	2.1	3.7	1.7	1.9	3.3	3.8	4.2
2004	2.7	4.0	2.9	2.9	2.5	3.3	2.0	3.5	1.6	1.6	3.0	3.5	3.6
2005	2.8	4.0	2.9	3.0	2.6	3.5	2.0	3.5	1.6	1.6	3.1	3.3	3.4
2004 Dec	2.6	3.9	2.8	2.7	2.5	3.2	2.0	3.4	1.6	1.5	3.0	3.3	3.5
2005 Jan	2.6	3.7	2.7	2.7	2.4	3.1	1.9	3.4	1.5	1.5	2.9	3.3	3.4
Feb	2.6	3.8	2.7	2.8	2.4	3.1	1.9	3.4	1.5	1.5	2.9	3.3	3.4
Mar	2.7	3.9	2.8	2.8	2.5	3.2	2.0	3.4	1.6	1.5	3.0	3.3	3.4
Apr	2.7	3.9	2.8	2.9	2.5	3.3	2.0	3.5	1.6	1.6	3.0	3.3	3.4
May	2.7	4.0	2.9	2.9	2.6	3.5	2.0	3.5	1.6	1.6	3.1	3.3	3.4
Jun	2.8	4.0	2.9	3.0	2.6	3.5	2.1	3.5	1.7	1.6	3.1	3.3	3.4
Jul	2.8	4.0	2.9	3.0	2.6	3.6	2.1	3.5	1.7	1.6	3.1	3.2	3.3
Aug	2.8	4.1	3.0	3.0	2.6	3.6	2.1	3.5	1.6	1.6	3.1	3.2	3.3
Sep	2.8	4.1	3.0	3.1	2.7	3.6	2.1	3.5	1.7	1.6	3.2	3.3	3.3
Oct	2.9	4.2	3.1	3.1	2.7	3.7	2.1	3.6	1.7	1.6	3.3	3.3	3.3
Nov	2.9	4.1	3.1	3.2	2.8	3.7	2.2	3.6	1.7	1.7	3.3	3.2	3.4
Dec	2.9	4.1	3.1	3.3	2.8	3.8	2.2	3.6	1.8	1.7	3.3	3.2	3.4

Source: National Statistics

# 13 Total in employment<sup>1,2,3</sup>, seasonally adjusted

NUTS 1 regions

Thousands

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	England	Wales	Scotland	Northern Ireland
	MGRZ	YCJP	YCJQ	YCJR	YCJS	YCJT	YCJU	YCJV	YCJW	YCJX	YCJY	YCJZ	YCKA	ZSFG
2002 Q3	27 912	1 081	3 048	2 285	2 046	2 458	2 685	3 509	4 039	2 413	23 563	1 262	2 360	720
Q4	28 074	1 066	3 107	2 294	2 037	2 472	2 673	3 543	4 052	2 415	23 658	1 292	2 385	733
2003 Q1	28 065	1 069	3 110	2 311	2 042	2 459	2 655	3 498	4 056	2 413	23 614	1 300	2 393	750
Q2	28 191	1 081	3 132	2 319	2 047	2 453	2 692	3 512	4 041	2 426	23 704	1 324	2 412	740
Q3	28 222	1 086	3 141	2 333	2 041	2 435	2 702	3 538	4 046	2 431	23 753	1 327	2 401	729
Q4	28 254	1 105	3 138	2 336	2 052	2 439	2 742	3 513	4 045	2 443	23 813	1 319	2 396	715
2004 Q1	28 398	1 117	3 164	2 345	2 063	2 459	2 744	3 539	4 032	2 457	23 920	1 331	2 416	718
Q2	28 410	1 116	3 166	2 348	2 054	2 471	2 733	3 549	4 052	2 428	23 916	1 331	2 435	717
Q3	28 467	1 116	3 166	2 356	2 052	2 500	2 738	3 524	4 063	2 453	23 967	1 311	2 450	719
Q4	28 586	1 112	3 196	2 369	2 069	2 506	2 726	3 530	4 072	2 456	24 035	1 332	2 453	743
2005 Q1	28 679	1 128	3 183	2 372	2 079	2 516	2 735	3 577	4 075	2 465	24 129	1 322	2 461	742
Q2	28 698	1 129	3 185	2 373	2 083	2 519	2 742	3 561	4 093	2 479	24 164	1 312	2 448	745
Q3	28 825	1 122	3 204	2 390	2 114	2 513	2 741	3 603	4 095	2 467	24 248	1 338	2 458	762

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

2 Periods are calendar quarters.

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

Source: Labour Force Survey, National Statistics

# 14 Employee jobs (all industries)

NUTS 1 regions

2000 = 100

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
	YEKA	YEBK	YEKJ	YEKC	YEKD	YEKI	YEKE	YEFK	YEGK	YEKH	YEKK	YEKL	YEKM
2001	101.4	100.0	101.7	101.7	98.9	100.0	101.9	101.4	101.7	101.9	101.3	103.9	102.0
2002	101.9	103.1	103.1	102.0	98.5	100.6	101.2	99.5	103.0	104.0	101.7	104.1	104.0
2003	102.1	103.7	103.8	104.2	99.2	100.8	102.0	98.5	101.9	104.2	102.8	104.3	105.0
2004	103.0	104.7	105.0	107.2	100.4	100.8	102.4	98.2	102.1	106.2	106.4	104.8	106.5
2004 Mar	102.2	104.2	104.4	105.9	98.8	100.4	102.4	97.8	101.7	105.2	103.8	104.0	105.9
Jun	102.7	103.9	104.7	106.6	99.8	100.5	102.7	98.1	102.0	105.8	105.5	104.4	105.9
Sep	102.9	105.4	104.8	107.6	100.8	100.1	102.1	97.8	101.8	106.3	107.5	104.6	106.3
Dec	104.1	105.2	106.3	108.5	102.2	102.2	102.4	99.1	102.8	107.3	108.8	106.2	108.0
2005 Mar	103.6	105.1	106.2	107.8	101.8	101.1	101.9	98.8	102.1	106.7	107.9	105.7	108.0
Jun	103.7	105.0	106.4	107.9	101.8	100.7	101.8	98.9	102.3	108.1	108.2	105.9	108.0
Sep	103.8	105.2	106.6	108.3	102.1	100.5	101.6	99.0	102.2	107.8	108.7	106.5	107.9

Source: National Statistics

# 15 Manufacturing industry: optimism about business situation

NUTS 1 regions

Balance<sup>1</sup>

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
2005 Jan	DCMO	LRYS	LRYT	DCMU	DCMT	DCMS	LRYS	DCMP	DCMR	DCMX	DCMY	DCMZ
Apr	-10	8	-22	-26	-22	-43	-26	-35	-38	2	14	-27
Jul	-22	-11	-28	-17	-32	-34	4	-2	-18	1	5	-36
Oct	-15	-26	-15	-25	-40	-31	-25	-29	-17	-11	-13	-18
Balance	-16	-33	-3	-16	-18	-35	-35	-45	-33	-44	-14	-32

<sup>1</sup> Balance in percentage of firms reporting rises /less those reporting falls.

Source: CBI/Experian Regional Trends Survey, November 2005

# 16 Manufacturing industry: volume of output

NUTS 1 regions

Balance<sup>1</sup>

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
<b>Past 3 months</b>	DCLQ	LRVY	LRVW	DCLW	DCLV	DCLU	LRVX	DCLR	DCLT	DCLZ	DCMA	DCMB
2005 Jan	2	-9	-25	16	-8	-26	14	1	-19	24	35	-21
Apr	-10	2	-27	-5	-3	-33	-3	-11	3	3	15	-37
Jul	-1	6	-5	-23	-	8	-17	-16	14	-24	6	-20
Oct	-13	-19	-6	-5	7	-26	-20	-26	-3	-15	22	-63
<b>Next 3 months</b>	DCMC	LRYY	LRYZ	DCMI	DCMH	DCME	LRZA	DCMD	DCMF	DCML	DCMM	DCMN
2005 Oct	2	19	12	10	23	-21	-11	-15	18	3	-	-44

<sup>1</sup> Balance in percentage of firms reporting rises /less those reporting falls.

Source: CBI/Experian Regional Trends Survey, November 2005

# 17 Manufacturing industry: volume of new orders

NUTS 1 regions

Balance<sup>1</sup>

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
<b>Past 3 months</b>	DCNA	LRZB	LRZC	DCNG	DCNF	DCNE	LRZD	DCNB	DCND	DCNJ	DCNK	DCNL
2005 Jan	-4	-16	-16	14	10	-20	1	-7	-14	4	43	-32
Apr	-18	-11	-24	9	-14	-23	-10	-17	-19	-14	1	-49
Jul	-7	-9	-9	-14	-10	-3	-27	-33	7	-16	9	-32
Oct	-14	-7	3	3	-3	-35	-14	-16	-20	-19	16	-46
<b>Next 3 months</b>	DCNM	LRZE	LRZF	DCNS	DCNR	DCNQ	LRZG	DCNN	DCNP	DCNV	DCNW	DCNX
2005 Oct	-4	8	15	-	14	-33	-14	-12	-	3	10	-33

<sup>1</sup> Balance in percentage of firms reporting rises /less those reporting falls.

Source: CBI/Experian Regional Trends Survey, November 2005

# 18 Manufacturing industry: volume of new export orders

NUTS 1 regions

Balance<sup>1</sup>

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
<b>Past 3 months</b>	DCNY	LRZH	LRZI	DCOE	DCOD	DCOC	LRZJ	DCNZ	DCOB	DCOH	DCOI	DCOJ
2005 Jan	-8	-12	-30	6	-3	-32	3	-12	-27	-19	14	-29
Apr	-15	8	-18	2	2	-27	-6	-17	-19	-19	-19	-59
Jul	9	15	-1	10	11	15	-12	-19	-	-18	8	-43
Oct	-13	-19	7	11	-1	-27	-15	-26	20	-21	1	-59
<b>Next 3 months</b>	DCOK	LRZK	LRZL	DCOQ	DCOP	DCOO	LRZM	DCOL	DCON	DCOT	DCOU	DCOV
2005 Oct	-2	35	-	2	24	-19	-12	-17	37	-12	4	-38

<sup>1</sup> Balance in percentage of firms reporting rises /less those reporting falls.

Source: CBI/Experian Regional Trends Survey, November 2005

# 19 Manufacturing industry: firms working below capacity

NUTS 1 regions

Percentages

	United Kingdom	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	East	London and the South East	South West	Wales	Scotland	Northern Ireland
2005 Jan	DCOW	LRZN	LRZO	DCPC	DCPB	DCPA	LRZP	DCOX	DCOZ	DCPF	DCPG	DCPH
Apr	59	77	72	50	57	62	59	65	62	38	23	31
Jul	60	85	65	53	62	56	66	67	60	33	37	85
Oct	54	56	53	55	67	60	58	59	59	34	52	50
Balance	60	74	59	48	60	68	54	63	58	41	46	88

Source: CBI/Experian Regional Trends Survey, November 2005

# Methodology Notes:

## Links between Gross Domestic Product (GDP) and Gross Value Added (GVA)

**Mark Brereton**

Office for National Statistics

This is the latest article in a new series called 'Methodology Notes'. This series aims to explain statistical issues relevant to our data in a simple, non-technical way. As well as defining the topic areas, the notes explain when, why and how these methodologies are used within the Office for National Statistics (ONS). Where possible, we also point the reader to further sources of information.

### Introduction

GDP and GVA are measures of economic activity before allowing for depreciation (or capital consumption) of fixed assets. However, it is important to note there are differences between GDP and GVA.

### What is Gross Domestic Product?

Gross Domestic Product (GDP) is defined as the total value of all goods and services produced within a country. In the United Kingdom, three theoretical approaches are used to estimate GDP: *production*, *income* and *expenditure*. GDP is either shown in current (nominal) prices or in chained volume terms (after removing the impact of price inflation) and is the figure most often used to compare the performance of a country's economy.

### What is Gross Value Added?

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. The GVA generated by any unit engaged in production activity can be calculated as the residual of the units' total output *less* intermediate consumption (that is, goods and services used up in the process of producing the output), or as the sum of the factor incomes generated by the production process. GVA also allows for regional analysis and productivity comparisons to be made.

### Link between GDP and GVA – which is the more appropriate to use?

GDP at market prices provides a key indicator of the state of the whole economy and is used in analysing the *expenditure* measure of GDP. However, when using the *production* or *income* approaches, the contribution to the economy of each individual producer, industry or sector is measured using GVA at basic prices, and not by using GDP at market prices.

The *production* approach looks at the contribution of each economic unit by estimating the value of their output *less* the value of inputs used in the production process to produce their output. The *income* approach measures the incomes earned by individuals and corporations in the production of goods and services.

The link between GVA and GDP in both current prices and chained volume terms is shown below:

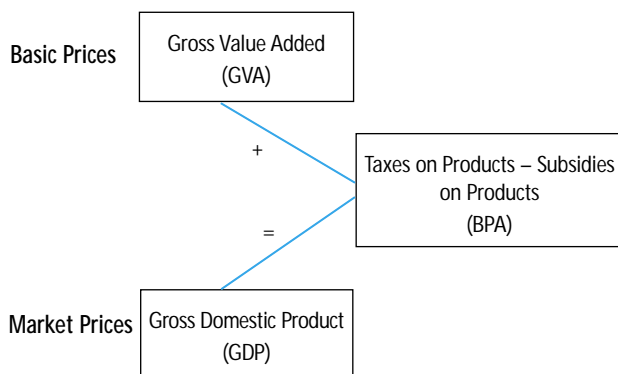
**Gross Value Added** at basic prices

*plus* Taxes on products

*less* Subsidies on products

*equals* **Gross Domestic Product** at market prices

Taxes on products less subsidies on products are also known in the UK National Accounts as the Basic Price Adjustment (BPA). GVA forms a component in the estimation of GDP. The valuation link between GVA and GDP is given below:



The *production*, *income* and *expenditure* approaches to GDP are wholly integrated in the Input-Output Annual Supply and Use Tables framework. Consistent *income* totals can be derived in three ways: by industry, by institutional sector and by category of income. When balanced, the UK Input-Output Annual Supply and Use Tables provide a coherent and consistent story for a single year, including:

- a single annual estimate of GDP at current market prices, which is underpinned with the components of the *production*, *income* and *expenditure* measures of GDP
- detailed Goods and Services Account
- Production Accounts by sector and by industry
- generation of Income Accounts by sector and by industry

### Why has there been debate about the growth rates of GDP and GVA?

When measuring at current prices – that is, before adjustments are made for price inflation – it is clearly possible for the growth rates of GDP and GVA to differ. This is because the former is measured at market prices while the latter is measured at basic prices (that is, deducting taxes (*less* subsidies) on products). Given that the prices used are different, it is not surprising that at times the growth rates will also differ. Indeed, this is inevitable unless growth is evenly spread across all sectors.

It has recently been argued that the BPA – which is responsible for these differences between GVA and GDP – causes only a nominal effect and not a real one. It changes nothing in the *volume* of output. Ideally, the BPA would have a corresponding deflator showing its real effect to be zero. Unfortunately, as all the different sectors within the economy are growing at a different rate (this is called differential growth), the BPA is extremely difficult to deflate accurately. To solve this, ONS constrains the BPA growth rate difference to zero and sets the deflators accordingly, as conceptually it should not affect GDP growth in chained volume terms. Consequently, with the BPA now constrained to make no real

impact, GVA and GDP in chained volume terms grow at the same rate.

For further information on the UK estimation of GDP and GVA:

- The latest *United Kingdom Input-Output Analyses*, 2005 edition containing the 1992–2003 Input-Output Annual Supply and Use Tables and a range of other analyses. These are available on the National Statistics website address shown below:

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

- The link on the National Statistics website to GDP is shown below:

[www.statistics.gov.uk/CCI/nugget.asp?ID=56](http://www.statistics.gov.uk/CCI/nugget.asp?ID=56)



# Regional Gross Value Added

**John Marais**

Office for National Statistics

This article shows the latest estimates of gross value added in the regional economies from 1989 to 2004, and the sub-regional economies from 1995 to 2003, consistent with figures in the current National Accounts.

Evidence is presented to help build up an overall picture of regional economic performance, namely growth rates for each region. The article is based on the latest information available to the Office for National Statistics (ONS).

Details of improvements in the calculation of these estimates are given, along with further developments planned for the future. While improvements have been made to the measurement of the outputs, further developments are planned.

## In brief

### Total

- In comparison with the previous year UK total GVA grew at current prices by 5.3 per cent in 2004 but excluding Extra-regio it grew by 4.6 per cent.
- Total GVA increased in all UK regions although there was variation in the rate of increase.
- GVA per head of population was £16,800 for the UK as a whole (excluding Extra-regio).

### NUTS 1

- London had the largest share of GVA in 2004 with 16.4 per cent of total UK GVA (excluding Extra-regio) while Northern Ireland had the smallest share with 2.3 per cent.
- London had the smallest growth rate, 3.5 per cent, between 2003 and 2004.
- London had the highest GVA per head of population (£22,200) while Wales had the lowest (£13,300).
- London, the South East and East of England were the only regions with a GVA per head above the average for the UK population.

### NUTS 2

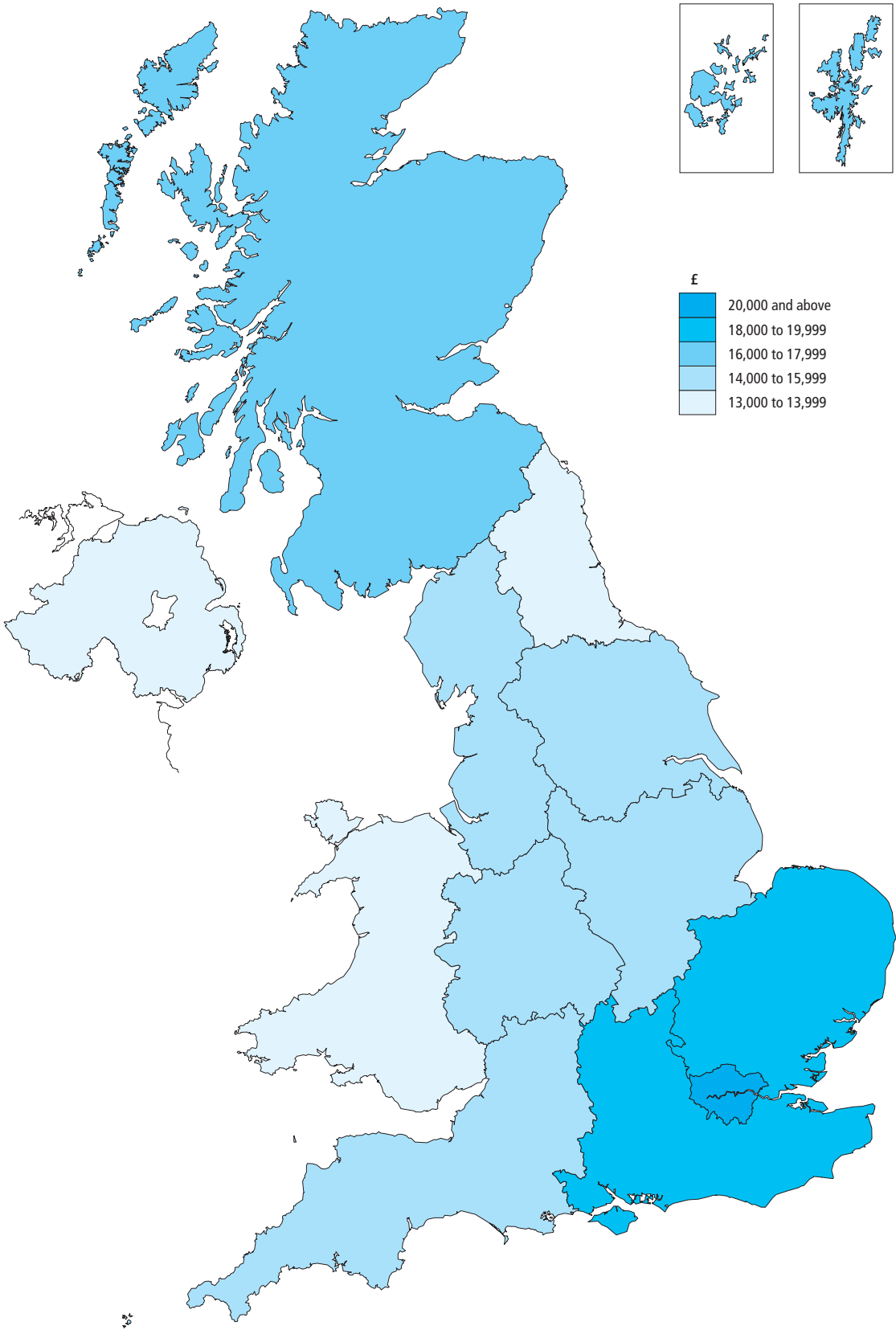
- Inner London had the largest GVA in 2003 (£113 billion) while the Highlands and Islands had the smallest (£4 billion).
- Growth in total GVA between 2002 and 2003 was highest in Lincolnshire (7.4 per cent); Essex (7.0 per cent) and North Yorkshire (6.9 per cent).
- Inner London had, in 2003, the highest GVA per head of population (£38,800); more than double the UK average (£16,100). Berkshire, Buckinghamshire & Oxfordshire (£22,700); and North East Scotland (£21,200) followed.

### NUTS 3

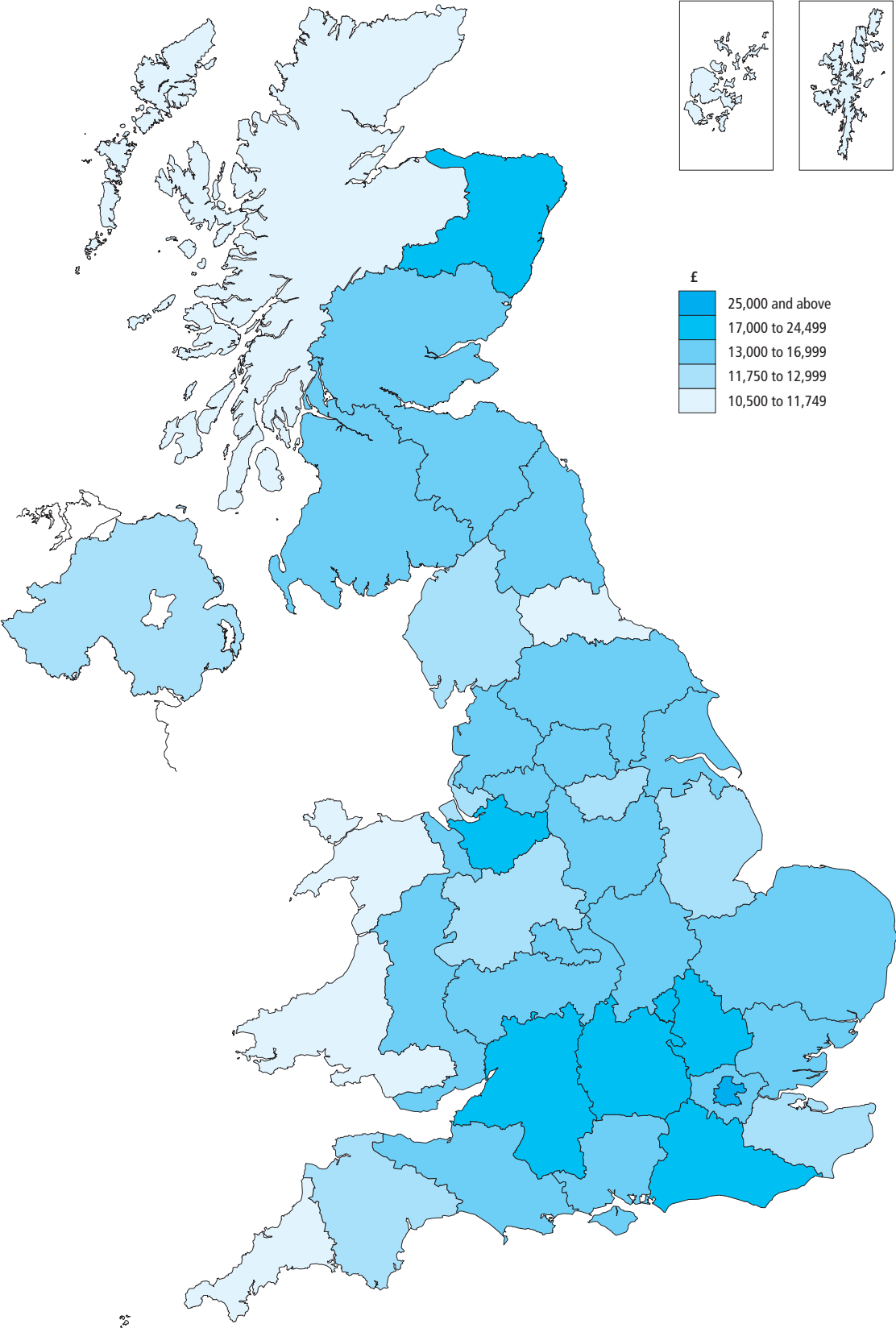
- Inner London West had the highest percentage (7.6 per cent) of UK GVA, followed by Inner London East (4.1 per cent) in 2003. Outside London, Greater Manchester South had the highest percentage (2.6 per cent).
- Torbay (3.0 per cent), West Lothian (3.1 per cent), and Gwent Valleys (3.8 per cent) had the lowest growth between 2002 and 2003.
- The Isle of Anglesey had the lowest GVA per head of population (£8,700), followed by Gwent Valleys (£9,500) and Wirral (£9,700) in 2003.

The geographic patterns of GVA per head of population across NUTS1, NUTS2 and NUTS3 areas of the UK are illustrated in the following maps.

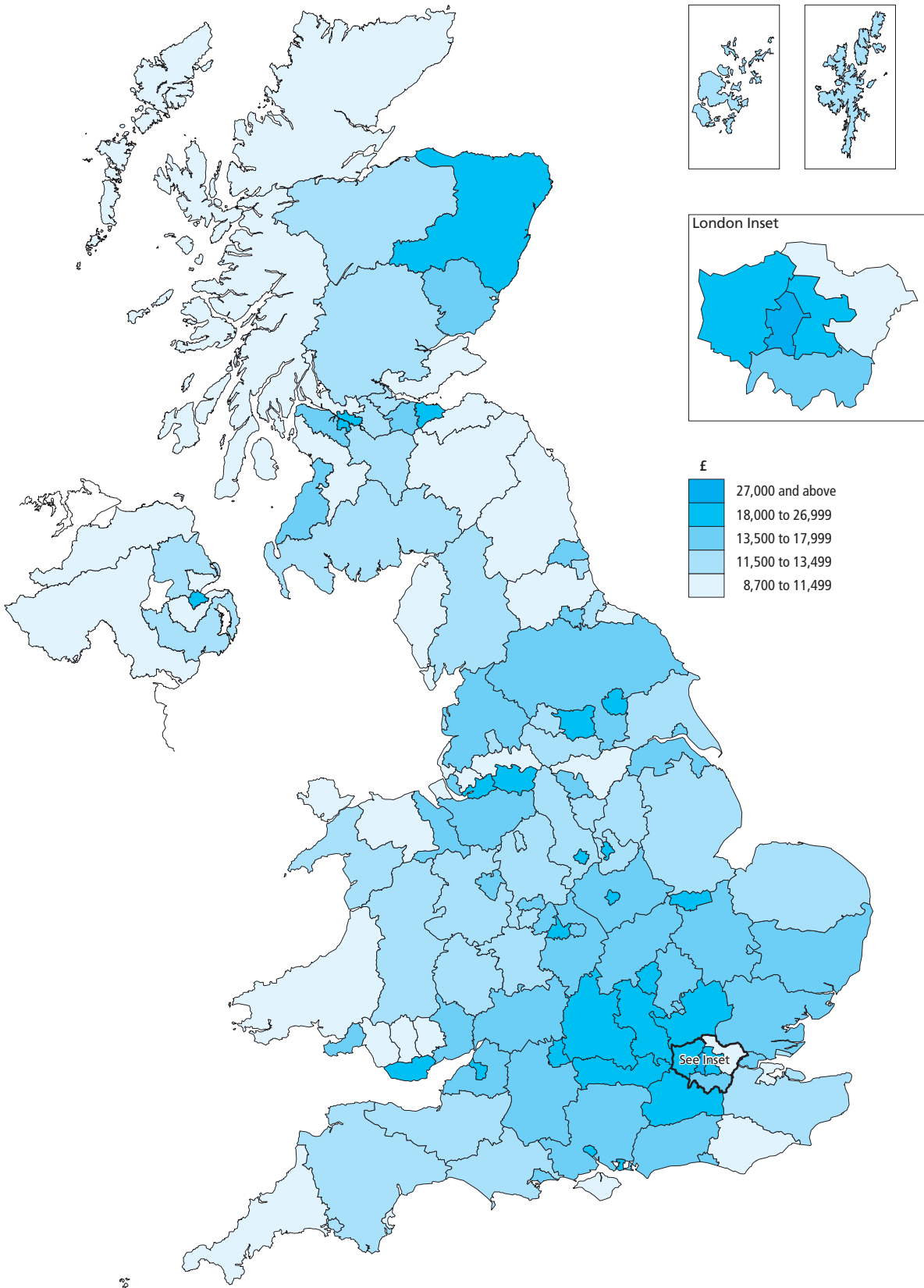
Map NUTS 1  
Gross Value Added per head, 2004



Map NUTS 2  
Gross Value Added per head, 2003, by NUTS 2 area



Map NUTS 3  
Gross Value Added per head, 2003, by NUTS 3 area



## Introduction

The regional GVA estimates published in this article are calculated according to the income approach (for definition, see Appendix B). They include first estimates for 2004 (NUTS1) and 2003 (NUTS2&3) and revisions for 1989–2003 (NUTS1) and 1995–2002 (NUTS2&3).

## Main Data Sources

### Blue Book national controls

The regional GVA estimates NUTS1 1989 to 2004 and NUTS2&3 1995 to 2003 estimates are consistent with estimates of UK GVA published in National Accounts Blue Book 2005.

### Wages and salaries – HMRC PAYE

Her Majesty's Revenue and Customs' (HMRC) pay-as-you earn (PAYE) dataset has been incorporated into the estimates for the second year running after a successful conclusion to work carried out assessing the suitability of PAYE regional information for use in the estimation of NUTS1 GVA.

### Earnings

The Annual Survey of Hours and Earnings (ASHE) replaced the New Earnings Survey (NES) from October 2004. The main differences between ASHE and NES methodologies for 1998 and 2003 are the estimation of missing responses and weighting of the results to the population of jobs measured by the Labour Force Survey (LFS). In addition to earlier years the ASHE from 2004 onwards will extend its coverage to include VAT only businesses.

### Employment

These estimates use employment data from the Annual Business Inquiry 1 (ABI1) and the Short Term Earnings Survey (STES). STES data used here are unbenchmarked to the ABI1 as they were not available in time to be considered for publication. The Office for National Statistics (ONS) carried out analysis to assess the validity of using the unbenchmarked series.

The proportions of benchmarked and unbenchmarked data were compared for actual changes as part of the apportionment methodology. The analysis showed that for all changes in levels the proportions remained similar.

### Financial Intermediation Services Indirectly Measured (FISIM)

FISIM estimates in this publication have been calculated as per the published regional GVA methodologies, that is, using wages and salaries within the financial intermediation sector.

However, the United Kingdom (UK) along with all other EU national statistics institutes (NSI) is bound by regulation 1889/2002. This means that by the end of 2005 all GVA estimates supplied to Eurostat should have FISIM allocated to

the industries that consume the service, both at a national and regional level.

The impact at a regional level is nil as FISIM has been calculated first, as per previous publications, then allocated to the regional industries per the national industry distribution.

### Finance

In addition to the labour market sources, business surveys and administrative data are also used in the compilation of regional GVA estimates. The most significant business survey source is the Annual Business Inquiry 2 (ABI2) which captures financial information (for example, turnover) relating to the UK activity of companies – approximately two-thirds of the UK economy is covered by the survey.

### Commuting patterns

Information on commuting patterns is used to derive the workplace-based estimates of regional GVA. Longstanding plans have been in place to investigate the commuting patterns between regions. The investigations will show if and how commuting patterns have changed and determine which regions experience a significant degree of net commuting.

An initial assessment suggests the current assumption that the only significant net commuting between NUTS1 regions is between London, the South East and East of England still stands, however, further work needs to be carried out. See Future Work Plans section.

### Latest year estimates

Estimates released for the first time are for 2004 at NUTS1 and for 2003 at NUTS2&3.

### New data

- New HMRC data for 2003/04
- ASHE data 2004
- ABI2 2003
- STES 2004

### NUTS1 Latest year estimates

#### HMRC PAYE

New data has been provided by Her Majesty's Revenue and Customs (HMRC) for 2003/04. This data (PAYE) has been used in the latest GVA estimates.

#### Earnings – ASHE

In 2004, when NES was replaced by ASHE (see Quality Adjustments section for more details), part of the change was the introduction of new supplementary surveys to improve the coverage of ASHE. In 2004 two sets of results were produced; one including and one excluding new supplementary surveys giving best estimates of levels in 2004;

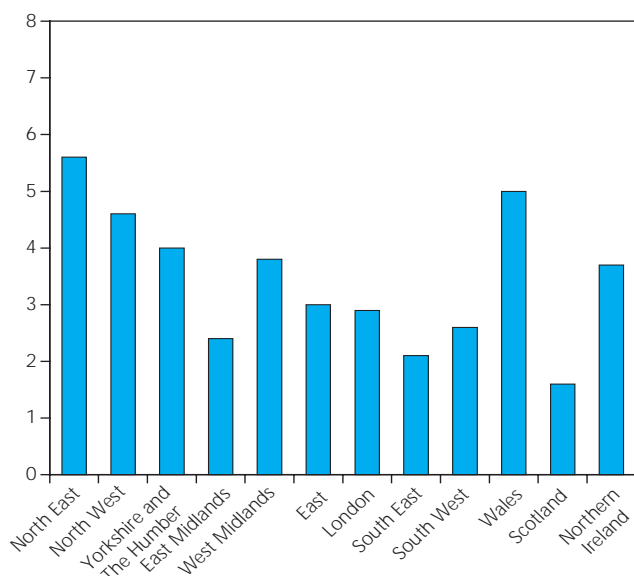
the latter providing a comparable basis with ASHE data for 2003 and earlier. To anticipate future developments the ASHE data set including supplementary surveys was employed to produce earnings estimates for GVA NUTS1.

The growth of weekly average earnings in the UK according to ASHE was 3.6 per cent. For male full-timers average weekly earnings (mean) grew by 3.2 per cent, while female full-time earnings saw stronger growth at 4.9 per cent. The North East experienced the fastest growth for both male and female full-timers' earnings (5.6 per cent and 9.1 per cent respectively), even though they have the lowest average earnings in the UK.

Figure 1

### Year on year annual change in average weekly earnings for full-timers

Per cent



ASHE had a big impact on the South East in absolute terms. A regional GVA decrease of £1.4 billion was mainly due to weekly average earnings declining in industry E (electricity, gas and water supply) and zero growth in industry K (real estate, renting and business activities). Due to the constraint of all input data to UK totals (as in Blue Book 2005), per industry, the South East's weaker growth in major industries, in comparison to other regions, resulted in a regional GVA decrease. The East of England and the North West showed the biggest increase in regional GVA due to ASHE in 2004.

### ASHE quality adjustments to latest year estimates

A number of quality adjustments have been made at NUTS1 to outliers. The 2004 ASHE results are provisional and subject to revisions following 2005 regional data delivery. Outliers in the 2004 dataset were brought in line with the general growth trend.

For example, Figure 3 shows an adjustment to male full-time weekly pay in 2004 in industry O (other community, social and personal service activities) for Northern Ireland. The results for 2004 were adjusted from a rise of 37.1 per cent to 4.6 per cent in line with the UK growth in industry O.

Figure 2

### ASHE impact analysis

£ millions

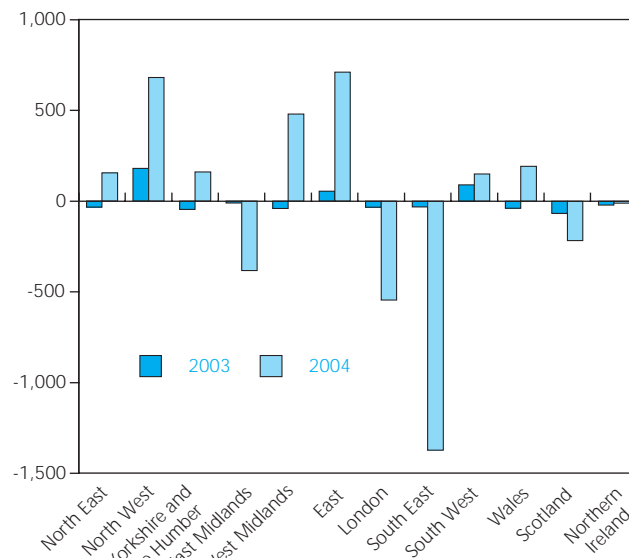
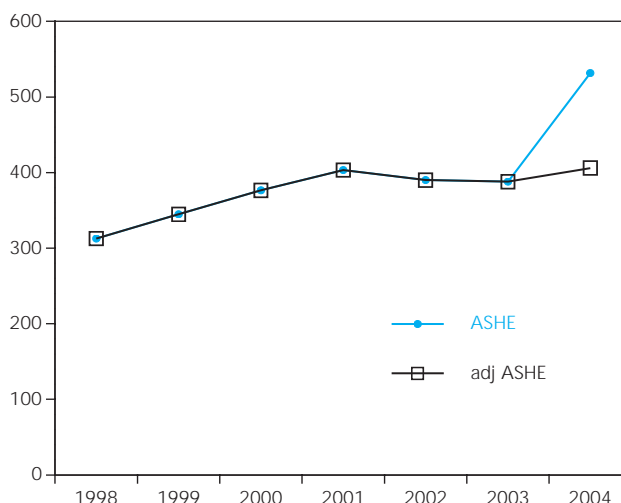


Figure 3

### Quality adjustments to male full-time earnings in Northern Ireland in industry O

Mean pay £ per week



### ABI2 NUTS1 latest estimates

The inclusion of the latest estimates available from the ABI2 impacts mainly on industry DA (food, tobacco and beverages). The highest growth in this sector was seen in the East Midlands and the East of England; both grew by 6 per cent (national average growth was 3 per cent). Scotland, one of the five largest food manufacturing regions, showed a below average, 1 per cent, growth.

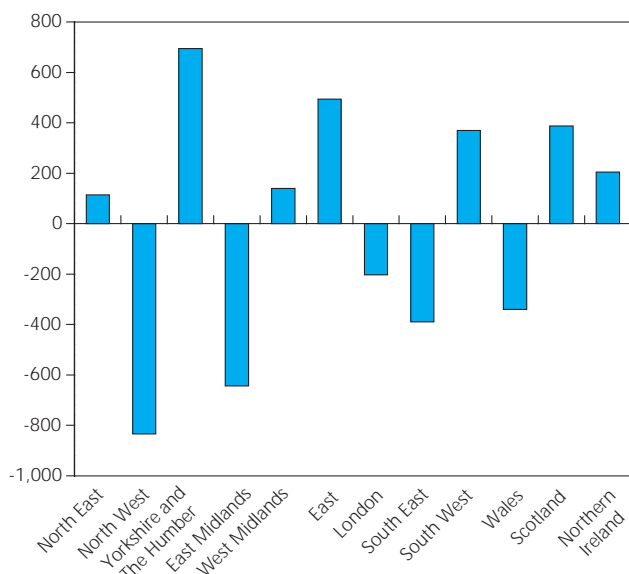
### Employment – STES

Figure 4 shows the impact of STES on NUTS1 GVA in 2004 caused primarily by declining employment in industry E



Figure 4  
Impact of STES 2004 data on NUTS 1 GVA

£ millions



(electricity, gas and water supply) in the North West. Male full-time employment fell from 9,000 in 2002 to 5,900 in 2003 and then again in 2004 to 5,700. Female full-time employment also fell over the same time-period; from 4,800 in 2002 to 2,400 in 2003 and then again in 2004 to 1,300. The impact of these changes contributed to a £0.8 billion GVA decrease in the North West in 2004.

The increase of £0.7 billion to Yorkshire and The Humber's GVA was influenced by rising employment in industry I (transport, storage and communication). Male full-time employment rose from 81,000 to 95,000 between 2003 and 2004.

Conversely, a drop in male full-time employment from 70,000 to 67,000 between 2003 and 2004 influenced the £0.6 billion decrease to East Midland's GVA in 2004.

### NUTS2 and NUTS3

The latest estimates show that of the NUTS2 areas, Lincolnshire had the highest growth rate of 7.4 per cent between 2002 and 2003. Outer London had the lowest growth rate – 4.5 per cent – over the same period.

The areas with the next highest growth rates between 2002 and 2003 were Essex (7.0 per cent) and North Yorkshire (6.9 per cent).

Within the 12 regions of the UK (NUTS1), the GVA of the 37 sub-regions (NUTS2) and 133 unitary authorities and districts (NUTS3) can vary considerably. For example, GVA per head of population in the NUTS1 region of London was £22,200 in 2003; within the NUTS2 areas of Inner London and Outer London per head figures were £38,800 and £15,000 respectively; while at NUTS3, GVA per head's in Inner London-West were £68,300 and in Outer London-East & North East, £10,900.

### ASHE

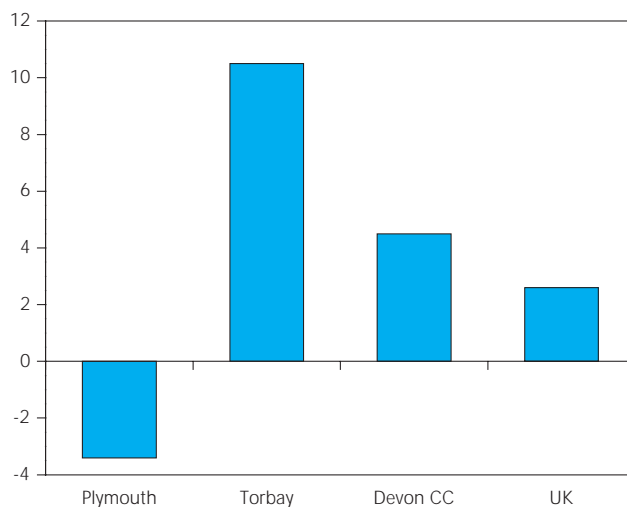
At NUTS2&3, by substituting lower level geography data with the next higher level, data quality concerns due to low observation count and high volatility were adjusted according to the 'top-down' approach. Low observation count in industries A02 (forestry), B (fishing), C (mining and quarrying) resulted in the substitution of most NUTS2&3 data with relevant NUTS1 values.

As mentioned above, the new ASHE results have had a big impact on the South East. In the NUTS2 area Surrey, East and West Sussex, the impact of ASHE on total GVA was a £900 million decrease driven by a decline in average weekly earnings in industry J (financial intermediation) and industry K (real estate, renting and business activities). The negative impact was offset by increases in Berkshire, Buckinghamshire & Oxfordshire and Hampshire & Isle of Wight. The effect of the ASHE results are offset by other survey results employed in the estimation process.

The results of ASHE show that growth rates in full-time average earnings vary significantly between regions. For example, in 2003 there was a growth in service industry earnings in three local areas of Devon (Plymouth, Torbay and Devon County Council). This was attributed to a decline of 3 per cent and increases of 10 and 4 per cent in each respective area. This compares to a UK growth in full-time average service industry earnings of 3 per cent.

Figure 5  
Comparison of growth rates in Devon NUTS2 areas in 2003

Per cent



### ABI

ABI1 employment data are used in the estimation of GVA at NUTS2&3 only.

Employment data had a notable impact on the NUTS2 area of Lincolnshire's economy. The GVA for Lincolnshire increased by 7.4 per cent between 2002 and 2003 (at basic prices), compared to the national growth of 5.6 per cent. Of the growth in GVA for Lincolnshire around 50 per cent was caused by changing employment. For example real estate, renting and business activities (industry K) increased by 20 per cent from 2002 (15,000) to 2003 (18,000).

## Diversity of the NUTS1 Regions

Scotland, Wales, Northern Ireland and the regions of England are all different in character, industrial structure and economic performance. Figure 6 shows some of the differences. Scotland has the largest area, but a small population; London has by far the smallest area, but the second largest percentage of the population – over 12 per cent. (The South East has the largest population – nearly 14 per cent.) At the other extreme, Northern Ireland has the smallest population: nearly 3 per cent of the UK total. These large variations in the regions' populations are reflected in the size of regional GVA and incomes.

The wide variation in the size of the regions makes it difficult to compare the regions' economic performance using cash totals. Comparisons are therefore usually expressed in terms of amounts per head of the population. However, it is important to note that the growth in totals may be quite different to the growth per head in regions where the population has increased or decreased. Furthermore, the level per head is determined both by the average amount of cash of the working population and by the proportion of dependants. Northern Ireland households have a high proportion of children (24 per cent of the population were aged 16 or under in 2002 compared with 20 to 22 per cent in other regions). This will tend to depress amounts per head. Ideally the age structure of the population should, therefore, be taken into account when comparing figures on a per head basis.

Figure 6

### Diversity of NUTS 1 Regions

#### Key regional statistics – percentages of the UK

Region	Area <sup>1</sup> 2004	Population <sup>2</sup> 2004	Total Economically Active <sup>3</sup> 2004	Gross Value Added <sup>4</sup> 2004	Individual Consumption Expenditure 1999	Total Household Income <sup>5</sup> 2003
North East	3.5	4.3	3.9	34.2	3.5	3.65
North West	5.8	11.4	11	102	10.9	10.47
Yorkshire and The Humber	6.3	8.4	8.3	75.2	7.7	7.65
East Midlands	6.4	7.2	7.2	65.8	6.5	6.58
West Midlands	5.3	8.9	8.8	81.7	8.4	8.18
East	7.8	9.2	9.6	100.3	9.3	9.96
London	0.7	12.4	12.5	165	15.2	14.99
South East	7.8	13.6	14.3	158.2	15.7	15.35
South West	9.8	8.4	8.5	78.7	8.1	8.46
England	53.4	83.7	84.1	861	85.3	85.28
Wales	8.5	4.9	4.6	39.2	4.1	4.36
Scotland	32.3	8.5	8.7	82	8.3	7.92
Northern Ireland	5.8	2.9	2.6	23.1	2.4	2.45
United Kingdom (=100 per cent)	244,167 sq km	£59.8m	£29.5m	£1,005.4bn	£586.9bn	£750.9bn

<sup>1</sup> Supplied by ONS Geography, 2004.

<sup>2</sup> Revised mid-2004 resident population estimates.

<sup>3</sup> Source Labour Market statistics 2004.

<sup>4</sup> Excluding Extra-region and the statistical discrepancy.

<sup>5</sup> Excluding Extra-region.

## Quality Assurance

ONS made a number of improvements to the processes used to calculate regional GVA in December 2005. Along with these improvements, there were some data input changes that resulted from the accompanying data analysis. This year ONS has built upon those improvements and made some data input changes.

### Quality adjustments of data inputs

In addition to quality assurance of processes, regional GVA estimates are produced following extensive quality assurance of the underlying raw data, in line with practices in place for National Accounts estimates. As part of this process a number of discrepancies were found in the raw data, which had some impact at the regional level. The following examples show how some of the arising issues were resolved.

### Earnings – ASHE Data Analysis

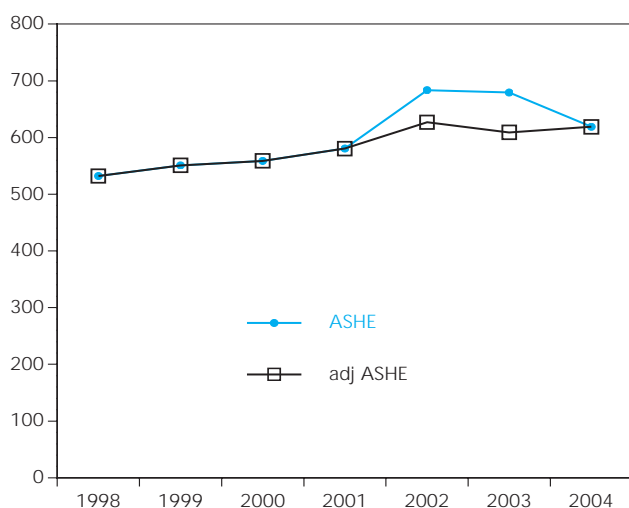
The new ASHE methodology (referred to in the Introduction and in Section III Latest Year Estimates) was applied to all regions of the UK at NUTS1&2. The application of the new methodology caused some step changes and generally ASHE estimates are slightly higher than those directly taken from NES for the years 1998 to 2003.

Some quality adjustments were made to outliers at NUTS1. Graphical analysis helped spot outliers, for example, average weekly earnings figures that didn't follow the general trend. Information from other sources available and growth rates analysis in all regions supported decision making.

Figure 7 shows the adjustments made to male full-time pay in 2002 and 2003 in industry J (financial intermediation) for Scotland. Growth analysis, sample size and quality-measurement indicators suggest that the ASHE results for mean pay are out of sequence.

**Figure 7**  
**Quality adjustments to male full-time earnings in Scotland in industry O**

Mean pay per week £



At NUTS2&3 some data quality issues occurred because of a low observation count resulting in greater volatility of the series. Information on sample size and quality-measurement indicators were taken into account for adjustments to data.

At both NUTS2&3 level, data for industry A02 (forestry), industry B (fishing), and industry C (mining and quarrying) – individually and grouped – were generally poor and were replaced with the according results at the next higher level, for example at NUTS1 or the UK.

### Employment – ABI1 Data Analysis

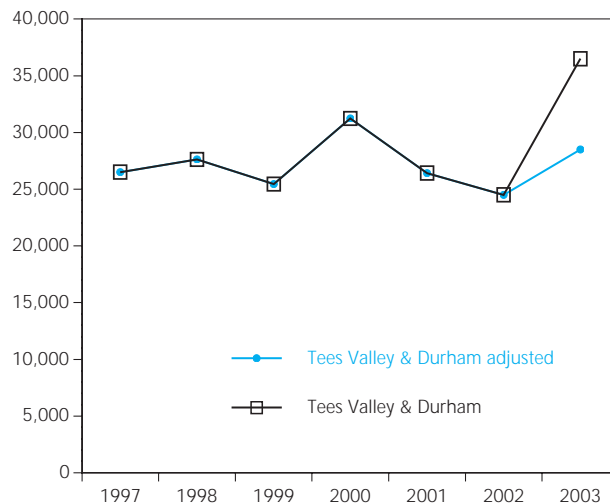
ABI1 employment data are used in the estimation of GVA at NUTS2&3 only. Adjustments are considered for all series where there are obvious outliers that are not supported by additional evidence.

Adjustments are considered for all series where there are obvious data outliers that are not supported by additional evidence. An example of one of these adjustments is shown in Figure 8.

The figure shows that full-time employment in industry K (real estate renting and business activities) in the NUTS2 area Tees Valley & Durham rose 49 per cent between 2002 and 2003 (from 24,504 to 36,506).

**Figure 8**  
**Adjustment to Tees Valley and Durham**

£ millions



Tees Valley & Durham, a NUTS2 area, sits in the NUTS1 region of the North East alongside the NUTS2 area of Northumberland & Tyne & Wear. Tees Valley & Durham contributed 32 per cent to North East employment in industry K while Northumberland & Tyne & Wear contributed 68 per cent in 2002. In 2003 these shares were 36 per cent and 64 per cent respectively.

Tees Valley & Durham was adjusted downwards (by 8,000) to 24,504 for 2003 in line with the 2002 proportions. This eliminated the outlying value for Tees Valley & Durham. A number of other quality adjustments were made to the data using this method.

### Financial – ABI2 Data Analysis

ABI2 data are used to estimate the regional allocation of Compensation of Employees (CoE) and Gross Operating Surplus (GOS) for manufacturing industries.

The ABI2 2002 and 2003 dataset, consistent with UK figures published in September 2005 was used in the production of NUTS1 GVA 1989 to 2004. ABI2 data used from 1998 to 2001 remains unchanged from that used in the December 2004 publication of regional GVA. There are some notable exceptions, where new information has become available and some small adjustments have been made. See Revisions section.

As in previous years, the ABI2 dataset has been subject to thorough quality assurance procedures at all published NUTS levels. As part of this process a number of discrepancies were found in the raw data, which have had an impact at a regional level. The following examples show investigations and the resolution of a number of issues at NUTS1.

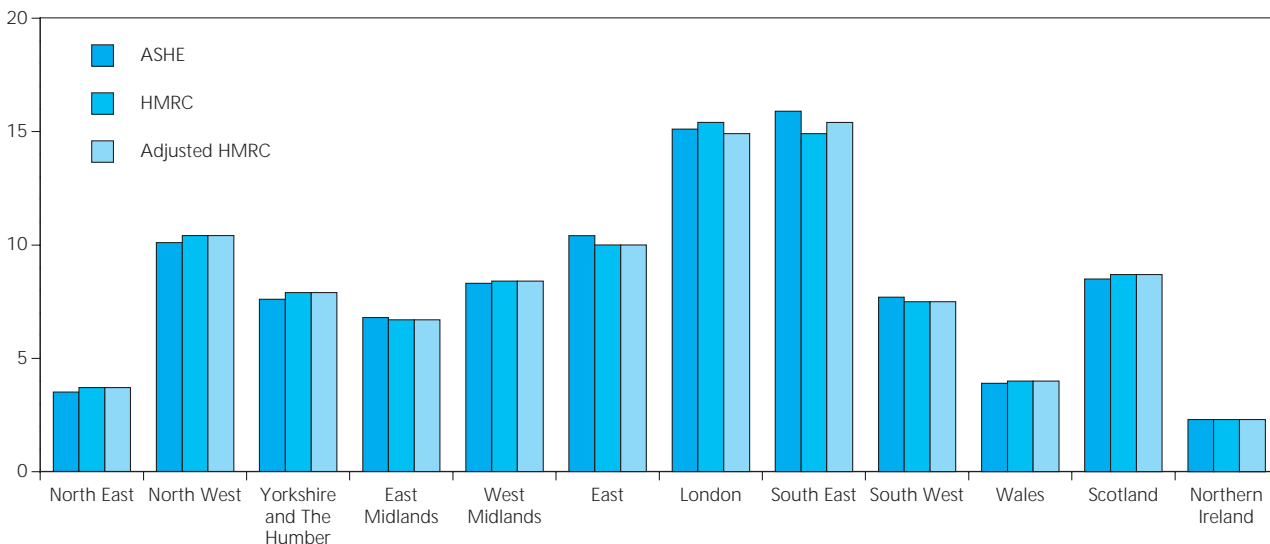
### Quality assurance of ABI2 data at NUTS2&3

ABI2 estimates take a 'top-down' approach to producing figures at lower geographical levels. The UK estimates are

Figure 9

## Regional UK total pay 2002/03 PAYE matched with ASHE 2003 before and after adjustment

Percentage of UK CoE



produced first, followed by NUTS1 estimates, then NUTS2 estimates and finally the NUTS3 estimates. Therefore, when assessing the NUTS2&3 ABI2 estimates, any quality adjustments made at NUTS1 are applied to the appropriate NUTS2&3 areas.

## Her Majesty's Revenue and Customs Pay-As-You-Earn

Her Majesty's Revenue and Customs Pay-As-You-Earn (HMRC PAYE) data has been quality assured against the annual survey of hours and earnings (ASHE) data and found fit for use. As planned this is the second year running that the quality assurance exercise has taken place. However, last year the New Earnings Survey (NES) was the control dataset against Inland Revenue pay-as-you-earn (IR PAYE). The NES has now been replaced by ASHE.

Prior to December 2004, the PAYE dataset had not been used in the compilation of regional (NUTS1) estimates since 1998.

The methodology used was to match individual records from the 2002/03 HMRC dataset with records from the 2003 ASHE. The latter was used as a control to determine the quality of the HMRC residence address information and assess the effect any incorrect address information may have on the HMRC regional distribution of total pay (it is this, rather than totals, that feed into ONS GVA estimates).

Analysis of the results suggested that the HMRC regional data have no serious data quality issues at NUTS1, NUTS2 or NUTS3 levels. The methods used in this report suggest between 85 and 95 per cent of the HMRC residence addresses are correct at these NUTS levels, and the regional distribution of HMRC total annual pay is, at each NUTS level, close to what it should be if all the HMRC addresses were correct (according to the ASHE).

On assessment, a quality adjustment was made to London and the South East of England. Following this adjustment the HMRC regional data are considered fit for use in the

calculation of NUTS1 GVA and NUT2 and 3 GDHI. The quality adjustment is detailed in Annex C available on the National Statistics website [www.statistics.gov.uk/statbase/product.asp?vlnk=7359](http://www.statistics.gov.uk/statbase/product.asp?vlnk=7359).

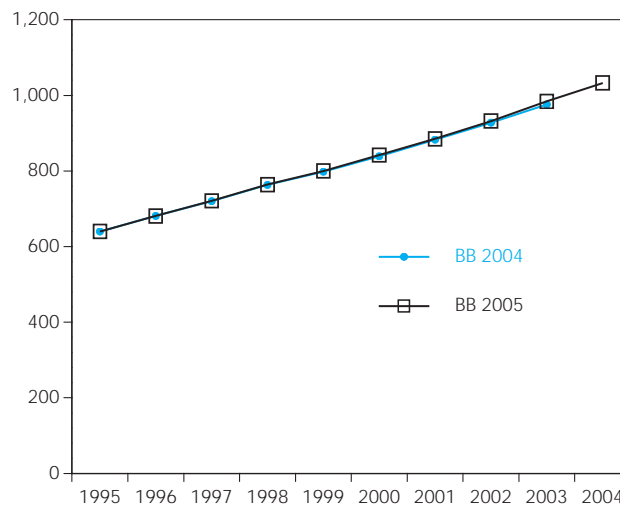
The matching exercise indicated that the HMRC PAYE dataset underestimates the number of people assigned to the South East; as a result the earnings value for the South East is lower than it should be. The PAYE address information, at an individual level, was compared to the ASHE with this forming the basis of the adjustment. A number of individuals and their estimated earnings were 'moved' from London to the South East.

The adjustment was then extended to the data where there was no equivalent information (unmatched data) leading to an upwards adjustment of CoE in the South East and downward adjustment in London.

Figure 10

## UK GVA in Blue Book 2004 and Blue Book 2005

£ billion



For 2002/03 PAYE data, 2.9 per cent of the earnings assigned to London were removed from London and added to the South East. This is 0.48 per cent of the UK total. See Section VI Revisions for more details of how this affects data from 1997.

It is proposed that the exercise is repeated annually until a time series can be created to give a consistent adjustment over time with the proposal above re-assessed in the light of new results.

## Revisions

This part of the article compares the current regional GVA estimates for 1989 to 2003 at the NUTS1 level to the previous dataset published in December 2004 and subsequently in the March 2005 edition of *Economic Trends*. A detailed analysis can be found in Appendix A.

## NUTS 1

The main reasons for revisions since the December 2004 NUTS1 regional publication are:

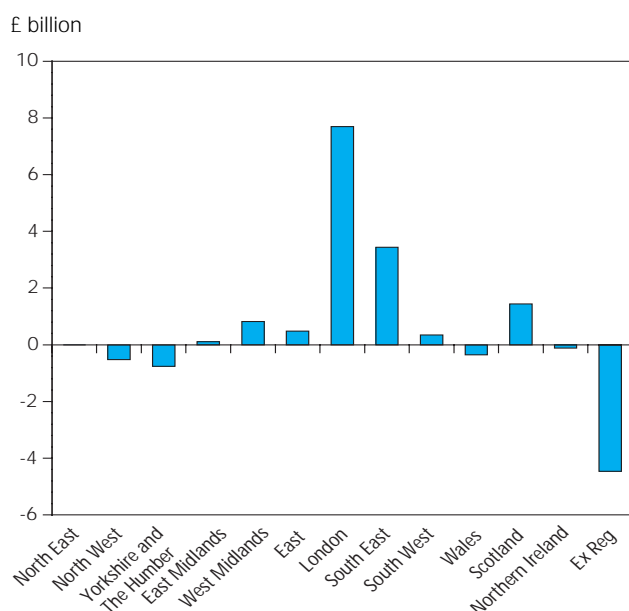
- revisions to national controls (Blue Book 2005)
- revised HMRC PAYE data for 2002/03
- revisions to 1998 to 2003 NES dataset using new ASHE methodology from 2004.

## Revisions to National Controls

The National Accounts Blue Book publication for 2005 included revisions from 1991 onwards.

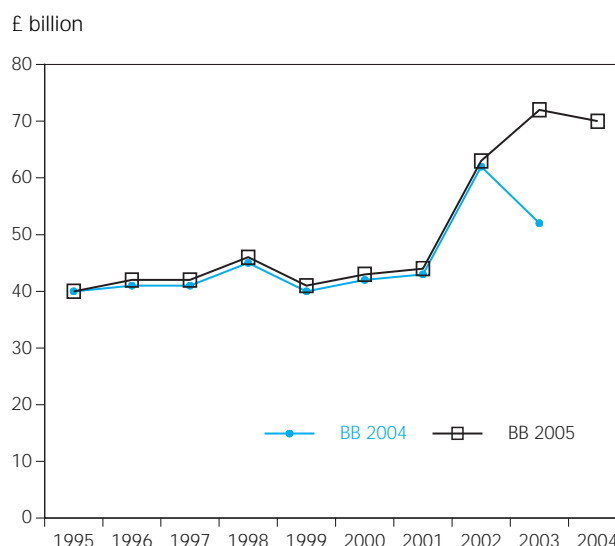
At an industry level there were also a number of large revisions impacting on the regional allocation of GVA.

Figure 11  
Blue Book 2005 revisions impact on regional GVA



This is particularly evident for industry J (financial intermediation) 2003 where the previously unbalanced figure of £52 billion (+/- subsidies) (Blue Book 2004) was revised to £72 billion (+/- subsidies) (Blue Book 2005) as a result of a differing methodologies between the two estimates (Figure 12).

Figure 12  
UK Financial intermediation in Blue Book 2004 and Blue Book 2005



As a result of this, at a regional level, London had the largest revision in 2003. The city receives the largest share of financial intermediation in the UK; its GVA was therefore revised upwards accordingly by £7.8 billion (+/- subsidies).

