ISSN 0013-0400

ISBN 0-230-00272-2

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palgrave macmillan

Economic Trends

No. 632, July 2006

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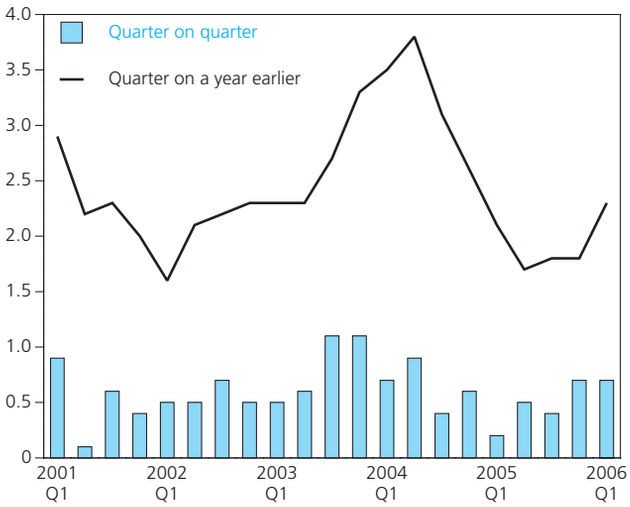
in brief

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

GDP

GDP, chained volume measure

Quarterly growth (per cent)



GDP grew by 0.7 per cent in the first quarter of 2006, revised up from 0.6 per cent published in May. The upward revision was mainly due to higher estimates of business services output. The level of GDP is now 2.3 per cent higher than in the first quarter of 2005.

In the first quarter of 2006 there was growth in both the production and services industries. Production grew by 0.8 per cent, with manufacturing growing by the same amount. This was the first quarter of manufacturing growth since 2004 quarter four. Services grew by 0.7 per cent within which the financial and business sectors grew by 1.0 per cent. In contrast, growth in the transport, storage and communication industries slowed to 0.3 per cent, with particular weakness in post and telecommunications.

Household expenditure rose by 0.3 per cent, following 0.8 per cent growth in the previous quarter, as expenditure on clothing and footwear and household goods and services fell.

Government final consumption expenditure rose by 0.1 per cent in the first quarter of 2006 and is now 2.1 per cent above the level seen a year earlier.

The deficit in net exports in 2006 quarter one widened to £9.9 billion from £9.0 billion in the previous quarter, due to a higher goods deficit.

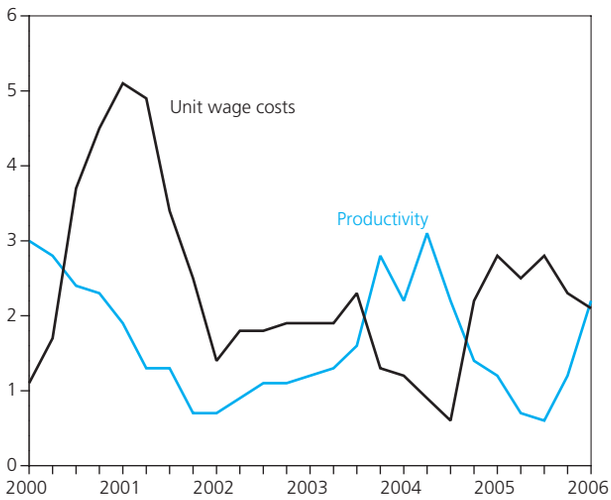
Compensation of employees, measured at current prices, rose by 2.0 per cent, with an increase in employers' pension contributions as a number of companies moved to top up their pension funds.

Released: 30 June 2006

Productivity

Whole economy productivity and unit wage costs

Annual growth (per cent)



In the first quarter of 2006 whole economy productivity growth (measured by output per worker) was 1.5 per cent compared with the same quarter a year ago. This was up from growth of 1.2 per cent in the previous quarter. The rise in annual productivity growth was due to an increase in output, which more than offset an increase in whole economy employment.

On a quarter-on-quarter basis, productivity increased by 0.3 per cent in the first quarter. This was down from a growth of 0.9 per cent in the previous quarter. The decrease in productivity growth, comparing the current quarter with the previous quarter, was due to an increase in the rate of growth of whole economy workers combined with a small increase in the growth of output.

The alternative measure of productivity – output per hour worked – showed that hourly productivity in the first quarter of 2006 was up 1.8 per cent on the same quarter a year ago. This was up from a growth of 1.3 per cent in the previous quarter.

In the first quarter of 2006 manufacturing productivity, on an output per job basis was 3.2 per cent higher than the same quarter of 2005. This was up from growth of 1.2 per cent for the previous quarter. The increase in the annual productivity growth figure was due to a lower fall in output than in the previous quarter.

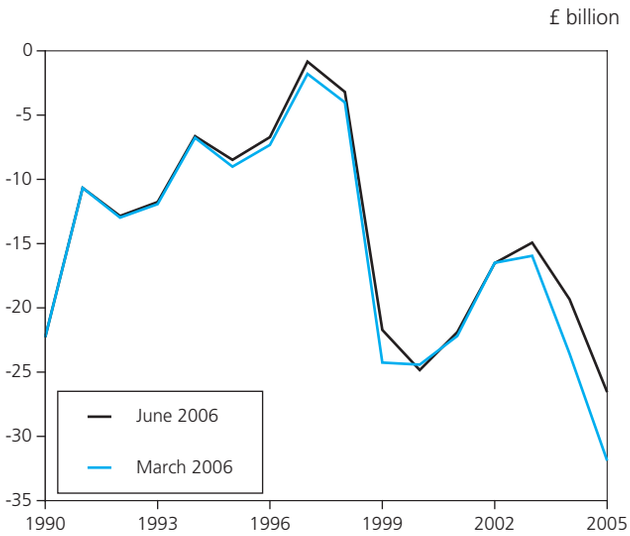
On a quarterly basis, manufacturing productivity increased by 1.9 per cent in the first quarter of 2006, up from a fall of 0.3 per cent in the previous quarter. This increase in quarterly productivity was due to an increase in the growth rate of manufacturing output and an increase in the rate of decline of productivity jobs.

Whole economy unit wage costs in the first quarter of 2006 were 2.1 per cent higher than the same quarter a year earlier, down from a growth of 2.3 per cent in the fourth quarter of 2005. The slower rate of unit wage cost growth was due to an increase in the growth rate in average wages and salaries being more than offset by the increase in the growth rate of output per worker.

Overall manufacturing unit wage costs in the first quarter of 2006 grew by 1.6 per cent compared with the same quarter a year earlier. This was down from a growth of 3.2 per cent in the fourth quarter of 2005. Released: 3 July 2006

Balance of payments

Annual current account balance



Current account

The current account deficit fell to £8.3 billion in the first quarter of 2006, equivalent to –2.6 per cent of GDP. This follows a revised deficit of £9.1 billion in 2005 quarter four.

The lower deficit this quarter was primarily due to an increase in the investment income surplus, which grew to £7.5 billion from £4.9 billion in the previous quarter. The surplus on trade in services also increased, although by just £0.1 billion to £7.0 billion.

These increases were partly offset by widening deficits on the trade in goods and current transfers balances, which grew to £19.6 billion and £3.3 billion respectively.

Revisions

Data in this release have been revised as part of the annual update of the National Accounts for the UK Balance of Payments (the Pink Book) and UK National Accounts (the Blue Book).

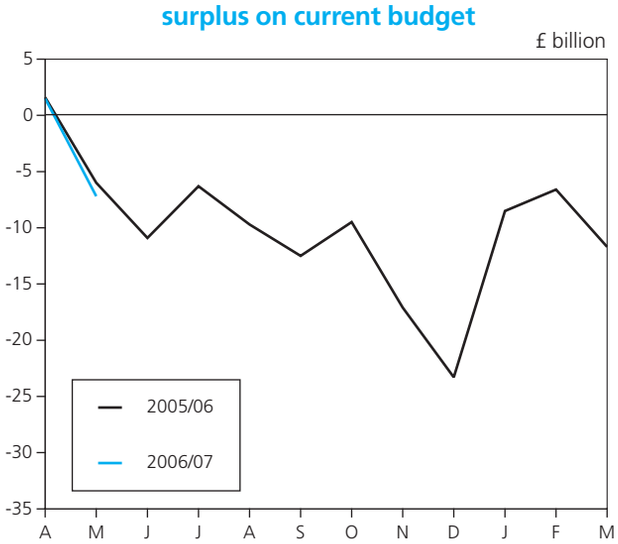
The current account balance has been revised back to 1992 although the only significant revisions are in 1999, 2004 and 2005.

The general effect of these revisions is to reduce the size of the current account deficit; the increase in the deficit in 2005 is now less pronounced compared with the March 2006 First Release, which published the first annual estimate of 2005. The current account deficit for 2005 is now estimated to have been £26.6 billion, a reduction in the deficit of £5.3 billion since last published.

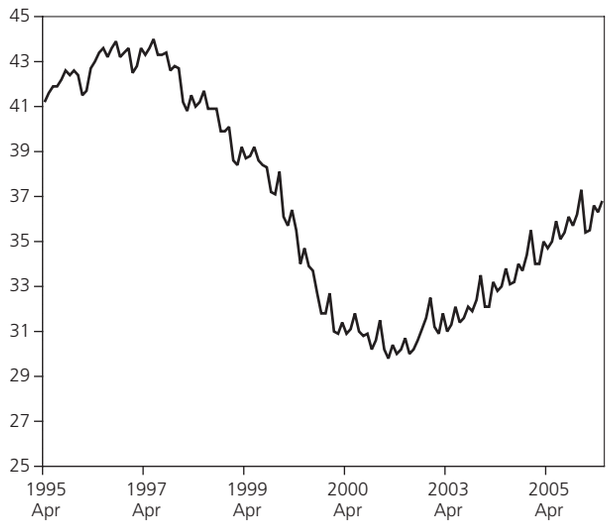
The revisions in both 2004 and 2005 are mainly driven by revisions to trade in services, which recorded higher surpluses - by £4.5 billion in 2004 and £4.3 billion in 2005. There is also a large upward revision to the investment income surplus in 2005 of £2.5 billion, mainly due to increases in income from direct investment and other investment abroad. The upward revisions to the surpluses on trade in services and income in 2005 are partially offset by an upward revision of £1.7 billion to the deficit on trade in goods. Released: 30 June 2006

Public sector finances

Cumulative public sector surplus on current budget



Net debt (as a percentage of GDP)



In May 2006 the public sector showed a deficit on current budget of £8.7 billion, compared with a deficit of £7.6 billion in May 2005.

Concentrating on one month in isolation can give a distorted picture as movements can be erratic. Focusing on the financial year to date generally provides a better overview. Between April and May 2006 of the financial year 2005/06, the public sector recorded a deficit of £7.2 billion. At the same stage of the 2004/05 financial year a deficit of £6.0 billion had been recorded.

More generally the public sector recorded deficits between 1991/92 and 1997/98 before moving into surplus in 1998/99. Since 2002/03 deficits have been recorded.

An alternative measure of the public sector fiscal position is public sector net borrowing. This additionally takes account of capital investment. In May 2006 there was net borrowing of £10.0 billion, which compares with £9.4 billion in May 2005. The Budget forecast for 2006/07 is net borrowing of £36.0 billion.

Public sector net debt, expressed as a percentage of gross domestic product (GDP), was 36.8 per cent at the end of May, compared with 35.0 per cent at end of May 2005. Debt peaked at 44.0 per cent of GDP in 1997, its highest since the mid 1980s. The debt ratio then fell steadily as public sector finances improved, reaching a low of 29.8 per cent in February 2002. Since then it has risen. The Budget forecast for the end of April 2007 is 37.5 per cent.

Net debt was £463.7 billion at the end of May, compared with £422.6 billion a year earlier. The Budget forecast net debt at the end of April 2007 is £493.0 billion.

Released: 20 June 2006

Summaries on other economic topics as well as social subjects can be found at www.statistics.gov.uk/glance

Economic update
July 2006

Anis Chowdhury
Office for National Statistics

Overview

- GDP growth in the first quarter of 2006 was 0.7 per cent, the same as in the previous quarter.
- Growth in 2006 quarter one was mainly driven by a pick up in industrial production, particularly manufacturing; services growth slowed.
- From the demand perspective: consumer and governmemt spending were weak and business investment rose.
- The public sector current budget deficit and net borrowing worsened in May 2006 compared to last year.
- Net trade made a negative contribution to GDP growth in 2006 quarter one.
- The labour market shows a mixed but overall weak picture in the three months to April 2006. The employment rate increased but the unemployment rate also increased. The claimant count increased too. Average earnings growth remains subdued.
- Producer output price inflation rose in May whilst Producer input price inflation fell.
- Consumer price inflation rose above the government's target in May.

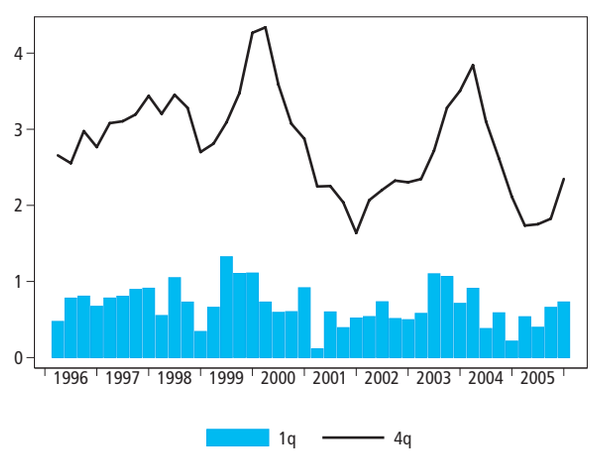
GDP activity – overview

GDP growth for the first quarter of 2006 is estimated to have grown by 0.7 per cent. This is a similar rate of growth to the previous quarter. The annual rate of growth rose by 2.3 per cent, up from 1.8 per cent in the previous quarter (Figure 1).

The growth rate in the UK economy in 2006 quarter one was partly driven by a pick up in industrial production, with service sector growth being a little slower. There was also strong growth in business investment. On the downside, household consumption expenditure was virtually flat in 2006 quarter one. Net trade also made a downward contribution.

Data for 2006 quarter one for the other major OECD economies show a mostly strengthening picture of the world economy. US GDP growth for the first quarter of 2006 recorded a robust growth rate of 1.3 per cent. This is a marked acceleration from the 0.4 per cent growth in the previous quarter. The higher growth was mainly driven by domestic demand and business investment. There was also a positive contribution from net trade. Japan's output in 2006 quarter one was a robust 0.8 per cent, albeit a slower rate of growth compared to 1.1 per cent in 2005 quarter four. The growth was mainly driven by strong business investment and moderate growth in household consumption expenditure.

Figure 1
GDP
Growth



Growth in the three biggest mainland EU economies – Germany and Italy and France – shows a strengthening but overall still a subdued picture. German GDP growth was 0.4 per cent in 2006 quarter one compared to flat growth in the previous quarter. The upturn on the quarter was in part driven by a recovery in domestic demand and partly due to a strong net trade performance. Italy recorded a growth rate of 0.6 per cent in 2006 quarter one, a rebound from the flat growth in 2005 quarter four. Industrial output was the main contributor to the growth rate while services output was flat. French GDP growth accelerated slightly to 0.5 per cent from 0.3 per cent in the previous quarter. Growth was led by an increase in domestic demand and net trade growth. This was offset by a slowdown in business investment.

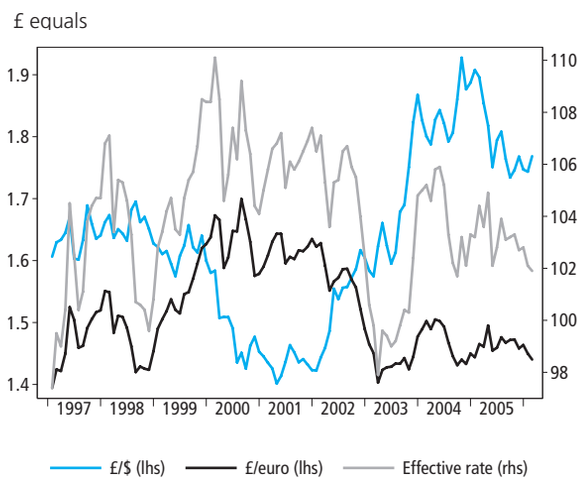
Financial Market activity

Equity performance was fairly robust in 2006 quarter one. The FTSE All - Share index increased by around 8 per cent in the quarter, up from growth of around 3 per cent in 2005 quarter four. This may be in part due to strong profits reported by the corporate sector, the recent increase in merger activity and generally due to a positive global economic outlook. However, equity performance in the first two months of 2006 quarter two has been somewhat volatile, with growth falling by 16 per cent. This may be partly due to the prospect of higher global interest rates in response to potential inflationary pressures in major world economies, particularly fuelled by higher energy prices and partly as a result of higher global economic growth. This has coincided with an increase in long term interest rates. Higher interest rates increase the cost of borrowing and might therefore affect firms profits and investment plans.

As for currency markets, 2006 quarter one saw sterling's average value appreciating against the dollar by 0.3 per cent after having depreciated by 2 per cent in 2005 quarter four. Against the euro, sterling 's value depreciated by around 1 per cent after having appreciated by 0.5 per cent in 2005 quarter four. Overall, the quarterly effective exchange depreciated by about 0.7 per cent in 2006 quarter one after virtually flat growth in the previous quarter (Figure 2). In the first two months to May 2006, the pound appreciated further against the dollar, on average by around 6 per cent whilst sterling's value against the euro was virtually flat. The effective exchange rate grew on average by 1 per cent in the first two months of the second quarter.

The recent movements in the exchange rate might be linked to a number of factors. Firstly, exchange rate movements can be related to the perceptions of the relative strengths of the US and UK economy. The appreciation of the pound against the dollar at the beginning of 2006 may be partly linked to perceptions of stronger UK economic growth. Secondly, the appreciation of the pound may have been partly due to the prospects of higher interest rates in the UK in response to concerns about higher inflation. Thirdly, another factor may be due to the current account deficit which is generally perceived as a weakness for the US economy. The dollar may have fallen recently in response to a readjustment process, with the intended consequence of making exports cheaper and imports dearer – thus in theory leading to switch in expenditure to home produced goods and ultimately leading to a narrowing in the deficit. The sterling movements against the euro likewise can also be partly attributed to the relative performances of the UK and euro-zone economy. The euro-zone economy has been seen by the European Central Bank (ECB) to be growing fairly strongly and this is perceived as leading to higher inflation. Therefore, the possibility of higher interest rates might have resulted in the higher euro exchange rate. Indeed, the ECB raised interest rates by 0.25 per cent to 2.75 per cent in June 2006.

Figure 2
Exchange rates

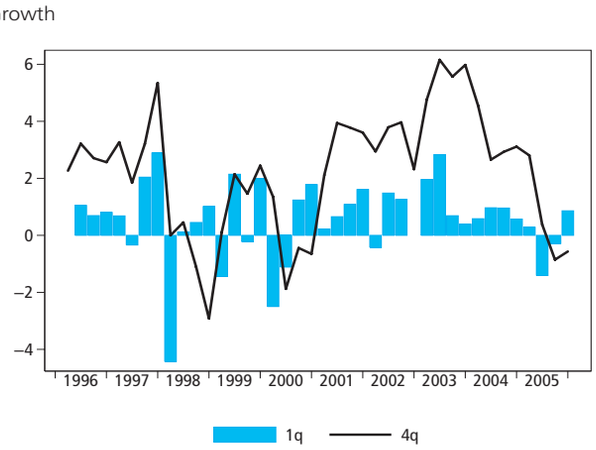


Output

GDP growth in 2006 quarter one was 0.7 per cent, unchanged from the previous quarter. On an annual basis, it was 2.3 per cent, up from 1.8 per cent in 2005 quarter four.

Construction is estimated to have grown strongly in 2006 quarter one, by 0.9 per cent following a contraction in growth of 0.3 per cent in the previous quarter. Comparing the quarter on the quarter a year ago, growth decreased by 0.6 per cent, a lower rate of contraction compared to a 0.9 per cent fall in 2005 quarter four (Figure 3).

Figure 3
Construction output

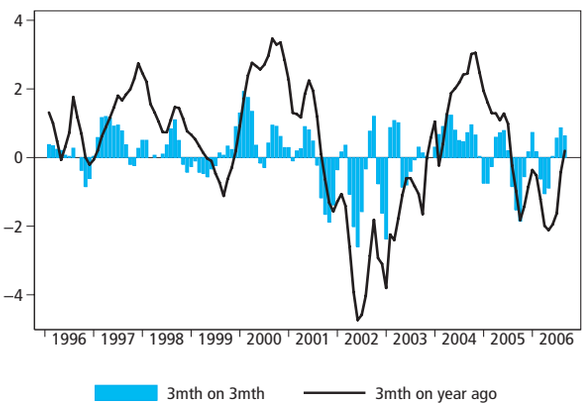


As for external surveys of construction, the CIPS survey reports moderate growth with the measure showing an average growth of the headline index in 2006 quarter one of 52.4, albeit down from 53.6 in 2005 quarter four, reflecting weaker growth in new orders. The housing sector saw strong growth but this was offset by weaker growth in the commercial sector. In May the headline index rose slightly to 52.7, reflecting a weaker housing sector offset by a stronger commercial sector. The RICS survey report an acceleration in construction market activity for the second successive quarter. The workload balance was plus 23, up from plus 20 in the previous quarter. Private housing and commercial activity led the growth.

Total output from the production industries grew by 0.8 per cent in 2006 quarter one, reversing the contraction of 0.6 per cent in the previous quarter. The main contribution to the upturn came from manufacturing output, which grew by 0.9 per cent after falling by 0.9 per cent in 2005 quarter four (Figure 4). Mining and quarrying (including oil & gas extraction) output grew by 0.5 per cent, consolidating on the 0.7 per cent growth of the previous quarter and reversing the large decrease of 7.9 per cent of 2005 quarter three, suggesting the extended maintenance issues 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. The output of the electricity, gas and water supply industries on the other hand shows flat growth in 2006 quarter one and in the previous quarter.

Figure 4
Manufacturing output

Growth

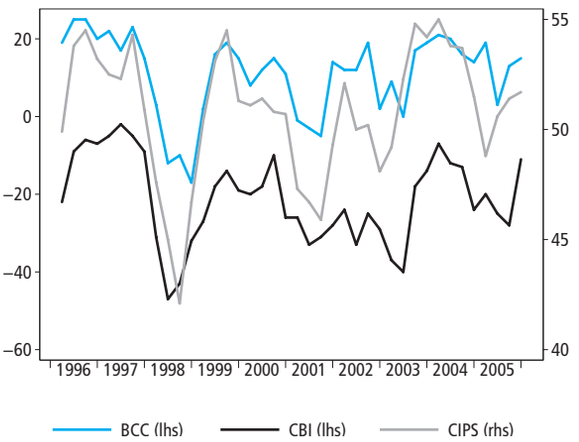


The latest monthly Index of Production figures show a slight slowdown compared to the first quarter of 2006. There was a fall in the output of the energy and utilities industries offset by a rise in the output of the manufacturing sector.

External surveys of manufacturing for 2006 quarter one (Figure 5) show some signs of improvement compared to 2005 quarter four, but remain subdued overall. 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

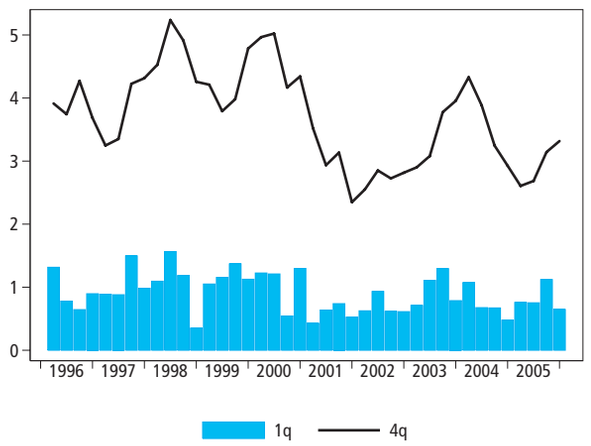


The CIPS headline index for manufacturing remained broadly unchanged in 2006 Q1. The headline index was 51.7 compared to 51.4 in the previous quarter. The index is a reflection of relatively weak orders and the weak output situation, with both indexes falling from the previous quarter. In May the index showed signs of strengthening, with the business activity index posting a balance of 53.2 although down from April's twenty-seven-month high of 54.0. The solid rate of overall growth was led by increased exports, particularly to Germany. The 2006 quarter one BCC survey also reports a modest improvement but overall a relatively weak picture. There were improved balances for home sales and orders and export sales and orders. The CBI in its 2006 quarter one Industrial Trends Survey generally reports a weak but slightly improving picture. The total orders index showed a negative balance of 11 in quarter one compared to minus 28 in the previous quarter. The June monthly industrial trends survey shows the orders index deteriorated slightly to minus 12 from minus 11 in April.

Overall, the service sector, by far the largest part of the UK economy and the main driver of UK growth recently, continues to grow, albeit at a slower rate. The growth rate was 0.7 per cent, a deceleration from 1.1 per cent growth in the previous quarter (Figure 6). Within the sector, business services and finance shows continuing buoyancy despite a slight fall in output in the latest quarter. Growth was 1.0 per cent in 2006 quarter one compared to 1.4 per cent in the previous quarter. However, this was offset by a marked slowdown in the output of the transport, storage and communication industries with growth of 0.3 per cent compared to 1.5 per cent in 2005 quarter four. There was also a marked slowdown in the output of the distribution, hotels and catering industries which grew by 0.5 per cent, down from 1.3 per cent in the previous quarter.

Figure 6
Services output

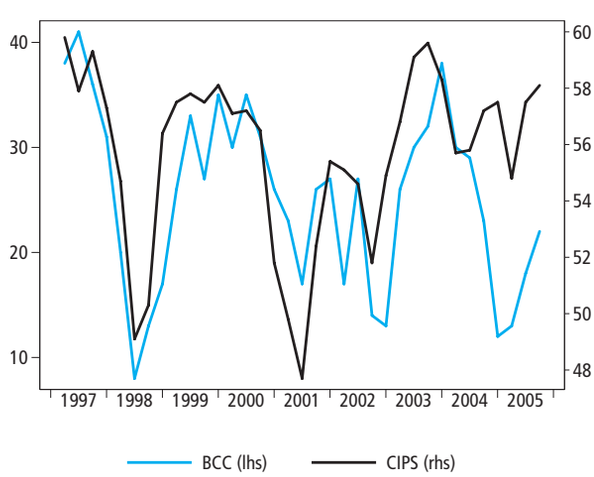
Growth



The external surveys on services show a mixed picture in 2006 quarter one. The CIPS Index of Services rose strongly in 2006 quarter one to 58.1, up from 57.5 in 2005 quarter four. The growth was mainly led by an increase in new orders. In May 2006 the index rose further to 59.2, but down from 59.7 in April. It should be noted that the CIPS survey has a narrow coverage of the distribution and government sectors which according to official figures has shown subdued growth in the latest quarter. The CBI and BCC in contrast report an improvement in service sector output but report a weaker picture overall (Figure 7). The CBI make a distinction between professional & business services and consumer services, particularly leisure and personal care. According to the latest May 2006 service sector survey, the CBI reported that consumer services firms saw rising business volumes for the first time in six months with the level of business volumes for the past three months at plus 27 compared to minus 10 in the previous survey. In contrast, business and professional services firms saw growth in business volumes at a slower rate than in previous quarters' with business volume at plus 9 compared to plus 44 in the previous survey. The BCC reported an improvement in home orders and deliveries and export orders and deliveries.

Figure 7
External services

Balances



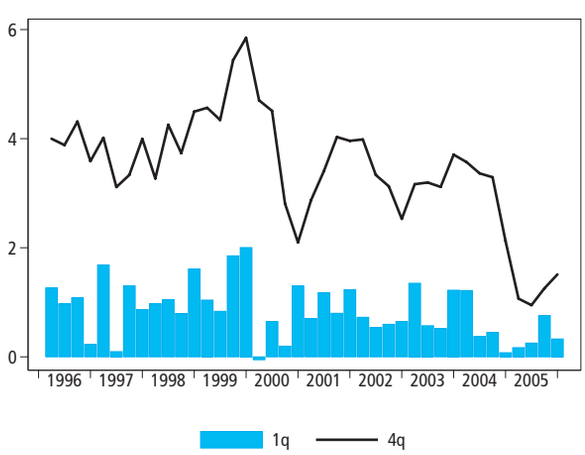
The UK sectoral accounts shows the UK corporate sector once again as being a big net lender in 2006 quarter one. Despite the surplus, the overall debt level remains high due to the heavy borrowing between 1997 and 2001. The household sector remains a net borrower as income growth proved insufficient to finance total outlays. Households debt levels continue be relatively high, although the quarterly interest payments on the loans are still being kept down by low interest rates. The level of government borrowing continues to remain high despite falling marginally in 2006 quarter one partly due to decreasing tax revenues alongside higher rises in cash expenditure. The current account of the UK balance of payments continues to be in deficit.

Expenditure

Household consumption expenditure growth weakened in 2006 quarter one. Growth was 0.3 per cent compared with 0.8 per cent in the previous quarter. Growth has generally been subdued since the last quarter of 2004, partly due to weak retail sales. Growth compared with the same quarter a year ago was 1.5 per cent, up from 1.3 per cent in the previous quarter. The decrease in expenditure is due to sharp contractions in semi-durable goods and a lower rate of growth in the durable and non-durable goods sectors (Figure 8).

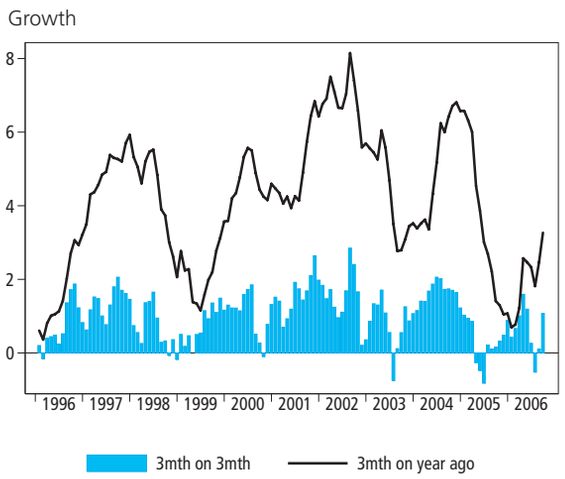
Figure 8
Household demand

Growth



Retail sales figures are published on a monthly basis and the latest available figures for May and show an ongoing improvement from April (Figure 9). According to the latest figures, the volume of retail sales in the three months to May 2006 was 1.0 per cent higher than the previous three months. This follows flat growth in the three months to April. Sales in the three months to May were 3.2 per cent higher than a year earlier, a sharp rise from the 2.5 per cent annual growth recorded in April. The upturn in May compared to April may imply continued discounting by shops reflected in the price deflator which fell by 0.9 per cent in May.

Figure 9
Retail sales

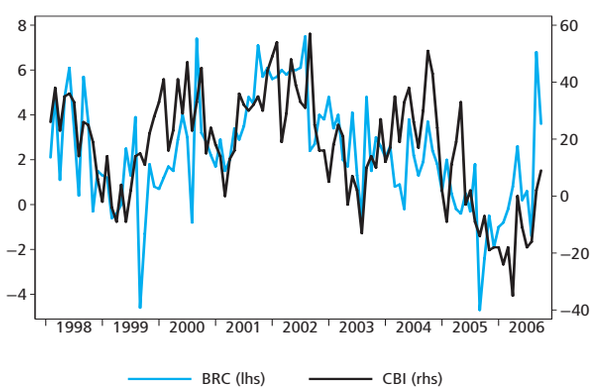


At a disaggregated level, growth during the three months to the end of May was driven by sales in textile, clothing and footwear stores with growth of 2.5 per cent, particulaly boosted by sales of world cup football related merchandise. Sales in non-specialised stores which includes department stores saw growth of 3.3 per cent in the three months to May. Household good stores sales increased by 0.6 per cent in the three months to May after contracting by 1.0 per cent in the three months to April. Sales of electrical goods and television sets led the growth and again may be partly linked to the effects of the World Cup. Sales in predominantly food stores was 0.5 per cent in the three months to May, a slight increase from the 0.4 per cent increase in the three months to April.

External surveys for retail sales echo the official picture. The CBI in its monthly Distributive Trades survey report a positive balance in June. However, conditions still remained tough. The headline balance was plus nine in June unchanged from May, and reversing the minus 16 in March. The CBI report that sales growth across sectors was mixed, with the durable goods sector doing particularly well. This is thought to be linked to preparations of the world cup as well as a pick up in the housing market seen since this time last year. The British Retail Consortium (BRC) also report a similar story. They report that like-for-like retail sales increased by 3.6 per cent from May. However, this was down from the 6.8 per cent growth recorded in April, which was partly distorted by the timing of Easter (Figure 10).

Figure 10
External retailing

Balances, 3 month moving average



Indicators for consumer expenditure in 2006 quarter one appear to be on the downside. Consumer spending as mentioned earlier decelerated in quarter one, with growth of just 0.3 per cent. There could be a number of factors which may explain the fall. 2006 quarter one, particularly in the latter part, has seen higher oil and petrol prices and this may be leading to a displacement of expenditure on certain durable goods. The labour market shows signs of weakness with subdued wage growth. Indices of consumer confidence such as MORI and GfK generally report a negative picture in the first and second quarters of 2006. The effects of actual and potential increases in utility and council tax bills may decrease real disposable income, thereby dampening household expenditure. The prospect of higher interest rates in the future may be deterring some from spending. Share prices have been relatively buoyant in 2006 quarter one but have been volatile and as mentioned earlier have fallen lately. This may create uncertainty and deter investment for the future.

Household consumption has risen faster than disposable income in recent years as 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. The Bank of England report that the total outstanding debt of UK consumers grew at a lower rate in June 2006 compared to the previous month. The Bank of England also report that unsecured borrowing (that is, on credit cards) weakened in June. This may be indicative of consumers being less willing to spend from borrowing, therefore resulting in the consumer slowdown, and it may also partly reflect a period of consumer retrenchment. All this may be allied to a situation of a relatively weakening labour market together with perceptions of higher interest rates in the UK in future.

On the upside, house prices continue to grow moderately. The Nationwide report that house prices in the three months to June grew by 1.0 per cent, a slowdown from the 1.6 per cent growth in the three months to May but annual house prices rose by 5 per cent. Halifax reported that prices in the year to May rose at an annual rate of 9.1 per cent. A major part of personal debt is tied up in mortgage and equity release. A rise in house prices could boost equity release, therefore providing a source of expenditure. According to the Council of Mortgage Lenders (CML), gross mortgage lending reached £28.7bn in May the second- highest monthly figure on record. The British Bankers Association (BBA) also report strong May lending levels. The growth of secured lending may reflect households just choosing to incorporate some of their unsecured debts into their secured borrowing to lower the cost of financing and/or maybe it could be greater confidence in the house price revival seen by households. Another upside as mentioned earlier is the pick up in retail sales – which may to a certain extent be expected to be underpinned by the growth in mortgage borrowing and equity release via house price growth.

The sectoral accounts show how the strength of consumer demand relative to available resources has led in recent years to the household sector becoming a net borrower. For the first quarter of 2006 the net borrowing figure was £3.2 billion compared to £3.6 billion in 2005 quarter four. This mainly reflects a combination of an increase in wages and salaries,

a sharp rise in employers' social contributions and a rise in property income. The fall in net borrowing has coincided with an increase in the savings ratio. The savings ratio was 6.0 per cent in 2006 quarter one compared to 5.4 per cent in the previous quarter-the highest since 2001 quarter four.

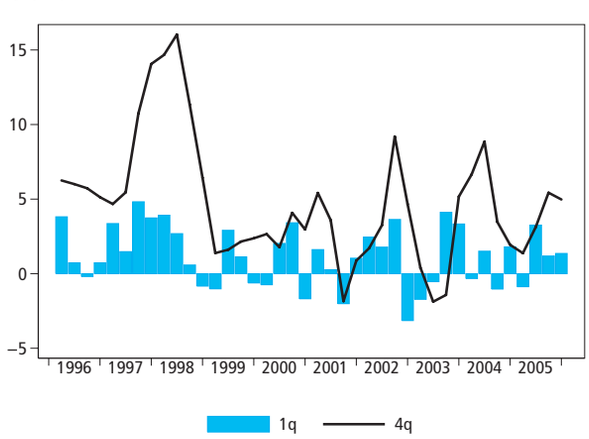
The financial account shows that the general movement from net lending to borrowing since 1992 has primarily been facilitated by increases in both secured and unsecured lending. Bank of England data on stocks of household debt outstanding to banks and building societies shows household debt at unprecedented levels relative to disposable income.

Business demand

Business investment for the first quarter of 2006 shows a strengthening picture. Business investment for 2006 quarter one was 1.7 per cent higher than the previous quarter and 4.6 per cent higher than the first quarter of 2005 (Figure 11). The annual growth was driven by an increase in dwellings investment followed by capital investment offset by a fall in transport equipment investment. The data suggests an improving climate for business investment. However, businesses appear still to be taking a cautious approach.

Figure 11
Total business investment

Growth



According to the sectoral accounts, the corporate sector was a net lender in 2006 quarter one, lending £4.4 billion compared to £3.6 billion in the previous quarter. This is mainly due to a combination of lower dividend payments, higher earnings on foreign direct investment and higher gross saving ensuring net lending remained high. Corporate sector debt levels remain high despite the sector surplus of recent quarters. The financial balance sheet shows the corporate sector had net liabilities of £1.7 billion.

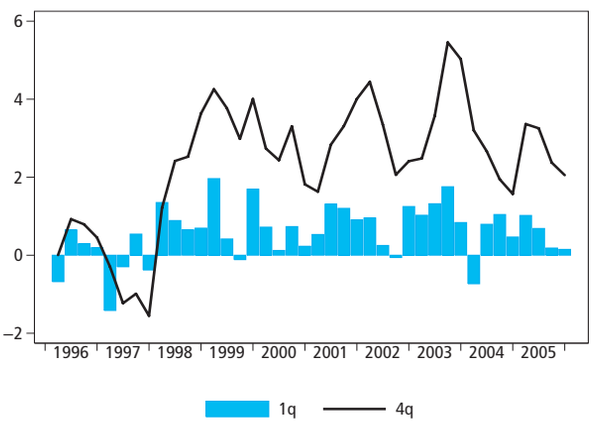
Evidence on investment intentions from the latest BCC and CBI surveys show a consistent picture. According to the quarterly BCC survey, the balance of manufacturing firms planning to increase investment in plant and machinery rose by seven points to plus 15. The CBI in its 2006 quarter one Industrial Survey also report an improved investment position. The balance for investment in plant and machinery was minus 9, from minus 14 in the previous quarter.

Government demand

Government final consumption expenditure shows muted growth in 2006 quarter one. Growth was 0.1 per cent, down from 0.2 per cent in the previous quarter. Growth quarter on quarter a year ago was 2.1 per cent, down from 2.4 per cent in the previous quarter (Figure 12).

Figure 12
Government spending

Growth



The latest figures on the public sector finances report for the first two months of the financial year and show a deterioration. Over the financial year April to May 2006/07, the current budget was in deficit by £7.2 billion compared to a deficit of 6.0 billion for financial year April to May 2005/06. Over the financial year 2006/07, net borrowing continues to be in deficit by £10.3 billion. The weakening public sector finance situation in May mainly reflected lower corporation and petroleum revenue tax partially offset by higher central government expenditure.

The financial account shows that the issuance of both sterling treasury bills and government securities has financed this net borrowing. The latest quarter saw the issuance of £423.9 billion of government securities and of £19.1 billion of Treasury bills.

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. Public sector net debt by the end of May 2006 was 36.8 per cent of GDP; up from 36.3 per cent of GDP at the end of April 2006 and also up from 36.6 per cent of GDP over the financial year 2005/06.

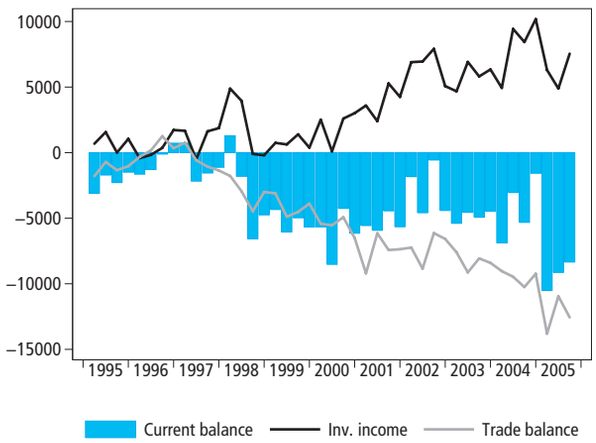
Trade and the Balance of Payments

The publication of the latest quarterly Balance of Payments shows that the current account deficit narrowed in 2006 quarter one to £8.3 billion from a deficit of £9.1 billion in the previous quarter (Figure 13). As a proportion of GDP, the deficit fell to 2.6 per cent of GDP from 2.9 per cent in 2005 quarter four. The narrowing of the deficit in the current quarter is accounted for by a higher surplus on investment income, partially offset by a higher deficit on trade in goods. The surplus on investment income rose to £7.5 billion from a surplus of £4.9 billion in the previous quarter. This was mainly due to continued high earnings on direct investment

accompanied by increased earnings on portfolio investment and on other investment, more than offsetting lower earnings from direct investment in the UK. The surplus on trade in services and the deficit on current transfers both increased marginally, to reach £7.0 billion and £3.3 billion respectively.

Figure 13
Balance of payments

£ million



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

The deficit in the trade of goods widened to £19.6 billion in 2006 quarter one from £17.9 billion in the previous quarter. Exports rose by £4.4 billion while imports rose by £6.1 billion. In terms of growth exports in the trade of goods increased by 6.5 per cent on the quarter and on a quarter on quarter basis a year ago rose by 20.3 per cent.

According to the latest UK trade figures for April 2006, the UK's deficit on trade on goods and services is estimated to be £4.0 billion, unchanged from March.

The deficit with the EU was £9.5 billion, compared with £9.2 billion in 2005 quarter four. Exports to EU countries rose by £ 4.3 billion and imports from EU countries by £4.5 billion. The deficit with non-EU countries rose from £8.7 billion to £10.1 billion in the first quarter of 2006. Exports to non-EU countries rose by £0.1 billion while imports from those countries rose by £1.5 billion.

However, these figures need to be treated with caution because as much as half of the change may have been distorted by VAT Missing Trader Intra- Community (MTIC) Fraud. Changes to the pattern of trading associated with VAT (MTIC) fraud make it difficult to analyse trade figures as increases inflate both imports and exports. EU import figures for trade in goods include adjustments made by ONS to allow for the impact of VAT MTIC fraud.

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 and complemented by a surplus in investment income, but this has been more than offset by the growing deficit in trade in goods partly due to the UK sucking in cheaper imports.

The main picture for 2006 quarter one is one of a strong rise in direct investment income and to a lesser extent portfolio investment income. There could be a number of reasons for this. Firstly, higher direct investment income has mainly come from higher earnings of private-non financial corporations. This may be due in part simply to new investment undertaken by UK companies overseas. This could be linked to the higher profits generated by these companies given the buoyant growth and demand conditions in the world economy, particularly in the US and China. Higher interest rates in some other major economies may also be a factor in terms of the appreciation of these currencies relative to sterling resulting in a higher value of UK capital and therefore of UK repatriated income.

Overall, the persistence of the current account deficit has led to the deterioration in the UK's international investment position (IIP) with the rest of the world. The net asset/liability was negative to the tune of £180.0 billion at the end of the first quarter of 2006 compared with net external liabilities of £168.9 billion at the end of 2005.

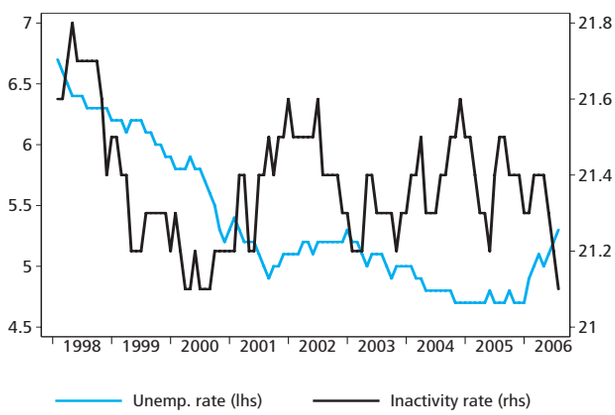
External surveys on exports show a mixed picture. The BCC reported that the export sales net balance rose by 11 points to plus 23. The CBI quarterly Industrial Trends Survey reports that the balance for export orders was minus 3 from minus 5 in the previous quarter.

Labour Market

In recent years the strength of the UK economy has been clearly reflected in the labour market statistics. The latest figures from the Labour Force Survey (LFS) pertain to the three-month period up to April 2006 and show a mixed picture. The unemployment and claimant count rate increased. Vacancies fell. Average earnings remain subdued. On the upside, the employment rate increased. The concurrent increase in the employment and unemployment rate can be explained by the fall in the inactivity rate with those classified as looking after family/home, the long term sick and students entering the job market (Figure 14).

Figure 14
Unemployment and economically inactive

Per cent



The current working age employment rate is 74.7 per cent, up 0.2 percentage points from the three months to January 2006. The number of people in employment increased by 130,000 over the quarter to leave the employment level standing at 28.94 million. The unemployment rate was 5.3 per cent, up 0.2 percentage points from the three months to January 2006 (Figure 14). The number of unemployed rose by 77,000 in the three months to April 2006 to stand at 1.61 million. The claimant count measures the number of people receiving the job-seekers allowance.

The latest figures for May show the claimant count level at 950,900, up 5,800 on the month and up 96,700 on a year earlier.

According to the LFS, in the period February to April 2006, 130,000 jobs were gained. In the same reference period, employee jobs rose by 115,000 while self-employed jobs rose by 34,000 continuing the trend from the previous quarter. From another perspective, full-time jobs increased by 109,000 whilst part-time jobs rose by 21,000.

The industry disaggregation from 'workforce jobs' is available for the three months to March 2006. There were 30.97 million workforce jobs in March, up 52,000 over the quarter and up 146,000 on a year earlier. Services employment growth led the increase. Within services, the largest rise came from education, health and public services which grew by 51,000 followed by finance & business services with employment increasing by 24,000. This was offset by a continued decrease in manufacturing sector jobs which fell by 32,000 in the three months to March 2006.

Average earnings growth shows moderate but stable growth in the latest reference period. Average earnings growth, excluding bonuses, was 3.8 per cent in April, up 0.2 percentage points from the previous month. Average earnings growth, including bonuses, grew by a rate of 4.4 per cent, up 0.2 percentage points from the previous month.

In terms of the public and private sector split, the gap in earnings growth excluding bonuses shows signs of widening in April 2006 after narrowing in the previous month. The widening was due to slower growth in public sector wages which grew by 3.5 per cent, down from 3.9 per cent in the previous month. This compares with growth of 3.8 per cent inn private sector wages, unchanged from the previous month.

Overall, the numbers point to a weaker labour market than in previous years, with unemployment and claimant count level increasing, which is consistent with subdued wage growth.

Prices

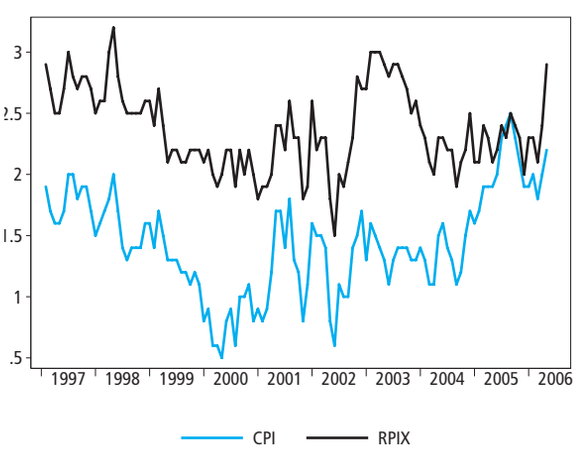
The divergence between input and output price inflation for producers has continued in 2006 quarter two from 2006 quarter one. Input price grew by 13.8 per cent in the year to May, down from 15.3 per cent in April. The main driver of growth remains energy, particularly oil prices although prices eased slightly in May, contributing partly to the slowdown in input prices. Gas prices, although easing lately, have also contributed to a lesser extent to the increase. Producer output inflation, which has been considerably lower, rose by 3.0 per cent in May, up from 2.5 per cent in April. The higher rate of growth in output prices in May suggests that producers were more able to pass on part of the increase in input prices to customers, rather than absorbing costs into their profit margins as was previously the case of the last couple of months, given the competitive pressures in the UK economy and sluggish consumer demand. On the core measure, output prices increased by 2.4 per cent in May, up from 2.2 per cent in April.

Growth in the consumer price index (CPI) – the Government's target measure of inflation – rose to 2.2 per cent in May, up from 2.0 per cent in April, breaching the Government's 2.0 per cent inflation target.