London's overall GVA growth of 5.8 per cent equated to an increase of £8.8 billion between 2002 and 2003. Most of this growth is due to the increase in industry J (financial intermediation).

Extra-regio was revised downwards by £4.6 billion in 2003. This was caused by the change to the national control for 'extraction of mineral oil and natural gas', the majority of which is not allocated to any region because most oil and gas extraction takes place 'off shore'. The downward 2003 revision was from £24.9 billion (Blue Book 2004) to £20.2 billion (Blue Book 2005) (Figure 14).

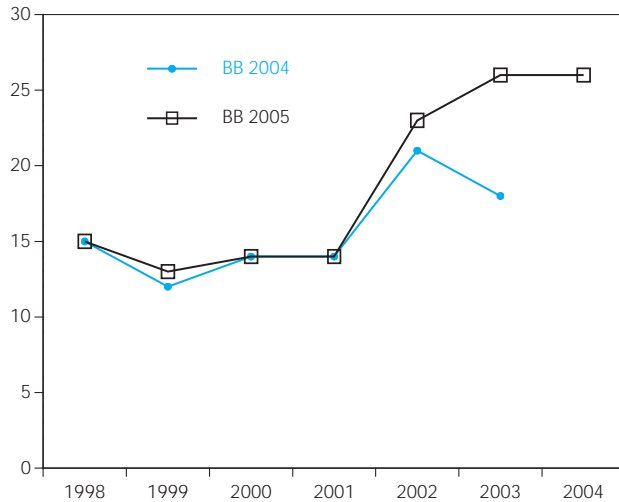
## Revisions to Revenue and Customs Data

As mentioned above, ONS carried out a data matching exercise to assess the quality of the HMRC PAYE data. Data from 1997 to 2003/04 are considered fit for use in the calculation of regional GVA by ONS directors following the adjustments specified in Annex C (available on the National Statistics website [www.statistics.gov.uk/statbase/product.asp?vlnk=7359](http://www.statistics.gov.uk/statbase/product.asp?vlnk=7359)). The adjustment as shown for the 2002/03 data in Section V Quality Assurance is shown below once applied to the whole dataset for 1997/98 to 2003/04.



Figure 13  
Financial intermediation – impact on London GVA

£ billion



#### Revisions to NES (ASHE)

Estimates of average weekly pay using the ASHE methodology are higher than those taken directly from New Earnings Survey (NES) for 1998 to 2003. Overall the increase is higher for men than for women. Estimates of earnings for people in London increased by more than estimates for other regions. For example, male full-time employee's weekly average earnings in industry K (real estate, renting and business activities) according to NES in 1998 were £492 for the UK but £626 for Greater London. Applying new ASHE methodology results, this figure rose by £14 to £506 in the UK and by £20 to £646 for Greater London.

#### Revisions to ABI2

ABI2 results are primarily used to calculate the regional allocation of GVA within manufacturing industries. In

September 2005 ABI2 revised data for 2002 and provisional data for 2003 was published. The latest regional GVA estimates are consistent with ABI2 indicators except for small adjustments based on recent information.

During the production of regional GVA estimates, published in December 2004, a series of quality adjustments were made to a number of indicator datasets. One of those was to a manufacturing sub sector in the North East, where an adjustment was made to the ABI2 data. Revised ABI2 data and new data for 2003, along with evidence from the company involved, have confirmed the original data to be correct therefore the adjustment for 2002 has been removed.

#### Revisions to STES

Regional estimates of GVA incorporate revisions to STES for 2003.

Revised 2003 STES data had the biggest impact on the North West with a downwards revision of £0.4 billion. The number of males in full-time employment in industry E (electricity, gas and water supply) was revised down from 7,100 to 5,600 while female full-time employment was revised from 4,700 to 2,400.

#### NUTS 2 and 3 revisions

The methodology for estimation of NUTS2&3 regional GVA estimates are reliant on the availability of accurate estimates of NUTS1 GVA. Therefore many revisions at NUTS2&3 are a direct result of the NUTS1 GVA estimates.

The main revisions at NUTS2, compared to December 2004 are due to:

- revisions to Blue Book 2005 and Blue Book 2004

Figure 14  
Oil and gas extraction in Blue Book 2004 and Blue book 2005

£

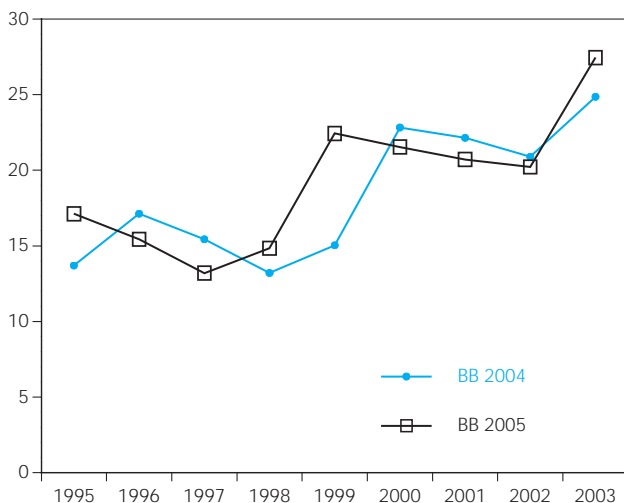


Figure 15  
London and South East prior and post adjustment

Per cent

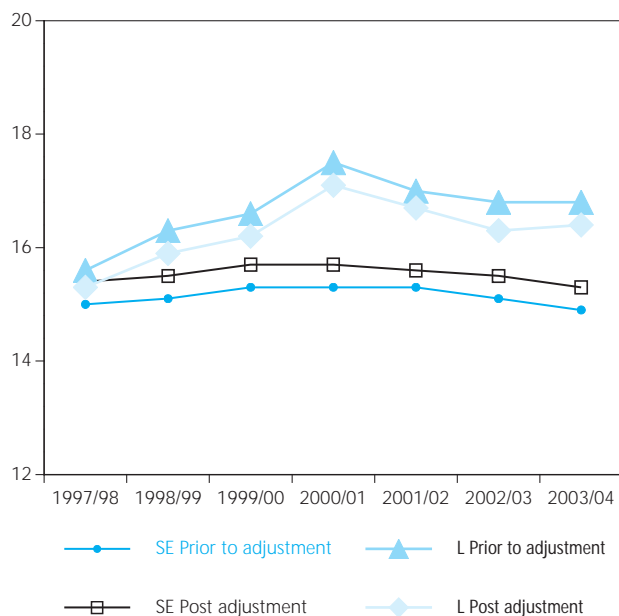




Figure 16  
ASHE vs. NES – male full-timers in industry O

£ pay

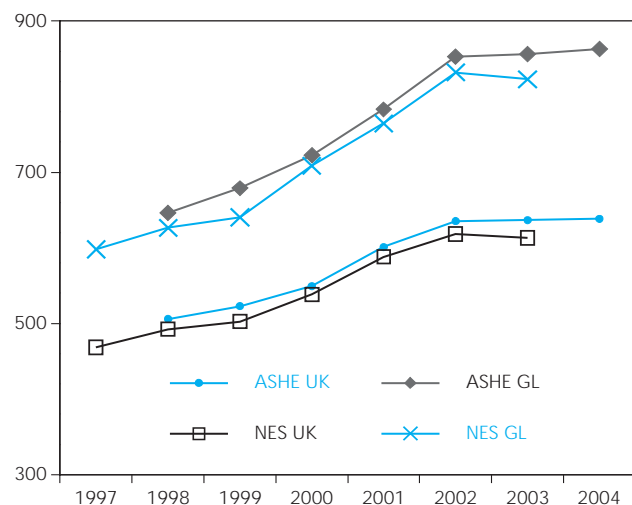
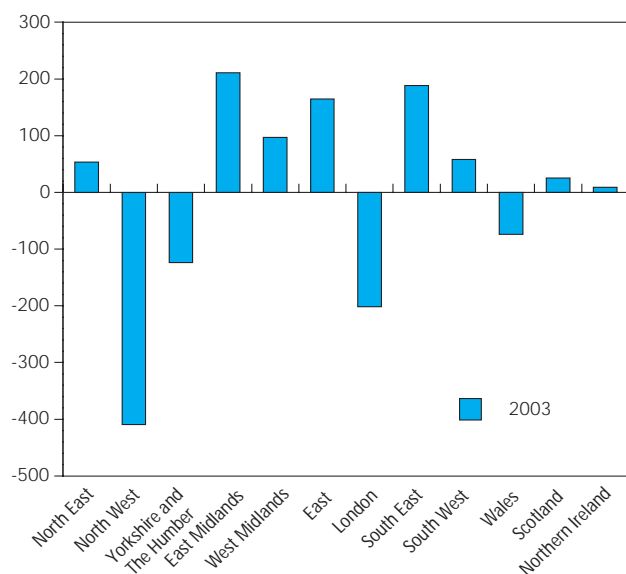


Figure 17  
Impact of revised STES on NUTS1 GVA

£ million



- revisions to ABI2 data
- revised employment data from the ABI1
- revisions as a result of the new ASHE methodology

The main cause of revisions at NUTS2&3 levels are revised national controls from Blue Book 2005 and the incorporation of revisions from the NUTS1 GVA estimates, for example the introduction of ASHE data.

The new ASHE methodology was applied to all NUTS2&3 regions results from the New Earnings Survey (NES) back to 1998.

Overall, revisions due to ASHE are roughly in line with Blue Book revisions. Within NUTS3 area, Outer London, the regional GVA of Outer London South was revised up by

2.1 per cent, of which 1.5 percentage points were attributed to ASHE. This was due to higher estimates for average earnings in the services industries. However, there were a few exceptions where the impact of the new ASHE results was more noticeable because of a ratio of total GVA to population, for example, Darlington, Plymouth and the Shetland Islands.

### Future work plans

Current plans are for the regional GVA estimates for 2005 to be published in December 2006, and will take on board the revisions outlined below. Publication of regional GVA is linked to the production of the National Accounts annual Blue Book. The Blue Book is generally published six months after the end of the period to which it relates, although the latest year will not be balanced through the supply-use framework. Regional GVA data consistent with the Blue Book national control totals are then published a further six months after the Blue Book publication. Blue Book 2006 (that is, with annual data up to 2005) is due to be published at the end of June 2006.

Estimates of sub-regional GVA for 1995 to 2004, with figures for the UK broken down into the 37 NUTS2 and 133 NUTS3 areas, are also due to be published in December 2006.

Estimates of regional gross domestic household income (GDHI), for 1995 to 2004, are planned for publication in early 2006 consistent with the national household income estimates published in Blue Book 2005.

Due to conceptual problems with current expenditure variables, the publication of regional gross fixed capital formation (GFCF) estimates has been suspended.

### Further work for 2005 GVA dataset

The following revised datasets will become available between publication of the current regional GVA estimates and the 2005 regional GVA dataset:

- the annual Blue Book will be published at the end of June 2006. This will contain revisions to UK control totals for the income components of GVA
- revised ABI2 data will be published in July 2006 and will be consistent with the data underlying the Blue Book publication
- new and revised estimates of earnings from ASHE, along with employment estimates from STES and ABI1 will be published during 2006

### Wages and salaries data from Inland Revenue

As mentioned above the quality assessment of the PAYE data provided a successful conclusion with data deemed fit for purpose, with some adjustment. It is planned that this exercise will be carried out again in 2006, matching PAYE data for 2003/04 against the ASHE data for 2004. Part of the conclusion of the original exercise was the need to repeat the work on a regular basis to ensure the validity of the results over time.

## Plans for further methods and data source improvements

### Further use of ABI1 and ABI2 data

Annual Census of Production (ACOP) data have been used to regionally allocate wages and salaries, and gross operating surplus (GOS), for the production industries up to 1997. Service industry national control totals for both of these components were allocated for these years using estimates of wages and salaries derived from the NES and STES, as there was no equivalent to ACOP for the service industries. The ABI2 now provides regional data on CoE and proxies for profits for both the production and most service industries from 1998. The regional GVA production team plan to assess the ABI2 regional service industries data as a possible replacement for the current data sources. It is likely that the ABI2 results for service industries will need extensive quality assurance before use.

### Commuting patterns

Information on commuting patterns is used to derive the workplace-based estimates of regional GVA. When 2001 Census travel-to-work data become available, it is planned to investigate the commuting patterns between regions. The purpose of this proposed work is to test, and if necessary update, the current assumption that the only significant net commuting between NUTS1 regions is between London, the South East and the East of England. The investigations will show if and how commuting patterns have changed and determine which regions now experience a significant degree of net commuting.

## Conclusions

The main conclusions to be drawn from this article are:

- The major drivers behind the majority of the changes or growth rates are due to the latest UK GVA estimates and the use of HMRC PAYE. The PAYE data is used for the second time in the estimation of regional GVA.
- At an industry level 'Financial Intermediation' (industry J) has had the greatest effect on revisions at NUTS1 and the greatest impact at NUTS2&3 for the 2003 reference year.

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## Glossary of abbreviations

ABI1	Annual Business Inquiry 1 – business survey of numbers of people employed
ABI2	Annual Business Inquiry 2 – business survey of accounting data
ACOP	Annual Census of Production
ASHE	Annual Survey of Hours and Earnings
CoE	Compensation of Employees
FISIM	Financial Intermediation Services Indirectly Measured
GDP	Gross Domestic Product
GOS	Gross Operating Surplus
GVA	Gross Value Added
NES	New Earnings Survey
NUTS	Nomenclature of Units for Territorial Statistics
ONS	Office for National Statistics
PAYE	Her Majesty's Revenue and Customs Pay-as-you-earn data
STES	Short-Term Employment Survey

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The complete set of Regional Gross Value Added tables can be found at:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=7359>

## 1: NUTS1

Headline<sup>1</sup> Gross Value Added<sup>2,3</sup> (GVA) at current basic prices by region, 1992 to 2004

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 <sup>4</sup>
Total GVA (£ million)													
United Kingdom	546 142	574 825	607 854	639 115	680 477	720 028	763 443	799 387	841 505	883 412	930 796	981 732	1 033 324
North East	20 483	21 350	22 337	23 264	24 208	25 218	26 234	27 005	27 965	29 343	30 801	32 518	34 188
North West	58 035	60 830	64 044	66 842	70 044	73 566	77 479	80 613	83 567	87 914	92 163	97 096	101 996
Yorkshire and The Humber	41 496	43 276	45 491	48 002	50 916	53 773	56 532	58 363	60 535	63 732	67 456	71 553	75 219
East Midlands	35 585	37 310	39 479	41 685	44 270	46 869	49 085	50 879	52 864	55 828	58 908	62 434	65 770
West Midlands	44 828	47 242	50 192	52 880	55 815	59 203	62 491	64 796	67 357	70 556	73 960	77 797	81 745
East of England	52 192	54 756	57 805	60 792	64 432	68 473	73 273	77 106	81 459	86 179	90 721	95 906	100 307
London	83 052	87 977	92 515	95 712	102 267	110 082	120 692	127 923	133 552	140 366	150 655	159 442	164 961
South East	78 439	82 824	87 886	93 251	100 125	108 039	117 074	123 850	130 430	137 423	144 253	151 814	158 187
South West	40 583	42 770	45 195	47 654	51 135	54 522	57 947	60 795	63 713	67 335	71 095	75 086	78 650
England	454 694	478 336	504 943	530 082	563 211	599 744	640 807	671 329	701 442	738 676	780 012	823 646	861 022
Wales	22 341	23 374	24 748	26 072	27 267	28 432	29 543	30 473	31 735	33 512	35 277	37 359	39 243
Scotland	47 489	49 782	52 807	55 413	58 060	60 755	63 203	65 160	67 399	70 210	74 095	78 504	82 050
Northern Ireland	11 780	12 623	13 431	14 352	15 413	16 283	17 274	18 077	18 918	19 817	20 825	21 952	23 058
United Kingdom less Extra-Region <sup>5</sup> & statistical discrepancy	536 304	564 114	595 930	625 918	663 951	705 214	750 827	785 039	819 495	862 214	910 210	961 461	1005 373
Extra-Region <sup>5</sup>	9 838	10 711	11 925	13 198	16 527	14 815	12 616	14 348	22 010	21 198	20 586	20 271	27 252
Statistical discrepancy (income adjusted)	0	0	0	0	0	0	0	0	0	0	0	0	703
GVA per head (£)													
United Kingdom	9 484	9 960	10 505	11 015	11 699	12 347	13 056	13 622	14 290	14 944	15 691	16 485	17 258
North East	7 904	8 231	8 629	9 008	9 396	9 820	10 244	10 589	10 995	11 552	12 136	12 805	13 433
North West	8 483	8 885	9 365	9 789	10 286	10 827	11 407	11 902	12 336	12 980	13 586	14 269	14 940
Yorkshire and The Humber	8 385	8 735	9 171	9 677	10 263	10 847	11 403	11 776	12 208	12 806	13 510	14 284	14 928
East Midlands	8 815	9 199	9 696	10 188	10 776	11 375	11 877	12 253	12 683	13 325	13 950	14 682	15 368
West Midlands	8 559	9 006	9 562	10 059	10 605	11 250	11 855	12 291	12 782	13 361	13 944	14 624	15 325
East of England	10 149	10 623	11 164	11 678	12 313	13 001	13 820	14 443	15 155	15 958	16 731	17 556	18 267
London	12 161	12 854	13 460	13 845	14 663	15 693	17 082	17 881	18 455	19 169	20 438	21 582	22 204
South East	10 245	10 794	11 397	12 012	12 836	13 758	14 840	15 569	16 323	17 128	17 933	18 788	19 505
South West	8 609	9 035	9 501	9 966	10 669	11 295	11 949	12 455	12 957	13 621	14 312	15 019	15 611
England	9 473	9 944	10 470	10 956	11 608	12 324	13 126	13 691	14 247	14 938	15 711	16 521	17 188
Wales	7 764	8 106	8 571	9 026	9 431	9 822	10 189	10 506	10 917	11 515	12 067	12 716	13 292
Scotland	9 338	9 776	10 350	10 857	11 402	11 952	12 449	12 847	13 312	13 864	14 658	15 523	16 157
Northern Ireland	7 257	7 718	8 171	8 703	9 275	9 743	10 296	10 766	11 241	11 731	12 274	12 893	13 482
United Kingdom less Extra-Region <sup>5</sup>	9 313	9 774	10 299	10 787	11 415	12 093	12 840	13 377	13 917	14 586	15 344	16 144	16 802
GVA per head; Indices (UK less Extra-Region=100)													
United Kingdom	100	100	100	100	100	100	100	100	100	100	100	100	100
North East	85	84	84	84	82	81	80	79	79	79	79	79	80
North West	91	91	91	91	90	90	89	89	89	89	89	88	89
Yorkshire and The Humber	90	89	89	90	90	90	89	88	88	88	88	88	89
East Midlands	95	94	94	94	94	94	93	92	91	91	91	91	91
West Midlands	92	92	93	93	93	93	92	92	92	92	91	91	91
East of England	109	109	108	108	108	108	108	108	109	109	109	109	109
London	131	132	131	128	128	130	133	134	133	131	133	134	132
South East	110	110	111	111	112	114	116	116	117	117	117	116	116
South West	92	92	92	92	93	93	93	93	93	93	93	93	93
England	102	102	102	102	102	102	102	102	102	102	102	102	102
Wales	83	83	83	84	83	81	79	79	78	79	79	79	79
Scotland	100	100	100	101	100	99	97	96	96	95	96	96	96
Northern Ireland	78	79	79	81	81	81	80	80	81	80	80	80	80

1 The headline regional GVA series for this publication have been calculated using a five-period moving average.

2 Estimates of regional GVA in this table are on a residence basis, where the income of commuters is allocated to where they live rather than their place of work.

3 Components may not sum to totals as a result of rounding.

4 Provisional

5 The GVA for Extra-Region comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

## 2: NUTS1

Headline<sup>1</sup> Workplace based Gross Value Added<sup>2,3</sup> (GVA) at current basic prices, 1992–2004

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 <sup>4</sup>
<b>Total GVA (£ million)</b>													
United Kingdom	546 142	574 825	607 854	639 115	680 477	720 028	763 443	799 387	841 505	883 412	930 796	981 732	1 033 324
North East	20 483	21 350	22 337	23 264	24 208	25 218	26 234	27 005	27 965	29 343	30 801	32 518	34 188
North West	58 035	60 830	64 044	66 842	70 044	73 566	77 479	80 613	83 567	87 914	92 163	97 096	101 996
Yorkshire and The Humber	41 496	43 276	45 491	48 002	50 916	53 773	56 532	58 363	60 535	63 732	67 456	71 553	75 219
East Midlands	35 585	37 310	39 479	41 685	44 270	46 869	49 085	50 879	52 864	55 828	58 908	62 434	65 770
West Midlands	44 828	47 242	50 192	52 880	55 815	59 203	62 491	64 796	67 357	70 556	73 960	77 797	81 745
East of England	46 104	48 617	51 542	54 385	57 725	61 241	65 266	68 195	71 452	75 430	79 843	85 028	89 405
London	94 912	99 897	104 804	108 776	116 402	125 572	137 438	145 682	152 634	160 350	170 723	179 672	185 398
South East	72 666	77 043	81 860	86 595	92 697	99 781	108 334	115 002	121 356	128 188	135 062	142 462	148 651
South West	40 583	42 770	45 195	47 654	51 135	54 522	57 947	60 795	63 713	67 335	71 095	75 086	78 650
England	454 694	478 336	504 943	530 082	563 211	599 744	640 807	671 329	701 442	738 676	780 012	823 646	861 022
Wales	22 341	23 374	24 748	26 072	27 267	28 432	29 543	30 473	31 735	33 512	35 277	37 359	39 243
Scotland	47 489	49 782	52 807	55 413	58 060	60 755	63 203	65 160	67 399	70 210	74 095	78 504	82 050
Northern Ireland	11 780	12 623	13 431	14 352	15 413	16 283	17 274	18 077	18 918	19 817	20 825	21 952	23 058
United Kingdom less Extra-Region <sup>5</sup> & statistical discrepancy	536 304	564 114	595 930	625 918	663 951	705 214	750 827	785 039	819 495	862 214	910 210	961 461	1005 373
Extra-Region <sup>5</sup>	9 838	10 711	11 925	13 198	16 527	14 815	12 616	14 348	22 010	21 198	20 586	20 271	27 252
Statistical discrepancy (income adjusted)	0	0	0	0	0	0	0	0	0	0	0	0	703
<b>GVA per head (£)</b>													
United Kingdom	9 484	9 960	10 505	11 015	11 699	12 347	13 056	13 622	14 290	14 944	15 691	16 485	17 258
North East	7 904	8 231	8 629	9 008	9 396	9 820	10 244	10 589	10 995	11 552	12 136	12 805	13 433
North West	8 483	8 885	9 365	9 789	10 286	10 827	11 407	11 902	12 336	12 980	13 586	14 269	14 940
Yorkshire and The Humber	8 385	8 735	9 171	9 677	10 263	10 847	11 403	11 776	12 208	12 806	13 510	14 284	14 928
East Midlands	8 815	9 199	9 696	10 188	10 776	11 375	11 877	12 253	12 683	13 325	13 950	14 682	15 368
West Midlands	8 559	9 006	9 562	10 059	10 605	11 250	11 855	12 291	12 782	13 361	13 944	14 624	15 325
East of England	8 965	9 432	9 954	10 447	11 031	11 627	12 310	12 774	13 293	13 967	14 725	15 565	16 281
London	13 898	14 595	15 248	15 735	16 690	17 901	19 452	20 364	21 092	21 899	23 161	24 320	24 955
South East	9 491	10 041	10 615	11 155	11 884	12 706	13 733	14 456	15 187	15 977	16 791	17 631	18 329
South West	8 609	9 035	9 501	9 966	10 669	11 295	11 949	12 455	12 957	13 621	14 312	15 019	15 611
England	9 473	9 944	10 470	10 956	11 608	12 324	13 126	13 691	14 247	14 938	15 711	16 521	17 188
Wales	7 764	8 106	8 571	9 026	9 431	9 822	10 189	10 506	10 917	11 515	12 067	12 716	13 292
Scotland	9 338	9 776	10 350	10 857	11 402	11 952	12 449	12 847	13 312	13 864	14 658	15 523	16 157
Northern Ireland	7 257	7 718	8 171	8 703	9 275	9 743	10 296	10 766	11 241	11 731	12 274	12 893	13 482
United Kingdom less Extra-Region <sup>5</sup>	9 313	9 774	10 299	10 787	11 415	12 093	12 840	13 377	13 917	14 586	15 344	16 144	16 802
<b>GVA per head; Indices (UK less Extra-Region=100)</b>													
United Kingdom	100	100	100	100	100	100	100	100	100	100	100	100	100
North East	85	84	84	84	82	81	80	79	79	79	79	79	80
North West	91	91	91	91	90	90	89	89	89	89	89	88	89
Yorkshire and The Humber	90	89	89	90	90	90	89	88	88	88	88	88	89
East Midlands	95	94	94	94	94	94	93	92	91	91	91	91	91
West Midlands	92	92	93	93	93	93	92	92	92	92	91	91	91
East of England	96	96	97	97	97	96	96	95	96	96	96	96	97
London	149	149	148	146	146	148	151	152	152	150	151	151	149
South East	102	103	103	103	104	105	107	108	109	110	109	109	109
South West	92	92	92	92	93	93	93	93	93	93	93	93	93
England	102	102	102	102	102	102	102	102	102	102	102	102	102
Wales	83	83	83	84	83	81	79	79	78	79	79	79	79
Scotland	100	100	100	101	100	99	97	96	96	95	96	96	96
Northern Ireland	78	79	79	81	81	81	80	80	81	80	80	80	80

1 The headline regional GVA series for this publication have been calculated using a five-period moving average.

2 Estimates of workplace based GVA allocate income to the region in which commuters work.

3 Components may not sum to totals as a result of rounding.

4 Provisional

5 The GVA for Extra-Region comprises compensation of employees and gross operating surplus which cannot be assigned to regions.



## 3: NUTS2

Headline<sup>1</sup> gross value added (GVA)<sup>2,3</sup> by NUTS2 area at current basic prices, 1995 to 2003

£ million

	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>NUTS Level 1</b>									
<b>NUTS Level 2</b>									
<b>UNITED KINGDOM</b>	639 115	680 477	720 028	763 443	799 387	841 505	883 412	930 796	981 732
<b>England</b>	530 082	563 211	599 744	640 807	671 329	701 442	738 676	780 012	823 646
<b>North East</b>	23 264	24 208	25 218	26 234	27 005	27 965	29 343	30 801	32 518
Tees Valley and Durham	10 395	10 742	11 092	11 406	11 670	11 965	12 366	12 760	13 347
Northumberland and Tyne and Wear	12 870	13 466	14 125	14 828	15 335	15 999	16 976	18 041	19 171
<b>North West</b>	66 842	70 044	73 566	77 479	80 613	83 567	87 914	92 163	97 096
Cumbria	4 858	5 045	5 174	5 257	5 266	5 282	5 454	5 672	5 984
Cheshire	11 997	12 654	13 439	14 145	14 719	15 188	15 958	16 671	17 487
Greater Manchester	25 542	26 817	28 354	30 168	31 568	32 839	34 621	36 324	38 329
Lancashire	13 702	14 241	14 710	15 301	15 936	16 576	17 476	18 236	19 136
Merseyside	10 742	11 287	11 888	12 607	13 123	13 681	14 405	15 260	16 161
<b>Yorkshire and The Humber</b>	48 002	50 916	53 773	56 532	58 363	60 535	63 732	67 456	71 553
East Riding and North Lincolnshire	9 012	9 493	9 804	9 933	9 928	10 172	10 689	11 308	11 988
North Yorkshire	7 351	7 856	8 264	8 671	9 017	9 465	10 084	10 786	11 528
South Yorkshire	10 406	11 033	11 711	12 404	12 784	13 276	13 982	14 846	15 787
West Yorkshire	21 232	22 534	23 993	25 524	26 635	27 622	28 977	30 516	32 249
<b>East Midlands</b>	41 685	44 270	46 869	49 085	50 879	52 864	55 828	58 908	62 434
Derbyshire and Nottinghamshire	19 465	20 588	21 778	22 717	23 582	24 548	25 931	27 284	28 887
Leicestershire, Rutland and Northamptonshire	16 472	17 622	18 863	20 054	20 863	21 642	22 723	23 892	25 239
Lincolnshire	5 747	6 060	6 228	6 314	6 433	6 674	7 174	7 733	8 309
<b>West Midlands</b>	52 880	55 815	59 203	62 491	64 796	67 357	70 556	73 960	77 797
Herefordshire, Worcestershire and Warwickshire	11 818	12 458	13 206	14 097	14 894	15 678	16 470	17 139	17 980
Shropshire and Staffordshire	13 284	14 092	14 928	15 650	16 011	16 485	17 162	18 098	19 104
West Midlands	27 778	29 264	31 069	32 744	33 891	35 194	36 924	38 724	40 713
<b>East of England</b>	54 385	57 725	61 241	65 266	68 195	71 452	75 430	79 843	85 028
East Anglia	22 132	23 266	24 228	25 370	26 216	27 364	28 962	30 729	32 749
Bedfordshire and Hertfordshire	18 001	19 291	20 899	22 840	24 240	25 625	26 992	28 359	30 065
Essex	14 252	15 168	16 113	17 056	17 739	18 463	19 476	20 756	22 215
<b>London</b>	108 776	116 402	125 572	137 438	145 682	152 634	160 350	170 723	179 672
Inner London	64 532	69 350	74 975	82 649	87 928	92 365	98 216	106 511	112 557
Outer London	44 244	47 052	50 597	54 789	57 754	60 268	62 134	64 212	67 115
<b>South East</b>	86 595	92 697	99 781	108 334	115 002	121 356	128 188	135 062	142 462
Berkshire, Buckinghamshire and Oxfordshire	27 148	29 206	31 907	35 695	38 568	41 025	43 270	45 399	47 863
Surrey, East and West Sussex	27 784	29 812	31 979	34 273	36 349	38 392	40 743	42 972	45 243
Hampshire and Isle of Wight	17 845	19 085	20 497	22 022	22 970	24 087	25 494	27 031	28 600
Kent	13 817	14 594	15 399	16 344	17 115	17 851	18 682	19 660	20 756
<b>South West</b>	47 654	51 135	54 522	57 947	60 795	63 713	67 335	71 095	75 086
Gloucestershire, Wiltshire and North Somerset	24 438	26 504	28 665	30 804	32 358	33 847	35 643	38 129	40 441
Dorset and Somerset	10 287	10 966	11 659	12 557	13 231	13 883	14 582	15 144	15 875
Cornwall and Isles of Scilly	3 227	3 451	3 625	3 738	4 009	4 293	4 646	4 985	5 322
Devon	9 702	10 213	10 574	10 848	11 197	11 690	12 464	12 837	13 448
<b>Wales</b>	26 072	27 267	28 432	29 543	30 473	31 735	33 512	35 277	37 359
West Wales and the Valleys	14 847	15 454	15 910	16 218	16 475	17 022	17 842	18 743	19 757
East Wales	11 225	11 813	12 522	13 325	13 998	14 713	15 670	16 535	17 602
<b>Scotland</b>	55 413	58 060	60 755	63 203	65 160	67 399	70 210	74 095	78 504
North Eastern Scotland	7 734	8 076	8 438	8 776	8 986	9 379	9 719	10 094	10 599
Eastern Scotland	21 290	22 362	23 369	24 254	24 867	25 525	26 512	28 159	29 841
South Western Scotland	23 335	24 480	25 704	26 803	27 781	28 833	30 186	31 880	33 858
Highlands and Islands	3 053	3 141	3 243	3 370	3 526	3 661	3 794	3 962	4 206
<b>Northern Ireland</b>	14 352	15 413	16 283	17 274	18 077	18 918	19 817	20 825	21 952
UK less Extra-Regio <sup>4</sup>	625 918	663 951	705 214	750 827	785 039	819 495	862 214	910 210	961 461
Extra-Regio <sup>4</sup>	13 198	16 527	14 815	12 616	14 348	22 010	21 198	20 586	20 271

<sup>1</sup> The headline GVA series for this publication have been calculated using a five-period moving average.

<sup>2</sup> Estimates of workplace based on GVA allocate income to the region in which commuters work.

<sup>3</sup> Components may not sum to totals as a result of rounding.

<sup>4</sup> The GVA for Extra -Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

## 4: NUTS3

Headline<sup>1</sup> gross value added (GVA)<sup>2,3</sup> by NUTS3 area at current basic prices, 1995 to 2003

£ million

	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>NUTS Level 1</b>									
<b>NUTS Level 2</b>									
<b>NUTS Level 3</b>									
<b>UNITED KINGDOM</b>	639 115	680 477	720 028	763 443	799 387	841 505	883 412	930 796	981 732
<b>England</b>	530 082	563 211	599 744	640 807	671 329	701 442	738 676	780 012	823 646
<b>North East</b>	23 264	24 208	25 218	26 234	27 005	27 965	29 343	30 801	32 518
Tees Valley and Durham	10 395	10 742	11 092	11 406	11 670	11 965	12 366	12 760	13 347
Hartlepool and Stockton-on-Tees	2 819	2 893	2 980	3 052	3 127	3 193	3 261	3 315	3 445
South Teesside	2 451	2 559	2 685	2 786	2 820	2 818	2 850	2 929	3 081
Darlington	1 086	1 119	1 149	1 159	1 186	1 235	1 328	1 405	1 490
Durham CC	4 039	4 170	4 279	4 408	4 536	4 719	4 928	5 112	5 331
Northumberland and Tyne and Wear	12 870	13 466	14 125	14 828	15 335	15 999	16 976	18 041	19 171
Northumberland	2 505	2 599	2 643	2 695	2 721	2 800	2 964	3 168	3 375
Tyne and Wear	7 790	8 178	8 657	9 166	9 549	9 995	10 623	11 275	11 996
Sunderland	2 574	2 688	2 825	2 967	3 065	3 204	3 390	3 598	3 799
<b>North West</b>	66 842	70 044	73 566	77 479	80 613	83 567	87 914	92 163	97 096
Cumbria	4 858	5 045	5 174	5 257	5 266	5 282	5 454	5 672	5 984
West Cumbria	2 261	2 350	2 428	2 471	2 457	2 427	2 475	2 551	2 682
East Cumbria	2 597	2 695	2 745	2 787	2 809	2 855	2 979	3 121	3 302
Cheshire	11 997	12 654	13 439	14 145	14 719	15 188	15 958	16 671	17 487
Halton and Warrington	3 698	3 924	4 201	4 475	4 644	4 829	5 128	5 412	5 736
Cheshire CC	8 299	8 729	9 238	9 670	10 075	10 360	10 829	11 259	11 751
Greater Manchester	25 542	26 817	28 354	30 168	31 568	32 839	34 621	36 324	38 329
Greater Manchester South	15 345	16 296	17 603	19 142	20 354	21 391	22 640	23 798	25 130
Greater Manchester North	10 197	10 522	10 752	11 026	11 214	11 448	11 981	12 526	13 199
Lancashire	13 702	14 241	14 710	15 301	15 936	16 576	17 476	18 236	19 136
Blackburn with Darwen	1 443	1 477	1 497	1 523	1 548	1 582	1 637	1 693	1 767
Blackpool	1 241	1 279	1 305	1 342	1 377	1 429	1 492	1 561	1 648
Lancashire CC	11 017	11 486	11 908	12 436	13 011	13 565	14 347	14 982	15 722
Merseyside	10 742	11 287	11 888	12 607	13 123	13 681	14 405	15 260	16 161
East Merseyside	2 338	2 433	2 532	2 662	2 794	2 988	3 224	3 449	3 647
Liverpool	4 253	4 491	4 790	5 145	5 366	5 539	5 757	6 082	6 459
Sefton	2 073	2 164	2 236	2 323	2 407	2 521	2 679	2 850	3 025
Wirral	2 078	2 199	2 330	2 477	2 556	2 634	2 745	2 879	3 030
<b>Yorkshire and The Humber</b>	48 002	50 916	53 773	56 532	58 363	60 535	63 732	67 456	71 553
East Riding and North Lincolnshire	9 012	9 493	9 804	9 933	9 928	10 172	10 689	11 308	11 988
Kingston upon Hull, City of	2 692	2 797	2 875	2 942	3 001	3 137	3 309	3 490	3 685
East Riding of Yorkshire	2 763	2 919	2 967	2 970	2 959	3 068	3 288	3 542	3 785
North and North East Lincolnshire	3 557	3 777	3 962	4 022	3 968	3 967	4 092	4 276	4 519
North Yorkshire	7 351	7 856	8 264	8 671	9 017	9 465	10 084	10 786	11 528
York	2 118	2 287	2 471	2 645	2 763	2 894	3 040	3 205	3 390
North Yorkshire CC	5 233	5 569	5 793	6 027	6 253	6 571	7 044	7 582	8 138
South Yorkshire	10 406	11 033	11 711	12 404	12 784	13 276	13 982	14 846	15 787
Barnsley, Doncaster and Rotherham	5 505	5 834	6 177	6 537	6 724	6 989	7 374	7 843	8 362
Sheffield	4 902	5 199	5 534	5 867	6 060	6 288	6 607	7 003	7 425
West Yorkshire	21 232	22 534	23 993	25 524	26 635	27 622	28 977	30 516	32 249
Bradford	4 368	4 615	4 889	5 184	5 381	5 550	5 775	6 043	6 349

## 4: NUTS3 - continued

Headline<sup>1</sup> gross value added (GVA)<sup>2,3</sup> by NUTS3 area at current basic prices, 1995 to 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Leeds	8 704	9 256	9 913	10 612	11 174	11 667	12 316	13 037	13 870
Calderdale, Kirklees and Wakefield	8 160	8 663	9 191	9 728	10 080	10 405	10 886	11 436	12 031
<b>East Midlands</b>	<b>41 685</b>	<b>44 270</b>	<b>46 869</b>	<b>49 085</b>	<b>50 879</b>	<b>52 864</b>	<b>55 828</b>	<b>58 908</b>	<b>62 434</b>
Derbyshire and Nottinghamshire	19 465	20 588	21 778	22 717	23 582	24 548	25 931	27 284	28 887
Derby	2 561	2 816	3 242	3 628	3 933	4 117	4 276	4 422	4 625
East Derbyshire	1 940	2 050	2 173	2 299	2 427	2 585	2 812	3 030	3 246
South and West Derbyshire	4 688	4 921	5 132	5 176	5 231	5 321	5 572	5 842	6 181
Nottingham	4 272	4 469	4 598	4 689	4 778	4 952	5 235	5 500	5 829
North Nottinghamshire	3 670	3 861	4 023	4 155	4 266	4 426	4 670	4 924	5 225
South Nottinghamshire	2 335	2 472	2 609	2 770	2 948	3 146	3 367	3 566	3 781
Leicestershire, Rutland and Northamptonshire	16 472	17 622	18 863	20 054	20 863	21 642	22 723	23 892	25 239
Leicester	3 506	3 703	3 929	4 157	4 297	4 436	4 626	4 851	5 121
Leicestershire CC and Rutland	6 624	7 078	7 442	7 669	7 722	7 879	8 275	8 767	9 298
Northamptonshire	6 342	6 841	7 492	8 227	8 844	9 327	9 821	10 273	10 819
Lincolnshire	5 747	6 060	6 228	6 314	6 433	6 674	7 174	7 733	8 309
<b>West Midlands</b>	<b>52 880</b>	<b>55 815</b>	<b>59 203</b>	<b>62 491</b>	<b>64 796</b>	<b>67 357</b>	<b>70 556</b>	<b>73 960</b>	<b>77 797</b>
Herefordshire, Worcestershire and Warwickshire	11 818	12 458	13 206	14 097	14 894	15 678	16 470	17 139	17 980
Herefordshire County of	1 617	1 678	1 711	1 747	1 814	1 895	2 005	2 099	2 208
Worcestershire	4 950	5 124	5 329	5 699	6 070	6 440	6 748	6 999	7 342
Warwickshire	5 251	5 657	6 166	6 652	7 010	7 343	7 717	8 040	8 431
Shropshire and Staffordshire	13 284	14 092	14 928	15 650	16 011	16 485	17 162	18 098	19 104
Telford and Wrekin	1 760	1 858	1 978	2 067	2 104	2 142	2 205	2 302	2 412
Shropshire CC	2 344	2 472	2 578	2 708	2 814	2 942	3 110	3 323	3 540
Stoke-on-Trent	2 576	2 692	2 784	2 829	2 788	2 791	2 849	2 967	3 114
Staffordshire CC	6 604	7 070	7 588	8 045	8 305	8 609	8 998	9 506	10 039
West Midlands	27 778	29 264	31 069	32 744	33 891	35 194	36 924	38 724	40 713
Birmingham	11 042	11 690	12 516	13 361	14 001	14 633	15 448	16 219	17 065
Solihull	1 988	2 143	2 323	2 582	2 770	3 014	3 331	3 634	3 900
Coventry	3 501	3 758	4 136	4 385	4 540	4 618	4 722	4 868	5 084
Dudley and Sandwell	6 094	6 321	6 535	6 703	6 783	6 977	7 260	7 591	7 955
Walsall and Wolverhampton	5 153	5 353	5 559	5 713	5 798	5 951	6 163	6 412	6 708
<b>East of England</b>	<b>54 385</b>	<b>57 725</b>	<b>61 241</b>	<b>65 266</b>	<b>68 195</b>	<b>71 452</b>	<b>75 430</b>	<b>79 843</b>	<b>85 028</b>
East Anglia	22 132	23 266	24 228	25 370	26 216	27 364	28 962	30 729	32 749
Peterborough	1 864	1 985	2 129	2 278	2 367	2 448	2 572	2 733	2 921
Cambridgeshire CC	5 964	6 359	6 774	7 247	7 631	8 081	8 669	9 285	9 946
Norfolk	7 370	7 715	7 986	8 324	8 546	8 792	9 171	9 634	10 243
Suffolk	6 934	7 207	7 339	7 520	7 671	8 043	8 550	9 076	9 638
Bedfordshire and Hertfordshire	18 001	19 291	20 899	22 840	24 240	25 625	26 992	28 359	30 065
Luton	2 046	2 167	2 325	2 491	2 599	2 692	2 805	2 932	3 102
Bedfordshire CC	3 943	4 123	4 283	4 479	4 588	4 744	4 939	5 198	5 523
Hertfordshire	12 011	13 001	14 291	15 871	17 054	18 189	19 248	20 229	21 441
Essex	14 252	15 168	16 113	17 056	17 739	18 463	19 476	20 756	22 215
Southend-on-Sea	1 342	1 428	1 528	1 636	1 709	1 781	1 863	1 974	2 099
Thurrock	1 432	1 534	1 658	1 755	1 782	1 779	1 802	1 880	1 997
Essex CC	11 477	12 206	12 928	13 665	14 248	14 903	15 811	16 902	18 118
<b>London</b>	<b>108 776</b>	<b>116 402</b>	<b>125 572</b>	<b>137 438</b>	<b>145 682</b>	<b>152 634</b>	<b>160 350</b>	<b>170 723</b>	<b>179 672</b>
Inner London	64 532	69 350	74 975	82 649	87 928	92 365	98 216	106 511	112 557
Inner London - West	42 282	45 666	49 701	55 115	58 506	60 984	64 144	69 082	72 664
Inner London - East	22 250	23 684	25 274	27 534	29 422	31 382	34 072	37 429	39 893

## 4: NUTS3 - continued

Headline<sup>1</sup> gross value added (GVA)<sup>2,3</sup> by NUTS3 area at current basic prices, 1995 to 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Outer London	44 244	47 052	50 597	54 789	57 754	60 268	62 134	64 212	67 115
Outer London - East and North East	12 458	13 076	13 739	14 587	15 154	15 658	16 023	16 489	17 222
Outer London - South	11 625	12 126	12 705	13 457	13 997	14 541	15 062	15 715	16 571
Outer London - West and North West	20 161	21 850	24 153	26 745	28 603	30 069	31 049	32 008	33 322
<b>South East</b>	<b>86 595</b>	<b>92 697</b>	<b>99 781</b>	<b>108 334</b>	<b>115 002</b>	<b>121 356</b>	<b>128 188</b>	<b>135 062</b>	<b>142 462</b>
Berkshire, Buckinghamshire and Oxfordshire	27 148	29 206	31 907	35 695	38 568	41 025	43 270	45 399	47 863
Berkshire	11 115	12 132	13 605	15 603	17 110	18 303	19 323	20 238	21 305
Milton Keynes	2 852	3 074	3 368	3 722	3 984	4 231	4 524	4 806	5 107
Buckinghamshire CC	5 920	6 312	6 701	7 279	7 671	8 042	8 339	8 655	9 051
Oxfordshire	7 262	7 688	8 233	9 091	9 803	10 450	11 084	11 701	12 399
Surrey, East and West Sussex	27 784	29 812	31 979	34 273	36 349	38 392	40 743	42 972	45 243
Brighton and Hove	2 530	2 652	2 740	2 839	2 949	3 172	3 479	3 760	4 004
East Sussex CC	4 153	4 385	4 527	4 595	4 744	4 892	5 066	5 249	5 464
Surrey	12 685	13 827	15 281	16 999	18 312	19 477	20 663	21 709	22 839
West Sussex	8 416	8 949	9 431	9 839	10 344	10 851	11 535	12 254	12 936
Hampshire and Isle of Wight	17 845	19 085	20 497	22 022	22 970	24 087	25 494	27 031	28 600
Portsmouth	2 119	2 267	2 440	2 623	2 724	2 861	3 046	3 239	3 428
Southampton	2 645	2 806	3 012	3 195	3 267	3 345	3 515	3 769	4 031
Hampshire CC	12 236	13 129	14 126	15 224	15 928	16 727	17 668	18 653	19 680
Isle of Wight	845	883	919	981	1 051	1 154	1 264	1 370	1 461
Kent	13 817	14 594	15 399	16 344	17 115	17 851	18 682	19 660	20 756
Medway	1 713	1 809	1 935	2 113	2 247	2 360	2 461	2 581	2 714
Kent CC	12 105	12 785	13 464	14 232	14 868	15 492	16 221	17 079	18 043
<b>South West</b>	<b>47 654</b>	<b>51 135</b>	<b>54 522</b>	<b>57 947</b>	<b>60 795</b>	<b>63 713</b>	<b>67 335</b>	<b>71 095</b>	<b>75 086</b>
Gloucestershire, Wiltshire and North Somerset	24 438	26 504	28 665	30 804	32 358	33 847	35 643	38 129	40 441
Bristol City of	5 407	5 912	6 467	6 995	7 274	7 565	7 937	8 495	8 984
North and North East Somerset, South Gloucestershire	6 163	6 695	7 252	7 847	8 303	8 739	9 247	9 911	10 556
Gloucestershire	5 765	6 228	6 706	7 210	7 666	8 114	8 663	9 375	10 021
Swindon	2 764	3 048	3 402	3 737	3 918	4 009	4 062	4 225	4 404
Wiltshire CC	4 339	4 621	4 837	5 015	5 197	5 420	5 734	6 122	6 475
Dorset and Somerset	10 287	10 966	11 659	12 557	13 231	13 883	14 582	15 144	15 875
Bournemouth and Poole	2 721	2 964	3 275	3 633	3 867	4 056	4 235	4 426	4 649
Dorset CC	3 170	3 345	3 471	3 682	3 859	4 050	4 248	4 418	4 630
Somerset	4 397	4 657	4 913	5 242	5 505	5 777	6 099	6 301	6 596
Cornwall and Isles of Scilly	3 227	3 451	3 625	3 738	4 009	4 293	4 646	4 985	5 322
Devon	9 702	10 213	10 574	10 848	11 197	11 690	12 464	12 837	13 448
Plymouth	2 496	2 598	2 664	2 661	2 680	2 764	2 972	3 037	3 177
Torbay	1 108	1 162	1 181	1 188	1 192	1 231	1 297	1 301	1 340
Devon CC	6 097	6 453	6 729	6 999	7 326	7 695	8 195	8 499	8 931
<b>Wales</b>	<b>26 072</b>	<b>27 267</b>	<b>28 432</b>	<b>29 543</b>	<b>30 473</b>	<b>31 735</b>	<b>33 512</b>	<b>35 277</b>	<b>37 359</b>
West Wales and the Valleys	14 847	15 454	15 910	16 218	16 475	17 022	17 842	18 743	19 757
Isle of Anglesey	401	419	435	449	467	494	532	564	598
Gwynedd	1 024	1 054	1 059	1 050	1 043	1 077	1 169	1 278	1 389
Conwy and Denbighshire	1 539	1 607	1 647	1 672	1 695	1 765	1 863	1 964	2 072
South West Wales	2 751	2 826	2 856	2 866	2 924	3 051	3 212	3 377	3 568
Central Valleys	2 230	2 333	2 422	2 480	2 500	2 573	2 701	2 856	3 009
Gwent Valleys	2 465	2 562	2 654	2 754	2 826	2 895	2 964	3 030	3 144
Bridgend and Neath Port Talbot	2 455	2 577	2 674	2 675	2 637	2 637	2 708	2 815	2 942
Swansea	1 982	2 074	2 164	2 273	2 384	2 530	2 693	2 859	3 034

## 4: NUTS3 - continued

Headline<sup>1</sup> gross value added (GVA)<sup>2,3</sup> by NUTS3 area at current basic prices, 1995 to 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
East Wales	11 225	11 813	12 522	13 325	13 998	14 713	15 670	16 535	17 602
Monmouthshire and Newport	2 162	2 282	2 449	2 687	2 888	3 044	3 204	3 322	3 496
Cardiff and Vale of Glamorgan	4 753	5 013	5 339	5 754	6 148	6 589	7 169	7 686	8 201
Flintshire and Wrexham	3 198	3 356	3 533	3 634	3 692	3 769	3 899	4 040	4 295
Powys	1 113	1 162	1 201	1 251	1 270	1 310	1 398	1 487	1 611
<b>Scotland</b>	<b>55 413</b>	<b>58 060</b>	<b>60 755</b>	<b>63 203</b>	<b>65 160</b>	<b>67 399</b>	<b>70 210</b>	<b>74 095</b>	<b>78 504</b>
North Eastern Scotland	7 734	8 076	8 438	8 776	8 986	9 379	9 719	10 094	10 599
Aberdeen City, Aberdeenshire and North East Moray	7 734	8 076	8 438	8 776	8 986	9 379	9 719	10 094	10 599
Eastern Scotland	21 290	22 362	23 369	24 254	24 867	25 525	26 512	28 159	29 841
Angus and Dundee City	2 756	2 854	2 918	2 973	2 991	3 011	3 081	3 258	3 461
Clackmannanshire and Fife	3 349	3 491	3 608	3 706	3 807	3 934	4 081	4 284	4 490
East Lothian and Midlothian	1 249	1 307	1 358	1 411	1 447	1 484	1 549	1 646	1 758
Scottish Borders	978	994	993	990	998	1 011	1 047	1 111	1 185
Edinburgh, City of	7 270	7 701	8 174	8 691	9 053	9 473	10 039	10 877	11 613
Falkirk	1 555	1 639	1 708	1 708	1 706	1 721	1 774	1 871	1 969
Perth & Kinross and Stirling	2 231	2 346	2 438	2 519	2 547	2 575	2 656	2 810	2 990
West Lothian	1 901	2 029	2 172	2 256	2 318	2 316	2 284	2 302	2 374
South Western Scotland	23 335	24 480	25 704	26 803	27 781	28 833	30 186	31 880	33 858
East and West Dunbartonshire and Helensburgh & Lomond	1 645	1 720	1 792	1 863	1 925	1 992	2 054	2 156	2 274
Dumfries and Galloway	1 362	1 381	1 385	1 405	1 459	1 532	1 599	1 679	1 775
East Ayrshire and North Ayrshire Mainland	2 208	2 296	2 368	2 380	2 403	2 419	2 480	2 571	2 714
Glasgow City	7 990	8 460	9 054	9 658	10 179	10 661	11 313	12 018	12 829
Inverclyde, East Renfrewshire and Renfrewshire	3 804	3 991	4 136	4 161	4 140	4 195	4 318	4 580	4 862
North Lanarkshire	2 543	2 655	2 760	2 861	2 960	3 118	3 358	3 636	3 921
South Ayrshire	1 137	1 187	1 243	1 296	1 350	1 397	1 433	1 481	1 545
South Lanarkshire	2 647	2 790	2 966	3 178	3 365	3 520	3 632	3 760	3 936
Highlands and Islands	3 053	3 141	3 243	3 370	3 526	3 661	3 794	3 962	4 206
Caithness & Sutherland and Ross & Cromarty	623	635	651	677	715	750	788	827	878
Inverness & Nairn and Moray, Badenoch & Strathspey	946	971	1 009	1 059	1 121	1 196	1 272	1 364	1 467
Lochaber, Skye & Lochalsh and Argyll and the Islands	831	860	882	913	953	982	999	1 019	1 064
Eilean Siar (Western Isles)	201	210	223	239	253	256	261	269	285
Orkney Islands	204	209	213	214	211	207	208	216	231
Shetland Islands	248	256	264	270	273	269	265	268	281
<b>Northern Ireland</b>	<b>14 352</b>	<b>15 413</b>	<b>16 283</b>	<b>17 274</b>	<b>18 077</b>	<b>18 918</b>	<b>19 817</b>	<b>20 825</b>	<b>21 952</b>
Belfast	3 863	4 197	4 588	4 957	5 278	5 506	5 766	6 057	6 418
Outer Belfast	2 452	2 637	2 811	2 998	3 179	3 377	3 581	3 777	3 982
East of Northern Ireland	3 366	3 588	3 726	3 898	4 063	4 267	4 453	4 652	4 874
North of Northern Ireland	1 975	2 118	2 220	2 349	2 439	2 536	2 642	2 770	2 915
West and South of Northern Ireland	2 695	2 873	2 938	3 072	3 117	3 231	3 375	3 569	3 763
UK less Extra-Regio <sup>4</sup>	625 918	663 951	705 214	750 827	785 039	819 495	862 214	910 210	961 461
Extra-Regio <sup>4</sup>	13 198	16 527	14 815	12 616	14 348	22 010	21 198	20 586	20 271

<sup>1</sup> The headline GVA series for this publication have been calculated using a five-period moving average.

<sup>2</sup> Estimates of workplace based GVA allocate income to the region in which commuters work.

<sup>3</sup> Components may not sum to totals as a result of rounding.

<sup>4</sup> The GVA for Extra-Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

## Appendix A

## Revisions to NUTS 1 gross value added (GVA) at current basic prices by region, December 2004 to December 2005 publications

December 2004 dataset

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£ million)</b>															
United Kingdom	461 521	501 439	523 786	546 142	574 825	607 854	639 115	679 526	719 565	761 539	797 116	838 490	881 163	926 275	976 148
North East	17 243	18 411	19 558	20 625	21 694	22 277	23 248	24 251	25 422	26 193	26 773	27 756	29 172	30 748	32 400
North West	49 490	53 361	55 911	58 049	60 994	64 529	66 722	69 728	73 907	76 786	80 645	82 857	87 280	92 732	97 853
Yorkshire & the Humber	35 168	38 211	40 241	41 436	43 390	45 279	47 723	50 955	54 201	56 904	57 689	60 040	63 602	67 388	72 275
East Midlands	30 364	32 666	34 202	35 535	37 312	39 339	41 390	44 624	46 895	49 040	50 866	51 861	55 390	58 371	61 899
West Midlands	38 144	41 519	43 032	45 024	47 267	50 079	53 035	55 714	59 526	62 260	64 266	67 186	69 971	73 399	77 159
East of England	44 201	48 201	49 946	52 390	54 428	57 930	60 815	64 417	68 363	73 190	76 646	81 004	86 444	90 316	95 819
London	70 042	76 030	79 041	82 964	87 881	92 727	95 787	101 839	110 050	121 462	129 175	137 650	142 096	149 660	153 142
South East	65 487	71 886	74 975	77 896	82 877	88 040	92 469	99 925	106 827	114 644	122 244	127 921	135 283	141 508	148 204
South West	34 401	37 374	38 781	40 621	42 687	44 820	47 734	50 721	54 671	57 912	60 466	62 929	67 351	71 385	75 361
England	384 540	417 659	435 686	454 541	478 530	505 020	528 923	562 175	599 861	638 391	668 769	699 205	736 591	775 507	814 112
Wales	19 166	20 507	21 659	22 344	23 375	24 660	26 281	27 438	28 298	29 306	30 400	31 291	33 172	35 121	37 433
Scotland	38 930	42 865	45 487	47 721	49 812	52 836	56 311	58 475	60 225	64 113	65 477	66 806	70 196	74 587	77 852
Northern Ireland	9 401	10 102	10 996	11 680	12 509	13 397	14 360	14 980	16 382	17 196	18 162	19 072	19 792	20 828	22 191
United Kingdom less Extra-regio & statistical discrepancy	452 037	491 133	513 828	536 287	564 226	595 913	625 874	663 068	704 766	749 006	782 809	816 375	859 750	906 043	951 587
Extra-regio	9 484	10 303	9 957	9 855	10 599	11 942	13 241	16 459	14 800	12 537	14 307	22 116	21 413	20 232	24 071
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	493

## Blue Book 2005 national controls

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£million)</b>															
United Kingdom	1	0	- 1	2	0	0	0	952	462	1 900	2 271	3 017	2 250	4 521	5 580
North East	0	- 1	- 4	- 5	- 7	- 10	- 10	13	- 26	19	33	61	12	- 11	- 45
North West	0	1	- 2	- 8	- 10	- 13	- 19	115	57	188	239	334	233	- 380	- 696
Yorkshire & the Humber	0	- 1	- 8	- 12	- 12	- 3	1	102	54	142	178	197	112	71	- 898
East Midlands	0	1	- 8	- 6	8	23	12	89	76	125	148	174	128	220	- 30
West Midlands	0	- 2	- 7	- 5	- 1	- 1	- 3	86	16	130	188	231	240	347	664
East of England	0	0	- 12	- 3	4	12	5	70	24	201	228	301	233	427	247
London	0	0	86	65	36	0	5	90	105	483	773	1 168	1 088	1 899	7 357



## Appendix A – Continued

## Revisions to NUTS 1 gross value added (GVA) at current basic prices by region, December 2004 to December 2005 publications

South East	0	1	- 10	- 1	- 18	- 32	- 27	144	32	360	436	581	507	1 325	3 111
South West	0	0	- 6	- 7	1	5	13	174	122	239	256	313	243	383	160
England	0	- 1	29	17	1	- 19	- 23	883	459	1 887	2 478	3 360	2 795	4 281	9 869
Wales	0	0	- 13	- 10	- 6	- 6	- 10	75	33	84	66	98	56	- 4	- 433
Scotland	0	0	- 11	- 6	- 2	2	11	- 49	- 68	- 121	- 146	- 110	- 90	272	1 268
Northern Ireland	0	0	- 5	0	7	22	21	29	24	47	70	67	84	124	- 166
United Kingdom less Extra-regio & statistical discrepancy	1	0	- 1	2	0	0	- 1	938	448	1 898	2 468	3 415	2 845	4 673	10 045
Extra-regio	0	0	0	0	0	0	0	13	13	2	- 197	- 398	- 595	- 152	- 4 465
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 493

## HMRC (PAVE) data

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (Emillion)</b>															
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North East	0	0	0	0	0	0	0	0	4	- 14	- 18	- 7	- 20	9	211
North West	0	0	0	0	0	0	0	0	34	49	28	12	24	0	113
Yorkshire & the Humber	0	0	0	0	0	0	0	0	22	- 60	13	9	- 12	107	56
East Midlands	0	0	0	0	0	0	0	0	22	31	31	31	50	377	1 152
West Midlands	0	0	0	0	0	0	0	0	- 41	- 27	- 43	- 45	- 46	49	- 315
East of England	0	0	0	0	0	0	0	0	17	- 21	7	27	60	- 212	- 820
London	0	0	0	0	0	0	0	0	- 1 602	- 1 776	- 1 976	- 2 306	- 1 842	- 1 974	- 1 018
South East	0	0	0	0	0	0	0	0	1 584	1 816	1 981	2 329	1 826	2 081	772
South West	0	0	0	0	0	0	0	0	26	36	34	2	31	- 315	- 727
England	0	0	0	0	0	0	0	0	68	34	56	52	72	123	- 576
Wales	0	0	0	0	0	0	0	0	9	0	4	- 6	- 18	178	457
Scotland	0	0	0	0	0	0	0	0	- 2	1	- 15	- 22	- 28	- 239	146
Northern Ireland	0	0	0	0	0	0	0	0	- 75	- 35	- 44	- 23	- 26	- 62	- 27
United Kingdom less Extra-regio & statistical discrepancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra-regio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex A: - ccontinued

**Revisions to NUTS 1 gross value added (GVA) at current basic prices by region. December 2004 to December 2005 publications.****Labour market earnings data (ASHE)**

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£million)</b>															
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North East	0	0	0	0	0	0	0	0	0	- 16	15	33	- 21	66	- 33
North West	0	0	0	0	0	0	0	0	0	18	9	- 67	52	36	179
Yorkshire & the Humber	0	0	0	0	0	0	0	0	0	- 18	- 57	- 79	- 116	- 34	- 46
East Midlands	0	0	0	0	0	0	0	0	0	- 10	15	12	- 79	33	- 11
West Midlands	0	0	0	0	0	0	0	0	0	37	158	16	205	39	- 40
East of England	0	0	0	0	0	0	0	0	0	- 19	- 108	140	- 56	- 61	55
London	0	0	0	0	0	0	0	0	0	100	- 6	84	139	- 337	- 34
South East	0	0	0	0	0	0	0	0	0	20	- 4	- 33	- 192	29	- 32
South West	0	0	0	0	0	0	0	0	0	- 7	46	- 73	130	39	90
England	0	0	0	0	0	0	0	0	0	104	68	33	61	- 190	129
Wales	0	0	0	0	0	0	0	0	0	2	7	11	- 22	73	- 39
Scotland	0	0	0	0	0	0	0	0	0	- 70	- 12	12	- 31	115	- 67
Northern Ireland	0	0	0	0	0	0	0	0	0	- 36	- 62	- 57	- 9	2	- 22
United Kingdom less Extra-region & statistical discrepancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra-region	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**ABI/2 manufacturing profits data**

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£million)</b>															
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North East	0	0	0	0	0	0	0	0	0	0	0	0	0	- 64	6
North West	0	0	0	0	0	0	0	0	0	0	0	0	0	123	- 516
Yorkshire & the Humber	0	0	0	0	0	0	0	0	0	0	0	0	0	225	- 71
East Midlands	0	0	0	0	0	0	0	0	0	0	0	0	0	11	408
West Midlands	0	0	0	0	0	0	0	0	0	0	0	0	0	203	- 172
East of England	0	0	0	0	0	0	0	0	0	0	0	0	0	52	189
London	0	0	0	0	0	0	0	0	0	0	0	0	0	- 179	213

## Appendix A – Continued

## Revisions to NUTS 1 gross value added (GVA) at current basic prices by region, December 2004 to December 2005 publications

South East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	- 317	355
South West	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16	191
England	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69	602
Wales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	103	- 141
Scotland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	102	- 367
Northern Ireland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	- 273	- 95
United Kingdom less Extra-region & statistical discrepancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra-region	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Labour market employment data

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (Emillion)</b>															
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North East	1	1	2	2	2	2	1	1	1	1	0	0	0	4	54
North West	4	5	5	5	6	6	4	4	3	2	2	1	0	9	- 409
Yorkshire & the Humber	2	3	3	3	3	3	3	2	2	1	1	0	0	6	- 123
East Midlands	1	2	2	2	2	2	2	1	1	1	1	0	0	4	211
West Midlands	2	3	3	3	3	3	3	2	2	1	1	0	0	8	97
East of England	3	3	3	4	4	4	3	2	2	1	1	0	0	5	165
London	5	6	7	7	8	8	13	13	12	9	9	2	0	5	- 201
South East	9	14	14	14	13	10	6	4	3	2	2	0	0	10	189
South West	2	2	2	3	3	3	3	2	2	1	1	0	0	8	58
England	30	38	41	42	44	41	38	33	27	20	19	5	0	58	39
Wales	- 69	- 72	- 74	- 79	- 87	- 85	- 63	- 50	- 39	- 26	- 23	- 6	0	5	- 74
Scotland	21	23	25	27	30	30	16	10	6	4	3	1	0	- 66	26
Northern Ireland	18	10	8	10	12	14	9	8	6	2	1	0	0	4	9
United Kingdom less Extra-region & statistical discrepancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extra-region	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statistical discrepancy income adjusted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex A: - continued

**Revisions to NUTS 1 gross value added (GVA) at current basic prices by region. December 2004 to December 2005 publications.**

Other revisions to minor dataset (e.g. Agriculture, house price index) and quality assurance

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£million)</b>															
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	- 1	0	0	0
North East	2	2	- 1	- 4	- 6	- 4	- 5	15	13	8	11	5	15	36	- 47
North West	7	8	- 3	- 8	- 16	- 7	- 5	- 6	- 2	7	33	6	85	284	484
Yorkshire & the Humber	- 9	- 11	- 11	- 13	- 13	- 12	- 11	- 9	- 7	- 10	- 14	- 25	- 54	- 189	326
East Midlands	- 6	- 8	- 8	- 8	- 8	- 7	- 4	- 6	- 5	- 6	- 22	- 14	- 21	- 80	- 121
West Midlands	3	3	- 3	- 4	- 8	- 5	- 11	- 19	- 15	- 9	- 6	- 8	13	166	210
East of England	- 7	- 8	- 1	1	5	- 1	6	- 11	- 12	- 17	- 46	- 33	- 16	- 20	- 128
London	24	28	23	17	10	15	10	2	1	- 12	26	- 36	- 166	- 411	- 615
South East	- 41	- 51	- 27	- 9	8	- 9	- 4	- 17	- 19	- 30	- 63	- 49	- 67	- 189	- 548
South West	- 23	- 28	- 8	5	20	5	- 11	- 33	- 26	- 35	- 50	- 44	- 54	- 112	- 141
England	- 51	- 64	- 41	- 23	- 8	- 25	- 35	- 85	- 71	- 104	- 132	- 198	- 266	- 516	- 581
Wales	76	79	80	82	89	89	67	35	38	24	9	0	39	144	270
Scotland	- 44	- 52	- 89	- 117	- 147	- 125	- 102	- 84	- 61	- 67	- 104	- 128	- 191	- 214	- 411
Northern Ireland	19	36	50	58	67	62	70	134	95	40	15	1	14	79	88
United Kingdom less Extra-regio & statistical discrepancy	0	0	0	0	0	0	0	0	0	- 107	- 213	- 325	- 405	- 507	- 635
Extra-regio	0	0	0	0	0	0	0	0	0	107	213	324	405	507	635
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix A – Continued  
**Revisions to NUTS 1 gross value added (GVA) at current basic prices by region, December 2004 to December 2005 publications**

**Final residence-based GVA estimates<sup>1</sup>**

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Total GVA (£million)</b>															
United Kingdom	461 522	501 438	523 786	546 142	574 825	607 854	639 115	680 477	720 028	763 443	799 387	841 505	883 412	930 796	981 732
North East	17 247	18 414	19 555	20 616	21 681	22 264	23 234	24 279	25 412	26 188	26 814	27 846	29 157	30 785	32 545
North West	49 501	53 374	55 909	58 035	60 972	64 513	66 701	69 842	73 998	77 050	80 955	83 142	87 672	92 802	97 003
Yorkshire & the Humber	35 162	38 202	40 222	41 413	43 367	45 266	47 715	51 048	54 273	56 959	57 809	60 142	63 532	67 574	71 517
East Midlands	30 359	32 660	34 186	35 521	37 313	39 356	41 399	44 707	46 988	49 180	51 039	52 063	55 468	58 936	63 508
West Midlands	38 149	41 522	43 021	45 015	47 258	50 074	53 023	55 783	59 487	62 392	64 564	67 380	70 385	74 211	77 603
East of England	44 196	48 196	49 935	52 390	54 440	57 944	60 829	64 478	68 393	73 335	76 727	81 439	86 664	90 506	95 527
London	70 071	76 064	79 151	83 049	87 931	92 747	95 814	101 947	108 570	120 270	128 005	136 567	141 318	148 667	158 850
South East	65 455	71 851	74 956	77 902	82 882	88 009	92 445	100 056	108 425	116 810	124 592	130 748	137 356	144 445	152 049
South West	34 380	37 349	38 768	40 620	42 710	44 832	47 738	50 863	54 796	58 147	60 754	63 128	67 701	71 405	74 992
England	384 519	417 633	435 700	454 562	478 554	505 006	528 896	563 001	600 342	640 331	671 258	702 456	739 253	779 332	823 594
Wales	19 173	20 515	21 654	22 339	23 372	24 658	26 275	27 498	28 339	29 391	30 463	31 388	33 227	35 620	37 471
Scotland	38 907	42 837	45 421	47 634	49 701	52 749	56 239	58 354	60 101	63 861	65 204	66 559	69 855	74 558	78 449
Northern Ireland	9 439	10 148	11 054	11 753	12 600	13 499	14 464	15 153	16 434	17 214	18 140	19 060	19 854	20 701	21 977
United Kingdom less Extra-regio & statistical discrepancy	452 038	491 133	513 828	536 287	564 226	595 913	625 875	664 006	705 215	750 797	785 064	819 463	862 189	910 210	961 491
Extra-regio	9 484	10 303	9 957	9 855	10 599	11 942	13 241	16 472	14 813	12 646	14 323	22 042	21 223	20 586	20 241
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> Components may not sum to total as a result of rounding

## Appendix B – Background Notes

### European System of Accounts 1995 (ESA95)

The estimates of GVA published in this article are consistent with the European System of Accounts 1995 (ESA95). ESA95 is based on the System of National Accounts 1993 (SNA93) which was sponsored by all major international organisations and is being adopted world-wide. The European system, which is being adopted by European Member States, is consistent with SNA93 but is more specific and prescriptive in certain parts. *Introducing the European System of Accounts* (1995), *National Accounts Concepts, Sources and Methods* (1998) and *Regional Accounts Methods* give more detail of the changed system of accounts, and the particular effects on the UK.

### Regional GVA at basic prices

The NUTS2&3 1995 to 2003 final estimates published in this article are consistent with estimates of UK GVA published in *United Kingdom National Accounts: the Blue Book 2005*, NUTS1 1989 to 2003 GVA estimates with Blue Book 2005, and NUTS1 2004 provisional GVA estimates with Blue Book 2005. The Blue Book also defines the terms used.

Under ESA95, the term gross value added (GVA) is used to denote estimates that were previously known as gross domestic product (GDP) at basic prices. Under ESA95 the term GDP denotes GVA plus taxes (less subsidies) on products, that is, at market prices. Regional accounts are currently only published at basic prices, so the figures are referred to as GVA rather than GDP.

### Geography

The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the European Union. There are five levels of NUTS in the UK, although GVA estimates are only published for the first three. These are:

- NUTS1 – Government Office Regions and Scotland, Wales and Northern Ireland
- NUTS2 – 37 areas within the United Kingdom
- NUTS3 – 133 areas, generally groups of unitary authorities or districts, also known as local areas

Some areas appear at more than one level, for example, Northern Ireland appears at NUTS levels 1 and 2.

The GVA estimates relate to the nine Government Office Regions of England, as well as totals for Scotland, Wales and Northern Ireland. These form level 1 of the NUTS geography described above.

### Regional GVA – concepts and definitions

In this article GVA is measured as the sum of incomes earned from the production of goods and services in the region.

Insufficient information is available to estimate GVA for all regions of the UK using either the production or the expenditure approaches. Estimates of GDP for Scotland only, based on the production approach, and measured in terms of constant (real) prices are published quarterly by the Scottish Executive. An article detailing the methodologies can be found in *Scottish Economic Statistics*, 2001 edition.

As described above, the estimates of regional GVA in this article are calculated as the sum of incomes earned from productive activity in the region. The income (referred to as CoE under ESA95) of commuters should therefore be included in the region where they work. Historically, however, the estimates of regional GVA have not been compiled on this basis; but have instead been compiled using regional estimates of CoE on a residence basis, because this was the basis of the most reliable data source (the one per cent sample of Inland Revenue national insurance records). This has a significant effect on the estimates for London, the South East and the East of England regions, but is assumed not to introduce any significant distortion of the other regions. Estimates of GVA on a residence basis are given in tables NUTS1:1 to 8 of this article.

Figures allocating the CoE to employee's workplace (the preferred GVA approach) are also included in this article, in table NUTS1:4. The workplace-based CoE figures for London, the South East and the East of England are based on regional data from the STES and the ASHE/NES. There is, however, no industry breakdown currently available on a workplace basis.

Unless otherwise stated, all references in this article to regional GVA refer to residence-based figures.

### Methodology

Sampling and non-sampling errors in the raw data sources used for regional accounts at a regional level give rise to the volatility in the regional GVA data. The regional GVA series headlined in this publication have been calculated using a five point moving average. These adjusted series remove some year to year volatility in the unadjusted series.

The underlying raw regional GVA estimates were produced using the same methodology as previous estimates – with the exception of a change to the methodology used for allocation of FISIM industries. The methodology used to produce the raw regional GVA estimates was published in the December 2000 edition of *Economic Trends*. Previously, FISIM was allocated to the regions using numbers of people employed in the Financial Intermediation sector. This makes the FISIM methodology consistent with the allocation of other components of Financial Intermediation.

### Extra-region

The contribution to GVA of UK embassies abroad and UK forces stationed overseas is included in Extra-region, along with the element of GVA relating to activities taking place on the continental shelf. As these cannot be assigned to specific regions they are assigned as 'Extra-region GVA'.



### Treatment of commuting in regional GVA estimates

Regional GVA can be calculated both on a residence and a workplace basis. Residence-based GVA allocates the incomes of commuters to where they live, whereas workplace GVA allocates their incomes to where they work. The GVA estimates presented here are on a residence basis; and the breakdown of the totals by components of income and by industry are currently only available on a residence basis. However, workplace estimates are also provided in table NUTS1:4. The residence and workplace estimates are different from each other only in the regions of London, the South East and East of England. For all other regions it has been previously been determined from the Census of Population that net commuting between the regions is not significant.

### Allsopp Review

In March 2004, the final report of Christopher Allsopp's review of statistics for monetary and wider economic policymaking was published. Its remit was to examine the provision of data required for regional economic policy making and to assess how well the provision of economic statistics captures structural change in the economy.

ONS has welcomed the recommendations from the Allsopp Review and has committed to implementing improvements through a dedicated team and programme. The Programme delivery flows from the development of the Business Register to the development and expansion of new and improved surveys, followed by the processes and analysis to produce the new Regional Accounts using the production approach.

### General

All the items in the regional accounts are measured in current prices, which mean increases over time reflect inflation as well as growth. Trends in total GVA per head of population cannot be analysed easily without deflating the data. However, there are no regional price indices that could be used to remove the effect of inflation from the figures. Comparisons of trends can be based either on the difference between regional increases at current prices or on movements in the amount relative to the UK average. Both approaches would be misleading if the rate of inflation in any region were different from the national average.

In the regional accounts it is usual to look at changes per head relative to the UK average over time. However, this obscures the effect of changes to the population size. In areas where the population is increasing most rapidly, growth in total GVA would be expected to grow relatively strongly; conversely, areas with a low or negative population growth would be expected to grow more slowly.

The 1989 to 2004 regional GVA per head of population figures will feed into the regional growth baselines calculated for the regional economic performance PSA target, jointly shared by DTI, HMT and ODPM. However, the regional GVA figures do not take account of the impact of price inflation at either the national or regional level. Due to this, the growth rates in this current price GVA per head of population series will

not necessarily be comparable with any forthcoming regional growth baselines that will be set for this PSA target. The latter will be adjusted by statisticians in the DTI to take account of the impact of inflation at the regional level.

### Toll processing

Toll processing is when a service is performed on a customer's product for a fee. It is complicated because it has been happening increasingly across the UK / Rest of the World boundary. For example, when companies move production functions abroad but retain ownership of the goods. As the ABI questionnaire does not cover companies registered overseas with a UK VAT reference this process is missed.

### Accuracy

Although calculated as reliably as possible, estimates of regional GVA will not be as reliable as those for national GVA.

The regional GVA estimates are partly based on sample surveys and the quality of the results therefore varies according to sample size.

This means, for example, that results at NUTS3 are more likely to be subject to a greater degree of uncertainty than those at NUTS1. In particular, there remains a margin of uncertainty regarding the accuracy of reported data. The finer the level of geographic detail sought the greater the likelihood of misallocation. Enterprises are encouraged to make their best estimates when asked to report geographical data, but as regional lower level geographic allocation may not be a crucial aspect of the information from which details are extracted, a significant degree of estimation may occur.

This article contains only a summary of the information available. A more detailed breakdown of manufacturing, and total regional CoE information are available on request from the Customer Contact Centre, Office for National Statistics, Room 1015 Government Buildings, Cardiff Road, Newport NP10 8XG, Tel: 0845 601 3034, fax: 01633 652747, e-mail: [info@statistics.gsi.gov.uk](mailto:info@statistics.gsi.gov.uk)

Details of the policy governing the release of new data are available from the ONS Press Office 020 7533 5702.

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# The consumer prices methodological research programme: progress in 2005 and prospects for 2006

**Matthew Powell**  
Office for National Statistics

The Office for National Statistics (ONS) has a continuing research programme to ensure that the best available statistical methodology is used to calculate official consumer price indices. This article describes the improvements that are being introduced from the February indices as a result of this programme and the outlook for the year to come.

## Introduction

At this time last year we published an article describing the changes to the Retail and Consumer Price indices that the research programme would introduce in 2005, outlining the agenda for the future, and promising an article to record progress (Wingfield and Fenwick, 2005). This article fulfils that commitment. Routine changes to the index are touched on briefly but will be considered in more detail in the regular article on basket updating to be published in the March issue of *Economic Trends*.

As previously announced, 2005 saw a shift in the research programme away from projects designed to make the price indices for specific items more technically rigorous, such as the development and implementation of hedonic quality adjustment for hi-tech goods and local sampling for audio visual equipment and white goods, and towards issues relating to the maximisation of statistical efficiency – and value for money – in the index as a whole. This year hedonic quality adjustment trials were undertaken for only two items, flat panel screen TVs and digital camcorders. Both these items will be introduced in the index in February but without the hedonic quality adjustment.<sup>1</sup>

## Research on statistical efficiency

There are two fundamental questions about a price collection system: from where should we collect price quotes (the internet or shops, and if the latter, which ones) and precisely what products should we collect quotes for? Early in the year the Office for National Statistics (ONS) sample design and estimation centre presented the results of investigations we had commissioned into both areas. These investigations drew on our statistical design and compilation documentation, and as a selection of our back data. The results suggested the possibility of substantial sampling efficiencies in our procedures for outlet selection and choosing how many quotes to collect for each item<sup>2</sup> that might both provide better value for money and improve the reliability of the indices produced. The papers also stressed the need for further work before firm conclusions could be drawn and that, because of the practical considerations involved, this work needed to be carried out in close collaboration with those responsible for index production. There was also one important area, the representativity of the price changes we select for a given expenditure category, on which they were unable to comment as they had no alternative source of price changes against which to compare ours. In the latter half of 2005 we took forward their initial work through the following studies:

### Studies on where we should we collect prices

- We have examined the correlation in price quotes for the same item and retailer name to identify areas where we may be using local collection for shops that actually set prices centrally. Analysis of our back data suggests this may

be quite common and we are now conducting a small survey on the pricing policy of large retailers to identify opportunities for more efficient central collection.

- We have been exploring the possibility of collecting prices using electronically scanned data. Visits and consultations with other European statistics offices using scanner data obtained directly from shops have convinced us that cleaning such data on a monthly basis would be an enormous and costly task and that there would be a residual risk that some of the data might still be problematic. We are therefore investigating other options including the calculation of price indices and item weights from scanner data collected from a large panel of households.
- We have worked together with the Office of the Deputy Prime Minister and a private sector contractor to develop a geographical information system that combines business level and road network data. This will enable us to divide the country's retail activity into a complete list of physically feasible price collection locations from which to draw a sample.<sup>3</sup> The system will also produce maps for the sampled locations. If successful, it will facilitate more efficient local price collection.
- We are conducting an experiment to test the feasibility of using ONS's business register and business survey data to enable us to choose combinations of product and shop that are more representative of the retail activity within a given location.

#### Studies on the products we should collect prices for

- We have taken forward work on optimising the number of price quotes collected per item using more realistic assumptions and allowing for the different costs of collecting price quotes for different items and in different locations. This has allowed us to widen the analysis to begin addressing questions about how many locations and shops we should collect prices from as well as how many quotes per item.
- We also plan to use household scanner data to test our existing item and product selection procedures and examine the performance of alternatives such as widening or narrowing the item descriptions.

#### Other research

Even though we are not applying hedonic quality adjustment to any new items, we have examined and refined our procedures for estimating and testing hedonic regressions and carried out an investigation into using the technique for a locally collected commodity clothing. This has demonstrated the potential value of the technique but also the prohibitive costs of manually extracting the information needed from our existing data collection software. During the next year we will attempt to ensure that our new data collection software<sup>4</sup> will make it possible to extract the information necessary for hedonic quality adjustment automatically, and allow us to use the technique wherever the apparent costs and benefits make it appear appropriate.

Another important area of work has been the extensive investigation into our data editing procedures, announced last year. Data for items of clothing – one of the most difficult areas for price measurement – were put through three alternative editing procedures:

- our existing procedure
- our existing procedure with alterations to our editing programmes that give greater emphasis to the judgement of price collectors in the field
- a longer and more resource-intensive investigation by more senior staff

As a result of these investigations we have made changes to our editing programmes to give greater emphasis to the field editor's judgement and to refine our acceptance criteria for price changes. We are also instituting a programme of more intensive training for our data editors. While our investigations suggest this change in editing will have no significant impact on the measured level of inflation, it represents an improvement that helps to guarantee the statistical integrity of the published indices.

Finally, we have made good progress, in cooperation with the Bank of England and the British Bankers Association, on research into increasing and improving our coverage for banking services prices. We have already been able to make some improvements to the accuracy of our weights and will make more next year. We will also be trialling improved price collection procedures for mortgage arrangement fees, credit card fees for late payment and breaching credit limits, and bank fees for overdrafts and failed transactions.

As well as seeking greater statistical efficiencies, our future work will be increasingly influenced by ONS's Statistical Modernisation Programme. In particular, the introduction into the National Accounts of methods for estimating volumes that directly compare the deflated supply and use for each product will lead to more direct confrontation of consumer and producer price indices. In addition, any moves towards a more flexible price index computer system will make alternative aggregation methods possible. We have already done some work matching our item indices to the product categories that will be used for estimating volumes. In the year to come, and subject to resources being available, we will match information on producer prices, consumer prices, our household scanner data and ONS data on the volume of retail margins to assist in identifying and reconciling discrepancies between them. As a side benefit, we will also use our scanner data to examine the appropriateness of using our base-weighted price indices as proxies for current-weighted national accounts deflators.

Another article will appear next year to record progress.

#### Notes

1. In both cases it was found that the actual price ratio for disappearing and replacement products was similar to the ratio of the value of the attributes of those products as given by their hedonic equations and so the gains from hedonic quality adjustment were not worth the extra

resources it would require. See Wingfield and Fenwick 2005 for details of the application of hedonic quality adjustment in the UK CPI and ILO 2004 Chapter 21 for more a more detailed look at the theory.

2. An 'item' is the lowest level grouping of products and corresponds to the elementary item concept described in the ILO's Consumer price index manual (ILO 2004). We use the term 'product' to refer to something for which a fully comparable price can be collected for several months. For example Men's formal shirt (long-sleeved)' might specify an item, but a product specification would include brand, cut, material, product number, and any other information necessary to ensure the price was being collected for exactly the same shirt. Item specification is decided centrally and local price collectors then choose products that meet these specifications.
3. This sampling frame omits retailers too remote to form part of any feasible collection zone.
4. Local price collection is currently carried out using a bespoke collection programme running on Psion organisers. These have reached the end of their working lives and are being replaced with new handheld PCs and new software.

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Wingfield and Fenwick (2005) Methodological improvements to the Retail Prices Index and Consumer Prices Index from February 2005. *Economic Trends* No. 616 pp 75–80. Available at [www.statistics.gov.uk/cci/article.asp?ID=1058](http://www.statistics.gov.uk/cci/article.asp?ID=1058)

International Labour Organisation (2005): Consumer Price Index Manual Theory and Practice. Available at [www.ilo.org/public/english/support/publ/xtxtls.htm#b699x](http://www.ilo.org/public/english/support/publ/xtxtls.htm#b699x)

# Survey-based measures of software investment in the UK

Adrian Chesson and Graeme Chamberlin

Office for National Statistics

This article summarises work carried out by the Office for National Statistics (ONS) during 2005 to improve estimates of software investment, which makes up an increasing proportion of capital formation in National Accounts. The study has provided new estimates of own-account software investment; proposes an integrated approach to using surveys on software purchased by firms, and identifies areas in financial services and government where better data are required.

Results from this project are being considered as part of the revisions process for *Blue Book 2007*, and have also been shared with Eurostat. The announcement of changes is consistent with the *National Statistics Code of Practice Protocol on Revisions* that specifies methodological change should be announced before the release of statistics based on the new methods.

## Introduction

The 1993 System of National Accounts (SNA93) recommended that purchases of software and any own-account production should be capitalised as long as the acquisition satisfied conventional asset requirements. Computer software that an enterprise expects to use in production for more than a year should be treated as an intangible fixed asset rather than as intermediate consumption. The motivation for capitalising software acknowledges the important 'asset' characteristics of software and its contributions to productivity and economic growth, which are increasingly evident from firm-level studies (OECD 2004, Sadun 2005).

This article describes recent work carried out at the ONS to capitalise software in line with the SNA93 requirements. Firstly, the article covers the current treatment of computer software in the National Accounts. It then describes:

- progress towards new estimates for own-account software using employment surveys
- purchased software estimates from integrating multiple surveys

The methodology in both follows international guidance from the Eurostat and OECD Computer Software task forces. A summary of the main issues resulting from the task force and its possible implications is presented in Ahmad (2003).

The results from applying OECD methodology for own-account software by supply-side estimation for the UK are:

- a substantial increase in the overall UK estimate for own-account software supply
- a distribution across 123 industries that reflects reported employment patterns and compensation for occupational categories contributing to software and database creation
- allocation of own-account software between institutional sectors that reflects compensation of employees

New estimates for purchased software and computer hardware using an integrated dataset compiled from all available purchase surveys and a new estimation process show:

- a modest increase in purchased software investment estimates (compared to the Blue Book 2005)
- broad confirmation of existing estimates for hardware

The estimates from this work show a rise in total software investment as a proportion of GDP in 1999 from 0.8 per cent to 1.8 per cent. Within this, own-account software would be 1.0 per cent of GDP and purchased software would constitute 0.8 per cent. These revisions result from using a supply-side approach to



measure own-account software investment, and a wider use of surveys for the estimates of purchased software. In 2003, total software investment is 1.9 per cent of GDP, with own-account and purchased investment constituting 1.2 and 0.7 per cent respectively.

A more detailed report on this work can be found at [www.statistics.gov.uk/downloads/theme\\_economy/measures\\_of\\_software\\_investments.pdf](http://www.statistics.gov.uk/downloads/theme_economy/measures_of_software_investments.pdf)

## Background to current estimates

For several years ONS has been aware that its software estimates in National Accounts do not meet international best practice. Attention was drawn to the problem in the OECD's *Information Technology Outlook 2004* (see Appendix), in which earlier UK data (from 1999) was used to show:

- a comparatively low level of UK software investment as a proportion of GDP
- a very low proportion of software production in the UK appearing as capital investment

Although substantial improvements were made to purchased software in the UK National Accounts in 2005, there remain methodological issues to resolve in the estimation of both purchased and own-account software in the National Accounts.

## Purchased software

Estimates of software investment in the UK are produced through compiling the annual current price Input-Output Supply and Use tables. More detail of the Input-Output process is available at [www.statistics.gov.uk/inputoutput](http://www.statistics.gov.uk/inputoutput)

There are a number of sources providing information from the supply side, including PRODCOM and the Annual Business Inquiry (ABI), covering output of each industry by product, as well as distributors' trading margins and taxes (less subsidies) on products. These supplement the data covering imports of goods and services.

On the demand side, sources provide data on intermediate consumption for each industry; household final consumption expenditure (HHFCE); government consumption; gross fixed capital formation (GFCF); inventories; and exports of goods and services, all by type of product.

The identities in the Input-Output Supply and Use tables framework are balanced as a time series. Some data sources are treated as better quality and more reliable than others. The main ONS data sources used are:

- *The ABI*, which collects detail on both current expenditure and capital expenditure from businesses on the same survey form (sample of around 75,000). This shows how businesses treat their purchases of goods and services, and what enters their balance sheets. It is used to benchmark the quarterly GFCF industry estimates. Since 2000 it has asked firms for software expenditure, and identifies own-account investment, although this is not directly used in compiling National Accounts estimates.
- *Quarterly Capital Expenditure Survey*, started in 2001, which collects an investment breakdown by industry

(sample of around 32,000 businesses), including IT hardware and software (although until recently this breakdown has not been reflected in National Accounts).

- *Business Spending on Capital Items Survey* (BSCI), which started in 1999 and collects detail for each industry by product type including hardware and software (sample of around 2,500 businesses).

In addition, the Bank of England's investment surveys to banks collect data on traditional assets such as buildings, vehicles, plant and equipment. This is then split into plant, hardware and software in the input-output process using proportions derived from a telephone survey.

For hardware and software, businesses do not capitalise software purchases in their accounts in the same way SNA93 and ESA95 define capitalised assets. As a result, GFCF may be under-recorded and intermediate consumption over-recorded, when compared to any supply-side based allocation.

Within the estimates of GFCF, there is a small adjustment related to the ESA95 change of capitalising purchased software. This is designed to estimate the amount of purchased and own-account software that firms failed to report in their survey returns and is explained in detail in Rizki (1999).

Investment data for the public sector is relatively scarce in comparison to the non-financial business sector. A measure of software investment is captured in overall public investment and apportioned out using historical assumptions.

## Own-account software estimation

ONS estimates of own-account software included in National Accounts to date are based on a formula developed by Rizki (1999), which approximated the value of work done in firms and government on writing software and building databases, and expressed it as a fixed proportion of overall software investment by institutional sector. This formula was based on a historic demand-side survey, and has been 'rolled forward' over five years without recalibration. It is recognised to be a significant understatement of work actually done by firms in-house.

## Revision to 2005 UK National Accounts

The revision to the 2005 UK National Accounts for the year 2002, increasing total computer software capitalised from around £5 billion to £8 billion, is based on making greater use of the capital expenditure surveys providing product detail, in particular the BSCI. The revisions in the 2005 UK National Accounts have been taken back to the year 1992.

## New estimates for own-account software

Own-account software is described as software produced in-house and not destined for final sale. This can also include the production of any software original intended for subsequent reproduction. Without a market price it is hard to value explicitly, and thus to measure accurately using normal business investment surveys.



The OECD recommends that own-account software investment be measured implicitly by its costs of production, that is, a supply-side approach. Because own-account software tends to be uniquely there is no scope for scale economies from mass production and as it is not sold for profit, no margin is attached. Hence, the value of own-account software is unlikely to differ from its basic cost.

The value of own-account software from costs of production is calculated as follows:

Wage costs of labour working on own-account software production

*plus*

Non-wage labour compensation

*plus*

Non-labour costs

*multiplied by*

Adjustments for time spent on other activities

*multiplied by*

Sales adjustment

*equals*

Value of own-account software

This methodology has already been applied to the UK by Waldron (2002) and this analysis updates the earlier work. The same methodology is again applied here, but following consultation with representatives from the software industry through its trade association Intellect UK, some assumptions have been updated.

Each step in this methodology is now explained in more detail:

#### a. Wage costs of labour working on own-account software production

The first step is to calculate the total wage costs of occupations involved in production of own-account software. According to the OECD these should cover Standard Occupational Classification 2000 (SOC2000) codes 2131 (IT strategy and planning professionals) and 2132 (software professionals).

The Intellect UK consultation indicated that a wider range of occupations engage in own-account software development than the two identified by the OECD, as shown in Table 1. It was also agreed that many other occupations were likely to engage in software development, but it would be difficult to consistently evaluate the size of this contribution. Broadening the scope of the OECD task force report is therefore appropriate.

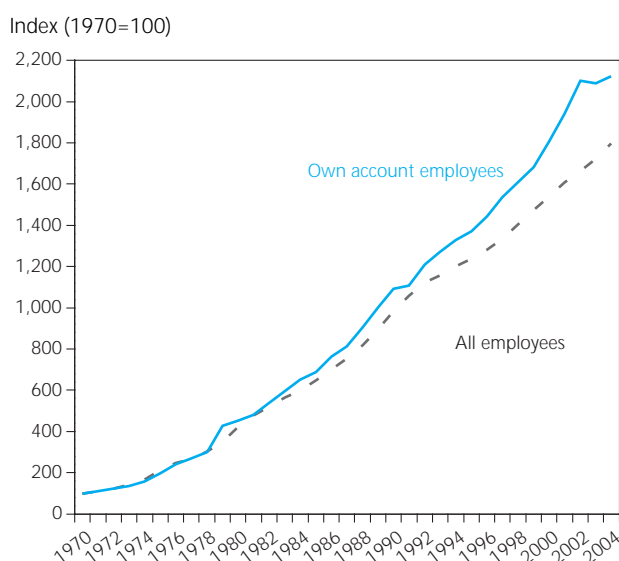
The Annual Survey on Hours and Earnings (ASHE) gives a breakdown of earnings by both occupation and industry, used to provide data on wage levels. The ASHE survey is new, with data availability only from 1998. The predecessor to this survey was the New Earnings Survey (NES) for which data exist back to 1970.

Figure 1 shows a comparison of average earnings indices for the occupations involved in own-account software production against the whole economy average. It is clear that software employees have done better than average in terms of earnings growth, and particularly so since the second half of the 1990s.

Table 1  
Own account – choice of occupational categories

Occupation code	Responsibilities	Related job titles
1136: Information and communication technology managers	Plan, organise and direct work necessary to operate and provide ICT services, to maintain and develop associated network facilities and to provide software and hardware support.	Computer manager, computer operations manager, data processing manager, IT manager, systems manager, telecom manager
2131: IT strategy and planning professionals	Provide advice on the effective utilisation of information technology in order to solve business problems or to enhance the effectiveness of business functions.	Computer consultant, software consultant
2132: Software professionals	Responsible for all aspects of the design, application and development, and operation of software systems.	Analyst-programmer, computer programmer, software engineer, systems analyst, systems designer
3131: IT operations technicians	Responsible for the day-to-day running of computer systems and networks including the preparation of back-up systems, and for performing regular checks to ensure the smooth functioning of such systems.	Computer operator, database manager, IT technician, network technician, systems administrator, web master
3132: IT user support technicians	Responsible for providing technical support, advice and guidance for customers or IT users within an organisation, either directly or by telephone, e-mail or other network interaction.	Help desk operator, helpline operator (computing), IT helpline support officer, support technician (computing), systems support officer
4136: Database assistant/clerks	Create, maintain, preserve and update information held in electronic databases, computer files, voice mailboxes and e-mail systems.	Computer clerk, data entry clerk, data processor, VDU operator
5245: Computer engineers, installation and maintenance	Install, maintain and repair personal computers, mainframe and other computer hardware.	Computer engineer, computer maintenance manager, computer service engineer, computer service technician

Figure 1  
Average earnings



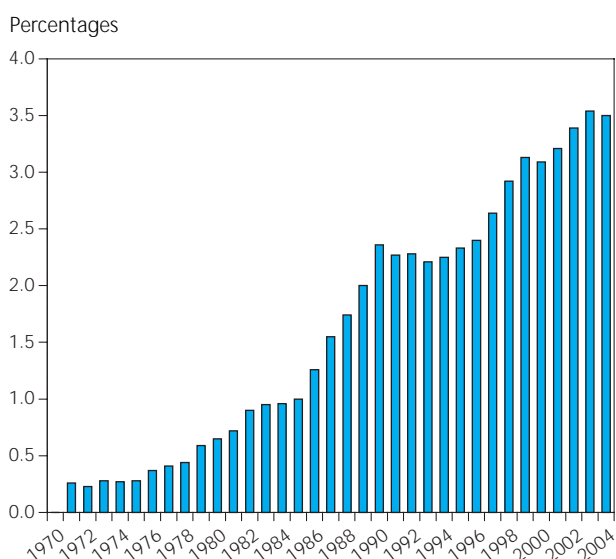
ASHE was also used for employment data. Thus wage and employment data come from the same source, so coherent estimates can be produced. As there are no ASHE data prior to 1998, a consistent data series back to 1970 has been constructed using LFS data.

Figure 2 shows that employment in own-account software-producing professions as a percentage of total employment has risen steadily over the years, reflecting the increasing use of IT throughout the economy. As wages have also risen faster in these occupations, own-account software investment as a proportion of GDP has risen, in certain periods quite rapidly.

#### b. Non-wage compensation

A uniform non-wage compensation ratio of 0.35 is applied across all the relevant occupations in all industries. For each £1 spent on wages, an additional 35p is spent on additional non-wage compensation, estimated from the ABI using the

Figure 2  
Employment in own-account production as a percentage of total employment



Software Consultancy and Supply industry ((SIC92) code 72.2). The Intellect consultation accepted this figure as a good estimate.

#### c. Non-labour costs

Estimates based on the ABI show that, for each £1 spent on labour producing own-account software, a further 80p is spent on other goods, services and taxes/levies/duties. This ratio was accepted by the Intellect consultees.

#### d. Time adjustment

Employees involved in producing own-account software also spend time on other tasks, such as maintenance, administration and management. A time adjustment is necessary to reflect this; otherwise the labour input into own-account software development would be considerably overestimated.

Consultees advised that software professionals, mainly developers, would spend the majority of their time creating software whilst managerial and administrative levels would contribute indirectly and a lesser proportion of time. The results are shown in Table 2.

Table 2  
Approximate percentage of time spent on software development or related activities

SOC	Occupation	Proportion (%)
1136	Information and communication technology managers	15
2131	IT strategy and planning professionals	35
2132	Software professionals	70 (50)
3131	IT operations technicians	20
3132	IT user support technicians	15
4136	Database assistants/clerks	5
5245	Computer engineers, installation and maintenance	5

These estimates were accepted and applied with one exception. Software professionals (occupation 2132) were reported to spend 70 per cent of their time on software development work. While this may be true for software professionals in the software industry, it could be an overestimate for this occupation in other industries (the Intellect participants were heavily drawn from the software industry). A lower value in line with the OECD and US approach of 50 per cent was applied for this occupation.

#### e. Sales adjustment

The definition of own-account software makes clear that it is developed in-house for in-house use. In the National Accounts, purchased software (whether pre-packaged or custom) is categorised separately. The possibility of double counting arises if own-account software is then sold, because it will be subsequently picked up in surveys on software purchases. This can be reduced by making a sales adjustment,

that is, denoting the share of the software professionals working in an industry that are producing software which is not sold.

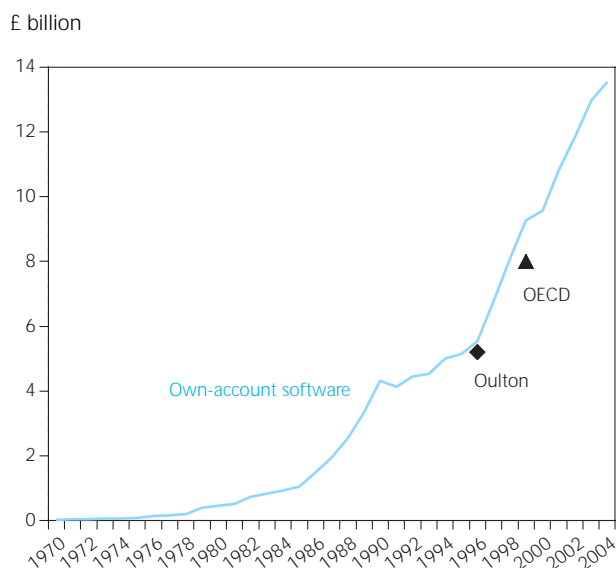
In the US, a sales adjustment is made in industries where software professionals constitute more than 2 per cent of total employment. A similar approach is taken in this work. In any industry where more than 2 per cent of those employed are software professionals (occupations 2131 and 2132 are used to be consistent with the US, and because these occupations spend a larger proportion of time on developing own-account software) a sales adjustment is made of  $2/(\text{ratio}\{\text{software: total employment}\} \times 100)$ .

If occupations 2131 and 2132 constitute less than 2 per cent of industry employment, no sales adjustment is made, and none of the own-account software is assumed to be sold. Intellect consultees suggest that the 2 per cent threshold is on the low side, implying that own-account software is underestimated. By raising this figure, sales adjustments would rise towards 1 for several industries. It was also noted that own-account software is unlikely to be sold where differentiation is important to generate a competitive edge, with financial services a key example. With this in mind, new estimates of own-account software investment can be considered conservative.

### Results for own-account investment

Our new own-account software investment series for 1970 to 2004 is shown in Figure 3. For comparison, the 'one-off' estimates produced by Oulton (2001) and OECD (Ahmad (2003)) have also been plotted.

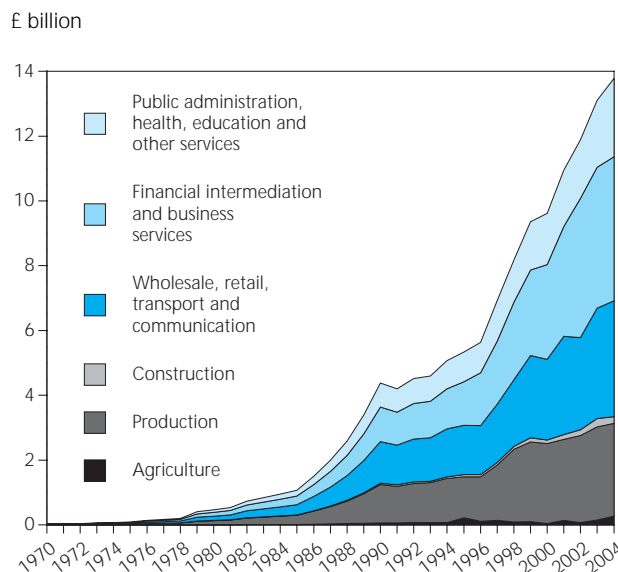
Figure 3  
Own-account software estimates



In nominal terms, own-account software investment has risen substantially since 1970, and particularly since 1995, reflecting increasing adoption of IT throughout the economy. The new constructed figures match the 1995 Oulton benchmark quite well, but lie about 20 per cent above the value calculated by the OECD in 1999, reflecting differences in occupations included.

Increases in own-account software investment have occurred across all industry sectors as shown in Figure 4, reflecting the increased pervasiveness of IT throughout the economy, but particularly in the financial and business services sector. It is the relatively high concentration of these industries in the UK which is thought to account for the fact that own-account investment in the UK is high as a proportion of GDP compared with other countries.

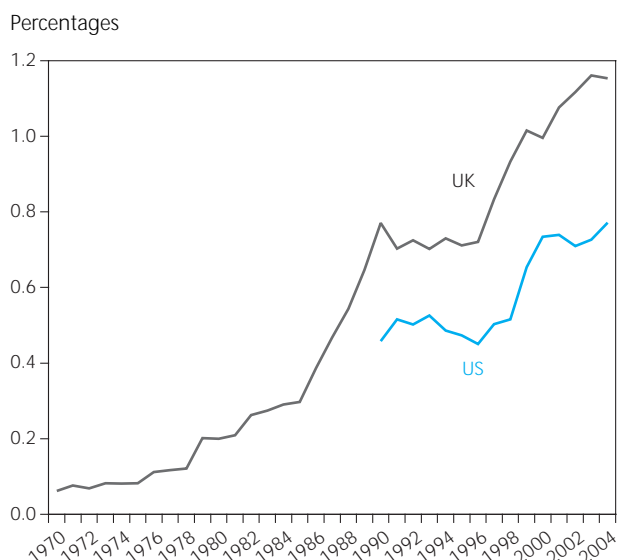
Figure 4  
Own-account software investment, by industry



### International comparisons of own-account software investment

Own-account software investment as a proportion of GDP for the UK and the US is plotted in Figure 5. Although both series display a similar pattern, it is clear that this investment is more significant in the UK than in the US.

Figure 5  
Own-account software investment as a percentage of GDP



One explanation may be that, as a proportion of the economy, industries involved in own-account production are more significant in the UK than the US. The UK has a high service sector component, especially in the banking and finance industries which employ large numbers of software professionals.

### New estimates for purchased software

Over 2004/05, the Department of Trade and Industry has funded a programme of micro-data research in ONS to develop firm-level estimates of purchased hardware and software, as the basis for estimating the effects of Information and Communication Technologies (ICT) on firm productivity. This has required detailed analysis of the ONS purchases surveys, and has led to a clearer view of their relative quality for estimating ICT investment. The work has then been extended to develop improved industry and economy estimates of software investment using all available survey sources.

ONS administers several surveys which pick up firm spending on software, used in this work. They are described earlier:

- Business Spending on Capital Items (BSCI)
- Quarterly Capital Expenditure (CAPEX)
- Annual Business Inquiry (ABI)

Estimates for purchased software investment are developed by amalgamating these three surveys at firm level (that is, by comparing and consolidating individual business responses to the three different surveys) to generate a combined dataset, and then grossing up to population totals. This approach has enabled us to produce detailed software estimates for the years 2001, 2002 and 2003, and the methodology developed can be applied in the years going forward.

### Combining and weighting the surveys

Weighted numbers are only available for sectors where there are business returns. The BSCI and CAPEX coverage is identical, with no coverage of SIC 05, 13 or 75, and only partial coverage of 65, 66 and 67. The ABI, however, covers 05, 13 and 75, and partially covers 65, 66 and 67.

The three surveys are combined in the following way, with the preferences between surveys based on correlations drawn across the datasets at firm level:

- All non-missing returns from the BSCI data are taken on board. Missing zeroes are easily identified and excluded from the dataset.
- The BSCI data is augmented with annualised CAPEX data. When there is an overlap the BSCI data is allowed to stand. However, where there is missing data in the BSCI and a CAPEX return then the dataset is augmented accordingly.
- The final step is to add the ABI data. If a business responds to all three surveys then the BSCI return is chosen. If there is neither a BSCI nor a CAPEX return however, the return from the ABI is added to the

combined dataset. ABI returns will overwrite CAPEX returns if the BSCI is missing and CAPEX is zero.

Combining the micro datasets is designed to make use of all available information unless we can say for certain that the value is missing and has not been imputed. The BSCI data stores both missing items and available data – but a return that is missing is easily identified. But the problem with CAPEX is that missing returns are coded as zeroes, and are indistinguishable from actual zeroes. The ABI only stores non-missing data. ABI imputations are preferred to CAPEX zeroes, but CAPEX imputations are preferred to ABI imputations. BSCI is preferred overall because we can identify true returns.

The weighting method to ensure unbiased estimates from the combined dataset is based on the sample frames for each, with allowance for response rates, and for the preferential use of data. A full account of the methodology and weighting structure is set out, with the results, in the longer version of this article.

The above three surveys only partially cover the banking and insurance industry (SICs 65, 66 and 67) and also the public administration, defence and social security industry (SIC 75). According to current published figures, in 2003 these industries represented approximately 18 per cent and 6 per cent respectively of total investment in purchased software. So unless corrected, the new methodology will significantly underestimate purchased software investment for these industries and the economy as a whole. We address this problem by scaling up our estimates for these industries for each year so that they represent the same share of total purchased software investment as published in the current input-output tables.

This, or some similar correction, will be required until better sources on these industries are available, either through surveys or via administrative data. The Bank of England plans to add IT investment questions to their survey of banks, and public sector data should be improved through the 'Whole of Government Account' approach which is being developed with HM Treasury, first to cover central government and then to be extended to local government and public corporations.

### Netting out own-account estimates

All three surveys ask firms to record software developed as own-account. However, it is only in the ABI that purchased and own-accounts are separately identified. Because the BSCI and CAPEX report the aggregate of the two, we are in danger of double counting unless this can be netted out of the purchased figures. This is simply done; proportions can be calculated from the ABI and applied to the BSCI and CAPEX at the SIC 4 digit level.

### Backcasting the data

The combined dataset covers only the most recent years (2001 to 2003) for which all three surveys are available. We have used a simple supply-side approach to backcast the data. An estimated series for the output of software by the domestic computer services industry (SIC 72 or I-O 107) can be derived by adapting our own-account methodology.

This is because the sales adjustment methodology gives a proxy of the amount of software that is produced for sale. This series is available back to 1970 and can be used as the basis of a backcast. The trend in the back series for purchased investment thus reflects employment and wages in the computer services industry.

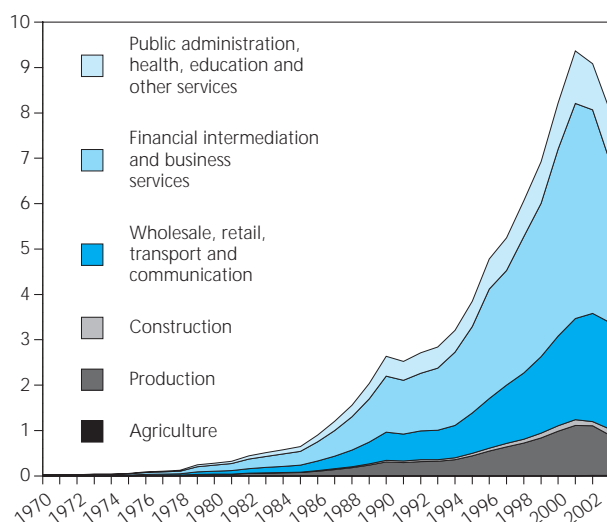
## Results

Figure 6 shows total purchased software investment broken down into the main industry components.

Looking at the industry split, financial intermediation and business services (which includes activities such as law,

Figure 6  
Purchased software investment, by industry

£ billion



accountancy, business and computer services as major IT investors) continue to be the largest users of purchased software.

Purchased software investment as a proportion of GDP is shown in Figure 7 along with the OECD benchmark and the corresponding data from the US. In terms of the OECD benchmark, our new estimates coincide very well. As a proportion of GDP, the series for the UK and US follow very similar trends but the ratio is generally higher in the US.

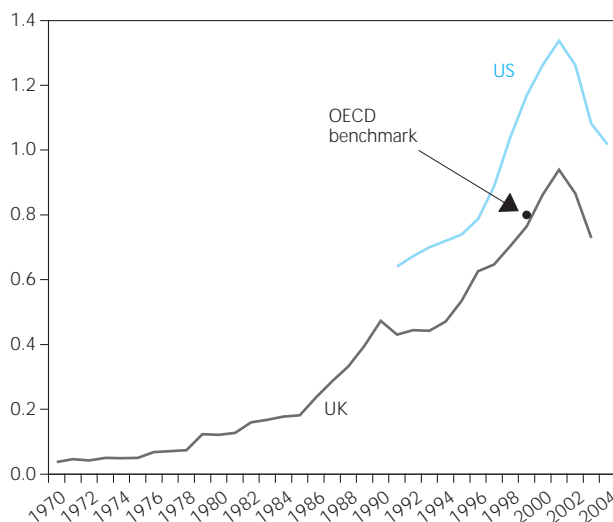
## Implications for GDP

The new estimates of purchased software investment will not change the level of GDP or any of its measures – output, expenditure or income. The only impact will be to change the composition but not the level of the existing GFCF numbers so that the share of plant and machinery falls and the share of software investment rises.

The new estimates of own-account software will change all three measures of GDP equally, as additions to output, income (through profits) and expenditure. Our new estimates suggest that this revision for 2003 will be approximately £10 billion in current price terms or just over 0.9 per cent of GDP.

Figure 7  
Purchased software estimates as a percentage of GDP

Percentages



## Supply and demand

To test the estimates developed using the revised purchased software methodology, they are compared below with measures of supply. OECD experience suggests that businesses spend a high proportion of their total expenditure on software that, under current SNA guidelines, should be capitalised. For this reason demand-side surveys based on end of year financial accounts may underestimate capital expenditure in comparison to supply-side estimates. But comparing the two still serves as a valuable benchmarking exercise.

Using information from three ONS demand-side surveys, we have calculated software investment as recorded by businesses, and from the computer services industry we have information on software and computer services provided. This information has been augmented with various other sources listed below.

Sources used for demand-side estimates:

- a combination of all three investment surveys, for the non-financial sector
- financial sector data imputed, using non-financial sector data, to maintain proportionality in I-O tables
- Kable market data (a private sector survey) for the government sector
- household purchases of software from the Expenditure and Food Survey, the UK's main source on family expenditure

Supply-side estimates are calculated using the commodity flow approach, adjusting for tax margins, subcontracting and international trade in software. The sources of information used are:

- SIC 72's software output in 2000 is taken from the Computer Services Survey (CSS) and provides an estimate for software provision in the UK



- aggregate figures for trade in software are taken from the International Trade in Services Survey (ITIS)
- Sales of software by other industries are calculated using the own-account methodology highlighted above. This figure provides a total for the sales adjustment applied to industries outside SIC 72. The precise destination of these sales is indeterminate. This is software that may be indirectly provided as part of a 'complete service package', produced for use by subsidiaries or international affiliates, exported or even sold. This figure is not included directly in the balancing exercise but is provided as an indicator of the relative size of this activity.

Supply-side estimates of purchased computer software (net of own-account production) are taken from the CSS conducted in 2000. This survey was administered as a pilot for a study into the feasibility of SERVCOM (Prestwood 2001). In keeping with PRODCOM methodology various service 'products' for the Computer Services Industry (SIC 72) were identified and revenue information by product collected.

Of the 18 service products listed in the SERVCOM Inquiry, seven categories have a significant impact on investment. Development of custom-built software, packaged application software (including software licences) and non-application software have been included in their entirety. As a result of survey design, supply of software is recorded as wholesaling and has been included. These service products account for 23 per cent of all activity within SIC 72.

Computer Systems Integration is included in its entirety. The category covers the creation of a complete system and encompasses software design and provision, installation and consultancy. Consultees indicated that business returns are likely to contain Computer Systems Integration services, even if they are under-recorded.

Another category considered for inclusion in our estimates is IT consultancy, hardware and software. While hardware consultancy is universally treated as intermediate consumption, there are wide discrepancies internationally as to how software consultancy is classified. Current OECD guidelines suggest software consultancy should be treated as investment if it is an input to own-account production or involves systems analysis and programming services in software to be used in production for more than one year. Published figures from UK investment surveys include expenditure on software consultancy. In order to facilitate comparison between demand- and supply-side estimates, we have made adjustments to IT consultancy to single out the software component. Intellect suggested that at least 70 per cent of IT consultancy was related to software and should be capitalised.

Database design and development, under ESA95 recommendations, should be recorded as investment. This specific service is contained within a broader service type 'Electronic Information Services' that also includes other non-investment categories. It has proved difficult to single out turnover from database development, and although it will affect investment, we have excluded it from the analysis.

Table 3 below outlines the main software demand and supply components for 2001. Kable data for government demand are used in this comparison because they are the most comprehensive survey-based estimate that exist, and are market tested. Kable data are not available for 2001, so data for the next year have been used. Since it is likely that purchased software by these sectors was lower in 2001 than in 2002/03, the demand figure of £12.4 billion could be viewed as an upper estimate.

Table 3  
Supply and demand of software in 2001

Demand	£bn	Supply	£bn
Non-financial sector	7.4	By computer services industry (SIC 72)	12.4
Financial sector	1.9	Imports /less exports <sup>3</sup>	(1.4)
Government purchases <sup>1</sup>	1.9		<b>11.0</b>
Household purchases <sup>2</sup>	1.2	By other industries	2.5
Total	<b>12.4</b>		<b>13.5</b>

1 Data for 2002/2003 taken from Kable research

2 Expenditure and Food Survey (EFS) 2001

3 ITIS 2001

The numbers should be treated with some caution; direct comparison across sectors is difficult due to differences in definitions, methodologies and years for which data are available. The analysis however suggests that better use of UK demand-side surveys and the resulting revisions help to bridge existing discrepancies between supply and demand estimates.

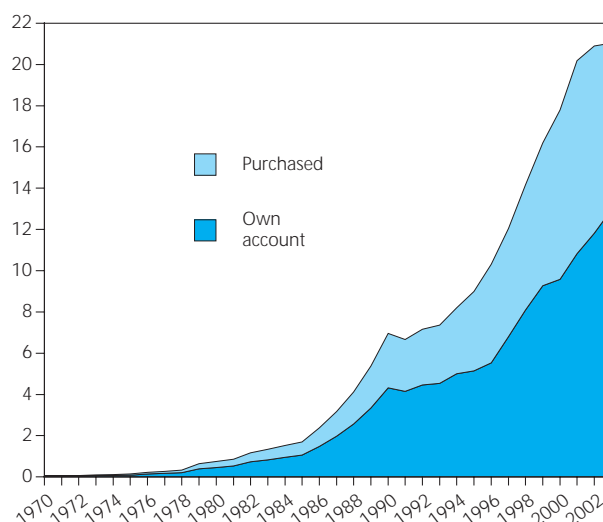
## Total software investment

New estimates for both own-account and purchased software investment, from survey sources which cover more than is currently used in National Accounts, have been created. Figure 8 plots the overall measure of UK software investment in current prices from 1970 to 2003.

The same data as a proportion of GDP are shown in Figure 9, compared to that in the US. The UK figures are

Figure 8  
Total software investment

£ billion

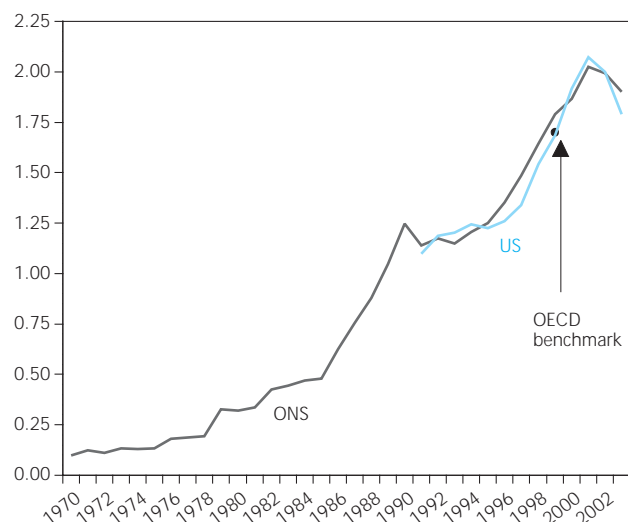




slightly higher – attributable to the relatively high degree of own-account software in the UK. The OECD task force estimated a 1999 benchmark figure for the UK of 1.7 per cent; the new figure of 1.8 per cent is similar, and again the difference is attributable to our higher estimate of own-account capital formation.

Figure 9  
Software investment as a percentage of GDP

Percentages



## Deflators

A deflator is an index which describes the change in the price of a good or service over time. Constructing deflators for goods where the specifications change quickly is difficult. Here, the observed price change consists of a pure price change and a quality change. For the purpose of deflation it is only the pure price change that is required, but this is an unobserved variable. Where measured price change equals the sum of quality change and pure price change, the pure price change can be extracted from measured prices by adjusting for quality changes. This is particularly relevant in the ICT sector of the economy, where there have been rapid advances in the capabilities and characteristics of goods.

At present, total software investment in the UK National Accounts is deflated with an average earnings index for the computer services industry with a 3 per cent productivity adjustment since 1996. Although this approach is fairly common around the world, it is short of international best practice and the recommendations of the OECD task force.

### Own-account software deflators

The international standard for own-account software is to use an average earnings index as the basis for a deflator. If the average earnings index for the occupations identified as being involved in the production of own-account software was used, then the real measure would simply reflect the physical labour input (that is, total employment adjusted for time and sales assumptions).

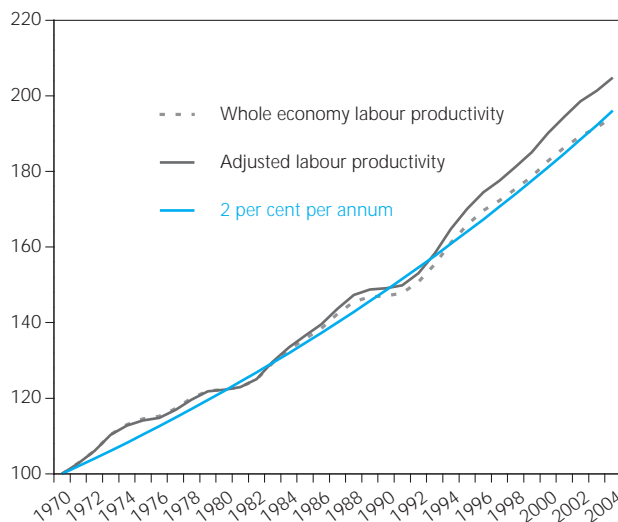
Applying the average earnings index though assumes that there is no labour productivity growth. A productivity adjustment to the average wage index would capture the

improvements in the innate ability of software writers and the quality of the capital goods (computer hardware) they use.

Three different productivity adjustments are shown in Figure 10. The first assumes a constant growth in the level of productivity of 2 per cent per year. The second uses the whole

Figure 10  
Labour productivity for own-account workers

Index (1970=100)



economy labour productivity measure – it can be seen that the constant 2 per cent rule is actually a good approximation of this.

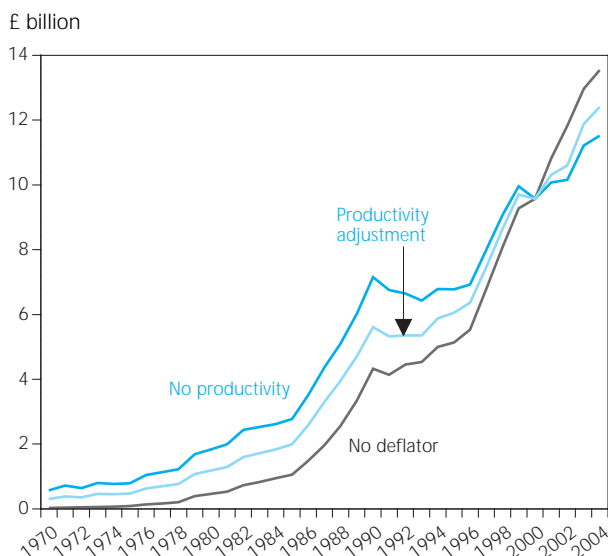
Our preferred approach is to adjust the whole economy labour productivity measure using the ratio of the average wage index of own-account and total employees from Figure 1. This imposes the assumption that wage differentials equal the gap in productivity. During the late 1990s wages grew faster for own-account occupations than for the rest of the economy as a whole. Although wages and productivity may differ from each other in the short run, it is rational to believe that in the longer run wages and productivity will be tied to each other. The adjusted productivity index is therefore designed to try and measure the productivity of the occupations involved in own-account development.

Figure 11 plots three own-account series. The first is the nominal series displayed in Figure 3. Next is a real measure where the nominal series has been deflated by the average wage index – these real estimates imply no zero productivity growth. The third measure is the constant price series using the adjusted productivity series from Figure 10. The average annual growth rate of the adjusted productivity series is 7.4 per cent between 1971 and 2004.

### Purchased software deflators

The aim of a price index is to capture the pure price movement in a good or a service. This becomes harder when observed price changes also reflect quality changes, as is the case for computer software. There are a number of ways in which a quality adjustment can be made to a series, ranging from judgemental changes, to hedonic regression approaches.

Figure 11  
Real own-account software investment  
(2000 prices)



Hedonics methods are generally accepted as international best practice for computer software. But they are difficult to produce without access to a dataset which consists of a detailed description of software characteristics and prices over time. The US software price index is considered to be the most methodologically sound – being based on hedonic and matched-model estimates for price changes. The OECD task force recommends that adjusting the US deflator for pre-packaged software is a good short-term approach to designing a deflator and this practice is currently used or has been used by several statistical organisations around the world. It is the approach we advocate here. Another strong rationale for this approach is of course that much software is currently produced in the US.

Where we differ from the OECD recommendation is how the US deflator (designed to estimate US dollar changes) can be adapted to a UK deflator (designed to measure sterling price changes). The approach proposed by the task force is to use the exchange rate. However, nominal exchange rates tend to be volatile, particularly in the short run, and this can adversely affect the quality of the deflator. An alternative method is to simply adjust using relative prices.