The largest upward effect came from utility bills with average gas and electricity bills continuing to increase by more than a year ago, reflecting the phasing in of recent tariff increases from a number of major suppliers. There were also large upward effects from price changes of vegetables and from clothing and footwear, where prices rose by more than last year. This was partially offset by a large downward contribution from transport, where the cost of air travel fell this year for both long-haul and domestic fares but increased a year ago. The RPI rose by 3.0 per cent in May, up from 2.6 per cent in April. The RPIX also rose by 2.9 per cent from 2.4 per cent in April (Figure 15).

Figure 15
Inflation

Growth, month on month a year ago



Forecasts for the UK economy

A comparison of independent forecasts, June 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 2006 and 2007, updated monthly.

Independent forecasts for 2006

	Average	Lowest	Highest
GDP growth (per cent)	2.3	1.6	2.6
Inflation rate (Q4 per cent)			
CPI	2.1	1.5	2.5
RPI	2.7	1.6	3.5
Claimant unemployment (Q4, million)	0.99	0.89	1.10
Current account (£ billion)	–33.0	–47.1	–20.0
Public Sector Net Borrowing (2006–07, £ billion)	37.7	34.2	44.0

Independent forecasts for 2007

	Average	Lowest	Highest
GDP growth (per cent)	2.5	- 0.1	3.2
Inflation rate (Q4 per cent)			
CPI	2.0	1.4	2.9
RPI	2.4	1.5	3.4
Claimant unemployment (Q4, million)	1.03	0.87	1.40
Current account (£ billion)	–33.9	–54.4	–21.0
Public Sector Net Borrowing (2007–08, £ billion)	36.8	29.0	51.0

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

Productivity measures and analysis: ONS strategy and work programme

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Office for National Statistics

This article presents development of the Office for National Statistics (ONS) strategy for productivity measurement to date and the new work programme for improving UK productivity measures and analysis. The key government objective of improving UK productivity has resulted in a continuing demand for comprehensive data to better understand the underlying features of the UK productivity gap with other major industrial countries.

ONS has long recognised the need for timely, detailed productivity statistics. This was reflected in the first productivity strategy and work programme, published in *Economic Trends* in April 2002, which was carried out between 2002 and 2005.

A second strategy and associated work programme aims to build on the successes of the first and address the additional and changing requirements of users. This article summarises the previous work and background, explains the strategy and details the planned work projects.

Introduction

Productivity for the whole economy, a region, industry or firm is defined as

$$\frac{\text{Output}}{\text{Input}}$$

Productivity is important to the understanding of economic growth. Change in economic output can be achieved by adding more inputs, or by changing the relationships between inputs and outputs. Productivity growth can occur either through improved efficiency (fewer inputs to produce the same outputs) or through inputs being used to produce outputs of greater value. Productivity analysis is not confined to macroeconomics. The concept originates with firms and other organisations which conduct sophisticated analysis on their own operations.

There are varied definitions of output and input resulting in different productivity measures for different uses. The main productivity measure published within ONS is labour productivity, measured as:

$$\frac{\text{Gross value added}}{\text{Employment}}$$

This particular form of productivity measurement allows for the analysis of industry contribution to economy-wide labour productivity and economic growth so that policy makers can better understand how the economy is working. Policy application at the macro level relates both to improving productivity and to increasing participation in the labour force. These in combination imply higher potential output and so measurement of this, in turn, needs to be linked to good labour market statistics estimates. There are also other forms of productivity such as capital productivity and capital labour multi-factor productivity (MFP) (see later for a fuller description of MFP). ONS does not publish either of these on a regular basis but is investigating MFP as part of the new work programme.

Improving UK productivity has been one of the Government's key policy objectives since 1997. HM Treasury (HMT) and the Department of Trade and Industry (DTI) share a joint Public Service Agreement target (DTI and HMT, 2004) to improve productivity in the UK relative to our key competitors, France, Germany and the United States. Accurate productivity measurement is also required by HMT and the Bank of England (BoE) for fiscal and monetary policy decisions as it is a key determinant of the non-inflationary trend growth of the economy.

This article begins with details of the productivity strategy constructed in 2002 and a summary of ONS work subsequently completed. It goes on to detail ONS projects and developments which form the background against which the new strategy is being developed and then gives a description of its elements. Following this is a detailed account of the proposed future productivity work, given in priority order.

The article concludes with a list of the planned productivity work projects.

Productivity strategy: aims

Productivity analysis is required to understand the underlying features of the productivity gap with other major industrial countries and help identify policies to improve UK productivity. ONS is required to produce accurate, comparable productivity estimates at as detailed a level as possible, and associated data to understand productivity drivers.

Consequently, ONS productivity strategy has been devised to meet three simple aims:

- to use the most appropriate productivity data sources
- to use the best comparable methodology
- to expand and maintain the range of productivity data available

By meeting these aims, ONS provides users with the productivity estimates and material for analyses that they require.

Productivity strategy: work programme, 2002–2005

In 2002 ONS reviewed the productivity work and publications already being carried out by the department and developed its productivity strategy to best meet these aims. The strategy was as follows:

- review the measurement of input growth and output growth – looking at the sources and methods of productivity estimation used in other countries and consider whether adopting approaches used elsewhere would be of benefit
- review and update the methodology being applied to these data – ensuring that methodology meets the needs of customers and follows international guidelines for calculating productivity (OECD, 2001)
- analyse new data sources – consider using the Annual Business Inquiry (ABI) and Index of Services (IoS) data for estimating productivity
- consider whether new outputs and measures could be produced – looking into the data series required to construct MFP measures as well as expanding the range of outputs to include more service sector productivity estimates

This strategy was converted into a work programme which was agreed with all key stakeholders. The outputs are summarised here and given in detail in the Appendix.

Outputs from the original work programme

These included:

- a pilot study using the ABI for productivity measures which published 4-digit information (Daffin and Lau, 2002)
- experimental series for service sector productivity published quarterly since 2002 in an experimental release
- a Volume Index of Capital Services (VICS) (Wallis, 2005)
- a pilot Quality-Adjusted Labour Input (QALI) measure (Holmwood, Lau, Richardson and Wallis, 2005)
- an international comparative study of methods of integrating the labour market employment figures with data from the National Accounts
- a major review and documentation of the ONS Perpetual Inventory Model (PIM) for estimating the capital stock
- the Inter-Departmental Business Register (IDBR)/ Labour Force Survey (LFS) linking project for improving coordination between the data collection areas

Additions to ONS work during the course of the work programme

These included:

- public sector productivity: the Atkinson Review (2005) resulted in publication of assessments of productivity in the NHS (Lee, 2004) and in education (UKCeMGA, 2006)
- a methodology review of productivity (Barnes and Williams, 2004) and documentation of productivity definitions which led to a new headline aggregate, output per worker
- the business data linking virtual lab which has contributed to understanding productivity drivers
- the New Economy work programme (detailed below)

New Economy work programme

Since the ONS 'New Economy Measurement' seminar in April 2002, there has been a significant amount of work to deliver on measurement objectives identified there. In particular:

- hedonic pricing and chain linking have been adopted to improve measurement of inputs, outputs and prices in areas of the economy where there is rapid technology change, or significant shift in the structure of output
- work on the productivity effects associated with Information and Communication Technology (ICT) investment and use at firm level was undertaken with the London School of Economics (LSE) and published in *Economic Trends* (Sadun, 2005 and Farooqui, 2005)
- associated work on IT investments has been published in *Economic Trends* (Chesson and Chamberlin, 2006) and the conclusions for purchased software and for own-account software will be incorporated in the National Accounts
- ONS has taken part, with OECD partners, in analysing the economic effects of ICT applications, and has published a number of articles (OECD, 2004)

This first strategy was mainly aimed at reviewing the methodology and data sources available and identifying and

creating new, useful outputs. Having completed the work programme drawn up, a second strategy is being developed to advance ONS productivity work still further. This strategy is taking into account the ONS projects and developments which have an impact on productivity statistics.

ONS projects and developments

There are five main streams of work within ONS which have implications for the productivity strategy. These are the implementation of the Atkinson Review, the Statistical Modernisation Programme which includes the National Accounts Re-Engineering Programme (NA REP), the Labour Market Statistics/National Accounts (LMS/NA) Consistency Project and the business micro-data lab.

Implementation of the Atkinson Review

The Atkinson Review was a year-long review, carried out across 2004, of the measurement of UK government output and productivity. Sir Tony Atkinson from Nuffield College, Oxford, led the review, supported by a team seconded from the ONS, HMT, BoE and Department of Health.

The Review's terms of reference were:

"To advance methodologies for the measurement of government output, productivity and associated price indices in the context of National Accounts, recognising:

- the full scope of government outputs
- the relationship between government outputs and social outcomes
- the need for comparability with measures of private sector services output and costs
- the existing work of ONS
- the appropriate measurement of inputs, including quality and the distinction between resources and capital, so that, together with the measurement of output, light can be thrown on developments in government productivity"

In addition to recommending a general framework and principles, the intention was to focus on practical solutions for measuring the key functional areas of health, education, public order and safety and social protection.

A final report was published in January 2005 detailing a principled framework for measuring government output in the National Accounts, within international guidelines, and setting out a number of recommendations on how these should be implemented. It reported on plans to further improve measurement of output in four spending areas: health; education; public order and safety, and social protection. The National Statistician welcomed the report and responded with the construction of a new centre within ONS designed to take forward the Atkinson report's agenda.

The UK Centre for the Measurement of Government Activity (UKCeMGA) was launched on 19 July 2005 in order to take forward the recommendations from the Atkinson Review. Its aim is to strengthen the capability of ONS to publish authoritative and coherent measures of the output and productivity of government-provided services in the UK National Accounts.

The key objectives of the work programme of UKCeMGA are:

- to ensure that the measures of key government services in the UK National Accounts are fit for purpose
- to develop, with other government departments, devolved administrations and other stakeholders, better measures progressively over time, where such improvements are needed
- to conduct rolling reviews of methods of measurement of different government services, to ensure methodology keeps pace with changing circumstances and modes of delivery
- to publish a regular series of authoritative productivity articles describing the output and productivity performance of the main government services, building on the first one, published for health in autumn 2004
- to develop and publish credible and coherent satellite accounts (for example, for education and health)

UKCeMGA has, since its launch, published productivity articles for education (2005), health (2006, as a follow up to the first article published during the Atkinson Review in 2004), and for adult social care (2006).

The Statistical Modernisation Programme

ONS has embarked on a major programme to modernise the whole of the statistical system used across all areas of the office. The objectives of this Statistical Modernisation Programme are to re-engineer key statistical systems, to move ONS surveys and other data onto a corporate database system (CORD), to introduce a set of standard tools and to standardise and systematise the processing and presentation of statistical outputs.

The office currently uses a wide range of databases and software, which is mainly a legacy from the days before ONS was created and the different areas of the office were situated in different government departments (Central Statistical Office, Office of Population Censuses and Surveys, Department of Employment). While ONS has some core databases and software, the aim of this programme is to ensure that this core is developed into a comprehensive system of data and packages that satisfy the needs of all areas.

National Accounts Re-Engineering Programme

The National Accounts Group (NAG) has taken the opportunity presented by the Statistical Modernisation Programme to update its methodology alongside modernisation of its statistical system. The improved power of the statistical system will mean that computational constraints imposed by the current systems will be greatly relaxed, opening up new possibilities to improve the methodology for the National Accounts system.

One of the early decisions was that the supply-use framework should remain the backbone of the National Accounts system (for details, see Aldin and Tuke, 2004).

A number of improvements to this framework have been proposed:

- the level of detail will be expanded from the existing 123 industries by 123 products on a quarterly, constant price basis
- the supply-use framework will be applied to quarterly balancing, so as to achieve better integration between annual and quarterly balancing processes
- balanced supply-use tables will be produced at both current and constant prices. This allows gross value added (GVA) to be derived from the double deflation method.[1] Double deflation is important for productivity analysis because the methodology works to ensure that the growth rate of output-side GDP (GDP(O)) is equal to the growth rate of expenditure-side GDP (GDP(E)). This helps to ensure consistency between GDP and industry output – so aiding industry level productivity analysis
- more diagnostics will be incorporated for quality assurance and to inform the balancing process. These will take the form of built-in data confrontation with a wide range of statistics and of derived diagnostic tools. Productivity estimates will be an important part of this process.

A range of productivity measures will be compiled as direct outputs from the National Accounts system after re-engineering, including industry-level labour productivity, and help improve the National Accounts balancing process.

The LMS/NA Consistency Project

Expenditure and output estimates for National Accounts are currently produced independently of labour market statistics. This means that the first time the two are effectively compared in the current system is in the production of productivity estimates. When the first ONS Productivity Strategy and Work Programme was formulated in consultation with key users, it was felt that the planned utilisation of LFS data in labour productivity analysis was hampered by its inconsistencies with the National Accounts. (Details of the known inconsistencies which surfaced from earlier analysis are shown in the *Employment and Jobs Review*, 2006.) A project was therefore drawn up to investigate further and tackle this issue.

The aim of this project is to recommend ways to improve the coherence of the employment and earnings statistics of different sources (that is, number of jobs, number of people in employment, total actual hours worked, and earnings) in relation to their output measures in National Accounts for productivity analysis. As such, this project goes through the following steps for each type of data:

- identify issues and the extent of data inconsistency
- identify the sources of these discrepancies
- identify how other countries handle the issues under concern
- consider alternative data sources
- set out proposals for how ONS might improve on the current situation

The first part of this project, looking at compensation of employees – the main labour market statistics data used in the National Accounts – is almost complete. The central recommendations are to use Pay As You Earn data from HM Revenue and Customs for the annual industry division breakdown and to use average weekly earnings for the quarterly series. Further details will be given in a future *Labour Market Trends* article (Lindsay, 2006).

The second part of this project is to consider employment (persons, jobs and hours). The analysis carried out for the Employment and Jobs Review is being used as a starting point as this previous investigation has effectively covered many of the early milestones already. The aim is to consider that work – which included recommending how and where each ONS data source should be used – along with an investigation into possible non-ONS sources to determine the most suitable data, or combination of data, for employment in the context of productivity estimates (and, thus for the NA REP).

The final part will focus on the self-employed and unpaid workers. The difficulty with these elements of the labour input is that they are covered by far fewer sources than paid employees. Therefore, while there is scope for a data confrontation exercise, it will be of a narrower range of sources (LFS, National Insurance data, tax returns data) than that used for the first two data series. The planned way forward is to use the framework for employees as the foundation block and make sure that statistics on other workers are added on in a consistent manner.

The business micro-data lab

The business micro-data lab was established in early 2003 and contains over 30 years of linked business surveys of manufacturing data, nine years for services, covering a number of variables (see Robjohns, 2006 for more details). The main role of ONS is to facilitate access to, and the use of, these data. The results from research carried out within the lab feed back into:

- policy on productivity (through government departments)
- survey design
- statistical measurement

HMT, BoE and DTI regard micro-data work as an important contributor to the understanding of productivity, and have sponsored over 40 projects to investigate specific issues. Business Data Linking development was originally funded by HMT, and DTI has funded at least 15 projects – led by academic researchers and/or ONS.

The value of micro-data work for policy users is that it:

- allows analysis of all five productivity drivers (investment, innovation, skills, enterprise and competition[2]) and their effects in greater depth than macro or industry data
- permits analysis of differences between successful and unsuccessful firms
- allows policy and programme evaluation, almost always assessed in terms of productivity
- gives DTI access to basic productivity data in greater industry and regional detail than ONS published statistics

ONS undertakes productivity analysis projects itself using micro-data when sponsored to do so, and where the work contributes to measurement improvement. This is to better understand productivity issues in general as well as improving the quality of estimates. Eurostat and OECD are now beginning to sponsor international work in this area.

Productivity strategy: the future

ONS strategy confirms the three basic aims previously identified:

- to use most appropriate productivity data sources
- to use the best accepted methodology, and
- to expand and maintain the range of productivity data available for policy users

The strategy is being updated to build on the work carried out since 2002 and to take into account other projects and developments within the department:

- update data sources for productivity so that consistent measures of input and output growth are used – ensuring that input and output data are consistent with each other as well as consistent with their uses elsewhere in ONS, using the results of the LMS/NA Consistency Project
- continue to identify and analyse new data sources – in particular, productivity data analysis carried out within the business micro-data lab aims to identify improvements in output and input measurement
- update methodology to incorporate changes to the System of National Accounts and also to meet the guidelines set out by the Atkinson Review – productivity estimation requires consistency with international National Accounts standards so that useful comparisons with other countries can be made. Changes to non-market sector methodology will be carried out by UKCeMGA using the guidelines given in the Atkinson Review (2005); consistency with market sector productivity will be considered where appropriate
- review and expand the use of productivity data series produced by the 2002 work programme – as new data sources are established, further use can be made of them; the range of productivity series produced from them can be expanded and their experimental status reviewed (for example, service sector productivity). In the case of the VICS and QALI measure, these can now be used to produce MFP estimates (see below for an explanation of MFP)
- include data confrontation via productivity calculations within the re-engineered National Accounts system – this is being designed to produce productivity estimates as a standard output and will use them as a diagnostics tool for quality assuring the National Accounts

This updated strategy is emerging as a second work programme.

New productivity work programme

This section outlines the work programme developing into a second strategy. This programme has been divided into sections based on seven work projects. The pace at which the programme develops will depend on the availability of resources.

Creating a structure for long-term productivity analysis within the National Accounts Re-engineering Programme

In order to take full advantage of the current redevelopment within the National Accounts systems, a structure for long-term productivity analysis will be included in the NA REP. This structure will be composed of National Accounts data sources along with checks and calculations to automatically produce productivity estimates at a detailed level which are consistent with National Accounts.

This structure will incorporate:

- improved public sector outputs developed by UKCeMGA
- recommendations from the LMS/NA Consistency Project
- constant price input-output (KPIO) tables. These are required for the construction of multi-factor productivity estimates because of the need for information on the flow of intermediate inputs
- double deflation. This is needed, along with KPIO, to ensure that the intermediate inputs and outputs are correctly deflated, ensuring that there is consistency between GDP and industry output when calculating productivity

Additionally, this structure should ensure that productivity is fully exploited as an analytical tool for diagnostic purposes. This will be linked to the development of a growth accounting framework.

Developing further the ability to use the growth accounting framework to analyse productivity and test consistency and coherence of the National Accounts.

The growth accounting framework allows the contribution of each industry to the national economy to be measured and assessed. Implementing this framework will allow more tests to be imposed on the consistency and coherence of the

National Accounts than is currently possible. Therefore the development of this framework will be incorporated into the re-engineered National Accounts and KPIO will be key to this.

MFP analysis apportions growth in output to growth in the factor inputs, capital and labour, and a growth in the residual which is generally assumed to mainly represent technical change. Estimates of MFP are interesting in their own right as they provide more detail for productivity analysis; however, they are also useful in considering the relationship between the data sources used and therefore act as a useful check in the National Accounts system.

Having developed and improved both the VICS (Wallis, 2005) and the QALI measure (Holmwood, Lau, Richardson and Wallis, 2005 and Goodridge, 2006), ONS has the potential to further develop the growth accounting framework and start to test for consistency of National Accounts output data and National Accounts consistent input data. These two series will be updated and improved as data become available and also used as inputs to produce an MFP series.

Further improvements to the two input series, VICS and QALI, may become more evident when initial MFP estimates are produced, as this will bring together, for the first time, consistent input measures and National Accounts output measures.

Continuing the project for improving the consistency between National Accounts and labour market statistics (LMS)

The aim is to continue and complete the project on the consistency of National Accounts and LMS. Priority objectives are to:

- deliver and implement the recommendations for compensation of employees
- carry out a similar analysis for employment
- ensure that the self-employed and unpaid elements are included in a consistent manner.

The results from this project will be used for productivity estimation and will feed into the NA REP.

Improved measurement in the following areas to improve productivity analysis

- capitalisation of Research and Development (R&D) – this is currently treated as intermediate consumption instead of a form of investment. The SNA 2007 discussion group has recommended that the 1993 SNA should be changed to recognise the outputs of R&D as assets. A project is under way, funded by Eurostat, to assess the practical and methodological issues involved in capitalising R&D
- inclusion of the ICT investment revision – revisions to software investment, which indicate that this is a greater proportion of GDP than previously estimated were published in *Economic Trends* (Chesson and Chamberlin, 2006). These results will be included in the revisions procedure for National Accounts

There is also a case for considering an ONS price index for software. There has been recent work on software investment, but there is currently no bespoke index for deflating software. Own-account software investment is deflated by an index based on earnings of occupations identified as being involved in the production of own-account software, while pre-packaged purchased software is deflated by one based on the US deflator for pre-packaged software adjusted for relative prices. Therefore, a bespoke index would be an improvement, but is likely to require substantial resources.

Continued development of micro-data resources for use in productivity analysis

ONS will continue to support and develop the business micro-data lab. Productivity analysis projects using micro-data will continue to be taken on in-house or in partnership when ONS is sponsored to do so and/or where the work contributes to measurement improvements. Work to establish the characteristics of assets, especially intangibles such as software, R&D, and skills, will be most important to the productivity agenda.

Developing new productivity measures to meet users' needs

- public sector productivity estimates – UKCeMGA is producing more detailed figures for output and productivity for the public sector. This is focused in four main areas:
  - health
  - education
  - public order and safety
  - social protection
- market sector productivity estimates – ONS currently does not produce labour productivity estimates for just the market sector. However, these are in the process of being developed on a per worker and a per hour worked basis. Combined with the work on public sector productivity, this means that there will be more detailed figures for both the public and private areas of the economy
- service sector productivity estimates – ONS currently produces some service sector productivity estimates on an experimental basis for distribution, hotels and catering and also agriculture, forestry and fishery as well as total services estimates. To produce additional service sector productivity estimates, suitable output indices and associated deflators are required:
  - Index of Services (IoS) – a review of the IoS (Drew and Morgan, 2005) is currently being carried out with the aim of the whole of the IoS becoming a National Statistic by early 2007. From November 2005, additional industry detail was included; indices are now published for 22 service sector industries. An article outlining these improvements has been published (Tily, 2006)

  - development of Corporate Services Price Indices (CSPI) – the CSPI development schedule currently covers eight industries with the aim of meeting specified European sector coverage by mid-2008 (under the Eurostat STS Amendment Regulation). In terms of weighting the index, ultimately the CSPI will require a sales survey for weighting to achieve National Statistic status; however a new weighting methodology is being developed that is more accurate than previous methods

- International Comparisons of Productivity (ICP) – comparisons of GDP per worker and per hour worked are currently produced comparing the UK with key competitors from the G7 countries; for a technical note on the methodology see Lau and Wallis (2005). Until recently, the GDP per hour worked was an experimental index; however, in February 2006 it became a National Statistic due to improvements made to the OECD methodology. Given the changing world economy, other countries may be added to this comparison in future. Additionally, the possibility of producing constant purchasing power parities should be considered, drawing on international sources, so that GVA (a better measure for productivity purposes) could be used instead of GDP

Publish a comprehensive guide for ONS estimates of productivity

ONS's range of productivity statistics has increased over recent years, particularly with the creation of UKCeMGA. Therefore a new publication, effectively a complete guide to UK productivity data, will be produced to detail all ONS's work, explain the methodology and describe the various productivity data series. This manual will cover every aspect from theory to practice and from UK regional data sources to international comparisons.

Projects and outputs: 2006–2008

The work programme identified above is relatively ambitious, and will need review in the light of resources. Projects and outputs are to:

- ensure productivity is included within the NA REP, both as an output and as an analytical tool
- construct constant price input-output tables within the NA REP
- calculate real GVA using the double deflation method within the NA REP
- develop the growth accounting framework within the NA REP
- update and improve the VICS
- update and improve the QALI measure
- produce MFP estimates
- implement the recommendations for compensation of employees
- carry out an analysis to determine which employment data to use for productivity figures
- carry out an analysis to determine how the self-employed and unpaid elements should be included within productivity estimates
- include the ICT revision in the National Accounts
- investigate capitalisation of R&D
- continue development of micro-data
- develop measures of market sector productivity
- develop measures of service sector productivity
- continue to publish appropriate ICP
- produce the framework and guide for users of ONS productivity statistics

Acknowledgements

The authors are grateful to colleagues for comments and assistance with this article, in particular to Steve Almond, Tony Clayton, Geoff Tily and Gavin Wallis.

Notes

1. Double deflation is a method to estimate real GVA by deflating output and intermediate inputs separately before subtracting the latter from the former. This is in contrast to the single deflation method whereby the subtraction is done at current prices and the difference – GVA at current prices – is deflated using an output deflator to arrive at real GVA estimates. This means that an industry's gross output is deflated by the price of its output, while each input is deflated by its own price index.
2. These productivity drivers are identified by HMT and DTI and used as an intellectual framework for analysing the underlying factors that are driving productivity performance and organising policies designed to improve productivity (HMT and DTI, 2004).

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Appendix

ONS commitments and achievements on productivity, 2002–2005

ONS commitments in the First Strategy 2002	Delivery and progress by December 2005
1. Further breakdowns of service sector productivity when feasible	In the past three years, the range of official service sector productivity has not been expanded. But work has continued to improve service data series, namely the Index of Services and the Corporate Services Price Index. The next review on the experimental status of productivity for non-production sectors should take these developments into account when judging the feasibility of expanding the service sector productivity data set.
2. Public sector output and productivity	The Treasury commissioned Sir Tony Atkinson to lead a review of the methodology and measurement of public sector output and productivity in 2004, which reported in January 2005. The work of the team led to revisions to public expenditure on health in the National Accounts in *Blue Book* 2004 and the publication of an article on the productivity of the NHS, the first of a series covering various government functions. The UK Centre for Measurement of Government Activity was set up as a separate directorate at the beginning of 2005 to implement the recommendations in the Atkinson Review.
3. A review of the estimate of total hours worked	This work was carried out within the development project on the Index of Hourly Labour Cost (IHLC), with total actual hours worked being the denominator for the IHLC. Suitability of various sources was reviewed and an ad hoc survey of business firms on what information on hours they could provide was conducted. The project concluded that data from LFS on actual hours worked remained the best available source and is adopted in the calculation of the index. The success of the IDBR/LFS linking project will improve the consistency of LFS industry classification with the business register. The conclusion therefore does not change the productivity calculations.
4. An international comparative study of methods of integrating the Labour Force Survey and National Accounts	A project was launched in March 2003 to look into the consistency between labour market statistics and the National Accounts (the LMS/NA Consistency Project). An international questionnaire was included as part of the project with 17 countries being surveyed in May 2003. A detailed international comparative study of methods was not completed. Instead the focus of the project shifted to constructing an ONS approach to be implemented within the National Accounts Re-Engineering Programme. International experience provides reference on the broad approach countries have used successfully. The project is continuing.
5. A report on the scope for greater coordination between the Social Survey Division and the business statistics team in data collection	Several initiatives have started to promote dialogues between the two data collection divisions. Following the recommendations of the LFS Quality Review, the IDBR/LFS Linking Project has been launched. The aim is to find a way to link up LFS to the business register which in turn can provide a better industry classification for the LFS. If successful, this will greatly increase the utilisation of LFS data in ways that have not been advisable before. There have been a couple of pilots to test the methods. Under the large-scale, medium-term project called Business Surveys Integration Project, there is the project on the Business Register Employment Survey (BRES). Among other things, this looks at how to rationalise on employment data collection by drawing on the strengths and weaknesses of various sources, including LFS.

ONS commitments in the First Strategy 2002	Delivery and progress by December 2005
6. An investigation into ways of complementing DfES work on skills data	At the time of the original strategy consultation, improving skills was rising in the policy agenda. In turn there was an increase in demand for skills data. ONS did not follow up on the liaison with DfES because they had full access to the LFS micro-data set and they compiled their own data to fit specific purposes. Rather, ONS has focused its effort in developing a Quality-Adjusted Labour Input (QALI) measure, from which a labour composition index (that is, growth of quality-adjusted labour input minus growth of unadjusted labour input) can be derived. The pilot study was presented at the RES Annual Conference in March 2002 and at the New Economy Workshop in April 2002. The method was repeated in the pilot calculation of multi-factor productivity estimates, presented at the ONS Productivity Workshop in November 2002. Work was continued in 2004–2005 with a formalisation of the methodology and a system developed to calculate QALI on a regular basis. The methodological paper, together with the test run results, was published in November 2005. Since publication, work has taken place to update the QALI series to include 2004 and to produce it as an annual Laspeyres index as well as the current quarterly Tornqvist index. This would mean that the series would be consistent with the Volume Index of Capital Services (VICS) series (details below) and used to produce multi-factor productivity estimates. As for VICS, the plan is to update QALI on an annual basis. Development work, however, is not complete. The input data is expected to take on significant changes; firstly when the LFS micro-data incorporates the results of the 2001 Census and secondly when the LMS/NA Consistency Project is completed.
7. An investigation into any possible synergies between the ONS and the DfES in producing new skills data	
8. A feasibility study of a labour composition index	
9. Initial work on a household education satellite account	This work has not been developed in the past three years, following the publication of the Household Satellite Accounts in 2002 (Holloway, Short and Tamplin 2002). UKCeMGA continues to review the work required to undertake the development of satellite accounts for household education, but this is currently a longer-term objective, and will be subject to funding and availability of resources.
10. Implementation of capital services data	Pilot estimates of a VICS were first presented at the ONS New Economy Workshop in April 2002 and later published in November 2003, accompanied by the methodology paper. Subsequent development work was merged with the review of the ONS Perpetual Inventory Model (PIM) (see below). The series has since been improved and updated with revisions to the component data and with data for two additional years. The most recent VICS estimates include a fuller treatment of computers, a lower level of industry breakdown and the estimation process is more in line with the National Accounts. This updated series was published in November 2005 and will be updated on a yearly basis.
11. An official documentation of the ONS PIM	ONS's PIM used to estimate UK capital stock in the National Accounts underwent a major review which concluded in summer 2003. The series was relaunched in the *Blue Book* 2003 after its suspension for a year when the review was being carried out. In particular, all life-lengths were reviewed and computers were separated out and given a shorter life-length. The review also led to an official document and datasets being more accessible via the web.
12. A review of the ONS PIM	
13. International comparisons of business investment	A feasibility study was conducted between 2002 and 2003. It concluded that currently it was not feasible to construct international comparisons of business investment of enough quality for publication. The ONS Productivity Programme Board oversaw the work. Experimental work has begun on business intangibles. This will be carried out across the second half of 2006.

ONS commitments in the First Strategy 2002	Delivery and progress by December 2005
14. A pilot study on the potential of the ABI to produce robust productivity measures	Results of sectoral productivity down to 4-digit industry sectors, constructed at current prices, were presented at the ONS Productivity Workshop in November 2002. They were subsequently published in Daffin and Lau (2003).
15. Facilitating the use of the ARD/ABI dataset	Since 2001, infrastructure has been developed to facilitate the use of ONS micro-data, which includes protecting data confidentiality, formal procedure to gain access to the lab and training course to users. The number of researchers using the micro-data lab has increased steadily. Over the same period more enterprise-based surveys have been linked to the ABI and basic research carried out to understand the characteristics of matched samples. The work is in progress for the lab is to expand the boundary beyond business data to include social surveys and household surveys.

Analysis of revisions to the early estimates of Gross Domestic Product (GDP)

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This article describes a new procedure being used by the Office for National Statistics (ONS) to monitor revisions to the short-term measure of UK economic growth, GDP(O). It will enable improved understanding of historical revisions and inform work to reduce future revisions. Indicative results of analysis based on this procedure are presented.

Revisions made at the 2006 *Blue Book* are also considered. These revisions were principally caused by service sector methodological reviews and the introduction of an improved methodology for assigning annual coherence adjustments.

This article:

- describes a new procedure being used by ONS to monitor revisions to GDP(O). This will provide a much better understanding of the reasons for historical revisions, and inform work to reduce future revisions
- gives some indicative results of analysis based on this procedure
- builds on an earlier article (Humphries, 2006) which gave details of some methodological improvements that were introduced at the 2006 *Blue Book*

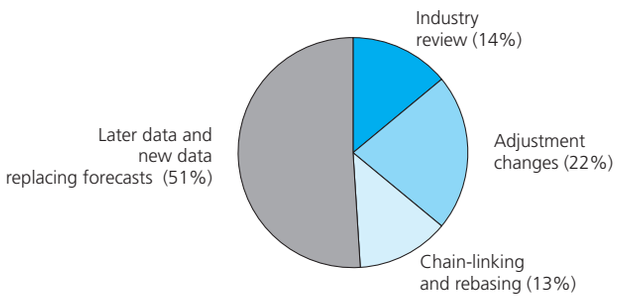
The analysis in this article is based on revisions made to GDP(O) between 2000 Q1 and 2004 Q1 which affected the same period. In summary, the analysis shows that:

- just under half of revisions affecting quarterly growth of total GDP(O) by at least 0.075 per cent between 2000 Q1 and 2004 Q1 resulted from unique, rather than persistent, underlying causes (Figure 1)
- service sector methodological reviews accounted for 14 per cent of the revisions
- the introduction of annual chain-linking accounted for 13 per cent of the revisions
- improving the approach to making adjustments to compensate for doubts about data quality/incoherence accounted for 22 per cent of these revisions (see Box 3 for an explanation of the adjustments)

As noted, this article also considers revisions which have been made at the 2006 *Blue Book*. These arise principally from:

- service sector methodological reviews (Box 2)
- the introduction of an improved methodology for assigning annual coherence adjustments (ACAs) (Box 4)

Figure 1
Reasons for services revisions affecting GDP(O) by at least 0.075 per cent (2000 Q1–2004 Q1)



Background

ONS compiles the headline annual measure of gross domestic product (GDP) growth by balancing the measures based on the production, expenditure and income approaches using Input-Output Supply Use tables (I-O SUTs). The production approach measures gross value added (GVA) directly, deducting estimates of intermediate consumption from estimates of output. However, because this approach draws heavily on data from ONS's Annual Business Inquiry (ABI), it is not practical to produce such estimates until around 18 months after the end of the reporting year.

Users such as the Monetary Policy Committee of the Bank of England and HM Treasury require timely measures of economic activity to make policy decisions. Consequently, ONS publishes a preliminary estimate of GDP growth, based on short-term output indicators, just 25 days after the end of the reference quarter ('month 1' estimate), and an updated estimate after 55 days, based on output, expenditure and income ('month 2' estimate). The first full set of national accounts is published around 85 days after the end of the quarter ('month 3' estimate). These early estimates use sources and methods that are less robust than the ABI data and inevitably some series are forecast.

Revisions to the preliminary estimate of GDP are inevitable, not least because only 44 per cent of data are available at the time of publication, with the rest being forecast (Skipper, 2005).

More generally, revisions to quarterly growth occur as firmer estimates replace initial forecasts and as estimates based on short-term output indicators are replaced by those produced through I-O SUT balancing. I-O SUT balancing only produces annual growth rates. Quarterly growth rates remain principally determined by GDP(O), the estimate based on the short-term output indicators.

Revisions also occur as ONS develops and improves data sources and methods, and as improvements to processes and procedures are introduced. The timing of the publication of such revisions is determined by ONS revisions policy (see Box 1).

Revisions to UK quarterly GDP estimates compare well with other advanced economies (Fonzo, 2005).

ONS is committed to developing an understanding of revisions, and to sharing this with users. In keeping with this, in December 2004 ONS started to publish 'revisions triangles' for GDP and its components (for further information refer to Jenkinson and George, 2005). This article goes further, and sets out a new approach to revisions analysis based on classifying revisions to quarterly GDP(O). It sets out indicative analysis based on revisions to GDP(O) in the past five years using this approach.

Methodology

This article presents the results of research by ONS into the reasons for significant revisions to service sector components of the early estimates of quarterly GDP(O). The service sector accounts for around 75 per cent of total UK GDP(O). Most revisions to individual components have a negligible impact on published estimates, and it would be impractical to identify specific causes for all of these. Therefore, in order to concentrate only on revisions which have had a material impact on headline GDP(O), the analysis here is limited to revisions to components having an impact of ±0.075 per cent or more during the period 2000 Q1 to 2004 Q1. To set this in context, the absolute average revision to headline GDP(O) over this period was 0.14 per cent.

Sixty revisions met these criteria and were included in the analysis.

Box 1
ONS revisions policy

- The span of quarters that may be revised in any estimate of short-term GDP(O) is known as the 'open' period. The number of open quarters varies between estimates and is controlled by ONS's revisions policy.
- The preliminary estimate of GDP (month 1 estimate) is published around 25 days after the end of the quarter. Earlier quarters are never open for revision in this estimate.
- Around eight weeks after the end of the quarter the preliminary estimate of GDP can be revised (month 2 estimate). A breakdown of the three measures of GDP (output, income and expenditure) is published at this stage.
- Around twelve weeks after the end of the quarter a full set of national accounts is published (month 3 estimate); this includes revisions to the latest quarter and some earlier quarters.
- Revisions to estimates for previous quarters are normally only published at month 3. An exception to this is the month 2 estimate for the fourth quarter (published in February). To reflect updates to seasonal adjustment and to alignment adjustments, all four quarters of the year are open for revision.

- Longer-run revisions to GDP(O) are made in the month 3 estimate that coincides with the publication of the annual *Blue Book* dataset (usually in June or September). Revisions due to benchmarking to the ABI and I-O SUT balancing are made at this point. Improvements to GDP(O) sources and methods are generally also introduced in the same month 3 estimate. The period open for revision at *Blue Book* depends on the revisions policy for that year.
- I-O SUT balancing is not applied until the second time an estimate for the relevant year appears in the Blue Book. This is known as the '*Blue Book* 2' estimate. The I-O SUT balancing is re-run in subsequent *Blue Books* using additional benchmark data (Robinson, 2005).
- For more information on revisions and ONS revisions policy see Brereton, 2005.

Findings

This section is based on analysis of the 60 most significant revisions to GDP(O) service sector components.

To help understand the main causes of revisions they were classified into four main types:

- service sector methodological reviews
- adjustment changes
- annual chain-linking and rebasing
- later data and new data replacing forecasts

The results are shown in Figure 1. One key observation is that later data and new data replacing forecasts account for around half (51 per cent) of revisions in the sample.

The following sections describe the types of revision using this typology in more detail.

Improving sources and methods

Service sector methodological reviews

As part of the Index of Services (IoS) development programme, ONS is reviewing and improving the sources and methods used in short-term measurement across all service industries. For industries where the reviews are complete, methodology mostly complies with the Eurostat Price and Volume handbook-recommended methods for the measurement of output.

The IoS development programme is the first major review of data sources and methods since 1993, when the preliminary estimate of GDP was introduced. The review has greatly expanded the use of data from new inquiries, particularly industry turnover estimates from the Monthly Inquiry into Distribution and Services Sector (MIDSS). A further review is not likely to introduce such a wide range of new data sources.

The introduction of better sources and methods through this programme has led to some large revisions to quarterly growth rates. The 2006 *Blue Book* quarterly GDP(O) dataset (published in June 2006) includes new methods for several service industries including banking, insurance and other services (which includes hairdressing and funeral services).

Nearly 88 per cent of the service sector has now been covered by the methodological review programme. However, because of the revisions policy at recent *Blue Books* (see Box 1), many revisions resulting from this development programme for periods before 2003 have not yet been released. At the 2006 *Blue Book* the revisions policy allowed the publication of all revisions arising from the introduction of improved methods for the measurement of service sector output back to 1995 (see Box 2 for more information).

Box 2
Index of Services (IoS) methodological reviews

For the past five years ONS has been reviewing and improving the sources and methods used in short-term output measurement across all service industries as part of the Index of Services (IoS) development programme. This review programme has successfully introduced a range of new service sector indicators, including the monthly and quarterly turnover data for service industries that ONS has collected since the early 1990s. Inevitably, the introduction of more appropriate and higher quality indicators has led to revisions.

The IoS review of sources and methods has now covered nearly 88 per cent of the service industries by weight. The new sources and methods were initially introduced for the periods that were open for revision at the relevant *Blue Book*. The new methods for wholesale and motor trade industries were introduced for the period 1995 to date. Others were implemented for the open period only (refer to Box 1 for further explanation of *Blue Book* revisions policy and open years). At the 2006 *Blue Book*, GDP(O) was revised back to 1995 (Humphries, 2006) .

Details of the methodological reviews implemented at the 2006 *Blue Book* are shown in Appendix 1.

The current methodological review programme is due to be completed by the 2007 *Blue Book*. For more information on IoS methodological reviews see: www.statistics.gov.uk/iosmethodology/future_improvements.asp

Adjustment changes

A number of different types of adjustments are made to quarterly GDP(O) estimates (see Box 3).

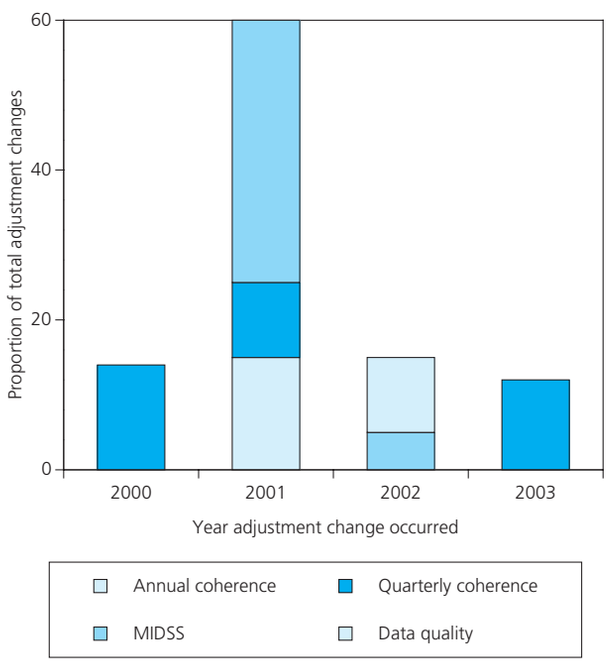
MIDSS adjustments

MIDSS provides turnover data for over 40 per cent (in terms of GVA weighting) of total services. The survey collects data every month from 30,000 businesses in Great Britain. The sample is designed so that businesses with over 100 employees are always included in the survey. To reduce respondent burden, smaller businesses remain in the sample for no more than two years (Tily, 2006).

In 2001 the approach to adjusting the MIDSS turnover estimates (for example for the effects of sample rotation) was reviewed and improved. MIDSS adjustments are now reassessed in light of more information and changed or removed as appropriate.

The majority of MIDSS adjustments are introduced in month 1 (the preliminary GDP estimate) when there is a low survey response. When firmer data become available, these adjustments are removed. Often short-term adjustments are used to anticipate survey data and so prevent later revisions. However, on occasions, the removal of adjustments itself can lead to revisions. The largest revisions due to changes in MIDSS adjustments occurred when the adjustment procedure itself was reviewed in 2001. The impact of this can be seen in Figure 2. Since this review, the approach to MIDSS adjustments has become less subjective and more evidence based; rotation adjustments are now systematised.

Figure 2
Adjustment changes causing a revision of at least 0.075 per cent to GVA



Box 3
Types of adjustment

In the compilation of the quarterly GDP(O) estimates, there are four different types of adjustment which are sometimes applied to the data.

MIDSS adjustments

- Short-term temporary adjustments may be made at the time of the production of the preliminary estimate of GDP (at month 1). At this stage reasonably complete data are available from the MIDSS survey for the first and second months of the quarter. However, for the third month of the quarter, the MIDSS response rate is typically only around 15 to 20 per cent (compared with 80 per cent in month 3). Adjustments to the data are often applied, based on the credibility of the forecasts until more complete data are received at which point the adjustment is removed. This can lead to a revision.
- There are two further situations when adjustments are applied to MIDSS turnover data:
  - if there are concerns about the quality of the returned data an adjustment can be made while the returns are investigated. Such adjustments are normally removed once investigations are complete
  - to compensate for the effects of sample rotation. Sample rotation is a standard part of ONS survey methodology and is used largely to allow smaller businesses to spend only a limited time in the sample. It can sometimes cause a distortion to estimated growth and adjustments are applied to offset this

Quality adjustments are applied as part of the quality assurance process for non-MIDSS sources. These adjustments are made where there are doubts about the quality of early estimates or the forecast. The aim is to ensure that the published data provide a reliable estimate of short-term change. These adjustments are applied based on experience of past behaviour of the data and are reviewed when more data become available.

Quarterly coherence adjustments are used to ensure that the quarterly path of GDP(O) is in line with the balanced measure of GDP (which includes information from the expenditure and income approaches to measuring GDP). These adjustments are generally small.

Annual coherence adjustments (ACAs) are applied to benchmark quarterly GDP(O) to the balanced annual measure of GVA. Annual growth in quarterly GDP(O) is generally kept within 0.2 percentage points of the annual growth of the balanced measure of GVA. The aim is to preserve the GDP(O) quarterly path as faithfully as possible.

ACAs

ACAs are applied to quarterly GDP(O) to benchmark the annual growth rates to headline annual GVA growth rates, as determined through I-O SUT balancing.

The approach to applying ACAs has been reviewed and an optimal allocation procedure has now been introduced. This uses an automatic function designed to benchmark the annual totals while being as faithful as possible to the quarterly path. At the 2006 *Blue Book* this optimal allocation procedure was applied to all ACAs from 1995 onwards and caused revisions to the quarterly path of GDP (but not the annual rates of growth). For more information on ACAs and the optimal allocation procedure refer to Box 4.

Box 4
Optimal allocation of ACAs

Once GDP has been balanced through I-O SUTs, the annual growth rates for the headline chained-volume measures of GDP and GVA are arrived at by deflating the balanced current price data using the GDP (expenditure) deflator. The quarterly path is still determined principally by the short-term indicator of GDP (GDP(O)). To ensure the annual growth rate of GDP(O) is kept within around 0.2 percentage points of the balanced annual measure of GVA, it may be necessary to constrain the quarterly data. This is done by applying ACAs to the quarterly data, while allowing GDP(O) to remain the main determinant of the quarterly path. For technical and other reasons, ACAs are applied only to service industries. Improvements to the method for assigning these adjustments were introduced at the 2006 *Blue Book* and led to revisions to the quarterly path of GDP(O).

Previous method

Under the previous methodology, ACAs were apportioned between the service industries using a commodity flow approach. The adjustments to individual industries were then distributed across the quarters within a year using a number of relatively simple methods (for example scaling arithmetically throughout the quarters of the year). In the 2003 *Blue Book*, the adjustments needed for some years were particularly large and the distribution of ACAs across quarters using this approach led to distortions to the quarterly path, particularly in 1996 and 1998 (see Figure 3).

New method

ONS has now developed an improved approach for applying ACAs. The most important change is the use of an automatic function, designed to be as faithful as possible to the GDP(O) quarterly path while benchmarking to the balanced annual data. In addition, adjustments are now apportioned between industries with reference to the relationship between the current price and chained-volume measure (CVM) GVA series. Industries may be adjusted more heavily if this helps to reduce an apparent incoherence between current price and CVM data.

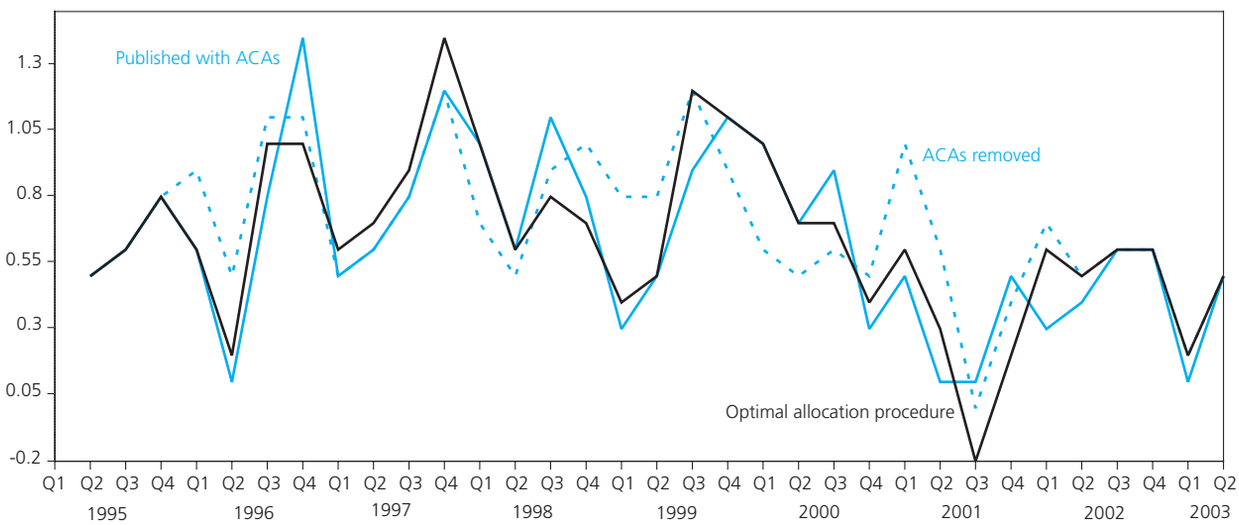
This approach was used for the first time in 2005 for more recent periods, and was taken back to 1995 in the 2006 *Blue Book* dataset. The resulting revisions to the quarterly profile are most marked for quarters between 1996 and 1998 (Humphries, 2006).

Figure 3 shows the effect the new approach would have had if it had been used at the time of the production of the 2003 *Blue Book* dataset. The blue dotted line in Figure 3 illustrates the GVA series for the 2003 *Blue Book* without the ACAs. The solid blue line shows the effect of adding the ACAs using the previous approach. Adding the ACAs caused distortions to the quarterly path. If the optimal allocation procedure had been used to allocate the ACAs at the 2003 *Blue Book*, the published series would have been the black line in Figure 3.