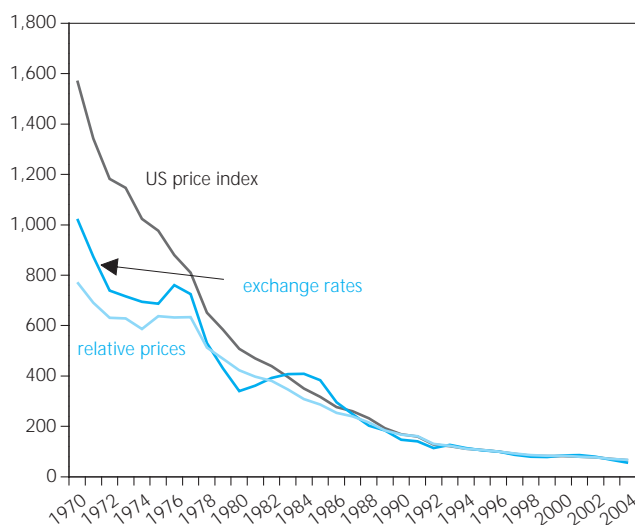
The theory of purchasing power parity (PPP) argues that the nominal exchange rate adjusts in the long run to equalise prices of the same commodity around the world – hence it is known as the law of one price. The upshot is that the nominal exchange rate should just reflect relative prices,  $E = PUK/PUS$ . So if US prices rose (fell) relative to UK prices the pound would be expected to appreciate (depreciate) against the dollar. Because prices tend to be more stable than exchange rates, using relative prices will produce a smoother and more reliable series.

Figure 12 plots the original US price index for pre-packaged software, and adjusted series based on exchange rates and relative prices.

Our estimates of purchased software consist of both pre-packaged and custom software. Therefore, the usual approach is to produce a deflator that is a mixture of the pre-packaged

Figure 12  
US pre-packaged software deflator

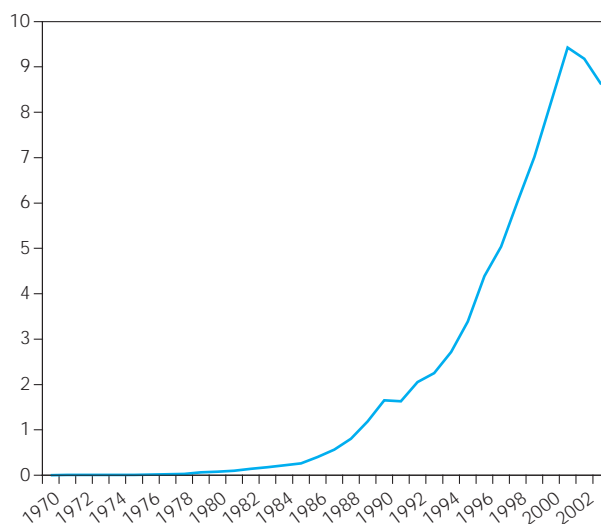
Index (2000=100)



and own-account deflators. The 1999 SERVCOM survey gives us an indication as to the relative proportions of each type in total purchased software investment, and using this we combine the pre-packaged and own-account deflators together in a 2:1 ratio. Real or constant price (2000 prices) estimates are generated using this deflator and plotted in Figure 13.

Figure 13  
Real (2000 prices) purchased software investment

£ billion



### Further work

This article describes ONS work to estimate software investment in fulfilment of the SNA93 requirement to capitalise software in the National Accounts. This has involved a review of current methods and sources with the aim of making UK measures consistent with international best practices.

Further work is required on purchased software investment in the banking and insurance sectors and the public sector where current survey coverage is weak. Estimates should become available from a redesigned survey covering monetary

financial institutions conducted by the Bank of England. This will replace the historical proportions used presently. In addition, data collected on the Whole of Government Accounts should provide estimates for computer software for the whole of the public sector.

The work described in this article has produced preliminary estimates for own-account and purchased software investment. It is being taken forward by National Accounts and considered as part of the revisions process.

## Acknowledgements

We are grateful for the contributions of Shikeb Farooqui (ONS, University Pompeu Fabre) and Nicola Mai (formerly ONS) to this project. We would also like to thank Nick Oulton (LSE) for his comments.

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## Appendix

### Extract from OECD Information Technology Outlook 2004

#### Estimates of investment in software

The capitalisation of software was recommended in the latest system of National Accounts (SNA93). The impact of this change on GDP estimates has varied significantly across countries (Figure A1) and is difficult to explain. Denmark for example has software investment three times that of the UK (as a percentage of GDP) but a software industry only two thirds the size (as a percentage of GDP). A joint OECD-Eurostat task force<sup>1</sup> on software established that measurement differences could explain much of this variance. Figure A2 illustrates these differences, by comparing the ratio of capitalised computer services to total business expenditure on computer services. *A priori* one would expect ratios to be similar across countries but this is not the case. For example, for one unit of expenditure on computer services, less than 5 per cent is capitalised in the UK, compared to nearly 40 per cent in Denmark. One of the main reasons for these differences is the treatment of packaged software (a significant component of computer services). In the UK, for example, hardly any packaged software is capitalised but most is in many other countries.

Significant differences also occur in other areas, for example, the methods used to estimate software produced in-house for own-use (own account production). Japan, for example, does not currently capitalise any own account software, which tends to be over 0.5 per cent of GDP in other comparable economies.<sup>2</sup>

#### Notes

1. The final report from the task force is available at [www.oecd.org](http://www.oecd.org)
2. See Ahmad (2003) *Measuring investment in software*. STI Working Papers, 2003/6.

Figure A1  
Investment in software, percentage of GDP

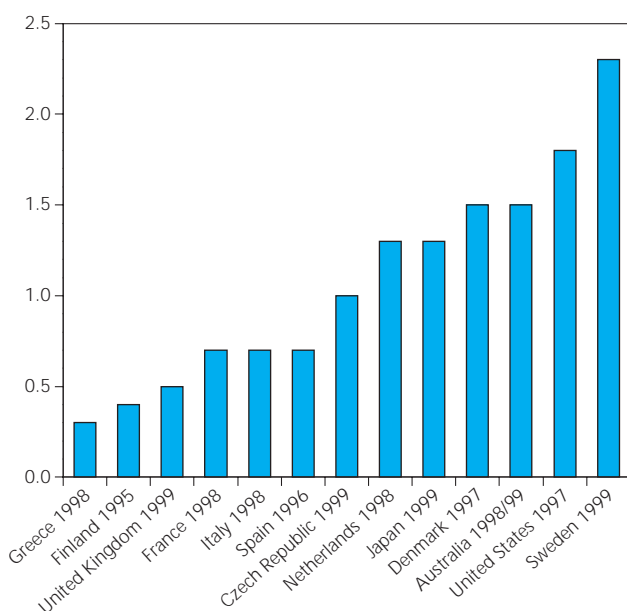
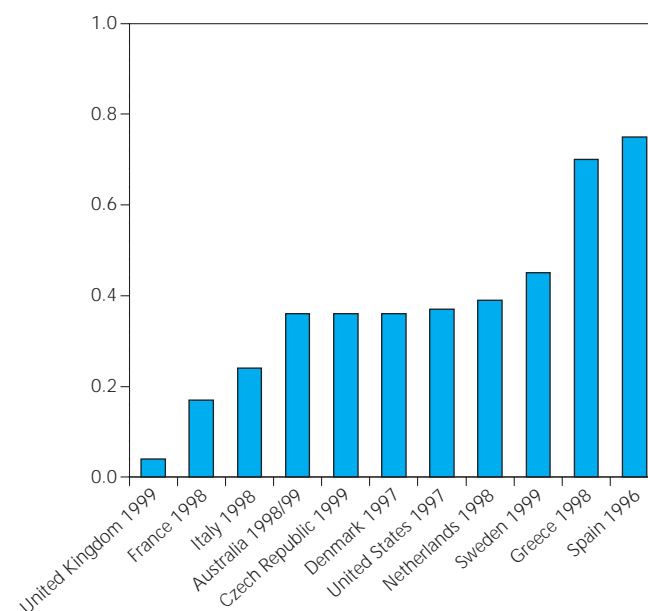
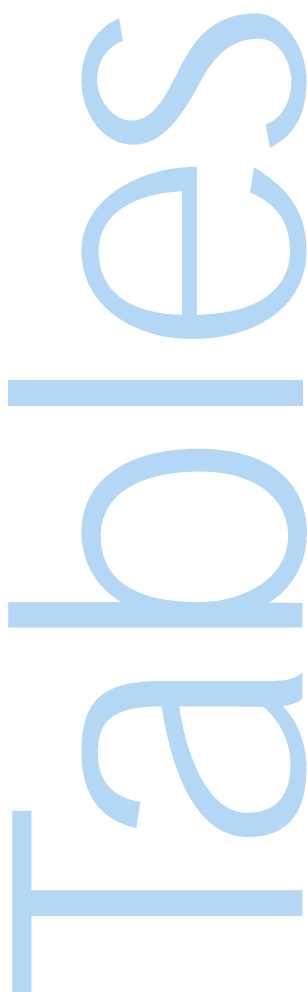


Figure A2  
Investment ratios for purchased software





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## Notes to tables

### Identification codes

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

### Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 1 February 2006.

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 153
- † data have been revised since the last edition; the period marked is the earliest in the table to have been revised
- \* average (or total) of five weeks

## National Statistics Online

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

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

### Time Series Data

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

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

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



# 1.1 Selected monthly indicators

Seasonally adjusted unless otherwise stated

		2004	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2006	%Change <sup>13</sup> Latest 3 months avg over previous 3 months
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Output – chained volume measures (CVM)</b> (2002 = 100 unless otherwise stated)															
Gross value added at basic prices	CGCE	105.6	..	106.6	107.2	107.6	..	..	..	..	..	..	..	..	0.4
Industrial production	CKYW	100.3	98.7	99.2	99.1	98.6	98.0e	97.4	98.1	..	..	..	..	..	-0.7
Oil and gas extraction	CKZO	86.2	..	81.2	81.4	74.5	..	74.2	73.6	..	..	..	..	..	-1.2
Manufacturing	CKYY	101.9	101.3	101.5	101.3	101.6	100.8e	100.5	101.0	..	..	..	..	..	-0.8
Construction	GDQB	108.7	110.3	109.8	110.1	110.6	110.9	..	..	..	..	..	..	..	0.3
Car production (thousands)	FFAO	137.2	134.1	138.4	131.7	138.9	127.5	125.1	131.7	125.6	..	..	..	..	-8.2
<b>Domestic demand</b>															
Retail sales volume (2000 = 100)	EAPS	123.5	126.0	125.1	125.7	126.3	128.3	127.3	128.4	129.0	..	..	..	..	1.6
GB new registrations of cars ('000s) <sup>1</sup>	BCGT	2598.8	2443.3	697.9	594.4	677.1	473.9	153.9	160.8	159.2	..	..	..	..	-30.0
Manufacturing change in inventories (£m, CVM, reference year 2002)	DHBM	-873	..	540	-244	-1	..	..	..	..	..	..	..	..	..
<b>Prices (12 monthly % change)</b> <b>and earnings (3 month average)</b>															
Consumer prices index <sup>1</sup>	CJYR	1.3	2.1	1.7	1.9	2.4	2.1	2.3	2.1	2.0	..	..	..	..	..
Retail prices index <sup>1</sup>	CZBH	3.0	2.8	3.2	3.0	2.8	2.4	2.5	2.4	2.2	..	..	..	..	..
Retail prices index <sup>1</sup> (less MIPS) <sup>2</sup>	CDKQ	2.2	2.3	2.2	2.2	2.4	2.3	2.4	2.3	2.0	..	..	..	..	..
Producer output prices (less FBTP) <sup>3</sup>	EUAA	1.9	2.1	2.5	2.4	2.2	1.4	1.3	1.3	1.6	..	..	..	..	..
Producer input prices <sup>4</sup>	EUAB	3.9	11.7	10.6	9.9	12.8	13.1	9.1	13.4	17.2	..	..	..	..	..
GB average earnings –whole economy <sup>5</sup>	LNNC	..	..	4.5	4.1	4.1	..	3.6	3.4	..	..	..	..	..	..
<b>Foreign trade<sup>6</sup></b> (2002 = 100 volumes unless otherwise stated)															
UK balance on trade in goods (£ million)	BOKI	-60414	..	-15746	-14747	-16986	..	-5050	-5966	..	..	..	..	..	..
Non EU balance on trade in goods (£ million)	LGDT	-29590	..	-7953	-6321	-8271	..	-2281	-3019	..	..	..	..	..	..
Non EU exports of goods (excl oil & erratics)	SHDJ	113.2	..	114.9	134.0	132.9	..	140.1	133.3	..	..	..	..	..	2.7
Non EU imports of goods (excl oil & erratics)	SHED	116.4	..	117.9	121.4	120.3	..	119.4	122.4	..	..	..	..	..	2.0
Non EU import & price index (excl oil) <sup>7</sup>	LKWQ	94.7	..	95.9	97.2	99.2	..	100.6	101.4	..	..	..	..	..	..
Non EU export & price index (excl oil) <sup>7</sup>	LKVX	96.4	..	97.1	97.6	98.3	..	99.0	99.4	..	..	..	..	..	..
<b>Labour market and productivity</b> (2002 = 100 unless otherwise stated)															
UK claimant unemployment (thousands)	BCJD	853.6	861.4	820.9	853.8	870.0	900.8	891.5	901.9	909.1	..	..	..	..	3.5
UK employees in manufacturing (thousands)	YEJA	3255	3132	3168	3132	3106	..	3094	3089	..	..	..	..	..	-0.7
Whole economy productivity <sup>8</sup>	LNNN	103.8	..	104.2	104.5	104.6	..	..	..	..	..	..	..	..	0.1
Manufacturing productivity <sup>8</sup>	LNXX	111.0	..	112.9	114.0	115.3	..	114.6	115.4	..	..	..	..	..	-0.1
Unit wage costs –whole economy	LNKK	103.5	..	105.9	106.1	106.5	..	..	..	..	..	..	..	..	0.4
Unit wage costs –manufacturing	LNKQ	96.7	..	97.4	96.5	97.5	..	98.4	97.9	..	..	..	..	..	1.6
<b>Financial markets<sup>1</sup></b>															
Sterling ERI (1990=100)	AGBG	104.1	103.3	102.9	104.3	102.9	103.2	103.1	103.2	103.3	..	..	..	..	0.3
Average exchange rate /US \$	AUSS	1.83	1.82	1.89	1.86	1.78	1.75	1.76	1.73	1.75	..	..	..	..	-2.1
Average exchange rate /Euro <sup>9</sup>	THAP	1.47	1.46	1.44	1.47	1.46	1.47	1.47	1.47	1.47	..	..	..	..	0.5
3 month inter-bank rate <sup>10</sup>	HSAJ	4.81	4.57	4.90	4.69	4.52	4.57	4.54	4.55	4.57	..	..	..	..	..
3 month interest on US Treasury bills <sup>11</sup>	LUST	2.18	3.92	2.73	3.06	3.47	3.92	3.89	3.86	3.92	..	..	..	..	..
<b>Monetary conditions/government finances</b>															
M0 (year on year percentage growth)	VQMX	6.0	5.1	5.5	4.3	5.4	5.2	5.2	5.3	5.0	..	..	..	..	..
M4 (year on year percentage growth)	VQJW	8.6	11.3	10.6	10.6	11.4	12.6	11.5	12.0	12.6	..	..	..	..	..
Public sector net borrowing (£ million) <sup>1,12</sup>	ANNX	-39497	..	-1068	-15287	-7890	-15691	-80	-9092	-6519	..	..	..	..	..
Net lending to consumers (£ million)(broader)	RLMH	23013	16669	5895	4372	3320	3082	1198	997	834	..	..	..	..	-15.9

		2004	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2006
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>Activity and expectations</b>															
CBI output expectations balance <sup>1</sup>	ETCU	-6	10	19	9	5	-1	-5	6	3	6	2	-4	-4	1
CBI optimism balance <sup>1</sup>	ETBV	..	-22	..	..	-15	..	..	-16	..	..	-21	..	..	-14
CBI price expectations balance	ETDQ	9	12	10	12	3	-3	-5	-9	-7	-6	-3	-1	-1	5
New engineering orders (2000 = 100)	JIQH	82.5	79.6	78.5	77.1	77.9	80.6	79.5	79.4	87.0	78.9	79.2	77.5	..	..

1 Not seasonally adjusted.

2 MIPS: mortgage interest payments.

3 FBTP: food, beverages, tobacco and petroleum.

4 See footnote 2 on Table 3.1.

5 See footnote 2 on Table 4.6.

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

7 12 monthly percentage change.

8 Output per filled job.

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

10 Last Friday of the period.

11 Last working day.

12 Annual figure is for the financial year 2004/05.

13 Preliminary estimates flagged as 'e' are excluded when calculating percentage changes.

## 2.1 National accounts aggregates

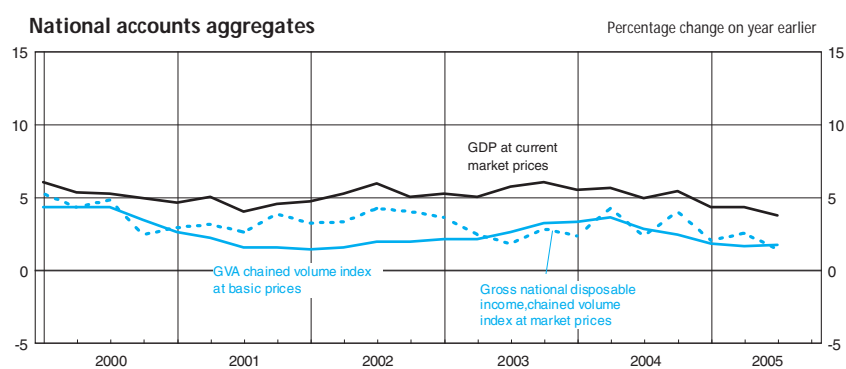
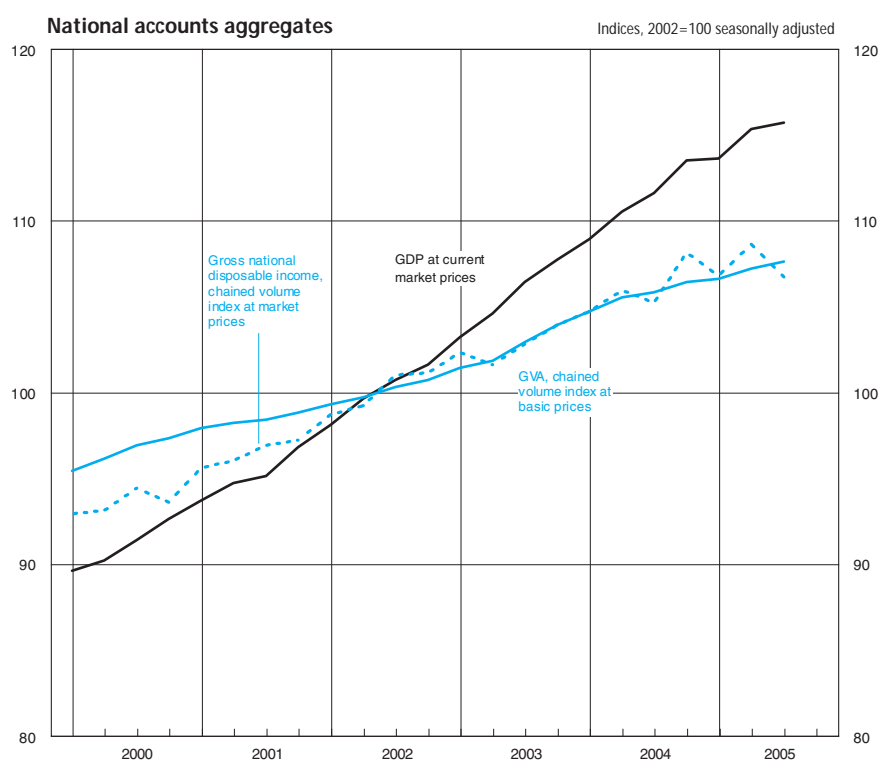
	£ million		Indices (2002 = 100)						
	At current prices		Value indices at current prices		Chained volume indices			Implied deflators <sup>2</sup>	
	Gross domestic product at market prices	Gross value added (GVA) at basic prices	Gross domestic product at market prices <sup>1</sup>	Gross value added (GVA) at basic prices	Gross national disposable income at market prices	Gross domestic product at market prices	Gross value added (GVA) at basic prices+	GDP at market prices	GVA at basic prices
<b>Annual</b>									
	YBHA	ABML	YBEU	YBEX	YBFP	YBEZ	CGCE	YBGB	CGBV
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	1 164 941	1 033 573	111.1	111.0	106.0	105.8	105.6	105.0	105.2
2005	..	..	..	..	..	107.7	..	..	..
<b>Quarterly</b>									
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	285 467	252 721	108.9	108.6	104.7	104.8	104.7	103.9	103.7
Q2	289 569	256 760	110.5	110.3	105.9	105.7	105.5	104.5	104.6
Q3	292 511	259 740	111.6	111.6	105.2	106.0	105.8	105.2	105.5
Q4	297 394	264 352	113.5	113.6	108.1	106.6	106.4	106.4	106.8
2005 Q1	297 755	264 318	113.6	113.6	106.8	106.9	106.6	106.3	106.5
Q2	302 218	268 052	115.3	115.2	108.6	107.4	107.2	107.4	107.5
Q3	303 231	268 282	115.7	115.3	106.7	107.8	107.6	107.3	107.2
Q4	..	..	..	..	..	108.5	..	..	..
<i>Percentage change, quarter on corresponding quarter of previous year<sup>3</sup></i>									
<b>Quarterly</b>									
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	2.3	3.4	3.2	2.1	1.7
Q2	5.7	5.5	5.7	5.5	4.2	3.7	3.6	1.9	1.9
Q3	4.9	4.9	4.9	4.9	2.3	3.0	2.8	1.7	2.0
Q4	5.3	5.6	5.3	5.6	4.0	2.6	2.4	2.6	3.2
2005 Q1	4.3	4.6	4.3	4.6	2.0	2.0	1.9	2.3	2.7
Q2	4.4	4.4	4.4	4.4	2.5	1.6	1.6	2.8	2.8
Q3	3.7	3.3	3.7	3.3	1.4	1.7	1.7	2.0	1.6
Q4	..	..	..	..	..	1.8	1.7	..	..

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<sup>1</sup>

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+ less	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	Households	Non-profit institutions <sup>2</sup>	General government	Gross fixed capital formation+	Changes in inventories <sup>3</sup>	Acquisitions less disposals of valuables	Total					
<b>Annual</b>	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
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	709 702	26 761	227 424	181 506	5 933	–11	1 151 316	290 989	1 442 305	332 953	–207	1 109 145
2005	..	..	..	..	..	..	..	..	..	..	..	1 128 688
<b>Quarterly</b>												
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	6 557	53 929	43 232	103	–	272 901	71 403	344 304	78 620	–	265 684
Q2	171 108	6 553	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	6 555	56 438	44 039	2 547	–48	282 239	69 542	351 781	79 535	–	272 246
2004 Q1	174 705	6 665	56 639	44 435	1 338	117	283 898	71 440	355 339	80 581	–77	274 681
Q2	177 015	6 663	56 738	45 657	1 230	–81	287 222	72 539	359 760	82 718	–73	276 969
Q3	178 582	6 697	56 916	45 510	1 088	–86	288 707	73 158	361 865	83 849	–49	277 967
Q4	179 400	6 736	57 131	45 904	2 277	39	291 489	73 852	365 341	85 805	–8	279 528
2005 Q1	179 560	6 804	57 218	46 192	1 262	–142	290 894	73 559	364 453	84 409	136	280 181
Q2	179 923	6 840	57 262	46 284	342	95	290 746	76 817	367 563	86 247	181	281 497
Q3	180 907	6 903	57 245	47 285	1 614	–182	293 772	76 516	370 288	87 843	212	282 657
Q4	..	..	..	..	..	..	..	..	..	..	..	284 353
Percentage change, latest quarter on corresponding quarter of previous year												
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	3.3	1.6	5.0	2.8			4.0	0.1	3.2	2.5		3.4
Q2	3.5	1.7	3.9	6.6			4.5	5.6	4.7	8.3		3.7
Q3	3.9	2.0	2.6	7.2			3.6	6.8	4.2	8.3		3.0
Q4	3.9	2.8	1.2	4.2			3.3	6.2	3.9	7.9		2.7
2005 Q1	2.8	2.1	1.0	4.0			2.5	3.0	2.6	4.8		2.0
Q2	1.6	2.7	0.9	1.4			1.2	5.9	2.2	4.3		1.6
Q3	1.3	3.1	0.6	3.9			1.8	4.6	2.3	4.8		1.7
Q4	..	..	..	..			..	..	..	..		1.7

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

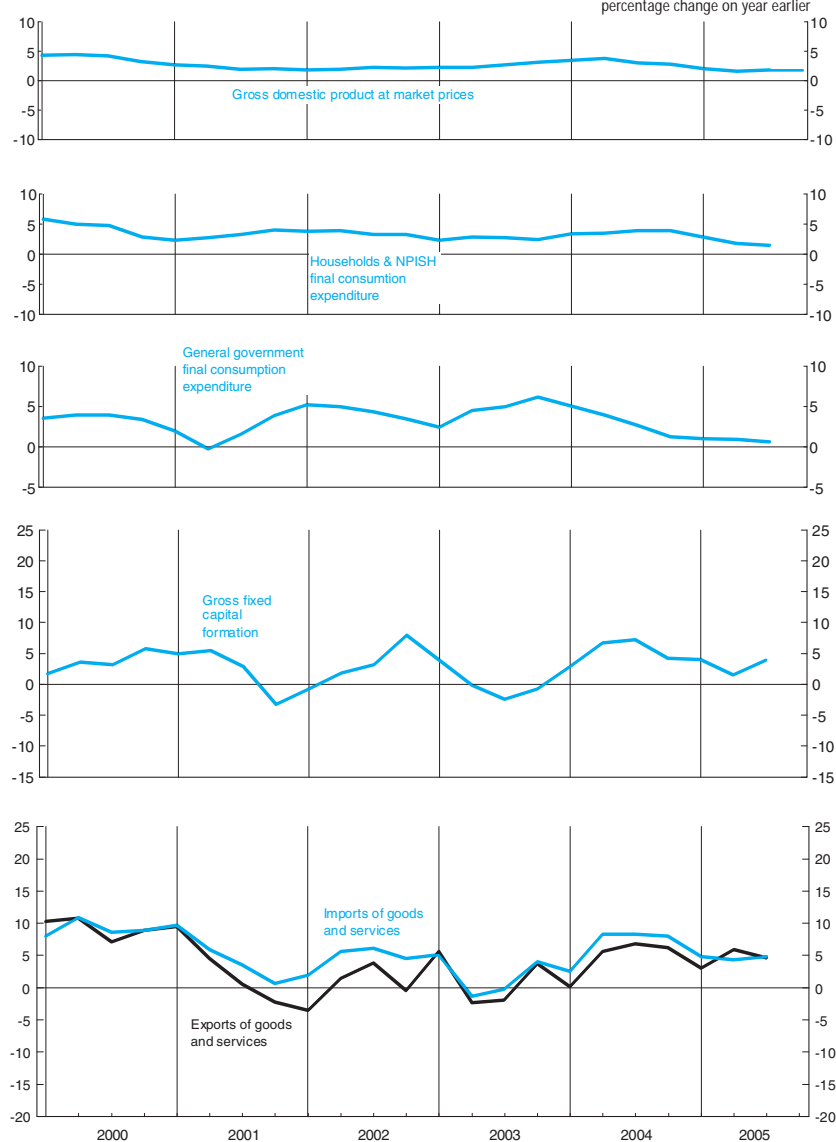
2 Non-profit making institutions serving households (NPISH).

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 (£ million)	Gross final expenditure (£ million)	Final consumption expenditure		Gross capital formation	Exports of goods and services	Gross operating surplus		Compensation of employees	Mixed income	Taxes on production and imports
			Household and NPISH	General government			Corporations <sup>1</sup>	Other <sup>2</sup>			
Annual	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
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	22.1	2.9	55.8	6.3	12.8
2004	1 164 941	1 498 084	50.8	16.5	13.1	19.6	22.5	2.8	55.7	6.3	12.8
Quarterly											
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	22.4	2.5	56.0	6.3	12.7
Q2	274 053	350 763	51.4	16.3	12.3	19.9	22.1	3.0	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	21.8	3.4	55.7	6.3	12.9
2004 Q1	285 467	365 105	51.1	16.5	12.9	19.5	21.9	2.9	55.9	6.3	13.0
Q2	289 569	371 963	50.9	16.4	13.2	19.5	22.7	2.6	55.6	6.3	12.8
Q3	292 511	376 763	50.8	16.5	13.0	19.6	22.6	2.9	55.6	6.3	12.7
Q4	297 394	384 253	50.4	16.6	13.3	19.8	22.9	2.6	55.7	6.2	12.6
2005 Q1	297 755	383 688	50.7	16.8	12.8	19.7	22.0	2.8	56.5	6.3	12.5
Q2	302 218	390 492	50.3	16.7	12.8	20.2	22.2	2.8	56.3	6.2	12.6
Q3	303 231	394 477	50.3	16.7	13.4	19.6	21.2	3.1	56.7	6.3	12.8

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

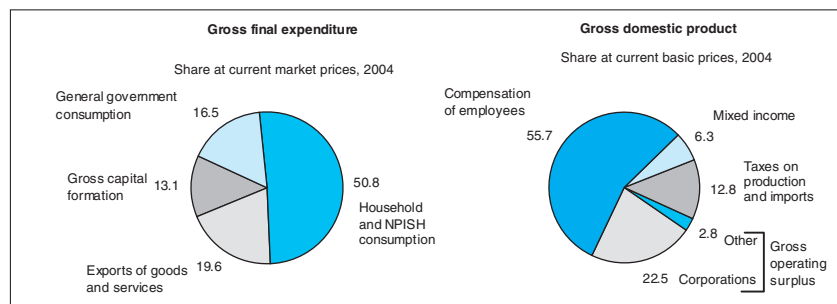
£

	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
2002	18 041	17 674	11 687	11 971	17 675	11 688	11 971
2003	18 959	18 570	12 174	12 499	18 049	11 941	12 260
2004	19 985	19 554	12 771	12 934	18 617	12 361	12 521
Quarterly							
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	4 682	4 549	2 992	3 065	4 466	2 953	3 026
Q2	4 677	4 603	3 030	3 134	4 487	2 984	3 086
Q3	4 762	4 682	3 064	3 126	4 528	2 996	3 057
Q4	4 838	4 736	3 088	3 174	4 568	3 008	3 091
2004 Q1	4 890	4 789	3 131	3 185	4 608	3 043	3 096
Q2	4 967	4 859	3 176	3 219	4 648	3 082	3 124
Q3	4 973	4 911	3 214	3 258	4 666	3 110	3 153
Q4	5 155	4 995	3 250	3 272	4 695	3 126	3 148
2005 Q1	5 116	4 996	3 266	3 308	4 701	3 127	3 167
Q2	5 252	5 071	3 293	3 374	4 724	3 134	3 211
Q3	5 200	5 088	3 329	3 400	4 743	3 151	3 218

Source: Office for National Statistics; Enquiries 020 7533 6031



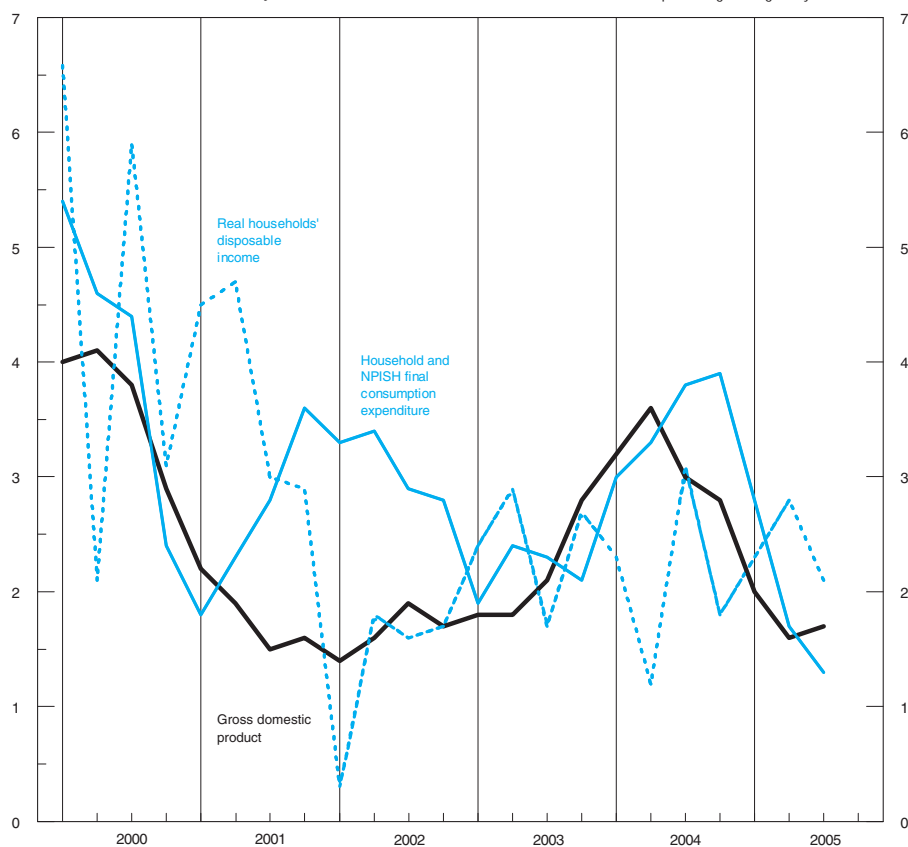
## Shares of income and expenditure



## Income, product and spending per capita

chained volume measures, reference year 2002

percentage change on year earlier



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

	£ million, current prices						£ million, chained volume measures, reference year 2002			
	Households' income before tax		Gross households' disposable income <sup>2</sup>	Adjustment for the change in net equity of households in pension funds	Households' Total resources	Households' final consumption expenditure	Households' saving ratio <sup>3</sup> (percentage)+	Real households' disposable income+ <sup>4</sup>	Household final consumption expenditure+	Real households' disposable income (index 2002=100)
	Total	of which: Wages and salaries								
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	1 067 223	526 949	744 428	21 586	766 014	725 012	5.4	730 113	711 070	102.8
2004	1 114 521	551 327	770 529	25 046	795 575	760 762	4.4	745 918	736 463	105.1
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	260 418	130 003	182 347	5 196	187 543	177 952	5.1	179 973	175 636	101.4
Q2	266 472	131 002	186 601	4 046	190 647	180 420	5.4	183 746	177 661	103.5
Q3	268 773	132 597	186 289	6 211	192 500	182 562	5.2	182 153	178 510	102.6
Q4	271 560	133 347	189 191	6 133	195 324	184 078	5.8	184 241	179 263	103.8
2004 Q1	273 420	135 508	189 844	6 478	196 322	186 600	5.0	184 520	181 370	103.9
Q2	276 732	136 873	191 800	5 792	197 592	189 248	4.2	186 152	183 678	104.9
Q3	280 778	138 352	194 051	5 877	199 928	191 422	4.3	187 821	185 279	105.8
Q4	283 591	140 594	194 834	6 899	201 733	193 492	4.1	187 425	186 136	105.6
2005 Q1	287 847	142 566	197 116	7 087	204 203	194 641	4.7	188 734	186 364	106.3
Q2	294 105	143 722	201 070	6 864	207 934	196 258	5.6	191 342	186 763	107.8
Q3	297 966	144 844	202 594	7 315	209 909	198 380	5.5	191 799	187 810	108.0

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<sup>1,2</sup>

Chained volume measures

Reference year 2002, £ million

COICOP <sup>3</sup>	UK National <sup>4</sup>												UK Domestic <sup>5</sup>		
	Net		Total	Food & drink	Alcohol & tobacco	Clothing & footwear	Housing	Household goods & services	Health	Transport	Communication	Recreation & culture	Education	Restaurants & hotels	Miscellaneous
	Total	tourism													
<b>Annual</b>	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	709 702	11 142	698 560	63 237	26 618	45 865	124 968	45 255	11 619	103 998	16 365	95 647	8 831	78 258	77 899
<b>Quarters</b>															
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	174 705	2 725	171 980	15 915	6 666	11 026	31 044	10 861	2 854	25 642	3 998	22 987	2 219	19 431	19 337
Q2	177 015	2 756	174 259	15 596	6 674	11 421	31 264	11 236	2 915	25 773	3 979	24 152	2 110	19 573	19 466
Q3	178 582	2 956	175 626	15 762	6 627	11 630	31 259	11 645	2 909	26 168	4 163	24 225	2 205	19 608	19 425
Q4	179 400	2 705	176 695	15 964	6 651	11 788	31 401	11 513	2 941	26 415	4 225	24 283	2 197	19 646	19 671
2005 Q1	179 560	2 851	176 709	16 001	6 634	11 801	31 300	11 603	2 940	26 252	4 327	24 519	2 193	19 989	19 150
Q2	179 923	2 389	177 534	16 061	6 593	11 878	31 482	11 387	2 942	26 445	4 367	24 895	2 177	20 104	19 203
Q3	180 907	2 379	178 528	15 984	6 584	11 922	31 476	11 292	2 975	26 514	4 471	25 697	2 178	20 019	19 416

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

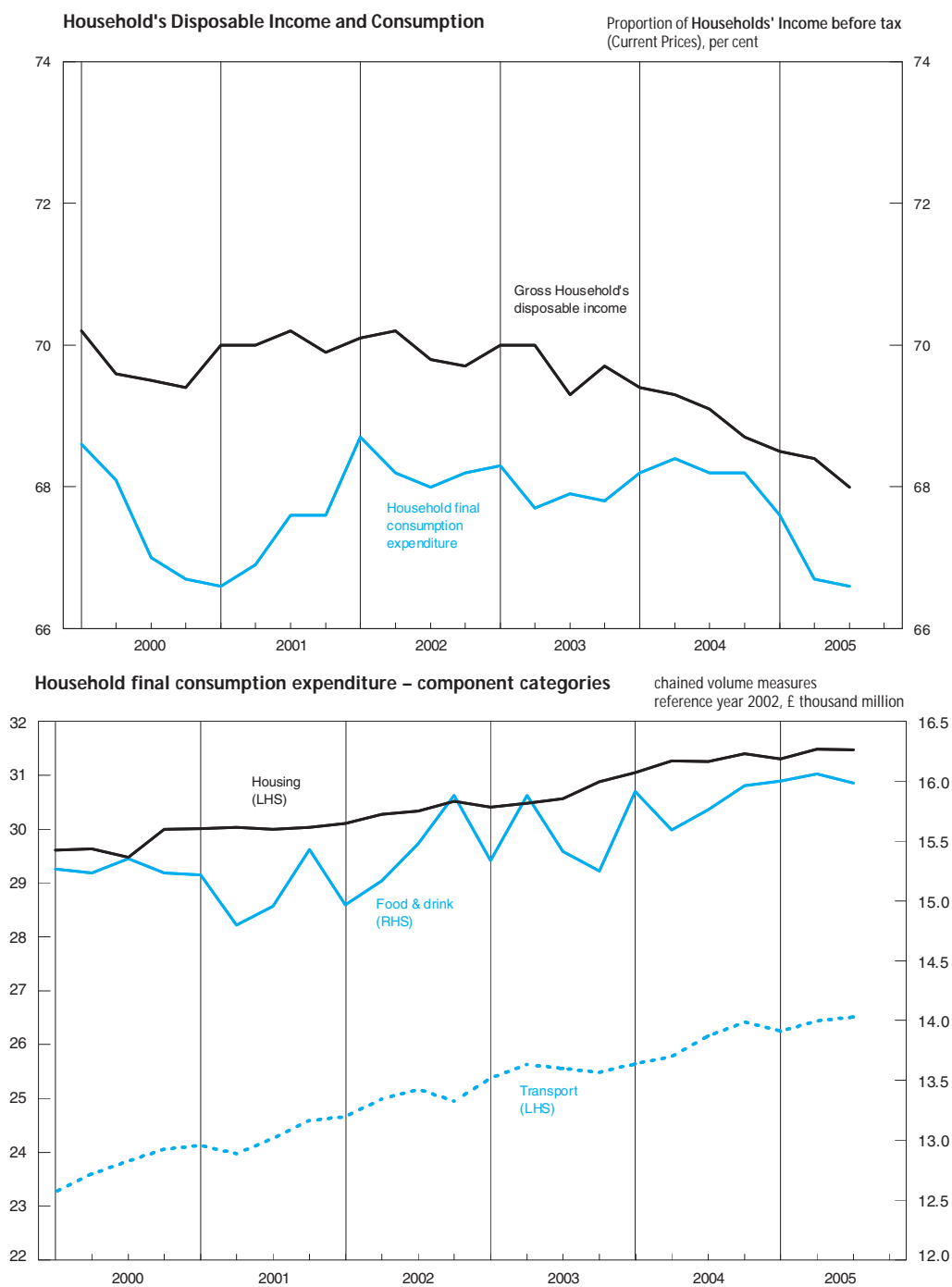
and both unadjusted and seasonally adjusted appear in the ONS publication *Consumer Trends*.

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 <sup>1</sup>	General government	Public corporations <sup>2</sup>	Private sector		Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures <sup>3</sup>	Intangible fixed assets
			Transfer costs of non-produced assets	Dwellings	Transfer costs of non-produced assets						
Annual	NPEL	DLWF	DLWH	DFEA	DLWI	NPQT	DLWL	DLWO	DFEG	DLWT	EQDO
2000	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	111 351	20 562	-266	35 547	14 312	181 506	14 257	57 512	38 879	64 662	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	27 346	4 871	-58	8 751	3 525	44 435	3 492	14 217	9 510	15 708	1 508
Q2	27 681	5 519	-75	8 877	3 655	45 657	3 754	14 407	9 754	16 205	1 537
Q3	28 186	4 978	-83	8 919	3 510	45 510	3 566	14 360	9 783	16 239	1 562
Q4	28 138	5 194	-50	9 000	3 622	45 904	3 445	14 528	9 832	16 510	1 589
2005 Q1	28 063	6 109	-90	8 875	3 235	46 192	3 497	14 420	9 626	17 050	1 599
Q2	28 438	5 211	-85	8 895	3 825	46 284	3 498	14 467	9 718	16 986	1 615
Q3	28 536	6 071	-80	8 847	3 911	47 285	3 618	14 740	9 858	17 445	1 624
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	2.5	2.6		11.7	-11.8	2.8	-9.8	3.3	7.8	2.4	5.9
Q2	1.7	35.3		10.5	2.9	6.6	8.7	10.5	10.4	0.8	7.0
Q3	6.7	10.9		8.3	3.0	7.2	-1.8	7.8	6.7	9.1	7.1
Q4	2.6	5.3		7.5	7.0	4.2	-7.2	3.9	6.5	5.6	6.6
2005 Q1	2.6	25.4		1.4	-8.2	4.0	0.1	1.4	1.2	8.5	6.0
Q2	2.7	-5.6		0.2	4.7	1.4	-6.8	0.4	-0.4	4.8	5.1
Q3	1.2	22.0		-0.8	11.4	3.9	1.5	2.6	0.8	7.4	4.0

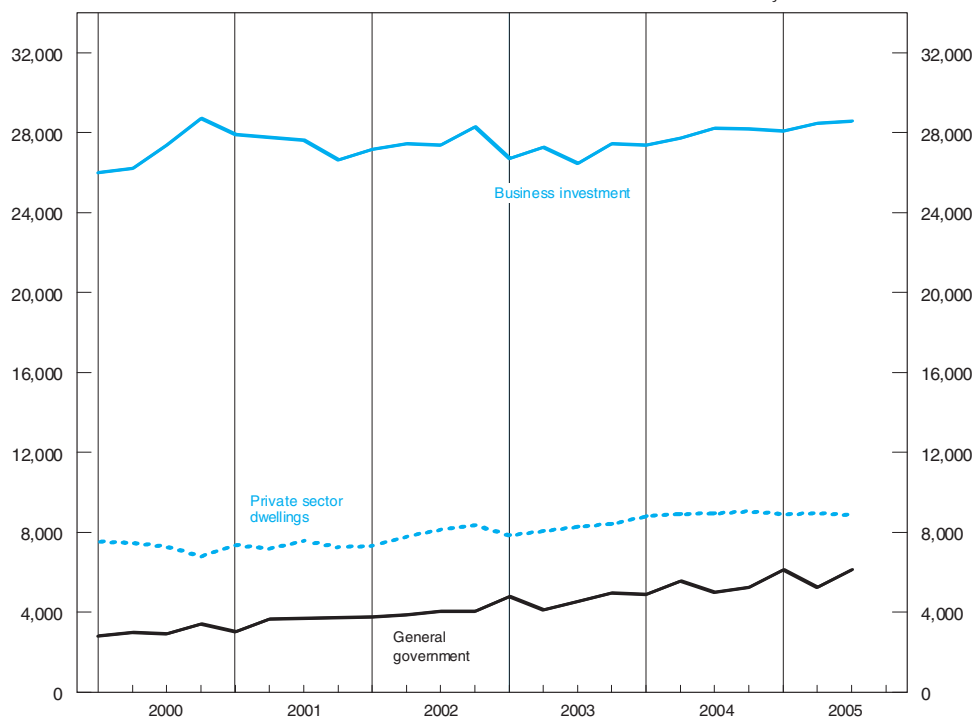
1 Not including dwellings and costs associated with the transfer of ownership of non-produced assets.

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

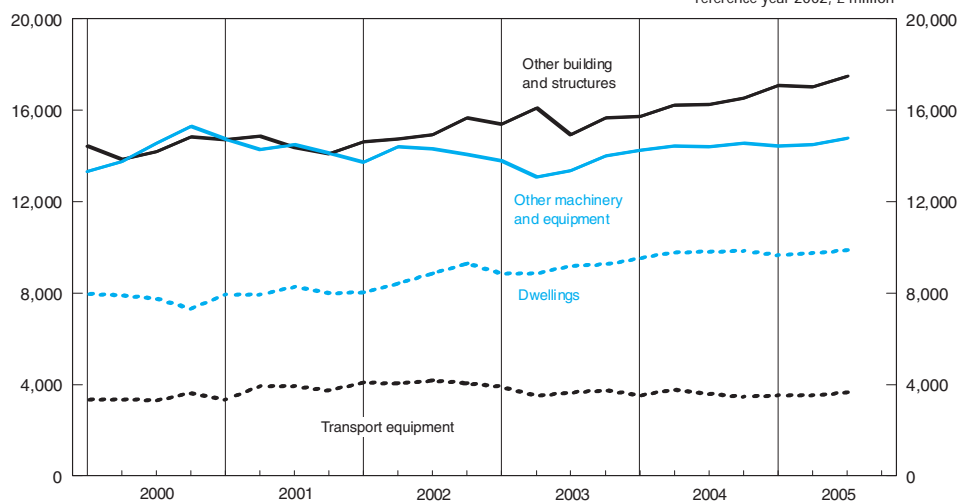
3 Including costs associated with transfer of ownership of non-produced assets.

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<sup>1,3</sup>

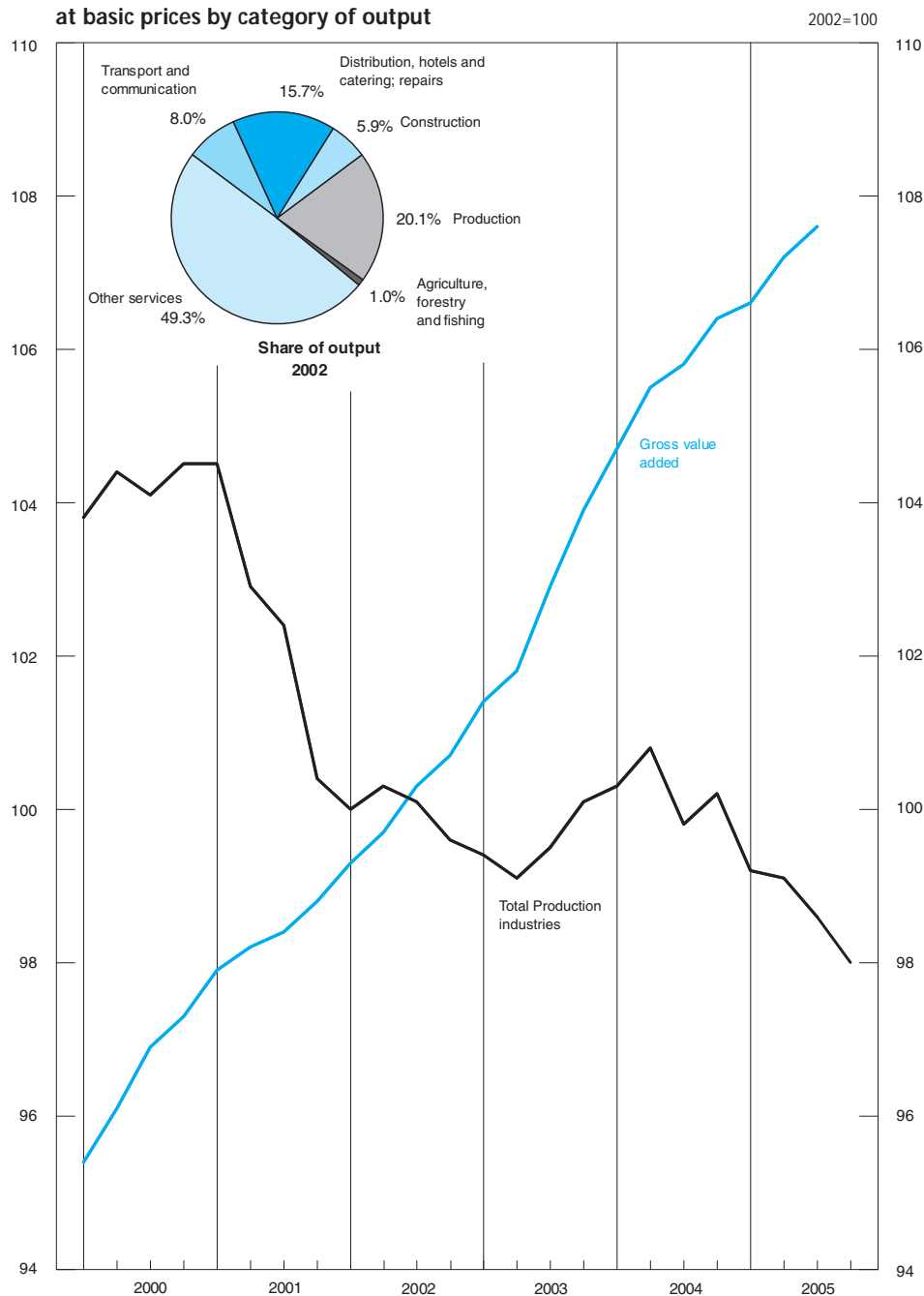
2002 = 100

	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 <sup>1</sup>	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	
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	99.3	87.2	101.9	103.3	100.3	108.7	108.7	105.3	107.0	104.5	106.4	105.6	106.0	
2005	98.8	79.8	101.3	101.6	98.7	110.3	109.7	109.0	110.5	107.3	109.2	..	..	
Quarterly														
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	97.8	
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	99.6	89.5	101.5	104.0	100.3	108.0	107.2	103.5	105.8	103.8	105.2	104.7	105.0	
Q2	98.7	89.9	102.3	102.7	100.8	108.2	108.7	105.1	106.3	104.6	106.1	105.5	105.8	
Q3	99.6	85.9	101.5	103.5	99.8	109.0	109.4	105.8	107.4	104.6	106.8	105.8	106.3	
Q4	99.2	83.3	102.4	103.0	100.2	109.7	109.4	106.9	108.3	105.2	107.4	106.4	106.9	
2005 Q1	98.1	82.7	101.5	101.4	99.2	109.8	109.0	108.0	109.2	106.1	108.1	106.6	107.2	
Q2	99.6	82.8	101.3	102.4	99.1	110.1	109.4	108.4	110.0	107.0	108.7	107.2	107.7	
Q3	99.0	76.4	101.6	101.4	98.6	110.6	109.6	109.1	110.9	107.9	109.5	107.6	108.3	
Q4	98.6	77.4	100.8	101.2	98.0	110.9	110.9	110.3	112.1	108.4	110.5	..	..	
Percentage change, latest quarter on corresponding quarter of last year														
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	2.4	
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	1.8	
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	1.5	
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	1.7	-10.1	2.1	4.7	0.9	5.9	5.4	2.0	3.9	2.8	3.6	3.3	3.6	
Q2	0.9	-5.6	2.8	2.5	1.7	4.0	5.5	2.7	4.4	3.0	4.0	3.6	3.7	
Q3	0.9	-8.1	1.3	1.9	0.3	1.8	5.1	2.6	4.4	2.0	3.6	2.8	3.1	
Q4	0.4	-8.6	1.3	-0.5	0.1	1.9	3.9	3.4	3.3	1.7	3.0	2.4	2.6	
2005 Q1	-1.5	-7.6	0.0	-2.5	-1.1	1.7	1.7	4.3	3.2	2.2	2.8	1.8	2.1	
Q2	0.9	-7.9	-1.0	-0.3	-1.7	1.8	0.6	3.1	3.5	2.3	2.5	1.6	1.8	
Q3	-0.6	-11.1	0.1	-2.0	-1.2	1.5	0.2	3.1	3.3	3.2	2.5	1.7	1.9	
Q4	-0.6	-7.1	-1.6	-1.7	-2.2	1.1	1.4	3.2	3.5	3.0	2.9	..	..	

<sup>1</sup> Estimates cannot be regarded as accurate to the last digit shown.<sup>2</sup> 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).<sup>3</sup> Components of output are valued at basic prices, which excludes taxes and subsidies on productionSources: Office for National Statistics;  
Enquiries Columns 1-11 01633 813126;  
Columns 12-13 020 7533 6031



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



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

2002 = 100

	Distribution hotels and catering; repairs		Transport, storage and communication		Business services and finance			Government and other services					
	Motor trades; wholesale and retail trade; repairs	Hotels and restaurants	Transport and storage	Post and telecommunication	Financial intermediation <sup>3</sup>	Real estate, renting and business activities	Ownership of dwellings	PAD <sup>1</sup>	Education	Health and social work	Other services <sup>2</sup>	Adjustment for financial services <sup>4</sup>	Total services
<b>2002 weights</b>	124	34	48	31	68	162	78	50	60	67	52	-44	730
<b>Annual</b>	GDQC	GDQD	GDQF	GDQG	GDQI	GDQK	GDQL	GDQO	GDQP	GDQQ	GDQR	GDQJ	GDQS
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	108.0	111.2	104.4	106.7	105.7	113.8	104.2	105.3	100.5	107.4	104.7	125.3	106.4
2005	..	..	..	..	..	..	..	..	..	..	..	..	109.2
<b>Quarterly</b>													
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	106.7	109.1	102.2	105.4	105.3	111.2	103.7	105.2	100.4	107.0	102.1	120.9	105.2
Q2	107.9	111.3	104.4	106.0	104.0	112.9	104.0	105.1	100.4	106.6	106.4	123.0	106.1
Q3	108.7	111.8	104.5	107.7	105.9	114.7	104.2	105.3	100.6	107.5	104.7	126.2	106.8
Q4	108.5	112.7	106.3	107.8	107.8	116.4	104.8	105.7	100.7	108.4	105.7	131.1	107.4
2005 Q1	108.1	112.2	107.9	108.1	109.4	117.8	105.2	106.2	101.2	109.3	107.3	133.7	108.1
Q2	108.3	113.4	107.9	109.3	110.6	118.8	105.7	106.9	101.7	110.6	108.4	135.5	108.7
Q3	108.9	112.3	107.9	111.0	112.1	120.1	106.3	107.3	101.7	111.3	111.1	138.7	109.5
Q4	..	..	..	..	..	..	..	..	..	..	..	..	110.5
<i>Percentage change, quarter on corresponding quarter of previous year</i>													
<b>Quarterly</b>													
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	5.6	4.7	2.5	1.0	4.1	7.9	2.2	2.9	0.1	5.2	2.5	14.8	3.6
Q2	5.6	5.0	4.9	-0.6	2.3	8.5	2.2	1.9	-0.1	4.4	5.9	11.7	4.0
Q3	4.9	5.4	2.7	2.6	4.2	8.0	1.9	1.0	0.1	3.9	3.1	12.8	3.6
Q4	3.5	5.1	4.1	2.2	5.1	6.3	1.6	1.1	0.2	2.8	2.7	13.2	3.0
2005 Q1	1.3	2.8	5.6	2.6	3.9	5.9	1.4	1.0	0.8	2.1	5.1	10.6	2.8
Q2	0.4	1.9	3.4	3.1	6.3	5.2	1.6	1.7	1.3	3.8	1.9	10.2	2.5
Q3	0.2	0.4	3.3	3.1	5.9	4.7	2.0	1.9	1.1	3.5	6.1	9.9	2.5
Q4	..	..	..	..	..	..	..	..	..	..	..	..	2.9

1 Public administration and national defence; compulsory social security.

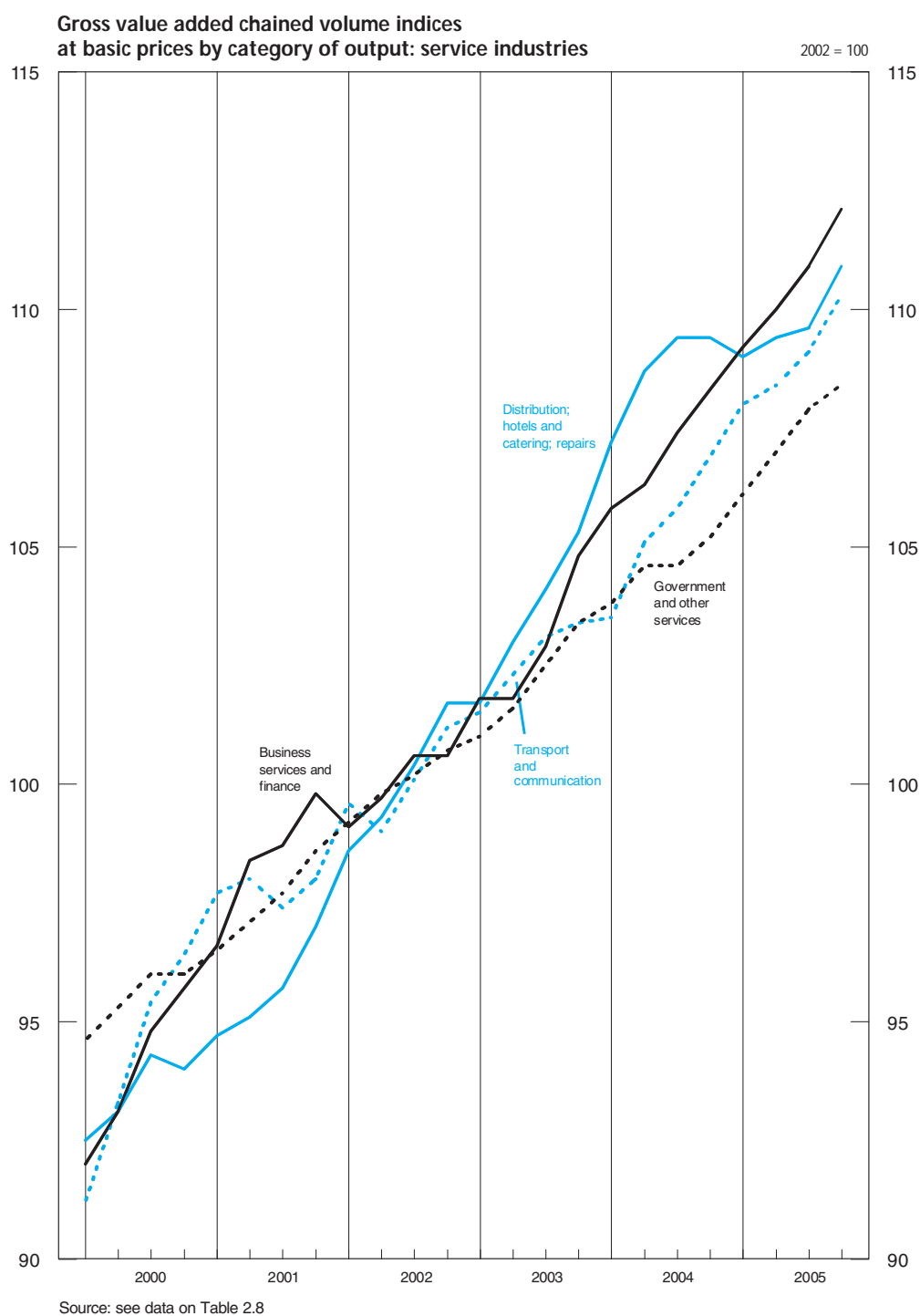
2 Comprising sections O, and P of the SIC(92).

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

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

5 See footnote 2 on Table 2.8

Source: Office for National Statistics; Enquiries 01633 813126



# 2.10 Summary capital accounts and net lending/net borrowing

£ million

	Non-financial corporations				Financial corporations				General Government			
	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets
Annual	RPJV	GZQW	RQBZ	RQAX	RPPS	GZQE	RPYP	RPYO	RPQC	GZQU	RPZF	RPZE
2001	89 893	2 661	103 976	1 208	-9 450	-	7 300	-43	25 272	-4 081	13 929	-916
2002	107 576	2 098	99 453	1 431	15 325	-	6 732	-36	1 602	-3 674	15 602	-1 087
2003	116 527	3 316	99 413	1 241	19 671	-	3 452	-3	-13 036	-5 525	18 244	-957
2004	124 790	3 396	105 921	1 672	26 074	-	3 844	-6	-12 496	-5 227	21 165	-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	28 957	729	22 061	282	6 395	-	2 120	-3	-2 338	-1 560	4 546	-205
Q2	27 167	947	24 024	332	4 004	-	876	-	-2 911	-1 468	4 190	-256
Q3	29 360	850	25 990	364	4 356	-	148	1	-2 803	-1 304	4 573	-252
Q4	31 043	790	27 338	263	4 916	-	308	-1	-4 984	-1 193	4 935	-244
2004 Q1	31 270	882	26 273	368	4 533	-	275	-	-3 473	-1 195	4 521	-251
Q2	30 694	906	26 114	418	6 650	-	697	-2	-2 019	-1 427	5 671	-273
Q3	27 818	856	26 281	447	7 376	-	1 327	-2	-3 549	-1 418	5 226	-277
Q4	35 008	752	27 253	439	7 515	-	1 545	-2	-3 455	-1 187	5 747	-270
2005 Q1	28 797	1 550	26 540	399	7 001	-	-623	-2	-2 392	-1 721	6 329	-268
Q2	35 317	1 096	25 102	409	5 192	-	2 600	-1	-2 907	-1 313	5 791	-282
Q3	31 912	803	27 816	418	812	-	436	-	-1 120	-1 271	6 396	-287
	Households & NPISH				Net lending(+)/net borrowing(-) <sup>3</sup>							
	Gross saving <sup>1</sup>	Capital transfers (net receipts)	Gross capital formation <sup>2</sup>	Net acquisition of non-financial assets	Non-financial corporations	Financial corporations	General government	Households & NPISH	Rest of the world <sup>4</sup>	Statistical Discrepancy		
Annual	RPQL	GZQI	RPZV	RPZU	RQAW	RPYN	RPZD	RPZT	RQCH	DJDS		
2001	44 352	3 023	43 996	-152	-15 981	-16 707	8 178	3 531	20 979	-		
2002	34 691	2 876	50 268	-176	4 864	8 629	-16 587	-12 525	15 619	-		
2003	41 002	3 876	55 475	-210	15 361	16 222	-35 848	-10 387	14 652	-		
2004	34 813	4 322	62 592	-276	17 426	22 236	-37 817	-23 181	21 311	25		
Quarterly												
2001 Q1	12 161	418	10 881	-25	-3 363	-8 080	5 142	1 723	4 578	-		
Q2	11 344	1 266	10 540	-36	-4 867	-3 945	1 791	2 106	4 915	-		
Q3	10 640	747	11 628	-44	-3 009	-4 120	1 837	-197	5 489	-		
Q4	10 207	592	10 947	-47	-4 742	-562	-592	-101	5 997	-		
2002 Q1	7 468	787	12 028	-47	-68	1 923	-2 693	-3 726	4 564	-		
Q2	9 218	556	12 968	-45	1 543	882	-4 122	-3 149	4 846	-		
Q3	9 278	697	12 149	-43	2 713	1 001	-3 726	-2 131	2 143	-		
Q4	8 727	836	13 123	-41	676	4 823	-6 046	-3 519	4 066	-		
2003 Q1	9 591	1 156	13 018	-46	5 968	4 278	-8 239	-2 225	217	-		
Q2	10 227	779	13 255	-49	2 862	3 128	-8 313	-2 200	4 522	-		
Q3	9 938	863	14 525	-55	3 018	4 207	-8 428	-3 669	4 872	-		
Q4	11 246	1 078	14 677	-60	3 513	4 609	-10 868	-2 293	5 041	-		
2004 Q1	9 722	1 120	15 163	-64	4 696	4 258	-8 938	-4 257	4 161	80		
Q2	8 344	1 227	15 959	-68	4 255	5 955	-8 844	-6 320	4 902	52		
Q3	8 506	954	15 630	-71	1 184	6 051	-9 916	-6 099	8 788	-8		
Q4	8 241	1 021	15 840	-73	7 291	5 972	-10 119	-6 505	3 460	-99		
2005 Q1	9 562	1 807	16 495	-76	2 036	7 626	-10 174	-5 050	5 943	-382		
Q2	11 676	1 001	15 845	-79	10 006	2 593	-9 729	-3 089	701	-482		
Q3	11 529	927	17 393	-81	3 645	376	-8 500	-4 856	9 883	-547		

1 Before providing for depreciation, inventory holding gains.

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

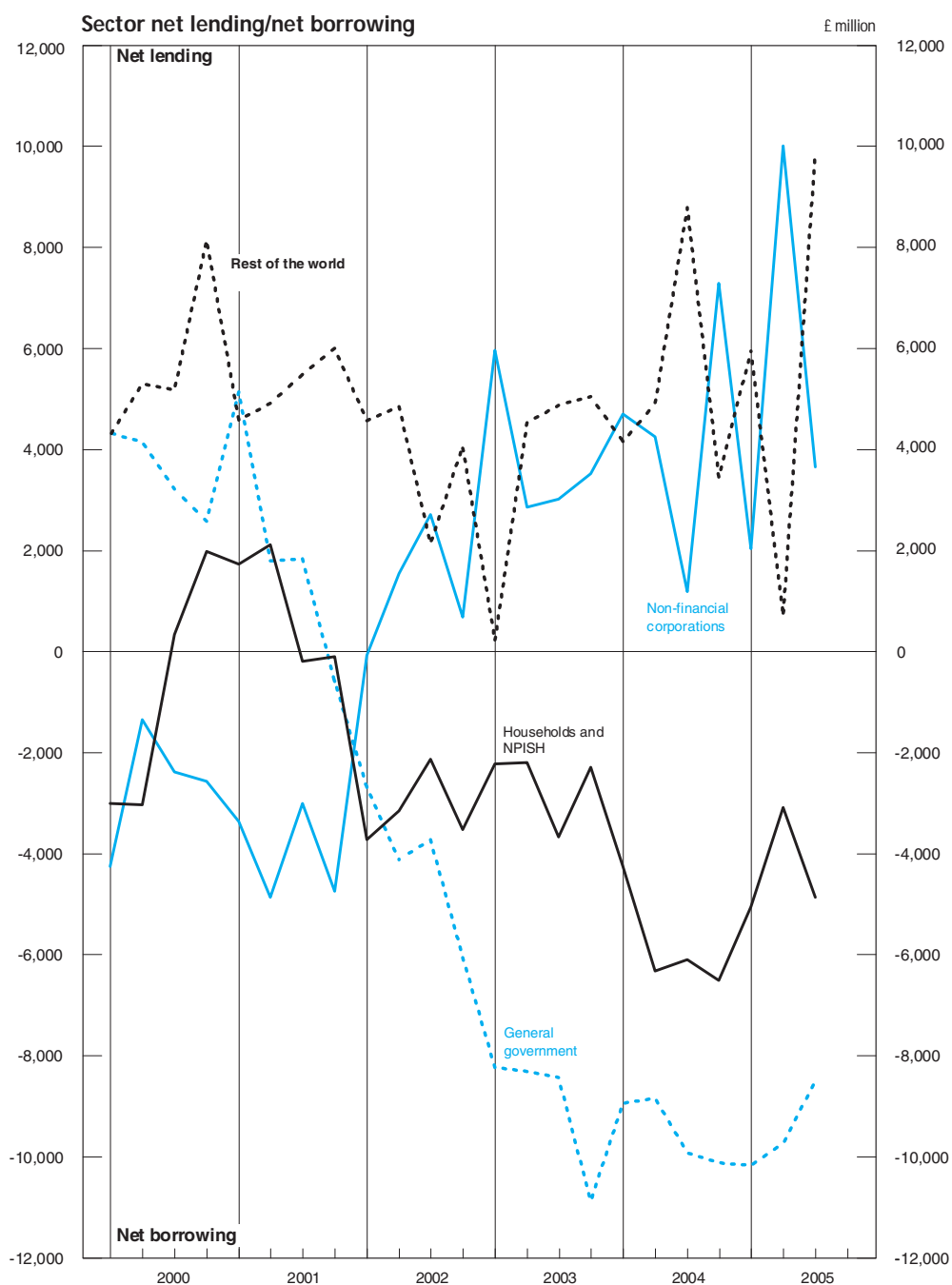
3 This balance is equal to gross saving *plus* capital transfers less gross fixed capital formation, less Net acquisition of non-financial assets, less changes in inventories.4 Equals, the current balance of payments accounts, *plus* capital transfers.

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;

Part 2 (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

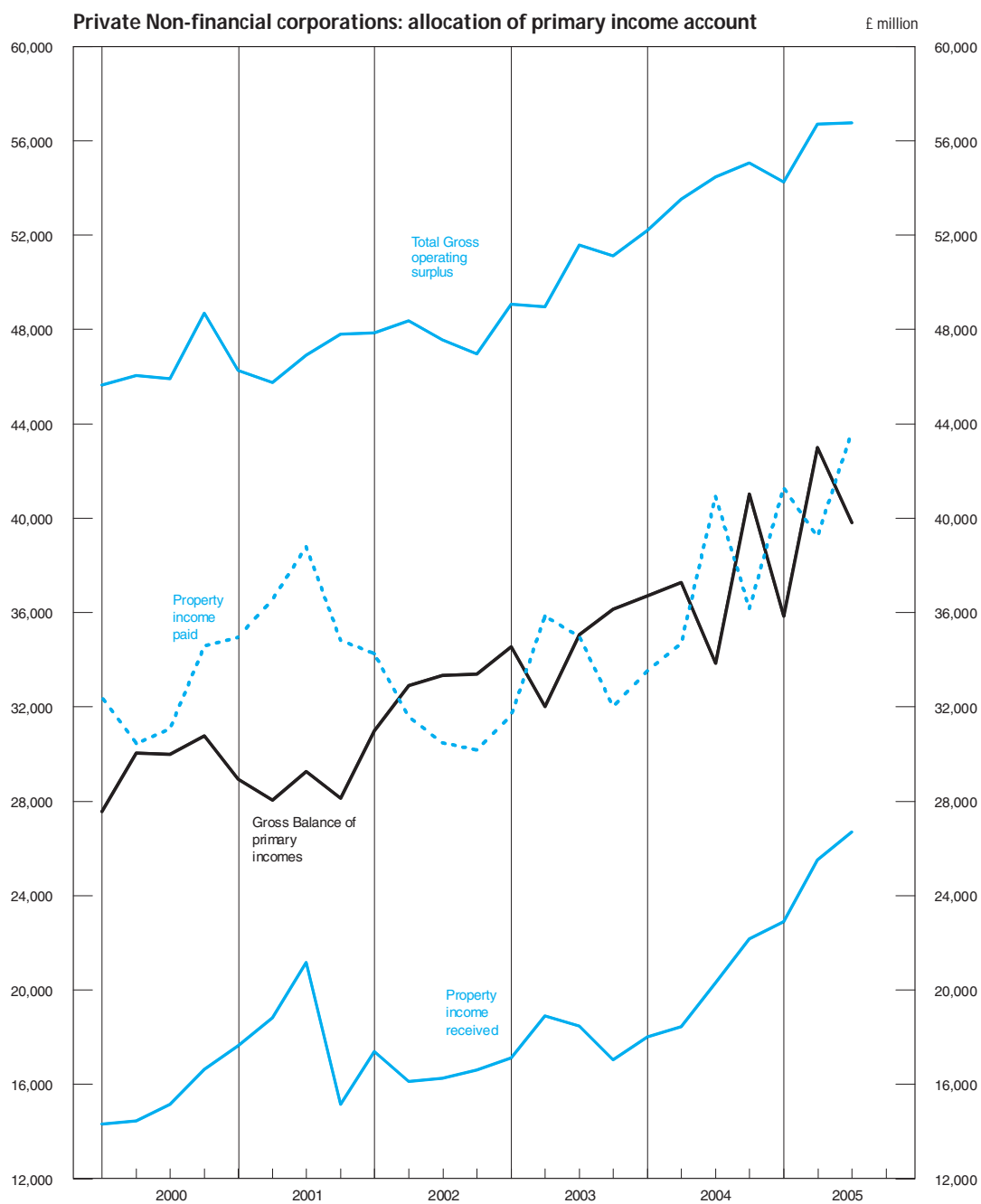
	Resources							Uses					Share of gross national income <sup>1</sup> (%)
	Gross operating surplus							Property income payments					
	Gross trading profits			Inventory holding gains	Gross operating surplus+ <sup>1</sup>	Property income receipts	Total resources <sup>1,2</sup>	Total payments	of which Dividends	of which Interest	Gross balance of primary incomes <sup>1</sup>		
	Continental shelf companies	Others <sup>1</sup>	Rental of buildings										
Annual	CAGD	CAED	FCBW	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJ	
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	15 726	136 579	8 948	-958	160 295	45 712	206 007	104 695	51 609	23 965	101 312	13.3	
1997	14 002	149 176	9 254	-361	172 071	48 067	220 138	111 546	56 250	26 541	108 592	13.4	
1998	11 701	153 282	9 724	753	175 460	49 543	225 003	110 015	51 578	31 095	114 988	13.2	
1999	13 669	157 101	10 742	-1 801	179 711	48 045	227 756	118 244	61 101	31 016	109 512	12.1	
2000	20 936	156 678	11 657	-2 941	186 330	60 525	246 855	128 508	55 846	37 912	118 347	12.4	
2001	19 696	154 292	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	71 495	272 238	134 465	71 096	35 697	137 773	12.2	
2004	18 932	186 208	14 225	-4 113	215 252	78 890	294 142	145 276	72 509	41 452	148 866	12.5	
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	3 529	32 829	2 331	-800	37 799	10 997	48 796	27 293	12 654	6 119	21 503	11.5	
Q2	3 935	33 170	2 248	-102	39 409	12 005	51 414	24 196	11 156	5 964	27 218	14.4	
Q3	4 087	34 782	2 192	-208	40 849	10 185	51 034	25 512	12 420	5 895	25 522	13.3	
Q4	4 175	35 798	2 177	152	42 238	12 525	54 763	27 694	15 379	5 987	27 069	14.0	
1997 Q1	3 891	36 976	2 247	-23	43 124	10 951	54 075	25 631	12 345	6 125	28 444	14.4	
Q2	3 294	37 239	2 294	239	43 083	11 608	54 691	27 945	14 723	6 623	26 746	13.2	
Q3	3 454	37 747	2 341	-506	43 039	13 883	56 922	28 519	15 210	6 627	28 403	13.8	
Q4	3 363	37 214	2 372	-71	42 825	11 625	54 450	29 451	13 972	7 166	24 999	12.1	
1998 Q1	3 161	36 871	2 414	107	43 101	13 795	56 896	30 385	15 077	7 545	26 511	12.6	
Q2	3 105	37 239	2 424	53	42 788	11 590	54 378	26 444	11 541	7 735	27 934	13.0	
Q3	2 780	39 682	2 435	315	44 757	11 711	56 468	26 385	11 509	7 965	30 083	13.6	
Q4	2 655	39 490	2 451	278	44 814	12 447	57 261	26 801	13 451	7 850	30 460	13.7	
1999 Q1	2 603	38 895	2 592	-302	44 006	7 978	51 984	18 758	7 482	7 464	33 226	15.1	
Q2	3 018	40 192	2 647	-440	45 681	14 108	59 789	36 939	23 479	7 413	22 850	10.2	
Q3	3 955	38 736	2 715	-645	44 398	11 297	55 695	29 934	14 595	7 806	25 761	11.3	
Q4	4 093	39 278	2 788	-414	45 626	14 662	60 288	32 613	15 545	8 333	27 675	12.0	
2000 Q1	4 626	38 558	2 801	-702	45 649	14 310	59 959	32 410	15 181	8 844	27 549	11.7	
Q2	5 134	38 494	2 875	-830	46 057	14 446	60 503	30 455	12 370	9 405	30 048	12.7	
Q3	5 407	38 882	2 953	-799	45 922	15 138	61 060	31 071	12 127	9 615	29 989	12.5	
Q4	5 769	40 744	3 028	-610	48 702	16 631	65 333	34 572	16 168	10 048	30 761	12.7	
2001 Q1	5 450	36 936	3 039	329	46 265	17 627	63 892	34 961	15 759	10 406	28 931	11.7	
Q2	5 348	36 862	3 071	5	45 747	18 820	64 567	36 530	19 491	9 929	28 037	11.2	
Q3	4 697	39 808	3 093	-52	46 904	21 158	68 062	38 796	21 835	10 107	29 266	11.6	
Q4	4 201	40 686	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	17 108	66 181	31 637	15 800	9 065	34 544	12.4	
Q2	4 047	42 817	3 393	-1 286	48 971	18 890	67 861	35 847	19 645	8 771	32 014	11.5	
Q3	4 951	44 101	3 442	-912	51 582	18 459	70 041	34 983	19 372	8 825	35 058	12.4	
Q4	4 517	44 309	3 480	-1 189	51 117	17 038	68 155	31 998	16 279	9 036	36 157	12.5	
2004 Q1	4 737	44 876	3 507	-908	52 212	18 008	70 220	33 516	16 647	9 514	36 704	12.6	
Q2	4 773	46 013	3 534	-799	53 521	18 427	71 948	34 678	17 244	10 213	37 270	12.6	
Q3	4 842	47 113	3 570	-1 051	54 474	20 308	74 782	40 924	21 861	10 691	33 858	11.4	
Q4	4 580	48 206	3 614	-1 355	55 045	22 147	77 192	36 158	16 757	11 034	41 034	13.4	
2005 Q1	4 897	46 650	3 651	-954	54 244	22 894	77 138	41 307	21 699	11 697	35 831	11.8	
Q2	5 346	47 574	3 687	101	56 708	25 498	82 206	39 209	18 475	12 338	42 997	13.7	
Q3	5 563	48 512	3 729	-1 039	56 765	26 705	83 470	43 668	23 115	12 648	39 802	12.8	

1 Quarterly alignment adjustment included in this series.

2 Total resources equals total uses.

Source: Office for National Statistics; Enquiries 020 7533 6014





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

£ million

	Secondary Distribution of Income Account						Capital Account					
	Resources			Uses			Changes in liabilities & net worth		Changes in assets			
	Gross balance of primary incomes <sup>1</sup>	Other resources <sup>2</sup>	Total <sup>1,3</sup>	Taxes on income	Other uses <sup>4</sup>	Gross disposable income <sup>1,5</sup>	Net capital transfer receipts	Total <sup>1</sup>	Gross fixed capital formation	Changes in inventories <sup>1</sup>	Other changes in assets <sup>6</sup>	Net lending (+) or borrowing (-) <sup>1,7</sup>
<b>Annual</b>												
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
1995	89 482	7 704	97 186	18 953	8 104	70 129	433	70 562	64 444	4 542	388	1 188
1996	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	137 773	10 199	147 972	23 461	10 633	113 878	2 692	116 570	95 556	3 954	862	16 198
2004	148 866	10 172	159 038	26 621	10 618	121 799	2 861	124 660	100 383	5 637	1 227	17 413
<b>Quarterly</b>												
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	34 544	2 562	37 106	6 110	2 669	28 327	541	28 868	22 504	-419	197	6 586
Q2	32 014	2 616	34 630	5 313	2 724	26 593	653	27 246	24 478	-454	264	2 958
Q3	35 058	2 602	37 660	6 308	2 711	28 641	786	29 427	23 775	2 251	254	3 147
Q4	36 157	2 419	38 576	5 730	2 529	30 317	712	31 029	24 799	2 576	147	3 507
2004 Q1	36 704	2 575	39 279	6 005	2 685	30 589	825	31 414	25 148	1 125	287	4 854
Q2	37 270	2 627	39 897	7 215	2 738	29 944	745	30 689	24 891	1 261	296	4 241
Q3	33 858	2 533	36 391	6 641	2 645	27 105	697	27 802	25 281	1 043	316	1 162
Q4	41 034	2 437	43 471	6 760	2 550	34 161	594	34 755	25 063	2 208	328	7 156
2005 Q1	35 831	2 557	38 388	7 633	2 700	28 055	1 402	29 457	25 522	1 074	245	2 616
Q2	42 997	2 893	45 890	7 974	3 007	34 909	938	35 847	24 660	444	303	10 440
Q3	39 802	2 769	42 571	8 331	2 884	31 356	658	32 014	26 269	1 613	242	3 890

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.

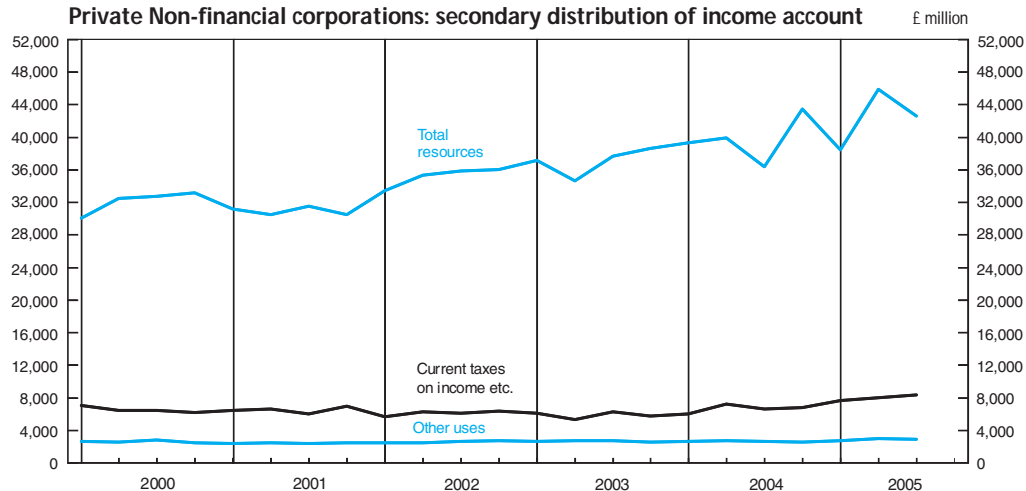
5 Also known as gross saving.

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

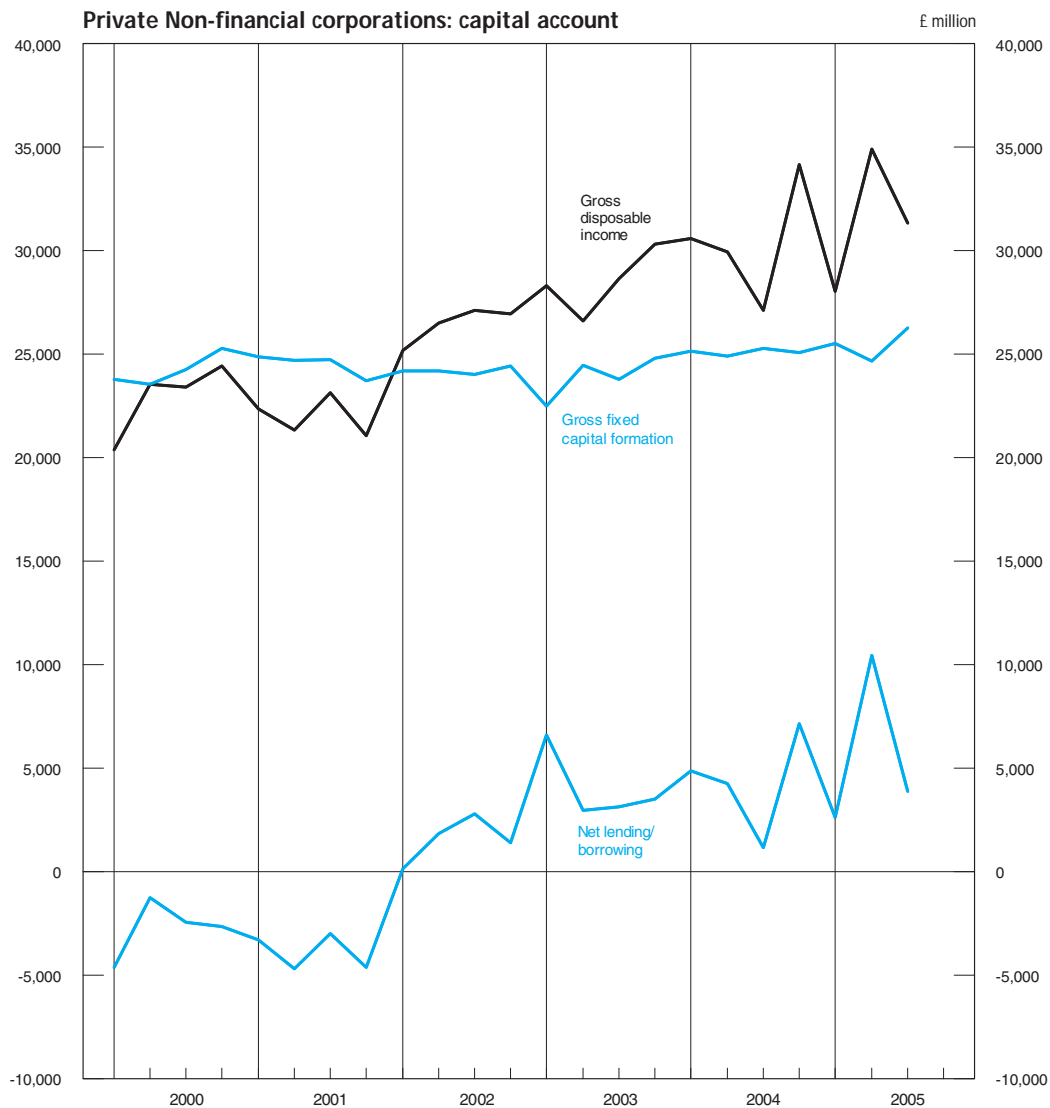
7 Gross of fixed capital consumption.

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

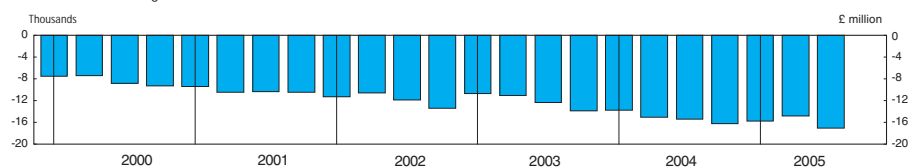
	Trade in goods and services						Income balance	Current transfers balance	Current balance	Current balance as % of GDP <sup>1</sup>
	Exports of goods+	Imports of goods+	Balance of trade in goods	Exports of services	Imports of services	Services balance				
<b>Annual</b>	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	HBOJ	IKBP	HBOP	AA6H
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	24 995	-9 961	-15 948	-1.4
2004	190 933	251 347	-60 414	103 016	81 580	21 436	26 721	-10 940	-23 197	-2.0
<b>Quarterly</b>										
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	8 264	-2 237	-439	-0.2
Q2	46 813	57 856	-11 043	23 082	18 854	4 228	5 035	-2 898	-4 678	-1.7
Q3	46 302	58 602	-12 300	23 635	19 382	4 253	5 400	-2 501	-5 148	-1.8
Q4	46 466	60 335	-13 869	23 720	19 505	4 215	6 296	-2 325	-5 683	-2.0
2004 Q1	46 185	59 874	-13 689	25 022	19 684	5 338	6 273	-2 762	-4 840	-1.7
Q2	47 135	62 219	-15 084	25 573	20 099	5 474	6 592	-2 444	-5 462	-1.9
Q3	48 207	63 611	-15 404	25 787	20 589	5 198	3 995	-2 802	-9 013	-3.1
Q4	49 406	65 643	-16 237	26 634	21 208	5 426	9 861	-2 932	-3 882	-1.3
2005 Q1	49 263	65 009	-15 746	26 212	21 068	5 144	7 498	-3 572	-6 676	-2.2
Q2	52 459	67 206	-14 747	26 262	21 262	5 000	10 952	-2 565	-1 360	-0.5
Q3	53 256	70 242	-16 986	24 098	21 231	2 867	6 928	-3 024	-10 215	-3.4
<b>Monthly</b>										
2003 Jan	16 537	20 055	-3 518	7 605	6 299	1 306	..	..	..	..
Feb	16 460	19 594	-3 134	7 762	6 335	1 427	..	..	..	..
Mar	16 037	20 037	-4 000	7 812	6 359	1 453	..	..	..	..
Apr	16 545	19 139	-2 594	7 669	6 193	1 476	..	..	..	..
May	15 293	19 405	-4 112	7 712	6 349	1 363	..	..	..	..
Jun	14 975	19 312	-4 337	7 701	6 312	1 389	..	..	..	..
Jul	15 675	19 479	-3 804	7 792	6 440	1 352	..	..	..	..
Aug	15 441	19 037	-3 596	7 921	6 489	1 432	..	..	..	..
Sep	15 186	20 086	-4 900	7 922	6 453	1 469	..	..	..	..
Oct	15 729	20 174	-4 445	7 852	6 275	1 577	..	..	..	..
Nov	15 110	19 919	-4 809	7 867	6 501	1 366	..	..	..	..
Dec	15 627	20 242	-4 615	8 001	6 729	1 272	..	..	..	..
2004 Jan	15 058	20 337	-5 279	8 170 <sup>†</sup>	6 588 <sup>†</sup>	1 582 <sup>†</sup>	..	..	..	..
Feb	15 278	19 482	-4 204	8 401	6 618	1 783	..	..	..	..
Mar	15 849	20 055	-4 206	8 451	6 478	1 973	..	..	..	..
Apr	15 731	20 785	-5 054	8 583	6 699	1 884	..	..	..	..
May	15 518	20 517	-4 999	8 503	6 692	1 811	..	..	..	..
Jun	15 886	20 917	-5 031	8 487	6 708	1 779	..	..	..	..
Jul	15 938	21 212	-5 274	8 498	6 750	1 748	..	..	..	..
Aug	15 881	21 109	-5 228	8 623	6 860	1 763	..	..	..	..
Sep	16 388	21 290	-4 902	8 666	6 979	1 687	..	..	..	..
Oct	16 139	21 794	-5 655	8 842	7 036	1 806	..	..	..	..
Nov	16 497	21 796	-5 299	8 904	7 066	1 838	..	..	..	..
Dec	16 770	22 053	-5 283	8 888	7 106	1 782	..	..	..	..
2005 Jan	16 286	21 730	-5 444	8 787	7 084	1 703	..	..	..	..
Feb	16 191	21 486	-5 295	8 766	7 010	1 756	..	..	..	..
Mar	16 786	21 793	-5 007	8 659	6 974	1 685	..	..	..	..
Apr	17 139	22 421	-5 282	8 792	7 022	1 770	..	..	..	..
May	16 999	22 102	-5 103	8 842	7 193	1 649	..	..	..	..
Jun	18 321	22 683	-4 362	8 628	7 047	1 581	..	..	..	..
Jul	17 316	22 756	-5 440	8 709	7 084	1 625	..	..	..	..
Aug	17 806	23 752	-5 946	8 784	7 026	-242	..	..	..	..
Sep	18 134	23 734	-5 600	8 605	7 121	1 484	..	..	..	..
Oct	18 325 <sup>†</sup>	23 375 <sup>†</sup>	-5 050 <sup>†</sup>	8 736	7 065	1 671	..	..	..	..
Nov	18 161	24 127	-5 966	8 663	7 182	1 481	..	..	..	..

1 Using series YBHA: GDP at current market prices

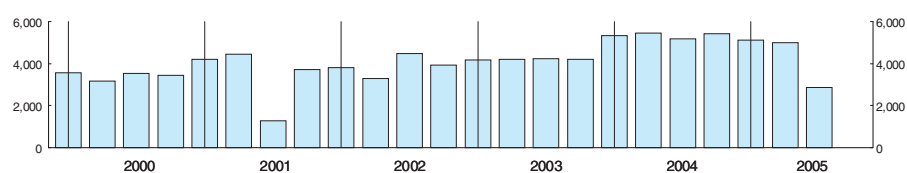
Sources: Office for National Statistics;  
Enquiries Columns 1-3 020 7533 6064; Columns 4-6 & 8 020 7533 6090;  
Columns 7, 9 & 10 020 7533 6078.

**Balance of Payments: Current account**

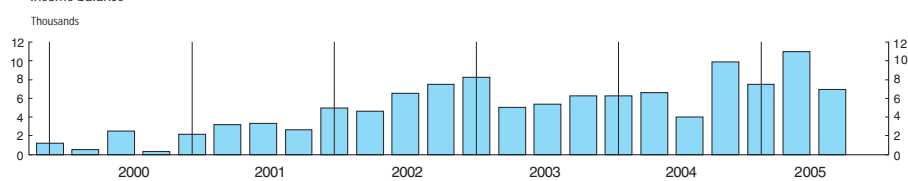
Balance of Trade in goods



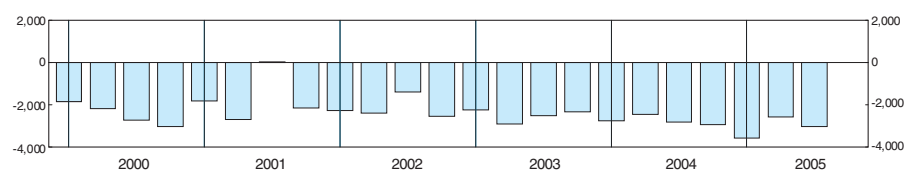
## Services balance



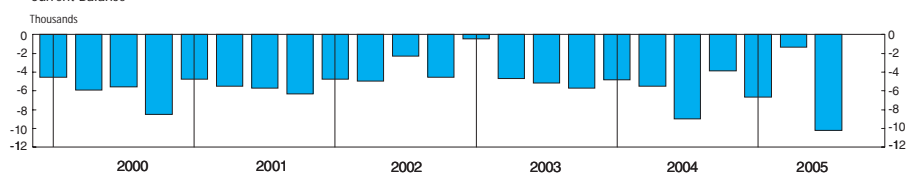
## Income balance



## Current transfers balance



## Current Balance



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

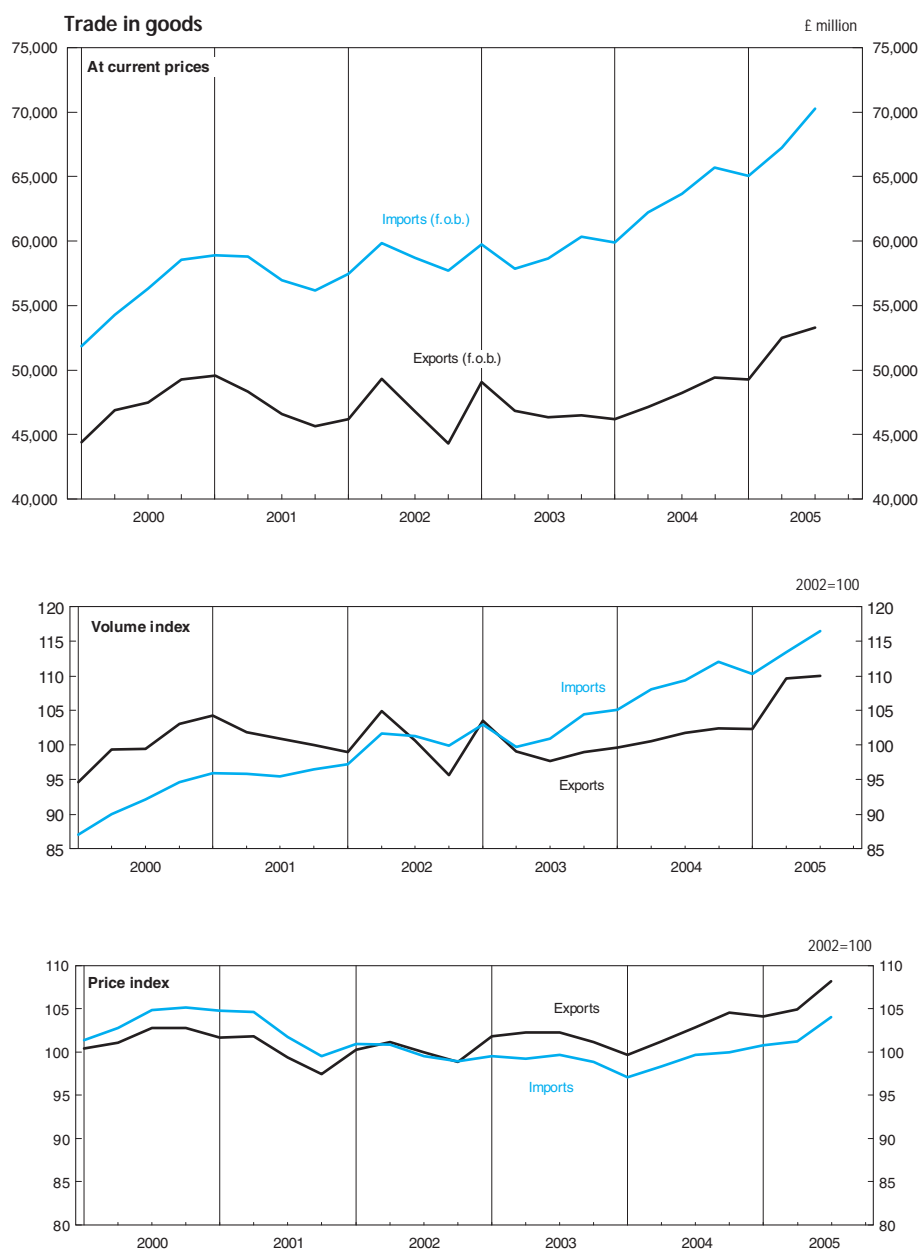
2002 = 100

	Volume indices (SA)		Price indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade <sup>1</sup>
<b>Annual</b>					
	BQKU	BQKV	BQKR	BQKS	BQKT
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	101.0	108.6	102.0	98.7	103.3
<b>Quarterly</b>					
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	99.6	105.1	99.6	97.0	102.7
Q2	100.5	108.0	101.2	98.3	103.0
Q3	101.7	109.3	102.8	99.6	103.2
Q4	102.4	112.0	104.5	99.9	104.6
2005 Q1	102.3	110.2	104.1	100.7	103.4
Q2	109.6	113.4	104.9	101.2	103.7
Q3	110.0	116.4	108.1	104.0	103.9
<b>Monthly</b>					
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	99.4	103.2	98.7	96.0	102.8
Mar	102.3	105.0	100.4	97.7	102.8
Apr	101.0	108.6	100.9	97.8	103.2
May	98.9	106.4	102.1	99.0	103.1
Jun	101.7	109.1	100.7	98.1	102.7
Jul	102.1	110.5	101.0	98.3	102.7
Aug	100.4	109.0	102.9	99.8	103.1
Sep	102.5	108.4	104.4	100.6	103.8
Oct	99.8	111.1	106.2	101.3	104.8
Nov	101.8	110.8	104.8	100.1	104.7
Dec	105.7	114.1	102.5	98.4	104.2
2005 Jan	101.8	111.0	103.4	100.3	103.1
Feb	101.3	108.3	103.6	100.5	103.1
Mar	103.9	111.2	105.4	101.2	104.2
Apr	106.8	113.9	104.8	100.8	104.0
May	106.2	112.2	105.0	101.1	103.9
Jun	115.7	114.1	105.0	101.8	103.1
Jul	106.6	113.1	107.8	104.3	103.4
Aug	110.7	118.3	108.4	104.1	104.1
Sep	112.8	117.7	108.0	103.7	104.1
Oct	113.6 <sup>†</sup>	115.2 <sup>†</sup>	108.6 <sup>†</sup>	104.8 <sup>†</sup>	103.6 <sup>†</sup>
Nov	111.9	118.8	108.0	104.9	103.0

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

Source: Office for National Statistics; Enquiries 020 7533 6064





# 2.15 Measures of UK competitiveness in trade in manufactures

1995=100

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

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

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

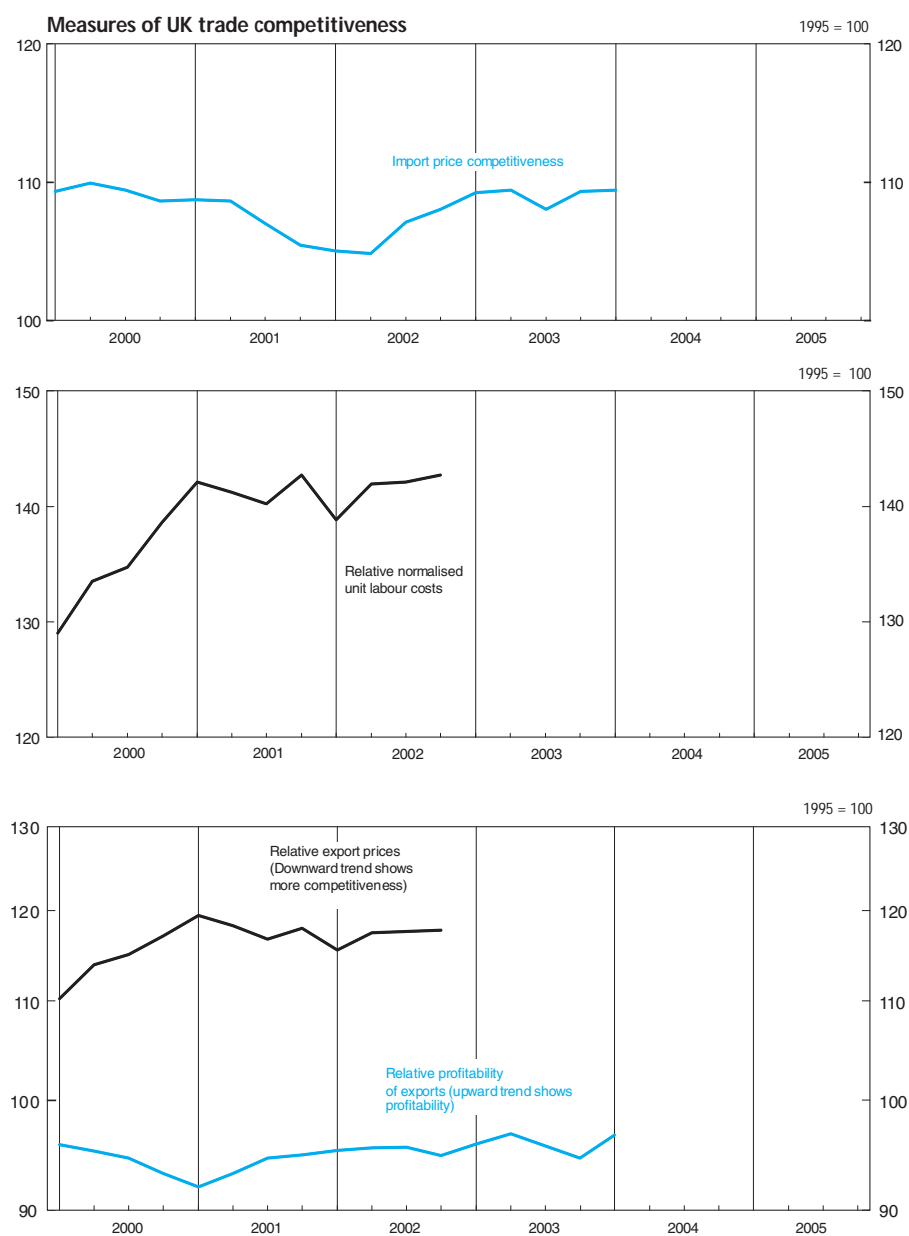
3 Includes the former German Democratic Republic as from 1991 Q1.

4 These series are on a SIC 92 basis.

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

6 Quarterly data have been obtained by interpolating the annuals.

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



# 3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index <sup>3,4</sup> (1996=100)		Retail prices index (January 13, 1987=100)						Pensioner price index <sup>6</sup> (January 13, 1987=100)		Purchasing power of the pound <sup>7</sup> (NSA) (1985=100)
	Materials and fuel purchased by manu- facturing industry (SA) <sup>1,2</sup>	Output: all manufact- ured products: home sales	All items		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments & indirect taxes (RPIY) <sup>5</sup>		1-person household	2-person household	
			Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index			
Annual	RNPE	PLLU	CHVJ	CJYR	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
2001	98.8	99.7	106.9	1.2	173.3	1.8	171.3	2.1	163.7	2.4	152.7	158.5	55
2002	94.4	99.8	108.3	1.3	176.2	1.7	175.1	2.2	167.5	2.3	155.3	160.9	54
2003	95.7	101.3	109.8	1.4	181.3	2.9	180.0	2.8	172.0	2.7	158.1	163.8	52
2004	99.4 <sup>†</sup>	103.8	111.2	1.3	186.7	3.0	184.0	2.2	175.5	2.0	160.9	166.4	51
2005	111.0	106.7	113.5	2.1	192.0	2.8	188.2	2.3	179.4	2.2	165.1	170.0	49
Quarterly													
2001 Q1	100.9	99.7	105.7	0.9	171.8	2.6	168.9	1.9	161.1	1.6	150.6	156.5	55
Q2	101.8	100.1	107.3	1.5	173.9	1.9	171.8	2.3	164.1	2.6	153.3	159.3	54
Q3	98.2	99.8	107.3	1.5	174.0	1.8	172.1	2.4	164.6	2.8	153.0	158.9	54
Q4	94.2	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	94.2	99.2	107.4	1.5	173.9	1.2	172.9	2.4	165.5	2.7	154.7	160.1	54
Q2	95.2	99.8	108.3	0.9	176.0	1.2	175.0	1.9	167.1	1.8	155.3	161.0	54
Q3	94.2	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	94.8	101.1	109.7	1.3	181.3	3.0	180.1	2.9	171.8	2.8	157.9	163.7	52
Q3	95.4	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	95.7	102.4	110.4	1.3	183.8	2.6	182.0	2.3	173.8	1.9	159.7	165.4	51
Q2	98.6	103.4	111.2	1.4	186.3	2.8	184.0	2.2	175.4	2.1	160.9	166.6	51
Q3	100.5	104.2	111.2	1.2	187.4	3.1	184.3	2.1	175.6	1.9	160.5	166.1	50
Q4	102.9 <sup>†</sup>	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	105.8	105.2	112.3	1.7	189.7	3.2	186.0	2.2	177.5	2.1	163.4	168.3	50
Q2	108.4	106.3	113.4	1.9	191.9	3.0	188.1	2.2	179.3	2.2	164.8	169.8	49
Q3	113.4 <sup>r</sup>	107.4	113.9	2.4	192.6	2.8	188.7	2.4	179.9	2.4	165.1	170.1	49
Q4	116.4 <sup>p</sup>	107.6 <sup>p</sup>	114.4	2.1	193.7	2.4	189.8	2.3	181.0	2.2	167.1	171.7	49
Monthly													
2004 Jan	95.6	102.1	110.1	1.4	183.1	2.6	181.4	2.4	173.2	2.0	..	..	52
Feb	94.9	102.3	110.4	1.3	183.8	2.5	182.0	2.3	173.9	1.9	..	..	51
Mar	96.6	102.8	110.6	1.1	184.6	2.6	182.5	2.1	174.3	1.7	..	..	51
Apr	97.6	103.1	111.0	1.2	185.7	2.5	183.6	2.0	174.9	1.8	..	..	51
May	99.9	103.5	111.4	1.5	186.5	2.8	184.3	2.3	175.6	2.2	..	..	51
Jun	98.4	103.6	111.3	1.6	186.8	3.0	184.2	2.3	175.6	2.3	..	..	51
Jul	99.1	103.8	111.0	1.4	186.8	3.0	183.8	2.2	175.1	2.0	..	..	51
Aug	100.2	104.2	111.3	1.3	187.4	3.2	184.3	2.2	175.7	2.0	..	..	50
Sep	102.3	104.5	111.4	1.1	188.1	3.1	184.7	1.9	176.1	1.7	..	..	50
Oct	105.0	105.2	111.7	1.2	188.6	3.3	185.1	2.1	176.6	2.0	..	..	50
Nov	103.0	105.3	111.9	1.5	189.0	3.4	185.4	2.2	176.9	2.2	..	..	50
Dec	100.6 <sup>†</sup>	104.9	112.5	1.6	189.9	3.5	186.4	2.5	177.9	2.5	..	..	50
2005 Jan	105.0	104.8	111.9	1.6	188.9	3.2	185.2	2.1	176.7	2.0	..	..	50
Feb	105.3	105.1	112.2	1.6	189.6	3.2	185.9	2.1	177.4	2.0	..	..	50
Mar	107.2	105.8	112.7	1.9	190.5	3.2	186.8	2.4	178.3	2.3	..	..	50
Apr	107.6	106.5	113.1	1.9	191.6	3.2	187.8	2.3	179.0	2.3	..	..	49
May	107.5	106.3	113.5	1.9	192.0	2.9	188.2	2.1	179.4	2.2	..	..	49
Jun	110.1	106.2	113.5	2.0	192.2	2.9	188.3	2.2	179.5	2.2	..	..	49
Jul	113.4	107.0	113.6	2.3	192.2	2.9	188.3	2.4	179.5	2.5	..	..	49
Aug	113.5 <sup>r</sup>	107.3	114.0	2.4	192.6	2.8	188.6	2.3	179.8	2.3	..	..	49
Sep	113.4 <sup>r</sup>	108.0	114.2	2.5	193.1	2.7	189.3	2.5	180.5	2.5	..	..	49
Oct	114.6	107.9	114.3	2.3	193.3	2.5	189.5	2.4	180.7	2.3	..	..	49
Nov	116.8 <sup>p</sup>	107.6 <sup>p</sup>	114.3	2.1	193.6	2.4	189.7	2.3	180.9	2.3	..	..	49
Dec	117.9 <sup>p</sup>	107.4 <sup>p</sup>	114.7	2.0	194.1	2.2	190.2	2.0	181.5	2.0	..	..	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).

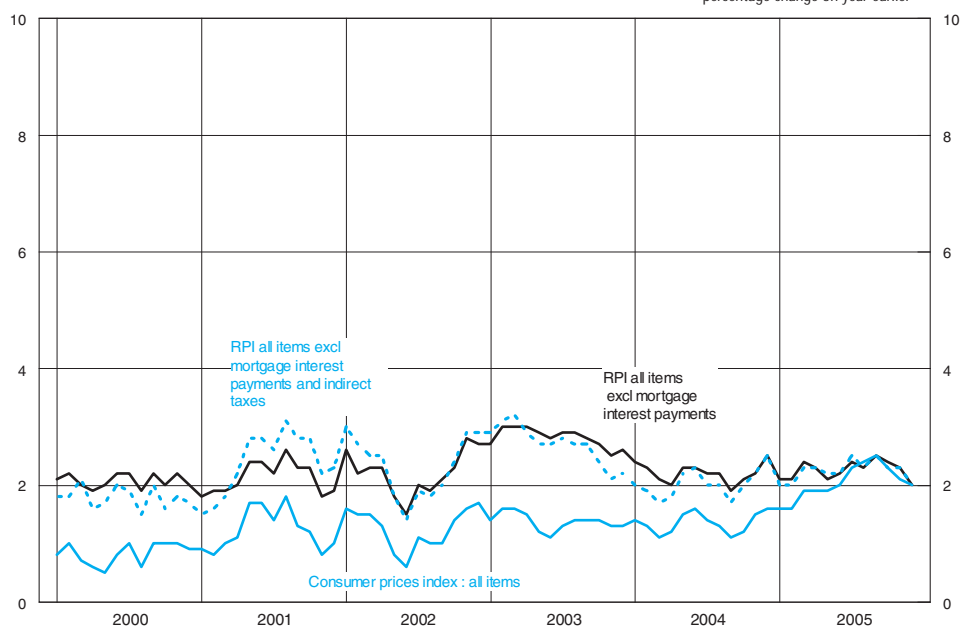
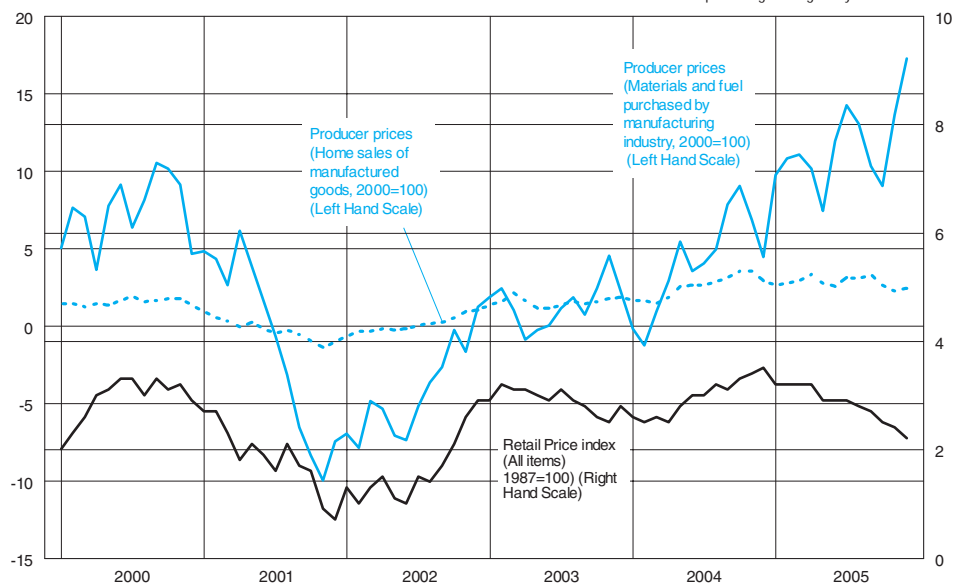
5 The taxes excluded are council tax, VAT, duties, vehicle excise duty, insurance tax and airport passenger duty.

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

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

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

## Prices

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

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

## United Kingdom

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

	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64 <sup>4</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
	MGRN	MGRQ	MGRT	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
2003 Q1	24 452	3 435	83	94	28 065	1 524	29 588	17 358	46 946	74.6
Q2	24 456	3 555	88	93	28 191	1 463	29 654	17 366	47 020	74.8
Q3	24 360	3 647	108	107	28 222	1 499	29 721	17 377	47 098	74.6
Q4	24 388	3 659	99	108	28 254	1 458	29 712	17 470	47 183	74.6
2004 Q1	24 550	3 628	103	116	28 398	1 432	29 830	17 438	47 268	74.8
Q2	24 518	3 670	98	125	28 410	1 434	29 844	17 509	47 352	74.7
Q3	24 662	3 586	91	128	28 467	1 392	29 859	17 585	47 444	74.7
Q4	24 720	3 644	97	126	28 586	1 418	30 004	17 546	47 550	74.9
2005 Q1	24 819	3 630	104	126	28 679	1 409	30 087	17 569	47 656	74.9
Q2	24 860	3 621	101	116	28 698	1 435	30 132	17 629	47 762	74.7
Q3	24 965	3 660	93	107	28 825	1 434	30 259	17 605	47 863	74.9
<b>Percentage change on quarter</b> 2005q2 to 2005q3	0.4	1.1	-7.9	-7.8	0.4	-0.1	0.4	-0.1	0.2	
<b>Percentage change on year</b> 2004q3 to 2005q3	1.2	2.1	2.2	-16.4	1.3	3.0	1.3	0.1	0.9	
<b>MALE</b>										
	MGRG	MGRR	MGRU	MGRX	MGSA	MGSD	MMSG	MGSJ	MGSM	MGSV
2003 Q1	12 594	2 505	26	56	15 181	926	16 107	6 586	22 694	79.1
Q2	12 602	2 604	32	53	15 291	886	16 177	6 560	22 738	79.5
Q3	12 512	2 672	41	61	15 285	896	16 180	6 602	22 783	79.3
Q4	12 482	2 680	38	60	15 261	879	16 140	6 691	22 830	79.0
2004 Q1	12 581	2 657	42	68	15 348	841	16 190	6 688	22 878	79.4
Q2	12 544	2 695	41	73	15 353	841	16 195	6 731	22 926	79.2
Q3	12 630	2 653	35	75	15 393	815	16 208	6 769	22 977	79.3
Q4	12 651	2 686	37	75	15 450	834	16 284	6 753	23 037	79.3
2005 Q1	12 709	2 668	41	70	15 488	830	16 318	6 778	23 096	79.3
Q2	12 710	2 662	38	71	15 481	834	16 316	6 839	23 155	79.1
Q3	12 751	2 678	34	63	15 526	849	16 376	6 837	23 213	79.1
<b>Percentage change on quarter</b> 2005q2 to 2005q3	0.3	0.6	-10.5	-11.3	0.3	1.8	0.4	0.0	0.3	
<b>Percentage change on year</b> 2004q3 to 2005q3	1.0	0.9	-2.9	-16.0	0.9	4.2	1.0	1.0	1.0	
<b>FEMALE</b>										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSB	MGSK	MGSN	MGSW
2003 Q1	11 858	930	57	38	12 883	598	13 481	10 771	24 252	69.7
Q2	11 853	951	56	40	12 900	578	13 477	10 805	24 283	69.7
Q3	11 848	975	67	46	12 937	603	13 541	10 775	24 315	69.7
Q4	11 906	979	61	47	12 993	579	13 572	10 780	24 352	69.8
2004 Q1	11 969	971	61	48	13 049	591	13 640	10 749	24 390	70.0
Q2	11 974	975	57	52	13 057	592	13 649	10 778	24 427	69.8
Q3	12 033	933	55	53	13 074	577	13 651	10 816	24 467	69.9
Q4	12 068	959	59	50	13 136	584	13 721	10 793	24 514	70.1
2005 Q1	12 110	962	63	55	13 191	579	13 769	10 791	24 560	70.1
Q2	12 150	959	63	44	13 216	600	13 817	10 790	24 606	70.1
Q3	12 214	982	59	44	13 299	584	13 883	10 768	24 651	70.4
<b>Percentage change on quarter</b> 2005q2 to 2005q3	0.5	2.4	-6.3	0.0	0.6	-2.7	0.5	-0.2	0.2	
<b>Percentage change on year</b> 2004q3 to 2005q3	1.5	5.3	7.3	-17.0	1.7	1.2	1.7	-0.4	0.8	

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 September each year.