The introduction of the optimal allocation procedure for ACAs caused revisions to the recently published 2006 *Blue Book* dataset.

Figure 3
The 2003 *Blue Book* GVA series with and without ACAs and the optimal allocation procedure

Quarter on quarter growth (per cent)



Annual chain-linking

For the 2003 *Blue Book* annual chain-linking was introduced as the basis of ONS's volume measure of GVA growth (see Robjohns, 2006 for more information). It replaced the fixed-based aggregation method, where sectors of the economy were aggregated using weights updated every five years. Using the previous methodology the weights could become out of date and unrepresentative of the economy. Annual chain-linking solves the problem as weights are updated every year. The introduction of annual chain-linking produced some large revisions in the 2003 *Blue Book*.

Later data and new data replacing forecasts

Revisions can be caused when actual survey data replace a forecast or when early survey estimates are updated.

Revisions analysis: improved tools and procedures

In addition to the improved procedures for applying MIDSS and annual coherence adjustments described above, ONS is now introducing improved tools and procedures for revisions monitoring and analysis. These include the comprehensive documentation and classification of all significant revisions. This will enable much more powerful analysis of the causes of revisions in future.

Conclusion

Revisions are an inevitable consequence of the trade-off between the needs of policymakers and others for timely estimates of GDP growth and the relative incompleteness of data at the earliest stages of estimation. However, revisions arising from later data are only part of the story, and many revisions during the recent past have been the result of one-off methodological improvements. The ability to separate out routine revisions from these one-off type revisions provides greater clarity as to the nature of historical revisions and can act as a guide to thinking about likely future revisions. Of course, one-off type revisions will continue into the future, and some are already planned. An example is the introduction of new methods for allocating Financial Intermediation Services Indirectly Measured which is likely to take place at the 2007 *Blue Book* (Humphries, 2006).

ONS is expanding its analyses of the causes of revisions and exploring the underlying reasons for them. The improved tools and procedures now being adopted for revisions monitoring will help here. ONS will keep users informed of future research.

Further information

For further information regarding the article please contact Rob Pike (01633 812624) or Catherine Marks (01633 813180).

Acknowledgements

The author wishes to thank Hilary Mainwaring for her analysis of GDP(O) revisions.

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Appendix 1
Service sector methodological review implementation

Division	Division description	Proportion of IoS reviewed (using 2005 *Blue Book* IoS weights)	Cumulative proportion of IoS reviewed	When implemented	Initial period open for revision (pre-2006 *Blue Book)*
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sales of automotive fuel	2.8	2.8	Blue Book 2002	1995–2002
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles	5.9	8.7		
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	7.3	16.0	Blue Book 2003	2000–2003
55	Hotels and restaurants	4.3	20.3		
64	Post and telecommunications	4.1	24.4		
72	Computer and related activities	3.6	28.0		
74	Other business activities	3.4	31.4		
60	Land transport; transport via pipelines	2.9	34.3	Blue Book 2004	2001–2004
70	Real estate activities	10.7	45.0		
75	Public administration and defence	0.8	45.8		
80	Education	2.0	47.8		
85	Health and social work	5.2	53.0		
90	Sewage and refuse disposal, sanitation and similar activities	0.7	53.7		
92	Recreational, cultural and sporting activities	2.3	56.0		
61	Water transport	0.3	56.3	Blue Book 2005	2002–2005
63	Supporting and auxiliary transport activities; activities of travel agencies	2.4	58.7		
70	Real estate activities	2.4	61.1		
75	Public administration and defence	5.7	66.8		
80	Education	5.7	72.5		
85	Health and social work	3.5	76.0		
90	Sewage and refuse disposal	0.1	76.1		
92	Recreational, cultural and sporting activities	0.2	76.3		
62	Air transport	0.7	77.0	Blue Book 2006	n/a
65	Financial intermediation except insurance and pension funding	5.1	82.1		
6X	Financial services adjustment	0.0	82.1		
66	Insurance and pension funding, except compulsory social security	2.5	84.6		
67	Activities auxiliary to financial intermediation	1.1	85.7		
91	Activities of membership organisations not elsewhere classified	0.8	86.5		
93	Other service activities	0.8	87.3		
95	Private households with employed persons	0.6	87.9		

Public Service Productivity: Adult Social Care

UK Centre for the Measurement of Government Activity
Office for National Statistics

This article draws on work published by the Personal Social Services Research Unit (PSSRU), based at the University of Kent. One estimate is based on the output figures included in the current National Accounts. But the article also describes potential improvements to the measurement of adult social care services output, to incorporate quality changes and to allow for changes in the dependency of the clients receiving services, as the early stages of an ongoing development programme. The article also includes a wider corroborative evidence section on the estimates provided. The UK Centre for the Measurement of Government Activity in the Office for National Statistics (ONS) will be facilitating an external consultation to help guide this development programme. This article is part of an ongoing series of public service productivity articles relevant to public sector productivity.

1. Summary

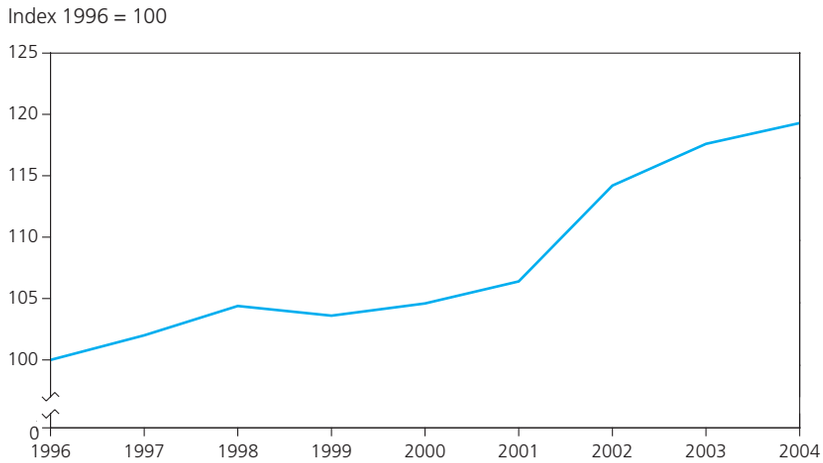
1.1 This article gives estimates of the changes in the productivity of government expenditure on adult social care (ASC) services between 1996 and 2004. The estimates are based on the best data currently available. The article also discusses research to establish a methodology framework which may give more accurate estimates of output. ONS will consult widely as work progresses in this area to guide the development work.

1.2 Changes in productivity are the ratio of changes in output to changes in inputs. The output measure used is taken from the National Accounts and is consistent with *Blue Book 2005*. The output measure is based on services paid for by government and so does not include either services purchased by government using individuals' contributions or services purchased directly by individuals.

1.3 ASC consists of a number of services. Included in the measure of ASC output are activities which cover a variety of services: assessments of need; day care; domiciliary care (home care, provision of meals and provision of equipment) and provision of care home places (both residential and nursing). Where the data are available, services are measured separately for different client groups (older people over 65, and younger adults with physical disabilities, learning disabilities or mental health needs).

1.4 Figure 1.1 shows the measure of output from the National Accounts; by this estimate, ASC output grew by 2.2 per cent per year on average between 1996 and 2004.

Figure 1.1
Adult social care output, 1996–2004
United Kingdom



Source: ONS

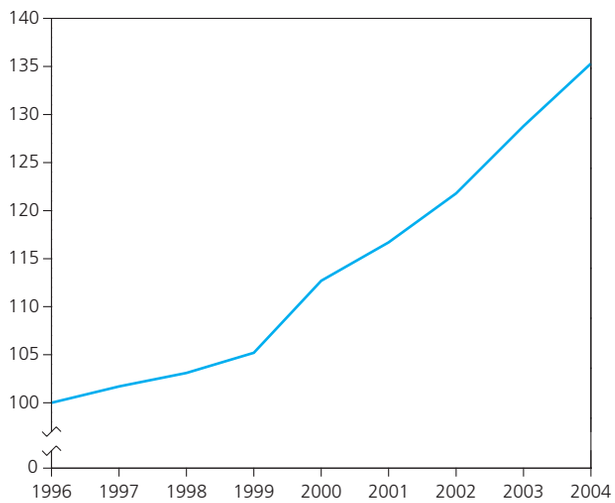
1.5 Deflating government expenditure to remove the effects of price increases provides a measure of the volume of inputs. The methods used to accomplish this are described in detail in Section 6. The growth in the volume of inputs between 1996 and 2004 is estimated at 3.9 per cent per year.

1.6 Dividing the output estimates by the inputs estimates gives a measure of productivity and the changes in this ratio year on year give the annual estimates of productivity change. Using the National Accounts output measure (Figure 1.1) and the inputs estimates (Figure 1.2) gives the productivity estimates in Figure 1.3. As inputs have on average grown faster than output, productivity has, on average, declined. This fall in productivity is estimated at 1.6 per cent per year.

Figure 1.2
Adult social care inputs, 1996–2004

United Kingdom

Index 1996 = 100



Source: ONS

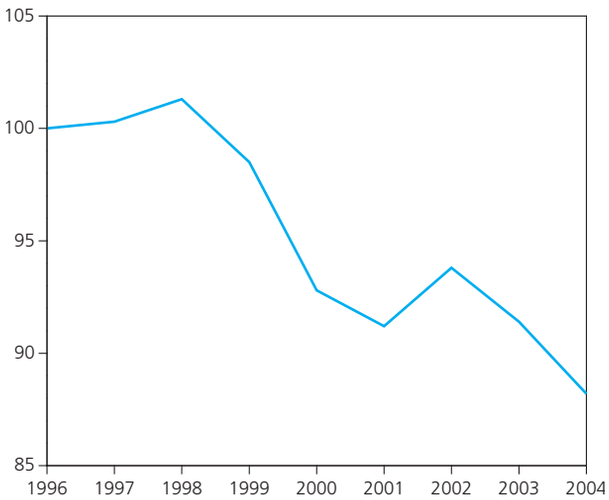
1.7 The methods used to generate the estimates in Figure 1.3 have a number of weaknesses and so the estimates presented in Figures 1.1 to 1.3 must be treated with caution. These shortcomings are of three general types: quality, source data, and complex interactions; these reduce the confidence which should be placed on the estimates. ONS will continue to work with the Department of Health (DH) and the Devolved Administrations to address these shortcomings.

1.8 The quality issues are the most important shortcomings. The output measure currently used is based largely on the numbers of people receiving services. Changes in the average level of demand from service users, their average level of need, will not be registered by the current measure nor will changes in the average quality of the care supplied. Similarly in the inputs calculations, the deflator series used are at present unable to separate changes in prices from changes in quality. Much further work is needed to investigate these changes.

Figure 1.3
Adult social care productivity, 1996–2004

United Kingdom

Index 1996 = 100



Source: ONS

1.9 There are also limitations in the coverage of the source data used. The output measure only covers England rather than the whole of the UK. The output measure does capture most English activity but will need to be monitored to check that coverage remains adequate. On the inputs side various assumptions have been made, most importantly to estimate the expenditure of purchased services. Further work is needed to give a more detailed breakdown of expenditure.

1.10 There are also difficulties in measuring ASC due to interactions with other sectors. Service users receive much of their care from their families, friends and neighbours but the current output measures do not estimate the effects of ASC on carers. Also policy changes in other sectors, in particular health, will have impacts on social services and considerable further study would be needed to fully understand these.

1.11 Preliminary findings from research sponsored by the DH and undertaken by the Personal Social Services Research Unit (PSSRU) have been used in the article to begin to address one area of weakness (Netten *et al*, 2006). PSSRU estimates that the average level of need of older people in care homes (the 'capacity for benefit' or CfB) has increased by about 1 per cent per year between 1996 and 2004. Further research is needed to generate equivalent measures of changes in need for other areas of care.

1.12 Another issue with the output measure is whether or not it should be adjusted to take into account the possibly increasing real value to society of public services as society becomes wealthier. The Atkinson Review (Atkinson, 2005) recommended incorporating this adjustment, though it also suggested caution in implementing this recommendation, before ensuring that it receives widespread support. ONS will be consulting widely on this issue. Figure 1.4 shows the

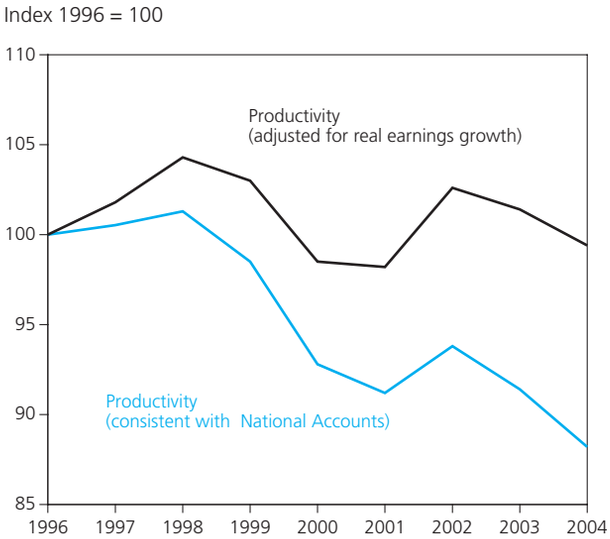
effects on productivity of including a real earnings adjustment (of 1.5 per cent per year). The net effect of incorporating the adjustment is to increase average annual productivity changes from a fall of 1.6 per cent to one of 0.1 per cent per year.

1.13 This article also looks to alternative sources of evidence on the performance of ASC services to see if these support or contradict the productivity estimates. The evidence studied indirectly supports the finding that output has risen between 1996 and 2004 but does not indicate whether the rate of rise in the National Accounts output figure is accurate. Similarly, there is some indication that the average level of needs of recipients of care homes is likely to have risen as the PSSRU research suggests and that possibly this rise will be found in other areas of ASC services.

1.14 Finally, it is important to stress that the measurement of productivity is inherently difficult, and particularly so in the public sector. ONS will continue to work with partners to improve the methods and data used to estimate productivity changes and to consult on the application of these methods.

Figure 1.4
Adult social care productivity, including real earnings adjustment: 1996–2004

United Kingdom



Source: ONS

2 Introduction

2.1 This article is part of an ongoing series discussing public service productivity and is the first in this series to explore ASC. Throughout this article we will refer to government activities to promote social care for adults as ASC. The article gives estimates of: changes in the output of ASC between 1996 and 2004; changes in the amount of inputs into these services; and the productivity picture this suggests. The article also explains the ways in which current research is aiming to make these measures more robust and looks to other data sources to see whether these support the productivity story.

2.2 The aim of ASC is to provide services and support to adults who, for reasons of age, disability, illness or other dependency, need help to live as normal a life as possible, within a residential care setting or in their own home. Services provided cover professional advice and support, residential and nursing care, day care, home care, meals, provision of equipment, and assessment and care management. Services are given to a range of vulnerable adults; the largest being services for adults who are over 65, and younger adults with physical disabilities, learning disabilities and mental health needs.

2.3 In England, the Department of Health has overall policy responsibility for ASC with a similar role being taken by the Devolved Administrations in the other nations. Service delivery is managed by local authorities with authorities taking responsibility for assessing the care needs of their populations, planning services and arranging them.

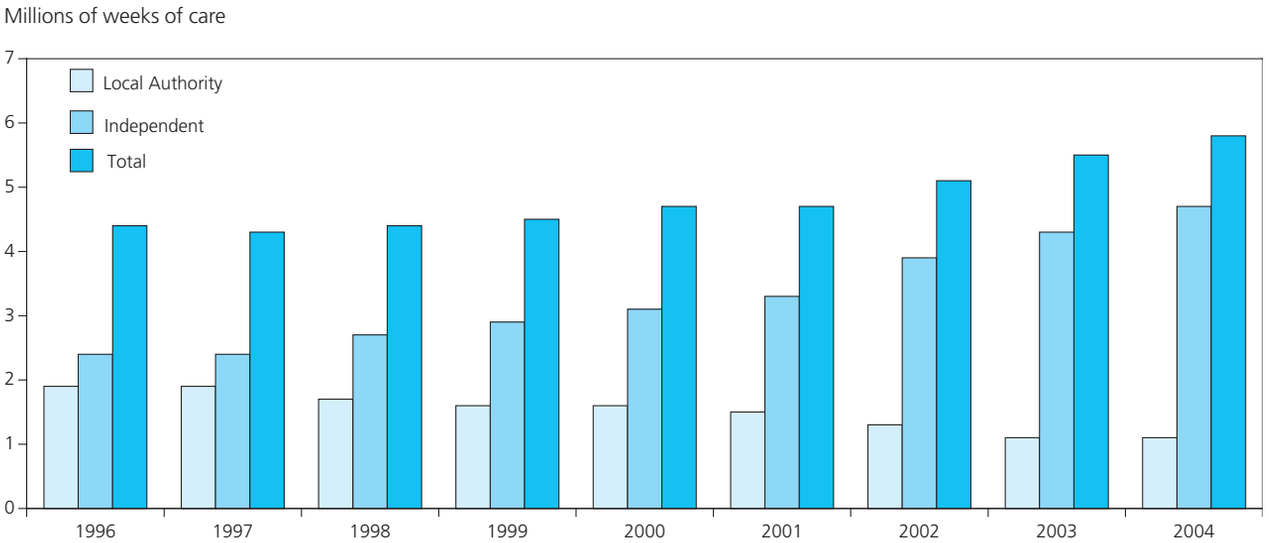
2.4 The services that local authorities arrange are funded by a mix of public and private contributions. For instance, in England, people with savings above a threshold (currently £20,500) are ineligible for publicly funded residential care. Below this threshold people contribute according to a means test. In this article we are concerned only with the productivity associated with government expenditure and so we do not include private contributions or the services they purchase. In the UK, the government spent £15 billion on ASC in 2004 which is around 6 per cent of general government final consumption expenditure.[1]

2.5 As well as a mix of contributions, there is a mixed economy of provision; local authorities provide some social services directly and purchase others from the independent sector. The outputs from both local authority and independent providers, where publicly funded, are included in this article. In recent years there has been a shift from local authorities providing services to purchasing services. Figure 2.1 illustrates this using the example of English provision of residential care for older people. From 1996 the number of weeks of care provided by local authorities has fallen by 0.8 million while an extra 2.4 million weeks have been purchased from independent providers.

2.6 In this article the data used for output and expenditure are from the National Accounts; other data (for deflation, quality adjustment and triangulation) are from a variety of published sources. In addition the advice of a number of experts has been sought.[2]

2.7 The article is produced in accordance with the National Statistics Code of Practice, particularly regarding relevance, fitness for purpose and production with integrity in the interest of all.

Figure 2.1
Residential care for older people by provider type: 1996–2004
England



Source: Department of Health

2.8 The rest of this article is organised as follows:

- Section 3 discusses how output is measured and how output has changed over time
- Section 4 looks at developments in the measurement of output
- Section 5 discusses the issue of complementarity of public and private output
- Section 6 looks at expenditure on adult social services and how these figures have been used to estimate inputs to ASC
- Section 7 provides estimates of productivity
- Section 8 looks to see how the information presented here fits in with other information on changes in ASC
- Section 9 presents information on next steps

3 Adult social care output

Measuring adult social care

3.1 In measuring the output of ASC we are trying to measure the total amount of care or welfare received by service clients as a result of government expenditure. Estimating this output (or changes in it) faces two main conceptual challenges: firstly it is not obvious what a unit of 'welfare' is; and secondly we need to distinguish the care that is due to the actions of publicly funded ASC from the (much larger) amount of care that people receive due to the actions of themselves, their families, friends and neighbours and other government services.

3.2 The methodology used to estimate ASC output in the National Accounts was introduced in 2005 following implementation of the recommendations of the Atkinson Review (Atkinson, 2005). This methodology estimates output back to 1996 and so throughout this article the time period examined is from 1996 onwards. The methodology is discussed in detail elsewhere (see ONS, 2005) but its key features are outlined below.

3.3 The measure is based on data on the level of social services activities measured either in terms of time (for example number of weeks of residential care) or number of items (for example number of meals provided). The level of each activity is adjusted to allow for the proportion paid for by government.[3]

3.4 A total of 23 activities (see Table 3.1) are included in the measure and between them they represent the bulk (around 90 per cent) of government expenditure in this area. The activities cover a variety of services: assessments of need; day care; domiciliary care (home care, provision of meals and provision of equipment) and provision of care home places (both residential and nursing). Where the data are available, services are measured separately for different client groups (older people over 65, and younger adults with physical disabilities, learning disabilities or mental health needs). These activities are weighted together by their relative costs[4] to generate the overall measure of output growth.

3.5 The measure of ASC has two weaknesses concerning coverage. First, while these activities account for most of government expenditure, they do not include: sheltered housing; services for people with HIV/AIDS; and a range of other services. Second, the data sources used only cover England rather than the whole of the United Kingdom. In essence the measure assumes that output in Northern Ireland, Scotland and Wales follows the same pattern as England. This is highly unlikely given differences in policy between the nations (for instance the introduction of free personal care for residential and home care recipients in Scotland). ONS is working

Table 3.1
Activities used in the output measure

England, 2004

Percentages

Activity	Weight in 2004 (to nearest %)
Referrals and assessments	**15**
Older people	8
Younger adults – physical disabilities	2
Younger adults – learning disabilities	2
Younger adults – mental ill health	3
Care homes – older people	**33**
Nursing homes	10
Local authority care homes	7
Independent care homes	16
Care homes – younger adults with physical disabilities	**3**
Nursing homes	1
Local authority care homes	0
Independent care homes	2
Care homes – younger adults with learning disabilities	**12**
Nursing homes	1
Local authority care homes	2
Independent care homes	10
Care homes – younger adults with mental ill health	**3**
Nursing homes	0
Local authority care homes	0
Independent care homes	2
Day care	**12**
Older people	3
Younger adults – physical disabilities	1
Younger adults – learning disabilities	6
Younger adults – mental ill health	1
Domiciliary care	**23**
Total meals provided all sectors	1
Home care all provision	20
Total number of people receiving equipment	2

Source: Department of Health

with the Devolved Administrations to develop measures equivalent to the England measure for each nation. These could then be combined to give an overall UK estimate.

3.6 There is also a change in the activity series used up to 2000/2001 and those used from then onwards. The change arises from two changes in data sources. First, 'Referrals, Assessments and Packages of Care' data became available (giving more detail in this area). Second, care homes, day care and meals data were reported via a new mechanism. These changes are discussed in more detail in ONS (2005).

3.7 There is a further, more fundamental, weakness in the current method, in that a measure of activity is not the same as a measure of the actual amount of care received. Care received is the preferred measure of output of social services (Eurostat, 2001). This issue is discussed further in Section 4.

3.8 There are also difficulties in determining the boundaries of ASC and the interactions with other sectors. The interactions between ASC services, service users, and their carers can be complex. A service that delivers care to a client may to a large extent substitute for the actions of their previous carer (perhaps a family member). This in turn may deliver welfare gains to the carer by for example allowing them more time to work. Clearly then, policy changes within ASC have effects on a wider group of people than service users alone.

3.9 Policy changes in other areas of government will also affect ASC output and productivity. In particular, as older people are major recipients of services from both ASC and the NHS, the interactions between these areas are strong. So policy changes in one area will have implications for the other. Considerable further study would be needed to understand the interactions between ASC and other sectors.

Estimate of adult social care output

3.10 The output measure currently in the National Accounts is shown in Figure 3.1.

3.11 Growth is positive every year except for a small fall in 1999, with an average 2.2 per cent annual growth. The growth in 2002 stands out as being large, reaching 7.4 per cent. The unusual size of this rise is due to a change in the funding arrangements for a group of residents of independent care homes who held 'preserved rights'[5] to higher rates of income support. The funding of this arrangement was the responsibility of the Department for Work and Pensions (or its predecessor the Department of Social Security) until 2002 when the preserved rights arrangement was terminated. Responsibility for these residents (around 50,000 people in England) then passed to local authorities.[6] This change is discussed in more detail in ONS (2005). The impact of this change can be seen in Figure 3.2 which shows the contributions to overall growth made by the various types of service. In 2002 care home services growth, including the preserved rights change, contributed 5.4 percentage points of growth out of the total growth of 7.4 per cent.

3.12 Between 1996 and 2004, care homes services generally make a positive contribution to growth (except for a small decline in 2001) and on average contribute 1.4 percentage points of growth. Similarly, domiciliary care also makes a positive contribution in most years (except for 1998) with an average annual contribution of 0.7 percentage points. The output from assessments shows negative growth up to 2001 and positive growth thereafter. Care should be taken when interpreting this due to the change in methodology for this area in

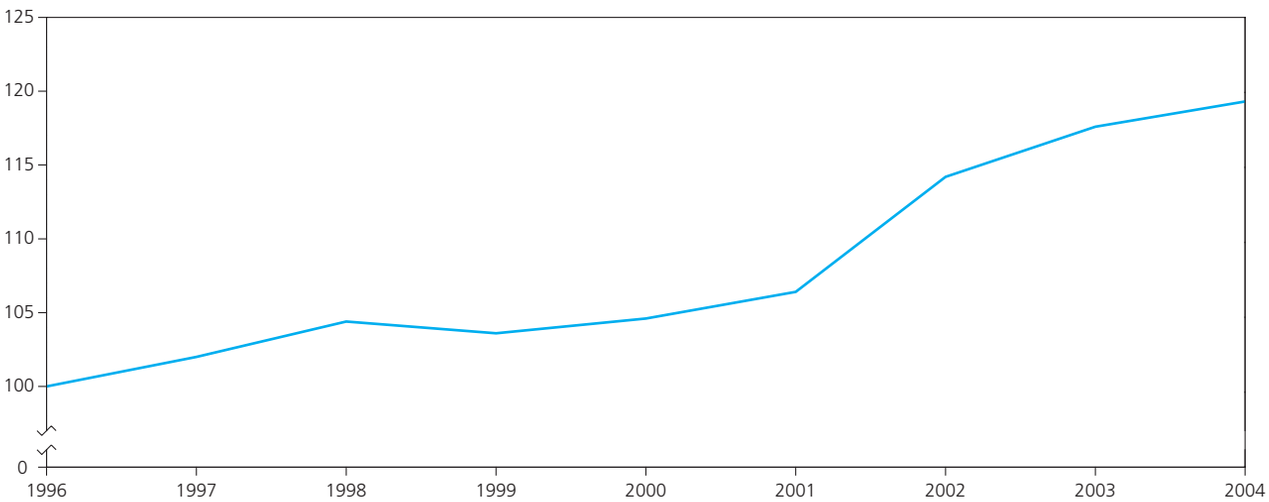
2001. Day care shows a mixture of positive and negative contributions to growth, with an average positive contribution of 0.4 percentage points.

3.13 As mentioned in Section 2, one change that has occurred over this period is the movement away from provision by local authorities towards procuring services from independent providers. Sufficient data are not available for all sectors but this change can be shown for residential services. This is illustrated in Figure 3.3[7] which indicates a small but consistent decline in local authority provision of residential care and a generally larger but equally consistent increase in the services purchased from the independent sector. Again the influence of the preserved rights change in 2002 is shown in the large increase in the output from independent providers that year – the preserved rights recipients were in independent care homes.

Figure 3.1
Adult social care output, 1996–2004

United Kingdom

Index 1996 = 100

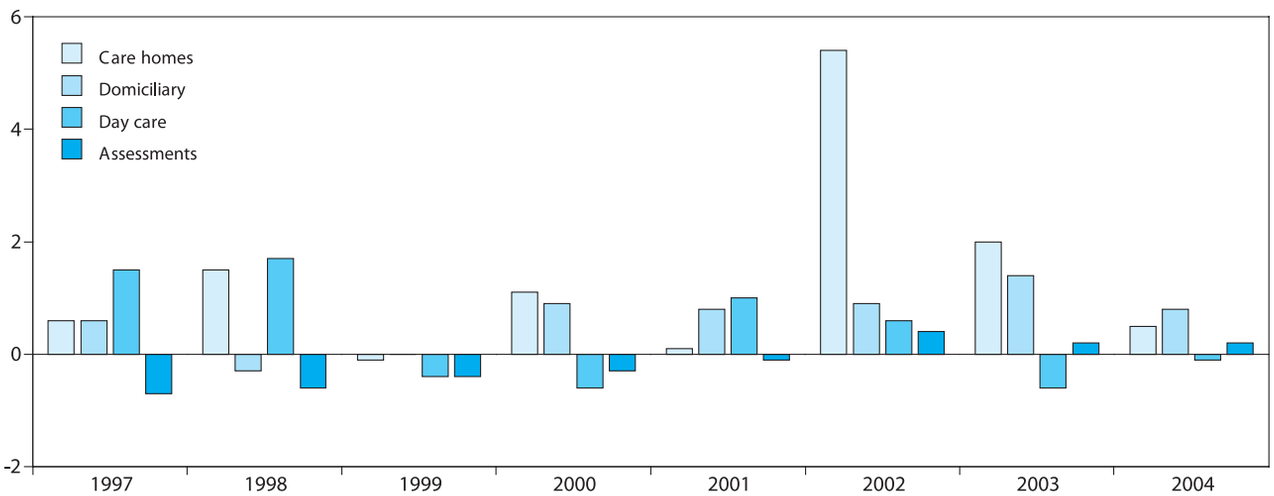


Source: ONS

Figure 3.2
Adult social care output: contributions to growth 1997–2004

United Kingdom

Percentage points

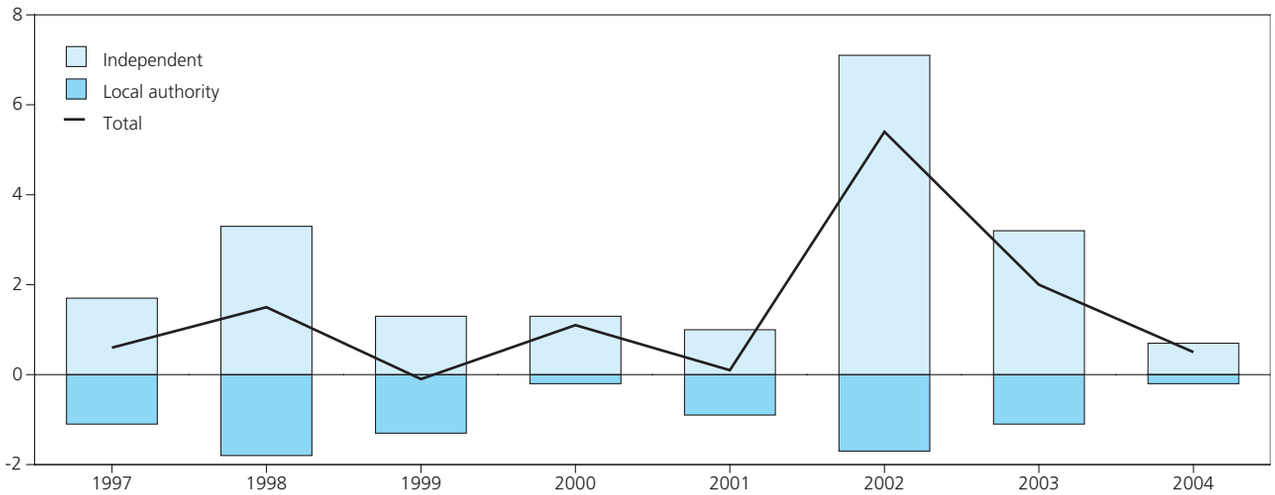


Source: ONS

Figure 3.3
Contributions to care home growth by sector: 1997–2004

United Kingdom

Percentage points



Source: ONS

4 Improving the adult social care output measure

4.1 The Department of Health has sponsored researchers from the Personal Social Services Research Unit (PSSRU) to look into ways in which the current estimates of ASC could be improved. The report from the first stage of this investigation has been made (Netten *et al*, 2006) outlining potential new methods and giving some interesting preliminary findings.

4.2 The PSSRU research addresses questions about the output method described earlier in Section 3. This method uses changes in activities to estimate changes in output. These activities are measured in terms of the number of weeks of care or the number of meals delivered. However, as the *Handbook on price and volume measures in national accounts* (Eurostat, 2001) makes clear, while measuring activities is preferable to older methods that were based on inputs, it is not the ideal measure. A true measure of output for many ASC services would be the amount of care received by service users.

4.3 There are a number of possible ways of adjusting the activity-based estimates to move towards the goal of measuring the amount of care received. The approach suggested by PSSRU is to adjust the activity data for changes in the average needs of clients, the quality of services delivered, and the quality of the process.

4.4 **Clients' needs.** In the current measure of output, a week of care in a residential home delivered to someone with less severe disability scores the same as a week of caring for a resident with high disability who requires assistance with meeting all or most of their basic needs. This approximation produces a reasonable estimate of the output of residential homes if the average level of need of service users remains constant. If, however, the degree to which service users rely on publicly funded services to meet their needs changes over time, the activity-based measure will be less accurate. For example, if the number of service recipients remains constant, but the average level of need rises, the output measure should also rise. The current method, though, would show no change.

4.5 **Quality of services delivered**. Adjusting activity data for changes in the average needs of clients does not account for all potential changes. If both the number of service recipients and their average level of needs remain constant, but service providers meet an increasing amount of this need, the output of the services has risen. The measure therefore needs to include an adjustment that measures changes in the success of service providers in meeting needs.

4.6 Adjusting the activity data for changing levels of need can be seen as providing estimates of the maximum potential care that service providers **could** provide. Adjusting this maximum in turn by changes in the quality of care delivered by providers produces an estimate of the **actual** care provided.

4.7 **Quality of service process.** In addition to valuing care received, people also place a value on the manner or environment in which care is delivered. People prefer for example to have polite and reassuring carers who respect their dignity and individuality. A clean care home that provides a comfortable, relaxing and homely environment will be preferred to an equally clean care home that is institutional. As these aspects of quality affect the value of the service to the recipient, the output measure should be adjusted to capture any changes in the service process.

PSSRU methodology

4.8 The PSSRU researchers draw on existing research and data sources, and some additional studies to develop methodologies for estimating the three types of adjustment described above. The data used relate to care home and home care services for older people only.

4.9 **Clients' Needs: the capacity for benefit (CfB).** PSSRU estimates the average need of service users which is used as a basis for CfB. To establish this it is first necessary to determine which areas of need (or 'domains') services are designed to meet. Previous PSSRU research found eight domains which were applicable to older people:

- Personal cleanliness and comfort
- Social participation and involvement
- Control over daily life
- Meals and nutrition
- Safety
- Accommodation cleanliness, order and accessibility
- Employment and occupation
- Role support

In addition a ninth domain is identified which takes into account people's preference for living in their own home whenever possible. No data were available for 'role support' so this domain is not included in the analyses discussed below. Living at home is used only for those in care homes where it is used as a negative measure.

4.10 For home care services, there are then seven domains considered (the nine above excluding role support and living at home). A survey of older people receiving home care was used to establish which domains services were addressing and what the level of unmet need would be in the absence of these services.

4.11 To combine these data for the seven domains into a single CfB measure it is necessary to establish the relative values of the different domains and of different levels of need within domains. A study on older people's preferences (the 'Older People's Utility Scale for Social Care' or OPUS) was used to provide estimates of these relative values.[8] They were then used to weight together the findings of the home care user survey in order to provide the CfB estimate.

4.12 For care home users, it is assumed that all seven of the domains used for home care users could be addressed. Additionally, the welfare loss associated with users not being in their own homes was included. As with home care recipients, the OPUS survey results were used for weighting.

4.13 Unlike the situation for home care users, no direct evidence of the levels of need of care home users was available. Instead a model was developed that combined information from the home care survey with information on 'Activity of Daily Living' levels from a sample of care home admissions.

4.14 **Quality.** For home care service users, an overall measure of satisfaction is available from the three-yearly 'User Experience Survey' (UES). This overall measure is taken to reflect both the service and process quality aspects. Satisfaction with received services is marked on a four point scale (extremely, very, quite and neutral/dissatisfied). The weights for different responses were obtained by an analysis of data from a more detailed extension to the UES conducted by PSSRU.

4.15 For care home quality, PSSRU used data from Commission for Social Care Inspection (CSCI) reports on how well care homes are meeting national minimum standards. PSSRU has used a subset of the national minimum standards which map reasonably well onto the domains of need used in developing the CfB though not all domains are covered well. Each standard is reported as being exceeded, met, almost met or not met. At this early stage of the research there are no direct data available to weight these reporting levels and so assumptions have been made.

Further work

4.16 The methodology presented by PSSRU offers a potential way of moving the current activity-based measure of ASC towards one that more closely estimates changes in the amount of care received by service users. There are, however, a number of current weaknesses and concerns that need to be addressed. Investigation of these points and widespread consultation will be necessary before ONS can consider changes to the output measure.

4.17 The first weakness concerns data quality; PSSRU has used currently available data or data from other ongoing research to show how its approach could be used. Inevitably this means that there are large gaps in the data and that therefore any results should be considered as provisional. Clearly, further study is needed to fill these gaps.

4.18 Also, home care users normally receive a package of different services (covering for example both day care and meals services) and the researchers have not been able to separate out the effects of different services and so provide marginal CfB estimates. It may be possible to produce service-specific CfB estimates with further study but changes in service provision such as Direct Payments and Individual Budgets are increasingly going to make this difficult.

4.19 In the measurement of quality, there is a fundamental difference in the approach for home care where direct surveys of user satisfaction are carried out and care homes where CSCI inspection data is used. This difference reduces the comparability of results for the two types of service. In addition both methods raise their own concerns. User satisfaction surveys are dependent on the level of expectation of service users.

Ideally the measure used would adjust for changes in society's expectations over time. Inspection data, on the other hand, are not based on the experiences of users. User experiences are considered preferable as it is the quality of services that users receive that these quality adjustments aim to measure.

4.20 The research does not include any measures of the benefits from the services studied which accrue to carers; this may well be a major omission which will need investigation.

4.21 The research to date has been restricted to older people receiving home care or care home services. Investigations need to be undertaken into the applicability of the method to other client groups and to other service types. In other client groups catered for by ASC, such as people with severe learning difficulties, it may be difficult to monitor levels of satisfaction and so an alternative method of estimating changes in quality may be needed. Other types of service such as equipment services and information and advice are very different in nature to those studied to date and so more research will be needed to see if these services can be estimated using methods similar to those discussed here.

Preliminary findings from the PSSRU research

4.22 The PSSRU report stresses the caution which should be applied to its preliminary findings, as the data sources are incomplete and the methodology requires further work as described above. Also, where estimates are available, they tend to have no or a very short time series and are therefore difficult to include in our analysis here. Estimates, however, are given for the CfB of admissions to care homes for the older people in 1995 and 2005 which conveniently is similar to the time period studied in this article. While this only provides an insight into one area of provision, care homes for older people account for around one third of total ASC output.

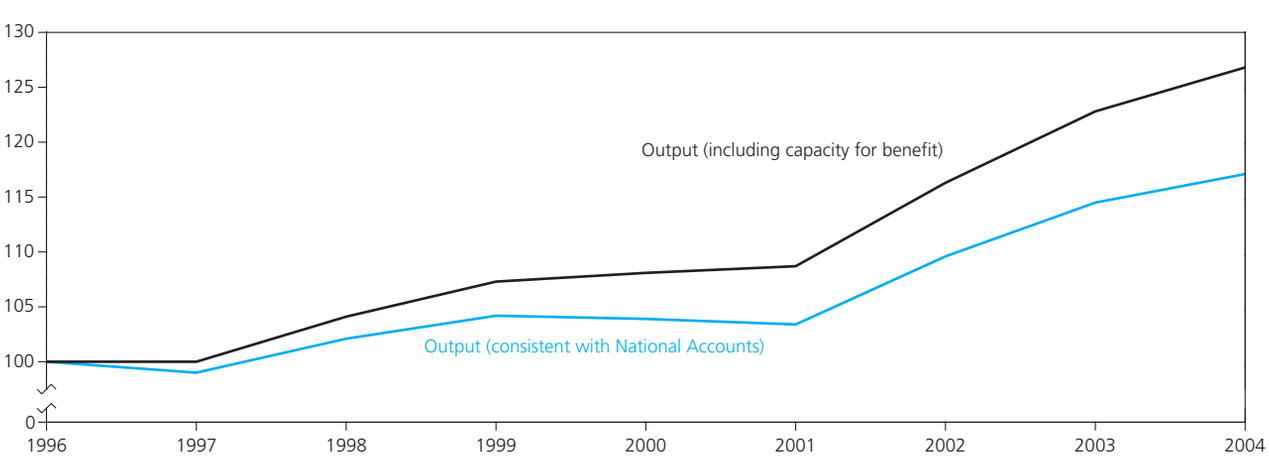
4.23 The PSSRU findings suggest a total increase in CfB for older people in care homes of 10 to 16 per cent between 1995 and 2005, or approximately 1 per cent per year over this period. Figure 4.1 shows the effects of incorporating this CfB change into the output of care homes for older people.

4.24 As the research programme continues, it is hoped to be able to produce estimates of CfB across more services along with estimates of any changes in quality. While the CfB adjustment here raises the overall output of ASC, it does not imply that further adjustments will also have a positive effect.

4.25 PSSRU also reports an estimate for the changes in the quality of care homes based on an analysis of national minimum standards data. The standards only began in 2002/03 so there are only three years of data, or two years of quality changes, to consider so far. Over this short time span PSSRU finds a 6.2 to 7.7 per cent rise in the quality of care homes. This is a very large change over such a small time period and, as PSSRU notes, the bulk of this change is in the first year. This makes interpretation difficult and so the effect of this quality change is not shown in this article. As a longer time series becomes available, the possible effects of quality change on the estimates of output will be investigated. National minimum standards are discussed further in the 'triangulation' section of this article.

Figure 4.1
Output of care homes for older people including capacity for benefit adjustment: 1996–2004

United Kingdom



Source: ONS

5 Complementarity of public and private output

5.1 Principle C of the *Atkinson Review* (2005) states that if we are not to underestimate the output of the public sector then "*account should be taken of the complementarity between public and private output, allowing for the increased real value of public services in an economy with rising real GDP*".

5.2 The argument is that as society grows wealthier, the services that government provides become more valuable to it and so the output measures should reflect this increasing economic value. Applying this principle to ASC means that the total output should be adjusted by the rise in real earnings; that is, earnings adjusted for the effects of inflation.

5.3 The use of real earnings should not be taken to mean that social services rise in value because service users are themselves able to earn more money. This is clearly not true in the case of most older people. Rather, it is that the value that society as a whole places on these services increases with growing economic wealth.

5.4 The *Atkinson Review*, however, also emphasises the caution that should be used in applying this principle before ensuring that this adjustment receives widespread report. ONS will be consulting widely on this issue but before this, and in line with the other productivity articles in this series, output and productivity estimates are presented with and without this adjustment.

5.5 A further issue is the level of real earnings adjustment that should be used. Average real earnings growth has historically been around 1.5 per cent per year in the UK, though in the years covered by the ASC series growth has been higher. In this article, again in line with the other productivity articles in this series, the more cautious figure of 1.5 per cent has been used to adjust the output estimates, given in Figure 5.1.

6 Adult social care inputs

6.1 To investigate productivity changes, it is necessary in addition to measuring changes in output, to measure changes in the volume of inputs. Input volumes are estimated by removing the effects of price inflation from expenditure data. The expenditure data used in this section are consistent with the National Accounts except for two changes: Scottish procurement expenditure before 2001/02 and Supporting People from 2003/04 onwards. The net effect of these two changes is to slightly reduce the rise in expenditure between 1996 and 2004 and therefore to reduce the rise in the volume of inputs.

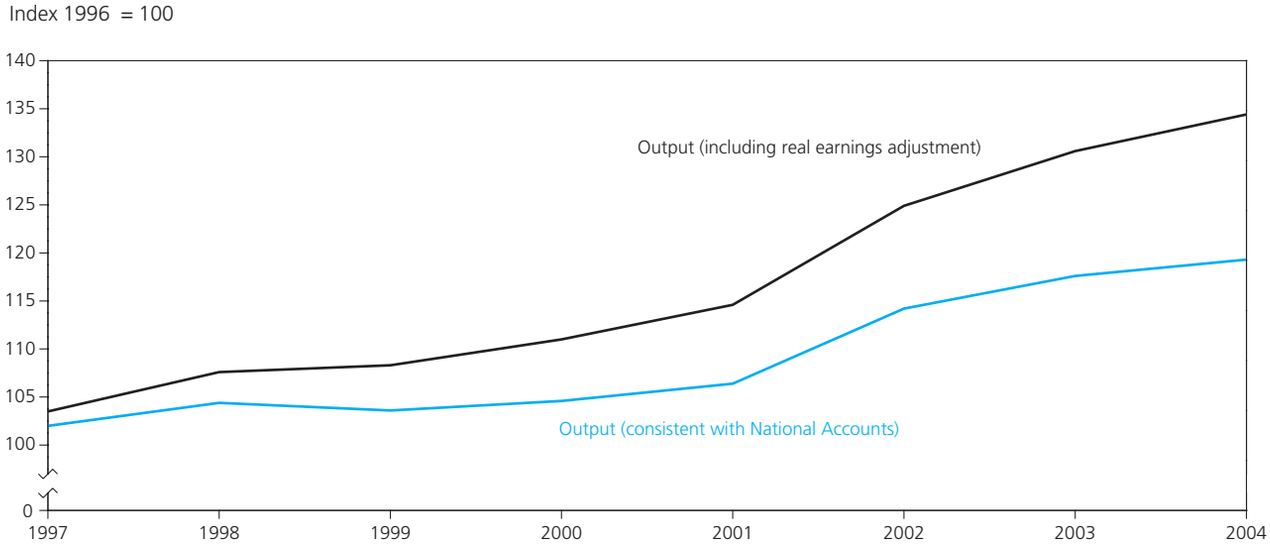
Scottish expenditure data

6.2 As part of the quality assurance process leading to the production of this article an investigation was carried out into expenditure data reported in the National Accounts. This investigation has identified improvements that could be made to Scottish expenditure data pre-2001/02. The expenditure data used in this article reflect these improvements which will be introduced into the National Accounts in due course. The adjustments range from £119m in 1996/97 to £309m in 2000/01.

6.3 It should be noted that the total Scottish procurement data are accurate and so the discovered misallocation has no impact on aggregate Scottish or UK expenditure and therefore no impact on the public sector finance data.

Figure 5.1
Output of adult social care including real earnings adjustment: 1996–2004

United Kingdom



Source: ONS

Supporting People

6.4 Supporting People is a programme that was launched in April 2003. It provides housing support services to vulnerable groups in society to increase their capacity to live independently in the community. Before 2003, the largest source of funding for housing support services came from housing benefit payments which is outside the scope of government expenditure on ASC. Since 2003 a portion of expenditure on supporting people (some £570m in England in 2003/04) has been (correctly) attributed to ASC.

6.5 The current measure of output, however, does not include any activity associated with Supporting People. So, since 2003, expenditure has risen with no corresponding increase in measured output. In order to increase the comparability of the output and input data used in this article, expenditure on Supporting People has been removed from the expenditure data. In the longer term, ONS will work with the Department of Health to investigate whether activities relating to housing support services can be included in the output measure.

Expenditure 1996–2004

6.6 In 2004, the total government expenditure on ASC, recorded in the National Accounts, was £15 billion. This sum is made up of three elements: compensation of employees (all staff costs such as wages and salaries, and national insurance contributions) procurement (expenditure on buying goods and services) and capital consumption (an estimate of the depreciation of capital goods). As can be seen in Table 6.1, procurement is the largest area of expenditure and this share has increased markedly, reflecting the increase in the proportion of services purchased from independent providers. Compensation of employees is the second largest area with capital consumption contributing a small share.

6.7 The data exclude expenditure on 'Direct Payments' which in National Accounts is treated as expenditure by households rather than government. Direct payments expenditure is currently small, with only 24,000 recipients out of a total of 1.7 million total recipients of ASC. The exclusion of Direct Payments is therefore unlikely to affect significantly the results of the analyses in this article. However, government policy is to increase the proportion of expenditure on Direct Payments. When expenditure on this programme becomes significant it will need to be included in future productivity analyses.

Volume of labour inputs

6.8 Two different methods of measuring the volume of labour inputs have been studied. These are the direct and the deflated paybill measures of labour inputs.

Deflated paybill measure of labour inputs

6.9 The series used to deflate compensation of employees expenditure have been developed by DH. Local authority employees are grouped into four categories:

- Administrative, professional, technical and clerical (APT&C: used to represent managers)
- Social workers
- Occupational therapists
- Care assistants and home carers

6.10 Changes in the pay levels for each of these groups are taken from *Annual Survey of Hours and Earnings* (ASHE) published by ONS (or 'New Earnings Survey' before 2002/03). Pay inflation for all employees is estimated from the year on year changes in pay weighted by the share of total expenditure for each category. Shares have been estimated by using the total number of full-time equivalent employees and the levels of mean pay for each staff category from ASHE. Table 6.2 shows the weights used for each staff category. Care assistants are by far the largest group (67 per cent).