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

Source: Office for National Statistics; Enquiries 020 7533 6094





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

United Kingdom

Thousands, not seasonally adjusted

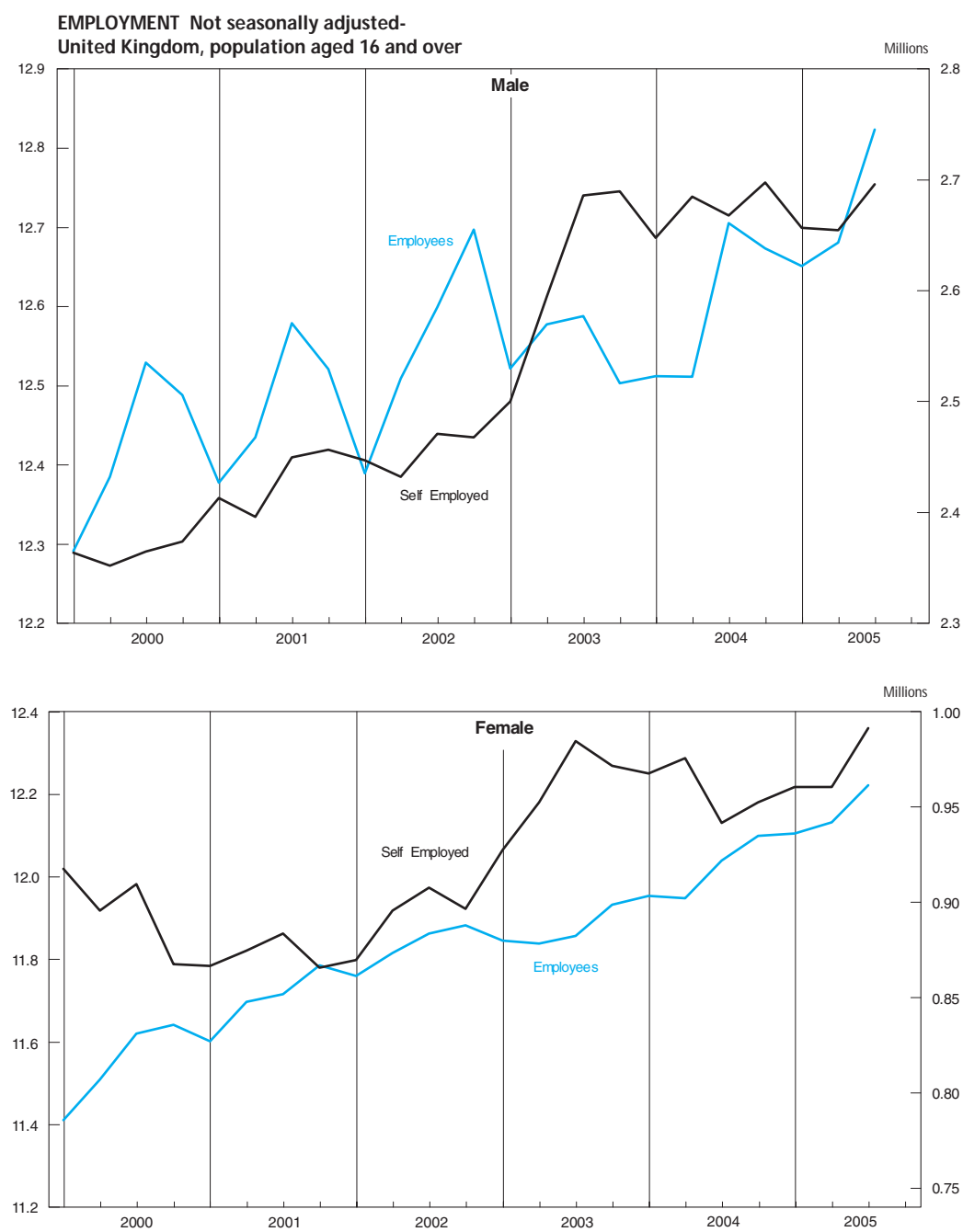
	Employment categories					Unemployment	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: aged 16-59/64 <sup>3</sup>
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total employment					
<b>TOTAL</b>										
	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2003 Q1	24 363	3 426	83	99	27 971	1 525	29 497	17 450	46 946	74.3
Q2	24 412	3 545	86	91	28 134	1 416	29 550	17 470	47 020	74.6
Q3	24 441	3 670	110	101	28 321	1 572	29 892	17 202	47 098	74.9
Q4	24 433	3 660	100	110	28 303	1 422	29 724	17 445	47 183	74.7
2004 Q1	24 463	3 615	104	121	28 302	1 429	29 731	17 513	47 268	74.6
Q2	24 454	3 659	96	121	28 330	1 387	29 717	17 601	47 352	74.5
Q3	24 741	3 607	91	123	28 562	1 466	30 029	17 416	47 444	75.0
Q4	24 768	3 649	97	128	28 642	1 383	30 025	17 525	47 550	75.0
2005 Q1	24 752	3 616	106	130	28 604	1 405	30 009	17 647	47 656	74.6
Q2	24 809	3 613	98	112	28 633	1 392	30 025	17 737	47 762	74.5
Q3	25 041	3 686	92	102	28 920	1 509	30 429	17 434	47 863	75.2
<b>Percentage change on year 2004q3 to 2005q3</b>	1.2	2.2	1.1	-17.1	1.3	2.9	1.3	0.1	0.9	
<b>MALE</b>										
	MGTB	MGTE	MGTH	MGTK	MGTN	MGTQ	MGTT	MGTW	MGSM	MGUI
2003 Q1	12 521	2 499	27	59	15 107	938	16 045	6 649	22 694	78.7
Q2	12 576	2 594	31	52	15 253	864	16 116	6 621	22 738	79.3
Q3	12 587	2 685	41	58	15 371	921	16 292	6 489	22 783	79.8
Q4	12 502	2 689	38	62	15 291	855	16 146	6 679	22 830	79.2
2004 Q1	12 511	2 647	44	70	15 273	851	16 124	6 745	22 878	79.0
Q2	12 510	2 684	40	71	15 305	819	16 124	6 789	22 926	79.0
Q3	12 704	2 667	35	73	15 478	842	16 320	6 657	22 977	79.7
Q4	12 672	2 697	37	77	15 483	811	16 294	6 742	23 037	79.5
2005 Q1	12 650	2 656	43	72	15 422	839	16 261	6 835	23 096	78.9
Q2	12 680	2 654	37	70	15 440	814	16 254	6 901	23 155	78.8
Q3	12 822	2 695	33	61	15 610	878	16 488	6 724	23 213	79.5
<b>Percentage change on year 2004q3 to 2005q3</b>	0.9	1.0	-5.7	-16.4	0.9	4.3	1.0	1.0	1.0	
<b>FEMALE</b>										
	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2003 Q1	11 843	927	55	40	12 865	587	13 452	10 801	24 252	69.6
Q2	11 836	952	55	39	12 881	552	13 434	10 849	24 283	69.6
Q3	11 854	984	69	43	12 950	650	13 600	10 713	24 315	69.7
Q4	11 930	971	62	48	13 011	567	13 578	10 766	24 352	70.0
2004 Q1	11 952	967	60	51	13 029	578	13 608	10 767	24 390	69.9
Q2	11 945	975	56	50	13 025	568	13 593	10 812	24 427	69.7
Q3	12 037	941	56	50	13 084	624	13 708	10 759	24 467	70.0
Q4	12 096	952	60	51	13 159	571	13 730	10 783	24 514	70.2
2005 Q1	12 102	960	62	58	13 183	565	13 748	10 812	24 560	70.0
Q2	12 129	960	62	42	13 193	578	13 771	10 835	24 606	69.9
Q3	12 219	991	59	41	13 310	631	13 941	10 710	24 651	70.5
<b>Percentage change on year 2004q3 to 2005q3</b>	1.5	5.3	5.4	-18.0	1.7	1.1	1.7	-0.5	0.8	

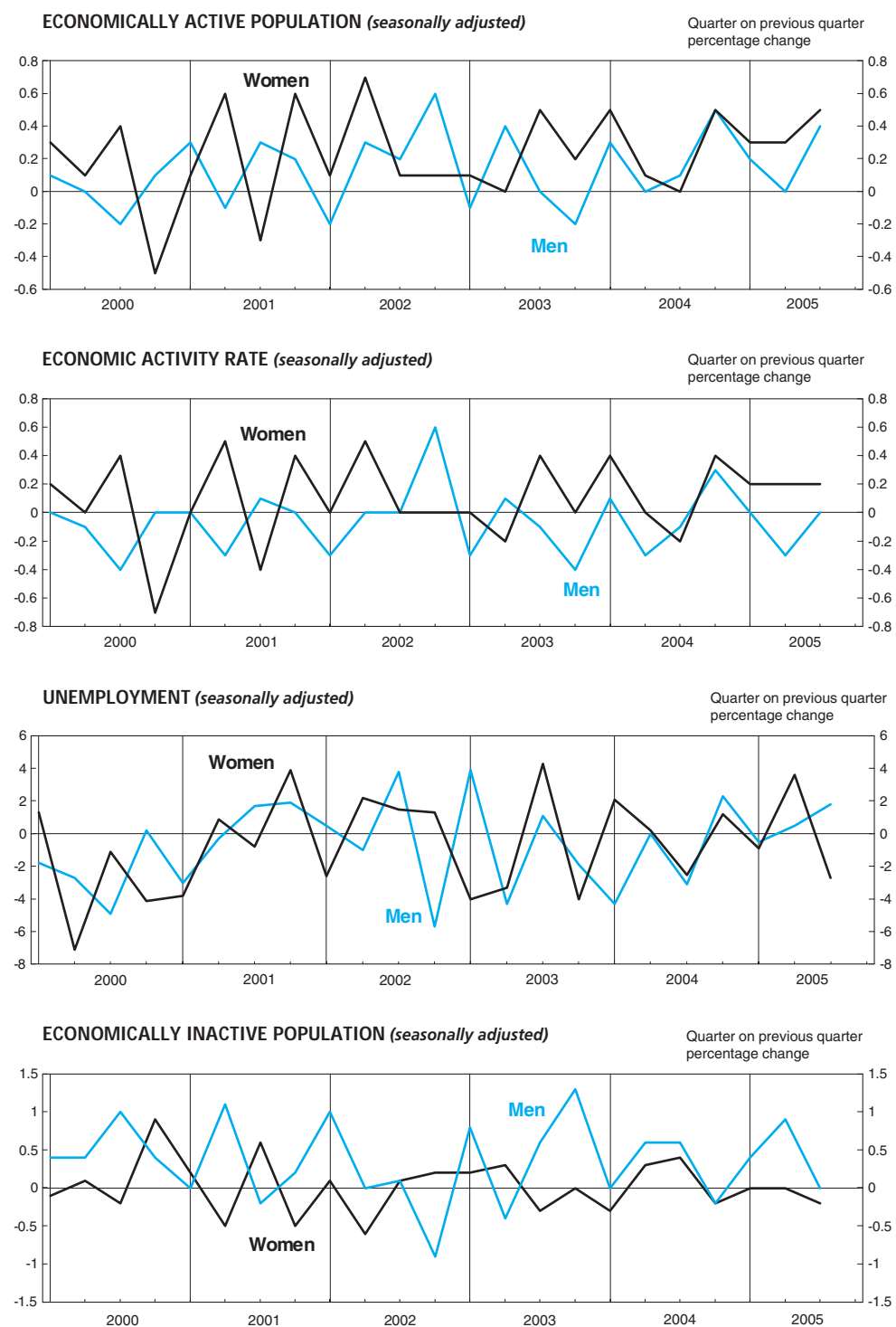
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

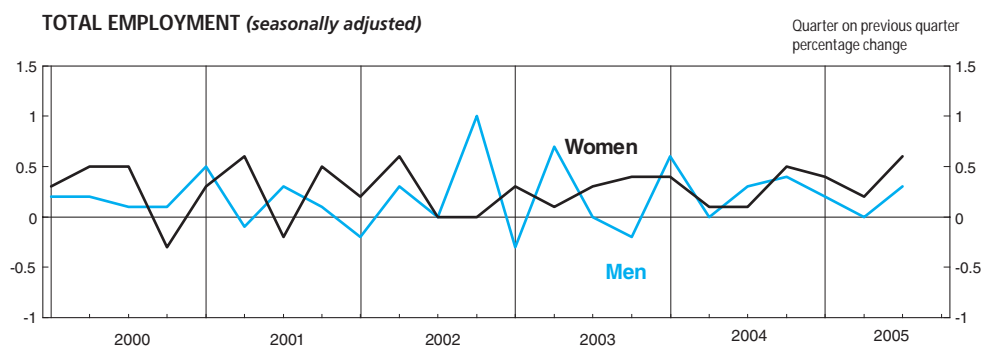
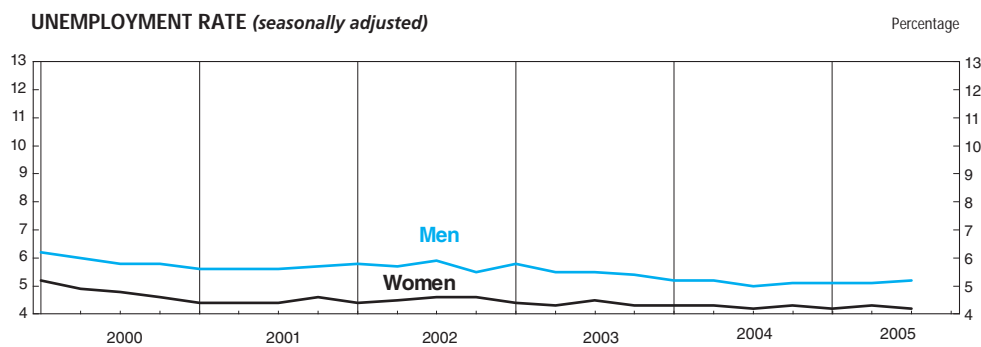
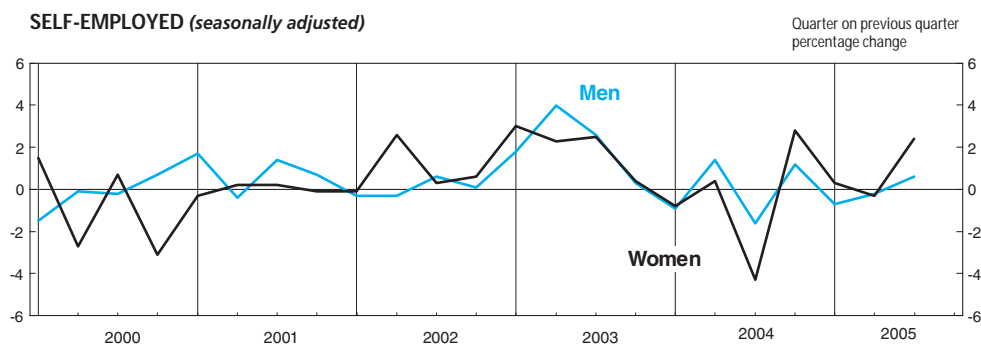
2 Data are from the Labour Force Survey which uses the definitions recommended by the International Labour Organisation (ILO), an agency of the United Nations. For details see the *Guide to Labour Market Statistics Releases*.

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

Source: Office for National Statistics; Enquiries 020 7533 6094







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

## United Kingdom

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

	Total aged 16 and over			Age groups <sup>4</sup>							
	Total	Male	Female	16 - 24		25 - 49		50 - 59/64		60/65 and over	
				Male	Female	Male	Female	Male	Female	Male	Female
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
2003 Q3	28 222	15 285	12 937	2 118	1 945	9 145	7 800	3 687	2 561	335	631
Q4	28 254	15 261	12 993	2 124	1 983	9 113	7 833	3 691	2 535	332	643
2004 Q1	28 398	15 348	13 049	2 151	2 011	9 149	7 828	3 714	2 558	334	651
Q2	28 410	15 353	13 057	2 166	1 978	9 127	7 856	3 721	2 554	340	669
Q3	28 467	15 393	13 074	2 157	1 987	9 161	7 872	3 736	2 561	338	653
Q4	28 586	15 450	13 136	2 156	1 994	9 189	7 889	3 759	2 588	345	666
2005 Q1	28 679	15 488	13 191	2 171	1 986	9 189	7 927	3 773	2 586	356	692
Q2	28 698	15 481	13 216	2 158	1 979	9 195	7 943	3 774	2 592	354	703
Q3	28 825	15 526	13 299	2 148	1 973	9 215	8 010	3 800	2 610	363	707
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
2003 Q3	1 499	896	603	342	238	404	288	141	71	..	..
Q4	1 458	879	579	331	221	399	284	139	65	10	..
2004 Q1	1 432	841	591	329	233	370	285	133	64	10	..
Q2	1 434	841	592	328	246	368	281	136	56	..	..
Q3	1 392	815	577	342	248	332	262	133	59	..	..
Q4	1 418	834	584	350	248	343	269	131	60	11	..
2005 Q1	1 409	830	579	341	231	346	278	134	60	..	..
Q2	1 435	834	600	362	249	342	278	123	64	..	10
Q3	1 434	849	584	370	237	336	270	133	63	10	14
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
2003 Q3	17 377	6 602	10 775	905	1 124	792	2 471	1 316	1 171	3 589	6 009
Q4	17 470	6 691	10 780	932	1 119	832	2 446	1 325	1 206	3 602	6 008
2004 Q1	17 438	6 688	10 749	929	1 095	827	2 453	1 318	1 188	3 614	6 014
Q2	17 509	6 731	10 778	936	1 132	853	2 432	1 320	1 203	3 622	6 010
Q3	17 585	6 769	10 816	950	1 136	864	2 443	1 318	1 197	3 637	6 041
Q4	17 546	6 753	10 793	960	1 142	842	2 434	1 310	1 171	3 641	6 046
2005 Q1	17 569	6 778	10 791	971	1 180	856	2 401	1 306	1 176	3 645	6 034
Q2	17 629	6 839	10 790	979	1 182	871	2 400	1 327	1 168	3 661	6 040
Q3	17 605	6 837	10 768	997	1 211	872	2 354	1 305	1 154	3 663	6 049
Economic activity rate (per cent) <sup>5</sup>											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
2003 Q3	63.1	71.0	55.7	73.1	66.0	92.3	76.6	74.4	69.2	8.7	9.6
Q4	63.0	70.7	55.7	72.5	66.3	92.0	76.8	74.3	68.3	8.7	9.8
2004 Q1	63.1	70.8	55.9	72.7	67.2	92.0	76.8	74.5	68.8	8.7	9.9
Q2	63.0	70.6	55.9	72.7	66.3	91.8	77.0	74.5	68.4	8.8	10.1
Q3	62.9	70.5	55.8	72.5	66.3	91.7	76.9	74.6	68.6	8.7	9.9
Q4	63.1	70.7	56.0	72.3	66.2	91.9	77.0	74.8	69.3	8.9	10.0
2005 Q1	63.1	70.7	56.1	72.1	65.3	91.8	77.4	74.9	69.2	9.1	10.4
Q2	63.1	70.5	56.2	72.0	65.3	91.6	77.4	74.6	69.4	9.0	10.6
Q3	63.2	70.5	56.3	71.6	64.6	91.6	77.9	75.1	69.8	9.2	10.6
Unemployment rate (per cent) <sup>6</sup>											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
2003 Q3	5.0	5.5	4.5	13.9	10.9	4.2	3.6	3.7	2.7	..	..
Q4	4.9	5.4	4.3	13.5	10.0	4.2	3.5	3.6	2.5	3.0	..
2004 Q1	4.8	5.2	4.3	13.3	10.4	3.9	3.5	3.5	2.4	2.8	..
Q2	4.8	5.2	4.3	13.2	11.1	3.9	3.5	3.5	2.2	..	..
Q3	4.7	5.0	4.2	13.7	11.1	3.5	3.2	3.4	2.2	..	..
Q4	4.7	5.1	4.3	14.0	11.1	3.6	3.3	3.4	2.3	3.0	..
2005 Q1	4.7	5.1	4.2	13.6	10.4	3.6	3.4	3.4	2.3	..	..
Q2	4.8	5.1	4.3	14.4	11.2	3.6	3.4	3.2	2.4	..	1.3
Q3	4.7	5.2	4.2	14.7	10.7	3.5	3.3	3.4	2.4	2.7	1.9

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 September each year.

4 Data for more detailed age groups are published in *Labour Market Trends*.

5 The activity rate is the percentage of people in each age group who are economically active.

6 Unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

Source: Office for National Statistics; Enquiries 020 7533 6094





# 4.4 Jobs and claimant count

## United Kingdom

Thousands

	Jobs <sup>1</sup>					Claimant count <sup>5,6,8</sup>			Vacancies: average for three months ending in month shown <sup>9</sup>
	Workforce jobs <sup>2,3,4</sup>	Employee jobs <sup>3,4</sup>				Total	Percentage of workforce jobs and claimant count <sup>7</sup>	Total Not seasonally adjusted	
		All industries	Manufacturing industry	Production industry	Service industries				
Annual	DYDC	BCAJ	YEJA	YEJF	YEID	BCJD	BCJE	BCJA	AP2Y
2002	29 985	26 107	3 599	3 800	20 904	946.6	3.1	958.8	..
2003	30 283	26 175	3 411	3 598	21 202	933.3	3.0	945.9	..
2004	30 572	26 381	3 255	3 424	21 557	853.6	2.7	866.1	..
2005	30 810	26 650	3 132	3 293	21 916	861.4	2.8	874.4	..
Quarterly									
2002 Q1	29 974	26 154	3 647	3 852	20 863	952.5	3.1	1 014.6	..
Q2	29 985	26 107	3 599	3 800	20 904	950.6	3.1	958.1	..
Q3	30 029	26 103	3 554	3 749	20 975	946.5	3.1	951.8	..
Q4	30 122	26 182	3 513	3 703	21 108	937.0	3.0	910.6	..
2003 Q1	30 168	26 133	3 465	3 652	21 115	939.0	3.0	1 001.1	..
Q2	30 283	26 175	3 411	3 598	21 202	945.3	3.0	954.3	..
Q3	30 384	26 172	3 365	3 546	21 232	934.6	3.0	939.0	..
Q4	30 489	26 284	3 325	3 500	21 397	914.2	2.9	889.2	..
2004 Q1	30 524	26 334	3 284	3 458	21 480	885.8	2.8	947.2	..
Q2	30 572	26 381	3 255	3 424	21 557	861.3	2.8	871.8	..
Q3	30 558	26 396	3 217	3 381	21 614	836.3	2.7	839.0	..
Q4	30 747	26 569	3 187	3 346	21 770	831.1	2.7	806.7	..
2005 Q1	30 832	26 663	3 168	3 328	21 866	820.9	2.6	879.8	..
Q2	30 810	26 650	3 132	3 293	21 916	853.8	2.8	865.9	..
Q3	30 819	26 642	3 106	3 267	21 915	870.0	2.8	874.4	..
Q4	..	..	..	..	..	900.8	2.9	877.6	..
Monthly									
2004 Jan	..	..	3 308	3 484	..	893.2	2.9	952.4	608.3
Feb	..	..	3 297	3 472	..	884.2	2.8	957.0	611.2
Mar	..	26 334	3 284	3 458	21 480	879.9	2.8	932.0	616.4
Apr	..	..	3 272	3 444	..	871.5	2.8	905.2	623.3
May	..	..	3 263	3 434	..	860.9	2.8	869.7	628.4
Jun	..	26 381	3 255	3 424	21 557	851.5	2.7	840.5	632.6
Jul	..	..	3 246	3 412	..	838.2	2.7	841.5	646.5
Aug	..	..	3 232	3 398	..	834.8	2.7	847.6	647.2
Sep	..	26 396	3 217	3 381	21 614	836.0	2.7	827.8	643.2
Oct	..	..	3 205	3 368	..	836.4	2.7	806.8	638.4
Nov	..	..	3 194	3 356	..	831.9	2.7	803.0	641.7
Dec	..	26 569	3 187	3 346	21 770	825.0	2.6	810.2	646.9 <sup>†</sup>
2005 Jan	..	..	3 182	3 343	..	813.8	2.6	872.1	655.0
Feb	..	..	3 174	3 334	..	817.7	2.6	885.0	647.4
Mar	..	26 663	3 168	3 328	21 866	831.3	2.7	882.3	636.9
Apr	..	..	3 160	3 319	..	842.1	2.7	871.8	632.9
May	..	..	3 145	3 304	..	856.1	2.7	867.6	639.1
Jun	..	26 650	3 132	3 293	21 916	863.2	2.8	858.2	640.9
Jul	..	..	3 118	3 279	..	864.6	2.8	871.0	635.8
Aug	..	..	3 109	3 270	..	867.3	2.8	880.7	625.4
Sep	..	26 642	3 106	3 267	21 915	878.0	2.8	871.5	619.2
Oct	..	..	3 094	3 256	..	891.5	2.9	864.8	604.2
Nov	..	..	3 089	3 251	..	901.9 <sup>†</sup>	2.9	875.3	600.7
Dec	..	..	..	..	..	909.1	2.9	892.7	606.5

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

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

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

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

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

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

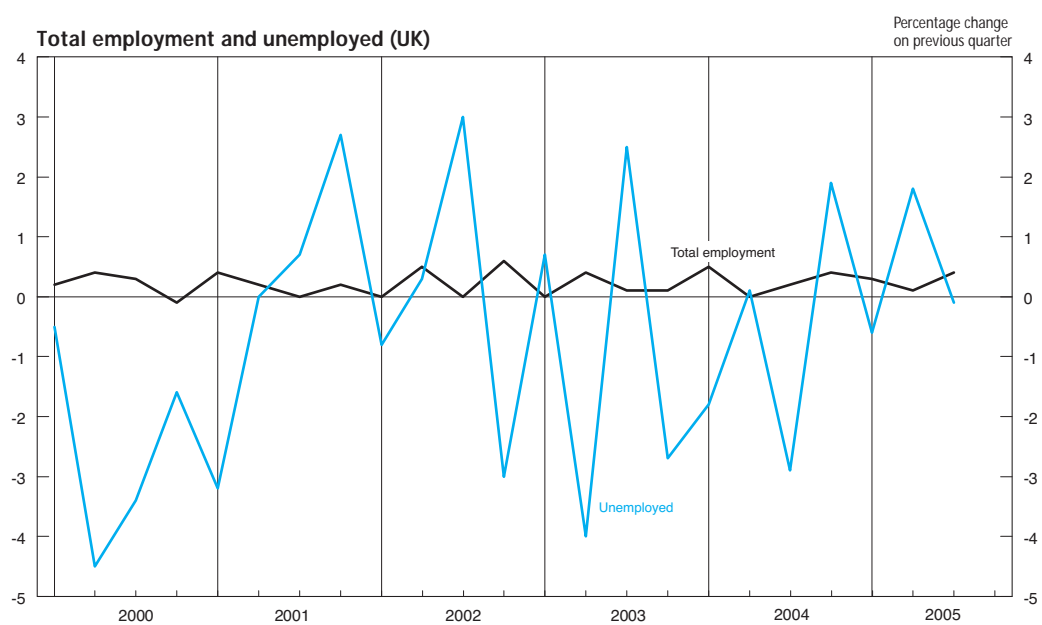
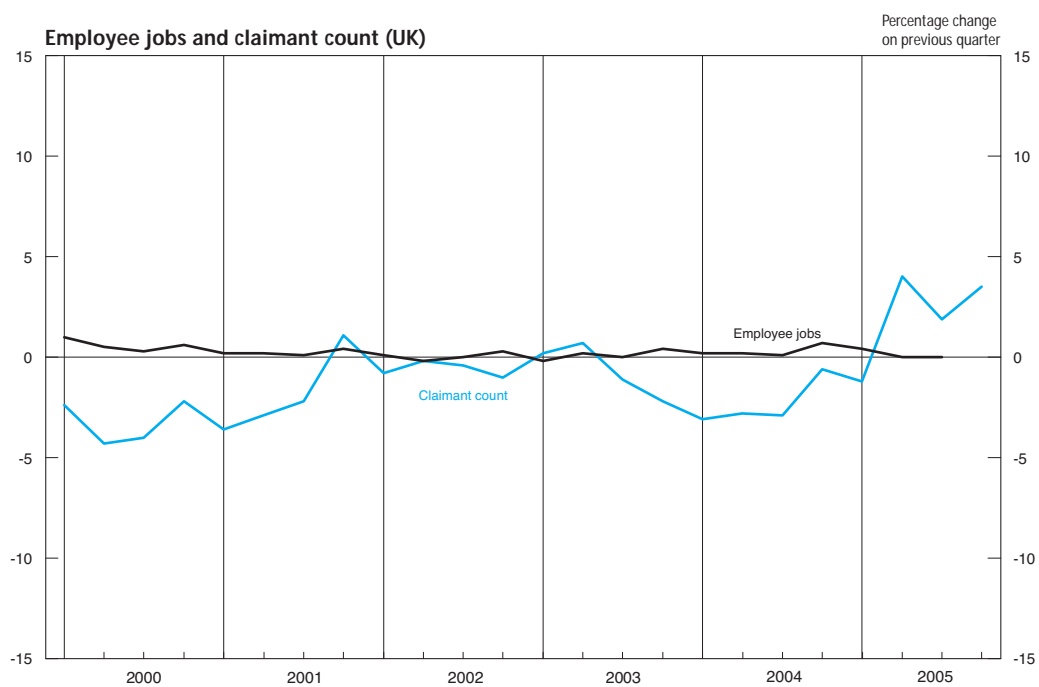
6 Claimant count figures do not include students claiming benefit during a vacation who intend to return to full-time education.

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

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

9 The ONS Vacancy Survey, a monthly business survey of the number of job vacancies held by employers across the UK economy, has been running since April 2001. The results were adopted as National Statistics in June 2003.

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



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

Percentages

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
<b>Quarterly</b>								
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
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
Q2	3.9	2.9	3.0	2.6	3.5	2.1	3.4	1.6
Q3	4.1	3.1	3.1	2.7	3.7	2.1	3.5	1.7
Q4	4.1	3.1	3.2	2.8	3.7	2.2	3.6	1.7
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
<b>Quarterly</b>								
	DPBM	VASQ	DPBP	DPBQ	DPAJ	DPBR	BCJE	
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	
Q2	1.6	2.7	3.1	3.3	2.7	3.5	2.8	
Q3	1.6	2.8	3.2	3.3	2.8	3.4	2.8	
Q4	1.6	2.8	3.3	3.2	2.9	3.4	2.9	

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

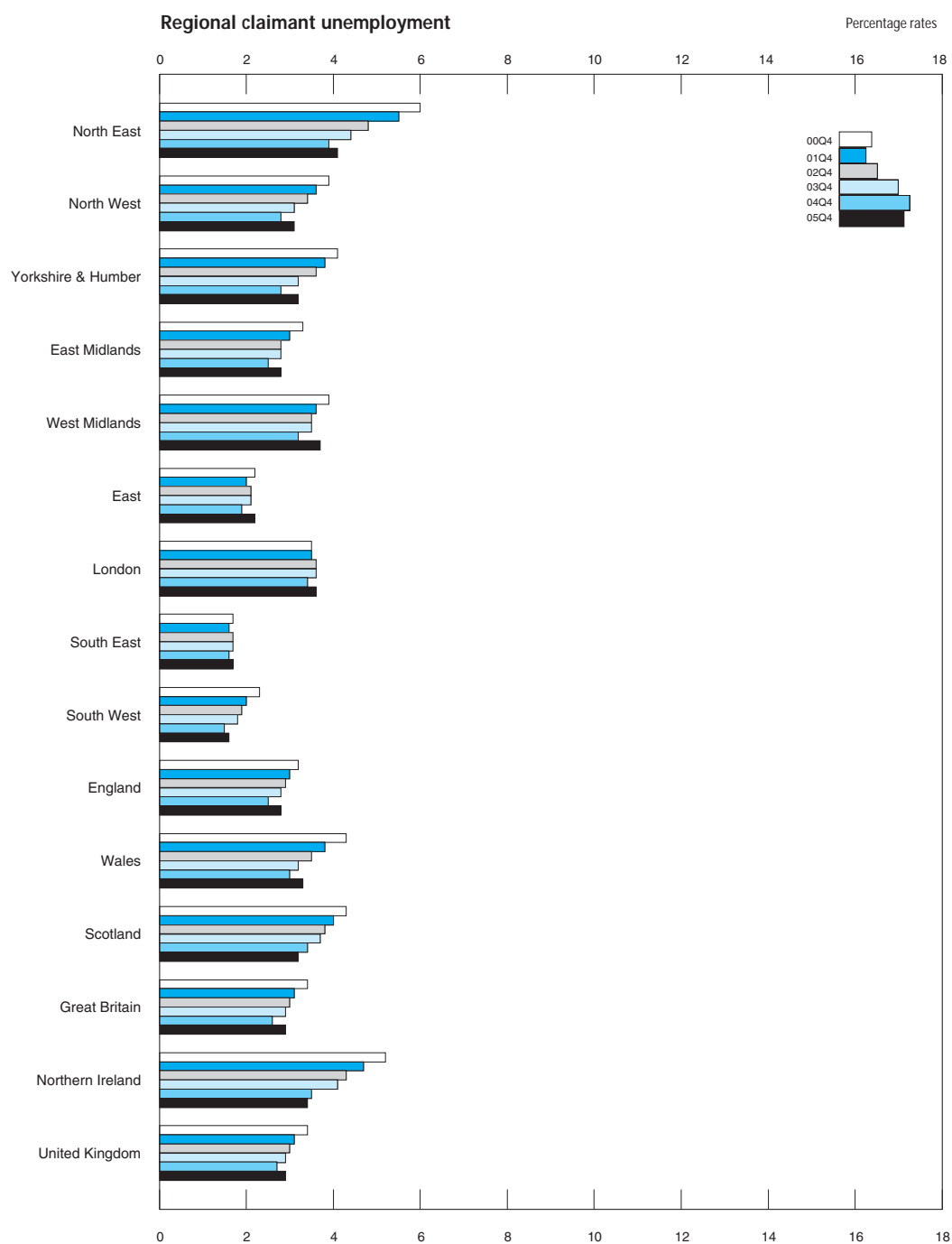
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by standard statistical regions are available on request.

2 The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 for Great Britain, Northern Ireland and the United Kingdom (1974 for Wales and Scotland; 1986 for the Government Office Regions), allowing for

the effect of the change in benefit regulations for under 18 year olds from September 1988. (See pages 398 - 400 of November 1995 *Labour Market Trends*.) The denominators used to calculate claimant count rates are the sum of the appropriate mid-year estimates of employee jobs, the self-employed, Government-supported trainees, HM Forces and claimants of unemployment-related benefits.

3 Includes Merseyside.

Source: Office for National Statistics; Enquiries 020 7533 6094



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

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

	North East	North West <sup>3</sup>	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
<b>Quarterly</b>								
	YCNC	YCND	YCNE	YCNF	YCNG	YCNH	YCNI	YCNJ
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	7.3	5.4	5.1	4.7	5.6	3.7	6.9	3.6
Q2	6.5	5.5	5.3	4.6	5.7	3.7	6.8	3.8
Q3	6.2	5.5	5.6	4.7	5.9	3.9	7.1	4.0
Q4	7.3	4.9	5.0	4.8	5.7	4.0	6.6	4.0
2003 Q1	6.6	4.9	5.3	4.0	6.0	4.7	7.0	3.9
Q2	6.1	5.0	5.1	4.4	5.6	3.9	7.2	3.9
Q3	6.6	4.9	4.9	4.6	5.9	3.9	7.2	3.9
Q4	6.3	4.7	5.0	4.4	5.7	3.5	7.0	3.9
2004 Q1	5.6	4.5	4.8	4.7	5.5	3.5	7.0	3.9
Q2	5.5	4.4	4.5	4.3	5.5	3.8	7.0	3.6
Q3	6.0	4.4	4.6	4.0	5.0	3.5	7.2	3.7
Q4	6.4	4.6	4.7	4.2	4.8	3.8	7.2	3.5
2005 Q1	5.7	4.8	4.3	4.3	4.7	3.9	6.7	3.7
Q2	6.8	4.4	4.7	4.4	4.6	3.9	7.1	3.8
Q3	6.6	4.4	4.6	4.4	4.7	4.0	6.7	4.0
	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom	
<b>Quarterly</b>								
	YCNK	YCNL	YCNM	YCNN	YCNO	ZSFB	MGSX	
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	3.5	5.0	5.7	6.6	5.1	6.1	5.2	
Q2	3.7	5.0	5.7	6.3	5.1	5.6	5.2	
Q3	4.0	5.2	5.2	6.4	5.3	6.1	5.3	
Q4	4.0	5.0	5.1	6.1	5.1	5.5	5.1	
2003 Q1	3.8	5.1	4.8	6.0	5.1	5.3	5.1	
Q2	3.4	4.9	4.5	5.3	4.9	5.2	4.9	
Q3	3.2	5.0	4.7	5.9	5.0	5.6	5.0	
Q4	3.1	4.8	4.8	5.8	4.9	6.3	4.9	
2004 Q1	3.0	4.7	4.6	5.8	4.8	5.3	4.8	
Q2	3.7	4.7	4.2	6.0	4.8	5.2	4.8	
Q3	3.2	4.6	4.9	5.2	4.7	5.0	4.7	
Q4	3.4	4.7	4.2	5.6	4.7	4.6	4.7	
2005 Q1	3.6	4.6	4.5	5.6	4.7	4.8	4.7	
Q2	3.2	4.7	4.6	5.5	4.8	5.0	4.8	
Q3	3.6	4.7	4.6	5.4	4.8	4.3	4.7	

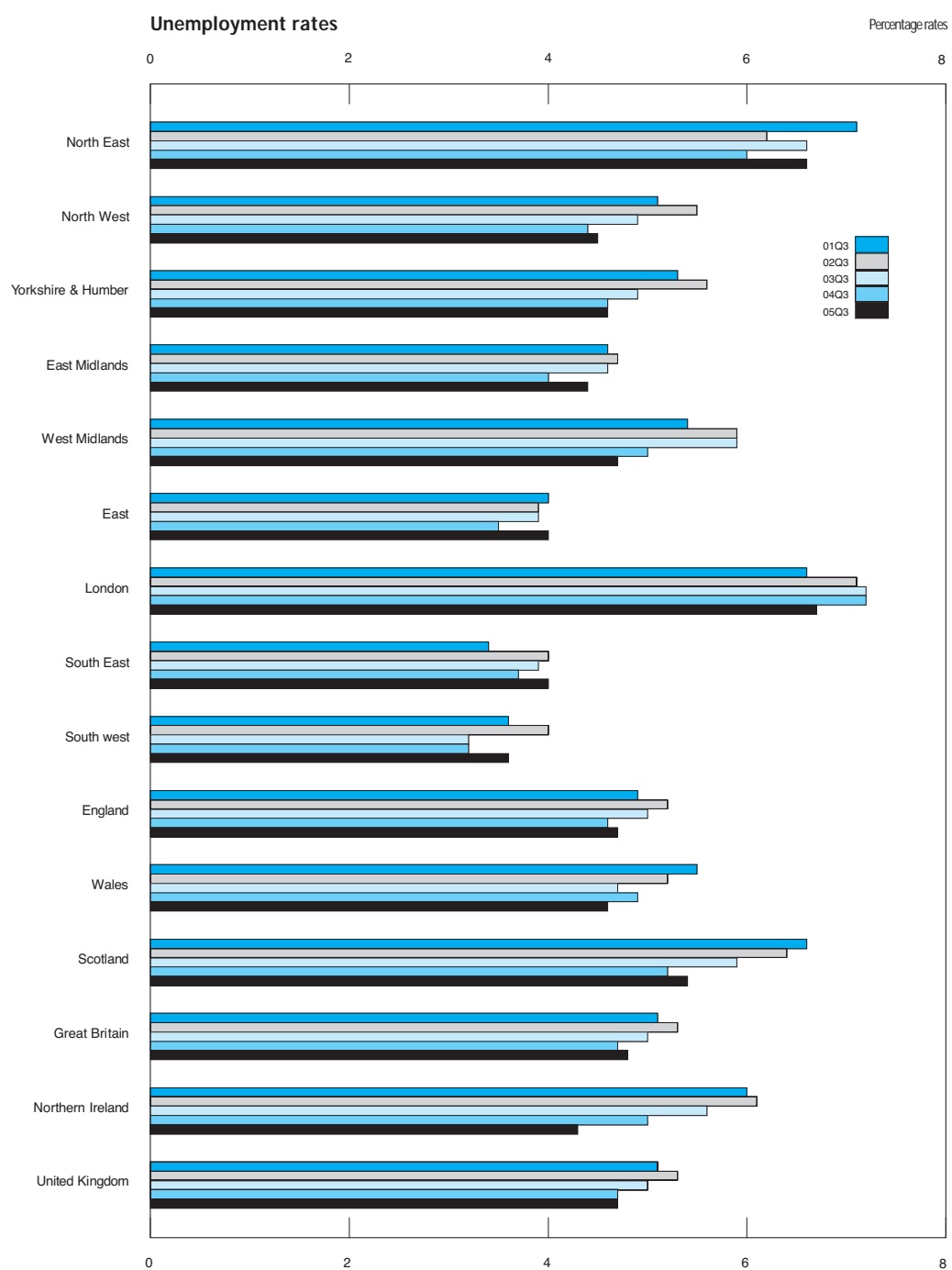
1 The data in this table have been adjusted to reflect the latest revisions to mid-year population data.

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 September each year.

Source: Office for National Statistics; Enquiries 020 7533 6094



# 4.6 Average earnings (including bonuses)

## Great Britain

2000 = 100

	Whole economy <sup>1</sup>	3 month average <sup>2</sup>	Private sector	3 month average <sup>2</sup>	Public sector	3 month average <sup>2</sup>	Manufacturing industries <sup>3</sup>	3 month average <sup>2,3</sup>	Production industries	3 month average <sup>2</sup>	Service industries	3 month average <sup>2</sup>	Private sector services	3 month average <sup>2</sup>
<b>Annual</b>	LNMQ		LNKY		LNNJ		LNMR		LNMS		LNMT		JJGH	
2001	104.5		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		107.8	
2003	111.9		111.3		114.8		111.9		111.7		112.0		110.9	
2004	116.7		116.0		119.8		115.9 <sup>†</sup>		115.8		116.7		115.7	
<b>Monthly</b>		LNNC		LNNB		LNNB		LNNB		LNNB		LNNB		JJGJ
2001 Jan	103.1	4.5	103.3	4.7	102.3	3.9	102.9	4.6	103.0	4.3	103.3	4.5	103.4	4.7
Feb	103.6	4.7	103.7	4.8	102.7	3.6	103.4	4.8	103.7	4.6	103.7	4.7	103.8	4.9
Mar	103.6	4.7	103.5	4.7	103.3	3.7	102.5	4.5	102.6	4.5	103.7	4.7	103.7	4.7
Apr	103.9	5.0	103.8	5.0	104.6	4.3	104.1	5.0	103.9	4.9	103.8	5.0	103.6	5.0
May	104.0	5.1	103.8	5.1	104.9	5.2	104.1	4.7	103.9	4.7	103.9	5.1	103.6	5.1
Jun	104.3	5.3	104.1	5.3	105.2	5.5	104.3	5.0	104.2	4.9	104.2	5.3	103.9	5.3
Jul	104.4	5.2	104.2	5.1	105.6	5.6	104.5	4.8	104.3	4.6	104.3	5.2	103.9	5.1
Aug	104.9	4.9	104.7	4.8	105.9	5.6	104.9	4.8	104.7	4.6	104.9	4.9	104.5	4.7
Sep	105.1	4.6	104.9	4.4	105.9	5.7	105.3	4.6	105.1	4.4	105.0	4.6	104.7	4.2
Oct	105.3	4.3	105.0	4.0	106.5	5.6	105.4	4.4	105.2	4.3	105.2	4.2	104.8	3.8
Nov	105.6	3.9	105.4	3.7	106.5	5.4	105.3	3.8	105.1	3.7	105.5	3.9	105.2	3.5
Dec	105.8	3.3	105.5	2.9	106.9	5.2	105.5	3.3	105.3	3.2	105.7	3.2	105.5	2.7
2002 Jan	106.0	2.9	105.9	2.5	107.1	4.9	106.1	3.0	106.2	2.9	106.0	2.8	105.5	2.2
Feb	106.8	2.7	106.6	2.3	107.3	4.8	106.1	2.8	105.9	2.6	106.9	2.7	106.7	2.1
Mar	106.4	2.8	105.9	2.6	107.9	4.6	105.8	3.0	106.2	2.9	106.2	2.7	105.7	2.2
Apr	107.9	3.2	108.0	3.1	108.3	4.1	107.0	2.9	106.8	2.8	107.9	3.2	107.8	2.9
May	108.0	3.5	107.8	3.4	108.6	3.8	107.7	3.2	107.5	3.2	108.0	3.4	107.8	3.3
Jun	108.2	3.8	108.1	3.9	108.9	3.5	108.2	3.3	108.0	3.3	108.2	3.9	108.1	4.0
Jul	108.5	3.8	108.3	3.9	109.7	3.6	108.4	3.6	108.2	3.6	108.6	3.9	108.1	4.0
Aug	108.7	3.8	108.6	3.8	109.0	3.4	108.9	3.7	108.8	3.8	108.6	3.8	108.4	3.9
Sep	109.0	3.8	108.8	3.8	110.0	3.6	108.9	3.7	108.9	3.8	108.9	3.8	108.6	3.8
Oct	109.3	3.7	109.0	3.8	110.9	3.7	109.5	3.8	109.4	3.9	109.2	3.7	108.7	3.7
Nov	110.1	4.0	109.7	3.9	111.7	4.3	109.7	3.9	109.6	4.0	110.2	4.0	109.7	3.9
Dec	109.5	3.9	108.6	3.6	112.2	4.7	110.0	4.1	109.9	4.2	108.9	3.8	108.1	3.5
2003 Jan	109.0	3.5	108.6	3.2	112.6	5.0	110.2	4.1	110.2	4.1	108.9	3.4	107.4	2.9
Feb	109.8	3.0	109.0	2.6	112.9	5.1	110.6	4.1	110.3	4.1	109.5	2.7	108.3	1.9
Mar	110.9	3.3	110.1	2.9	113.3	5.1	111.8	4.6	112.0	4.5	110.4	3.0	109.2	2.2
Apr	110.7	3.2	110.0	2.7	113.9	5.1	110.3	4.4	110.2	4.3	110.8	3.0	109.7	2.2
May	111.4	3.3	110.9	2.9	113.6	4.9	111.1	4.0	110.9	4.0	111.6	3.3	111.0	2.7
Jun	111.7	3.0	111.1	2.5	114.7	5.0	111.4	3.1	111.3	3.2	111.9	3.1	110.9	2.5
Jul	112.6	3.4	111.9	3.0	115.6	5.1	111.8	3.1	111.7	3.1	113.0	3.6	111.9	3.0
Aug	112.6	3.5	111.9	3.0	115.5	5.6	112.2	3.0	112.0	3.1	112.8	3.8	111.8	3.1
Sep	113.2	3.7	112.5	3.3	116.0	5.6	112.8	3.2	112.6	3.2	113.2	4.0	112.3	3.4
Oct	113.4	3.7	112.8	3.3	116.1	5.4	113.0	3.3	112.9	3.2	113.4	3.9	112.5	3.4
Nov	113.7	3.6	113.1	3.3	116.4	4.8	113.7	3.5	113.5	3.4	113.7	3.7	112.8	3.3
Dec	114.3	3.8	113.9	3.9	117.0	4.4	113.6	3.4	113.4	3.3	114.5	4.1	113.4	3.7
2004 Jan	115.6	4.6	115.0	4.6	117.2	4.2	114.3	3.5	114.1	3.4	115.7	4.8	115.4	5.0
Feb	113.8	4.7	113.0	4.8	117.8	4.3	114.5	3.5	114.4	3.5	113.4	5.0	111.9	5.2
Mar	115.7	4.7	114.9	4.6	118.3	4.3	115.5	3.5	115.4	3.4	115.7	4.8	114.6	5.2
Apr	115.7	4.2	115.1	4.2	118.5	4.3	115.4	3.8	115.3	3.8	115.6	4.2	114.6	4.2
May	116.1	4.4	115.5	4.4	118.7	4.3	116.0	4.1	115.7	4.0	115.8	4.3	115.0	4.3
Jun	116.4	4.3	115.7	4.3	119.9	4.4	116.0	4.4	115.8	4.3	116.4	4.1	115.3	4.0
Jul	116.4	3.9	115.5	3.8	119.9	4.2	116.1	4.1	115.9	4.0	116.2	3.6	114.8	3.4
Aug	117.2	3.9	116.4	3.8	120.7	4.2	116.0	3.8	115.8	3.7	117.3	3.6	116.1	3.4
Sep	117.7	3.8	116.9	3.7	121.2	4.2	116.2 <sup>†</sup>	3.4	116.1	3.4	117.9 <sup>†</sup>	3.6	116.8 <sup>†</sup>	3.5 <sup>†</sup>
Oct	118.5	4.2	117.8	4.1	121.7	4.6	116.7	3.2	116.6	3.2	118.7	4.3 <sup>†</sup>	117.8	4.2
Nov	118.8	4.3	118.1	4.2	121.9	4.7	117.0	3.1	116.9	3.1	118.9	4.5	117.9	4.4
Dec	119.1	4.4	118.5	4.3	122.2	4.7	117.8	3.3	117.6	3.3	119.3	4.5	118.3	4.5
2005 Jan	120.1	4.2	119.4	4.1	122.7	4.6	117.8	3.2	117.7	3.3	120.2	4.2	119.6	4.1
Feb	120.2	4.6	119.6	4.6	123.3	4.6	118.6	3.5	118.5	3.5	120.5	4.8	119.5	4.9
Mar	120.3	4.5	119.5	4.6	123.3	4.5	120.0	3.5	119.6	3.5	120.7	4.8	119.5	4.9
Apr	120.6	4.6	119.7	4.6	124.3	4.6	118.9	3.5	118.7	3.4	120.8	5.0	119.6	5.1
May	120.8	4.1	119.3	3.8	127.8	5.6	118.2	3.0	118.1	2.9	121.2	4.5	119.4	4.1
Jun	121.1	4.1	120.2	3.7	125.0	5.6	119.3	2.6	119.0	2.6	121.4	4.5	120.1	4.1
Jul	121.6	4.2	120.7	3.9	125.2	5.5	120.1	2.8	119.8	2.7	121.8	4.6	120.6	4.4
Aug	121.9	4.2	121.0	4.1	125.9 <sup>†</sup>	4.3	121.0	3.5	120.6	3.5	121.9	4.4	120.8	4.4
Sep	122.1	4.1	121.2 <sup>†</sup>	4.1	126.1 <sup>†</sup>	4.2	121.6	4.1	121.2 <sup>†</sup>	4.0	122.0	4.1	120.7	4.1
Oct	122.2 <sup>†</sup>	3.6	121.2 <sup>†</sup>	3.5	126.6	4.1	121.9	4.4 <sup>†</sup>	121.6	4.3	122.0	3.4	120.6	3.2
Nov <sup>1</sup>	122.8	3.4	121.9	3.3	127.2	4.1	122.1	4.5	121.8	4.3	122.9	3.2	121.5	2.9

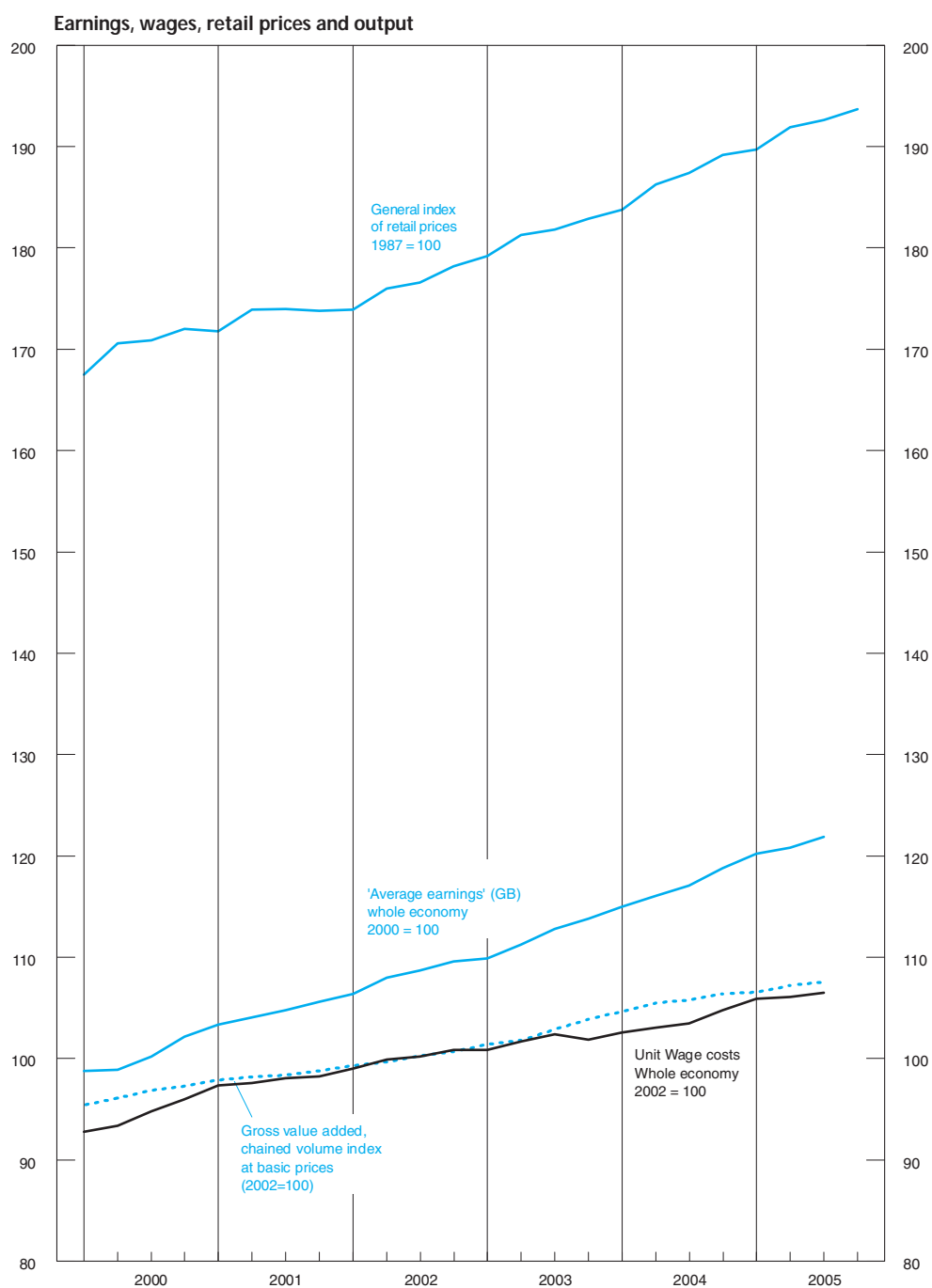
1 Provisional.

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

3 ONS regrets that the series have been withdrawn for the period 1963-1982, owing to an irregularity.

Source: Office for National Statistics; Enquiries 01633 816024





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

## United Kingdom

2002 = 100

	Productivity jobs			Output per worker <sup>2</sup>	Output per filled job <sup>3</sup>			Output per hour worked <sup>4</sup>			Unit wage costs <sup>5</sup>	
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Manufacturing industries
<b>Annual</b>	LNNM	LNOJ	LNOK	A4YM	LNNN	LNNW	LNNX	LZVB	LZVK	LZVF	LNNK	LNNQ
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	100.9	95.8	95.8	101.5	101.6	103.9	104.5	102.0	103.5	104.1	101.7	99.1
2004	101.7	91.9	91.8	103.5	103.8	109.1	111.0	104.5	108.0	109.8	103.5	96.7
<b>Quarterly</b>												
2002 Q1	99.6	101.6	101.6	99.8	99.7	98.5	98.7	99.3	97.8	98.0	99.0	99.4
Q2	99.9	100.8	100.8	99.7	99.8	99.5	98.9	100.1	100.3	99.8	99.9	100.8
Q3	100.1	99.3	99.3	100.3	100.2	100.8	101.4	100.1	101.5	102.1	100.2	99.2
Q4	100.5	98.4	98.4	100.2	100.2	101.2	101.0	100.4	100.4	100.2	100.9	100.6
2003 Q1	100.6	97.7	98.0	100.8	100.8	101.7	101.3	101.2	100.8	100.8	100.9	101.3
Q2	100.8	96.5	96.3	100.8	101.0	102.7	103.3	101.1	102.5	103.0	101.7	99.4
Q3	101.0	95.1	95.0	101.8	101.8	104.6	105.5	102.2	103.8	104.7	102.4	98.5
Q4	101.1	93.8	93.8	102.7	102.8	106.7	107.8	103.7	106.8	107.8	101.9	97.4
2004 Q1	101.4	92.9	92.8	102.9	103.2	107.9	109.3	103.9	107.4	108.6	102.6	97.2
Q2	101.6	92.4	92.3	103.6	103.8	109.1	110.8	104.8	108.1	109.5	103.1	96.7
Q3	101.7	91.5	91.5	103.8	104.0	109.1	110.9	104.9	107.4	109.2	103.5	96.9
Q4	102.0	90.7	90.6	103.9	104.3	110.4	113.1 <sup>†</sup>	104.6	109.3	111.9	104.8	95.9
2005 Q1	102.4	90.0	89.9	103.8	104.2	110.3	112.9	104.5	108.4	111.2	105.9	97.4
Q2	102.6	89.0	88.9	104.2	104.5	111.4	114.0	105.3	110.1	112.9	106.1	96.5
Q3	102.8	88.4	88.1	104.2	104.6	111.4	115.3	104.9	108.8	112.5	106.5	97.5 <sup>†</sup>
<b>Monthly</b>												
2004 Jul	..	..	92.0	..	..	..	110.0	..	..	..	..	97.7
Aug	..	..	91.5	..	..	..	110.7	..	..	..	..	97.0
Sep	..	..	91.0	..	..	..	112.1	..	..	..	..	95.9 <sup>†</sup>
Oct	..	..	90.9	..	..	..	111.7	..	..	..	..	96.7
Nov	..	..	90.5	..	..	..	113.5	..	..	..	..	95.4
Dec	..	..	90.4	..	..	..	113.9	..	..	..	..	95.7
2005 Jan	..	..	90.2	..	..	..	113.2	..	..	..	..	96.3
Feb	..	..	89.9	..	..	..	113.4	..	..	..	..	96.7
Mar	..	..	89.5	..	..	..	112.1	..	..	..	..	99.1
Apr	..	..	89.3	..	..	..	113.2	..	..	..	..	97.2
May	..	..	88.8	..	..	..	113.9	..	..	..	..	96.0
Jun	..	..	88.5	..	..	..	114.8	..	..	..	..	96.2
Jul	..	..	88.2	..	..	..	115.4	..	..	..	..	96.3
Aug	..	..	88.1	..	..	..	115.4	..	..	..	..	97.0
Sep	..	..	88.0	..	..	..	115.1	..	..	..	..	97.7
Oct	..	..	87.7 <sup>†</sup>	..	..	..	114.6 <sup>†</sup>	..	..	..	..	98.4
Nov	..	..	87.4	..	..	..	115.4	..	..	..	..	97.9

Percentage change, quarter on corresponding quarter of previous year

<b>Quarterly</b>	LNNO	LNNR	LNNS	A4YN	LNNP	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE	LOJF
2003 Q1	1.0	-3.8	-3.5	1.1	1.1	3.3	2.7	1.8	3.1	2.9	1.9	1.9
Q2	0.9	-4.3	-4.4	1.1	1.2	3.2	4.4	1.0	2.2	3.3	1.7	-1.4
Q3	0.9	-4.2	-4.3	1.4	1.6	3.8	4.0	2.1	2.3	2.6	2.1	-0.7
Q4	0.6	-4.7	-4.7	2.5	2.6	5.5	6.8	3.3	6.3	7.6	1.0	-3.2
2004 Q1	0.8	-5.0	-5.3	2.1	2.4	6.1	7.9	2.6	6.5	7.7	1.7	-4.1
Q2	0.8	-4.2	-4.1	2.8	2.8	6.3	7.2	3.6	5.4	6.3	1.4	-2.6
Q3	0.7	-3.8	-3.7	2.0	2.2	4.2	5.2	2.7	3.4	4.3	1.1	-1.7
Q4	0.9	-3.3	-3.4	1.2	1.4	3.4	4.8	0.9	2.3	3.8	2.8	-1.5
2005 Q1	0.9	-3.2	-3.2	0.9	1.0	2.2	3.3	0.6	0.9	2.4	3.2	0.2
Q2	1.0	-3.6	-3.8	0.6	0.6	2.1	2.9	0.4	1.8	3.1	3.0	-0.3
Q3	1.1	-3.3	-3.7	0.4	0.6	2.2	3.9	-	1.3	3.0	3.0	0.6 <sup>†</sup>

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

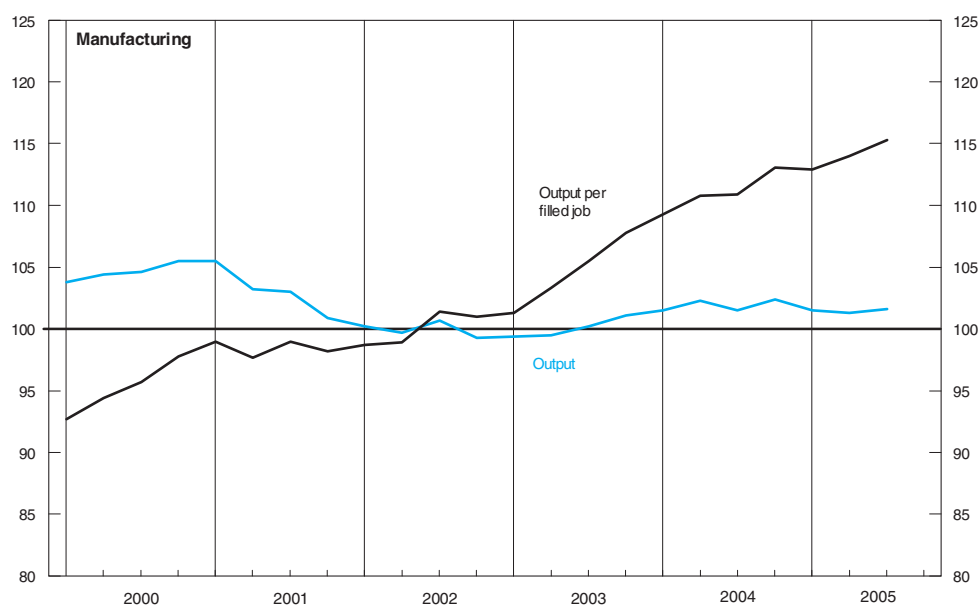
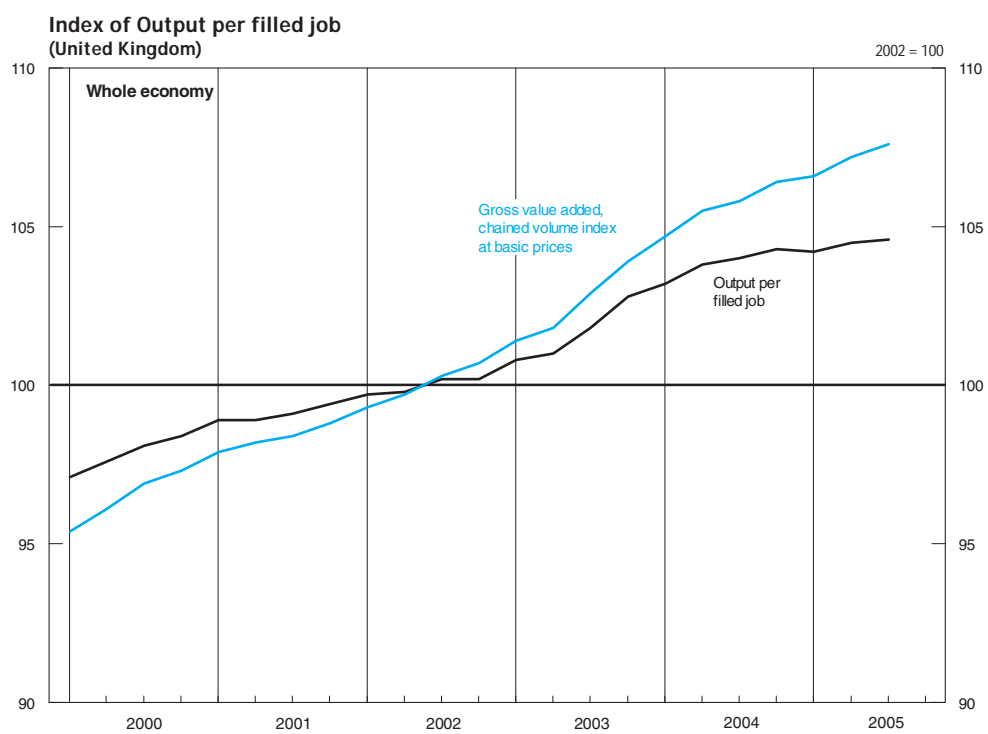
2 Output per worker is the ratio of Gross value Added (GVA) at basic prices to LFS Total Employment. On 29 July 2004, ONS published details on the National Statistics website of a change in productivity methodology. Output per worker is the new headline measure.