Table 6.1
Adult social care net expenditure: 1996–2004

United Kingdom £ million and percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Compensation of employees	3,951	4,046	4,158	4,345	4,365	4,438	4,654	4,975	5,238
% of total	*51.9*	*50.4*	*48.9*	*47.3*	*42.9*	*41*	*38.4*	*36.3*	*34.6*
Procurement	3,622	3,939	4,297	4,792	5,740	6,318	7,383	8,661	9,803
% of total	*47.5*	*49.0*	*50.5*	*52.1*	*56.5*	*58.4*	*61*	*63.2*	*64.8*
Capital consumption	46	49	52	55	62	64	72	78	85
% of total	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*	*0.6*
Total	7,619	8,034	8,507	9,192	10,167	10,820	12,109	13,714	15,126

Source: ONS

Table 6.2
Staff categories and share of paybill

England Percentages

	Share of paybill
Care workers	*67*
APT&C	*17*
Social workers	*15*
Occupational therapists	*1*

Source: Department of Health

6.11 There are a few weaknesses in this approach. In terms of coverage, the expenditure and ASHE data are all UK while the number of employees only includes local authorities in England. Therefore employees in the Devolved Administrations and the relatively few central government employees are omitted. Also, the method assumes that pay movements in a local authority staff category move in line with pay movements in that staff category in the whole economy. This may well be a reasonable assumption in the case of groups such as residential care workers where there is a considerable private sector presence but will be less so for groups such as local authority administrative staff.

6.12 A further assumption is that the proportion of staff in each category remains constant. Despite these weaknesses the deflator series is likely to be a reasonable proxy of full UK, full government price movements.

6.13 Table 6.3 shows the effects of deflating the expenditure on compensation of employees. Expenditure grows in each year; however, in most years, pay inflation is greater than expenditure growth. This results in a decline in the estimated volume of labour inputs between 1996 and 2004.

Direct estimate measure of labour inputs

6.14 An alternative way of estimating labour inputs other than deflating the expenditure of compensation of employees is to measure them directly. DH publishes estimates of the number of full-time equivalent employees of local authorities involved in social service provision. For the most part it is possible to separate those staff involved in adults and children's services but for some groups this is not possible. These groups (of which the largest are recorded as transport, strategic/central or generic) have been split according to the proportions of staff known to be either adults or children's social service providers.

6.15 ASC staff have then been assigned to one of five staff categories from ASHE and the changes in the number in each staff category have been weighted together by using estimates of the total pay for each category. These weights were calculated by multiplying the number of full-time equivalent workers in each category by the average pay for this group from ASHE. Using this direct method shares similar weaknesses to the deflated paybill in that it uses staff numbers from English local authorities with ASHE data from the whole of the UK economy. Table 6.4 shows the direct estimate of labour inputs.

Table 6.3
Adult social care, volume of labour inputs, deflated paybill method 1996–2004

United Kingdom

Index 1996 = 100 Percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Expenditure	100.0	102.4	105.2	110.0	110.5	112.3	117.8	125.9	132.6	*3.6*
Deflator	100.0	103.4	109.4	113.8	119.7	125.8	134.0	140.6	146.4[1]	*4.9*
Labour inputs	100.0	99.0	96.2	96.6	92.3	89.3	87.9	89.6	90.6	*–1.2*
Growth in labour inputs		*–1.0*	*–2.9*	*0.5*	*–4.5*	*–3.3*	*–1.6*	*1.9*	*1.1*	

1 2004 pay growth is an estimate based on an average of previous years.

Source: ONS

Table 6.4
Adult social care, volume of labour inputs, direct estimate method 1996–2004

United Kingdom

Index 1996 = 100 Percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Average annual growth
Labour inputs	100.0	97.9	95.8	95.3	93.7	91.6	89.8	90.3	90.5	
Growth in labour inputs		*–2.1*	*–2.1*	*–0.6*	*–1.6*	*–2.2*	*–2.0*	*0.6*	*0.3*	*–1.2*

Source: ONS

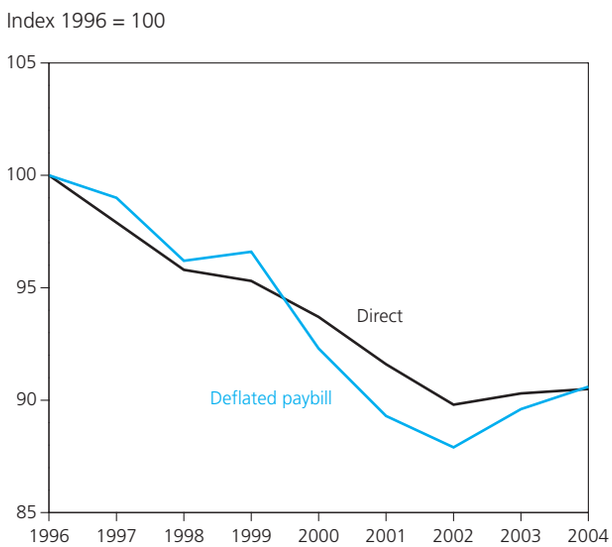
6.16 In the output section of this article, the decline in local authority provision of care homes was highlighted. This trend, as shown in Figure 6.1, is supported by the number of staff employed in different services. The number of staff involved in residential or domiciliary care provision has declined. Day care numbers have remained basically steady. Two groups of workers have increased: social workers and to a lesser extent central staff. In this analysis 'social workers' include social workers, care managers, community workers and occupational therapists. The central staff category includes support workers, planning and training staff and transport staff.

6.17 Figure 6.2 compares the estimates of growth in labour inputs from the two methods described above. The two series move in broadly similar ways and there is little difference in the average growth over the time period studied, though the direct method produces a smoother series. Both methods suggest that the decline in labour inputs from 1996 onwards began to be reversed after 2002.

6.18 While dividing staff into groups allows the inputs measure to capture changes **between** categories, neither the direct or the deflated paybill method takes account of changes in the quality of staff **within** each category. This may occur if, for example, more highly qualified care workers are employed or if existing workers gain more qualifications.

Figure 6.2
Comparison of direct and deflated paybill estimates of labour inputs growth: 1996–2004

United Kingdom



Source: ONS

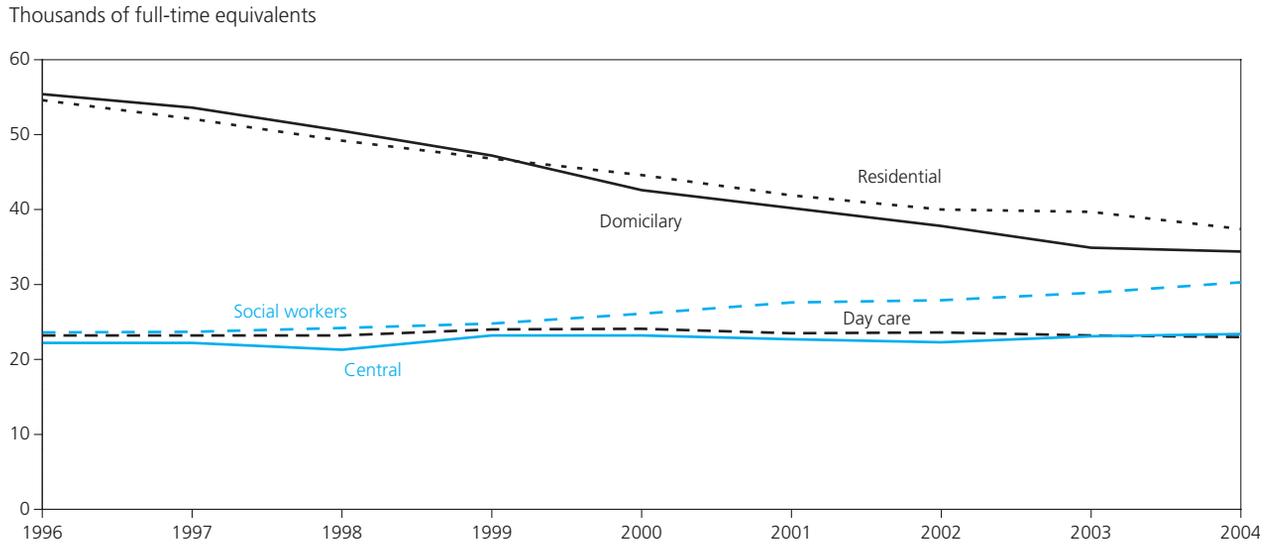
Volume of goods and services inputs

6.19 The estimate of procurement is divided in this article into two categories. The first covers expenditure made in purchasing care services from independent providers. The second covers all other expenditure. A major component of this second area is the expenditure incurred in the direct provision of care. For example, in a care home this includes expenditure on food, utilities and the provision of other items necessary for daily living. Also included here is procurement expenditure not related to the direct provision of services such as office running costs.

6.20 Before deflating this procurement expenditure it is first necessary to divide the National Accounts total into expenditure on independent care services and other. An estimate of the ratio of pay to procurement for English local authorities' direct provision of services has been used to make this split. The main weakness with this split is that it would be preferable to have direct estimates of expenditure.

Figure 6.1
Numbers of employees of local authorities: 1996–2004

England



Source: Department of Health

Volume of independent care inputs

6.21 Unit costs of independent services are available from the same sources as the output data described earlier.[9] DH has used these to calculate a deflator series for independent care provision. The unit cost data also have a number of unusual movements and DH has attempted to remove these inconsistencies in the following manner:

- Day care and meals services show a sharp decline between 1997/98 and 1998/99. This drop has been removed from the series as it is felt to be a probable error
- In 1997/98, nursing home care for older people and independent residential care for people with learning disabilities show unlikely price movements, possibly due to the relatively incomplete return in this period which meant more estimation than usual was required to get national totals. These changes have been smoothed out by using an average of the preceding and following year's costs
- Independent residential care for older people in 2000/01 has been smoothed in a similar way to that above. The unusual movement may be due to the change in reporting form in 2000/01
- Nursing home care for people with learning difficulties in 2001/02 has also been smoothed. The cause of this unusual movement in unknown

6.22 The total effect of these adjustments is to slightly increase, by around 3 per cent, the estimate of the change in unit cost prices over the time period studied. This in turn means that the adjusted unit cost series produces a slightly lower estimate of the growth in inputs.

6.23 The method for estimating the volume of independent care inputs has a weakness in that the expenditure data relates to the whole of the UK while the deflator is based only on England.

6.24 Also and more importantly, using unit costs in this manner has a further weakness in that it assumes that all changes in unit prices are due to price inflation. However, unit costs may also vary due to the quality of the inputs. If local authorities purchase higher quality (and therefore normally higher cost), care it would be a mistake to remove this price change from the growth in inputs. If this is the case then the inflation assumed in this sector would be overestimated and in turn the growth in the volume of independent sector inputs underestimated.

6.25 Table 6.5 shows the deflator series for independent care and the volume series for independent sector provision that this implies. In all years, expenditure grows faster than the unit costs of service provision. Consequently, the volume of independent services inputs grows in each year.

Volume of other procurement inputs

6.26 A breakdown of the procurement expenditure not covered by purchasing services from the independent sector is not available. In order to estimate the volume of procurement inputs, it has been assumed here that the majority of this expenditure is similar in aggregate to household expenditure patterns. This may be a reasonable assumption in the case of expenditure on residential care, where this expenditure aims to meet the needs of residents for food and comfort in a similar manner to households. It is less reasonable for expenditure in offices by central local authority or DH staff.

6.27 It has also been assumed that price movements for government purchases are the same as for households and that therefore it is reasonable to use the consumer price index to deflate this expenditure.

6.28 Due to the broad assumptions applied here, the estimates of the volume of procurement inputs should be treated with caution. However, this expenditure

Table 6.5
Adult social care, volume of independent care inputs 1996–2004

United Kingdom

Index 1996 = 100 Percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Average annual growth
Expenditure	100.0	109.4	119.9	134.5	163.1	180.4	212.1	250.0	283.9	*13.9*
Deflator	100.0	102.9	107.2	114.8	119.8	122.3	131.9	142.2	149.5	*5.2*
Independent care inputs	100.0	106.3	119.9	117.1	136.1	147.5	160.8	175.8	189.9	*8.3*
Growth in independent care inputs		*6.3*	*5.3*	*4.7*	*16.2*	*8.4*	*9.0*	*9.3*	*8.0*	

Source: ONS

Table 6.6
Adult social care, volume of other procurement inputs 1996–2004

United Kingdom

Index 1996 = 100 Percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Average annual growth
Expenditure	100.0	102.4	105.2	110.0	110.5	112.3	117.8	125.9	132.6	*3.6*
Deflator	100.0	101.8	103.4	104.8	105.6	106.9	108.3	109.8	111.2	*1.3*
Other procurement inputs	100.0	100.6	101.8	104.9	104.6	105.1	108.8	114.7	119.2	*2.2*
Growth in other procurement inputs		*0.6*	*1.2*	*3.1*	*-0.3*	*0.4*	*3.5*	*5.4*	*4.0*	

Source: ONS

accounts for only a small amount of total government expenditure (less than 3 per cent in 2004) and so has little effect on the overall pattern of changes in inputs. Table 6.6 shows the deflated estimates of other procurement inputs.

Capital consumption or capital services

6.29 Capital expenditure consists of the purchase of items that last more than one year, such as buildings, machinery and vehicles. Including the entire value of expenditure in the year in which the item was purchased would not reflect the contribution to ASC output in the year. The National Accounts are primarily concerned with the capital consumption measure, which constitutes a measure for accruing the cost of capital assets over their lifetime.

6.30 An estimate using National Accounts data on health and social care has been used to deflate capital consumption. This series is not ideal in that it is not specific to ASC. However, the estimates for capital consumption form a very small share of total expenditure and so any series used will not alter the overall inputs series greatly. Table 6.7 shows the deflated estimates of capital consumption.

6.31 *The Atkinson Review* recommends using capital services rather than capital consumption as the appropriate measure of capital inputs. However, ONS does not produce a separate measure of capital services for adult social care. Given the very small proportion of expenditure estimated to come from capital consumption, not using capital service estimates is unlikely to affect the overall volume of inputs significantly.

Adult social care volume of inputs

6.32 Combining the various estimates for the different parts of inputs together gives an overall measure of the total volume of inputs. This is shown in Figure 6.3. It is possible to generate two different estimates of the growth in inputs volumes as we have two estimates of the growth in labour inputs. However, the two estimates are very similar and therefore choosing one or the other has only a marginal effect on inputs growth or productivity. Throughout the rest of this article only the direct labour estimate is used.

6.33 Growth due to purchased services from independent providers is always positive. In many years this is

Table 6.7
Adult social care, volume of capital consumption inputs 1996–2004

United Kingdom

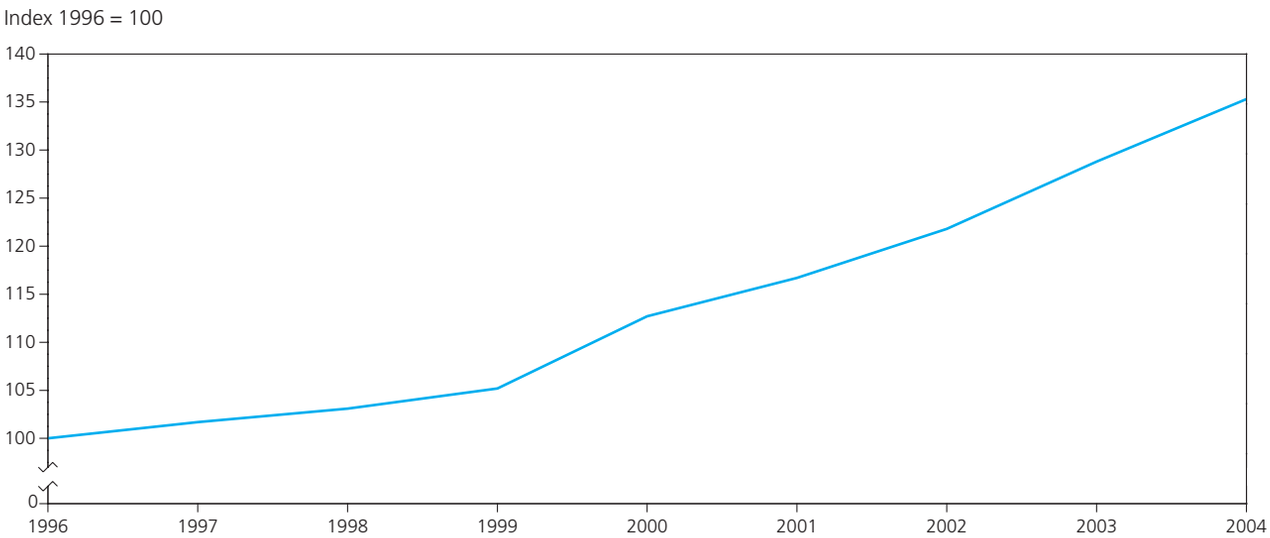
Index 1996 = 100 Percentages

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Average annual growth
Expenditure	100.0	106.5	113.0	119.6	134.8	139.1	156.5	169.6	184.8	*8.0*
Deflator	100.0	97.6	97.7	104.7	106.0	99.8	98.4	115.4	115.4	*1.8*
Capital inputs	100.0	109.1	115.7	114.2	127.2	139.4	159.1	146.9	160.1	*6.1*
Growth in capital inputs		*9.1*	*6.1*	*–1.3*	*11.4*	*9.6*	*14.1*	*–7.6*	*9.0*	

Source: ONS

Figure 6.3
Adult social care, volume of inputs, 1996–2004

United Kingdom



Source: ONS

partially offset by a decrease in labour inputs. The net result is positive growth in every year. Capital consumption and other procurement make very little contribution to the growth in overall inputs. Using the direct or the deflated paybill measures for labour inputs makes little difference to the overall measure.

6.34 In Section 4 possible methods for adjusting output estimates for quality were discussed. In this section the need for measuring quality changes in inputs is also briefly discussed. In order to maintain comparability, investigations into quality changes for both output and inputs will be necessary.

7 Estimates of adult social care productivity

7.1 This section discusses the productivity picture that emerges as a result of the input and output changes introduced earlier in this article in Sections 3 to 6. These have been used to make estimates of the change in productivity of ASC from 1996 to 2004. The calculation of change in productivity is the ratio of the change in output to change in input:

$$\text{change in ASC productivity} = \frac{\text{change in volume of ASC output}}{\text{change in volume of ASC inputs}}$$

7.2 It is important to realise what the estimates of productivity do and do not tell us. The calculation here is based on National Accounts definitions and primarily aims to estimate changes in the efficiency of ASC. That is, it provides an estimate of the extent to which the inputs are being allocated to produce more output. The measure does not estimate whether government is getting the best prices for its inputs as price changes are removed in the deflation process.

7.3 Figure 7.1 shows the output series as used in the National Accounts and the inputs series. Since 1998, the estimate of inputs grows faster than the output estimate. As inputs have grown more quickly than output, the productivity of ASC using these estimates has declined, as shown in Figure 7.2. The average fall in productivity from 1996 to 2004 is estimated at 1.6 per cent per year.

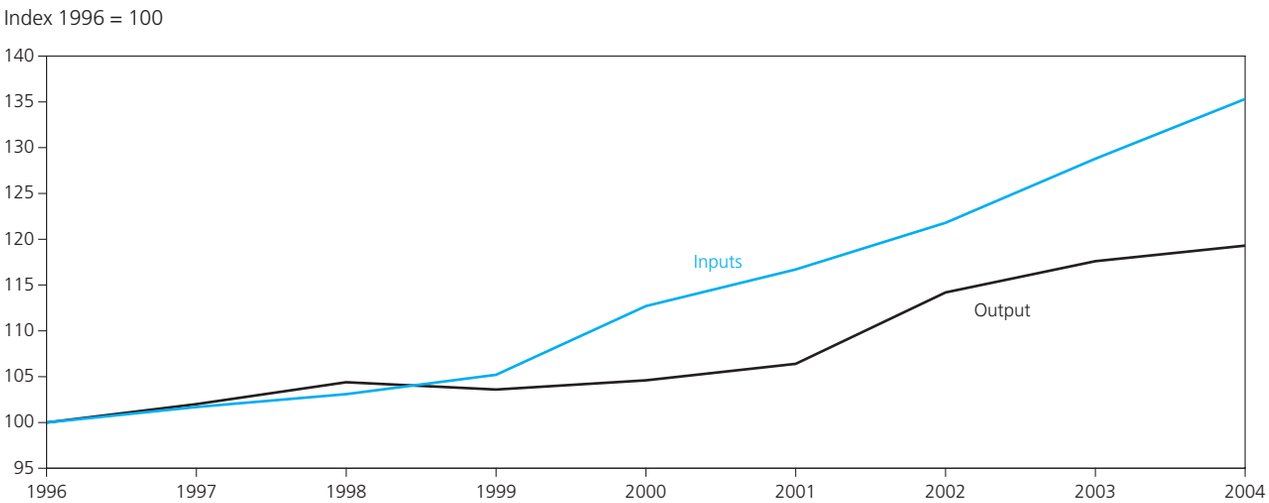
7.4 The methods used to generate the productivity estimates have a number of weaknesses and so the estimates presented in Figure 7.2 must be treated with caution. These shortcomings are of three general types: quality, source data, and complex interactions, and they reduce the confidence which should be placed on the estimates. ONS will continue to work with DH and the Devolved Administrations to address these shortcomings.

7.5 The quality issues are the most important shortcomings and are discussed throughout this article. The output measure currently used is based largely on the numbers of people receiving services. Changes in the average level of demand from service users, their average level of need, will not be registered by the current measure nor will changes in the average quality of the care supplied. Similarly, in the inputs calculations, the deflator series used are at present unable to separate changes in prices from changes in quality. Much further work is needed to investigate these changes.

7.6 There are also limitations in the coverage of the source data used. The output measure only covers England rather than the whole of the UK. It does capture most English activity but will need to be monitored to check that coverage remains adequate. On the inputs side, various assumptions have been made, most importantly to estimate the expenditure on purchased services. Further work is needed to give a more detailed breakdown on expenditure.

Figure 7.1
Adult social care: estimates of output and inputs 1996–2004

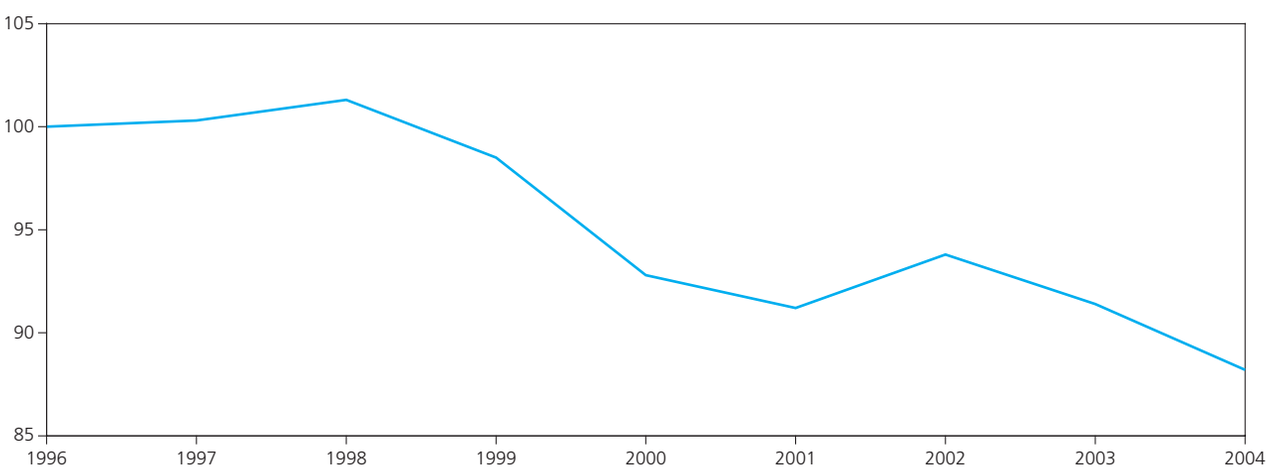
United Kingdom



Source: ONS

Figure 7.2
Adult social care productivity 1996–2004

United Kingdom



Source: ONS

7.7 There are also difficulties in measuring ASC due to interactions with other sectors. Service users receive much of their care from their families, friends and neighbours, but the current output measures do not estimate the effects of ASC on carers. Also, policy changes in other sectors, in particular health, will have impacts on social services, and considerable further study would be needed to fully understand these.

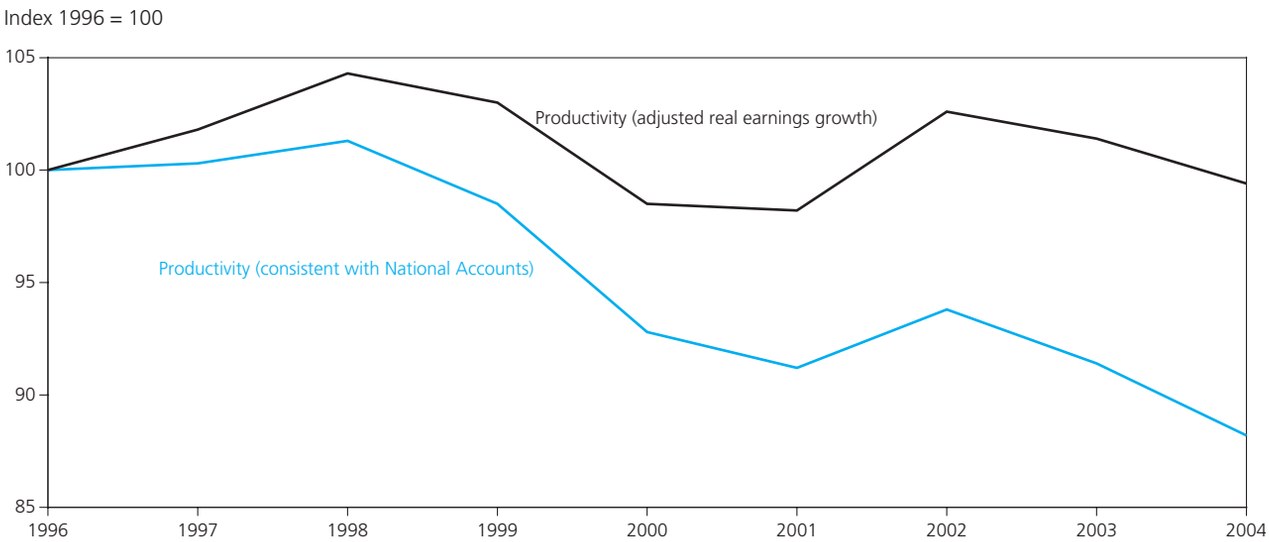
7.8 Policy changes can also create 'noise' in the data which makes interpreting changes more difficult. In the outputs section the issue of 'preserved rights' is discussed. This change produces a large increase in the output measure but no real change to service recipients. This should be matched by a corresponding increase in expenditure, but it is impossible to determine if the two effects are fully cancelled out in the productivity calculation. The introduction of free nursing care in 2003 moved costs from local authorities to the NHS, but again with generally no impact on publicly funded service users. The amount of expenditure reported by local authorities will have changed though, causing a distortion in the calculations.

Incorporating the real earnings adjustment

7.9 Also discussed in the output section is the possibility of adjusting output to allow for changes in the level of real earnings and a figure of 1.5 per cent per year was suggested to allow for this. The effects that including the real earnings adjustment as well as the CfB adjustment have on the productivity estimates are shown in

Figure 7.3
Adult social care productivity including real earnings adjustment: 1996–2004

United Kingdom



Source: ONS

Figure 7.3. The net effect of the adjustment is to lift the productivity growth from an average annual decline of 1.6 per cent to one of 0.1 per cent.

7.10 It is clear that the productivity growth picture is dependent on the assumptions and methodology used and that therefore none of the estimates in this article should be treated as definitive. ONS will continue to work to improve its estimates of output, inputs and productivity.

8 Triangulation

8.1 The productivity figures presented in this article and the output and input series upon which they are based are the best that can be produced given the data currently available. The article draws attention to the weaknesses and areas of uncertainty in these estimates. In this section we look to alternative sources of evidence on the performance of ASC to see if these support or contradict the productivity story described earlier and to provide alternative views on changes in performance.

Changes in output

8.2 The estimate of output presented in Section 3 indicates a general rise in output. Early results from PSSRU research suggest that, at least for older people in care homes, the rise in output underestimates the real output change as the average level of need has grown. In this section we see if there is any independent evidence to support this picture. The investigation focuses on older people in care homes as this is the group for which early PSSRU estimates are available.

8.3 The demand for social care will be affected by changes in demographics. An increase in the number of older people should increase the demand for social care.

Table 8.1 shows the extent of the rise in the numbers of older people. In particular, the table shows that rises among the oldest sections of society have been large. The oldest sections of society are most likely to need and receive care home services; Table 8.2 shows the percentage of different age groups receiving care home services. These data include all care homes, not only those funded by government.

Table 8.1
Population growth: older people

United Kingdom Thousands and percentages

	Over 65	Over 85	Over 90
1996	9,223	1,028	317
2004	9,580	1,112	409
Growth per cent	*3.9*	*8.2*	*29.0*

Source: ONS

Table 8.2
Percentage of people receiving home care services by age group

United Kingdom Percentages

Age	60–64	65–74	75–84	84–89	90 and over
Men	*0.4*	*0.7*	*2.5*	*8.0*	*16.9*
Women	*0.3*	*0.8*	*4.3*	*14.3*	*29.4*

Source: Department of Health

8.4 An additional factor to consider is that demand for social care would be reduced if older people had fewer long-term illnesses or disabilities that would lead them to require social care. Table 8.3 shows the percentage of people reporting limiting longstanding illnesses in the ONS General Household Survey. The data are quite volatile: for example, 2001 and 2003 indicate similar levels of limiting longstanding illnesses while in 2002 there is a large increase. It is perhaps safest to conclude that there is no evidence of a significant increasing or decreasing trend.

Table 8.3
Limiting longstanding illness by age group[1]

United Kingdom Percentages

	1998	2000	2001	2002	2003	2004
65–74	*37*	*37*	*36*	*41*	*37*	*33*
75 and older	*50*	*47*	*46*	*53*	*44*	*46*

1 No data are available for 1999.

Source: ONS

8.5 Taken together, the information from demographics suggests that demand should have risen over the period studied and probably by considerably more than the estimates used in this article suggest. Other changes may, however, have reduced the demand on publicly funded care home provision. As public provision of care home services is means tested, it may be that older people have become wealthier and are therefore more likely to be paying for their own care. Additionally, government policy will affect the amount of provided care services.

8.6 Current government policy, as laid out in '*modernising social services, promoting independence, improving protection, and raising standards*' (DH, 1998) is to support people in their own homes as long as possible and to concentrate services on those with greatest needs. The effect of this policy should be to reduce the effects of an ageing population on demand for care home places. Indeed, the number of publicly supported people over 65 being admitted to care homes has decreased from 10.9 per thousand older people in 2000/01 to 9.8 in 2003/04 (CSCI, 2005). This policy suggests that the numbers of people receiving care home services should have risen by less than population movements alone suggest.

8.7 The other effect of this policy comes from the concentration of services on those with greatest need. This means that the average need of care home residents should also have risen over this period as the PSSRU research suggests.

8.8 The effects of this policy are also seen in home care. Between September 2000 and September 2004 the number of households receiving home care services fell by 11 per cent but the total number of contact hours rose by 21 per cent. Services are therefore being concentrated on fewer people but these have greater needs. This suggests that PSSRU should find an increasing CfB among older home care service users too.

Changes in quality

8.9 It is suggested in Section 4 that output also needs to be adjusted for quality changes. One possible source of data for care homes is performance against national minimum standards as reported by the Commission for Social Care Inspection. CSCI (2005) points out some weaknesses in the standards which make them less applicable as a set as quality adjustments. For example, they concentrate on inputs and processes rather than outcomes, look to ensure minimum standards are met rather than driving improvement, and their scoring system can be difficult to interpret.

8.10 Tables 8.4 and 8.5 show how overall performance has improved against these standards since they were introduced in 2002. This suggests that any quality adjustments developed are likely to show improvements in the quality of care home provision.

8.11 However, as can be seen, the improvement from 2002/03 to 2003/04 was very marked and may well have more to do with the introduction of new standards rather than real changes in the quality of outcomes for service users. A further note of caution is sounded by CSCI in its analysis of the individual standards which have improved most and least. It finds that there has been little improvement in some of the standards which matter most to people such as ensuring safe working practices, and managing medication appropriately and safely.

Table 8.4
National minimum standards: percentage of standards met by client group

England Percentages

	2002/03	2003/04	2004/05
Older people	*59*	*71*	*72*
People with a learning disability	*63*	*74*	*76*
People with mental ill health	*59*	*73*	*75*
People with a physical or sensory disability	*67*	*74*	*76*

Source: CSCI

Table 8.5
National minimum standards: percentage of homes meeting more than 90 per cent of standards by client group

England Percentages

	2002/03	2003/04	2004/05
Older people	*7*	*20*	*23*
People with a learning disability	*10*	*25*	*28*
People with mental ill health	*9*	*23*	*26*
People with a physical or sensory disability	*15*	*27*	*27*

Source: CSCI

8.12 PSSRU researchers are using data on national minimum standards to estimate quality changes for care homes, but they will use a subset of the standards which should be more closely related to the changes in quality we wish to measure.

8.13 An alternative source of quality information is star ratings. Star ratings for each local authority in England have been published since 2002. These combine a variety of qualitative and quantitative measures of performance into a single rating. The measures are unlikely to be useful in providing quality adjustments for the output measure used in this article as they:

- are focused on the actions of the authority rather than the care provider, though they do include criteria on the quality of outcomes
- look into aspects of performance such as fair access and application of national policies that lie outside a productivity measure
- measure many individual criteria rather than attempt to achieve an overall measure
- cover services for children as well as adults

8.14 Indeed, given the focus of star ratings as outlined above, it is perhaps not surprising that CSCI reports that "there is statistically no correlation between a council's star rating and the performance of local services" (CSCI, 2005).

8.15 The performance of councils against these criteria is presented in Figure 8.1. This shows constant increases in councils receiving the best marks (2 or 3 stars) and decreases in those receiving lower marks.

Conclusion

8.16 The evidence considered in this section broadly supports some of the findings of the article: output (at least for older people) should have risen, though by less than population movements alone suggest; and the CfB among older people in care homes should also have risen as the PSSRU research suggests.

8.17 In addition, the evidence presented here suggests that the average level of needs of older people in home care is likely to have risen. Also there are some indications that quality may have risen too.

9 Next steps

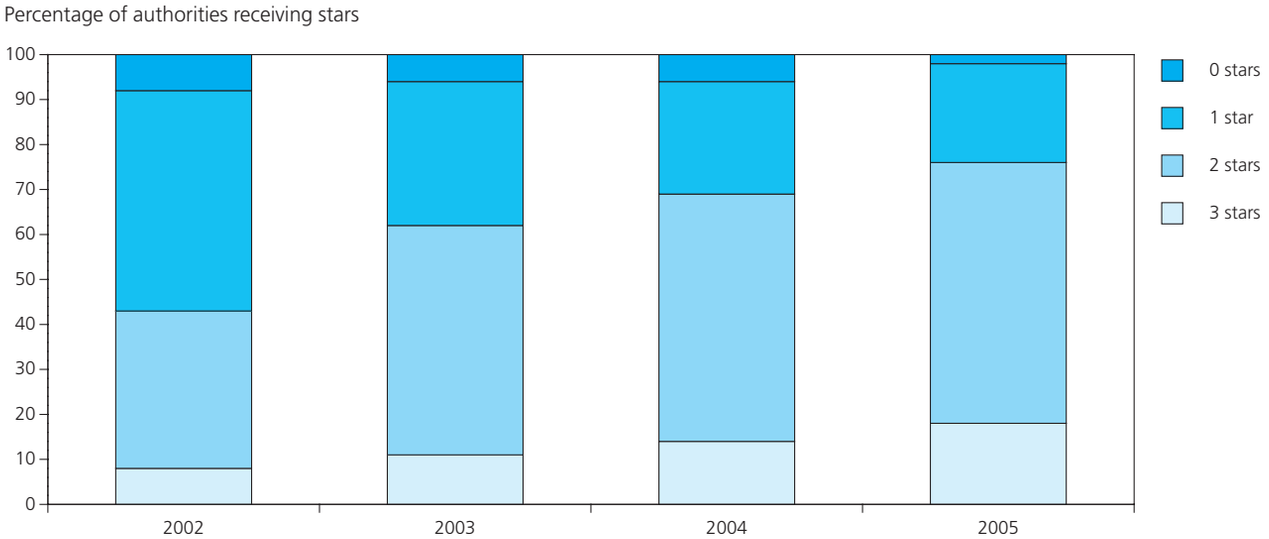
9.1 This article has presented a first analysis of changes in the productivity of publicly funded ASC services based on measures in the National Accounts. It has explained the limitations of the estimates due to the data sources, methods and assumptions used.

9.2 ONS will continue to work with DH and the Devolved Administrations to improve the accuracy of the estimates of the output, inputs and productivity of ASC. The development agenda will include:

- building on the framework proposed by PSSRU to produce estimates of changes in the level of need and the quality of services which cover a wider proportion of ASC services and client groups
- investigating whether the activities covered by the output measure need to be revised in the light of developments such as Supporting People
- working with the Devolved Administrations to expand coverage of the output measure to the whole of the UK

Figure 8.1
Local authority star ratings 2002–2005

England



Source: CSCI

- developments to improve estimates of the changes in inputs
- using wider evidence to corroborate estimates of output, input and productivity
- in the longer term, investigating the effects of the interactions between ASC, households and other government services

9.3 Before any fundamental changes to methodology, ONS, working with DH, will set up consultation seminars to bring together relevant experts to discuss the key issues. For example, wider consultation will be required on: using estimates of CfB to adjust for changing levels of need; adjustments to reflect changes in service quality; and in particular adjusting the value of ASC in line with real earnings growth in the economy.

Notes

1 General government final consumption expenditure (GGFCE) is the value of the goods and services produced by government and the value of goods and services purchased by government for supply to households, other than those sold.

2 Writing this article has benefited from the advice of a Quality Assurance Panel, chaired by Moira Gibb, Chief Executive, Camden Council. Members of the Board are Raphael Wittenberg, Economic Advisor, Department of Health; James Mahon, Commission for Social Care Inspection (CSCI); Professor Howard Glennerster, London School of Economics; David Caplan, National Accounts Coordination Division; Amanda Tuke, Deputy Director of the UK Centre for the Measurement of Government Activity (UKCeMGA); and Geoff Tily, Economic Advisor at ONS. ONS gratefully acknowledges this help and assistance, but takes final responsibility for the contents of this article.

3 For example if government provides 100 weeks of care but individual contributions amount to 20 per cent of the cost of this then government output is 80 weeks of care.

4 For example if we are measuring two activities A and B and the expenditure on them is £7 million and £3 million respectively, then A will have a weight of 70 per cent and B 30 per cent in the overall series.

5 Preserved rights were a legacy arrangement following the "NHS and Community Care Act" in 1990.

6 While the changes to the funding arrangements of preserved rights recipients does produce a real increase in the output of adult social services, for the service recipients nothing changed – they still received the same services in the same establishments. There is therefore no change to the overall economy resulting from this change of funding. In the National Accounts this change represents a shift from household to general government final consumption.

7 This differs from Figure 2.1 shown earlier which showed the number of residential care weeks for older people only. Figure 3.3 shows growth rates in residential care weeks for all adults.

8 The OPUS study did not provide a full set of relative values so assumptions were needed to establish values for 'accommodation cleanliness, order and accessibility' and 'employment and occupation'.

9 Expenditure data are from RO3 returns up to 2000 and PSS EX1 returns after this. Activity data are from CIPFA returns up to 2000 and PSSEX1 after this except for home care data which is from HH1 Returns.

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Data

More detailed information underlying many of the figures is shown in the web version of this article, available at www.statistics.gov.uk/articles/nojournal/Public_Public_Service_Productivity_Adult_Social_Care_4_April_06.pdf

Glossary terms

Adult social care (ASC): Government funded care services for adults.

Blue Book (BB): The short name for the annual publication United Kingdom National Accounts: The Blue Book.

Capital: Capital assets are those which contribute to the productive process over periods longer than a year.

Commission for Social Care Inspection (CSCI): Independent public body set up under the Care Standards Act 2000 to regulate social care and private and voluntary health care services throughout England.

Deflation: The technique used to change figures from nominal terms (current prices) into real terms (constant prices or volume terms).

Devolved Administrations (DA): Scottish Executive for Scotland, the Welsh Assembly Government for Wales and the Northern Ireland Civil Service.

Intermediate consumption: The consumption of goods and services in the production process.

Inputs: Resources used by ASC.

Labour: The people employed in ASC.

National Accounts (NA): The economic accounts of the nation. They detail the production processes, the sector accounts showing, for example, the income, expenditure, saving and financial transactions and balance sheets of each sector, and estimates of gross domestic product.

QA Panel: Quality Assurance Panels set up to review UKCeMGA's productivity articles.

Output: What is produced (by ASC) in combining various inputs to achieve overall outcomes.

Productivity: Defined as the ratio of a volume measure of output to a volume measure of input.

Tables

1. Summary

2. UK Economic Accounts

3. Prices

4. Labour market

5. Selected output and demand indicators

6. Selected financial statistics

Notes to tables

Identification codes

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

Currency of data

All data in the tables and accompanying charts are current, as far as possible, to 3 July 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 seaonally adjusted; those not seasonally adjusted are indicated by the abbreviation NSA.

Money

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

M0
This is the narrowest measure and consists of notes and coins in circulation outside the Bank of England and bankers' operational deposits at the Bank.

M4
This comprises notes and coin in circulation with the public, together with all sterling deposits (including certificates of deposit) held with UK banks and building societies by the rest of the private sector.

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

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

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

Billion denotes one thousand million.

Symbols used

.. not available

- nil or less than half the final digit shown

+ a series for which measures of variability are given on page 133

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

* average (or total) of five weeks

National Statistics Online

www.statistics.gov.uk

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

Time Series Data

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

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

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

1.1 Selected monthly indicators[1]

Seasonally adjusted unless otherwise stated

		2004	2005	2005 Q2	2005 Q3	2005 Q4	2006 Q1	2005 Nov	2005 Dec	2006 Jan	2006 Feb	2006 Mar	2006 Apr	2006 May
Output - chained volume measures (CVM) (2003 = 100 unless otherwise stated)														
Gross value added at basic prices *(2.1, 2.8)*	CGCE	103.3†	105.2	105.0†	105.4	106.1	106.9	..	..	..	..	..	..	..
Industrial production *(2.8, 5.1)*	CKYW	100.8†	99.0	99.5†	98.7	98.0	98.8	98.1†	98.5	98.8	98.4	99.1	98.6	..
Oil and gas extraction *(5.1)*	CKZO	91.6†	82.7	86.5†	79.0	79.3	79.7	78.7†	79.1	81.3	79.3	78.5	78.0	..
Manufacturing *(2.8, 5.1)*	CKYY	102.0†	100.9	100.9†	101.1	100.2	101.1	100.2†	100.6	100.9	100.8	101.5	101.3	..
Construction *(2.8)*	GDQB	104.0†	105.4	106.3†	104.8	104.5	105.4	..	..	..	..	..	..	..
Car production (thousands) *(5.3)*	FFAO	137.2	133.0	130.4	135.5	127.8	124.3	131.2	125.5	121.1	124.5	127.2†	127.2	122.7
Domestic demand														
Retail sales volume (2000 = 100) *(5.8)*	EAPS	123.2	125.7	125.2†	125.7	127.7	127.0	127.8	128.5	126.4†	126.7	127.8	128.6	129.3
GB new registrations of cars ('000s)[2] *(5.8)*	BCGT	2 598.8	2 443.3	594.4	677.1	473.9	661.7	160.8	159.2	154.0	74.8	432.9	..	..
Manufacturing: change in inventories (£m CVM, reference year 2003) *(5.6)*	DHBM	–903†	740	–160	–109	509	410†	..	..	..	..	..	..	..
Prices (12 monthly % change) and earnings (3 month average)														
Consumer prices index[2] *(3.1)*	D7G7	*1.3*	*2.1*	*2.0*	*2.4*	*2.1*	*1.9*	*2.1*	*1.9*	*1.9*	*2.0*	*1.8*	*2.0*	*2.2*
Retail prices index[2] *(3.1)*	CZBH	*3.0*	*2.8*	*3.0*	*2.8*	*2.4*	*2.4*	*2.4*	*2.2*	*2.4*	*2.4*	*2.4*	*2.6*	*3.0*
Retail prices index[2] (less MIPS)[3] *(3.1)*	CDKQ	*2.2*	*2.3*	*2.2*	*2.4*	*2.3*	*2.2*	*2.3*	*2.0*	*2.3*	*2.3*	*2.1*	*2.4*	*2.9*
Producer output prices (less FBTP)[4]	EUAA	*1.9*	*2.1*	*2.4*	*2.2*	*1.5*	*1.9*	*1.3*	*1.8*	*1.7*	*1.9*	*2.0*	*2.2*	*2.4*
Producer input prices[5]	EUAB	*3.9*	*11.8*	*9.8*	*12.9*	*13.6*	*14.5*	*13.7*	*18.2*	*15.0*†	*15.0*	*13.0*	*15.0*	*13.9*
GB average earnings - whole economy[6] *(4.6)*	LNNC	..	..	*4.1*	*4.1*	*3.6*	*4.2*	*3.4*	*3.6*	*3.5*	*4.1*	*4.2*	*4.4*	..
Foreign trade[7] (2003 = 100 volumes unless otherwise stated)														
UK balance on trade in goods (£ million) *(2.13)*	BOKI	–60 893†	–67 298	–15 594†	–17 766	–17 899	–19 602	–6 334†	–6 375	–6 713	–7 181	–5 708	–5 750	..
Non-EU balance on trade in goods (£ million)	LGDT	–30 166†	–31 250	–6 462†	–8 302	–8 650	–10 085	–3 057†	–3 293	–3 825	–3 472	–2 788	–3 373	..
Non-EU exports of goods (excl oil & erratics)	SHDJ	104.6†	119.8	124.2†	123.1	126.2	128.4	123.7†	126.3	122.9	128.7	133.7	119.8	..
Non-EU imports of goods (excl oil & erratics)	SHED	111.5†	116.8	117.6†	115.9	120.3	124.2	118.1†	127.0	119.8	128.4	124.4	126.1	..
Non-EU imports price index (excl oil)	LKWQ	97.7†	101.2	100.1†	102.2	103.6	104.8	104.0†	103.7	103.9	105.1	105.3	105.2	..
Non-EU exports price index (excl oil)	LKVX	98.9†	100.6	100.1†	100.9	101.8	102.8	101.9†	101.9	102.1	102.9	103.3	103.4	..
Labour market and productivity (2003 = 100 unless otherwise stated)														
UK claimant unemployment (thousands) *(4.4)*	BCJD	853.5	861.8	852.2	871.6	900.1	922.6	901.3	907.9	905.1	925.0	937.8	945.1†	950.9
UK employees in manufacturing (thousands) *(4.4)*	YEJA	3 255	3 132	3 132	3 106	3 081†	3 049	3 086	3 081†	3 065	3 057	3 049	3 048	..
Whole economy productivity[8] *(4.7)*	LNNN	103.8	104.7	104.5	104.6	105.3	..	..	..	..	..	..	..	..
Manufacturing productivity[8] *(4.7)*	LNNX	110.9	113.6	108.7†	109.7	109.4	111.5	109.4†	110.0	111.0	111.1	112.3	112.3	..
Unit wage costs - whole economy *(4.7)*	LNNK	103.6	106.5	106.3	106.7	107.2	..	..	..	..	..	..	..	..
Unit wage costs - manufacturing *(4.7)*	LNNQ	96.8	97.9	96.6†	97.4	98.9	98.7	99.9†	99.9	99.5	100.2	99.7	100.5	..
Financial markets[2]														
Sterling ERI (1990=100) *(6.1)*	AGBG	104.1	103.3	104.3	102.9	103.2	102.5	103.2	103.3	102.7	102.8	102.1	101.9	104.1
Average exchange rate /US $ *(6.1)*	AUSS	1.8320	1.8197	1.8559	1.7844	1.7481	1.7528	1.7341	1.7462	1.7678	1.7470	1.7435	1.7685	1.8702
Average exchange rate /Euro[9] *(6.1)*	THAP	1.4739	1.4629	1.4744	1.4635	1.4706	1.4570	1.4719	1.4725	1.4582	1.4637	1.4500	1.4402	1.4637
3 month inter-bank rate[10] *(6.8)*	HSAJ	4.81	4.57	4.69	4.52	4.57	4.54	4.55	4.57	4.52	4.51	4.54	4.60	4.66
3 month US Treasury bills rate[11] *(6.8)*	LUST	2.18	3.92	3.06	3.47	3.92	4.52	3.86	3.92	4.37	4.51	4.52	4.66	4.74
Monetary conditions/government finances														
M0 (year on year percentage growth) *(6.2)*	VQMX	*6.0*	*5.1*	*4.3*	*5.4*	*5.2*	*6.5*	*5.5*	*4.7*	*6.6*	*6.2*	*6.7*	*7.5*	..
M4 (year on year percentage growth) *(6.2)*	VQJW	*8.5*	*11.4*	*10.6*†	*11.6*	*12.8*	*12.6*	*12.3*	*12.9*†	*12.2*	*12.5*	*12.4*	*13.1*	..
Public sector net borrowing (£ million)[2] *(6.5)*	-ANNX	38 397	42 167†	15 196†	7 462	18 574	–2 003	10 355†	9 111	–12 023	1 291	8 729	238	10 044
Net lending to consumers (£ million)(broader) *(5.8)*	RLMH	22 922†	17 097	4 501†	3 505	3 230	2 828	809†	1 179	1 246	1 303	433	816	1 225

		2005 Jun	2005 Jul	2005 Aug	2005 Sep	2005 Oct	2005 Nov	2005 Dec	2006 Jan	2006 Feb	2006 Mar	2006 Apr	2006 May	2006 Jun
Activity and expectations														
CBI output expectations balance[2]	ETCU	–5	6	3	6	2	–4	–4	1	10	13	12	10	14
CBI optimism balance[2]	ETBV	..	–16	..	..	–21	..	..	–14	..	..	–2	..	..
CBI price expectations balance	ETDQ	–4†	–9	–7	–5	–3	–1	–1	5	4	8	9	1	10
New engineering orders (2000 = 100) *(5.2)*	JIQH	79.2	77.4†	86.2	79.9	78.0	77.2	79.9	72.1	84.4	71.3	79.3	..	..