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 industries<sup>1</sup>

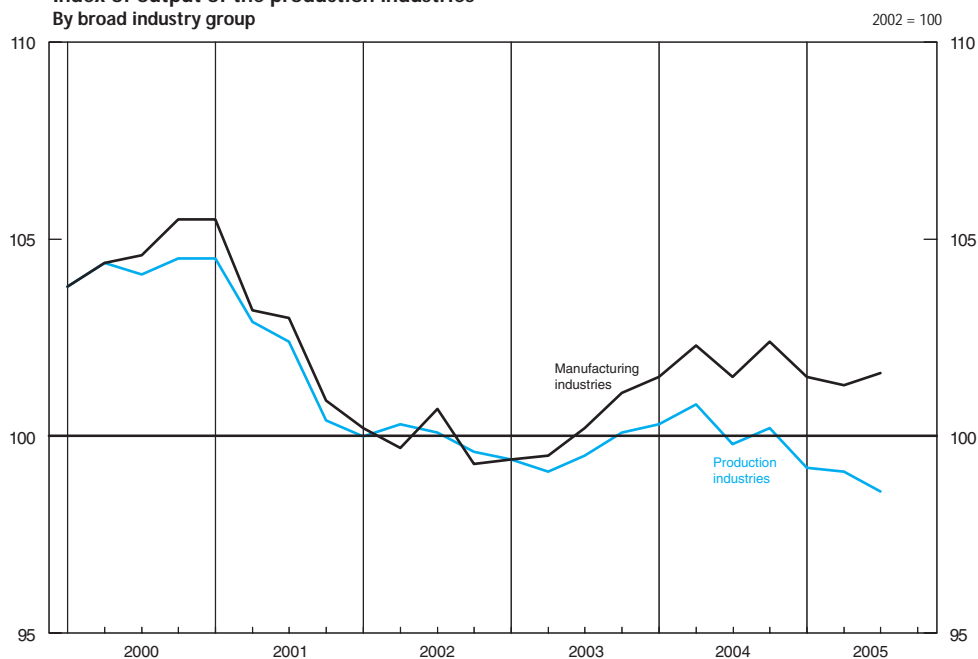
2002 = 100

	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>
<b>Annual</b>	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	87.2	103.3	101.9	104.7	99.9	105.0	98.0
<b>Quarterly</b>								
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	100.3	89.5	104.0	101.5	102.0	100.4	103.2	98.7
Q2	100.8	89.9	102.7	102.3	105.0	100.3	104.9	99.0
Q3	99.8	85.9	103.5	101.5	106.7	99.0	105.3	97.3
Q4	100.2	83.3	103.0	102.4	105.0	100.0	106.5	97.0
2005 Q1	99.2	82.7	101.4	101.5	104.8	99.5	104.4	96.3
Q2	99.1	82.8	102.4	101.3	102.7	99.6	105.5	95.8
Q3	98.6	76.4	101.4	101.6	101.7	99.4	107.4	93.9
<b>Monthly</b>								
2003 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	90.1	103.0	101.3	100.8	100.5	103.1	98.5
Feb	99.8	88.5	105.0	100.9	101.6	99.8	102.7	98.3
Mar	100.9	89.9	103.9	102.3	103.7	100.8	104.0	99.3
Apr	100.9	89.6	103.0	102.3	104.7	101.3	104.2	98.8
May	100.7	88.9	102.8	102.3	104.4	99.6	105.8	98.8
Jun	100.9	91.2	102.3	102.2	105.9	99.9	104.7	99.4
Jul	100.1	91.1	102.5	101.2	108.0	97.6	105.3	98.6
Aug	99.6	85.7	104.4	101.2	106.3	99.5	104.4	97.1
Sep	99.7	81.0	103.5	102.1	105.9	99.8	106.4	96.2
Oct	99.3	81.9	103.2	101.5	105.7	99.5	105.6	95.9
Nov	100.5	83.5	103.4	102.8	103.3	100.5	107.0	97.4
Dec	100.7	84.6	102.4	103.0	106.0	100.2	106.9	97.8
2005 Jan	99.6	82.7	100.9	102.1	103.9	100.4	104.9	96.6
Feb	99.5	82.3	101.3	102.0	106.2	100.0	104.9	96.4
Mar	98.4	83.1	102.1	100.3	104.4	98.1	103.5	95.8
Apr	99.1	83.2	103.2	101.1	105.1	98.4	104.9	96.4
May	99.3	84.4	102.2	101.2	102.1	99.6	105.3	96.2
Jun	99.1	80.9	101.9	101.6	101.0	100.6	106.2	94.9
Jul	99.0	78.4	101.5	101.9	101.1	100.3	107.4	94.4
Aug	98.1	72.7	100.9	101.7	101.5	99.0	107.6	93.1
Sep	98.6	78.1	101.7	101.3	102.6	98.9	107.1	94.3
Oct	97.4 <sup>†</sup>	76.3 <sup>†</sup>	99.0 <sup>†</sup>	100.5 <sup>†</sup>	100.9 <sup>†</sup>	98.7 <sup>†</sup>	105.1 <sup>†</sup>	93.1
Nov	98.1	75.9	102.7	101.0	100.8	99.2	106.2	93.6

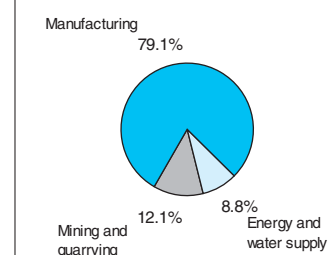
1 The figures contain, where appropriate, an adjustment for stock changes.

Source: Office for National Statistics; Enquiries 01633 812059

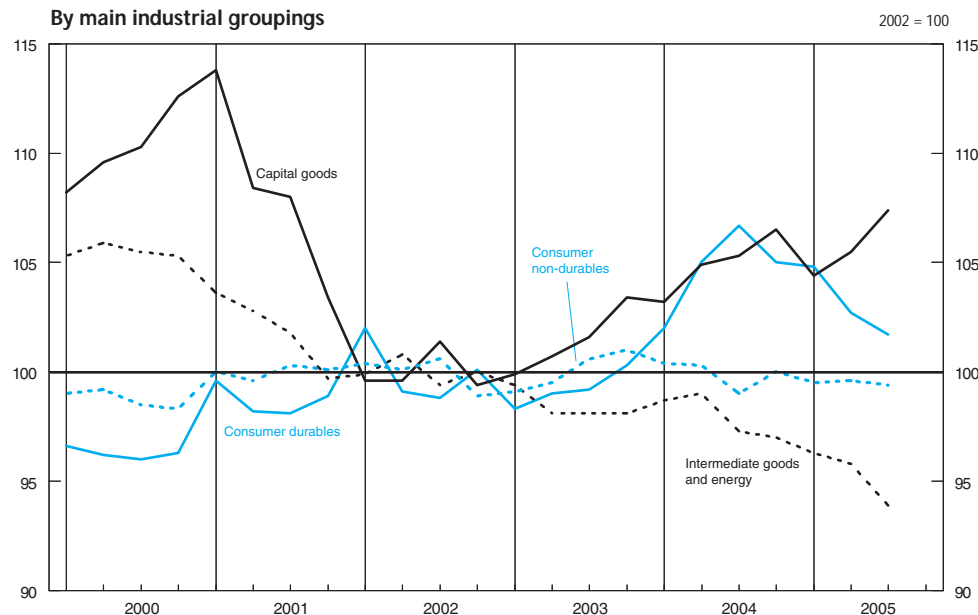
**Index of output of the production industries**  
By broad industry group



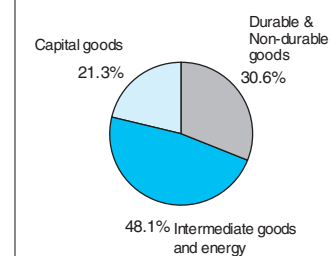
**Share of output in 2002**



**By main industrial groupings**



**Share of output in 2002**



## 5.2 Engineering and construction : output and orders

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

	Engineering (2000 =100)									Construction(GB) (2000=100)	
	Total			Home			Export			Gross output+ <sup>4</sup>	Orders received
	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover	Orders <sup>2</sup> on Hand	New <sup>3</sup> Orders	Turnover		
<b>Annual</b>	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
2001	94.4	89.5	95.3	104.6	94.5	98.4	77.2	82.9	91.2	102.0	99.5
2002	92.7	80.8	84.5	104.8	88.0	91.8	72.1	71.2	74.8	106.3	102.5
2003	92.7	78.9	81.6	108.7	87.9	90.2	65.5	66.8	70.3	111.7	97.8
2004	89.3	78.3	82.1	103.2	84.0	89.3	65.8	70.8	72.6	115.2	104.8
<b>Quarterly</b>											
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	94.9	81.5	85.3	105.0	87.8	92.1	77.9	73.2	76.2	105.3	107.6
Q2	93.6	80.4	84.7	105.4	89.3	92.5	73.8	68.5	74.5	104.7	90.7
Q3	93.8	81.8	84.4	106.4	89.4	91.7	72.6	71.7	74.8	106.8	109.2
Q4	92.7	79.5	83.6	104.8	85.5	91.1	72.1	71.3	73.6	108.5	102.5
2003 Q1	90.9	76.4	81.1	103.4	85.3	90.7	69.8	64.4	68.5	108.7	104.7
Q2	91.7	79.7	81.5	104.9	88.9	90.4	69.3	67.4	69.7	110.4	95.8
Q3	91.5	78.7	81.6	106.0	88.1	90.2	66.8	66.0	70.2	113.5	98.0
Q4	92.7	80.8	82.2	108.7	89.3	89.3	65.5	69.5	72.6	114.4	92.7
2004 Q1	93.7	78.9	80.4	108.7	83.3	86.8	68.4	73.0	72.1	117.1	108.5
Q2	92.7	78.5	82.5	106.5	82.6	88.9	69.3	73.0	73.9	114.2	106.2
Q3	90.3	77.0	82.5	103.7	82.6	89.7	67.5	69.5	73.2	115.1	99.8
Q4	89.3	79.0	82.8	103.2	87.5	91.6	65.8	67.7	71.2	114.3	104.8
2005 Q1	89.4	78.4	81.0	100.9	83.4	89.8	69.9	71.7	69.2	113.9	107.0 <sup>†</sup>
Q2	89.7	79.3	81.7	100.5	86.3	90.4	71.5	70.1	70.2	114.5	118.1
Q3	91.5	81.8	82.4	102.6	89.9	90.7	72.6	70.8	71.4	115.0	111.8
<b>Monthly</b>											
2003 Jul	91.7	79.9	82.8	104.7	87.0	91.6	69.6	70.3	71.0	..	111.1
Aug	91.7	77.7	80.3	106.1	90.5	88.5	67.2	60.5	69.4	..	80.7
Sep	91.5	78.4	81.8	106.0	86.7	90.5	66.8	67.3	70.3	..	102.3
Oct	92.3	82.6	82.5	107.3	92.1	90.7	66.8	69.8	71.6	..	87.3
Nov	94.0	84.6	81.3	110.0	95.5	88.8	66.9	70.0	71.4	..	102.7
Dec	92.7	75.3	82.7	108.7	80.2	88.5	65.5	68.7	74.9	..	88.2
2004 Jan	93.9	81.6	80.2	108.8	84.5	87.3	68.6	77.8	70.8	..	90.2
Feb	91.6	69.2	80.0	106.6	72.6	84.6	66.2	64.7	73.9	..	126.1
Mar	93.7	85.8	81.1	108.7	92.9	88.4	68.4	76.4	71.5	..	109.2
Apr	92.0	72.4	81.1	105.0	69.9	87.3	69.9	75.7	72.9	..	103.4
May	92.9	83.0	82.6	105.7	88.2	89.0	71.1	75.9	74.3	..	111.3
Jun	92.7	80.2	83.7	106.5	89.7	90.5	69.3	67.5	74.6	..	103.9
Jul	93.0	81.8	83.3	107.2	89.5	90.4	69.0	71.3	74.1	..	109.5
Aug	90.9	71.5	81.6	104.5	74.3	87.9	67.8	67.8	73.3	..	100.6
Sep	90.3	77.7	82.7	103.7	83.9	90.7	67.5	69.5	72.2	..	89.2
Oct	89.1	75.3	82.0	102.4	82.2	90.6	66.6	66.0	70.5	..	101.3
Nov	88.7	79.2	83.6	102.1	88.7	93.4	65.8	66.6	70.6	..	107.6
Dec	89.3	82.5	82.9	103.2	91.5	90.9	65.8	70.4	72.4	..	105.5
2005 Jan	89.5	79.6	81.5	104.1	90.9	91.0	64.8	64.4	69.0	..	103.4 <sup>†</sup>
Feb	89.4	78.5	81.5	103.1	83.7	91.0	66.2	71.5	69.0	..	99.6
Mar	89.4	77.1	79.9	100.9	75.6	87.5	69.9	79.1	69.7	..	117.9
Apr	88.8	77.9	82.7	102.1	91.8	90.7	66.3	59.4	72.1	..	108.0
May	89.5	80.6	81.0	101.1	82.3	89.6	69.7	78.3	69.7	..	131.8
Jun	89.7	79.5	81.3	100.5	84.7	90.8	71.5	72.6	68.7	..	114.5
Jul	89.9	79.4	81.3	100.1	85.1	90.0	72.7	71.7	69.8	..	106.6
Aug	92.0	87.0	82.6	102.9	98.5	91.4	73.5	71.6	71.0	..	117.9
Sep	91.5	78.9	83.3	102.6	86.2	90.8	72.6	69.0	73.3	..	110.8
Oct	92.4	79.2 <sup>†</sup>	80.7	103.8 <sup>†</sup>	88.6 <sup>†</sup>	90.0 <sup>†</sup>	73.0 <sup>†</sup>	66.5 <sup>†</sup>	68.3 <sup>†</sup>	..	124.5
Nov	92.1	77.5	81.1	103.3	84.2	89.5	73.1	68.6	70.0	..	123.0

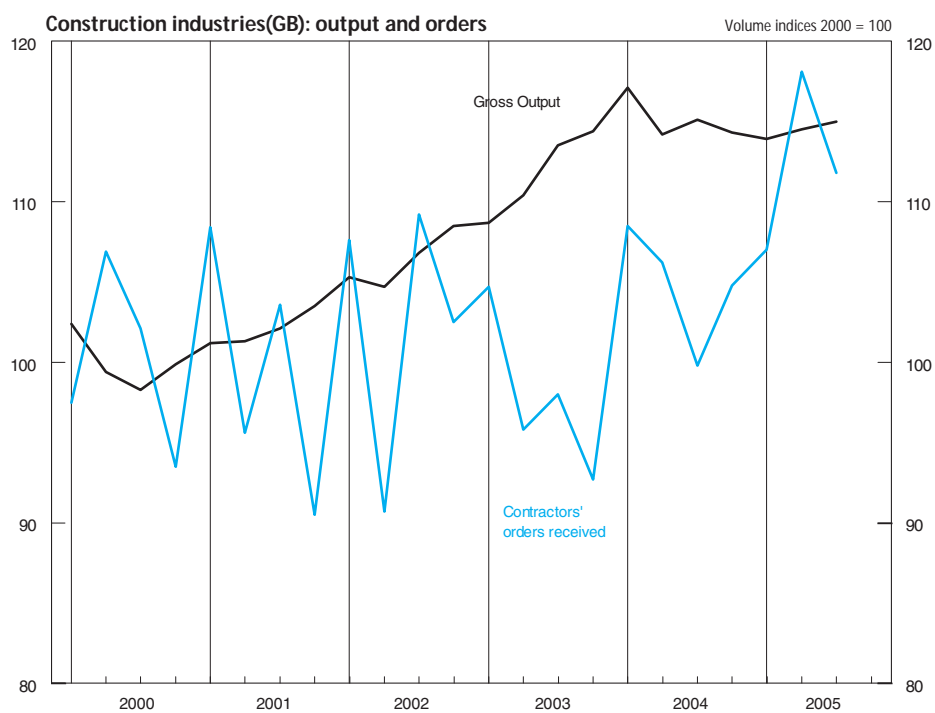
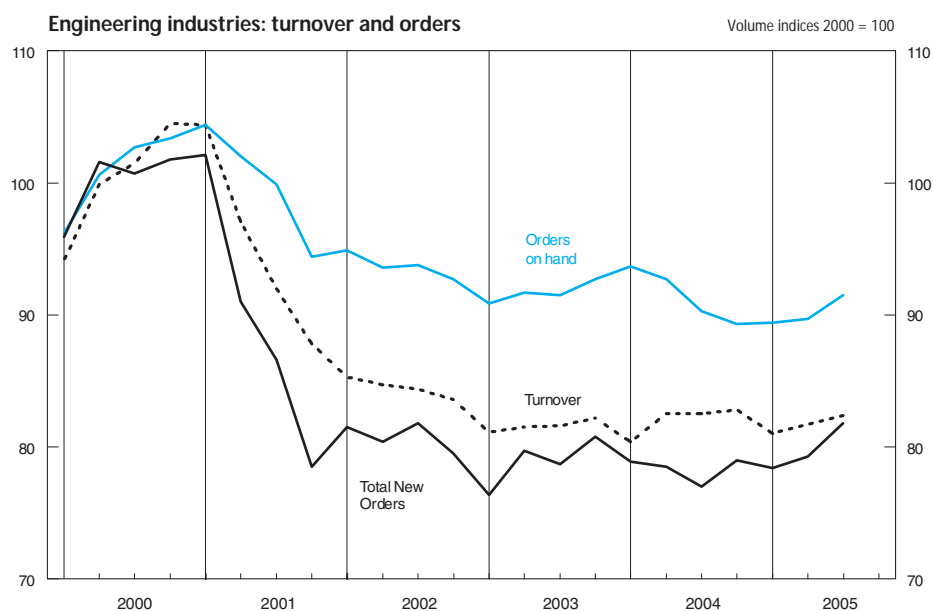
1 The figures shown represent the output of United Kingdom based manufacturers classified to Subsections DK and DL of the Standard Industrial Classification (2003).

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. methodology.

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





## 5.3 Motor vehicle and steel production

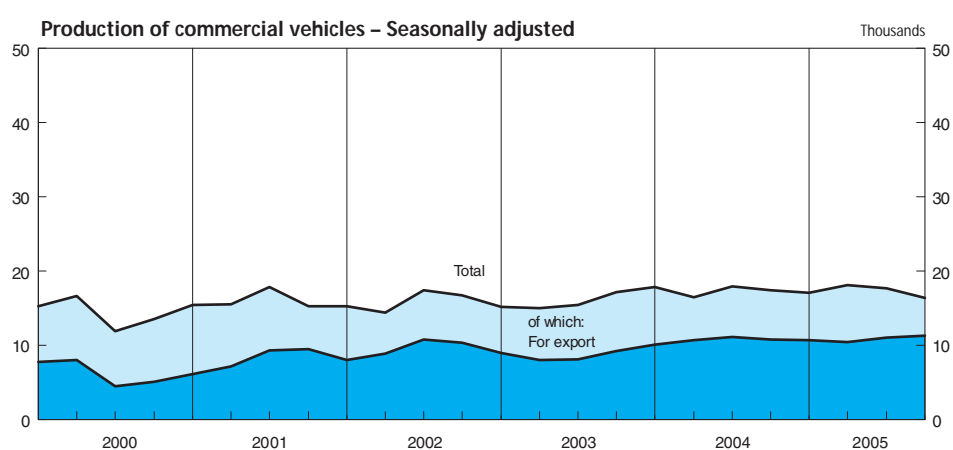
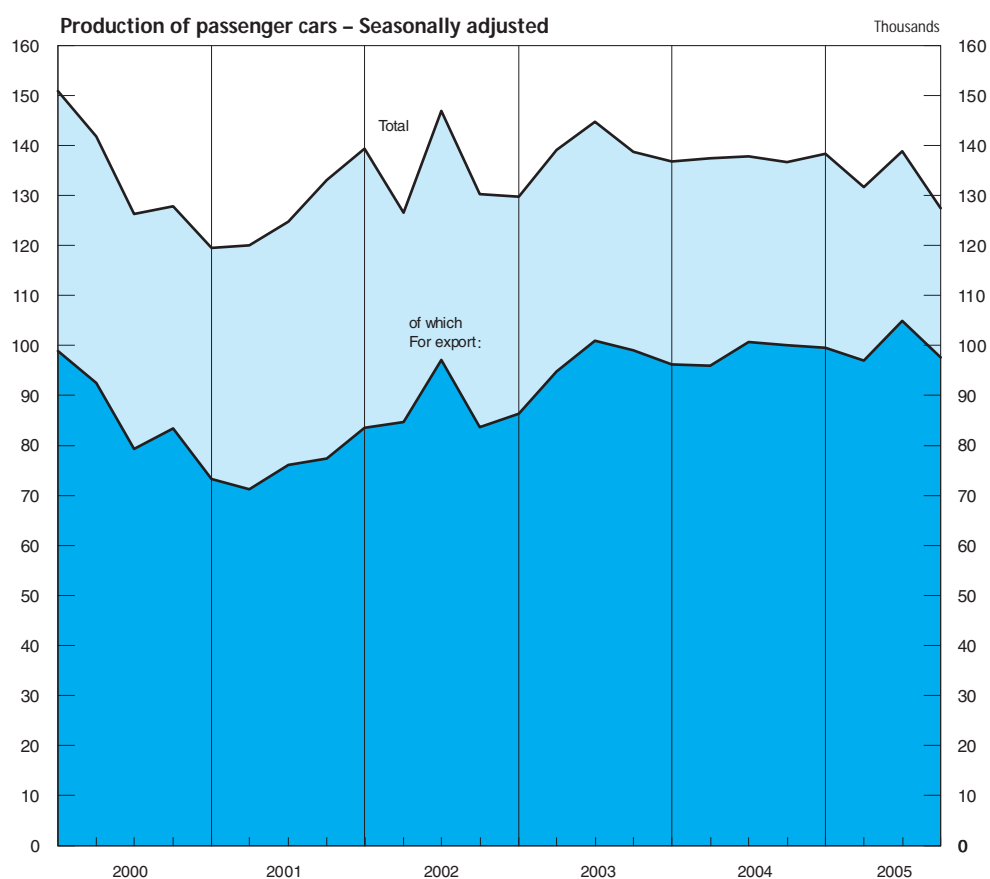
	Passenger cars <sup>1</sup>				Commercial vehicles <sup>1</sup>				Crude steel production (NSA) <sup>2</sup> (thousand tonnes)
	Not seasonally adjusted		Seasonally adjusted		Not seasonally adjusted		Seasonally adjusted		
	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	Total production (thousands)	of which for export (thousands)	
Annual	FFAA	FFAB	FFAO	FFAP	FFAC	FFAD	FFAQ	FFAR	BCBS
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
2005	133.0	98.7	134.1	99.8	17.2	10.9	17.3	10.8	13 226.9
Quarterly									
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	3 310.9
Q2	138.7	105.3	131.7	97.0	18.2	10.7	18.1	10.4	3 523.8
Q3	125.7	91.5	138.9	104.9	14.9	9.2	17.7	11.0	3 119.3
Q4	123.3	98.9	127.5	97.6	17.3	12.2	16.4	11.3	3 272.9
Monthly									
2003 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	1 033.5
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	140.1	100.3	18.9	11.4	20.1	11.9	1 161.8
May	132.0	99.1	130.2	94.3	17.5	10.7	17.9	10.1	1 147.5
Jun	144.3	111.7	124.9	96.5	18.3	10.0	16.3	9.3	1 214.5*
Jul	130.2	93.8	134.7	99.9	14.2	8.5	17.3	10.4	966.4
Aug	97.1	71.8	146.0	114.2	10.8	6.8	18.2	11.2	1 193.5*
Sep	149.9	108.9	136.0	100.6	19.7	12.4	17.5	11.3	959.4
Oct	124.8	99.4	125.1 <sup>†</sup>	95.0 <sup>†</sup>	18.4	12.4	16.6 <sup>†</sup>	10.6	986.2 <sup>†</sup>
Nov	149.7	119.4	131.7	100.8	20.0	13.8	17.1	11.8	1 274.3*
Dec	95.3	77.9	125.6	97.1	13.6	10.3	15.6	11.5	1 012.4 <sup>3</sup>

1 Annual and quarterly figures are monthly averages.

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

3 Provisional.

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



## 5.4 Indicators of fixed investment in dwellings

	Fixed investment in dwellings (£ million, chained volume measures, reference year 2002)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (NSA) <sup>1</sup> (GB)			Housing completions (NSA) <sup>1</sup> (GB)			Mix-adjusted price of new dwellings at mortgage completion stage (NSA) <sup>3</sup> (£)
			Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	Private enterprise (thousands)	Registered Social Landlords <sup>2</sup> (thousands)	Local Authorities (thousands)	
Annual									
	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
2001	32 006	7 122	162.8	16.8	0.3	139.9	20.9	0.3	134 234
2002	34 499	7 805	164.6	16.2	0.2	149.3	19.3	0.2	161 533
2003	36 056	8 219	177.5	16.2	0.3	158.3	17.2	0.3	186 427
2004	38 879	9 472	194.3	19.0	0.2	166.5	20.6	0.1	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	43.8	4.2	—	34.4	4.7	0.1	130 774
Q3	8 252	1 822	43.5	3.2	—	35.6	4.6	0.1	135 507
Q4	7 952	1 761	36.3	3.7	0.1	37.5	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	42.6	3.8	0.1	36.9	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	34.7	4.5	0.1	175 947
Q2	8 835	2 108	46.9	4.4	0.2	39.3	4.1	0.1	187 676
Q3	9 165	1 894	45.8	3.8	—	37.5	4.5	—	188 711
Q4	9 232	2 123	40.6	3.0	0.1	46.9	4.1	0.1	193 373
2004 Q1	9 510	2 346	47.0	6.5	—	34.0	5.1	—	194 276
Q2	9 754	2 287	52.1	4.3	0.1	43.1	4.3	0.1	204 679
Q3	9 783	2 488	51.3	3.6	—	43.6	5.3	—	212 505
Q4	9 832	2 351	44.0	4.6	—	45.8	5.8	—	211 812
2005 Q1	9 626	2 232 <sup>†</sup>	44.5	7.1	0.1	35.7	6.4	—	214 704
Q2	9 718	2 696	..	..	..	..	..	..	216 780
Q3	9 858	2 647	..	..	..	..	..	..	220 477 <sup>†</sup>
Monthly									
2003 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	..	775 <sup>†</sup>	..	..	..	..	..	..	213 093
Mar	..	808	..	..	..	..	..	..	218 067
Apr	..	962	..	..	..	..	..	..	213 950
May	..	777	..	..	..	..	..	..	217 361
Jun	..	957	..	..	..	..	..	..	219 029
Jul	..	958	..	..	..	..	..	..	221 548
Aug	..	839	..	..	..	..	..	..	220 141
Sep	..	851	..	..	..	..	..	..	219 742 <sup>†</sup>
Oct	..	885	..	..	..	..	..	..	225 113
Nov	..	883	..	..	..	..	..	..	218 566

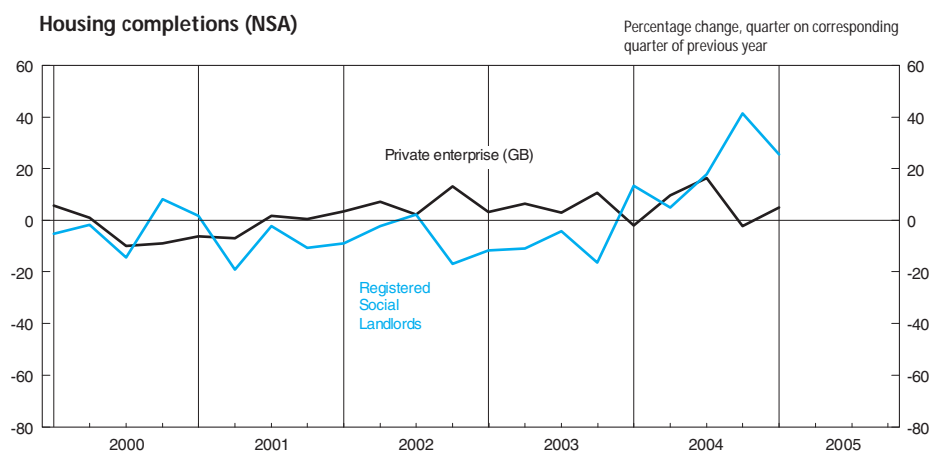
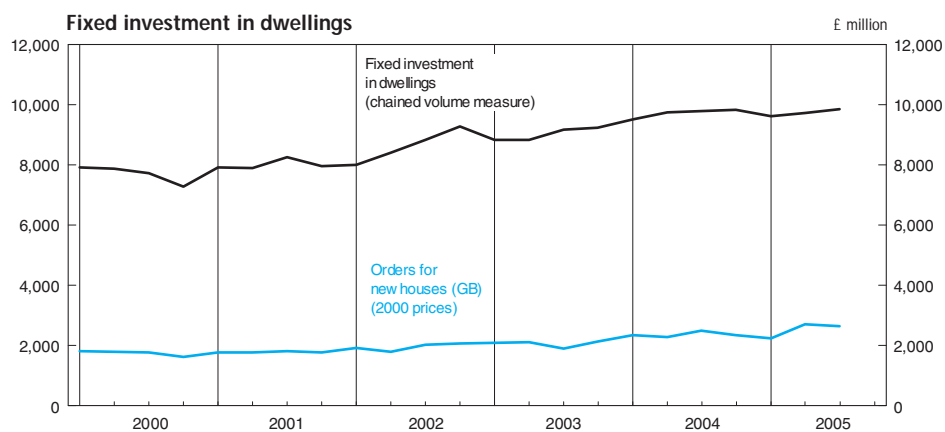
1 Monthly data collection ceased after March 2003. Great Britain seasonally adjusted data are no longer updated. Seasonally adjusted data for England are available from the website of the Office of the Deputy Prime Minister: [www.odpm.gov.uk](http://www.odpm.gov.uk)

2 Includes registered and non-registered social landlords.

3 Series is 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' survey of mortgage lenders (at completion stage), but now includes all mortgage lenders rather than building societies only. From February 2002, monthly data have been obtained from the enlarged survey and quarterly data from 2002q2 are based on monthly prices. From September 2005, figures are based on the new Regulated Mortgage Survey (CML/BankSearch). Prices have been chain-linked to adjust for the structural change arising from the new survey.

Sources: Office for National Statistics;  
Enquiries Column 1 020 7533 6010;  
Department of Trade and Industry ; Column 2 020 7944 5583;  
Office of the Deputy Prime Minister;  
Columns 3-8 0117 372 8055; Column 9 020 7944 3325



# 5.5 Number of property transactions<sup>1,2,3</sup>

Thousands

	Number of property transactions			Number of property transactions		
	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland	Not seasonally adjusted England & Wales	Seasonally adjusted England & Wales <sup>4,5</sup>	Not seasonally adjusted England, Wales & N. Ireland
	FTAP		FTAR	May	137	140
2001	1 458		1 497	Jun	129	132
2002	1 586		1 627			
2003	1 345		1 397	Jul	152	154
2004	1 786		1 830	Aug	166	171
2005	1 594		1 641	Sep	139	144
				Oct	147	151
				Nov	127	131
				Dec	118	122
		FTAQ				
2001 Q1	327	346	337	2003 Jan	131	137
Q2	347	363	360	Feb	103	109
Q3	396	369	405	Mar	106	113
Q4	387	379	396	Apr	101	108
2002 Q1	342	374	351	May	101	105
Q2	395	410	404	Jun	103	107
Q3	457	417	468			
Q4	392	385	404	Jul	132	135
2003 Q1	340	361	359	Aug	112	116
Q2	306	323	320	Sep	114	118
Q3	358	327	369	Oct	120	124
Q4	340	333	349	Nov	110	113
				Dec	111	113
2004 Q1	447	470	457			
Q2	452	459	463	2004 Jan	157	160
Q3	491	447	504	Feb	148	152
Q4	396	411	406	Mar	142	145
2005 Q1	322	351	329	Apr	140	143
Q2	363	358	375	May	145	148
Q3	464	416	478	Jun	167	172
Q4	446	449	459			
				Jul <sup>6</sup>	175	179
2001 Jan	123	113	127	Aug <sup>6</sup>	159	163
Feb	99	117	102	Sep	158	162
Mar	105	116	108	Oct	138	142
Apr	101	115	105	Nov	124	128
May	121	122	126	Dec	134	136
Jun	125	125	128			
				2005 Jan	108	109
Jul	132	120	135	Feb	112	114
Aug	140	125	143	Mar	102	105
Sep	124	124	127	Apr	112	115
Oct	140	125	143	May	113	116
Nov	137	131	141	Jun	139	144
Dec	110	123	112			
2002 Jan	131	120	134	Jul	137	141
Feb	108	127	110	Aug	157	162
Mar	104	127	106	Sep	170	175
Apr	129	135	132	Oct	146	151
				Nov	150	154
				Dec	150	154

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 2004 the Inland Revenue ended the arrangement under which a Stamp Duty Land Tax certificate could be issued even though some of the 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: HM Revenue and Customs; Enquiries 020 7147 2941



## 5.6 Change in inventories

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

Reference year 2002, £ million

	Mining and quarrying	Manufacturing industries				Electricity, gas and water supply	Distributive trades		Other industries <sup>3</sup>	Change in inventories
		Materials and fuel	Work in progress	Finished goods	Total		Wholesale <sup>2</sup>	Retail <sup>2</sup>		
Level of inventories at end-December 2004	1034	16 155	15 931	19 676	51 762	1726	27 873	26 080	45 284	153 759
<b>Quarterly</b>										
	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	-653	156	40	1 047	1 222	1 338
Q2	-4	-96	-356	361	-86	-165	1 441	-617	676	1 230
Q3	-41	100	-80	219	274	5	-398	794	303	1 088
Q4	-1	-24	-271	-38	-408	-82	181	405	1 840	2 277
2005 Q1	-	265	175	-31	540	-108	-10	-168	1 634	1 262
Q2	-28	-213	-69	-245	-244	225	12	-192	382	342
Q3	-24	23	-51	34	-1	-39	-49	-10	951	1 614

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 1-8 020 7533 6264; Columns 9-10 020 7533 6031

## 5.7 Inventory ratios

	Manufacturers' inventories <sup>1</sup> to manufacturing production				Retail inventories <sup>1</sup> to retail sales <sup>2</sup>	Total inventories <sup>1,3</sup> to gross value added
	Materials and fuel	Work in progress	Finished goods	Total inventories		
Quarterly						
	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
2001 Q1	97.6	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	101.8	104.5	106.1	104.2	100.5	103
Q2	101.8	104.0	106.0	104.1	103.5	103
Q3	100.1	105.0	103.6	103.0	102.4	102
Q4	99.7	105.2	102.0	102.3	100.1	103
2003 Q1	102.8	105.9	102.1	103.5	102.0	102
Q2	100.4	105.0	100.9	102.0	102.6	101
Q3	98.4	102.8	101.6	101.0	102.7	102
Q4	97.3	100.2	99.5	99.1	101.7	103
2004 Q1	96.4	100.2	96.1	97.5	104.3	102
Q2	95.1	97.3	97.1	96.5	99.7	102
Q3	96.3	97.4	98.8	97.6	102.1	103
Q4	95.6	95.2	98.0	96.4	103.7	103
2005 Q1	98.7	97.2	99.5	98.5	103.2	104
Q2	99.9	97.3	99.1	98.8	101.9	104
Q3	101.1	97.4	98.6	99.0	100.6	

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.

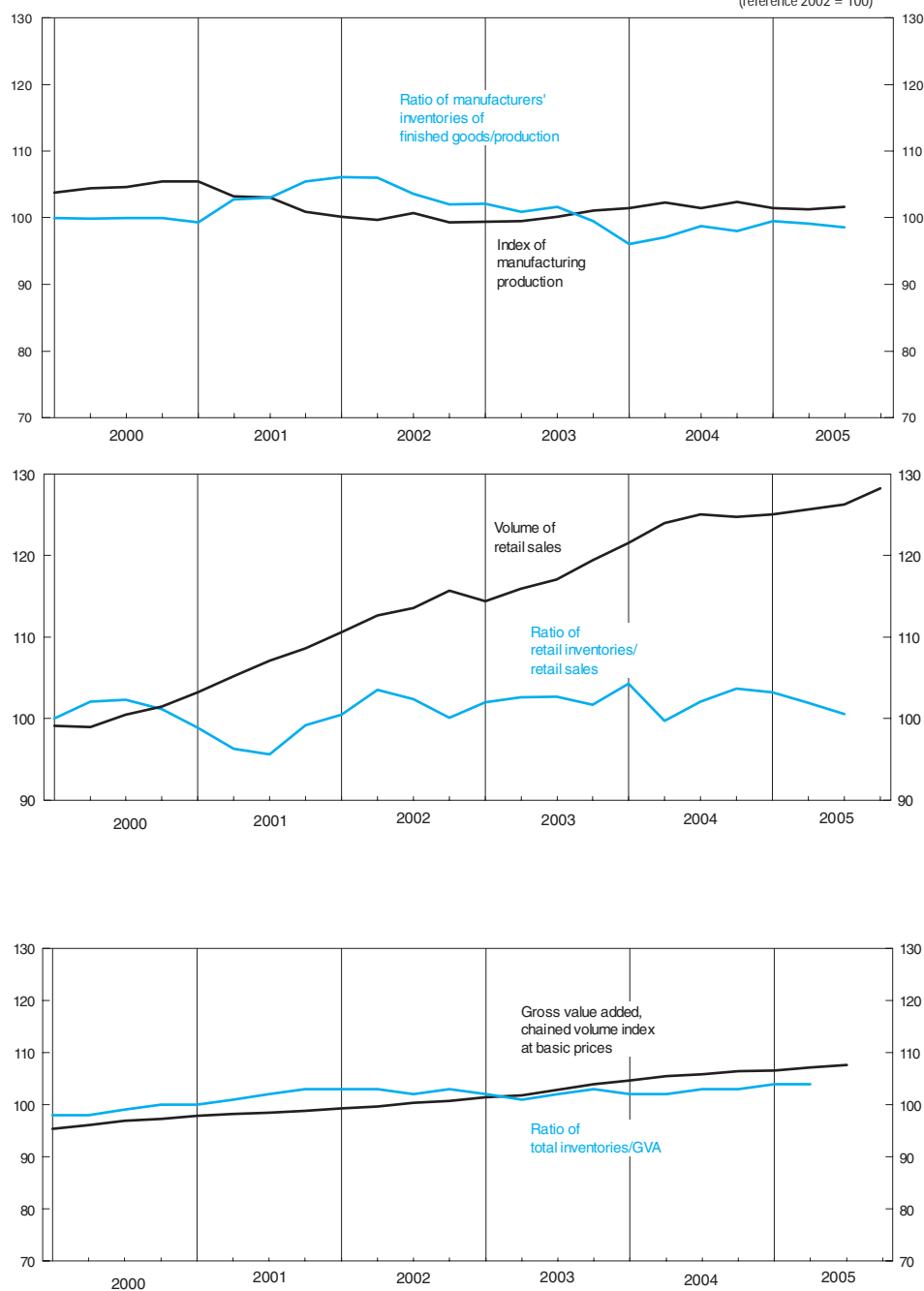
3 Including quarterly alignment adjustment. For details of adjustments see notes section in the Sector and Financial Accounts article in *UK Economic Accounts*.

Source: Office for National Statistics; Enquiries Columns 1-6 020 7533 6264



## 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) <sup>1,2</sup>	Volume of retail sales per week (average 2000=100) <sup>1,2</sup>								New registrations of cars (NSA, thousands) <sup>5</sup>	Total consumer credit: net lending (£ million) <sup>3,4</sup>	of which	
		All retailers	Predominantly food stores+	Predominantly non-food stores					Non-store and repair+			Credit cards <sup>6</sup>	Other <sup>6</sup>
				Total+	Non-specialist stores	Textile, clothing and footwear	Household goods stores	Other stores					
<i>Sales in 2000</i>													
<i>£ million</i>	207 149	207 149	89 041	106 359	18 781	27 880	27 699	31 999	11 749				
<b>Annual</b>													
	EAQV	EAPS	EAPT	EAPV	EAPU	EAPX	EAPY	EAPW	EAPZ	BCGT	RLMH <sup>†</sup>	VZQX <sup>†</sup>	VZQY <sup>†</sup>
2001	105.9	106.1	104.1	107.8	106.0	109.4	109.8	105.7	106.0	2 577.5	17 699 <sup>†</sup>	6 286 <sup>†</sup>	11 500 <sup>†</sup>
2002	111.1	112.7	108.2	116.4	110.4	121.0	117.9	114.7	113.2	2 682.0	21 179	7 622	13 612
2003	114.0	116.6	111.8	121.5	113.7	128.9	123.0	118.4	107.5	2 646.2	20 266	8 930	11 522
2004	119.2	123.5	116.4	130.2	117.6	139.0	131.5	128.7	117.7	2 598.8	23 013	9 997	13 044
2005	120.4	126.0	119.6	132.2	119.1	143.7	132.3	129.7	118.2	2 443.3	16 669	5 988	10 721
<b>Quarterly</b>													
2001 Q1	102.9	103.2	102.8	103.8	104.4	105.0	105.9	100.5	100.4	704.2	3 270 <sup>†</sup>	1 356 <sup>†</sup>	2 115 <sup>†</sup>
Q2	105.4	105.2	103.7	106.5	106.0	107.1	109.6	103.6	105.8	617.7	4 532	1 681	2 782
Q3	107.0	107.1	104.6	108.9	106.7	110.7	110.1	107.7	110.1	725.6	4 179	1 232	2 968
Q4	108.1	108.6	105.5	111.1	107.5	113.9	112.9	109.1	108.6	530.0	5 718	2 017	3 635
2002 Q1	109.9	110.6	106.7	114.5	108.8	118.4	115.0	114.2	104.7	758.7	4 946	1 953	3 101
Q2	111.1	112.7	108.0	116.7	109.3	120.6	117.1	117.2	111.5	650.0	4 689	1 657	2 963
Q3	111.7	113.6	109.0	116.9	111.5	122.2	118.1	114.4	118.3	744.6	6 054	2 051	3 987
Q4	113.5	115.7	111.0	119.1	113.1	124.2	120.7	116.6	121.3	528.7	5 490	1 961	3 561
2003 Q1	112.4	114.4	110.0	118.9	110.8	126.2	118.8	117.4	107.6	737.6	4 919	2 220	2 758
Q2	113.3	115.9	111.7	120.4	112.5	127.9	122.6	116.6	106.5	642.7	5 558	2 518	2 991
Q3	114.6	117.1	112.6	122.1	114.0	130.4	123.7	118.2	106.2	742.8	5 060	2 183	2 901
Q4	116.3	119.4	113.5	125.3	117.1	132.2	126.7	122.8	110.1	523.1	4 729	2 009	2 872
2004 Q1	118.0	121.6	114.6	128.4	116.1	137.2	128.8	127.5	113.9	762.2	5 901	2 380	3 351
Q2	119.8	124.0	116.3	131.0	118.9	139.8	130.9	130.5	119.2	629.8	5 786	2 475	3 291
Q3	120.4	125.1	117.4	132.2	119.9	140.5	133.9	130.8	119.8	709.9	5 864	2 618	3 278
Q4	119.8	124.8	117.7	131.2	118.1	140.8	132.4	129.6	120.5	496.9	5 462	2 524	3 124
2005 Q1	120.0 <sup>†</sup>	125.1 <sup>†</sup>	118.6 <sup>†</sup>	130.9 <sup>†</sup>	122.3 <sup>†</sup>	140.5 <sup>†</sup>	132.3 <sup>†</sup>	126.4 <sup>†</sup>	121.3 <sup>†</sup>	697.9	5 895	2 258	3 423
Q2	120.4	125.7	118.8	131.9	119.7	143.3	131.7	129.4	122.1	594.4	4 372	1 423	2 948
Q3	120.6	126.3	119.4	133.1	120.1	143.0	132.6	132.5	117.0	677.1	3 320	1 120	2 240
Q4	121.9	128.3	120.7	135.8	123.3	145.8	137.4	133.0	117.9	473.9	3 082	1 187	2 110
<b>Monthly</b>													
2004 Jan	117.7	120.9	114.0	127.6	115.4	136.7	127.6	126.7	113.0	199.6	2 045 <sup>†</sup>	820 <sup>†</sup>	1 226 <sup>†</sup>
Feb	117.8	121.2	114.6	127.8	116.4	135.9	128.7	126.9	112.1	92.3	1 991	587	1 404 <sup>†</sup>
Mar	118.3	122.5	115.0	129.4	116.5	138.5	129.9	128.6	115.9	470.3	1 896	1 183	713
Apr	119.0	123.0	115.4	130.0	117.8	139.6	129.8	129.1	116.0	191.1	1 702	806	896
May	119.9	124.1	116.3	131.1	120.0	140.7	130.5	129.7	120.2	197.6	1 803	679	1 124
Jun	120.3	124.7	116.9	131.7	118.9	139.2	132.3	132.3	120.9	241.1	2 189	912	1 277
Jul	119.7	124.2	116.4	131.4	118.5	137.2	134.1	131.5	119.0	188.2	1 897	929	968
Aug	120.3	124.9	117.6	131.9	121.1	142.0	132.9	128.5	117.2	87.3	2 197	940	1 257
Sep	121.1	126.0	118.0	133.2	120.1	142.0	134.5	132.0	122.4	434.4	1 966	852	1 114
Oct	120.4	125.2	117.9	132.0	118.7	142.7	132.2	130.2	119.6	171.8	1 735	751	983
Nov	120.5	125.4	118.2	132.1	119.6	141.0	134.2	130.0	120.1	175.6	2 013	907	1 105
Dec	118.8	124.0	117.2	129.9	116.4	139.1	131.2	128.7	121.5	149.5	1 634	570	1 063
2005 Jan	119.9 <sup>†</sup>	125.1 <sup>†</sup>	119.3 <sup>†</sup>	130.3 <sup>†</sup>	121.1 <sup>†</sup>	138.5 <sup>†</sup>	134.6 <sup>†</sup>	124.8 <sup>†</sup>	121.2 <sup>†</sup>	180.0	2 454	1 206	1 248
Feb	119.9	125.2	118.5	130.9	121.6	141.6	131.7	126.4	124.1	77.5	1 720	710	1 010
Mar	120.1	125.0	118.3	131.4	123.7	141.2	130.9	127.7	119.1	440.4	1 739	636	1 104
Apr	120.0	125.4	118.4	131.3	119.8	142.7	130.8	128.5	124.3	178.9	1 248	297	951
May	119.7	125.1	118.4	131.2	118.6	142.5	131.2	128.7	120.7	189.2	1 711	693	1 018
Jun	121.3	126.6	119.4	133.1	120.6	144.5	132.9	130.6	121.5	226.3	1 266	319	946
Jul	120.6	125.8	119.6	131.8	117.8	141.9	131.5	131.4	118.6	175.3	1 162	329	833
Aug	120.5	126.0	118.3	133.3	120.8	142.9	132.4	133.1	119.3	84.2	1 289	452	837
Sep	120.8	126.8	120.1	133.9	121.2	144.1	133.5	132.8	113.9	417.6	1 150	414	736
Oct	121.1	127.3	120.5	134.2	122.1	143.2	134.3	133.3	116.7	153.9	1 198	562	636
Nov	122.1	128.4	121.2	135.7	123.9	149.1	134.9	131.7	117.4	160.8	997	338	659
Dec	122.3	129.0	120.5	137.1	123.7	145.2	141.9	133.9	119.3	159.2	834	16	817

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

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

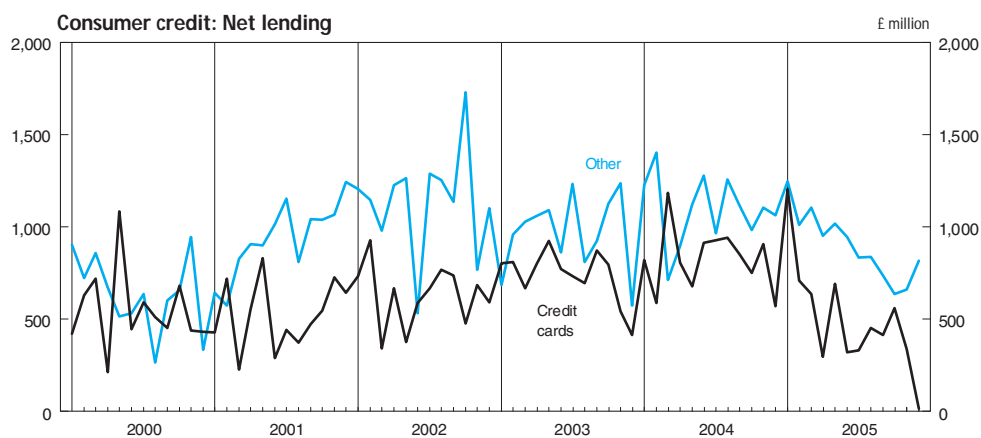
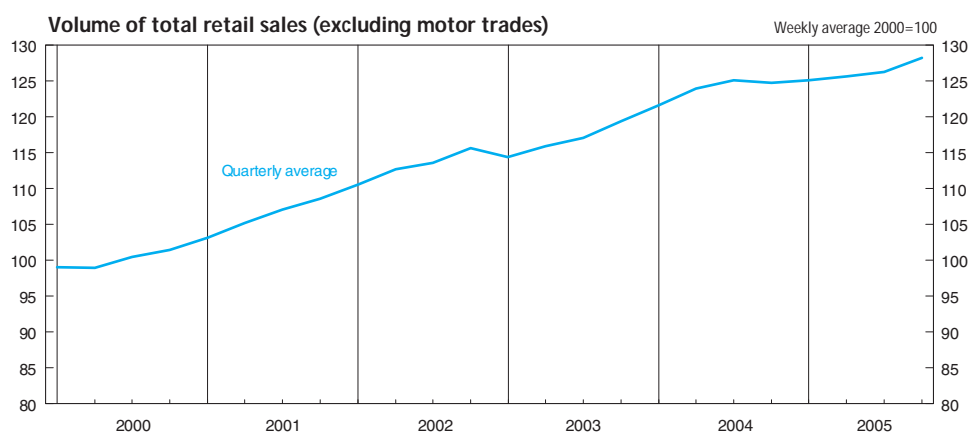
3 Net lending equals changes in amounts outstanding adjusted to remove distortions arising from revaluations of debt such as write-offs.

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

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

6 See Table 6.6, note 2.

Sources: Office for National Statistics;  
Enquiries Columns 1-9 01633 812713; Columns 11-13 01633 812782;  
Department for Transport;  
Enquiries Column 10 020 7944 3077.



# 5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

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

	Coal <sup>1</sup>	Petroleum <sup>2</sup>	Natural gas <sup>3</sup>	Nuclear	Primary electricity <sup>5</sup>		Net imports <sup>6</sup>	Total
					Wind and natural flow Hydro <sup>4</sup>			
<b>Annual</b>	FDAI	FDAJ	FDAK	FDAL	FDAM		FDAW	FDAH
2000	40.0	77.8	98.6	19.7	0.5		1.2	237.8
2001	43.1	76.6	96.7	20.8	0.4		0.9	238.6
2002	40.0	75.3	98.7	20.0	0.5		0.7	235.3
2003	42.9	74.9	97.7	20.0	0.4		0.2	236.1
2004	42.0	77.4	100.0	18.1	0.6		0.6	238.9
<b>Quarterly</b>								
2000 Q1	38.9	81.3	110.8	20.1	0.6		1.1	252.8
Q2	40.6	74.4	95.3	19.8	0.4		1.3	231.8
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	242.2
2001 Q1	45.6	75.8	108.8	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	84.6	21.8	0.5		0.9	229.7
Q4	39.8	77.8	100.6	22.6	0.5		0.7	242.0
2002 Q1	42.1	77.9	108.2	21.2	0.6		0.6	250.6
Q2	35.8	76.3	95.9	20.0	0.7		1.0	229.6
Q3	38.4	76.2	88.3	19.9	0.5		0.2	223.5
Q4	43.6	70.8	102.6	18.9	0.4		1.1	237.4
2003 Q1	42.9	72.7	108.1	21.0	0.3		0.3	245.3
Q2	44.9	78.5	92.7	20.6	0.5		0.1	237.3
Q3	41.9	73.8	85.6	19.7	0.5		-0.1	221.4
Q4	41.8	74.6	104.5	18.6	0.4		0.4	240.3
2004 Q1	43.5	71.0	111.2	20.2	0.5		0.4	246.8
Q2	40.6	79.4	97.2	17.2	0.6		0.6	235.5
Q3	41.0	77.1	86.8	17.9	0.8		0.7	224.4
Q4	42.9	82.1	105.1	17.3	0.6		0.8	248.8
2005 Q1	45.7 <sup>†</sup>	79.8 <sup>†</sup>	108.4	19.3	0.5		0.5	254.3 <sup>†</sup>
Q2	40.6	74.9	93.3	18.3	0.6		0.7	228.5
Q3	38.1	77.9	84.3	19.6	0.5		0.7	221.1

Percentage change, quarter on corresponding quarter of previous year

<b>Quarterly</b>	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO
2000 Q1	3.9	-0.2	5.4	-13.8	12.1	-10.6	1.5
Q2	7.7	-5.0	5.4	-14.6	-25.9	1.9	0.2
Q3	5.1	3.5	1.3	-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	-1.8	-1.0	-43.8	-	-0.5
Q2	9.9	-1.5	-2.3	-4.2	-9.6	-30.3	-0.3
Q3	5.7	2.1	-1.0	12.8	4.7	-29.0	2.3
Q4	-1.6	0.3	-2.4	16.6	6.1	-45.0	-0.1
2002 Q1	-7.7	2.7	-0.5	6.8	73.8	-43.7	-0.4
Q2	-19.8	4.1	3.0	5.6	73.5	5.5	-0.7
Q3	-9.6	-4.1	4.4	-8.8	11.4	-75.5	-2.7
Q4	9.4	-9.0	2.1	-16.3	-32.7	67.6	-1.9
2003 Q1	1.9	-6.7	-	-1.3	-42.4	-56.2	-2.1
Q2	25.5	2.9	-3.3	2.9	-29.6	-89.0	3.4
Q3	9.1	-3.1	-3.0	-0.9	-13.6	-	-0.9
Q4	-4.0	5.3	1.8	-1.6	-2.7	-59.6	1.2
2004 Q1	1.5	-2.3	2.8	-3.9	58.6	61.0	0.6
Q2	-9.7	1.1	4.9	-16.5	16.7	-	-0.8
Q3	-2.0	4.5	1.3	-9.1	66.1	-	1.3
Q4	2.5	10.1	0.6	-7.3	64.6	92.5	3.5
2005 Q1	5.1 <sup>†</sup>	12.4 <sup>†</sup>	-2.5	-4.1	-7.0	8.8	3.0 <sup>†</sup>
Q2	-	-5.6	-4.0	6.5	1.6	26.1	-3.0
Q3	-7.2	0.9	-2.8	9.3	-33.2	-5.5	-1.5

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

2 Excludes non-energy use.

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

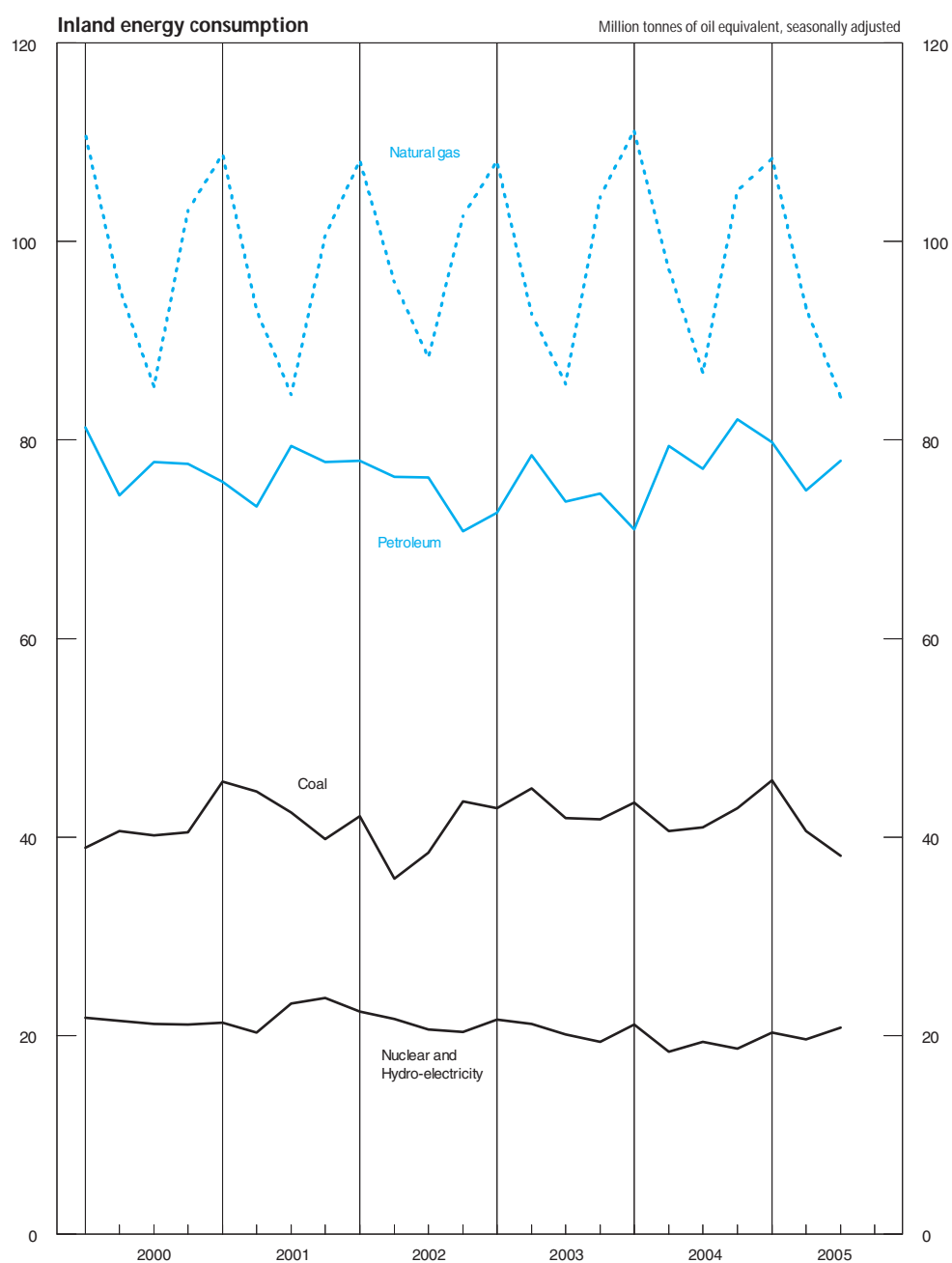
4 Includes generation by solar PV. Excludes generation from pumped storage stations.

5 Not temperature corrected.

6 Not seasonally adjusted.

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

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



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

Not seasonally adjusted

	Sterling exchange rate against major currencies <sup>1</sup>								UK inter-national reserves <sup>3</sup> at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro <sup>2</sup>	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
<b>Annual</b>										
	AJFO	AUSS	AJFD	THAP	AJFK	AJFJ	AJFI	AJFU	THFE	AGBG
2001	174.90	1.4400	2.430	1.6087	11.987	12.944	14.886	11.2335	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
2005	200.14	1.8197	2.265	1.4629	10.901	11.718	13.577	14.1477	..	103.3
<b>Quarterly</b>										
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	1.8907 <sup>†</sup>	2.234	1.4424	10.7362	11.889	13.092	14.7449	25 801	102.9
Q2	199.56	1.8553	2.276	1.4744	10.9788	11.863	13.572	14.4506	26 844	104.3
Q3	198.44	1.7850	2.273	1.4635	10.9160	11.534	13.709	13.8685	26 728	102.9
Q4	205.02	1.7479	2.275	1.4706	10.9687	11.584	13.935	13.5546	..	103.2
<b>Monthly</b>										
2003 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	26 595	103.6
Jun	197.64	1.8179	2.302	1.4952	11.132	11.805	13.854	14.1362	26 844	104.9
Jul	195.99	1.7509	2.267	1.4547	10.850	11.523	13.717	13.6141	25 950	102.1
Aug	198.48	1.7943	2.266	1.4592	10.885	11.551	13.631	13.9444	25 437	102.8
Sep	200.86	1.8081	2.287	1.4761	11.009	11.527	13.779	14.0356	26 728	103.9
Oct	202.62	1.7640	2.273	1.4674	10.950	11.490	13.835	13.6823	26 435	103.1
Nov	205.41	1.7341	2.274	1.4719	10.980	11.522	14.080	13.4469	27 482	103.2
Dec	207.02	1.7462	2.279	1.4725	10.976	11.740	13.889	13.5390	..	103.3

1 Average of daily Telegraphic Transfer rates in London.

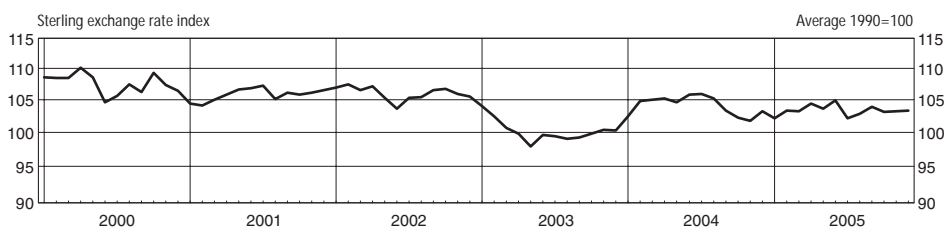
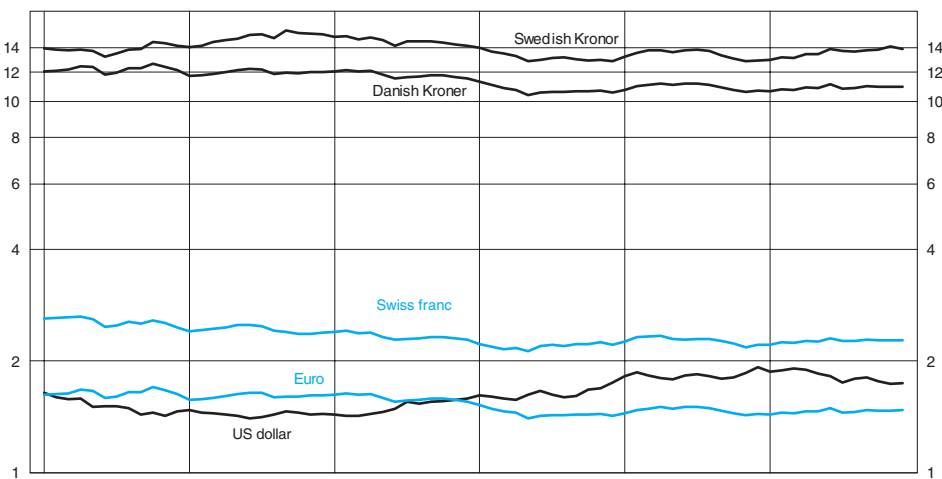
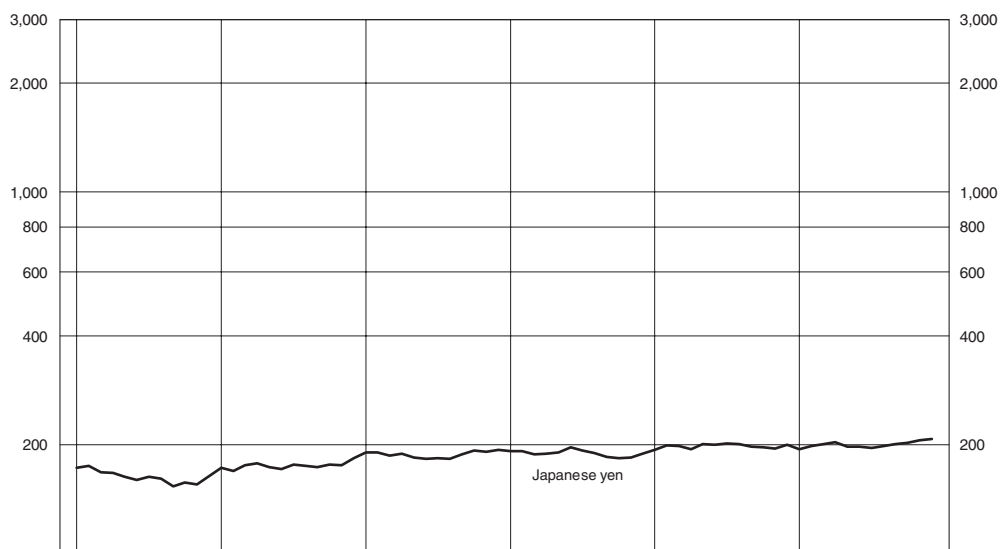
2 Prior to January 1999, a synthetic Euro has been calculated by geometrical averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.

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

4 These figures fall outside the scope of National Statistics.

Source: Bank of England: Enquiries 020 7601 4342

Sterling exchange rates



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

	M0				M4			
	Amount outstanding <sup>2</sup> (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio	Amount outstanding (NSA)		Amount outstanding (£ million) +	Velocity of circulation: ratio
	£ million	Annual percentage change			£ million	Annual percentage change		
<b>Annual</b>	AVAD	VQNB	AVAE	AVAM	AUYM	VQLC	AUYN	AUYU
2001	37 319	8.0	34 994 <sup>†</sup>	29.76 <sup>†</sup>	942 433	6.7	943 664	1.09
2002	39 540	6.0	37 225	28.99	1 008 678	7.3	1 009 876	1.08
2003	42 317	7.0	39 978	28.49	1 081 121	7.3	1 082 337	1.07
2004	44 466	5.1	42 251	28.30	1 179 117	9.3	1 180 420	1.03
<b>Quarterly</b>						VQRY		
2001 Q1	32 489	8.4	33 120 <sup>†</sup>	29.91 <sup>†</sup>	905 800	8.3	905 450	1.10
Q2	32 896	6.5	33 284	30.00	921 571	7.6	917 968	1.10
Q3	33 797	6.2	33 940	29.68	937 071	8.4	939 723	1.08
Q4	37 319	8.0	34 994	29.44	942 433	6.7	943 664	1.08
2002 Q1	35 157	8.2	35 553	29.09	955 196	5.7	955 346	1.09
Q2	36 225	10.1	36 643	29.12	975 699	6.1	971 355	1.09
Q3	36 511	8.0	36 669	28.95	989 473	5.9	992 475 <sup>†</sup>	1.08
Q4	39 540	6.0	37 225	28.79	1 008 678	7.3	1 009 876	1.07
2003 Q1	37 184	5.8	37 900	28.84	1 020 595	7.1	1 021 083	1.07
Q2	38 403	6.0	38 911	28.35	1 047 982	7.9	1 042 957	1.07
Q3	39 348	7.8	39 508	28.42	1 051 120	6.6	1 054 469	1.07
Q4	42 317	7.0	39 978	28.35	1 081 121	7.3	1 082 337	1.06
2004 Q1	39 812	7.1	40 594	28.37	1 101 901	7.9	1 102 605	1.05
Q2	41 109	7.0	41 422	28.28	1 133 485	8.0	1 127 761	1.04
Q3	41 748	6.1	41 798	28.23	1 148 458	9.0	1 152 325	1.03
Q4	44 466	5.1	42 251	28.30	1 179 117	9.3	1 180 420	1.02
2005 Q1	42 395	6.5	42 678	28.01	1 216 988	10.6	1 217 795	1.00
Q2	42 656	3.8	42 988	28.25	1 251 546	10.6	1 245 049	0.98
Q3	43 969	5.3	44 060	27.82	1 275 715 <sup>†</sup>	11.4	1 280 199	0.96
<b>Monthly</b>						VQLC		
2003 Jul	38 938	8.0	39 184 <sup>†</sup>	..	1 036 608	7.3	1 038 857 <sup>†</sup>	..
Aug	39 579	7.9	39 393	..	1 040 203	6.2	1 040 155	..
Sep	39 348	7.8	39 508	..	1 051 120	6.6	1 051 573	..
Oct	39 416	7.3	39 693	..	1 054 713	6.4	1 054 025	..
Nov	40 149	8.0	40 048	..	1 070 453	7.1	1 067 680	..
Dec	42 317	7.0	39 978	..	1 081 121	7.3	1 079 767	..
2004 Jan	40 222	8.0	40 208	..	1 080 398	8.7	1 089 599	..
Feb	39 448	6.8	40 253	..	1 087 970	8.4	1 095 949	..
Mar	39 812	7.1	40 594	..	1 101 901	7.9	1 098 983	..
Apr	40 799	5.7	40 794	..	1 109 089	7.6	1 105 947	..
May	40 668	4.7	41 065	..	1 121 331	8.3	1 117 674	..
Jun	41 109	7.0	41 422	..	1 133 485	8.1	1 124 725	..
Jul	41 115	5.6	41 355	..	1 133 394	9.2	1 134 027	..
Aug	41 489	4.8	41 389	..	1 143 082	9.8	1 145 190	..
Sep	41 748	6.1	41 798	..	1 148 458	9.0	1 149 117	..
Oct	41 721	5.8	42 002	..	1 158 204	9.6	1 158 783	..
Nov	42 222	5.2	42 057	..	1 166 540	8.9	1 164 822	..
Dec	44 466	5.1	42 251	..	1 179 117	9.3	1 174 770	..
2005 Jan	42 700	6.2	42 459	..	1 177 455	9.2	1 189 058	..
Feb	41 757	5.9	42 622	..	1 189 021	9.5	1 199 519	..
Mar	42 395	6.5	42 678	..	1 216 988	10.6	1 213 220	..
Apr	42 188	3.4	42 736	..	1 224 132	10.6	1 221 703	..
May	42 426	4.3	42 825	..	1 242 527	11.2	1 239 524	..
Jun	42 656	3.8	42 988	..	1 251 546	10.7	1 241 214	..
Jul	43 127	4.9	43 360	..	1 256 395	11.1	1 256 684	..
Aug	44 078	6.2	43 912	..	1 254 734 <sup>†</sup>	10.0	1 257 587	..
Sep	43 969	5.3	44 060	..	1 275 715	11.4	1 274 976	..
Oct	43 926	5.3	44 207	..	1 286 698	11.4	1 289 831	..
Nov	44 644	5.7	44 368	..	1 305 070	12.1	1 303 502	..

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

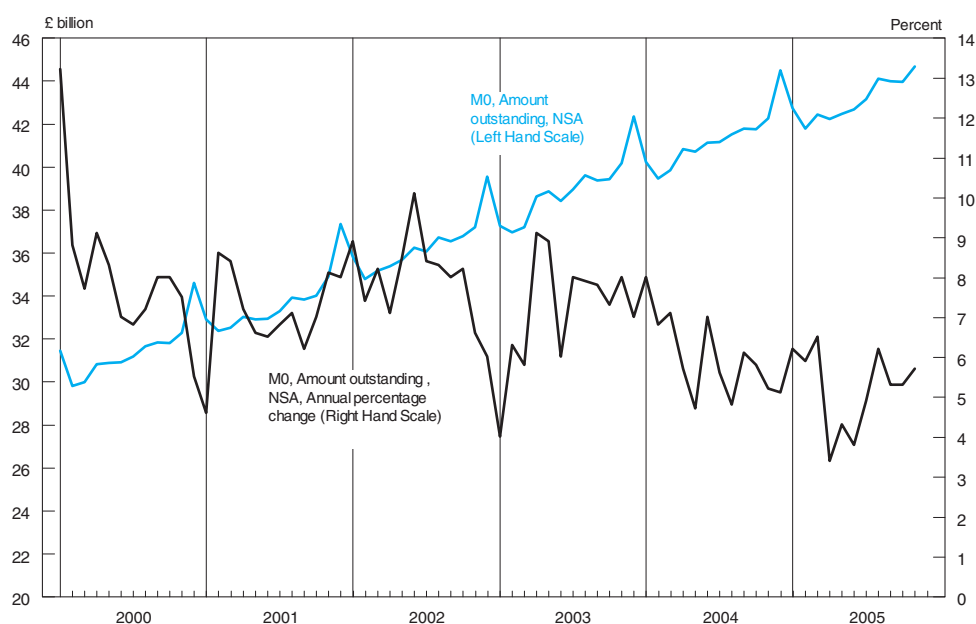
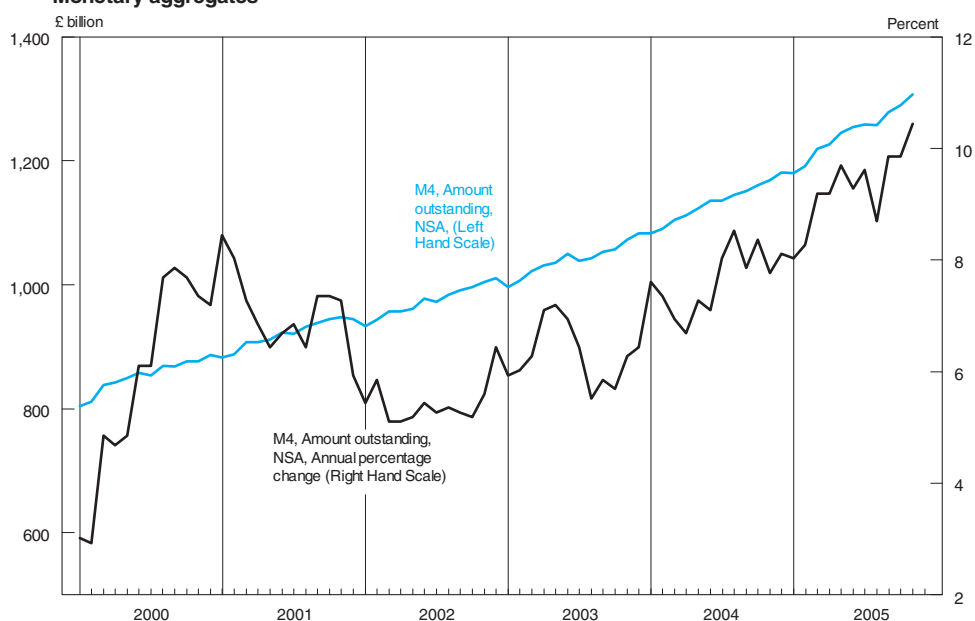
2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

3 These figures fall outside the scope of National Statistics.

Source: Bank of England; Enquiries 020 7601 5467



## Monetary aggregates



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

£ million, not seasonally adjusted

	Purchases by the M4 <sup>2</sup> private sector of:			External and foreign currency financing of public sector		Public sector contribution M4	Banks' and Building Soc- ieties' sterling lending to the M4 private sector	External and foreign currency trans- actions of UK banks and building soc- ieties	Net non- deposit sterling liabili- ties of UK banks and building soc- ieties	External and foreign currency counter- parts	M4
	Public Sector Net Cash Require- ment <sup>3</sup>	Central government debt	Other public sector debt	Purchase of British govern- ment stocks by overseas sector	Other						
	1	2	3	4	5	6	7	8	9	10	11
<b>Annual</b>											
	ABEN	RCMD	AVBV	AVBZ	AQGA	AVBF	AVBS	AVBW	AVBX	VQLP	AUZI
2001	-2 750	7 526	191	318	4 194	8 842	82 446	-21 607	-10 815	-17 732	58 868
2002	18 316	-9 148	-110	-897	1 588	11 543	107 655	-25 113	-25 149	-22 627	68 936
2003	38 829	-31 962	-473	10 378	-3 067	-7 048	127 712	-27 161	-20 341	-40 602	73 163
2004	41 389	-30 771	-1 182	2 235	-158	7 042	156 087	4 463	-67 477	2 070	100 115
<b>Quarterly</b>											
2001 Q1	-12 408	3 243	-268	-2 356	3 734	-3 343	31 075	-7 719	1 254	-1 629	21 267
Q2	6 421	2 972	233	4 549	1 000	6 078	21 194	-7 262	-4 325	-10 811	15 685
Q3	-6 103	4 439	95	-2 931	1 287	2 648	15 710	7 221	-8 836	11 438	16 744
Q4	9 340	-3 128	131	1 056	-1 827	3 459	14 467	-13 847	1 092	-16 730	5 172
2002 Q1	-6 179	2 873	-260	-1 045	2 398	-124	24 732	-7 089	-3 172	-3 646	14 347
Q2	7 087	-4 266	101	-266	-1 001	2 188	24 507	1 613	-8 069	879	20 239
Q3	399	-2 120	93	-1 960	208	540	34 214	-8 547	-11 077	-6 379	15 131
Q4	17 009	-5 635	-44	2 374	-17	8 939	24 202	-11 090	-2 831	-13 481	19 219
2003 Q1	-318	-4 248	31	1 934	430	-6 038	21 783	2 357	-4 432	854	13 670
Q2	16 293	-8 454	-210	2 855	-2 099	2 676	34 559	-1 532	-6 969	-6 485	28 735
Q3	5 852	-10 522	-184	980	-1 222	-7 056	30 591	-2 300	-17 743	-4 501	3 492
Q4	17 002	-8 738	-110	4 609	-176	3 370	40 779	-25 686	8 803	-30 470	27 266
2004 Q1	282	-11 958	-534	978	1 670	-11 519	34 934	30 405	-33 204	31 096	20 616
Q2	11 692	-1 846	-343	2 204	-136	7 162	37 475	4 663	-16 199	2 323	33 101
Q3	7 216	-11 055	-26	125	-1 441	-5 431	51 828	-15 857	-16 348	-17 423	14 192
Q4	22 199	-5 912	-279	-1 072	-251	16 830	31 850	-14 748	-1 726	-13 926	32 206
2005 Q1	-2 504	-4 814	-394	8 258	1 411	-14 558	31 683	18 380	1 980	11 533	37 485
Q2	16 504 <sup>†</sup>	-6 020	-227 <sup>†</sup>	5 428	-306	4 523	35 072 <sup>†</sup>	18 346	-21 131 <sup>†</sup>	12 612	36 810
Q3	8 306	1 301	104	12 752	-815	-3 856 <sup>†</sup>	52 490	-10 818 <sup>†</sup>	-13 537	-24 386 <sup>†</sup>	24 278 <sup>†</sup>
<b>Monthly</b>											
2003 Jul	-6 066	-2 472	-235	-1 339	880	-6 555	7 726	-900	-11 352	1 319	-11 081
Aug	3 454	-5 675	53	228	-771	-3 166	5 309	-9 972	11 432	-10 971	3 603
Sep	8 464	-2 375	-3	2 091	-1 331	2 665	17 557	8 572	-17 823	5 151	10 971
Oct	-1 576	-5 271	-96	-1 161	3 016	-2 766	23 106	-21 906	5 433	-17 729	3 867
Nov	5 551	1 071	-41	7 050	-49	-518	9 928	8 850	-2 980	1 751	15 281
Dec	13 026	-4 538	28	-1 280	-3 143	6 654	7 744	-12 630	6 350	-14 492	8 118
2004 Jan	-14 375	493	-292	-786	3 019	-10 368	20 959	7 287	-18 931	11 092	-1 054
Feb	-68	-4 662	237	1 267	225	-5 536	4 713	12 060	-3 581	11 018	7 656
Mar	14 724	-7 789	-479	497	-1 574	4 386	9 263	11 057	-10 691	8 986	14 014
Apr	-2 239	-2 121	-158	-1 908	80	-2 530	10 350	6 592	-7 175	8 580	7 237
May	3 207	-1 617	-26	1 168	-68	328	8 737	3 242	325	2 006	12 631
Jun	10 724	1 892	-159	2 944	-148	9 364	18 389	-5 171	-9 349	-8 264	13 234
Jul	-6 886	-4 326	139	-947	-117	-10 243	14 260	941	-5 114	1 771	-156
Aug	3 256	2 294	-106	3 248	409	2 605	15 348	-6 241	-1 700	-9 080	10 013
Sep	10 845	-9 023	-58	-2 176	-1 733	2 208	22 219	-10 557	-9 534	-10 114	4 336
Oct	-1 486	-2 332	-118	1 345	-56	-5 337	14 820	-5 608	5 877	-7 009	9 751
Nov	9 024	190	-43	-1 944	286	11 401	2 130	-1 075	-2 775	1 155	9 681
Dec	14 661	-3 770	-118	-473	-480	10 766	14 901	-8 065	-4 828	-8 072	12 773
2005 Jan	-16 815	-4 508	-2	927	1 714	-20 539	16 670	-3 684	6 033	-2 897	-1 519
Feb	651	2 042	-161	2 650	-406	-523	4 483	14 852	-7 241	11 797	11 571
Mar	13 660	-2 348	-231	4 681	103	6 504	10 530	7 212	3 188	2 634	27 433
Apr	-963	1 289	-260	1 939	-37	-1 909	8 761 <sup>†</sup>	2 780 <sup>†</sup>	-2 485 <sup>†</sup>	805	7 148
May	5 154	-4 115	181	-677	-129	1 768	14 415	19 105	-14 651	19 652	20 637
Jun	12 314 <sup>†</sup>	-3 194	-149 <sup>†</sup>	4 166	-139	4 664	11 896	-3 539	-3 995	-7 845	9 026
Jul	-8 425	1 184	56	2 820	-551	-10 556 <sup>†</sup>	18 281	-2 331	-542	-5 702 <sup>†</sup>	4 852 <sup>†</sup>
Aug	4 760	2 773	108	4 042	-150	3 449	5 085	-14 100	3 911	-18 292	-1 655
Sep	11 970	-2 656	-59	5 890	-114	3 250	29 124	5 612	-16 905	-392	21 081
Oct	-4 838	658 <sup>†</sup>	-253	3 213	-190 <sup>†</sup>	-7 836	12 226	1 458	5 140	-1 945	10 987
Nov	9 120	-115	161	3 037	-213	5 916	1 726	14 757	-4 020	11 507	18 379

For most periods the relationships between the columns are as follows:

6 = 1 + 2 + 3 - 4 + 5; 10 = 4 + 5 + 8

11 = 1 + 2 + 3 + 7 + 9 + 10

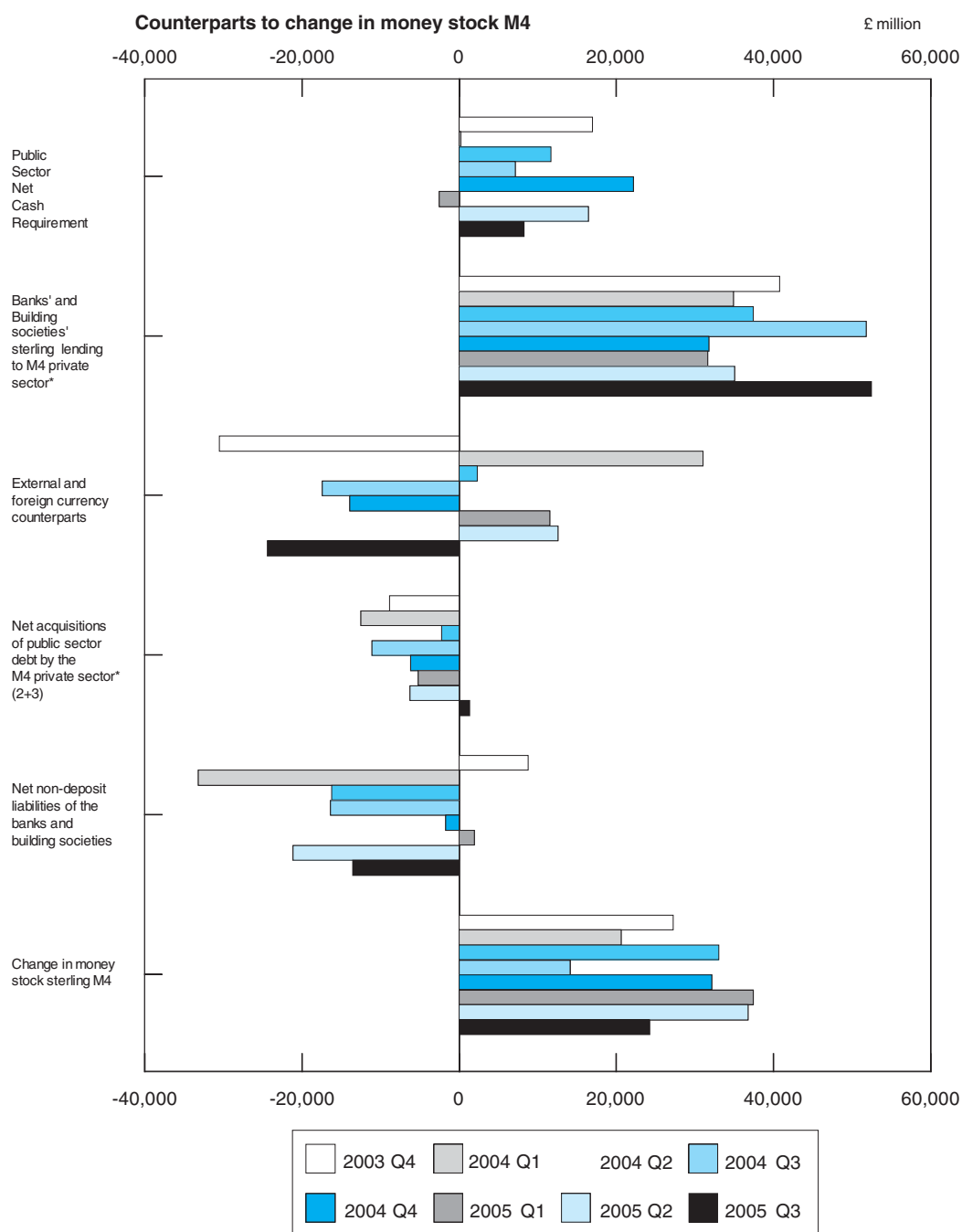
1 A wider range of figures is published monthly in *Financial Statistics*.

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 This table does not contain National Statistics data.

Source: Bank of England; 020 7601 5467



\*Private sector other than banks and building societies

## 6.4 Public sector receipts and expenditure

£ million, not seasonally adjusted

	Public sector current expenditure								Public sector current receipts							
	Current expenditure on goods and services	Subsidies	Net Social Benefits	Net current grants abroad	Other current grants	Interest paid to private sector and RoW	Total current expenditure	Operating surplus	Taxes on production	Taxes on income and wealth	Taxes on capital	Other Current taxes	Compulsory social contributions	Interest/divide from private-/RoW	Rent and other current transfers	Total current receipts
Annual																
2002	GZSN	NMRL	ANLY	GZSI	NNAI	ANLO	ANLT	ANBP	NMYE	ANSO	NMGI	MJBC	ANBO	ANBQ	ANBS	ANBT
2002	210 654	5 266	123 288	-539	24 218	21 534	384 421	16 278	138 450	142 716	2 381	20 360	63 410	4 852	2 426	390 873
2003	231 543	6 243	130 308	-855	28 780	22 721	418 740	17 293	145 894	144 021	2 416	22 660	71 540	4 836	2 123	410 783
2004	246 869	6 603	137 508	-428	31 745	23 557	445 854	17 172	154 525	154 968	2 881	24 171	78 069	5 475	2 033	439 294
Quarterly																
2002 Q1	50 871	1 204	30 075	12	5 409	5 236	92 807	4 037	32 685	45 805	556	4 812	17 103	1 158	670	106 826
Q2	52 712	1 332	29 977	-126	6 067	5 437	95 399	3 933	33 940	28 544	607	5 172	15 142	1 187	512	89 037
Q3	53 264	1 360	30 500	-375	6 845	4 631	96 225	4 099	35 828	35 492	619	5 221	15 278	1 230	743	98 510
Q4	53 807	1 370	32 736	-50	5 897	6 230	99 990	4 209	35 997	32 875	599	5 155	15 887	1 277	501	96 500
2003 Q1	56 276	1 207	30 829	-75	7 227	5 321	100 785	4 217	34 077	46 210	545	5 204	17 222	1 243	661	109 379
Q2	57 925	2 044	31 540	-185	7 388	5 813	104 525	4 118	36 490	29 368	606	5 807	17 670	1 169	484	95 712
Q3	58 272	1 461	32 810	-295	6 709	5 398	104 355	4 269	36 546	36 110	631	5 829	18 245	1 173	491	103 294
Q4	59 070	1 531	35 129	-300	7 456	6 189	109 075	4 689	38 781	32 333	634	5 820	18 403	1 251	487	102 398
2004 Q1	60 284	1 489	32 922	-222	8 197	5 467	108 137	4 444	36 887	47 564	650	5 703	20 830	1 260	487	117 825
Q2	61 118	1 800	33 743	-187	7 533	5 651	109 658	4 023	38 407	31 745	731	6 135	18 454	1 347	526	101 368
Q3	61 998	1 503	34 210	-36	8 598	5 796	112 069	4 072	38 791	39 334	759	6 188	18 893	1 399	510	109 946
Q4	63 469	1 811	36 633	17	7 417	6 643	115 990	4 633	40 440	36 325	741	6 145	19 892	1 469	510	110 155
2005 Q1	64 212	1 863	33 597	-374	9 328	6 436	115 062	4 393	37 342	54 325	713	6 004	22 096	1 454	504	126 831
Q2	65 734	1 616	34 476	71	7 634	6 516	116 047	4 123	39 517	34 825	804	6 379	19 820	1 288	487	107 243
Q3	65 738	1 653	36 163	-117	8 146	6 292	117 875	4 678	40 917	43 664	844	6 678	20 503	1 375	470	119 129

Sources: Office for National Statistics; Enquiries 020 7533 5987

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

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

	Surplus on current budget <sup>2</sup>		Net investment <sup>3</sup>		Net borrowing <sup>4</sup>		Net cash requirement		Public sector net debt	
	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	General Government	Public Sector	£ billion <sup>6</sup>	% of GDP <sup>7</sup>
<b>Annual</b>										
	ANLW	ANMU	-ANNV	-ANNW	NNBK	ANNX	RUUS	RURQ	RUTN	RUTO
2002	-4 978	-7 243	10 752	9 972	-15 730	-17 215	16 421	18 227	345.2	32.1
2003	-20 454	-22 182	15 037	14 489	-35 491	-36 671	38 214	38 965	376.9	33.2
2004	-20 254	-21 386 <sup>†</sup>	17 499	16 423	-37 822 <sup>†</sup>	-37 809 <sup>†</sup>	41 321	41 282	419.0	35.2 <sup>†</sup>
2005	..	-15 693	..	24 243	-40 421	-39 936	..	41 523	460.3	37.2
<b>Quarterly</b>										
2002 Q1	11 284	10 730	4 891	4 713	6 393	6 017	-6 383	-6 323	311.7	30.1
Q2	-9 168	-9 731	1 068	785	-10 236	-10 516	7 126	7 069	318.7	30.4
Q3	-730	-1 145	2 618	2 224	-3 348	-3 369	-145	402	321.8	30.3
Q4	-6 364	-7 097	2 175	2 250	-8 539	-9 347	15 823	17 079	345.2	32.1
2003 Q1	5 839	4 989	5 942	6 285	-103	-1 296	-1 305	-413	342.4	31.4
Q2	-11 834	-12 321	2 015	1 613	-13 849	-13 934	16 404	16 286	350.8	31.7
Q3	-4 247	-5 586	3 444	3 200	-7 691	-7 786	6 036	5 923	356.1	31.8
Q4	-10 212	-10 264	3 636	3 391	-13 848	-13 655	17 079	17 169	376.9	33.2
2004 Q1	6 467	6 050	5 514	5 430	953	620	486	115	377.3	32.8
Q2	-11 574	-11 966 <sup>†</sup>	3 281	2 932	-14 872 <sup>†</sup>	-14 898 <sup>†</sup>	11 577	11 655	390.2	33.5
Q3	-5 485	-5 831	3 969	3 573	-9 468	-9 404	6 968	7 335	396.4	33.7
Q4	-9 662	-9 639	4 735	4 488	-14 435	-14 127	22 290	22 177	419.0	35.2 <sup>†</sup>
2005 Q1	8 269	7 923	8 596	8 991	-404	-1 068	-2 098	-2 567	416.7	34.7
Q2	-12 042	-12 646	2 895	2 641 <sup>†</sup>	-14 971	-15 287	15 266	16 544	432.3	35.7
Q3	-2 641	-2 920	5 253	4 970	-8 230	-7 890	8 455	8 331	440.2	35.9
Q4	..	-8 050	..	7 641	-16 816	-15 691	..	19 215	460.3	37.2

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.

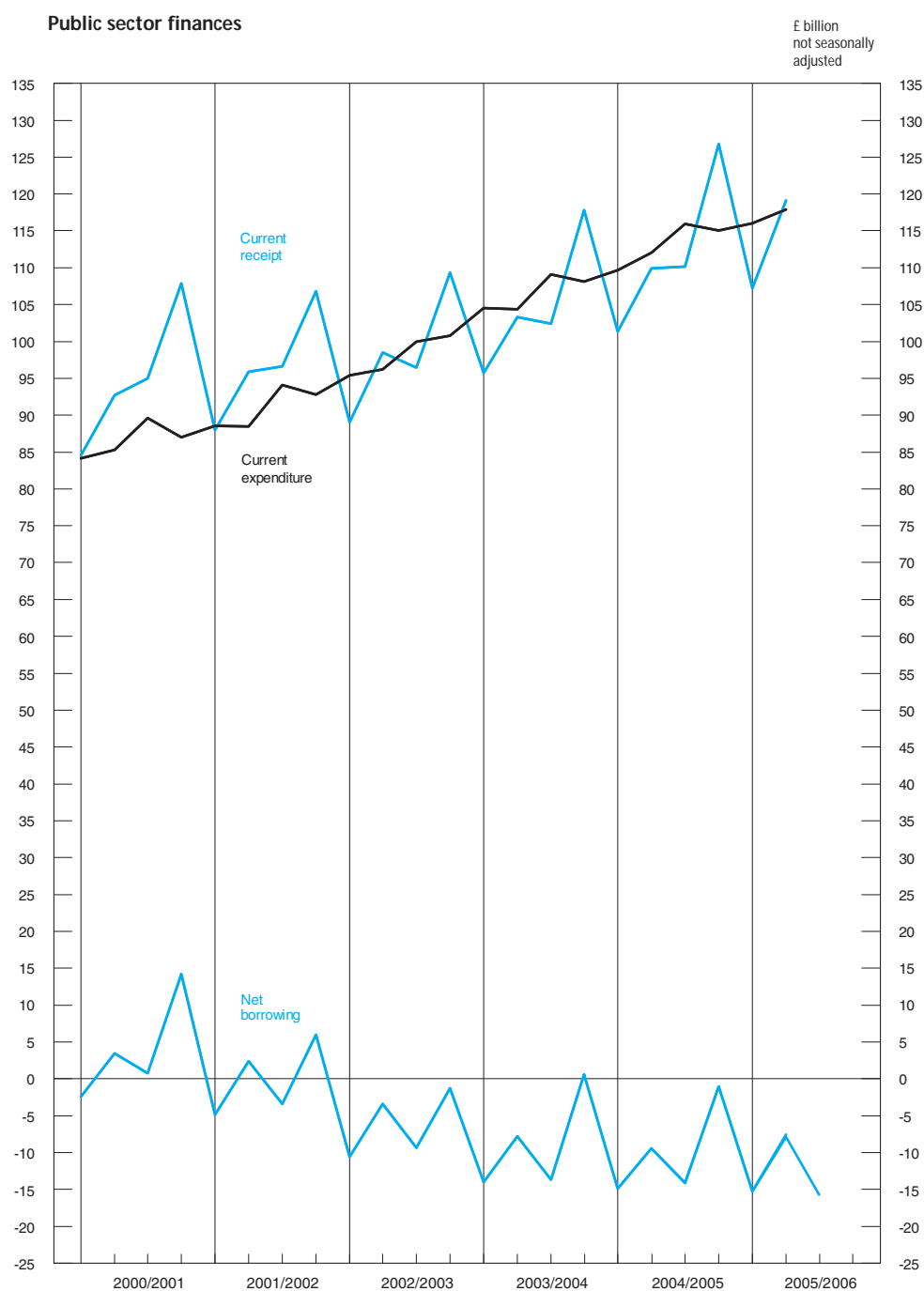
4 Net borrowing = surplus on current budget minus net investment.

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

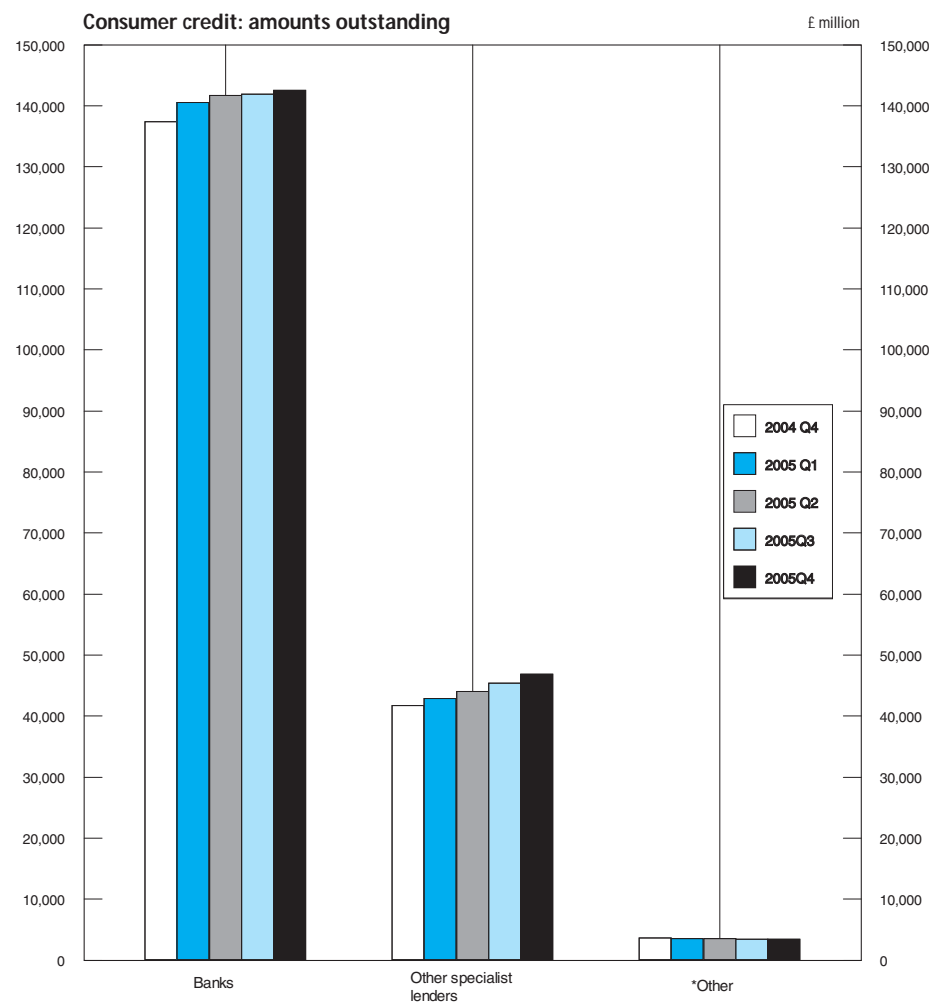
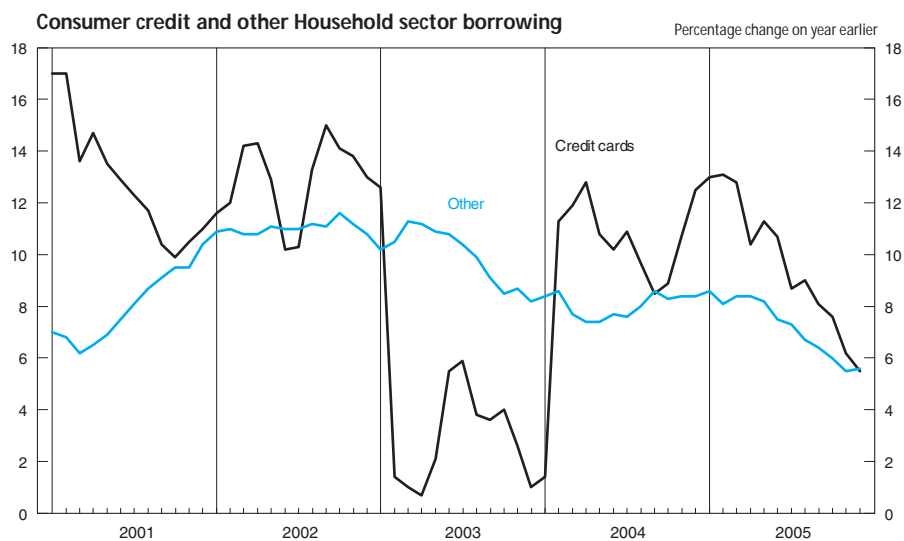
	Consumer credit									Loans secured on dwellings (NSA <sup>1</sup> )
	Total consumer credit	of which		Banks	Building Societies' Class 3 Loans	Other specialist lenders	Retailers	Insurance companies		
		credit cards <sup>2</sup>	other <sup>2</sup>							
Amounts outstanding: quarterly										
	VZRI	VZRJ	VZRK	VRVV	VZRG	VZRH	RLBO	VZQZ	AMWT	
2000 Q1	119 283 <sup>†</sup>	33 454 <sup>†</sup>	85 865 <sup>†</sup>	86 031 <sup>†</sup>	314	28 853 <sup>†</sup>	2 664 <sup>†</sup>	1 415	503 376	
Q2	122 016	34 925	87 111	88 719	314	28 938	2 613	1 310	514 638	
Q3	124 299	36 286	88 060	91 037	349	29 131	2 554	1 273	525 523	
Q4	127 335	37 625	89 585	94 314	391	29 005	2 503	1 197	535 391	
2001 Q1	129 074	38 016	91 124	95 815	411	29 124	2 524	1 229	546 179	
Q2	132 933	39 407	93 523	100 283	423	28 331	2 508	1 221	561 121	
Q3	136 022	39 996	96 041	103 446	446	28 472	2 522	1 206	576 957	
Q4	140 992	41 766	99 176	107 849	435	29 099	2 478	1 178	591 152	
2002 Q1	144 275	43 405	100 931	110 995	462	29 194	2 506	1 183	606 222	
Q2	147 179	43 418	103 748	113 131	458	29 634	2 573	1 193	625 670	
Q3	152 963	45 950	106 984	118 371	520	30 409	2 559	1 196	652 553	
Q4	157 142	47 255	109 896	121 006	606	31 833	2 534	1 182	675 180	
2003 Q1	156 497	43 810	112 674	116 748	622	35 669	2 524	1 033	695 615	
Q2	161 139	45 779	115 298	119 662	668	37 433	2 219	933	718 271	
Q3	164 326	47 605	116 683	121 922	732	38 759	2 164	824	746 267	
Q4	166 431	47 791	118 775	122 897	762	39 980	2 147	701	774 548	
2004 Q1	170 210	48 977	121 189	127 091	750	39 692	2 074	690	798 758 <sup>†</sup>	
Q2	174 547	50 439	124 042	130 755	777	40 082	2 038	698	826 109	
Q3	178 295	51 693	126 569	133 965	836	40 872	1 984	676	853 722	
Q4	182 311	53 761	128 704	137 305	904	41 588	1 941	661	876 590	
2005 Q1	186 665	55 217	131 383	140 419	947	42 829	1 868	651	892 813	
Q2	189 220	55 806	133 347	141 667	978	43 974	1 809	642	916 634	
Q3	190 473	55 909	134 538	141 779	1 066	45 311	1 766	538 <sup>†</sup>	956 703	
Q4	192 409	56 710	135 887	142 471	1 110	46 742	1 703	520	..	
Amounts outstanding: monthly										
2003 Jan	157 756 <sup>†</sup>	47 517 <sup>†</sup>	110 239 <sup>†</sup>	121 318 <sup>†</sup>	598	32 033	2 543	1 143	..	
Feb	154 784	43 669	111 115	119 930	613	30 348	2 540	1 089	..	
Mar	156 125	43 693	112 431	116 322	630 <sup>†</sup>	35 462	2 512	1 033	..	
Apr	157 465	44 165	113 300	116 899	655	36 549	2 493	990	..	
May	159 232	45 030	114 202	118 209	654	36 706	2 474	959	..	
Jun	160 716	45 639	115 077	119 244	682	37 534	2 214 <sup>†</sup>	933	..	
Jul	162 174	46 309	115 864	120 794	694	37 697	2 198	904	..	
Aug	163 317	46 877	116 440	121 711	709	37 677	2 191	868	..	
Sep	164 112	47 583	116 529	121 716	720	38 821	2 154	824	..	
Oct	165 496	47 993	117 503	122 118	726	39 884	2 152	776	..	
Nov	166 218	47 902	118 316	122 740	724	40 128	2 154	732	..	
Dec	166 188	47 499	118 688	122 822	734	39 994	2 141	701	..	
2004 Jan	167 626	48 165	119 461	125 446	743	38 524	2 091	686	..	
Feb	169 253	48 617	120 636	126 863	750	38 831	2 042	684	..	
Mar	169 991	48 901	121 091	126 969	760	39 491	2 066	690	..	
Apr	171 564	49 828	121 736	128 491	771	39 534	2 065	697	..	
May	172 487	49 874	122 613	129 080	787	39 794	2 041	700	..	
Jun	174 234	50 286	123 948	130 624	791	40 208	2 034	698	..	
Jul	176 029	51 348	124 682	132 097	802	40 353	2 020	692	..	
Aug	177 151	51 428	125 723	132 598	809	40 772	1 986	684	..	
Sep	178 181	51 645	126 536	133 987	821	40 991	1 976	676	..	
Oct	179 471	52 244	127 227	135 502	830	41 000	1 966	669	..	
Nov	181 316	53 017	128 299	136 530	844	41 526	1 950	664	..	
Dec	182 113	53 414	128 699	137 203	876	41 498	1 934	661	..	
2005 Jan	184 136	54 438	129 698	138 531	893	41 755	1 911	658	..	
Feb	185 432	54 972	130 460	139 428	914	42 128	1 883	655	..	
Mar	186 485	55 170	131 316	140 452	961	42 668	1 861	651	..	
Apr	186 961	54 992	131 969	140 648	943	42 936	1 835	648	..	
May	188 189	55 511	132 678	141 441	967	43 129	1 822	645	..	
Jun	188 890	55 643	133 246	141 627	995	44 099	1 805	642	..	
Jul	189 564	55 800	133 764	142 006	1 030	44 152	1 785	638	..	
Aug	190 281	56 078	134 202	142 145	1 048	44 437 <sup>†</sup>	1 782	544 <sup>†</sup>	..	
Sep	190 424	55 821	134 603	141 656	1 050	45 477	1 758	538	..	
Oct	191 117	56 211	134 906	141 343	1 069	46 646	1 737	532	..	
Nov	191 690	56 315	135 375	141 775	1 077	46 805	1 711	526	..	
Dec	192 304	56 345	135 958	142 594	1 076	46 590	1 696	520	..	

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 within the credit card component. Hence, data from January 1999 onwards are not directly comparable with earlier periods.

Source: Office for National Statistics; Enquiries Columns 1- 8 01633 812782



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

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

### Amounts outstanding

£ million, not seasonally adjusted

	Manufacturing <sup>2</sup>	Other production	Financial	Services	Individuals	Total loans, advances and acceptances
<b>Total loans, advances, acceptances and sterling commercial paper</b>						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
2004 Q3	41 789	34 098	465 256	269 605	651 188	1 461 936
Q4	41 315	33 801	472 690	276 838	667 615	1 492 258
2005 Q1	41 160	36 157	490 834	280 212	667 560	1 515 924
Q2	43 892	40 642	497 342	296 820	674 527	1 553 222
Q3	44 538	41 118	501 576	307 164	689 722 <sup>†</sup>	1 584 162 <sup>†</sup>
<b>Of which in sterling</b>						
	TBUF	BCEY	BCFI	BCFS	TBVW	TBUA
2004 Q3	29 527	31 346	239 330	251 547	650 440	1 202 189
Q4	29 102	30 870	244 248	258 166	666 816	1 229 202
2005 Q1	29 449	32 943	243 283	261 800	666 693	1 234 167
Q2	30 466	36 853	250 928	277 027	673 685	1 268 959
Q3	31 060	37 571	260 562	284 904	688 579 <sup>†</sup>	1 302 676 <sup>†</sup>
<b>Changes in total lending (sterling)</b>						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
2004 Q3	-700	767	12 657	12 797	16 055	41 576
Q4	-424	-476	5 318	7 083	16 490	27 991
2005 Q1	347 <sup>†</sup>	2 073	-3 039	3 634	2 351	5 366
Q2	1 285	3 934	11 815	15 836	8 498	41 368
Q3	594	718	9 634	7 985	16 492 <sup>†</sup>	35 424 <sup>†</sup>
<b>Changes in total lending (foreign currencies)</b>						
	TBYF	BCFA	BCFK	BCFU	TBZW	TBYA
2004 Q3	-38	-53	-10 122	1 646	98	-8 469
Q4	50	230	5 208	1 024	64	6 577
2005 Q1	-383	296	21 428	-109	75	21 307
Q2	1 488	517	-4 193	1 096	-42	-1 133
Q3	-116	-288	-8 209	2 249	292	-6 028 <sup>†</sup>
<b>Facilities granted</b>						
	TCAF	BCFB	BCFL	BCFV	TCBW	TCAA
2004 Q3	80 535	65 844	525 645	375 653	739 016	1 786 692
Q4	80 540	67 658	532 527	387 539	754 796	1 823 061
2005 Q1	81 873 <sup>†</sup>	69 892	548 170	392 545	754 583 <sup>†</sup>	1 846 944 <sup>†</sup>
Q2	85 567	73 995	556 152	414 086	762 253	1 891 719
Q3	83 697	75 039	565 972	423 447	782 659	1 930 349
<b>Of which in sterling</b>						
	TCCF	BCFC	BCFM	BCFW	TCDW	TCCA
2004 Q3	51 222	52 027	279 288	335 638	738 108	1 456 283
Q4	51 962	53 583	284 725	347 690	753 817	1 491 778
2005 Q1	53 213 <sup>†</sup>	54 301	281 433	351 154	753 551 <sup>†</sup>	1 493 532 <sup>†</sup>
Q2	53 016	57 660	286 974	369 675	761 236	1 528 229
Q3	51 639	58 242	300 733	375 679	781 324	1 567 107
<b>Changes in sterling (facilities granted)</b>						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
2004 Q3	-1 433	2 645	15 112	16 275	15 564	48 163
Q4	741	1 556	5 837	12 516	15 823	36 473
2005 Q1	1 251 <sup>†</sup>	718	-5 366	3 464	2 209 <sup>†</sup>	2 155 <sup>†</sup>
Q2	80	3 383	12 318	19 155	8 978	43 701
Q3	-1 377	582	13 759	6 112	21 687	40 584
<b>Changes in foreign currencies (facilities granted)</b>						
	TCGF	BCFE	BCFO	BCFY	TCHW	TCGA
2004 Q3	237	361	-8 606	1 601	52	-6 355
Q4	-69	704	4 803	983	85	6 506
2005 Q1	158	1 487	21 216	1 621	60	24 543
Q2	3 023 <sup>†</sup>	194	644	1 884	-35	5 709
Q3	-898	244	-7 010	2 812	306	-4 501 <sup>†</sup>

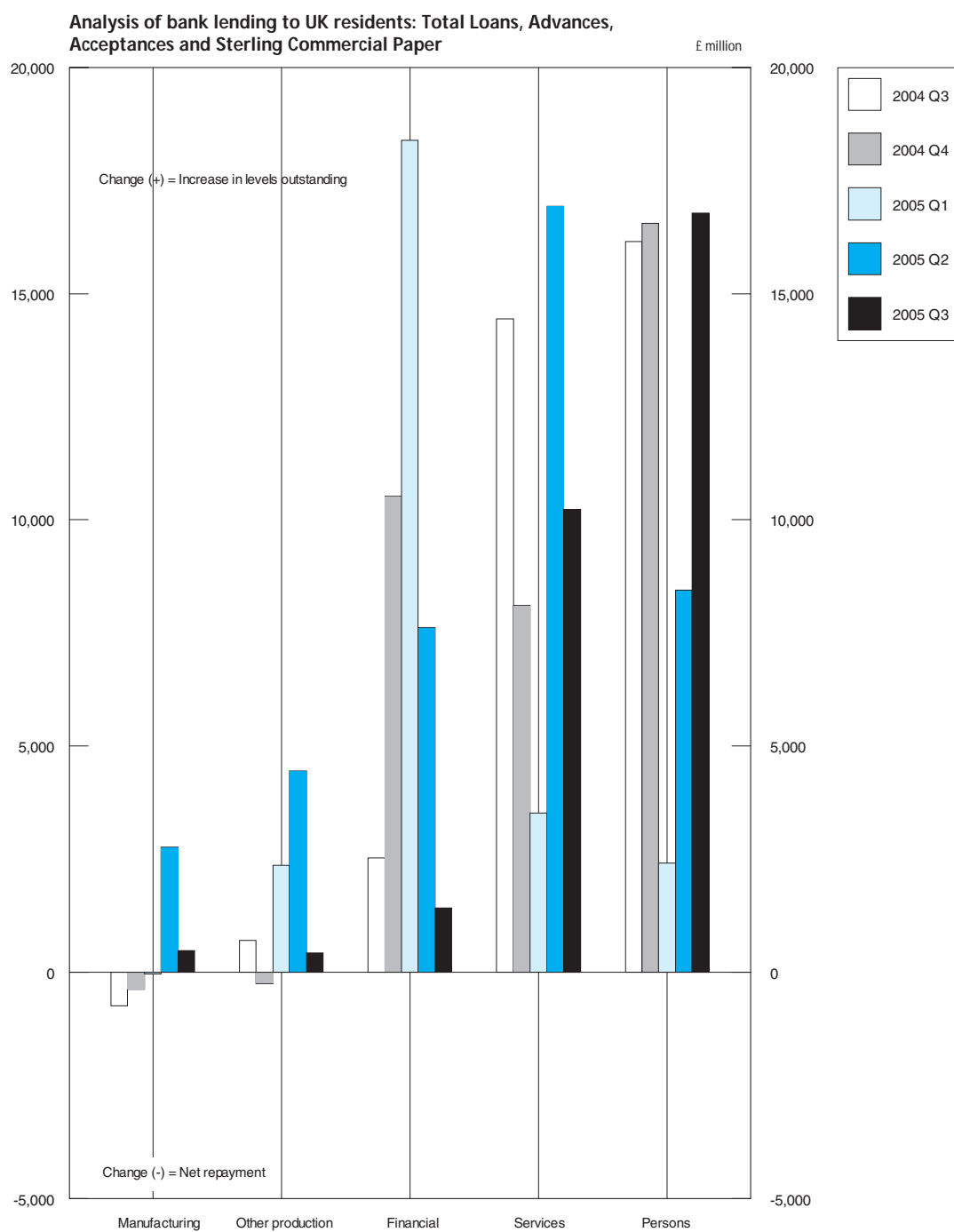
1 Comprises loans advances (including under reverse repos), finance leasing, acceptances, facilities and holdings of sterling commercial paper issued by UK residents, provided by reporting banks to their UK resident non-bank and non-building society customers. This analysis is based on Standard Industrial 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 and yields<sup>4</sup>

Percentage rate

	Last Friday					Last working day	Average of working days	
	Treasury bill yield <sup>1</sup>	Inter-bank 3 months bid rate <sup>3</sup>	Inter-bank 3 months offer rate <sup>2</sup>	Sterling certificates of deposit 3 months bid rate	Sterling certificates of deposit 3 months offer rate		Euro-dollar 3 month rate	British government securities: long dated <sup>3</sup> - 20 years
<b>Annual</b>								
	AJRP	HSAJ	HSAK	HSAL	HSAM	ZCMG	AJIB	AJLX
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
2005	4.48	4.57	4.59	4.57	4.61	..	4.51	4.39
<b>Monthly</b>								
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
Jun	4.57	4.69	4.73	4.69	4.73	4.75	3.51	4.29
Jul	4.48	4.54	4.56	4.53	4.57	4.75	3.67	4.33
Aug	4.43	4.52	4.54	4.51	4.55	4.50	3.84	4.34
Sep	4.45	4.52	4.55	4.52	4.56	4.50	4.07	4.26
Oct	4.47	4.54	4.56	4.53	4.57	4.50	4.24	4.36
Nov	4.46	4.55	4.58	4.54	4.58	4.50 <sup>†</sup>	4.41	4.25
Dec	4.48	4.57	4.59	4.57	4.61	4.50	4.51	4.14

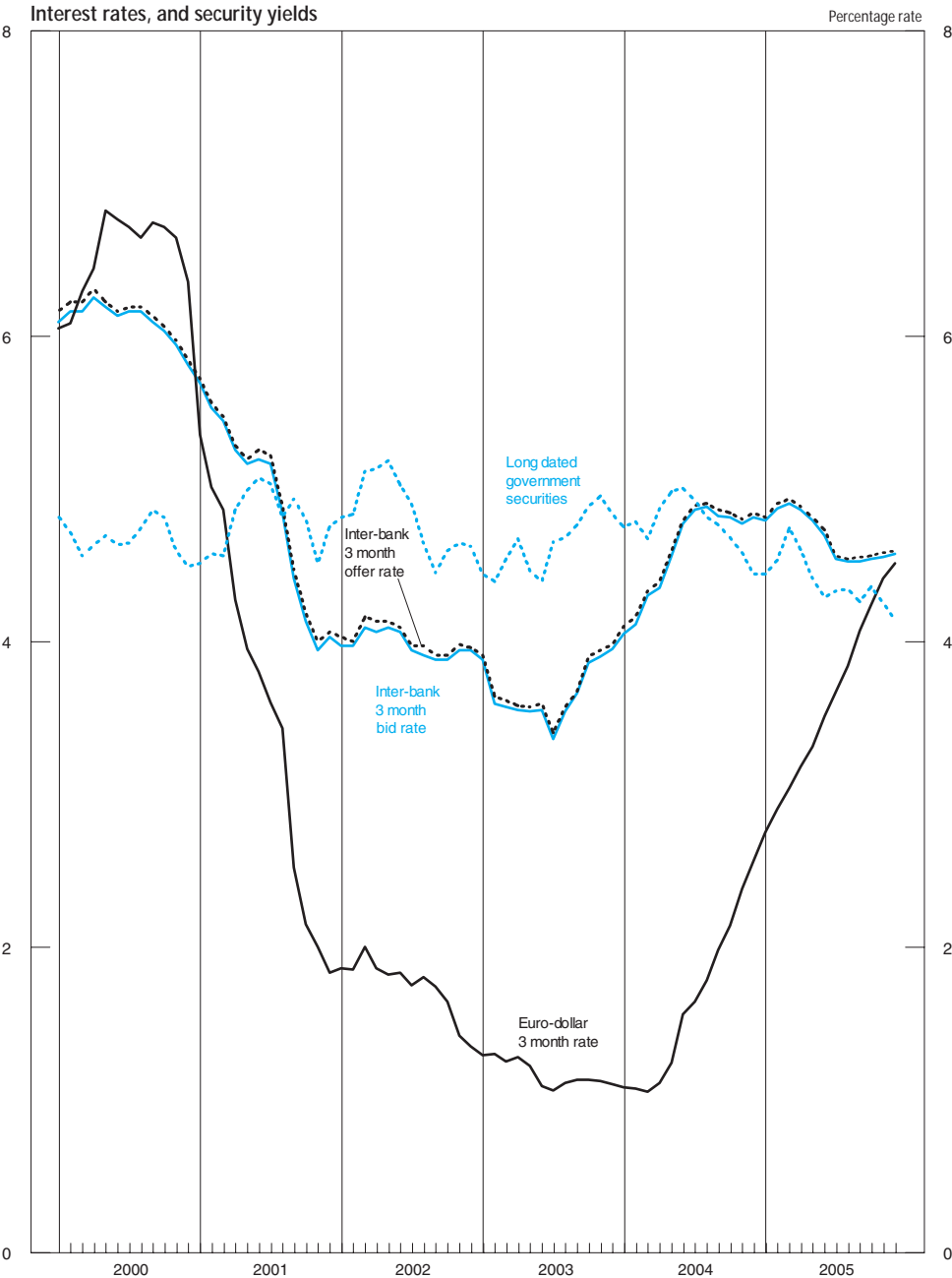
1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

2 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.

3 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

4 These figures fall outside the scope of National Statistics.

Sources: Bank of England;  
Enquiries 020 7601 4342.



# 6.9 A selection of asset prices

Not seasonally adjusted

	Producer price indices (2000 = 100)		Housing:ODPM all lenders mix adjusted house price index (2002 = 100)			Average price of agricultural land in England (1995 = 100) <sup>2</sup>
	Plant and machinery bought as fixed assets by	Manufactured output	New dwellings <sup>1</sup>	Secondhand dwellings <sup>1</sup>	All dwellings <sup>1</sup>	
Annual	PVJL	PQIR	WMPN	WMPP	WMPQ	BAJ
2001	102.0	95.4	90.3	95.7	95.1	155
2002	100.2	95.2	108.7	111.6	111.2	144
2003	99.5	94.6	126.4	129.0	128.7	147
2004	98.9	96.1	138.6	144.6	143.9	162
2005	99.5	97.3	..	..	..	..
Quarterly						
2001 Q1	102.9	95.4	90.8	92.1	92.1	156 <sup>3</sup>
Q2	103.1	95.5	90.8	96.0	95.4	148 <sup>3</sup>
Q3	101.2	95.4	94.1	99.4	98.8	160 <sup>3</sup>
Q4	101.1	95.4	95.4	96.9	96.8	154 <sup>3</sup>
2002 Q1	101.0	95.6	100.0	100.0	100.0	130 <sup>3</sup>
Q2	100.5	95.5	106.5	108.4	108.2	139 <sup>3</sup>
Q3	100.0	94.9	111.0	116.1	115.5	152 <sup>3</sup>
Q4	99.2	94.9	117.1	121.8	121.3	148 <sup>3</sup>
2003 Q1	99.1	94.6	119.3	124.0	123.4	136 <sup>3</sup>
Q2	99.7	94.1	127.2	127.3	127.2	148 <sup>3</sup>
Q3	99.9	94.5	127.9	131.1	130.7	169 <sup>3</sup>
Q4	99.5	95.1	131.8	133.7	133.4	145 <sup>3</sup>
2004 Q1	98.8	95.5	130.8	135.2	134.6	155 <sup>3</sup>
Q2	99.3	96.2	137.8	143.1	142.5	156 <sup>3</sup>
Q3	98.9	96.3	143.1	149.6	148.9	173 <sup>3</sup>
Q4	98.8	96.5	142.6	150.7	149.8	163 <sup>3</sup>
2005 Q1	99.2	96.9	145.1	150.1	149.5	216 <sup>3</sup>
Q2	99.0	97.0	146.5	151.6	150.9	..
Q3	99.7p	97.5	149.0 <sup>†</sup>	154.5	153.8	..
Q4	100.1p	97.8p	..	..	..	..
Monthly						
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	99.4	96.9	144.0	148.7	148.1	..
Mar	99.2	97.1	147.4	151.9	151.3	..
Apr	98.9	96.9	144.6	150.8	150.1	..
May	99.3	97.1	146.9	151.3	150.8	..
Jun	98.9	97.1	148.0	152.6	152.0	..
Jul	99.9	97.4	149.7	154.3	153.7	..
Aug	99.5	97.4	148.8	154.4	153.7	..
Sep	99.8p <sup>†</sup>	97.6	148.5 <sup>†</sup>	154.8	154.0 <sup>†</sup>	..
Oct	100.4p	97.8	152.1	153.3 <sup>†</sup>	153.0	..
Nov	99.9p	97.7p <sup>†</sup>	147.7	154.6	153.9	..
Dec	99.9p	97.8p	..	..	..	..

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. From September 2005, figures are based on the new Regulated Mortgage Survey (CML/BankSearch).

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

3 Provisional estimates.

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

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

	Table	Period covered	Average percentage changes				MCD or QCD	$\bar{I} / \bar{C}$ for MCD (or QCD) span
			$\bar{C}I$	$\bar{I}$	$\bar{C}$	$\bar{I} / \bar{C}$		
Quarterly series								
National income and components: chained volume measures, reference year 2002								
Gross value added (GVA) at basic prices	2.1	Q1 1990 to Q3 2005	0.6	0.1	0.6	0.2	1	0.2
Households' final consumption expenditure	2.5	Q1 1990 to Q3 2005	0.8	0.3	0.7	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	Q1 1990 to Q3 2005	1.6	0.8	1.3	0.6	1	0.6
Exports: goods and services	2.2	Q1 1990 to Q3 2005	2.0	1.1	1.4	0.7	1	0.7
Imports: goods and services	2.2	Q1 1990 to Q3 2005	1.9	0.9	1.6	0.6	1	0.6
Real households' disposable income	2.5	Q1 1990 to Q3 2005	1.0	0.8	0.7	1.1	2	0.3
Current prices								
Gross operating surplus of private non-financial corporations	2.11	Q1 1990 to Q3 2005	2.6	1.9	1.6	1.1	2	0.4
Other quarterly series								
Construction output <sup>2</sup>	5.2	Q1 1990 to Q3 2005	1.2	0.7	0.9	0.9	1	0.9
Households' saving ratio <sup>3</sup>	2.5	Q1 1990 to Q3 2005	0.9	0.7	0.5	1.5	2	0.4
Monthly series								
Retail sales (volume per week) <sup>2</sup>								
Predominantly food stores	5.8	Jan 1990 to Sep 2005	0.6	0.6	0.2	2.4	3	0.8
Predominantly non-food stores	5.8	Jan 1990 to Sep 2005	1.0	0.9	0.4	2.4	3	0.7
Non-store and repair	5.8	Jan 1990 to Sep 2005	2.1	2.0	0.5	3.7	4	0.9
Index of industrial production								
Production industries	5.1	Jan 1990 to Sep 2005	0.6	0.5	0.2	2.9	4	0.8
Manufacturing industries	5.1	Jan 1990 to Sep 2005	0.6	0.5	0.2	2.4	3	0.8
Average earnings: whole economy <sup>2</sup>	4.6	Jan 1990 to Sep 2005	0.5	0.3	0.4	0.7	1	0.7
Exports: value, f.o.b. <sup>4</sup>	2.13	Jan 1990 to Sep 2005	2.8	2.7	0.7	3.6	4	0.9
Imports: value, f.o.b. <sup>4</sup>	2.13	Jan 1990 to Sep 2005	2.2	2.1	0.7	2.9	3	0.9
Money stock - M0 <sup>5</sup>	6.2	Jan 1990 to Sep 2005	0.6	0.3	0.5	0.6	1	0.6
Money stock - M4 <sup>5</sup>	6.2	Jan 1990 to Sep 2005	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 6294

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## Abbreviations

DEFRA – Department for Environment, Food and Rural Affairs.

ODPM – Office of the Deputy Prime Minister.

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