1 Numbers in brackets after series' titles refer to tables in which they appear.
2 Not seasonally adjusted.
3 MIPS: mortgage interest payments.
4 FBTP: food, beverages, tobacco and petroleum.
5 Includes the climate change levy introduced in April 2001, and the aggregates levy introduced in April 2002.
6 The three-month average is the percentage change in the average seasonally adjusted indices for the latest three months compared with the same period a year earlier.
7 All non-EU figures exclude Austria, Finland and Sweden.
8 Output per filled job.
9 Before 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.

2.1 National accounts aggregates

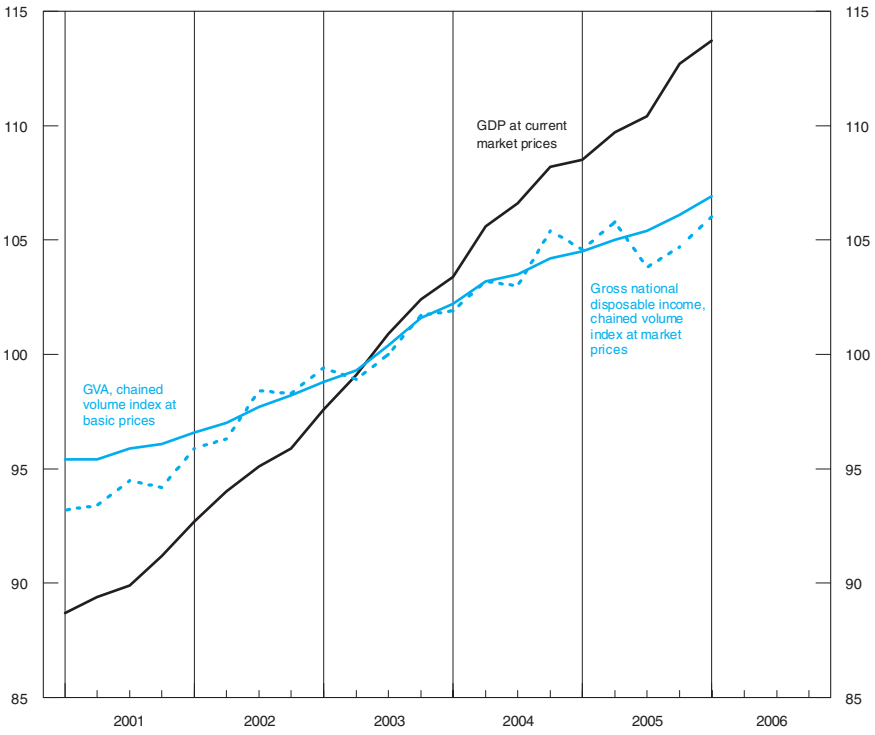
	£ million		Indices (2003 = 100)						
	At current prices		Value indices at current prices		Chained volume indices			Implied deflators[3]	
	Gross domestic product at market prices	Gross value added at basic prices	Gross domestic product at market prices[1]	Gross value added at basic prices	Gross domestic product at market prices	Gross value added at basic prices+	Gross national disposable income at market prices[2]	Gross domestic product at market prices	Gross value added at basic prices
	YBHA	ABML	YBEU	YBEX	YBEZ	CGCE	YBFP	YBGB	CGBV
2001	996 987†	882 753†	89.8†	89.6†	95.4†	95.7†	93.8†	94.1†	93.6†
2002	1 048 767	930 297	94.5	94.4	97.4	97.4	97.2	97.0	96.9
2003	1 110 296	985 558	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2004	1 176 527	1 044 165	106.0	105.9	103.3	103.3	103.4	102.6	102.6
2005	1 224 715	1 086 859	110.3	110.3	105.2	105.2	104.7	104.9	104.8
2001 Q1	246 345†	217 972†	88.7†	88.5†	95.0†	95.4†	93.2†	93.4†	92.7†
Q2	248 058	219 362	89.4	89.0	95.1	95.4	93.4	94.0	93.3
Q3	249 447	220 955	89.9	89.7	95.7	95.9	94.5	93.9	93.5
Q4	253 137	224 464	91.2	91.1	96.0	96.1	94.2	95.0	94.8
2002 Q1	257 368	228 051	92.7	92.6	96.5	96.6	95.9	96.1	95.8
Q2	261 028	231 626	94.0	94.0	97.1	97.0	96.3	96.9	96.9
Q3	264 049	234 316	95.1	95.1	97.8	97.7	98.4	97.3	97.3
Q4	266 322	236 304	95.9	95.9	98.3	98.2	98.3	97.6	97.6
2003 Q1	270 918	240 577	97.6	97.6	98.8	98.8	99.4	98.8	98.8
Q2	275 130	244 438	99.1	99.2	99.3	99.3	98.9	99.8	99.9
Q3	280 024	248 520	100.9	100.9	100.4	100.4	100.0	100.5	100.5
Q4	284 224	252 023	102.4	102.3	101.5	101.6	101.7	100.9	100.7
2004 Q1	286 975	254 169	103.4	103.2	102.2	102.2	101.9	101.1	100.9
Q2	293 120	260 148	105.6	105.6	103.1	103.2	103.2	102.4	102.4
Q3	295 998	262 789	106.6	106.7	103.5	103.5	103.0	103.0	103.0
Q4	300 434	267 059	108.2	108.4	104.1	104.2	105.4	103.9	104.0
2005 Q1	301 181	267 335	108.5	108.5	104.4	104.5	104.6	104.0	103.9
Q2	304 412	270 116	109.7	109.6	104.9	105.0	105.8	104.5	104.4
Q3	306 376	271 366	110.4	110.1	105.4	105.4	103.8	104.8	104.5
Q4	312 746	278 042	112.7	112.8	106.0	106.1	104.7	106.2	106.4
2006 Q1	315 717	280 405	113.7	113.8	106.8	106.9	106.0	106.5	106.5
Percentage change, quarter on corresponding quarter of previous year[4]									
2001 Q1	*5.0*†	*5.3*†	*5.0*†	*5.3*†	*2.9*†	*3.0*†	*3.3*†	*2.1*†	*2.3*†
Q2	*4.6*	*5.0*	*4.6*	*5.0*	*2.2*	*2.1*	*3.1*	*2.3*	*2.8*
Q3	*4.1*	*4.5*	*4.1*	*4.5*	*2.3*	*1.9*	*3.0*	*1.8*	*2.5*
Q4	*4.7*	*5.1*	*4.7*	*5.1*	*2.0*	*1.5*	*3.8*	*2.6*	*3.6*
2002 Q1	*4.5*	*4.6*	*4.5*	*4.6*	*1.6*	*1.2*	*3.0*	*2.8*	*3.4*
Q2	*5.2*	*5.6*	*5.2*	*5.6*	*2.1*	*1.7*	*3.1*	*3.1*	*3.9*
Q3	*5.9*	*6.0*	*5.9*	*6.0*	*2.2*	*1.9*	*4.2*	*3.6*	*4.0*
Q4	*5.2*	*5.3*	*5.2*	*5.3*	*2.3*	*2.3*	*4.3*	*2.8*	*3.0*
2003 Q1	*5.3*	*5.5*	*5.3*	*5.5*	*2.3*	*2.3*	*3.7*	*2.9*	*3.2*
Q2	*5.4*	*5.5*	*5.4*	*5.5*	*2.3*	*2.3*	*2.6*	*3.0*	*3.1*
Q3	*6.1*	*6.1*	*6.1*	*6.1*	*2.7*	*2.7*	*1.6*	*3.2*	*3.2*
Q4	*6.7*	*6.7*	*6.7*	*6.7*	*3.3*	*3.4*	*3.5*	*3.3*	*3.2*
2004 Q1	*5.9*	*5.6*	*5.9*	*5.6*	*3.5*	*3.5*	*2.5*	*2.3*	*2.1*
Q2	*6.5*	*6.4*	*6.5*	*6.4*	*3.8*	*3.9*	*4.4*	*2.6*	*2.4*
Q3	*5.7*	*5.7*	*5.7*	*5.7*	*3.1*	*3.1*	*3.0*	*2.5*	*2.5*
Q4	*5.7*	*6.0*	*5.7*	*6.0*	*2.6*	*2.6*	*3.7*	*3.0*	*3.3*
2005 Q1	*5.0*	*5.2*	*5.0*	*5.2*	*2.1*	*2.2*	*2.6*	*2.8*	*2.9*
Q2	*3.9*	*3.8*	*3.9*	*3.8*	*1.7*	*1.8*	*2.5*	*2.1*	*2.0*
Q3	*3.5*	*3.3*	*3.5*	*3.3*	*1.8*	*1.8*	*0.8*	*1.7*	*1.4*
Q4	*4.1*	*4.1*	*4.1*	*4.1*	*1.8*	*1.8*	*–0.7*	*2.2*	*2.2*
2006 Q1	*4.8*	*4.9*	*4.8*	*4.9*	*2.3*	*2.3*	*1.4*	*2.4*	*2.5*

1 "Money GDP".
2 This series is only updated once a quarter, in line with the full quarterly national accounts dataset.
3 Based on chained volume measures and current price estimates of expenditure components of GDP.
4 For index number series, these are derived from less rounded figures than those shown in the table.

Source: Office for National Statistics; Enquiries: 020 7533 6031

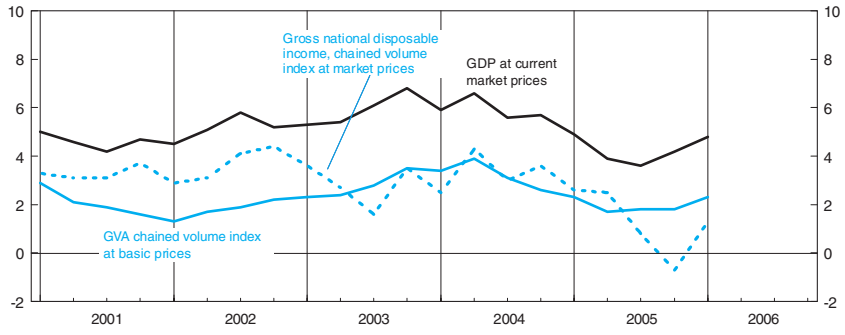
National accounts aggregates

Indices, 2003=100 seasonally adjusted



National accounts aggregates

Percentage change on a year earlier



2.2 Gross domestic product: by category of expenditure

Chained volume measures[1]

Reference year 2003, £ million

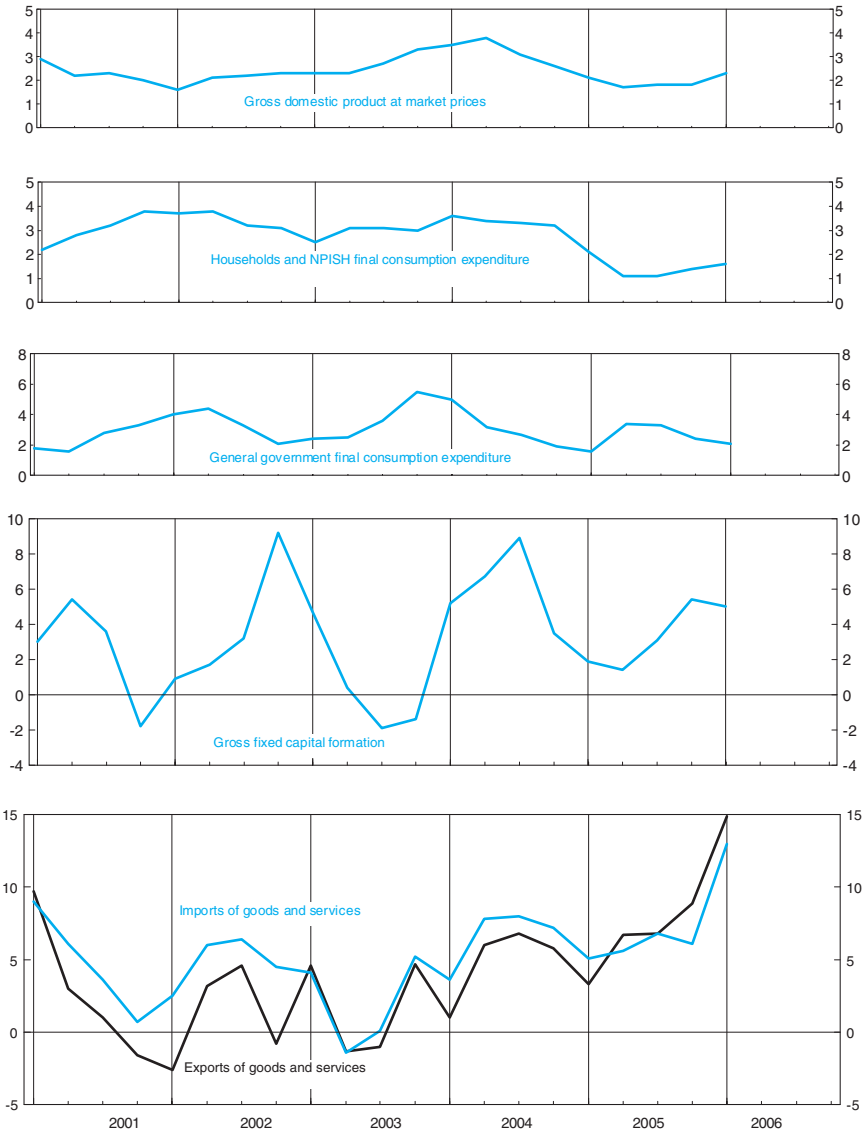
	Domestic expenditure on goods and services at market prices											
	Final consumption expenditure			Gross capital formation								
	Households	Non-profit institutions[2]	General government	Gross fixed capital formation+	Changes in inventories[3]	Acquisitions less disposals of valuables	Total	Exports of goods and services+	Gross final expenditure	*less* Imports of goods and services+	Statistical discrepancy (expenditure)	Gross domestic product at market prices
	ABJR	HAYO	NMRY	NPQT	CAFU	NPJR	YBIM	IKBK	ABMG	IKBL	GIXS	ABMI
2001	653 326†	27 155†	217 359†	171 639†	5 577†	342†	1 075 760†	277 694†	1 353 632†	294 449†	–	1 059 648†
2002	676 833	27 130	224 868	178 066	2 289	183	1 109 596	280 593	1 390 217	308 706	–	1 081 469
2003	697 160	27 185	232 699	178 751	3 983	–37	1 139 741	285 397	1 425 138	314 842	–	1 110 296
2004	721 434	27 327	240 129	189 492	4 597	–42	1 182 937	299 289	1 482 225	335 703	–†	1 146 523
2005	731 143	28 244	246 465	195 118	3 261	–353	1 203 878	318 641	1 522 519	355 619	893	1 167 792
2001 Q1	161 204†	6 873†	53 609†	42 555†	1 643†	–26†	265 928†	71 295†	337 389†	73 841†	–	263 631†
Q2	162 333	6 788	53 894	43 242	1 802	202	268 431	69 333	337 813	73 937	–	263 935
Q3	164 239	6 762	54 600	43 357	1 743	30	270 836	67 921	338 708	73 327	–	265 519
Q4	165 550	6 732	55 256	42 485	389	136	270 565	69 145	339 722	73 344	–	266 563
2002 Q1	167 588	6 762	55 756	42 927	1 047	66	274 166	69 440	343 608	75 709	–	267 948
Q2	168 803	6 756	56 288	43 981	385	48	276 273	71 533	347 850	78 367	–	269 392
Q3	169 715	6 793	56 429	44 765	511	62	278 337	71 056	349 422	78 006	–	271 368
Q4	170 727	6 819	56 395	46 393	346	7	280 820	68 564	349 337	76 624	–	272 761
2003 Q1	171 828	6 843	57 099	44 934	–571	–8	280 285	72 662	352 958	78 836	–	274 119
Q2	174 146	6 779	57 684	44 161	–644	94	282 367	70 611	352 971	77 283	–	275 712
Q3	175 140	6 790	58 445	43 924	2 264	–68	286 503	70 334	356 830	78 089	–	278 748
Q4	176 046	6 773	59 471	45 732	2 934	–55	290 586	71 790	362 379	80 634	–	281 717
2004 Q1	178 197	6 830	59 969	47 256	–381	112	291 983	73 389	365 373	81 648	–†	283 725
Q2	180 362	6 805	59 530	47 102	1 050	–90	294 759	74 861	369 620	83 313	–	286 307
Q3	181 032	6 826	60 002	47 813	1 025	–96	296 603	75 097	371 700	84 300	–	287 400
Q4	181 843	6 866	60 628	47 321	2 903	32	299 592	75 942	375 532	86 442	–	289 091
2005 Q1	181 980	6 957	60 911	48 171	1 692	–158	299 554	75 808	375 361	85 816	172	289 718
Q2	182 287	7 020	61 532	47 750	519	86	299 193	79 871	379 065	88 008	216	291 273
Q3	182 748	7 104	61 954	49 306	1 108	–201	302 019	80 224	382 243	90 052	244	292 435
Q4	184 128	7 163	62 068	49 891	–58	–80	303 112	82 738	385 850	91 743	261	294 366
2006 Q1	184 731	7 241	62 161	50 568	1 617	–128	306 191	87 097	393 288	96 998	227	296 517
Percentage change, quarter on corresponding quarter of previous year												
2001 Q1	*2.1*	*3.9*†	*1.8*†	*3.0*†			*2.8*†	*9.7*†	*4.3*†	*9.0*†		*2.9*†
Q2	*2.9*	*0.6*	*1.6*	*5.4*			*3.2*	*3.0*	*3.1*	*6.1*		*2.2*
Q3	*3.4*	*–1.6*	*2.8*	*3.6*			*3.0*	*1.0*	*2.6*	*3.6*		*2.3*
Q4	*4.0*†	*–3.0*	*3.3*	*–1.8*			*2.7*	*–1.6*	*1.7*	*0.7*		*2.0*
2002 Q1	*4.0*	*–1.6*	*4.0*	*0.9*			*3.1*	*–2.6*	*1.8*	*2.5*		*1.6*
Q2	*4.0*	*–0.5*	*4.4*	*1.7*			*2.9*	*3.2*	*3.0*	*6.0*		*2.1*
Q3	*3.3*	*0.5*	*3.3*	*3.2*			*2.8*	*4.6*	*3.2*	*6.4*		*2.2*
Q4	*3.1*	*1.3*	*2.1*	*9.2*			*3.8*	*–0.8*	*2.8*	*4.5*		*2.3*
2003 Q1	*2.5*	*1.2*	*2.4*	*4.7*			*2.2*	*4.6*	*2.7*	*4.1*		*2.3*
Q2	*3.2*	*0.3*	*2.5*	*0.4*			*2.2*	*–1.3*	*1.5*	*–1.4*		*2.3*
Q3	*3.2*	*0.0*	*3.6*	*–1.9*			*2.9*	*–1.0*	*2.1*	*0.1*		*2.7*
Q4	*3.1*	*–0.7*	*5.5*	*–1.4*			*3.5*	*4.7*	*3.7*	*5.2*		*3.3*
2004 Q1	*3.7*	*–0.2*	*5.0*	*5.2*			*4.2*	*1.0*	*3.5*	*3.6*		*3.5*
Q2	*3.6*	*0.4*	*3.2*	*6.7*			*4.4*	*6.0*	*4.7*	*7.8*		*3.8*
Q3	*3.4*	*0.5*	*2.7*	*8.9*			*3.5*	*6.8*	*4.2*	*8.0*		*3.1*
Q4	*3.3*	*1.4*	*1.9*	*3.5*			*3.1*	*5.8*	*3.6*	*7.2*		*2.6*
2005 Q1	*2.1*	*1.9*	*1.6*	*1.9*			*2.6*	*3.3*	*2.7*	*5.1*		*2.1*
Q2	*1.1*	*3.2*	*3.4*	*1.4*			*1.5*	*6.7*	*2.6*	*5.6*		*1.7*
Q3	*0.9*	*4.1*	*3.3*	*3.1*			*1.8*	*6.8*	*2.8*	*6.8*		*1.8*
Q4	*1.3*	*4.3*	*2.4*	*5.4*			*1.2*	*8.9*	*2.7*	*6.1*		*1.8*
2006 Q1	*1.5*	*4.1*	*2.1*	*5.0*			*2.2*	*14.9*	*4.8*	*13.0*		*2.3*

1 Although estimates are given to the nearest £ million, they cannot be regarded as accurate to this degree.
2 Non-profit institutions serving households (NPISH).
3 This series includes a quarterly alignment adjustment.

Source: Office for National Statistics; Enquiries: 020 7533 6031

Gross domestic product: by category of expenditure

Chained volume measures, reference year 2003 Percentage change on a year earlier



2.3 Gross domestic product and shares of income and expenditure

£ million and percentages

	Gross domestic product at market prices (£ million)[1]	Gross final expenditure (£ million)	Percentage share of gross final expenditure: Final consumption expenditure: Household and NPISH	Final consumption expenditure: General government	Gross capital formation	Exports of goods and services	Percentage share of GDP by category of income: Gross operating surplus: Corporations[2]	Gross operating surplus: Other[3]	Compensation of employees	Mixed income	Taxes on production and imports
	YBHA	ABMF	IHXI	IHXJ	IHXK	IHXL	IHXM	IHXO	IHXP	IHXQ	IHXR
2002	1 048 767†	1 356 153†	*50.9*†	*15.6*	*13.0*	*20.4*†	*21.8*†	*3.0*	*56.0*†	*6.3*	*12.9*
2003	1 110 296	1 425 138	*50.8*	*16.3*	*12.8*†	*20.0*	*22.5*	*3.0*†	*55.6*	*6.2*†	*12.7*†
2004	1 176 527	1 510 196	*50.4*	*16.6*†	*13.2*	*19.8*	*23.1*	*2.9*	*55.2*	*6.1*	*12.7*
2005	1 224 715	1 590 317	*49.8*	*16.8*	*13.1*	*20.3*	*22.3*	*3.2*	*55.9*	*6.2*	*12.5*
2002 Q1	257 368†	333 269†	*51.1*†	*15.5*†	*12.8*	*20.5*†	*21.8*	*2.9*†	*55.9*†	*6.3*	*13.0*
Q2	261 028	339 504	*50.6*	*15.6*	*12.8*	*20.9*	*21.4*†	*3.5*	*56.0*	*6.3*	*12.9*†
Q3	264 049	341 212	*50.7*	*15.7*	*13.1*†	*20.5*	*22.1*	*2.9*	*55.9*	*6.3*	*12.8*
Q4	266 322	342 168	*51.2*	*15.8*	*13.4*	*19.6*	*21.9*	*2.8*	*56.2*	*6.2*†	*12.8*
2003 Q1	270 918	349 581	*50.8*	*16.0*	*12.4*	*20.7*	*22.7*	*2.7*	*55.7*	*6.3*	*12.7*
Q2	275 130	352 412	*51.2*	*16.4*	*12.4*	*20.1*	*22.3*	*3.3*	*55.5*	*6.2*	*12.7*
Q3	280 024	358 445	*50.9*	*16.4*	*13.0*	*19.8*	*22.7*	*2.8*	*55.6*	*6.2*	*12.7*
Q4	284 224	364 700	*50.5*	*16.5*	*13.5*	*19.6*	*22.3*	*3.3*	*55.5*	*6.2*	*12.8*
2004 Q1	286 975	366 948	*51.0*	*16.6*	*12.8*	*19.6*	*22.3*	*3.1*	*55.5*	*6.2*	*12.9*
Q2	293 120	375 557	*50.5*	*16.6*	*13.2*	*19.7*	*23.4*	*3.0*	*54.9*	*6.1*	*12.7*
Q3	295 998	380 222	*50.3*	*16.6*	*13.3*	*19.8*	*23.2*	*3.1*	*55.0*	*6.1*	*12.7*
Q4	300 434	387 469	*49.8*	*16.6*	*13.5*	*20.0*	*23.6*	*2.5*	*55.2*	*6.1*	*12.5*
2005 Q1	301 181	388 071	*50.2*	*16.8*	*13.2*	*19.8*	*22.5*	*3.2*	*55.7*	*6.2*	*12.5*
Q2	304 412	393 944	*49.9*	*16.7*	*13.0*	*20.4*	*22.3*	*3.3*	*55.8*	*6.2*	*12.5*
Q3	306 376	399 795	*49.7*	*16.9*	*13.4*	*20.0*	*21.6*	*3.4*	*56.1*	*6.3*	*12.7*
Q4	312 746	408 507	*49.3*	*16.9*	*13.0*	*20.8*	*22.7*	*2.9*	*56.0*	*6.2*	*12.3*
2006 Q1	315 717	418 317	*48.5*	*16.7*	*13.2*	*21.6*	*22.0*	*2.8*	*56.6*	*6.2*	*12.4*

1 "Money GDP".
2 Non-financial and financial corporations.
3 Gross operating surplus of general government, and households and NPISH *plus* the adjustment for financial services.

Source: Office for National Statistics; Enquiries: 020 7533 6031

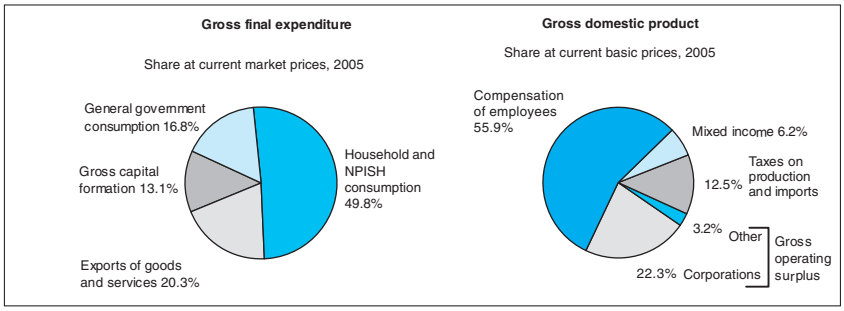
2.4 Income, product and spending per head

£

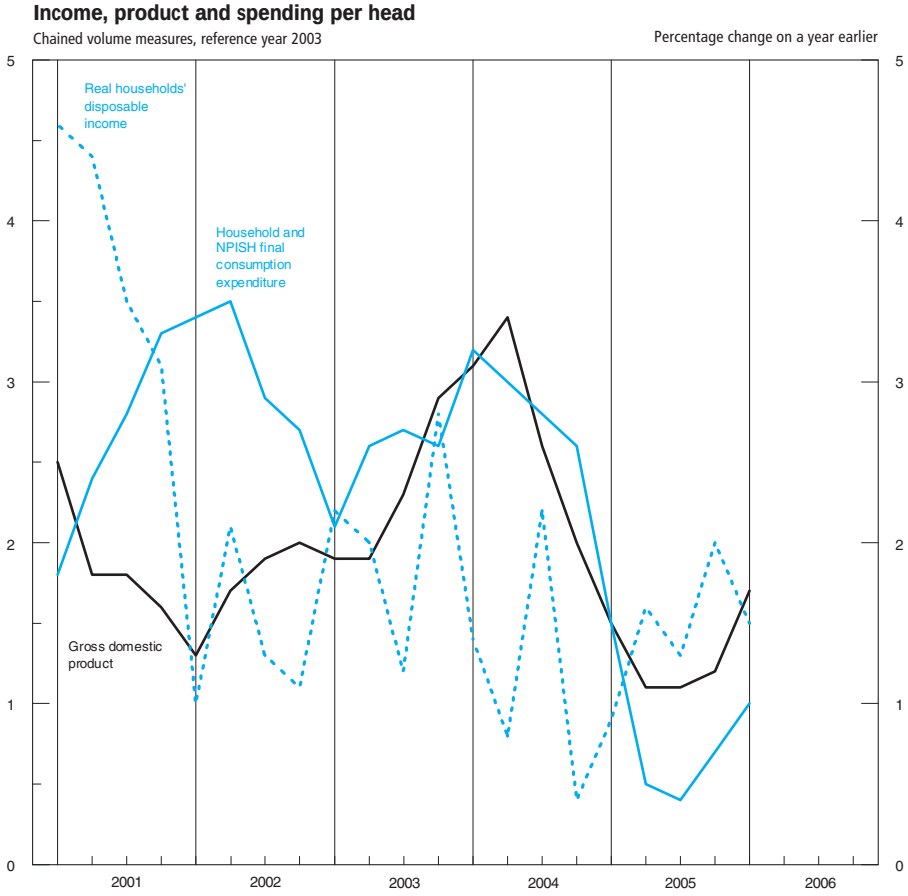
	At current prices: Gross national income at market prices	Gross domestic product at market prices	Household and NPISH final consumption expenditure	Households' gross disposable income	Chained volume measures (reference year 2003): Gross domestic product at market prices	Household and NPISH final consumption expenditure	Real households' disposable income
	IHXS	IHXT	IHXU	IHXV	IHXW	IHXX	IHXZ
2002	18 034†	17 679†	11 641†	11 952†	18 231†	11 866†	12 184†
2003	19 024	18 643	12 163	12 433	18 642	12 163	12 433
2004	20 089	19 663	12 726	12 796	19 162	12 515	12 583
2005	20 817	20 338	13 140	13 300	19 393	12 610	12 764
2002 Q1	4 420†	4 345†	2 874†	2 957†	4 523†	2 943†	3 028†
Q2	4 457	4 403	2 900	2 988	4 544	2 961	3 051
Q3	4 568	4 449	2 918	2 996	4 573	2 974	3 054
Q4	4 589	4 482	2 949	3 011	4 591	2 988	3 051
2003 Q1	4 680	4 554	2 986	3 078	4 608	3 004	3 096
Q2	4 696	4 621	3 028	3 100	4 630	3 039	3 111
Q3	4 768	4 700	3 060	3 097	4 678	3 053	3 090
Q4	4 880	4 768	3 089	3 158	4 726	3 067	3 136
2004 Q1	4 899	4 806	3 134	3 176	4 752	3 099	3 140
Q2	5 006	4 903	3 175	3 180	4 789	3 131	3 136
Q3	5 022	4 944	3 197	3 217	4 800	3 138	3 157
Q4	5 162	5 010	3 220	3 223	4 821	3 147	3 150
2005 Q1	5 148	5 014	3 244	3 267	4 823	3 145	3 168
Q2	5 226	5 059	3 264	3 305	4 841	3 146	3 185
Q3	5 185	5 083	3 295	3 345	4 852	3 150	3 198
Q4	5 258	5 182	3 337	3 383	4 877	3 169	3 213
2006 Q1	5 345	5 224	3 360	3 400	4 907	3 177	3 215

Source: Office for National Statistics; Enquiries: 020 7533 6031

Shares of income and expenditure



Income, product and spending per head



2.5 Households'[1] disposable income and consumption

	£ million, current prices							£ million, chained volume measures (reference year 2003)		
	Households' income before tax									
	Total	*of which:* Wages and salaries	Gross households' disposable income[2]	Adjustment for the change in net equity of households in pension funds	Total available households' resources	Households' final consumption expenditure	Households' saving ratio[3] (per cent)+	Real households' disposable income[4] +	Household final consumption expenditure+	Real households' disposable income (index 2003=100)
	RPHP	ROYJ	RPHQ	RPQJ	RPQK	RPQM	NRJS	NRJR	NPSP	OSXS
2002	1 017 206†	508 681†	709 048†	17 783†	726 831†	690 530†	*5.0*†	722 823†	703 945†	97.6†
2003	1 064 739	527 689	740 389	21 377	761 766	724 345	*4.9*	740 389	724 345	100.0
2004	1 112 081	550 654	765 683	25 108	790 791	761 484	*3.7*	752 890	748 761	101.7
2005	1 180 770	576 528	800 915	30 111	831 026	791 302	*4.8*	768 612	759 387	103.8
2002 Q1	251 300†	124 971†	175 164†	4 144†	179 308†	170 261†	*5.0*†	179 363†	174 345†	96.9†
Q2	253 269	126 664	177 166	4 126	181 292	171 913	*5.2*	180 917	175 555	97.7
Q3	255 105	127 816	177 826	4 706	182 532	173 151	*5.1*	181 266	176 503	97.9
Q4	257 532	129 230	178 892	4 807	183 699	175 205	*4.6*	181 277	177 542	97.9
2003 Q1	260 622	129 933	183 076	5 107	188 183	177 616	*5.6*	184 156	178 667	99.5
Q2	265 011	131 181	184 564	4 035	188 599	180 286	*4.4*	185 216	180 926	100.1
Q3	267 111	132 790	184 502	6 086	190 588	182 339	*4.3*	184 087	181 932	99.5
Q4	271 995	133 785	188 247	6 149	194 396	184 104	*5.3*	186 930	182 820	101.0
2004 Q1	273 748	134 980	189 655	6 273	195 928	187 158	*4.5*	187 493	185 027	101.3
Q2	275 548	136 807	190 116	5 788	195 904	189 804	*3.1*	187 472	187 167	101.3
Q3	279 257	138 323	192 615	5 892	198 507	191 410	*3.6*	189 038	187 858	102.1
Q4	283 528	140 544	193 297	7 155	200 452	193 112	*3.7*	188 887	188 709	102.0
2005 Q1	288 680	141 991	196 222	7 054	203 276	194 860	*4.1*	190 261	188 937	102.8
Q2	293 935	143 361	198 894	7 042	205 936	196 435	*4.6*	191 681	189 307	103.6
Q3	297 761	144 785	201 613	7 382	208 995	198 615	*5.0*	192 722	189 852	104.1
Q4	300 394	146 391	204 186	8 633	212 819	201 392	*5.4*	193 948	191 291	104.8
2006 Q1	306 665	148 114	205 514	10 394	215 908	203 044	*6.0*	194 307	191 972	105.0

1 All households series also include 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 available households' resources.
4 Gross household disposable income revalued by the implied household and NPISH final consumption expenditure deflator (2003 = 100).

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

2.6 Household final consumption expenditure, by purpose[1,2]

Chained volume measures

Reference year 2003, £ million

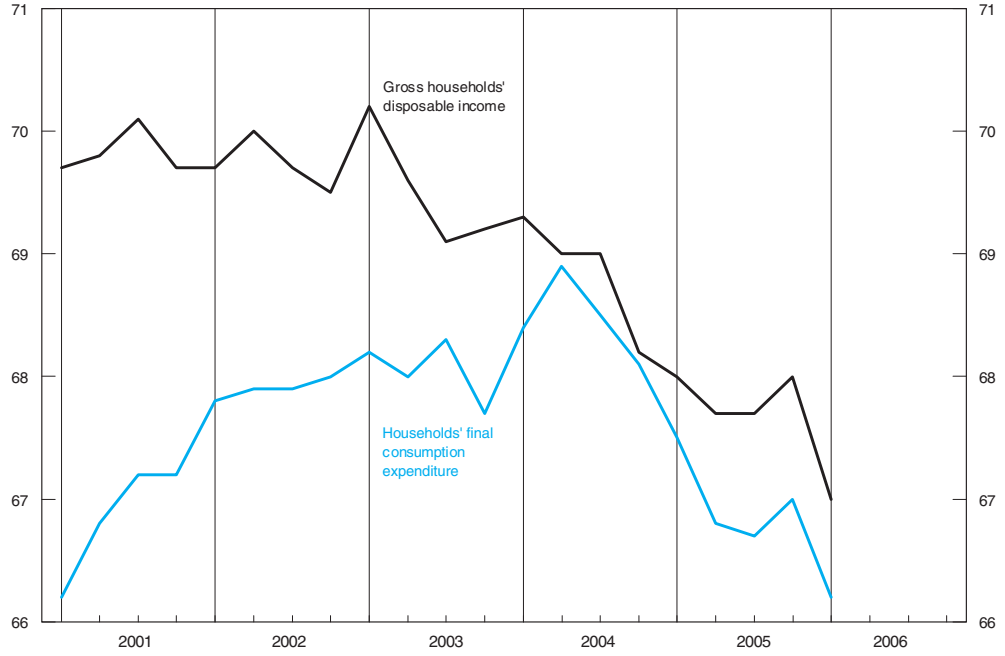
	UK national[3]														
			UK domestic[4]												
	Total	Net tourism	Total	Food and drink	Alcohol and tobacco	Clothing and footwear	Housing	Household goods and services	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Miscellaneous
COICOP[5]	-	-	0	01	02	03	04	05	06	07	08	09	10	11	12
	ABJR	ABTH	ZAKW	ZWUN	ZAKY	ZALA	ZAVO	ZAVW	ZAWC	ZAWM	ZAWW	ZAXA	ZWUT	ZAXS	ZAYG
2002	676 833†	12 084†	664 790†	62 143†	26 884†	38 499†	127 979†	40 552†	10 980†	101 621†	14 796†	77 597†	10 091†	78 303†	75 715†
2003	697 160	12 158	685 002	63 174	27 297	41 155	129 051	42 466	11 335	104 569	15 654	84 386	9 610	78 902	77 403
2004	721 434	12 770	708 664	65 181	27 444	44 087	131 490	43 577	11 609	106 610	16 361	92 889	9 541	81 796	78 079
2005	731 143	11 629	719 514	65 690	27 279	46 107	131 965	43 025	11 539	107 302	17 008	98 910	9 374	83 840	77 475
2002 Q1	167 588†	3 140†	164 463†	15 107†	6 660†	9 547†	31 779†	10 036†	2 686†	25 109†	3 635†	19 313†	2 601†	19 419†	18 655†
Q2	168 803	2 917	165 892	15 322	6 723	9 576	31 960	10 017	2 735	25 464	3 698	19 273	2 554	19 615	19 060
Q3	169 715	3 010	166 715	15 650	6 735	9 694	32 021	10 187	2 770	25 644	3 720	19 302	2 526	19 663	18 905
Q4	170 727	3 017	167 720	16 064	6 766	9 682	32 219	10 312	2 789	25 404	3 743	19 709	2 410	19 606	19 095
2003 Q1	171 828	3 213	168 627	15 579	6 771	10 094	32 146	10 339	2 820	26 053	3 777	20 209	2 404	19 299	19 174
Q2	174 146	3 123	171 019	16 208	6 788	10 215	32 185	10 696	2 839	26 205	3 883	20 833	2 394	19 458	19 316
Q3	175 140	3 019	172 120	15 797	6 868	10 339	32 229	10 590	2 828	26 169	3 974	21 450	2 401	20 060	19 399
Q4	176 046	2 803	173 236	15 590	6 870	10 507	32 491	10 841	2 848	26 142	4 020	21 894	2 411	20 085	19 514
2004 Q1	178 197	3 141	175 056	16 262	6 869	10 769	32 750	10 587	2 870	26 324	4 065	22 500	2 401	20 321	19 338
Q2	180 362	3 165	177 197	16 153	6 877	11 047	32 902	10 950	2 950	26 391	4 008	23 490	2 389	20 460	19 580
Q3	181 032	3 310	177 722	16 239	6 837	11 108	32 881	11 207	2 908	26 738	4 162	23 396	2 380	20 464	19 402
Q4	181 843	3 154	178 689	16 527	6 861	11 163	32 957	10 833	2 881	27 157	4 126	23 503	2 371	20 551	19 759
2005 Q1	181 980	3 056	178 924	16 325	6 832	11 381	32 797	10 868	2 850	27 040	4 211	24 052	2 355	21 081	19 132
Q2	182 287	2 835	179 452	16 464	6 810	11 496	33 036	10 713	2 832	27 003	4 240	24 230	2 341	20 968	19 319
Q3	182 748	3 025	179 723	16 326	6 803	11 531	32 977	10 570	2 919	26 548	4 253	25 048	2 343	20 802	19 603
Q4	184 128	2 713	181 415	16 575	6 834	11 699	33 155	10 874	2 938	26 711	4 304	25 580	2 335	20 989	19 421
2006 Q1	184 731	3 035	181 696	16 943	6 854	11 658	33 319	10 824	2 967	26 585	4 365	25 416	2 341	20 996	19 428

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

Source: Office for National Statistics; Enquiries: 020 7533 5999

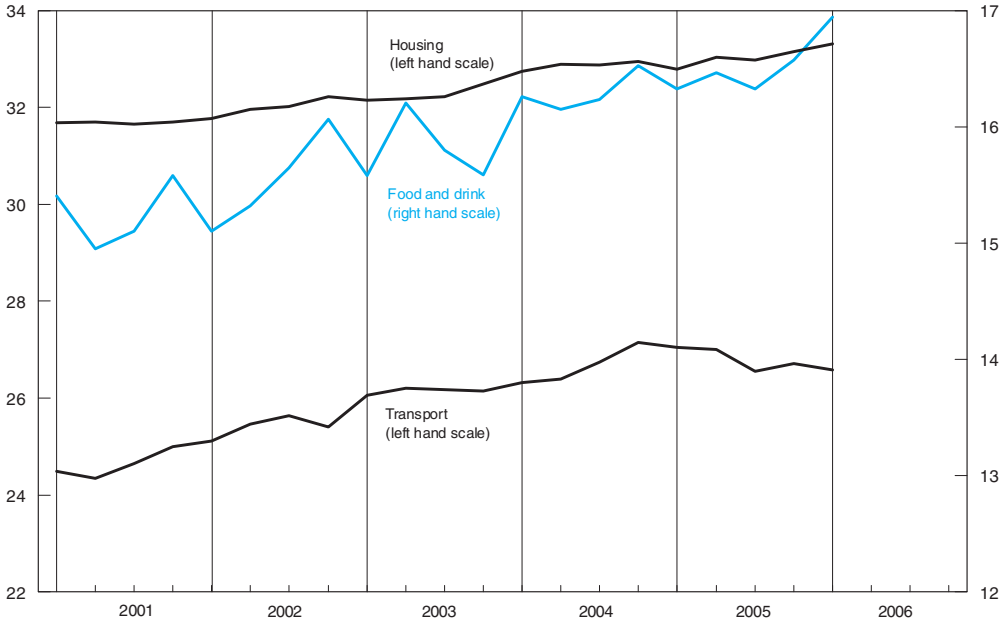
Households' disposable income and consumption

Proportion of households' income before tax (current prices), percentages



Household final consumption expenditure – component categories

Chained volume measures, reference year 2003, £ billion



2.7 Gross fixed capital formation

Chained volume measures

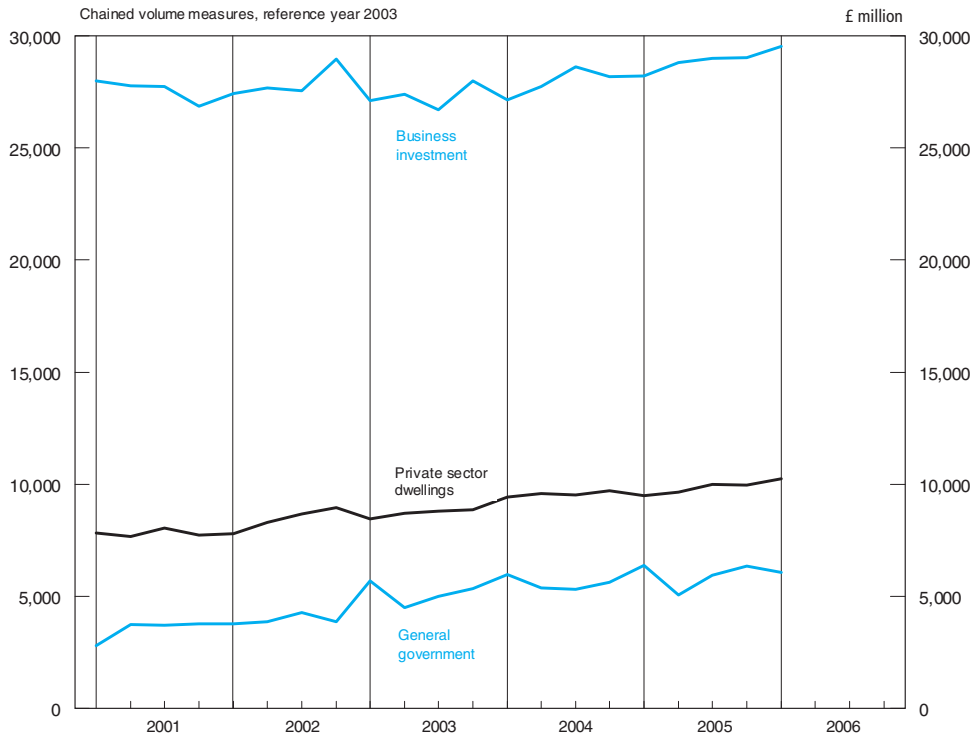
Reference year 2003, £ million

	Analysis by sector						Analysis by asset				
				Private sector							
	Business investment[1]	General government	Public corporations: transfer costs of non-produced assets[2]	Dwellings	Transfer costs of non-produced assets	Total+	Transport equipment	Other machinery and equipment	Dwellings	Other building and structures[3]	Intangible fixed assets
	NPEL	DLWF	DLWH	DFEA	DLWI	NPQT	DLWL	DLWO	DFEG	DLWT	EQDO
2001	110 390†	13 980†	–2 834†	31 289†	16 180†	171 639†	14 957†	57 337†	34 141†	59 527†	5 126†
2002	111 678	15 740	–3 092	33 711	17 374	178 066	16 728	56 614	36 800	62 088	5 676
2003	109 218	20 509	–5 674	34 804	16 385	178 751	15 592	54 441	38 462	64 355	5 901
2004	111 765	22 266	–5 561	38 245	19 616	189 492	14 706	58 817	41 541	68 135	6 294
2005	115 116	23 713	–4 263	39 102	17 872	195 118	15 031	59 162	42 853	71 516	6 556
2001 Q1	28 007†	2 781†	–821†	7 828†	4 138†	42 555†	3 272†	14 648†	8 427†	14 684†	1 281†
Q2	27 782	3 734	–698	7 679	3 978	43 242	3 955	14 157	8 435	15 327	1 270
Q3	27 744	3 703	–626	8 055	3 803	43 357	3 936	14 433	8 796	14 791	1 285
Q4	26 857	3 762	–689	7 727	4 261	42 485	3 794	14 099	8 483	14 725	1 290
2002 Q1	27 447	3 760	–555	7 784	3 774	42 927	4 068	13 782	8 499	15 206	1 325
Q2	27 677	3 846	–780	8 304	4 405	43 981	4 178	14 378	8 958	14 950	1 426
Q3	27 574	4 259	–894	8 669	4 613	44 765	4 269	14 253	9 400	15 363	1 433
Q4	28 980	3 875	–863	8 954	4 582	46 393	4 213	14 201	9 943	16 569	1 492
2003 Q1	27 111	5 673	–1 833	8 452	4 517	44 934	4 049	13 815	9 467	16 148	1 450
Q2	27 395	4 507	–1 378	8 695	4 145	44 161	3 726	13 165	9 536	16 287	1 463
Q3	26 712	4 999	–1 243	8 812	3 772	43 924	3 896	13 392	9 752	15 405	1 482
Q4	28 000	5 330	–1 220	8 845	3 951	45 732	3 921	14 069	9 707	16 515	1 506
2004 Q1	27 166	5 970	–1 598	9 421	5 551	47 256	3 771	14 083	10 193	17 675	1 534
Q2	27 757	5 360	–1 174	9 578	4 757	47 102	3 760	14 627	10 430	16 722	1 563
Q3	28 634	5 311	–1 186	9 524	4 733	47 813	3 635	15 299	10 370	16 922	1 587
Q4	28 208	5 625	–1 603	9 722	4 575	47 321	3 540	14 808	10 548	16 816	1 610
2005 Q1	28 239	6 373	–564	9 486	3 859	48 171	3 645	14 672	10 318	17 919	1 618
Q2	28 833	5 070	–1 204	9 658	4 551	47 750	3 708	14 717	10 533	17 159	1 632
Q3	29 004	5 935	–1 351	9 990	4 732	49 306	3 854	14 713	11 024	18 070	1 645
Q4	29 040	6 335	–1 144	9 968	4 730	49 891	3 824	15 060	10 978	18 368	1 661
2006 Q1	29 545	6 059	–379	10 249	4 101	50 568	3 555	15 628	11 291	18 412	1 683
Percentage change, quarter on corresponding quarter of previous year											
2001 Q1	*7.2*†	*–17.7*†		*–2.3*	*–10.3*†	*3.0*†	*–2.8*†	*10.1*†	*–0.2*†	*–2.8*†	*2.2*
Q2	*4.6*	*26.0*		*–3.5*	*3.0*	*5.4*	*17.8*	*2.5*	*0.3*	*9.5*	*–2.8*
Q3	*1.0*	*25.7*		*3.6*	*–2.9*	*3.6*	*18.3*	*0.7*	*7.0*	*2.5*	*–0.9*
Q4	*–6.6*	*11.4*		*6.5*	*9.1*	*–1.8*	*3.2*	*–5.7*	*9.1*	*–3.1*	*–1.8*
2002 Q1	*–2.0*	*35.2*		*–0.6*†	*–8.8*	*0.9*	*24.3*	*–5.9*	*0.9*	*3.6*	*3.4*†
Q2	*–0.4*	*3.0*		*8.1*	*10.7*	*1.7*	*5.6*	*1.6*	*6.2*	*–2.5*	*12.3*
Q3	*–0.6*	*15.0*		*7.6*	*21.3*	*3.2*	*8.5*	*–1.2*	*6.9*	*3.9*	*11.5*
Q4	*7.9*	*3.0*		*15.9*	*7.5*	*9.2*	*11.0*	*0.7*	*17.2*	*12.5*	*15.7*
2003 Q1	*–1.2*	*50.9*		*8.6*	*19.7*	*4.7*	*–0.5*	*0.2*	*11.4*	*6.2*	*9.4*
Q2	*–1.0*	*17.2*		*4.7*	*–5.9*	*0.4*	*–10.8*	*–8.4*	*6.5*	*8.9*	*2.6*
Q3	*–3.1*	*17.4*		*1.6*	*–18.2*	*–1.9*	*–8.7*	*–6.0*	*3.7*	*0.3*	*3.4*
Q4	*–3.4*	*37.5*		*–1.2*	*–13.8*	*–1.4*	*–6.9*	*–0.9*	*–2.4*	*–0.3*	*0.9*
2004 Q1	*0.2*	*5.2*		*11.5*	*22.9*	*5.2*	*–6.9*	*1.9*	*7.7*	*9.5*	*5.8*
Q2	*1.3*	*18.9*		*10.2*	*14.8*	*6.7*	*0.9*	*11.1*	*9.4*	*2.7*	*6.8*
Q3	*7.2*	*6.2*		*8.1*	*25.5*	*8.9*	*–6.7*	*14.2*	*6.3*	*9.8*	*7.1*
Q4	*0.7*	*5.5*		*9.9*	*15.8*	*3.5*	*–9.7*	*5.3*	*8.7*	*1.8*	*6.9*
2005 Q1	*3.9*	*6.8*		*0.7*	*–30.5*	*1.9*	*–3.3*	*4.2*	*1.2*	*1.4*	*5.5*
Q2	*3.9*	*–5.4*		*0.8*	*–4.3*	*1.4*	*–1.4*	*0.6*	*1.0*	*2.6*	*4.4*
Q3	*1.3*	*11.7*		*4.9*	*0.0*	*3.1*	*6.0*	*–3.8*	*6.3*	*6.8*	*3.7*
Q4	*2.9*	*12.6*		*2.5*	*3.4*	*5.4*	*8.0*	*1.7*	*4.1*	*9.2*	*3.2*
2006 Q1	*4.6*	*–4.9*		*8.0*	*6.3*	*5.0*	*–2.5*	*6.5*	*9.4*	*2.8*	*4.0*

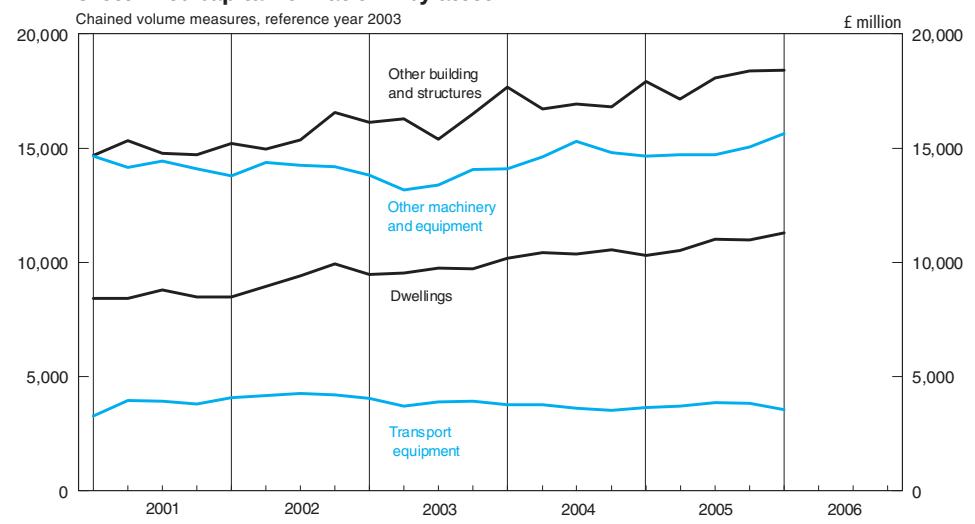
1 Excluding dwellings and costs associated with the transfer of ownership of non-produced assets.
2 Remaining investment by public non-financial corporations is included under business investment.
3 Including costs associated with transfer of ownership of non-produced assets.

Source: Office for National Statistics; Enquiries: 020 7533 6010

Gross fixed capital formation – by sector



Gross fixed capital formation – by asset



2.8 Gross value added chained volume measures at basic prices, by category of output[1,2]

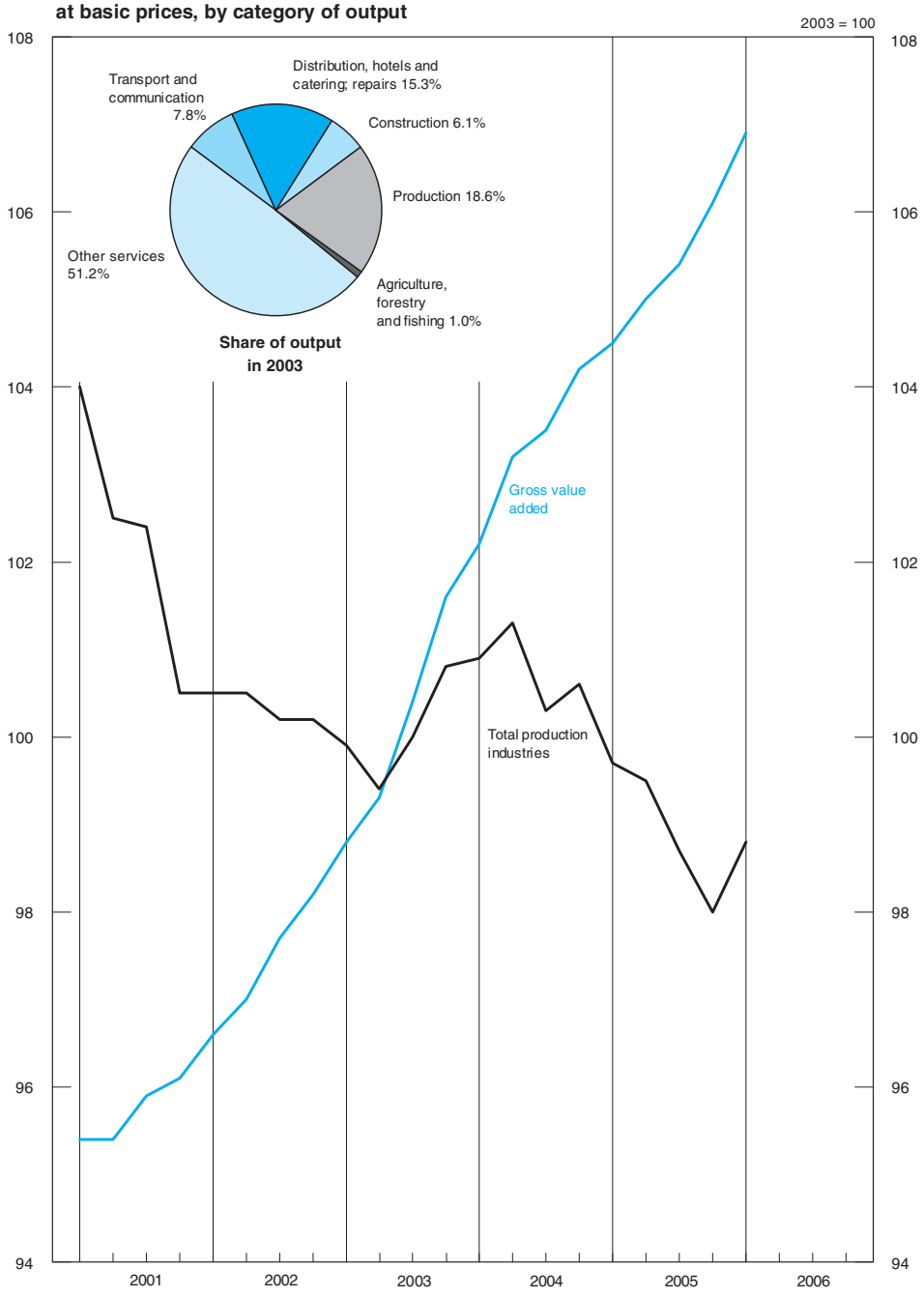
2003 = 100

	Production						Service industries							
	Agriculture, forestry, and fishing	Mining and quarrying including oil and gas extraction	Manufacturing	Electricity gas and water supply	Total	Construction	Distribution hotels and catering; repairs	Transport storage and communication	Business services and finance	Government and other services	Total	Gross value added at basic prices	Gross value added excluding oil
2003 weights[3]	*10*	*22*	*147*	*17*	*186*	*61*	*153*	*78*	*277*	*235*	*744*	*1000*	*978*
	GDQA†	CKYX†	CKYY†	CKYZ†	CKYW†	GDQB†	GDQE†	GDQH†	GDQN†	GDQU†	GDQS†	CGCE†	JUNT†
2001	90.9†	105.0†	102.5†	98.0†	102.3†	92.2†	92.1†	97.0†	94.4†	95.3†	94.5†	95.7†	95.5†
2002	102.1	105.4	99.8	98.4	100.3	95.5	96.4	98.2	96.3	97.7	96.9	97.4	97.2
2003	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
2004	99.0	92.1	102.0	101.1	100.8	104.0	105.2	102.5	105.1	102.0	103.9	103.3	103.5
2005	101.2	84.3	100.9	100.8	99.0	105.4	106.2	106.5	109.4	104.2	106.8	105.2	105.7
2001 Q1	91.6†	104.1†	104.4†	99.8†	104.0†	91.5†	91.2†	97.2†	93.5†	94.3†	93.7†	95.4†	95.2†
Q2	90.2	106.3	102.4	98.6	102.5	91.7	91.3	97.2	94.2	94.9	94.1	95.4	95.2
Q3	89.8	105.5	102.6	97.3	102.4	92.3	92.4	96.5	94.9	95.5	94.7	95.9	95.6
Q4	92.1	104.1	100.5	96.4	100.5	93.3	93.6	97.1	95.1	96.4	95.4	96.1	95.9
2002 Q1	101.0	105.4	100.2	97.2	100.5	94.8	95.3	98.0	94.7	96.9	95.9	96.6	96.4
Q2	102.6	109.6	99.4	97.6	100.5	94.4	95.5	96.9	96.1	97.5	96.5	97.0	96.7
Q3	102.8	101.0	100.3	99.2	100.2	95.8	96.7	98.4	97.0	97.9	97.4	97.7	97.6
Q4	102.0	105.7	99.4	99.7	100.2	97.0	98.0	99.3	97.3	98.3	98.0	98.2	98.1
2003 Q1	99.7	105.0	99.3	98.1	99.9	97.0	98.2	99.2	98.5	98.8	98.6	98.8	98.6
Q2	99.3	99.8	99.4	98.9	99.4	98.9	99.4	99.8	98.9	99.5	99.3	99.3	99.3
Q3	100.1	98.9	100.0	100.6	100.0	101.7	100.6	100.3	100.4	100.3	100.4	100.4	100.4
Q4	100.9	96.3	101.3	102.3	100.8	102.4	101.8	100.7	102.2	101.3	101.7	101.6	101.7
2004 Q1	99.1	94.3	101.7	102.2	100.9	102.8	103.6	100.7	103.4	101.4	102.5	102.2	102.4
Q2	98.3	94.8	102.4	100.7	101.3	103.4	105.2	102.2	104.3	102.2	103.6	103.2	103.3
Q3	99.3	90.9	101.6	101.0	100.3	104.4	106.0	103.1	105.6	102.0	104.3	103.5	103.8
Q4	99.2	88.6	102.4	100.6	100.6	105.4	105.9	104.1	106.9	102.5	105.0	104.2	104.5
2005 Q1	100.6	87.3	101.5	99.9	99.7	106.0	105.7	105.5	107.4	103.2	105.5	104.5	104.8
Q2	102.1	87.8	100.9	101.8	99.5	106.3	105.8	105.9	108.7	103.8	106.3	105.0	105.4
Q3	101.2	80.8	101.1	100.8	98.7	104.8	106.1	106.5	109.9	104.7	107.1	105.4	105.9
Q4	100.9	81.3	100.2	100.8	98.0	104.5	107.4	108.1	111.4	105.1	108.3	106.1	106.6
2006 Q1	101.7	81.7	101.1	100.9	98.8	105.4	108.0	108.4	112.5	105.7	109.0	106.9	107.4
Percentage change, quarter on corresponding quarter of previous year													
2001 Q1	*−9.4*†	*−10.0*†	*1.3*†	*7.1*†	*0.4*†	*−0.7*†	*3.4*†	*9.1*†	*5.5*†	*1.7*†	*4.3*†	*2.9*†	*3.4*†
Q2	*−10.3*	*−6.3*	*−1.3*	*2.9*	*−1.5*	*2.1*	*3.0*	*5.4*	*4.6*	*2.2*	*3.5*	*2.1*	*2.4*
Q3	*−11.6*	*−4.0*	*−1.1*	*2.1*	*−1.3*	*3.9*	*3.2*	*2.0*	*3.6*	*2.4*	*2.9*	*1.9*	*2.0*
Q4	*−6.0*	*−1.3*	*−3.9*	*0.9*	*−3.4*	*3.8*	*4.1*	*1.6*	*2.9*	*3.1*	*3.1*	*1.6*	*1.7*
2002 Q1	*10.3*	*1.2*	*−4.0*	*−2.6*	*−3.4*	*3.6*	*4.5*	*0.8*	*1.3*	*2.8*	*2.3*	*1.3*	*1.3*
Q2	*13.7*	*3.1*	*−2.9*	*−1.0*	*−2.0*	*2.9*	*4.6*	*−0.3*	*2.0*	*2.7*	*2.6*	*1.7*	*1.6*
Q3	*14.5*	*−4.3*	*−2.2*	*2.0*	*−2.1*	*3.8*	*4.7*	*2.0*	*2.2*	*2.5*	*2.9*	*1.9*	*2.1*
Q4	*10.7*	*1.5*	*−1.1*	*3.4*	*−0.3*	*4.0*	*4.7*	*2.3*	*2.3*	*2.0*	*2.7*	*2.2*	*2.3*
2003 Q1	*−1.3*	*−0.4*	*−0.9*	*0.9*	*−0.6*	*2.3*	*3.0*	*1.2*	*4.0*	*2.0*	*2.8*	*2.3*	*2.3*
Q2	*−3.2*	*−8.9*	*0.0*	*1.3*	*−1.1*	*4.8*	*4.1*	*3.0*	*2.9*	*2.1*	*2.9*	*2.4*	*2.7*
Q3	*−2.6*	*−2.1*	*−0.3*	*1.4*	*−0.2*	*6.2*	*4.0*	*1.9*	*3.5*	*2.5*	*3.1*	*2.8*	*2.9*
Q4	*−1.1*	*−8.9*	*1.9*	*2.6*	*0.6*	*5.6*	*3.9*	*1.4*	*5.0*	*3.1*	*3.8*	*3.5*	*3.7*
2004 Q1	*−0.6*	*−10.2*	*2.4*	*4.2*	*1.0*	*6.0*	*5.5*	*1.5*	*5.0*	*2.6*	*4.0*	*3.4*	*3.9*
Q2	*−1.0*	*−5.0*	*3.0*	*1.8*	*1.9*	*4.6*	*5.8*	*2.4*	*5.5*	*2.7*	*4.3*	*3.9*	*4.0*
Q3	*−0.8*	*−8.1*	*1.6*	*0.4*	*0.3*	*2.7*	*5.4*	*2.8*	*5.2*	*1.7*	*3.9*	*3.1*	*3.4*
Q4	*−1.7*	*−8.0*	*1.1*	*−1.7*	*−0.2*	*2.9*	*4.0*	*3.4*	*4.6*	*1.2*	*3.2*	*2.6*	*2.8*
2005 Q1	*1.5*	*−7.4*	*−0.2*	*−2.3*	*−1.2*	*3.1*	*2.0*	*4.8*	*3.9*	*1.8*	*2.9*	*2.3*	*2.3*
Q2	*3.9*	*−7.4*	*−1.5*	*1.1*	*−1.8*	*2.8*	*0.6*	*3.6*	*4.2*	*1.6*	*2.6*	*1.7*	*2.0*
Q3	*1.9*	*−11.1*	*−0.5*	*−0.2*	*−1.6*	*0.4*	*0.1*	*3.3*	*4.1*	*2.6*	*2.7*	*1.8*	*2.0*
Q4	*1.7*	*−8.2*	*−2.1*	*0.2*	*−2.6*	*−0.9*	*1.4*	*3.8*	*4.2*	*2.5*	*3.1*	*1.8*	*2.0*
2006 Q1	*1.1*	*−6.4*	*−0.4*	*1.0*	*−0.9*	*−0.6*	*2.2*	*2.7*	*4.7*	*2.4*	*3.3*	*2.3*	*2.5*

1 Estimates cannot be regarded as accurate to the last digit shown.
2 Components of output are valued at basic prices, which exclude taxes and subsidies on production.
3 Weights may not sum to totals due to rounding. The weights shown are in proportion to total gross value added (GVA) in 2003, and are used to combine the industry output indices to calculate the totals for 2004 and later. For 2003 and earlier, totals are calculated using the equivalent weights for the previous year, for example, totals for 2003 use 2002 weights.

Sources: 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 measures at basic prices, by category of output: service industries

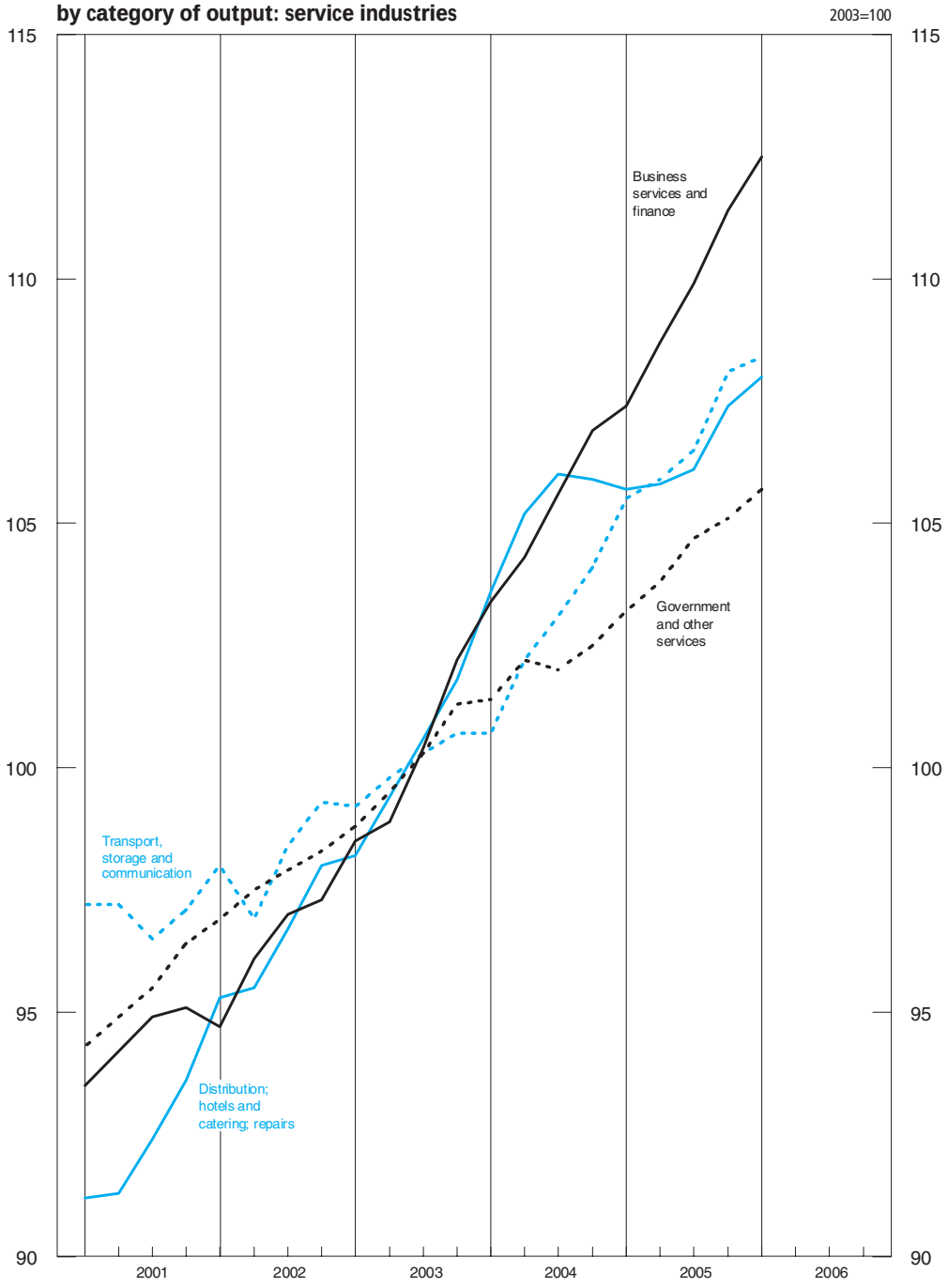
2003 = 100

	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[1]	Real estate, renting and business activities	Ownership of dwellings	PAD[2]	Education	Health and social work	Other services[3]	Adjustment for financial services[4]	Total services
2003 weights[5]	*122*	*31*	*48*	*30*	*79*	*165*	*79*	*52*	*59*	*72*	*53*	*-46*	*744*
	GDQC†	GDQD†	GDQF†	GDQG†	GDQI†	GDQK†	GDQL†	GDQO†	GDQP†	GDQQ†	GDQR†	GDQJ†	GDQS†
2001	92.3†	91.3†	97.7†	96.0†	90.2†	92.9†	96.5†	93.0†	97.6†	92.8†	98.5†	86.3†	94.5†
2002	96.9	94.4	99.2	96.5	93.7	94.7	97.7	95.3	99.3	96.3	100.1	89.2	96.9
2003	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
2004	105.3	104.5	103.4	101.2	107.6	107.7	101.5	101.9	100.4	103.9	101.3	113.0	103.9
2005	106.3	105.9	107.6	104.7	113.9	113.8	102.9	102.9	102.1	107.0	104.2	122.1	106.8
2001 Q1	91.2†	91.2†	97.0†	97.4†	90.6†	92.2†	95.7†	92.6†	96.8†	91.1†	97.6†	88.1†	93.7†
Q2	91.4	91.0	98.1	95.8	89.3	92.6	96.4	92.9	97.3	92.6	97.5	85.5	94.1
Q3	92.5	91.9	97.9	94.5	89.8	93.4	96.8	92.9	97.8	93.1	99.1	86.0	94.7
Q4	94.2	91.2	97.8	96.1	91.0	93.3	96.9	93.8	98.4	94.3	99.8	85.8	95.4
2002 Q1	95.7	93.5	98.3	97.6	90.1	93.1	97.0	94.2	99.0	94.4	100.8	86.0	95.9
Q2	96.3	92.7	98.6	94.2	93.3	94.6	97.3	94.9	99.1	96.1	100.4	88.4	96.5
Q3	97.3	94.5	99.6	96.4	95.4	95.5	97.8	95.5	99.3	97.2	99.8	90.1	97.4
Q4	98.3	96.8	100.3	97.8	96.0	95.8	98.8	96.7	99.7	97.6	99.6	92.2	98.0
2003 Q1	98.2	98.5	98.7	99.8	96.8	97.9	99.4	98.5	99.9	98.3	98.7	95.2	98.6
Q2	99.2	99.9	98.9	101.3	99.6	98.4	99.6	99.5	100.0	98.9	99.6	99.5	99.3
Q3	100.5	100.6	101.0	99.3	101.3	100.3	100.1	100.7	100.0	100.7	99.9	100.9	100.4
Q4	102.1	101.0	101.4	99.6	102.3	103.4	100.9	101.3	100.1	102.1	101.8	104.4	101.7
2004 Q1	103.9	102.4	101.2	99.7	106.2	105.1	101.2	102.1	100.0	103.2	99.7	110.5	102.5
Q2	105.4	104.3	103.5	100.2	106.3	106.6	101.4	101.7	100.1	103.2	103.5	110.8	103.6
Q3	106.1	105.4	103.5	102.5	107.4	108.7	101.5	101.9	100.5	104.1	100.7	112.8	104.3
Q4	106.0	105.8	105.3	102.3	110.7	110.4	102.0	101.9	100.9	105.0	101.3	117.8	105.0
2005 Q1	105.8	105.0	106.9	103.3	111.2	112.0	102.2	102.5	101.6	105.7	102.4	121.3	105.5
Q2	105.8	105.7	107.1	104.1	113.5	112.8	102.5	102.8	102.1	106.7	102.9	121.1	106.3
Q3	106.3	105.4	107.3	105.2	114.7	114.4	103.1	103.1	102.3	107.3	105.6	122.5	107.1
Q4	107.4	107.6	109.3	106.2	116.4	116.1	103.8	103.2	102.4	108.3	105.7	123.6	108.3
2006 Q1	107.5	110.0	110.0	105.8	118.3	117.7	104.4	103.7	103.0	110.2	104.7	127.0	109.0
Percentage change, quarter on corresponding quarter of previous year													
2001 Q1	*4.1*†	*0.4*†	*3.2*†	*18.8*†	*5.2*†	*9.6*†	*1.2*†	*0.5*†	*–0.1*†	*3.3*	*3.5*†	*12.5*†	*4.3*†
Q2	*3.2*	*2.4*	*2.4*	*10.4*	*2.5*	*6.7*	*1.2*	*1.3*	*0.3*	*3.5*†	*3.4*	*4.0*	*3.5*
Q3	*3.2*	*2.9*	*1.2*	*3.4*	*3.0*	*4.9*	*1.6*	*1.2*	*0.7*	*3.3*	*4.4*	*4.5*	*2.9*
Q4	*4.4*	*2.9*	*2.0*	*1.1*	*3.2*	*3.3*	*1.6*	*2.0*	*1.8*	*4.1*	*4.7*	*2.0*	*3.1*
2002 Q1	*4.9*	*2.5*	*1.3*	*0.2*	*–0.6*	*1.0*	*1.4*	*1.7*	*2.3*	*3.6*	*3.3*	*–2.4*	*2.3*
Q2	*5.4*	*1.9*	*0.5*	*–1.7*	*4.5*	*2.2*	*0.9*	*2.2*	*1.8*	*3.8*	*3.0*	*3.4*	*2.6*
Q3	*5.2*	*2.8*	*1.7*	*2.0*	*6.2*	*2.2*	*1.0*	*2.8*	*1.5*	*4.4*	*0.7*	*4.8*	*2.9*
Q4	*4.4*	*6.1*	*2.6*	*1.8*	*5.5*	*2.7*	*2.0*	*3.1*	*1.3*	*3.5*	*–0.2*	*7.5*	*2.7*
2003 Q1	*2.6*	*5.3*	*0.4*	*2.3*	*7.4*	*5.2*	*2.5*	*4.6*	*0.9*	*4.1*	*–2.1*	*10.7*	*2.8*
Q2	*3.0*	*7.8*	*0.3*	*7.5*	*6.8*	*4.0*	*2.4*	*4.8*	*0.9*	*2.9*	*–0.8*	*12.6*	*2.9*
Q3	*3.3*	*6.5*	*1.4*	*3.0*	*6.2*	*5.0*	*2.4*	*5.4*	*0.7*	*3.6*	*0.1*	*12.0*	*3.1*
Q4	*3.9*	*4.3*	*1.1*	*1.8*	*6.6*	*7.9*	*2.1*	*4.8*	*0.4*	*4.6*	*2.2*	*13.2*	*3.8*
2004 Q1	*5.8*	*4.0*	*2.5*	*–0.1*	*9.7*	*7.4*	*1.8*	*3.7*	*0.1*	*5.0*	*1.0*	*16.1*	*4.0*
Q2	*6.3*	*4.4*	*4.7*	*–1.1*	*6.7*	*8.3*	*1.8*	*2.2*	*0.1*	*4.3*	*3.9*	*11.4*	*4.3*
Q3	*5.6*	*4.8*	*2.5*	*3.2*	*6.0*	*8.4*	*1.4*	*1.2*	*0.5*	*3.4*	*0.8*	*11.8*	*3.9*
Q4	*3.8*	*4.8*	*3.8*	*2.7*	*8.2*	*6.8*	*1.1*	*0.6*	*0.8*	*2.8*	*–0.5*	*12.8*	*3.2*
2005 Q1	*1.8*	*2.5*	*5.6*	*3.6*	*4.7*	*6.6*	*1.0*	*0.4*	*1.6*	*2.4*	*2.7*	*9.8*	*2.9*
Q2	*0.4*	*1.3*	*3.5*	*3.9*	*6.8*	*5.8*	*1.1*	*1.1*	*2.0*	*3.4*	*–0.6*	*9.3*	*2.6*
Q3	*0.2*	*0.0*	*3.7*	*2.6*	*6.8*	*5.2*	*1.6*	*1.2*	*1.8*	*3.1*	*4.9*	*8.6*	*2.7*
Q4	*1.3*	*1.7*	*3.8*	*3.8*	*5.1*	*5.2*	*1.8*	*1.3*	*1.5*	*3.1*	*4.3*	*4.9*	*3.1*
2006 Q1	*1.6*	*4.8*	*2.9*	*2.4*	*6.4*	*5.1*	*2.2*	*1.2*	*1.4*	*4.3*	*2.2*	*4.7*	*3.3*

1 Comprising 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.
2 Public administration and national defence; compulsory social security.
3 Comprising sections O, P and Q of the SIC(92).
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 1). 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 3 on Table 2.8.

Source: Office for National Statistics; Enquiries: 01633 813126

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



Source: see data on Table 2.8

2.10 Summary capital accounts and net lending/net borrowing

£ million

	General government					Financial corporations			Non-financial corporations				
		Capital transfers								Capital transfers			
	Gross saving[1]	Receivable	*less* Payable	Gross capital formation[2]	Net acquisition of non-financial assets	Gross saving[1]	Gross capital formation[2]	Net acquisition of non-financial assets	Gross saving[1]	Receivable	*less* Payable	Gross capital formation[2]	Net acquisition of non-financial assets
	RPQC	RPUL	RPUV	RPZF	RPZE	RPPS	RPYP	RPYO	RPJV	RPWU	JRWK	RQBA	RQAX
2001	26 977†	7 876	12 427	13 537†	–916	–15 493†	7 350†	–43	93 552†	4 760	473	107 140	1 208
2002	1 337	9 856	14 093	15 474	–1 087	13 914	6 932	–36	108 583	4 079	728	103 974	1 431
2003	–9 939	14 937	21 699	20 540	–957	22 984	3 652	–3	117 310	5 711	705	102 894	1 241
2004	–10 048	15 112	20 647	23 246	–1 071	31 213	4 740	–6	129 510	5 476	528	106 531	1 672
2005	–6 523	15 955	22 415	25 667	–958†	20 001	7 074	–1	131 292	6 488	1 358	110 766	1 747†
2001 Q1	9 332†	1 829	2 733	2 810†	–222	–5 914†	2 440†	–9	22 964†	858	89	26 829	271
Q2	7 262	2 063	3 165	3 578	–221	–3 214	2 317	–11	22 782	1 358	129	27 520	305
Q3	6 657	1 912	2 757	3 529	–234	–3 725	1 300	–11	24 140	849	126	27 349	331
Q4	3 726	2 072	3 772	3 620	–239	–2 640	1 293	–12	23 666	1 695	129	25 442	301
2002 Q1	736	2 279	3 405	3 786	–285†	2 346	963	–11	26 197	1 071	176	25 961	380†
Q2	1 013	2 403	3 188	3 855	–232	1 576	1 349	–10	25 928	961	185	25 534	329
Q3	1 405	2 712	4 023	4 118	–237	3 495	3 038	–9	28 434	992	181	25 276	357
Q4	–1 817	2 462	3 477	3 715	–333	6 497	1 582	–6	28 024	1 055	186	27 203	365
2003 Q1	–3 231	3 824	5 807	5 295	–206	6 401	2 306	–3	29 109	1 159	185	22 844	283
Q2	–2 177	4 623	6 492	4 667	–256	5 179	854	–	27 921	1 474	175	24 788	333
Q3	–1 982	3 483	5 058	5 082	–252	4 695	218	1	30 119	1 643	170	26 784	364
Q4	–2 549	3 007	4 342	5 496	–243	6 709	274	–1	30 161	1 435	175	28 478	261
2004 Q1	–3 443	2 648	3 899	5 355	–252	5 884	601	–	30 922	1 491	170	25 652	369
Q2	–1 934	4 585	6 211	5 781	–275	7 620	952	–2	33 274	1 507	120	26 013	420
Q3	–3 124	3 824	5 079	5 821	–279	8 087	1 601	–2	31 499	1 261	117	26 963	449
Q4	–1 547	4 055	5 458	6 289	–265	9 622	1 586	–2	33 815	1 217	121	27 903	434
2005 Q1	–1 843	4 751	7 106	6 659	–272	6 851	–178	–2	32 888	2 530	896	28 119	474
Q2	–633	3 595	4 732	5 409	–241	6 106	3 116	–1	34 942	1 302	160	26 523	476
Q3	–876	3 876	5 341	6 619	–231	1 327	1 516	–	32 846	1 193	149	28 687	422
Q4	–3 171	3 733	5 236	6 980	–214	5 717	2 620	2	30 616	1 463	153	27 437	375
2006 Q1	578	3 912	7 203	6 650	–121	1 825	1 394	1	32 096	2 841	133	29 811	322

	Households and NPISH					Net lending(+)/net borrowing(-)[3]					
		Capital transfers									
	Gross saving[1]	Receivable	*less* Payable	Gross capital formation[2]	Net acquisition of non-financial assets	General government	Financial corporations	Non-financial corporations	Households and NPISH	Rest of the world[4]	Residual error
	RPQL	RPVN	RPVR	RPZV	RPZU	RPZD	RPYN	RQAW	RPZT	RQCH	DJDS
2001	45 137†	5 787	4 108	44 030†	–152	9 805†	–22 800†	–10 509†	2 938†	20 566†	–
2002	36 301	5 325	3 375	50 268	–176	–17 287	7 018	6 529	–11 841	15 581	–
2003	37 421	6 647	3 354	55 611	–210	–36 284	19 335	18 181	–14 687	13 455	–
2004	29 307	6 693	3 724	64 793	–276	–37 758	26 479	26 255	–32 241	17 265	–†
2005	39 724	8 233	4 033	65 680	–320	–37 692	12 928	23 909	–21 436	24 148	–1 855
2001 Q1	12 340†	1 232	842	10 906†	–25	5 840†	–8 345†	–3 367†	1 849†	4 021†	–
Q2	10 924	1 577	1 098	10 484	–36	2 803	–5 520	–3 814	955	5 577	–
Q3	11 146	1 447	1 071	11 598	–44	2 517	–5 014	–2 817	–32	5 346	–
Q4	10 727	1 531	1 097	11 042	–47	–1 355	–3 921	–511	166	5 622	–
2002 Q1	9 047	1 346	924	12 069	–47	–3 891	1 394	751	–2 553	4 297	–
Q2	9 379	1 088	879	12 814	–45	–3 395	237	841	–3 181	5 499	–
Q3	9 381	1 544	816	12 114	–43	–3 787	466	3 612	–1 962	1 671	–
Q4	8 494	1 347	756	13 271	–41	–6 214	4 921	1 325	–4 145	4 114	–
2003 Q1	10 567	2 029	756	12 963	–46	–10 303	4 098	6 956	–1 077	326	–
Q2	8 313	1 639	834	13 341	–50†	–8 457	4 325	4 099	–4 173	4 206	–
Q3	8 249	1 363	874	14 383	–55	–8 387	4 476	4 444	–5 590	5 057	–
Q4	10 292	1 616	890	14 924	–59	–9 137	6 436	2 682	–3 847	3 866	–
2004 Q1	8 770	1 624	906	15 452	–64	–9 797	5 283	6 222	–5 900	4 191	–†
Q2	6 100	1 874	959	16 788	–68	–9 066	6 670	8 228	–9 705	3 873	–
Q3	7 097	1 429	955	16 056	–71	–9 921	6 488	5 231	–8 414	6 616	–
Q4	7 340	1 766	904	16 497	–73	–8 974	8 038	6 574	–8 222	2 585	–
2005 Q1	8 416	2 474	920	16 672	–76	–10 585	7 031	5 929	–6 626	4 608	–355
Q2	9 501	1 751	1 015	15 999	–79	–6 938	2 991	9 085	–5 683	991	–446
Q3	10 380	1 913	1 069	16 865	–81	–8 729	–189	4 781	–5 560	10 203	–506
Q4	11 427	2 095	1 029	16 144	–84	–11 440	3 095	4 114	–3 567	8 346	–548
2006 Q1	12 864	2 375	1 102	17 377	–85	–9 242	430	4 671	–3 155	7 774	–478

1 Before providing for depreciation, inventory holding gains.
2 Comprises gross fixed capital formation, changes in inventories and acquisitions *less* disposals of valuables.
3 This balance equals gross saving *plus* capital transfers (net) *less* gross capital formation, *less* net acquisition of non-produced non-financial assets.
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


Sector net lending/net borrowing
£ million
Net lending
Net borrowing
Non-financial corporations
Rest of the world
Households and NPISH
General government
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
-8,000
-10,000
-12,000
2001
2002
2003
2004
2005
2006

2.11 Private non-financial corporations: allocation of primary income account

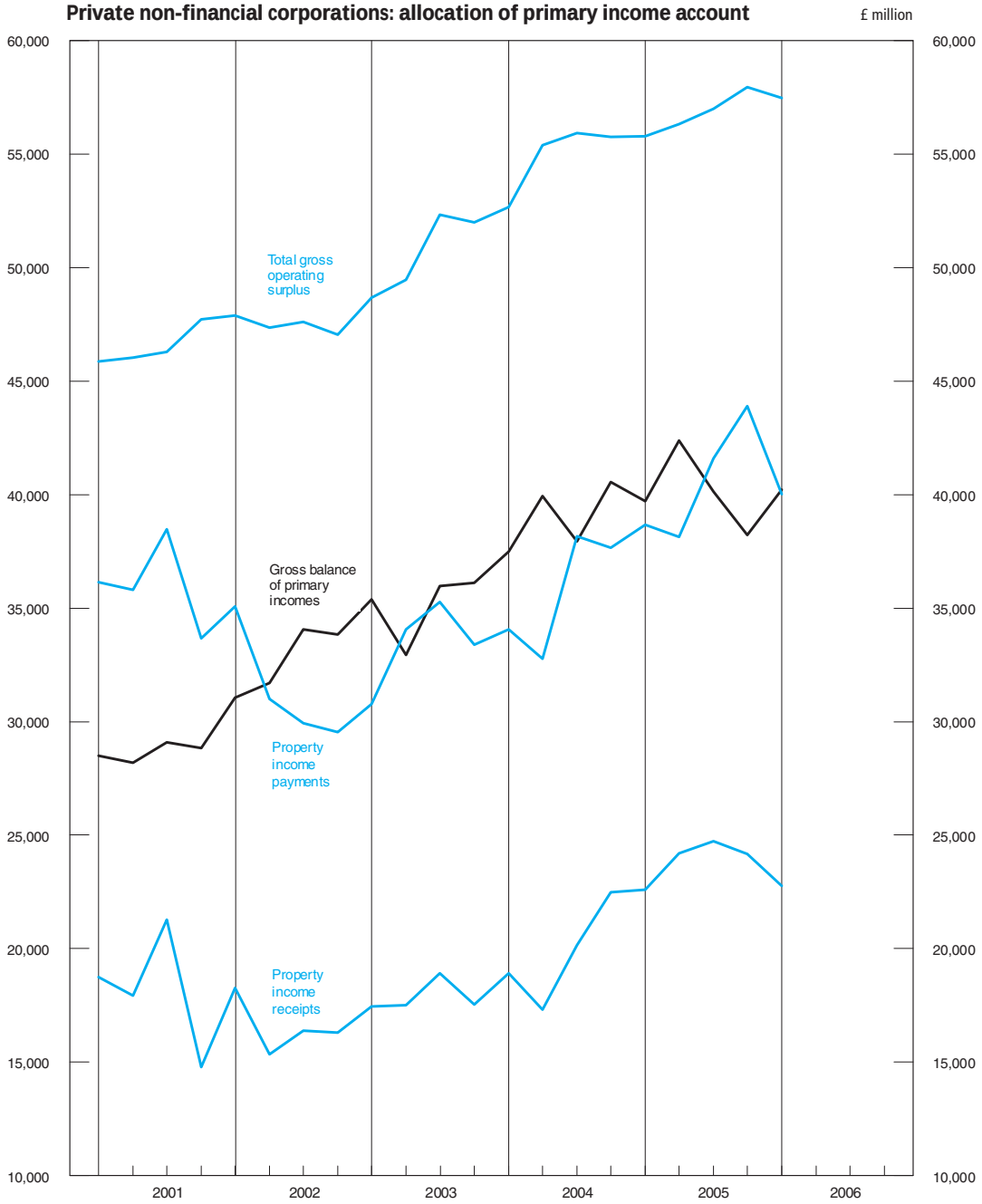
£ million

	Resources							Uses				
	Gross operating surplus							Property income payments				
	Gross trading profits											
	Continental shelf companies	Others[1]	Rental of buildings	*less* Inventory holding gains	Gross operating surplus[1] +	Property income receipts	Total resources[1,2]	Total payments	*of which* Dividends	*of which* Interest	Gross balance of primary incomes[1]	Share of gross national income[1] (per cent)
	CAGD	CAED	DTWR	-DLRA	CAER	RPBM	RPBN	RPBP	RVFT	ROCG	RPBO	NRJL
2001	19 096†	154 014†	12 394†	438†	185 942†	72 750†	258 692†	144 092†	77 516	39 454†	114 600†	*11.4*
2002	18 432	161 426	12 904	–2 856	189 906	66 329	256 235	125 544	61 580	36 418	130 691	*12.2*
2003	17 981	174 873	13 891	–4 266	202 479	71 442	273 921	133 510	71 096	35 663	140 411	*12.4*†
2004	18 225	192 807	14 864	–6 158	219 738	78 885	298 623	142 694	72 509	41 352	155 929	*13.0*
2005	20 633	197 639	15 404	–6 619	227 057	95 708	322 765	162 292	79 729†	49 718	160 473	*12.8*
2001 Q1	5 269†	37 236†	3 047†	330†	45 882†	18 751†	64 633†	36 139†	17 195†	10 431†	28 494†	*11.5*†
Q2	5 228	37 719	3 089	6	46 042	17 944	63 986	35 799	19 022	9 946	28 187	*11.3*
Q3	4 559	38 679	3 108	–51	46 295	21 279	67 574	38 481	21 705	10 124	29 093	*11.5*
Q4	4 040	40 380	3 150	153	47 723	14 776	62 499	33 673	19 594	8 953	28 826	*11.3*
2002 Q1	4 202	41 247	3 166	–733	47 882	18 271	66 153	35 087	19 432	9 066	31 066	*11.9*
Q2	4 628	40 295	3 188	–762	47 349	15 351	62 700	30 988	14 981	9 136	31 712	*12.0*
Q3	4 419	40 328	3 252	–384	47 615	16 393	64 008	29 929	14 566	9 084	34 079	*12.6*
Q4	5 183	39 556	3 298	–977	47 060	16 314	63 374	29 540	12 601	9 132	33 834	*12.4*
2003 Q1	5 088	41 339	3 381	–1 119	48 689	17 474	66 163	30 784	14 774	9 038	35 379	*12.7*
Q2	3 888	43 269	3 435	–1 124	49 468	17 514	66 982	34 051	18 447	8 653	32 931	*11.8*
Q3	4 457	45 402	3 509	–1 028	52 340	18 918	71 258	35 280	19 930	8 840	35 978	*12.7*
Q4	4 548	44 863	3 566	–995	51 982	17 536	69 518	33 395	17 945	9 132	36 123	*12.4*
2004 Q1	4 571	45 753	3 640	–1 308	52 656	18 920	71 576	34 074	17 588	9 451	37 502	*12.8*
Q2	4 572	48 560	3 694	–1 441	55 385	17 313	72 698	32 770	16 113	10 105	39 928	*13.3*
Q3	4 646	49 200	3 747	–1 653	55 940	20 167	76 107	38 177	19 977	10 717	37 930	*12.6*
Q4	4 436	49 294	3 783	–1 756	55 757	22 485	78 242	37 673	18 831	11 079	40 569	*13.1*
2005 Q1	4 720	48 905	3 822	–1 659	55 788	22 602	78 390	38 665	20 358	11 684	39 725	*12.8*
Q2	5 137	48 919	3 834	–1 555	56 335	24 195	80 530	38 142	17 312	12 103	42 388	*13.5*
Q3	5 360	49 389	3 855	–1 608	56 996	24 731	81 727	41 591	20 723	12 542	40 136	*12.8*
Q4	5 416	50 426	3 893	–1 797	57 938	24 180	82 118	43 894	21 336	13 389	38 224	*12.0*
2006 Q1	5 554	49 147	3 920	–1 146	57 475	22 774	80 249	40 030	17 045	13 495	40 219	*12.5*
Percentage change, quarter on corresponding quarter of previous year												
2001 Q1	*14.9*†	*–5.1*†	*8.4*†		*–0.2*†	*24.8*†	*6.0*†	*9.9*†	*7.6*†	*17.9*†	*1.4*†	
Q2	*2.9*	*–3.8*	*6.5*		*–0.7*	*27.5*	*5.9*	*18.7*	*53.7*	*5.6*	*–6.9*	
Q3	*–15.8*	*–2.0*	*4.5*		*–1.6*	*39.2*	*8.4*	*23.9*	*76.9*	*4.5*	*–7.1*	
Q4	*–29.2*	*7.2*	*2.9*		*4.1*	*–8.5*	*0.9*	*0.8*	*28.7*	*–11.5*	*1.0*	
2002 Q1	*–20.3*	*10.8*	*3.9*		*4.4*	*–2.6*	*2.4*	*–2.9*	*13.0*	*–13.1*	*9.0*	
Q2	*–11.5*	*6.8*	*3.2*		*2.8*	*–14.5*	*–2.0*	*–13.4*	*–21.2*	*–8.1*	*12.5*	
Q3	*–3.1*	*4.3*	*4.6*		*2.9*	*–23.0*	*–5.3*	*–22.2*	*–32.9*	*–10.3*	*17.1*	
Q4	*28.3*	*–2.0*	*4.7*		*–1.4*	*10.4*	*1.4*	*–12.3*	*–35.7*	*2.0*	*17.4*	
2003 Q1	*21.1*	*0.2*	*6.8*		*1.7*	*–4.4*	*0.0*	*–12.3*	*–24.0*	*–0.3*	*13.9*	
Q2	*–16.0*	*7.4*	*7.7*		*4.5*	*14.1*	*6.8*	*9.9*	*23.1*	*–5.3*	*3.8*	
Q3	*0.9*	*12.6*	*7.9*		*9.9*	*15.4*	*11.3*	*17.9*	*36.8*	*–2.7*	*5.6*	
Q4	*–12.3*	*13.4*	*8.1*		*10.5*	*7.5*	*9.7*	*13.1*	*42.4*	*0.0*	*6.8*	
2004 Q1	*–10.2*	*10.7*	*7.7*		*8.1*	*8.3*	*8.2*	*10.7*	*19.0*	*4.6*	*6.0*	
Q2	*17.6*	*12.2*	*7.5*		*12.0*	*–1.1*	*8.5*	*–3.8*	*–12.7*	*16.8*	*21.2*	
Q3	*4.2*	*8.4*	*6.8*		*6.9*	*6.6*	*6.8*	*8.2*	*0.2*	*21.2*	*5.4*	
Q4	*–2.5*	*9.9*	*6.1*		*7.3*	*28.2*	*12.5*	*12.8*	*4.9*	*21.3*	*12.3*	
2005 Q1	*3.3*	*6.9*	*5.0*		*5.9*	*19.5*	*9.5*	*13.5*	*15.7*	*23.6*	*5.9*	
Q2	*12.4*	*0.7*	*3.8*		*1.7*	*39.8*	*10.8*	*16.4*	*7.4*	*19.8*	*6.2*	
Q3	*15.4*	*0.4*	*2.9*		*1.9*	*22.6*	*7.4*	*8.9*	*3.7*	*17.0*	*5.8*	
Q4	*22.1*	*2.3*	*2.9*		*3.9*	*7.5*	*5.0*	*16.5*	*13.3*	*20.9*	*–5.8*	
2006 Q1	*17.7*	*0.5*	*2.6*		*3.0*	*0.8*	*2.4*	*3.5*	*–16.3*	*15.5*	*1.2*	

1 These series include a quarterly alignment adjustment.
2 Total resources equal total uses.

Source: Office for National Statistics; Enquiries: 020 7533 6014

Private non-financial corporations: allocation of primary income account



2.12 Private non-financial corporations: secondary distribution of income account and capital account

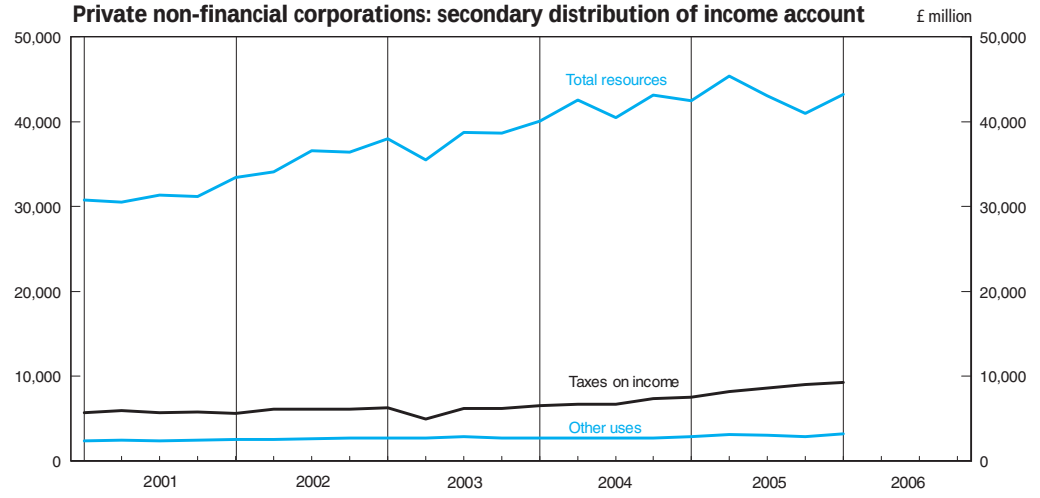
£ million

	Secondary distribution of income account						Capital account					
	Resources			Uses			Changes in liabilities and net worth		Changes in assets			
	Gross balance of primary incomes[1]	Other resources[2]	Total[1,3]	Taxes on income	Other uses[4]	Gross disposable income[1,5]	Net capital transfer receipts	Total[1]	Gross fixed capital formation	Changes in inventories[1]	Other changes in assets[6]	Net lending (+) or borrowing (-)[1,7]
	RPBO	NROQ	RPKY	RPLA	NROO	RPKZ	NROP	RPXH	ROAW	DLQY	NRON	RQBV
2001	114 600†	9 229	123 829†	23 087†	9 640	91 102†	3 636†	94 738†	98 007†	5 941	1 138	–10 348†
2002	130 691	9 889	140 580	23 977	10 311	106 292	2 732	109 024	97 540	2 677	1 212	7 595
2003	140 411	10 569†	150 980	23 608	11 003†	116 369	4 590	120 959	97 389	3 734†	862	18 974
2004	155 929	10 327	166 256	27 287	10 773	128 196	4 615	132 811	100 784	4 566	1 227	26 234
2005	160 473	11 432	171 905	33 383	11 920	126 602	5 678	132 280	104 138	3 768	1 148†	23 226
2001 Q1	28 494†	2 253	30 747†	5 732†	2 354	22 661†	470†	23 131†	24 679†	1 462†	238	–3 248†
Q2	28 187	2 377	30 564	5 903	2 480	22 181	1 076	23 257	24 645	1 977	326	–3 691
Q3	29 093	2 262	31 355	5 651	2 365	23 339	601	23 940	24 766	1 831	297	–2 954
Q4	28 826	2 337	31 163	5 801	2 441	22 921	1 489	24 410	23 917	671	277	–455
2002 Q1	31 066	2 392	33 458	5 582	2 496	25 380	888	26 268	24 134	860	337†	937
Q2	31 712	2 396	34 108	6 126	2 501	25 481	670	26 151	24 296	684	281	890
Q3	34 079	2 501	36 580	6 135	2 607	27 838	742	28 580	24 170	587	305	3 518
Q4	33 834	2 600	36 434	6 134	2 707	27 593	432	28 025	24 940	546	289	2 250
2003 Q1	35 379	2 622†	38 001	6 264	2 729†	29 008	875	29 883	23 004	–818	198	7 499
Q2	32 931	2 609	35 540	4 997	2 717	27 826	1 161	28 987	24 797	–441	265	4 366
Q3	35 978	2 764	38 742	6 175	2 873	29 694	1 370	31 064	24 212	2 100	254	4 498
Q4	36 123	2 574	38 697	6 172	2 684	29 841	1 184	31 025	25 376	2 893	145	2 611
2004 Q1	37 502	2 578	40 080	6 517	2 688	30 875	1 242	32 117	25 596	–64	288	6 297
Q2	39 928	2 613	42 541	6 729	2 724	33 088	1 278	34 366	24 776	868	298	8 424
Q3	37 930	2 570	40 500	6 710	2 682	31 108	1 069	32 177	25 571	1 144	318	5 144
Q4	40 569	2 566	43 135	7 331	2 679	33 125	1 026	34 151	24 841	2 618	323	6 369
2005 Q1	39 725	2 728	42 453	7 517	2 871	32 065	2 343	34 408	25 959	1 885	319	6 245
Q2	42 388	2 991	45 379	8 202	3 105	34 072	1 083	35 155	25 208	573	369	9 005
Q3	40 136	2 931	43 067	8 637	3 046	31 384	988	32 372	26 375	1 371	245	4 381
Q4	38 224	2 782	41 006	9 027	2 898	29 081	1 264	30 345	26 596	–61	215	3 595
2006 Q1	40 219	3 050	43 269	9 266	3 167	30 836	2 659	33 495	27 549	1 375	146	4 425
Percentage change, quarter on corresponding quarter of previous year												
2001 Q1	*1.4*†	*–9.0*	*0.6*†	*–17.5*†	*–9.2*	*7.7*†	*–31.5*†	*6.5*†	*3.9*†			
Q2	*–6.9*	*–2.1*	*–6.6*	*–3.0*	*–1.8*	*–8.0*	+	*–4.1*	*3.4*			
Q3	*–7.1*	*–17.3*	*–7.9*	*–4.0*	*–16.5*	*–7.8*	+	*–6.3*	*2.0*			
Q4	*1.0*	*–0.6*	*0.8*	*8.3*	*–0.4*	*–0.8*	+	*4.4*	*–5.0*			
2002 Q1	*9.0*	*6.2*	*8.8*	*–2.6*	*6.0*	*12.0*	*88.9*	*13.6*	*–2.2*			
Q2	*12.5*	*0.8*	*11.6*	*3.8*	*0.8*	*14.9*	*–37.7*	*12.4*	*–1.4*			
Q3	*17.1*	*10.6*	*16.7*	*8.6*	*10.2*	*19.3*	*23.5*	*19.4*	*–2.4*			
Q4	*17.4*	*11.3*	*16.9*	*5.7*	*10.9*	*20.4*	*–71.0*	*14.8*	*4.3*			
2003 Q1	*13.9*	*9.6*†	*13.6*	*12.2*	*9.3*†	*14.3*	*–1.5*	*13.8*	*–4.7*			
Q2	*3.8*	*8.9*	*4.2*	*–18.4*	*8.6*	*9.2*	*73.3*	*10.8*	*2.1*			
Q3	*5.6*	*10.5*	*5.9*	*0.7*	*10.2*	*6.7*	*84.6*	*8.7*	*0.2*			
Q4	*6.8*	*–1.0*	*6.2*	*0.6*	*–0.8*	*8.1*	+	*10.7*	*1.7*			
2004 Q1	*6.0*	*–1.7*	*5.5*	*4.0*	*–1.5*	*6.4*	*41.9*	*7.5*	*11.3*			
Q2	*21.2*	*0.2*	*19.7*	*34.7*	*0.3*	*18.9*	*10.1*	*18.6*	*–0.1*			
Q3	*5.4*	*–7.0*	*4.5*	*8.7*	*–6.6*	*4.8*	*–22.0*	*3.6*	*5.6*			
Q4	*12.3*	*–0.3*	*11.5*	*18.8*	*–0.2*	*11.0*	*–13.3*	*10.1*	*–2.1*			
2005 Q1	*5.9*	*5.8*	*5.9*	*15.3*	*6.8*	*3.9*	*88.6*	*7.1*	*1.4*			
Q2	*6.2*	*14.5*	*6.7*	*21.9*	*14.0*	*3.0*	*–15.3*	*2.3*	*1.7*			
Q3	*5.8*	*14.0*	*6.3*	*28.7*	*13.6*	*0.9*	*–7.6*	*0.6*	*3.1*			
Q4	*–5.8*	*8.4*	*–4.9*	*23.1*	*8.2*	*–12.2*	*23.2*	*–11.1*	*7.1*			
2006 Q1	*1.2*	*11.8*	*1.9*	*23.3*	*10.3*	*–3.8*	*13.5*	*–2.7*	*6.1*			

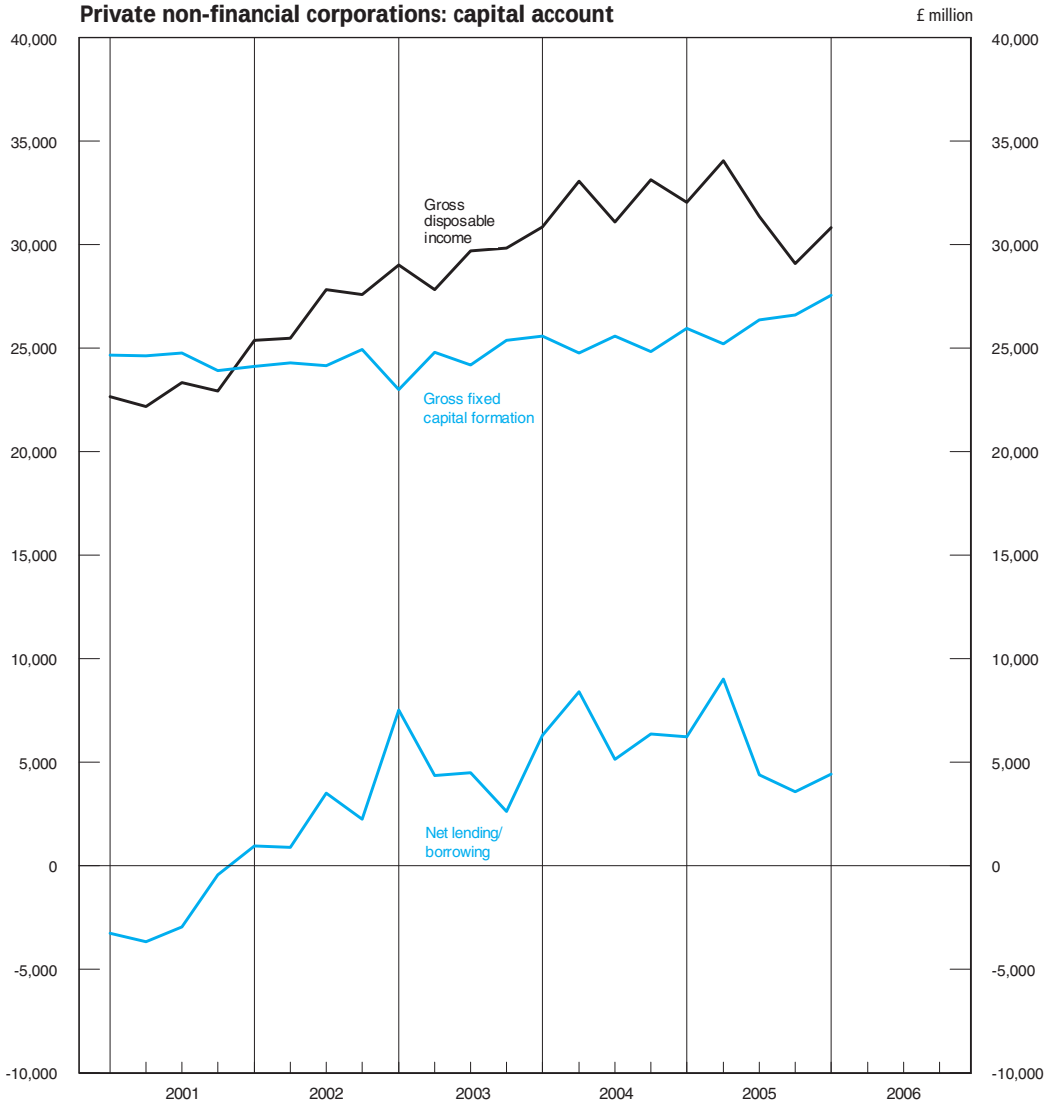
1 These series include a quarterly alignment adjustment.
2 Social contributions and other current transfers.
3 Total resources equal total uses.
4 Social benefits and other current transfers.
5 Also known as gross saving.
6 Acquisitions *less* disposals of valuables and non-produced non-financial assets.
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

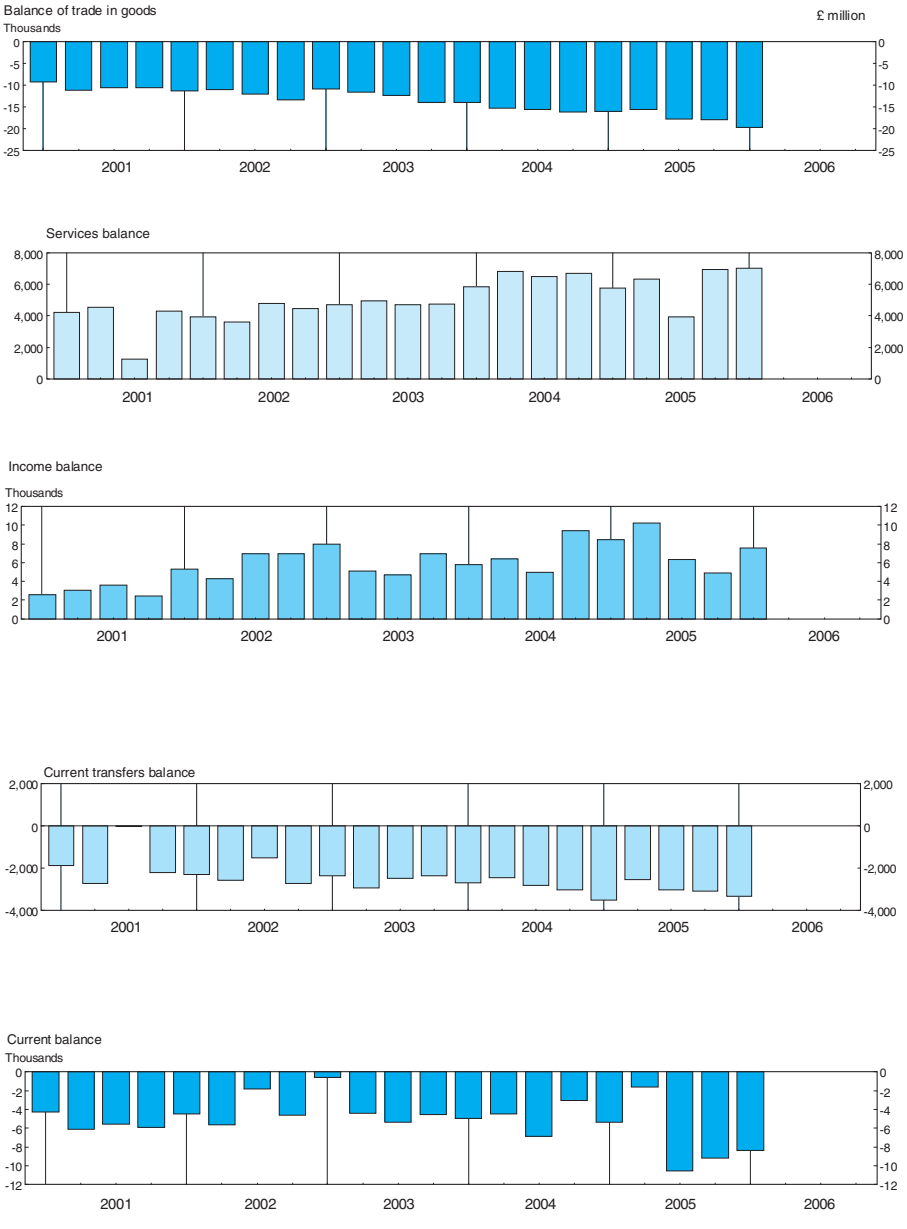
£ million

	Trade in goods and services												
	Goods			Services			Total						
	Exports+	Imports+	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Income balance	Current transfers balance	Current balance	Current balance as percentage of GDP[1]
	BOKG	BOKH	BOKI	IKBB	IKBC	IKBD	IKBH	IKBI	IKBJ	HBOJ	IKBP	HBOP	AA6H
2001	189 093†	230 305†	–41 212†	84 047†	69 624†	14 423†	273 140†	299 929†	–26 789†	11 664†	–6 759†	–21 884†	*–2.2*
2002	186 524	234 229	–47 705	89 987	73 157	16 830	276 511	307 386	–30 875	23 443	–9 081	–16 513	*–1.6*
2003	188 320	236 927	–48 607	97 077	77 915	19 162	285 397	314 842	–29 445	24 646	–10 122	–14 921	*–1.3*†
2004	190 877	251 770	–60 893	107 817	81 899	25 918	298 694	333 669	–34 975	26 596	–10 949	–19 328	*–1.6*
2005	211 175	278 473	–67 298	111 123	88 067	23 056	322 298	366 540	–44 242	29 871	–12 179	–26 550	*–2.2*
2001 Q1	49 790†	58 970†	–9 180†	21 764†	17 515†	4 249†	71 554†	76 485†	–4 931†	2 545†	–1 867†	–4 253†	*–1.7*†
Q2	47 770	58 850	–11 080	22 099†	17 521	4 578	69 869	76 371	–6 502	3 074	–2 720	–6 148	*–2.5*
Q3	46 114	56 595	–10 481	18 880	17 604	1 276	64 994	74 199	–9 205	3 620	26	–5 559	*–2.2*
Q4	45 419	55 890	–10 471	21 304	16 984	4 320	66 723	72 874	–6 151	2 425	–2 198	–5 924	*–2.3*
2002 Q1	46 382	57 754	–11 372	22 093	18 147	3 946	68 475	75 901	–7 426	5 283	–2 298	–4 441	*–1.7*
Q2	49 102	60 104	–11 002	22 006	18 372	3 634	71 108	78 476	–7 368	4 270	–2 557	–5 655	*–2.2*
Q3	46 608	58 624	–12 016	23 318	18 539	4 779	69 926	77 163	–7 237	6 924	–1 519	–1 832	*–0.7*
Q4	44 432	57 747	–13 315	22 570	18 099	4 471	67 002	75 846	–8 844	6 966	–2 707	–4 585	*–1.7*
2003 Q1	48 666	59 528	–10 862	23 865	19 135	4 730	72 531	78 663	–6 132	7 932	–2 364	–564	*–0.2*
Q2	46 697	58 242	–11 545	24 003	19 040	4 963	70 700	77 282	–6 582	5 098	–2 926	–4 410	*–1.6*
Q3	46 338	58 640	–12 302	24 483	19 781	4 702	70 821	78 421	–7 600	4 688	–2 479	–5 391	*–1.9*
Q4	46 619	60 517	–13 898	24 726	19 959	4 767	71 345	80 476	–9 131	6 928	–2 353	–4 556	*–1.6*
2004 Q1	46 079	60 026	–13 947	25 827	19 947	5 880	71 906	79 973	–8 067	5 825	–2 686	–4 928	*–1.7*
Q2	47 137	62 384	–15 247	26 893	20 053	6 840	74 030	82 437	–8 407	6 377	–2 439	–4 469	*–1.5*
Q3	48 218	63 747	–15 529	26 970	20 477	6 493	75 188	84 224	–9 036	4 954	–2 807	–6 889	*–2.3*
Q4	49 443	65 613	–16 170	28 127	21 422	6 705	77 570	87 035	–9 465	9 440	–3 017	–3 042	*–1.0*
2005 Q1	49 072	65 111	–16 039	27 748	21 958	5 790	76 820	87 069	–10 249	8 436	–3 504	–5 317	*–1.8*
Q2	52 284	67 878	–15 594	28 237	21 880	6 357	80 521	89 758	–9 237	10 214	–2 554	–1 577	*–0.5*
Q3	53 839	71 605	–17 766	26 032	22 070	3 962	79 871	93 675	–13 804	6 319	–3 031	–10 516	*–3.4*
Q4	55 980	73 879	–17 899	29 106	22 159	6 947	85 086	96 038	–10 952	4 902	–3 090	–9 140	*–2.9*
2006 Q1	60 337	79 939	–19 602	29 943	22 903	7 040	90 280	102 842	–12 562	7 549	–3 332	–8 345	*–2.6*
2003 Jan	16 575†	19 842†	–3 267†	7 605	6 299	1 306	24 180†	26 141†	–1 961†	..	..	..	..
Feb	16 202	19 698	–3 496	7 762	6 335	1 427	23 964	26 033	–2 069	..	..	..	..
Mar	15 889	19 988	–4 099	7 812	6 359	1 453	23 701	26 347	–2 646	..	..	..	..
Apr	16 631	19 406	–2 775	7 669	6 193	1 476	24 300	25 599	–1 299	..	..	..	..
May	15 327	19 546	–4 219	7 712	6 349	1 363	23 039	25 895	–2 856	..	..	..	..
Jun	14 739	19 290	–4 551	7 701	6 312	1 389	22 440	25 602	–3 162	..	..	..	..
Jul	15 781	19 563	–3 782	7 792	6 440	1 352	23 573	26 003	–2 430	..	..	..	..
Aug	15 541	18 938	–3 397	7 921	6 489	1 432	23 462	25 427	–1 965	..	..	..	..
Sep	15 016	20 139	–5 123	7 922	6 453	1 469	22 938	26 592	–3 654	..	..	..	..
Oct	15 840	20 316	–4 476	7 852	6 275	1 577	23 692	26 591	–2 899	..	..	..	..
Nov	15 165	19 858	–4 693	7 867	6 501	1 366	23 032	26 359	–3 327	..	..	..	..
Dec	15 614	20 343	–4 729	8 001	6 729	1 272	23 615	27 072	–3 457	..	..	..	..
2004 Jan	15 008	20 307	–5 299	8 172	6 575	1 597	23 180	26 882	–3 702	..	..	..	..
Feb	15 177	19 460	–4 283	8 403	6 594	1 809	23 580	26 054	–2 474	..	..	..	..
Mar	15 894	20 259	–4 365	8 455	6 455	2 000	24 349	26 714	–2 365	..	..	..	..
Apr	15 741	20 791	–5 050	8 585	6 680	1 905	24 326	27 471	–3 145	..	..	..	..
May	15 485	20 564	–5 079	8 513	6 677	1 836	23 998	27 241	–3 243	..	..	..	..
Jun	15 911	21 029	–5 118	8 506	6 700	1 806	24 417	27 729	–3 312	..	..	..	..
Jul	15 919	21 258	–5 339	8 524	6 725	1 799	24 443	27 983	–3 540	..	..	..	..
Aug	15 915	21 152	–5 237	8 645	6 836	1 809	24 560	27 988	–3 428	..	..	..	..
Sep	16 384	21 337	–4 953	8 667	6 965	1 702	25 051	28 302	–3 251	..	..	..	..
Oct	16 239	21 835	–5 596	8 809	7 062	1 747	25 048	28 897	–3 849	..	..	..	..
Nov	16 399	21 821	–5 422	8 860	7 120	1 740	25 259	28 941	–3 682	..	..	..	..
Dec	16 805	21 957	–5 152	8 871	7 191	1 680	25 676	29 148	–3 472	..	..	..	..
2005 Jan	16 310	21 816	–5 506	8 829	7 194	1 635	25 139	29 010	–3 871	..	..	..	..
Feb	16 005	21 432	–5 427	8 863	7 142	1 721	24 868	28 574	–3 706	..	..	..	..
Mar	16 757	21 863	–5 106	8 803	7 119	1 684	25 560	28 982	–3 422	..	..	..	..
Apr	17 110	22 761	–5 651	8 963	7 172	1 791	26 073	29 933	–3 860	..	..	..	..
May	16 906	22 277	–5 371	9 026	7 342	1 684	25 932	29 619	–3 687	..	..	..	..
Jun	18 268	22 840	–4 572	8 794	7 198	1 596	27 062	30 038	–2 976	..	..	..	..
Jul	17 502	23 053	–5 551	8 878	7 275	1 603	26 380	30 328	–3 948	..	..	..	..
Aug	17 920	24 209	–6 289	7 004	7 236	–232	24 924	31 445	–6 521	..	..	..	..
Sep	18 417	24 343	–5 926	8 917	7 368	1 549	27 334	31 711	–4 377	..	..	..	..
Oct	18 618	23 808	–5 190	8 817	7 268	1 549	27 435	31 076	–3 641	..	..	..	..
Nov	18 394	24 728	–6 334	9 271	7 400	1 871	27 665	32 128	–4 463	..	..	..	..
Dec	18 968	25 343	–6 375	9 567	7 284	2 283	28 535	32 627	–4 092	..	..	..	..
2006 Jan	19 351	26 064	–6 713	9 571†	7 459†	2 112†	28 922	33 523	–4 601	..	..	..	..
Feb	20 189	27 370	–7 181	9 333	7 377	1 956	29 522	34 747	–5 225	..	..	..	..
Mar	20 797	26 505	–5 708	9 214	7 502	1 712	30 011	34 007	–3 996	..	..	..	..
Apr	20 529	26 279	–5 750	9 372	7 600	1 772	29 901	33 879	–3 978	..	..	..	..

1 Using series YBHA: GDP at current market prices

Sources: Office for National Statistics;
Enquiries: Columns 1-3 020 7533 6064; Columns 4-6 020 7533 6090;
Columns 7-13 020 7533 6078.

Balance of payments: current account



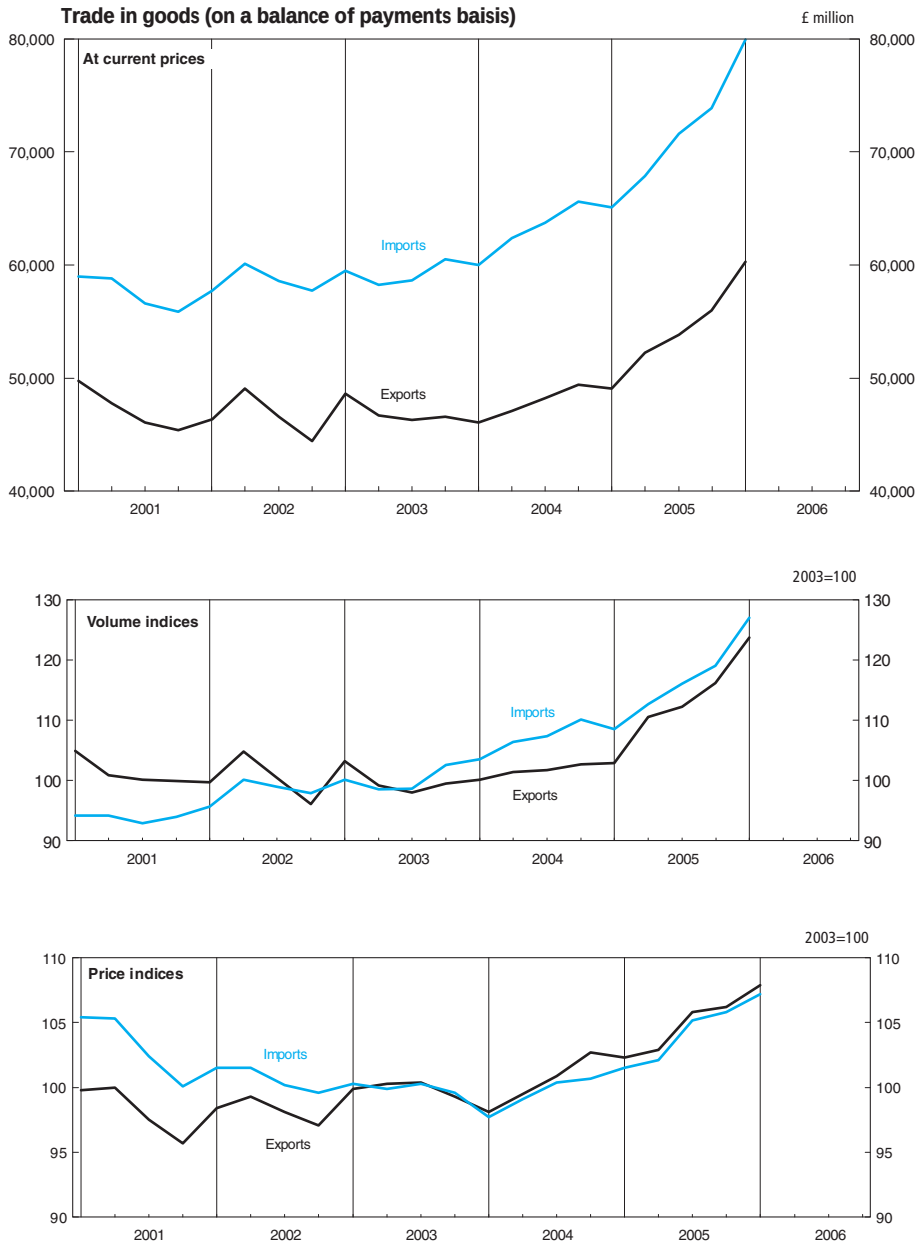
2.14 Trade in goods (on a balance of payments basis)

2003 = 100

	Volume indices (seasonally adjusted)						Price indices (not seasonally adjusted)							
	Total		Total excluding oil		Total excluding oil and erratics[1]		Total			Total excluding oil			Total excluding oil and erratics[1]	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Terms of trade[2]	Exports	Imports	Terms of trade[2]	Exports	Imports
	BQKU†	BQKV†	BQKI†	BQKJ	BOMA†	ELAL†	BQKR†	BQKS†	BQKT†	BQKK†	BQKL†	BQKM†	BQAK†	ELBA†
2001	101.5†	93.8†	100.8†	93.5	103.3†	93.1†	98.3†	103.3†	*95.2*†	98.8†	104.4†	*94.6*†	97.3†	103.9†
2002	100.3	98.2	99.9	98.6	101.8	98.2	98.2	100.7	*97.5*	98.7	101.1	*97.6*	97.7	100.9
2003	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	100.0
2004	101.5	106.9	102.0	106.3	102.0	106.8	100.3	99.5	*100.8*	98.9	98.7	*100.2*	99.0	99.0
2005	110.5	114.2	112.0	114.2	112.7	115.0	104.3	103.7	*100.6*	100.2	100.6	*99.6*	100.4	100.7
2001 Q1	104.9†	94.2†	104.7†	94.0	107.4†	94.2†	99.8†	105.4†	*94.7*†	100.2†	106.4†	*94.2*†	98.4†	105.8†
Q2	100.9	94.2	100.3	93.9	103.1	93.3	100.0	105.3	*95.0*	99.9	106.0	*94.2*	98.1	105.2
Q3	100.2	92.9	99.1	93.3	101.4	92.5	97.5	102.4	*95.2*	97.7	103.2	*94.7*	96.5	102.9
Q4	99.9	94.0	99.1	92.9	101.1	92.5	95.7	100.1	*95.6*	97.2	101.8	*95.5*	96.1	101.6
2002 Q1	99.7	95.7	99.2	95.8	101.7	96.5	98.4	101.5	*96.9*	99.7	102.6	*97.2*	98.6	102.3
Q2	104.8	100.2	103.9	100.6	105.0	100.0	99.3	101.5	*97.8*	99.6	101.8	*97.8*	98.7	101.6
Q3	100.5	99.0	100.6	99.5	102.6	99.1	98.1	100.2	*97.9*	98.2	100.3	*97.9*	97.3	100.2
Q4	96.1	97.9	95.8	98.4	98.1	97.2	97.1	99.6	*97.5*	97.2	99.8	*97.4*	96.3	99.7
2003 Q1	103.2	100.2	102.8	100.8	103.4	100.7	99.9	100.3	*99.6*	99.0	99.7	*99.3*	99.0	99.7
Q2	99.2	98.5	99.3	98.3	99.6	98.6	100.3	99.9	*100.4*	101.0	100.3	*100.7*	101.0	100.4
Q3	98.0	98.7	98.1	98.4	98.2	97.9	100.4	100.3	*100.1*	100.6	100.4	*100.2*	100.5	100.2
Q4	99.5	102.6	99.7	102.5	98.8	102.8	99.3	99.6	*99.7*	99.4	99.7	*99.7*	99.5	99.8
2004 Q1	100.1	103.6	100.0	103.4	99.8	103.7	98.1	97.7	*100.4*	98.0	97.8	*100.2*	98.1	98.1
Q2	101.4	106.4	102.2	105.5	102.7	105.9	99.5	99.1	*100.4*	98.6	98.6	*100.0*	98.7	98.9
Q3	101.8	107.4	102.9	107.1	102.5	107.3	100.9	100.4	*100.5*	98.8	99.1	*99.7*	99.0	99.3
Q4	102.7	110.1	103.1	109.4	103.1	110.1	102.7	100.7	*102.0*	100.3	99.3	*101.0*	100.4	99.5
2005 Q1	102.9	108.6	103.1	108.8	103.3	109.4	102.3	101.5	*100.8*	100.2	99.8	*100.4*	100.4	100.0
Q2	110.6	112.7	112.1	112.7	113.2	113.8	102.9	102.1	*100.8*	99.6	99.8	*99.8*	99.8	99.9
Q3	112.3	116.1	114.6	116.0	115.2	116.3	105.8	105.2	*100.6*	100.0	100.9	*99.1*	100.3	101.0
Q4	116.2	119.1	118.3	119.5	119.0	120.3	106.2	105.8	*100.4*	100.9	102.0	*98.9*	101.1	102.0
2006 Q1	123.7	127.0	126.3	127.6	128.7	128.7	107.9	107.2	*100.7*	102.2	102.8	*99.4*	102.3	102.7
2003 Jan	106.8†	100.7†	106.8†	101.0	107.1†	100.3†	98.5†	99.5†	*99.0*†	97.7†	98.9†	*98.8*†	97.6†	99.0†
Feb	103.2	99.9	103.2	101.0	103.8	101.1	99.6	100.0	*99.6*	98.6	99.3	*99.3*	98.5	99.2
Mar	99.5	100.1	98.5	100.3	99.3	100.6	101.5	101.3	*100.2*	100.8	100.8	*100.0*	100.8	100.8
Apr	106.0	97.9	106.3	97.7	107.0	98.4	100.1	100.5	*99.6*	100.7	100.9	*99.8*	100.6	100.9
May	97.6	99.4	97.7	98.6	98.0	98.1	101.0	100.0	*101.0*	101.9	100.5	*101.4*	101.9	100.6
Jun	94.1	98.1	93.9	98.6	93.9	99.2	99.9	99.2	*100.7*	100.4	99.5	*100.9*	100.5	99.6
Jul	100.3	98.9	100.0	98.5	100.0	98.3	100.1	99.8	*100.3*	100.3	99.9	*100.4*	100.3	99.8
Aug	98.2	95.5	98.7	96.0	98.5	95.5	101.0	100.5	*100.5*	100.8	100.4	*100.4*	100.8	100.2
Sep	95.6	101.8	95.6	100.7	96.0	100.0	100.2	100.5	*99.7*	100.6	100.8	*99.8*	100.5	100.7
Oct	101.1	102.9	101.2	102.2	100.0	102.3	99.8	100.0	*99.8*	99.8	100.1	*99.7*	99.9	100.1
Nov	97.1	101.1	98.2	101.5	98.0	102.5	99.2	99.7	*99.5*	99.3	99.8	*99.5*	99.4	99.9
Dec	100.4	103.7	99.8	103.7	98.5	103.7	99.0	99.0	*100.0*	99.1	99.1	*100.0*	99.2	99.3
2004 Jan	97.6	105.1	96.8	103.9	97.0	104.4	98.2	98.0	*100.2*	98.2	98.1	*100.1*	98.5	98.4
Feb	99.8	101.5	100.7	101.7	100.8	102.5	97.2	96.7	*100.5*	97.3	97.0	*100.3*	97.4	97.3
Mar	103.0	104.3	102.4	104.5	101.7	104.2	98.8	98.4	*100.4*	98.4	98.2	*100.2*	98.5	98.5
Apr	102.0	106.7	102.6	105.5	103.2	105.8	99.1	98.6	*100.5*	98.7	98.4	*100.3*	98.8	98.6
May	99.4	104.7	100.1	104.2	100.8	105.0	100.3	99.8	*100.5*	99.0	99.0	*100.0*	99.1	99.3
Jun	102.8	107.7	103.9	106.8	104.2	106.8	99.1	98.9	*100.2*	98.0	98.4	*99.6*	98.1	98.7
Jul	102.4	108.8	103.0	107.7	103.0	108.0	99.3	99.1	*100.2*	98.0	98.5	*99.5*	98.2	98.8
Aug	100.7	106.9	101.5	107.6	101.0	107.7	101.0	100.6	*100.4*	98.5	99.0	*99.5*	98.7	99.2
Sep	102.2	106.6	104.1	106.0	103.5	106.2	102.5	101.4	*101.1*	100.0	99.8	*100.2*	100.1	100.0
Oct	100.1	109.1	101.2	109.2	101.0	109.3	104.2	102.2	*102.0*	100.8	99.9	*100.9*	101.0	100.1
Nov	101.8	109.4	102.6	108.0	103.2	109.5	103.1	100.9	*102.2*	100.7	99.6	*101.1*	100.8	99.7
Dec	106.3	111.8	105.6	110.9	105.2	111.6	100.9	99.1	*101.8*	99.3	98.5	*100.8*	99.4	98.8
2005 Jan	102.7	109.5	102.2	109.4	102.4	109.9	101.6	101.1	*100.5*	100.1	99.8	*100.3*	100.2	100.0
Feb	101.3	106.8	102.6	106.9	102.4	107.6	101.8	101.3	*100.5*	100.0	99.8	*100.2*	100.2	100.0
Mar	104.7	109.5	104.6	110.0	105.1	110.6	103.5	102.2	*101.3*	100.6	99.7	*100.9*	100.8	100.0
Apr	108.2	113.7	109.6	113.4	111.5	114.5	102.9	101.7	*101.2*	99.8	99.5	*100.3*	100.0	99.6
May	106.9	111.3	108.0	111.1	108.4	112.9	103.0	102.0	*101.0*	100.2	100.0	*100.2*	100.3	100.1
Jun	116.7	113.2	118.8	113.5	119.6	114.0	102.9	102.7	*100.2*	98.9	99.8	*99.1*	99.2	100.0
Jul	108.6	112.2	109.8	112.4	109.7	112.9	105.6	105.3	*100.3*	100.4	101.5	*98.9*	100.6	101.5
Aug	112.6	117.7	115.9	117.8	116.7	117.5	106.1	105.3	*100.8*	100.0	100.6	*99.4*	100.3	100.7
Sep	115.6	118.5	118.1	117.7	119.2	118.6	105.7	104.9	*100.8*	99.6	100.6	*99.0*	99.9	100.7
Oct	116.1	115.7	117.9	115.4	118.8	117.3	106.5	105.6	*100.9*	100.7	101.7	*99.0*	101.0	101.7
Nov	115.0	119.3	117.5	119.5	117.9	119.3	106.1	106.0	*100.1*	100.9	102.3	*98.6*	101.1	102.2
Dec	117.5	122.4	119.5	123.5	120.3	124.3	106.0	105.9	*100.1*	101.0	102.1	*98.9*	101.2	102.1
2006 Jan	119.2	124.0	121.8	123.8	123.7	124.0	107.4	106.7	*100.7*	101.6	102.3	*99.3*	101.8	102.3
Feb	125.3	130.9	128.6	132.4	131.0	133.6	107.8	107.2	*100.6*	102.1	102.9	*99.2*	102.2	102.8
Mar	126.7	126.2	128.6	126.5	131.5	128.6	108.6	107.6	*100.9*	102.9	103.2	*99.7*	103.0	103.1
Apr	124.4	125.8	126.7	127.3	128.0	129.0	109.9	108.5	*101.3*	103.0	103.2	*99.8*	103.1	103.2

1 Defined as ships, aircraft, precious stones and silver.
2 Price index for exports expressed as a percentage of price index for imports.

Source: Office for National Statistics; Enquiries: 020 7533 6064


Trade in goods (on a balance of payments baisis)
£ million
At current prices
80,000
70,000
60,000
50,000
40,000
Imports
Exports
2001
2002
2003
2004
2005
2006
2003=100
Volume indices
130
120
110
100
90
Imports
Exports
2003=100
Price indices
110
105
100
95
90
Imports
Exports

3.1 Prices

Not seasonally adjusted except series RNPE

	Producer price index (2000=100)		Consumer prices index[2,3] (2005=100)				Retail prices index (13 January 1987=100)						Pensioner price index[6] (13 January 1987=100)		
			All items		CPI excluding indirect taxes (CPIY)[4]		All items (RPI)		All items excluding mortgage interest payments (RPIX)		All items excluding mortgage interest payments and indirect taxes (RPIY)[5]				
	Materials and fuel purchased by manufacturing industry (SA)[1]	Output: all manufactured products: home sales	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	Index	Percentage change on a year earlier	One-person household	Two-person household	Purchasing power of the pound[7] (NSA) (1985=100)
	RNPE	PLLU	D7BT	D7G7	EL2Q	EL2S	CHAW	CZBH	CHMK	CDKQ	CBZW	CBZX	CZIF	CZIU	FJAK
2001	98.8	99.7	94.2	*1.2*	..	..	173.3	*1.8*	171.3	*2.1*	163.7	*2.4*	152.7	158.5	55
2002	94.4	99.8	95.4	*1.3*	..	..	176.2	*1.7*	175.1	*2.2*	167.5	*2.3*	155.3	160.9	54
2003	95.7	101.3	96.7	*1.4*	96.6	..	181.3	*2.9*	180.0	*2.8*	172.0	*2.7*	158.1	163.8	52
2004	99.4	103.8	98.0	*1.3*	97.9	*1.3*	186.7	*3.0*	184.0	*2.2*	175.5	*2.0*	160.9	166.4	51
2005	111.1	106.7	100.0	*2.1*	100.0	*2.2*	192.0	*2.8*	188.2	*2.3*	179.4	*2.2*	165.1	170.0	49
2001 Q1	100.9	99.7	93.2	*0.9*	..	..	171.8	*2.6*	168.9	*1.9*	161.1	*1.6*	150.6	156.5	55
Q2	101.8	100.1	94.5	*1.5*	..	..	173.9	*1.9*	171.8	*2.3*	164.1	*2.6*	153.3	159.3	54
Q3	98.2	99.8	94.5	*1.5*	..	..	174.0	*1.8*	172.1	*2.4*	164.6	*2.8*	153.0	158.9	54
Q4	94.2	99.3	94.6	*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	94.6	*1.5*	..	..	173.9	*1.2*	172.9	*2.4*	165.5	*2.7*	154.7	160.1	54
Q2	95.2	99.8	95.4	*0.9*	..	..	176.0	*1.2*	175.0	*1.9*	167.1	*1.8*	155.3	161.0	54
Q3	94.2	99.9	95.5	*1.0*	..	..	176.6	*1.5*	175.5	*2.0*	167.8	*1.9*	155.0	160.7	54
Q4	93.9	100.1	96.0	*1.5*	..	..	178.2	*2.5*	176.9	*2.6*	169.5	*2.7*	156.1	161.7	53
2003 Q1	95.9	100.9	96.0	*1.5*	95.9	..	179.2	*3.0*	177.9	*2.9*	170.6	*3.1*	156.7	162.6	53
Q2	94.8	101.1	96.6	*1.3*	96.5	..	181.3	*3.0*	180.1	*2.9*	171.8	*2.8*	157.9	163.7	52
Q3	95.4	101.3	96.8	*1.4*	96.7	..	181.8	*2.9*	180.5	*2.8*	172.3	*2.7*	158.3	164.0	52
Q4	96.7	101.7	97.3	*1.3*	97.2	..	182.9	*2.6*	181.5	*2.6*	173.2	*2.2*	159.4	165.0	52
2004 Q1	95.7	102.4	97.2	*1.3*	97.1	*1.3*	183.8	*2.6*	182.0	*2.3*	173.8	*1.9*	159.7	165.4	51
Q2	98.6	103.4	98.0	*1.4*	97.8	*1.4*	186.3	*2.8*	184.0	*2.2*	175.4	*2.1*	160.9	166.6	51
Q3	100.5	104.2	98.0	*1.3*	97.9	*1.2*	187.4	*3.1*	184.3	*2.1*	175.6	*1.9*	160.5	166.1	50
Q4	102.9	105.1	98.7	*1.4*	98.6	*1.4*	189.2	*3.4*	185.6	*2.3*	177.1	*2.3*	162.3	167.6	50
2005 Q1	105.7	105.2	98.9	*1.7*	98.9	*1.8*	189.7	*3.2*	186.0	*2.2*	177.5	*2.1*	163.4	168.3	50
Q2	108.3r	106.3	99.9	*2.0*	99.9	*2.1*	191.9	*3.0*	188.1	*2.2*	179.3	*2.2*	164.8	169.8	49
Q3	113.5	107.4	100.4	*2.4*	100.4	*2.6*	192.6	*2.8*	188.7	*2.4*	179.9	*2.4*	165.1	170.1	49
Q4	116.9	107.7	100.8	*2.1*	100.9	*2.3*	193.7	*2.4*	189.8	*2.3*	181.0	*2.2*	167.1	171.7	49
2006 Q1	120.8r†	108.1	100.8	*1.9*	100.9	*2.0*	194.2	*2.4*	190.1	*2.2*	181.4	*2.2*	168.2	172.4	49
2004 Jul	99.1	103.8	97.8	*1.4*	97.7	*1.4*	186.8	*3.0*	183.8	*2.2*	175.1	*2.0*	..	..	51
Aug	100.2	104.2	98.1	*1.3*	97.9	*1.3*	187.4	*3.2*	184.3	*2.2*	175.7	*2.0*	..	..	50
Sep	102.3	104.5	98.2	*1.1*	98.0	*1.0*	188.1	*3.1*	184.7	*1.9*	176.1	*1.7*	..	..	50
Oct	105.0	105.2	98.4	*1.2*	98.3	*1.2*	188.6	*3.3*	185.1	*2.1*	176.6	*2.0*	..	..	50
Nov	103.0	105.3	98.6	*1.5*	98.5	*1.4*	189.0	*3.4*	185.4	*2.2*	176.9	*2.2*	..	..	50
Dec	100.6	104.9	99.1	*1.7*	99.1	*1.7*	189.9	*3.5*	186.4	*2.5*	177.9	*2.5*	..	..	50
2005 Jan	105.0	104.8	98.6	*1.6*	98.5	*1.7*	188.9	*3.2*	185.2	*2.1*	176.7	*2.0*	..	..	50
Feb	105.0	105.1	98.8	*1.7*	98.8	*1.7*	189.6	*3.2*	185.9	*2.1*	177.4	*2.0*	..	..	50
Mar	107.0	105.8	99.3	*1.9*	99.3	*2.0*	190.5	*3.2*	186.8	*2.4*	178.3	*2.3*	..	..	50
Apr	107.2	106.5	99.7	*1.9*	99.6	*2.0*	191.6	*3.2*	187.8	*2.3*	179.0	*2.3*	..	..	49
May	107.7r†	106.3	100.0	*1.9*	100.0	*2.0*	192.0	*2.9*	188.2	*2.1*	179.4	*2.2*	..	..	49
Jun	110.1	106.2	100.0	*2.0*	100.0	*2.2*	192.2	*2.9*	188.3	*2.2*	179.5	*2.2*	..	..	49
Jul	113.4	107.0	100.1	*2.3*	100.1	*2.5*	192.2	*2.9*	188.3	*2.4*	179.5	*2.5*	..	..	49
Aug	113.5	107.3	100.4	*2.4*	100.5	*2.6*	192.6	*2.8*	188.6	*2.3*	179.8	*2.3*	..	..	49
Sep	113.5	108.0	100.6	*2.5*	100.6	*2.6*	193.1	*2.7*	189.3	*2.5*	180.5	*2.5*	..	..	49
Oct	114.8	107.9	100.7	*2.3*	100.8	*2.5*	193.3	*2.5*	189.5	*2.4*	180.7	*2.3*	..	..	49
Nov	117.1	107.7	100.7	*2.1*	100.8	*2.3*	193.6	*2.4*	189.7	*2.3*	180.9	*2.3*	..	..	49
Dec	118.9	107.4	101.0	*1.9*	101.1	*2.1*	194.1	*2.2*	190.2	*2.0*	181.5	*2.0*	..	..	49
2006 Jan	120.8r	107.8	100.5	*1.9*	100.6	*2.1*	193.4	*2.4*	189.4	*2.3*	180.7	*2.3*	..	..	49
Feb	120.8	108.1	100.9	*2.0*	100.9	*2.1*	194.2	*2.4*	190.1	*2.3*	181.4	*2.3*	..	..	49
Mar	120.9	108.4	101.1	*1.8*	101.1	*1.9*	195.0	*2.4*	190.8	*2.1*	182.2	*2.2*	..	..	49
Apr	123.3p	109.2p	101.7	*2.0*	101.7	*2.1*	196.5	*2.6*	192.3	*2.4*	183.2	*2.3*	..	..	48
May	122.7p	109.5p	102.2	*2.2*	102.3	*2.3*	197.7	*3.0*	193.6	*2.9*	184.5	*2.8*	..	..	48

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

1 Includes the climate change levy introduced in April 2001 and the aggregates levy introduced in April 2002.

2 Rebased from 1996=100 with effect from the January 2006 CPI release. Inflation rates before 1997 and index levels before 1996 are estimated. Further details are given in *Economic Trends* No.541 December 1998.

3 Before December 2003, the consumer prices index (CPI) was published in the UK as the harmonised index of consumer prices (HICP).

4 New series published with effect from the March 2006 CPI release. The index is not available before December 2002.

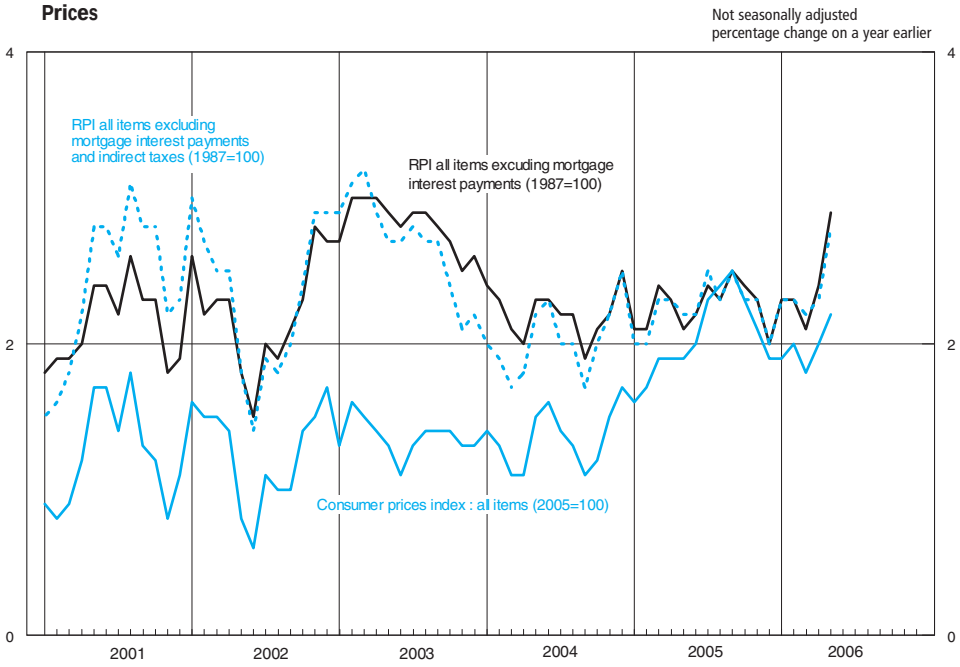
5 The taxes excluded are council tax, VAT, duties, vehicle excise duty, insurance tax and airport passenger duty.

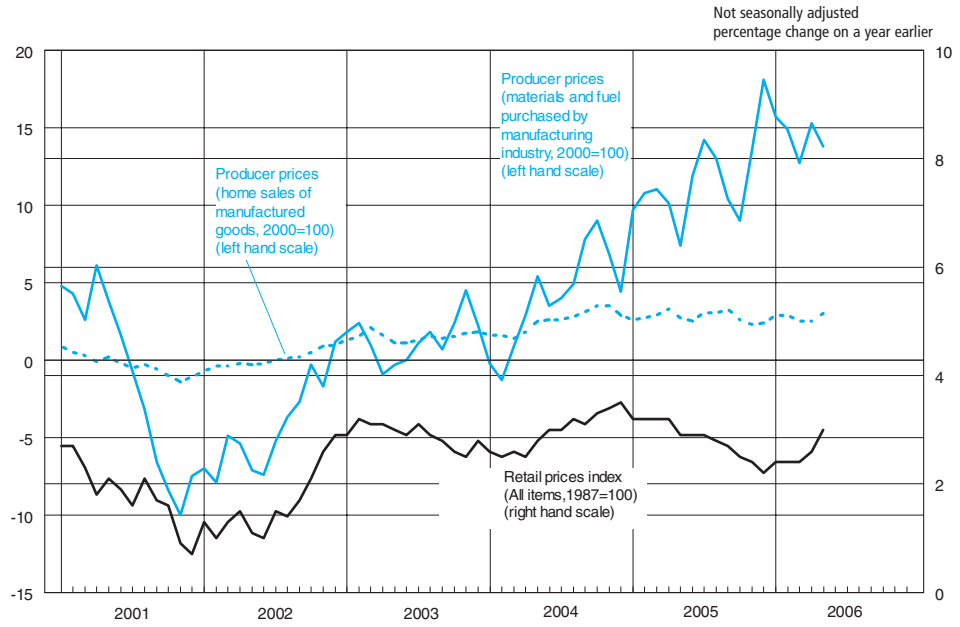
6 Pensioner price indices exclude housing costs, as these are often atypical for a pensioner household, based on RPI.

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 3-15 020 7533 5853.

Prices


Not seasonally adjusted
percentage change on a year earlier
RPI all items excluding mortgage interest payments and indirect taxes (1987=100)
RPI all items excuding mortgage interest payments (1987=100)
Consumer prices index : all items (2005=100)
4
2
0
2001
2002
2003
2004
2005
2006


Not seasonally adjusted
percentage change on a year earlier
Producer prices (materials and fuel purchased by manufacturing industry, 2000=100) (left hand scale)
Producer prices (home sales of manufactured goods, 2000=100) (left hand scale)
Retail prices index (All items,1987=100) (right hand scale)
20
15
10
5
0
-5
-10
-15
10
8
6
4
2
0
2001
2002
2003
2004
2005
2006

4.1 Labour market activity[1]

United Kingdom

Thousands, seasonally adjusted[2]

	Employment categories									
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total in employment	Unemployed	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64[3]
Total										
	MGRN	MGRQ	MGRT	MGRW	MGRZ	MGSC	MGSF	MGSI	MGSL	MGSU
2002 Q1	24 247	3 321	97	112	27 777	1 511	29 288	17 369	46 657	*74.3*
Q2	24 365	3 336	97	106	27 905	1 515	29 420	17 306	46 727	*74.5*
Q3	24 366	3 355	94	97	27 912	1 561	29 473	17 325	46 798	*74.4*
Q4	24 521	3 363	94	96	28 074	1 514	29 588	17 284	46 872	*74.7*
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*
Q4	24 869	3 700	90	109	28 769	1 541	30 310	17 647	47 957	*74.5*
2006 Q1	24 967	3 748	87	94	28 896	1 586	30 482	17 568	48 050	*74.7*
Males										
	MGRO	MGRR	MGRU	MGRX	MGSA	MGSD	MGSG	MGSJ	MGSM	MGSV
2002 Q1	12 467	2 449	30	70	15 016	919	15 935	6 587	22 522	*78.9*
Q2	12 535	2 442	31	61	15 068	910	15 978	6 586	22 564	*79.0*
Q3	12 517	2 457	36	60	15 070	945	16 015	6 591	22 606	*78.9*
Q4	12 671	2 460	34	61	15 226	891	16 117	6 533	22 650	*79.5*
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*
Q4	12 721	2 718	30	62	15 531	910	16 441	6 825	23 266	*78.8*
2006 Q1	12 733	2 726	28	60	15 548	926	16 474	6 845	23 318	*78.7*
Females										
	MGRP	MGRS	MGRV	MGRY	MGSB	MGSE	MGSH	MGSK	MGSN	MGSW
2002 Q1	11 780	872	66	42	12 760	593	13 353	10 782	24 135	*69.4*
Q2	11 831	895	65	45	12 837	606	13 443	10 720	24 163	*69.7*
Q3	11 850	898	58	37	12 843	615	13 458	10 734	24 192	*69.7*
Q4	11 850	903	60	35	12 848	623	13 471	10 751	24 222	*69.6*
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*
Q4	12 148	982	60	48	13 238	632	13 869	10 822	24 691	*69.8*
2006 Q1	12 233	1 022	58	34	13 348	660	14 008	10 723	24 731	*70.3*

1 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.*

2 Seasonally adjusted estimates are revised in September each year.

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

Source: Office for National Statistics; Enquiries: 020 7533 6094

4.2 Labour market activity[1]

United Kingdom

Thousands, not seasonally adjusted

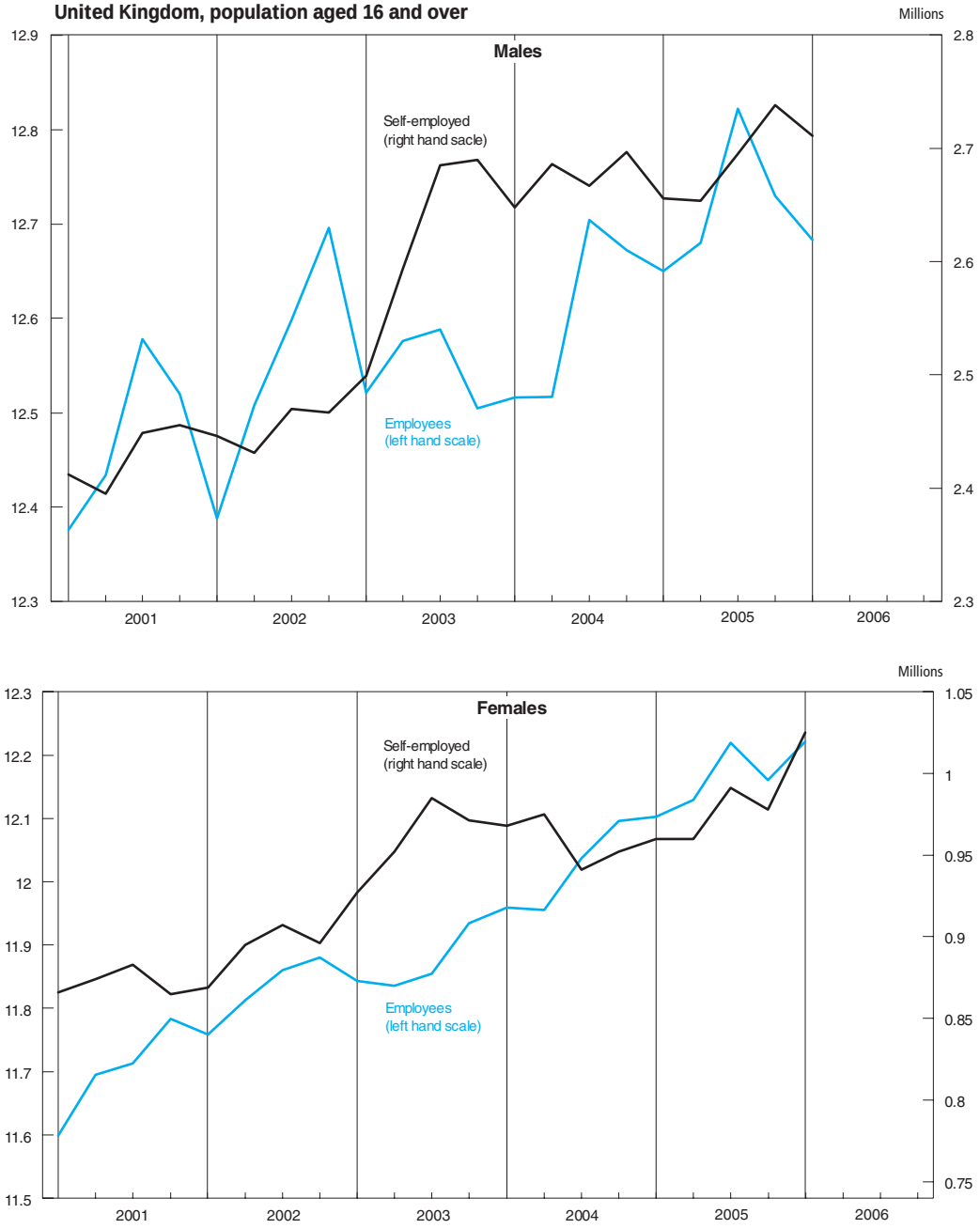
	Employment categories									
	Employees	Self-employed	Unpaid family workers	Government training and employment programmes	Total in employment	Unemployed	Total economically active	Economically inactive	Total aged 16 and over	Employment rate: age 16-59/64[2]
Total										
	MGTA	MGTD	MGTG	MGTJ	MGTM	MGTP	MGTS	MGTV	MGSL	MGUH
2002 Q1	24 146	3 315	95	117	27 672	1 517	29 189	17 468	46 657	*74.0*
Q2	24 321	3 326	95	105	27 847	1 468	29 315	17 411	46 727	*74.4*
Q3	24 458	3 377	97	90	28 022	1 633	29 656	17 142	46 798	*74.7*
Q4	24 576	3 363	95	99	28 133	1 476	29 609	17 263	46 872	*74.9*
2003 Q1	24 363	3 426	83	99	27 971	1 525	29 497	17 450	46 946	*74.3*
Q2	24 412	3 545	86	91	28 134	1 416	29 550	17 470	47 020	*74.6*
Q3	24 442	3 670	110	101	28 323	1 572	29 895	17 203	47 098	*74.9*
Q4	24 440	3 661	100	110	28 311	1 422	29 733	17 450	47 183	*74.7*
2004 Q1	24 475	3 616	104	121	28 316	1 430	29 746	17 522	47 268	*74.6*
Q2	24 471	3 661	96	122	28 349	1 389	29 738	17 614	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*
Q4	24 891	3 715	89	111	28 807	1 525	30 332	17 625	47 957	*74.6*
2006 Q1	24 904	3 736	90	97	28 827	1 589	30 416	17 634	48 050	*74.4*
Males										
	MGTB	MGTE	MGTH	MGTK	MGTN	MGTQ	MGTT	MGTW	MGSM	MGUI
2002 Q1	12 388	2 446	31	73	14 938	932	15 870	6 652	22 522	*78.5*
Q2	12 508	2 431	30	60	15 030	888	15 918	6 646	22 564	*78.8*
Q3	12 598	2 470	36	57	15 161	971	16 132	6 475	22 606	*79.4*
Q4	12 696	2 467	34	63	15 260	867	16 127	6 523	22 650	*79.7*
2003 Q1	12 521	2 499	27	59	15 107	938	16 045	6 649	22 694	*78.7*
Q2	12 576	2 594	31	52	15 253	864	16 116	6 621	22 738	*79.3*
Q3	12 588	2 685	41	58	15 372	921	16 293	6 489	22 783	*79.8*
Q4	12 505	2 690	38	62	15 295	855	16 150	6 680	22 830	*79.2*
2004 Q1	12 516	2 648	44	70	15 279	852	16 130	6 748	22 878	*79.0*
Q2	12 517	2 686	40	71	15 313	820	16 133	6 792	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*
Q4	12 730	2 738	29	63	15 560	900	16 459	6 806	23 266	*79.0*
2006 Q1	12 683	2 711	31	61	15 487	937	16 424	6 895	23 318	*78.4*
Females										
	MGTC	MGTF	MGTI	MGTL	MGTO	MGTR	MGTU	MGTX	MGSN	MGUJ
2002 Q1	11 758	869	64	44	12 735	585	13 319	10 816	24 135	*69.2*
Q2	11 813	895	65	45	12 818	579	13 397	10 766	24 163	*69.6*
Q3	11 860	907	60	33	12 862	662	13 524	10 668	24 192	*69.8*
Q4	11 880	896	61	36	12 873	609	13 482	10 740	24 222	*69.8*
2003 Q1	11 843	927	55	40	12 865	587	13 452	10 801	24 252	*69.6*
Q2	11 836	952	55	39	12 881	552	13 434	10 849	24 283	*69.6*
Q3	11 855	985	69	43	12 951	651	13 601	10 714	24 315	*69.7*
Q4	11 934	971	62	48	13 016	567	13 583	10 770	24 352	*70.0*
2004 Q1	11 959	968	60	51	13 037	579	13 616	10 774	24 390	*69.9*
Q2	11 955	975	56	50	13 036	569	13 605	10 822	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*
Q4	12 160	978	60	49	13 247	625	13 872	10 819	24 691	*69.9*
2006 Q1	12 221	1 025	58	36	13 341	652	13 992	10 739	24 731	*70.2*

1 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*.

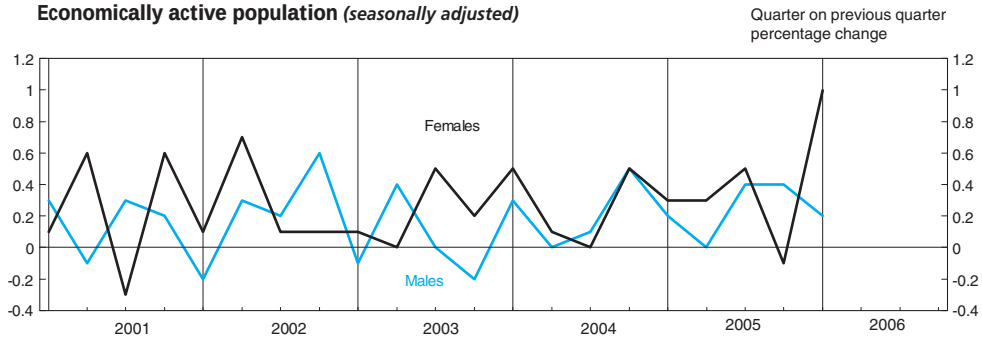
2 The employment rate equals those in employment aged 16-64 (males) and 16-59 (females), as a percentage of all in these age groups. The underlying data are available on request.

Source: Office for National Statistics; Enquiries: 020 7533 6094

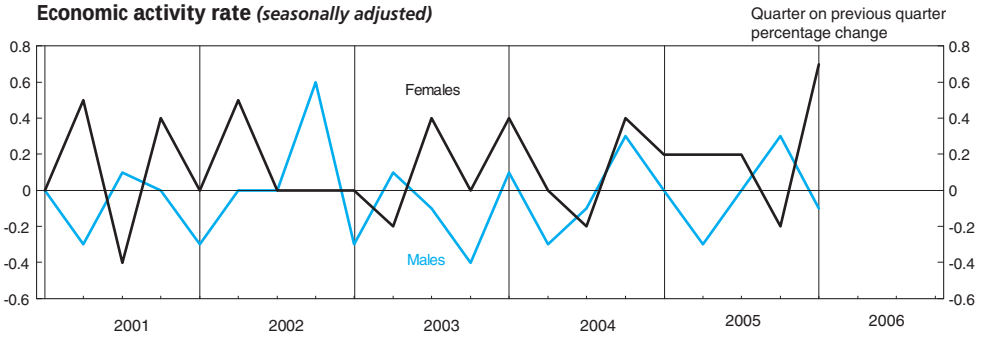
Employment, not seasonally adjusted:
United Kingdom, population aged 16 and over



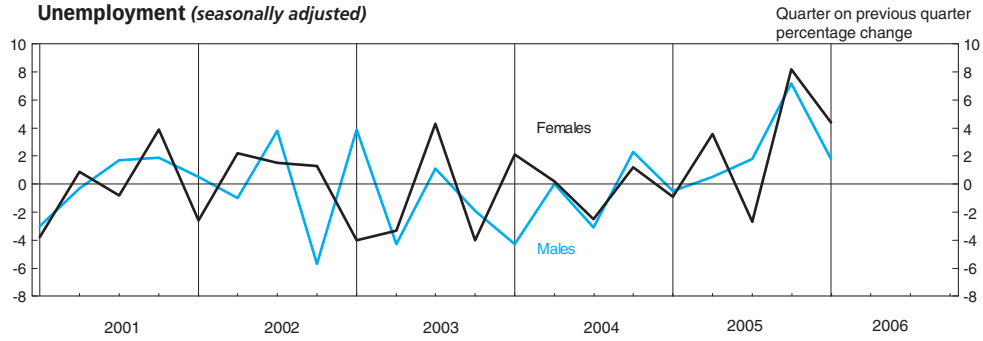
Economically active population ***(seasonally adjusted)***



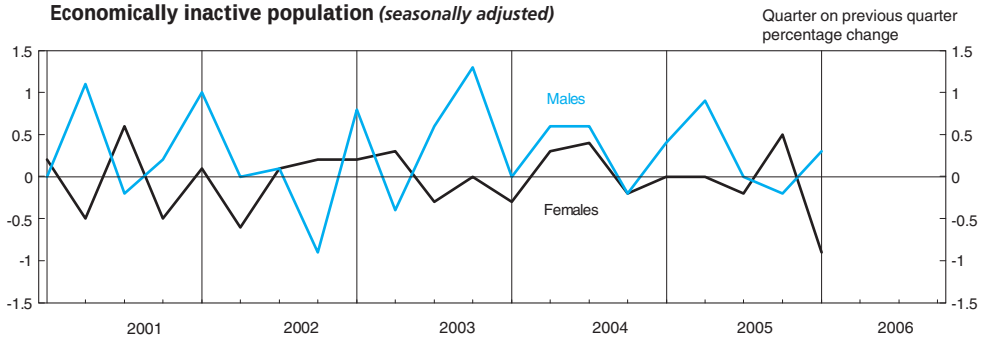
Economic activity rate ***(seasonally adjusted)***



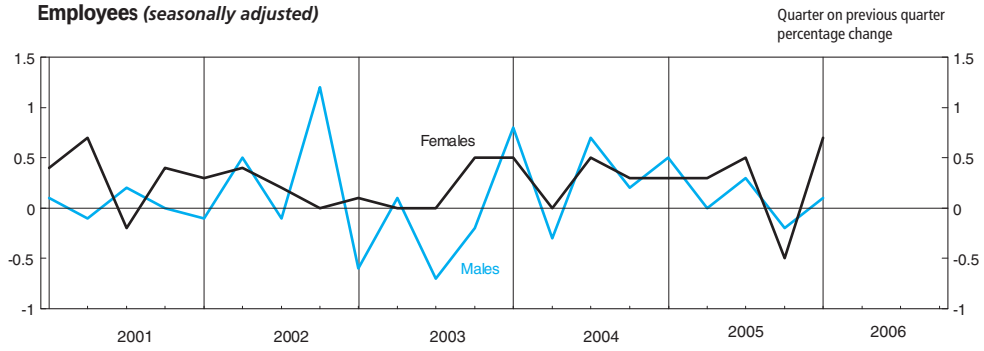
Unemployment ***(seasonally adjusted)***



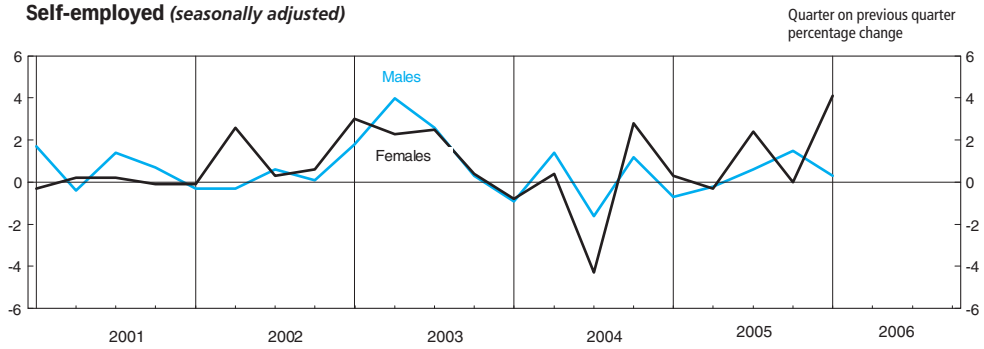
Economically inactive population ***(seasonally adjusted)***



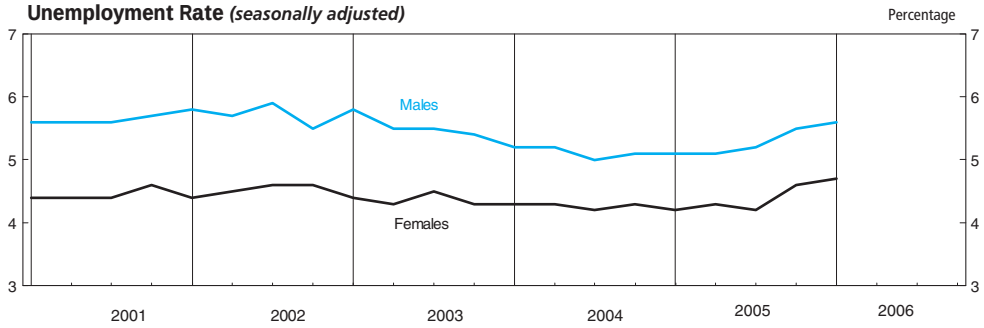
Employees ***(seasonally adjusted)***



Self-employed ***(seasonally adjusted)***



Unemployment Rate ***(seasonally adjusted)***



Total employment ***(seasonally adjusted)***

4.3 Labour market activity by age[1]

United Kingdom

Thousands, seasonally adjusted[2]

	Total aged 16 and over			Age groups[3]							
				16-24		25-49		50-59/64		60/65 and over	
	Total	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
In employment											
	MGRZ	MGSA	MGSB	MGUR	MGUS	MGUU	MGUV	MGUX	MGUY	MGVA	MGVB
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
Q4	28 769	15 531	13 238	2 115	1 931	9 218	7 981	3 815	2 591	383	734
2006 Q1	28 896	15 548	13 348	2 122	1 990	9 237	7 988	3 807	2 619	382	751
Unemployed											
	MGSC	MGSD	MGSE	MGVG	MGVH	MGVJ	MGVK	MGVM	MGVN	MGVP	MGVQ
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
Q4	1 541	910	632	392	262	370	294	137	66	11	10
2006 Q1	1 586	926	660	388	251	395	323	133	69	10	17
Economically inactive											
	MGSI	MGSJ	MGSK	MGVV	MGVW	MGVY	MGVZ	MGWB	MGWC	MGWE	MGWF
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
Q4	17 647	6 825	10 822	1 021	1 237	847	2 370	1 304	1 173	3 652	6 042
2006 Q1	17 568	6 845	10 723	1 033	1 198	814	2 344	1 333	1 144	3 665	6 036
Economic activity rate (per cent)[4]											
	MGWG	MGWH	MGWI	MGWK	MGWL	MGWN	MGWO	MGWQ	MGWR	MGWT	MGWU
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*
Q4	*63.2*	*70.7*	*56.2*	*71.1*	*63.9*	*91.9*	*77.7*	*75.2*	*69.4*	*9.7*	*11.0*
2006 Q1	*63.4*	*70.6*	*56.6*	*70.8*	*65.2*	*92.2*	*78.0*	*74.7*	*70.1*	*9.6*	*11.3*
Unemployment rate (per cent)[5]											
	MGSX	MGSY	MGSZ	MGWZ	MGXA	MGXC	MGXD	MGXF	MGXG	MGXI	MGXJ
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*
Q4	*5.1*	*5.5*	*4.6*	*15.6*	*11.9*	*3.9*	*3.6*	*3.5*	*2.5*	*2.8*	*1.4*
2006 Q1	*5.2*	*5.6*	*4.7*	*15.4*	*11.2*	*4.1*	*3.9*	*3.4*	*2.6*	*2.4*	*2.2*

1 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*.
2 Seasonally adjusted estimates are revised in September each year.
3 Data for more detailed age groups are published in *Labour Market Trends*.
4 The activity rate is the percentage of people in each age group who are economically active.
5 The unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.

Source: Office for National Statistics; Enquiries: 020 7533 6094

4.4 Jobs and claimant count
United Kingdom

Thousands

	Jobs[1]					Claimant count[5,6,7]			Vacancies: average for three months ending in month shown[9]
		Employee jobs[3,4]							
	Workforce jobs[2,3,4]	All industries	Manufacturing industries	Production industries	Service industries	Total	Percentage of workforce jobs and claimant count[8]	Total not seasonally adjusted	
	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	933.0	*3.0*	945.9	..
2004	30 572	26 381	3 255	3 424	21 557	853.5	*2.7*	866.1	..
2005	30 810	26 650	3 132	3 293	21 916	861.8	*2.7*	874.4	..
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	941.0	*3.0*	1 001.1	..
Q2	30 283	26 175	3 411	3 598	21 202	943.5	*3.0*	954.3	..
Q3	30 384	26 172	3 365	3 546	21 232	934.1	*3.0*	939.0	..
Q4	30 489	26 284	3 325	3 500	21 397	913.7	*2.9*	889.2	..
2004 Q1	30 524	26 334	3 284	3 458	21 480	888.8	*2.8*	947.2	..
Q2	30 572	26 381	3 255	3 424	21 557	859.2	*2.7*	871.8	..
Q3	30 558	26 396	3 217	3 381	21 614	836.1	*2.7*	839.0	..
Q4	30 747	26 569	3 187	3 346	21 770	830.0	*2.6*	806.7	..
2005 Q1	30 832	26 663	3 168	3 328	21 866	823.3	*2.6*	879.8	..
Q2	30 810	26 650	3 132	3 293	21 916	852.2	*2.7*	865.8	..
Q3	30 827	26 647	3 106	3 266	21 922	871.6	*2.8*	874.4	..
Q4	30 926†	26 683†	3 081†	3 242	21 987†	900.1	*2.8*	877.6	..
2006 Q1	30 979	26 705	3 049	3 213	22 029	922.6	*3.0*	976.4	..
2004 Jan	..	..	3 308	3 484	..	897.2	*2.9*	952.4	599.2
Feb	..	..	3 297	3 472	..	888.7	*2.8*	957.0	604.8
Mar	..	26 334	3 284	3 458	21 480	880.5	*2.8*	932.0	615.8
Apr	..	..	3 272	3 444	..	871.9	*2.8*	905.2	619.9
May	..	..	3 263	3 434	..	858.1	*2.7*	869.7	625.2
Jun	..	26 381	3 255	3 424	21 557	847.7	*2.7*	840.5	628.7
Jul	..	..	3 246	3 412	..	837.1	*2.7*	841.5	640.8
Aug	..	..	3 232	3 398	..	835.5	*2.7*	847.6	642.4
Sep	..	26 396	3 217	3 381	21 614	835.7	*2.7*	827.8	638.8
Oct	..	..	3 205	3 368	..	834.2	*2.7*	806.8	638.0
Nov	..	..	3 194	3 356	..	830.0	*2.6*	803.0	641.1
Dec	..	26 569	3 187	3 346	21 770	825.9	*2.6*	810.2	646.9
2005 Jan	..	..	3 182	3 343	..	819.6	*2.6*	872.1	647.7
Feb	..	..	3 174	3 334	..	819.0	*2.6*	885.0	643.2
Mar	..	26 663	3 168	3 328	21 866	831.4	*2.6*	882.3	636.5
Apr	..	..	3 160	3 319	..	839.2	*2.7*	871.8	630.7
May	..	..	3 145	3 304	..	854.2	*2.7*	867.6	633.8†
Jun	..	26 650	3 132	3 293	21 916	863.3	*2.7*	858.2	634.3
Jul	..	..	3 118	3 279	..	866.1	*2.7*	871.0	628.2
Aug	..	..	3 109	3 270	..	869.3	*2.7*	880.7	618.0
Sep	..	26 647	3 106	3 266	21 922	879.3	*2.8*	871.5	611.3
Oct	..	..	3 093	3 256	..	891.2	*2.8*	864.8	595.6
Nov	..	..	3 086	3 249	..	901.3	*2.8*	875.3	591.6
Dec	..	26 674	3 081†	3 242	21 984	907.9	*2.9*	892.7	596.5
2006 Jan	..	..	3 065	3 227†	..	905.1	*2.9*	955.3	602.8
Feb	..	..	3 057	3 220†	..	925.0	*2.9*	984.7	603.3
Mar	..	..	3 049	3 213	..	937.8†	*3.0*	989.1	595.5
Apr	..	..	3 048	3 213	..	945.1†	*3.0*	981.2	596.3
May	..	..	..	..	..	950.9	*3.0*	965.7	594.1

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

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

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

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

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

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

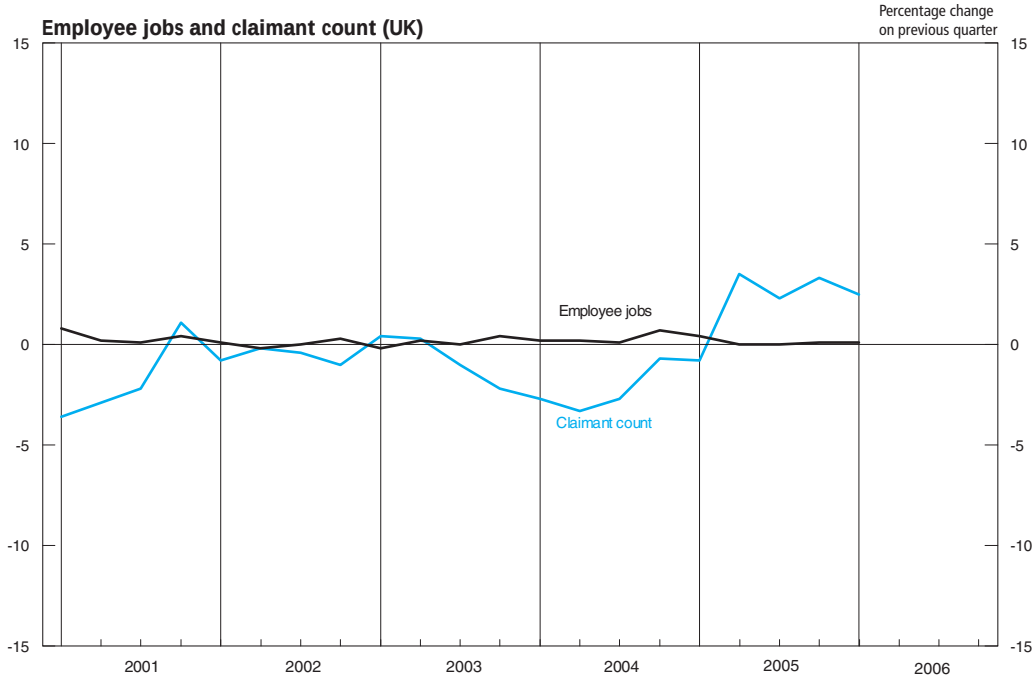
6 Claimant count figures do not include students claiming benefit during a vacation who intend to return to full-time education.

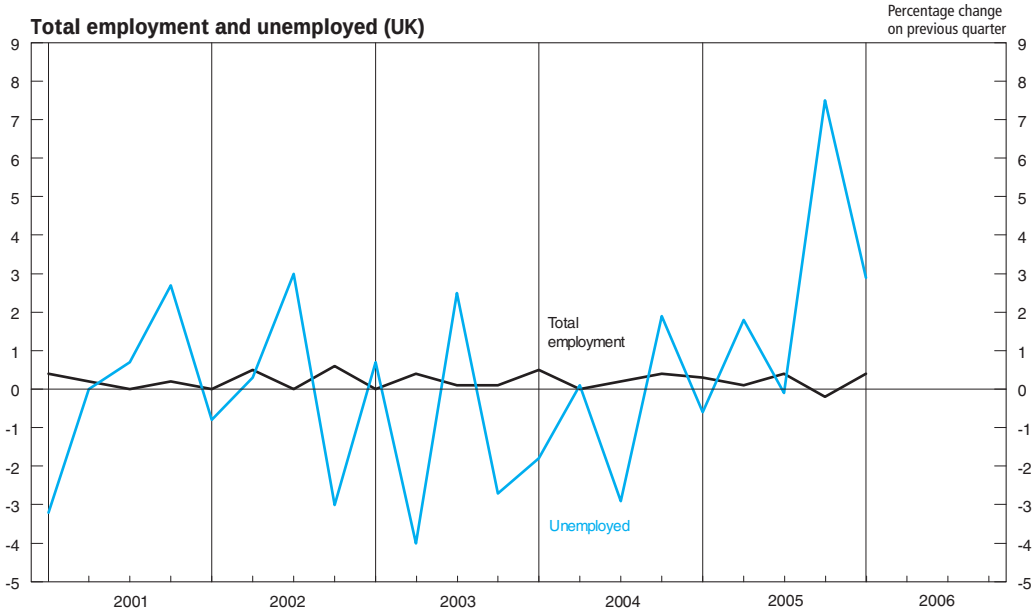
7 Quarterly and annual values are now the mean of the monthly and quarterly data respectively.

8 The denominator used to calculate claimant count unemployment rates comprises the workforce jobs *plus* the claimant count.

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


Employee jobs and claimant count (UK)
Percentage change on previous quarter
15
10
5
0
-5
-10
-15
Employee jobs
Claimant count
2001
2002
2003
2004
2005
2006


Total employment and unemployed (UK)
Percentage change on previous quarter
9
8
7
6
5
4
3
2
1
0
-1
-2
-3
-4
-5
Total employment
Unemployed
2001
2002
2003
2004
2005
2006

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

Percentages

	North East	North West[3]	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
	DPDM	IBWC	DPBI	DPBJ	DPBN	DPDP	DPDQ	DPDR
2000 Q1	6.5	4.3	4.6	3.5	4.1	2.6	4.0	2.0
Q2	6.4	4.1	4.4	3.4	4.0	2.4	3.8	1.9
Q3	6.1	4.0	4.2	3.3	3.9	2.3	3.6	1.8
Q4	5.9	3.9	4.1	3.2	3.9	2.2	3.5	1.7
2001 Q1	5.8	3.8	4.0	3.2	3.9	2.1	3.3	1.6
Q2	5.6	3.7	3.9	3.1	3.7	2.0	3.2	1.5
Q3	5.4	3.6	3.8	3.0	3.6	2.0	3.2	1.5
Q4	5.5	3.6	3.8	3.0	3.6	2.0	3.4	1.6
2002 Q1	5.2	3.5	3.6	2.9	3.5	2.0	3.5	1.6
Q2	5.1	3.5	3.6	2.9	3.5	2.1	3.5	1.6
Q3	5.0	3.5	3.6	2.9	3.5	2.1	3.6	1.7
Q4	4.8	3.4	3.5	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	3.6	1.7
Q3	4.5	3.2	3.3	2.9	3.5	2.1	3.6	1.7
Q4	4.3	3.1	3.2	2.8	3.5	2.1	3.6	1.7
2004 Q1	4.2	3.0	3.0	2.6	3.4	2.0	3.6	1.7
Q2	4.0	2.9	2.8	2.5	3.3	2.0	3.5	1.6
Q3	3.9	2.8	2.8	2.4	3.2	2.0	3.4	1.6
Q4	3.9	2.8	2.7	2.4	3.2	2.0	3.4	1.6
2005 Q1	3.7	2.7	2.7	2.4	3.1	2.0	3.4	1.6
Q2	3.9	2.8	2.8	2.5	3.4	2.1	3.4	1.6
Q3	4.0	2.9	2.9	2.6	3.5	2.1	3.5	1.7
Q4	4.0	3.1	3.1	2.7	3.7	2.2	3.5	1.7
2006 Q1	4.2	3.2	3.3	2.8	3.9	2.3	3.5	1.8

	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
	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	3.3	5.2	3.4
2001 Q1	2.1	3.1	4.2	4.1	3.2	5.0	3.2
Q2	2.1	3.0	4.0	3.9	3.1	4.9	3.2
Q3	2.0	2.9	3.8	3.9	3.0	4.8	3.1
Q4	2.0	3.0	3.7	3.9	3.1	4.7	3.1
2002 Q1	2.0	2.9	3.6	3.9	3.0	4.6	3.1
Q2	2.0	2.9	3.6	3.9	3.0	4.5	3.1
Q3	1.9	2.9	3.5	3.8	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	3.7	3.0	4.2	3.0
Q2	1.9	2.9	3.4	3.7	3.0	4.1	3.0
Q3	1.9	2.9	3.3	3.7	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	3.0	3.5	2.7	3.7	2.7
Q3	1.5	2.6	2.9	3.4	2.6	3.5	2.7
Q4	1.6	2.5	2.9	3.3	2.6	3.5	2.6
2005 Q1	1.5	2.5	2.8	3.2	2.6	3.4	2.6
Q2	1.6	2.6	2.9	3.2	2.7	3.3	2.7
Q3	1.6	2.7	3.0	3.2	2.7	3.3	2.8
Q4	1.6	2.8	3.1	3.2	2.8	3.3	2.8
2006 Q1	1.8	2.9	3.2	3.3	2.9	3.3	3.0

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

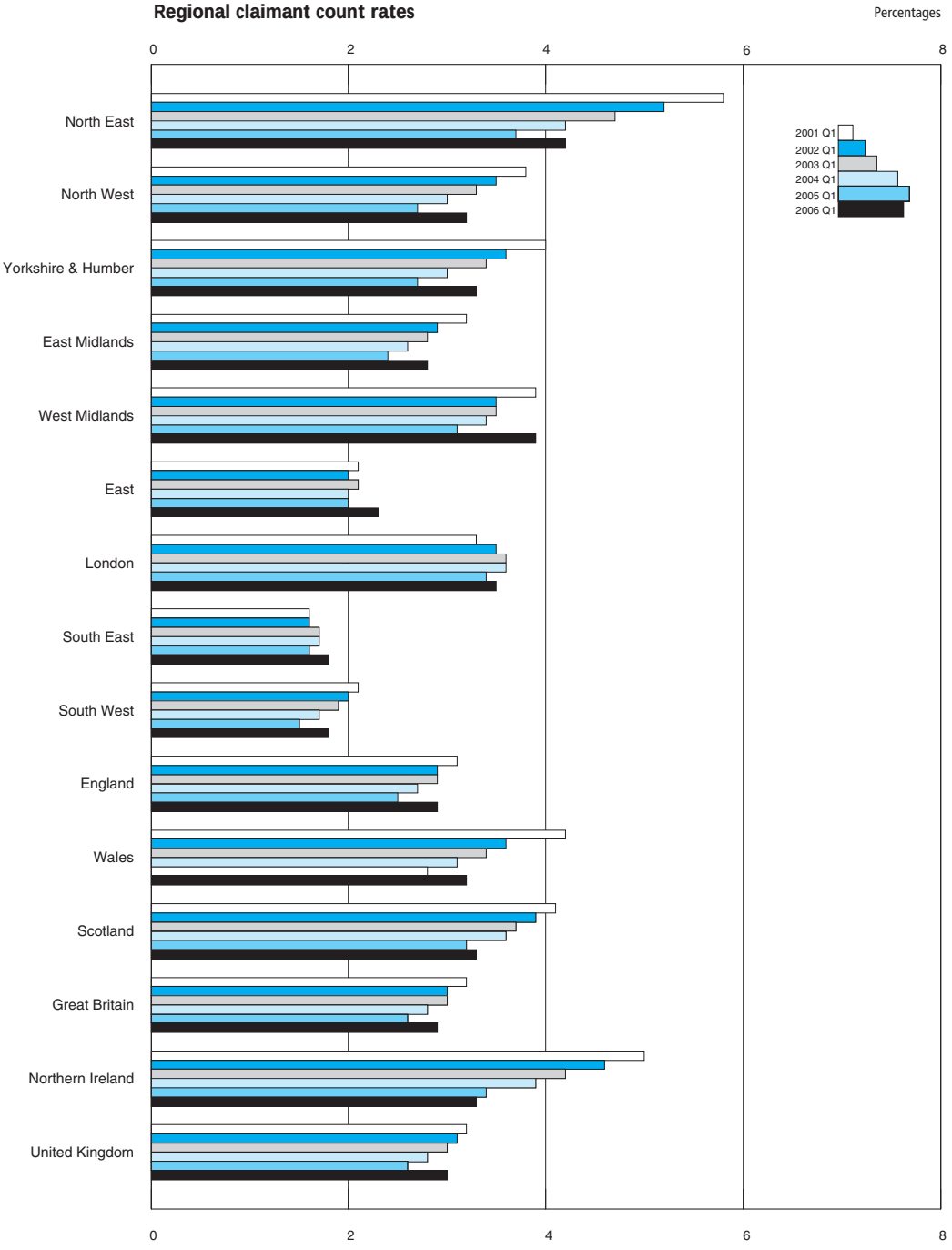
1 Government Office Regions came into effect in April 1994. It was decided that from May 1997 sub-national data should be published for these areas rather than standard statistical regions (SSRs). Data by SSRs are available on request.

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

Regional claimant count rates



4.5A Unemployment rates[1] by Government Office Region

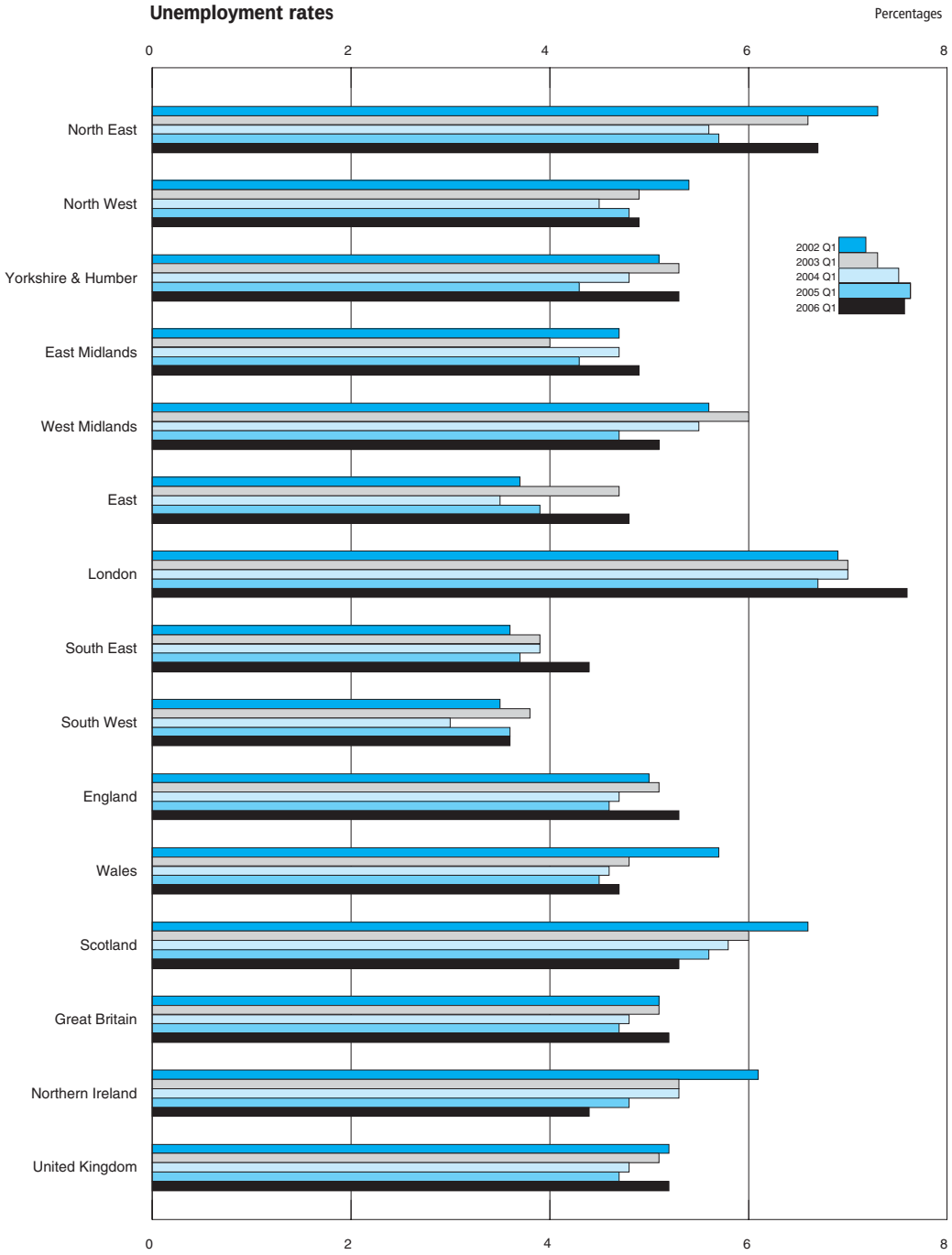
Percentages, seasonally adjusted[2]

	North East	North West[3]	Yorkshire and the Humber	East Midlands	West Midlands	East	London	South East
	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
Q4	6.5	4.8	5.3	4.5	5.3	4.5	7.3	4.2
2006 Q1	6.7	4.9	5.3	4.9	5.1	4.8	7.6	4.4

	South West	England	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
	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
Q4	4.0	5.1	4.9	5.2	5.1	4.5	5.1
2006 Q1	3.6	5.3	4.7	5.3	5.2	4.4	5.2

1 Data are from the Labour Force Survey. The unemployment rate is the percentage of economically active people who are unemployed on the ILO measure.
2 Seasonally adjusted estimates are revised in September each year.
3 Includes Merseyside.

Source: Office for National Statistics; Enquiries: 020 7533 6094


Unemployment rates
Percentages
0
2
4
6
8
North East
North West
Yorkshire & Humber
East Midlands
West Midlands
East
London
South East
South West
England
Wales
Scotland
Great Britain
Northern Ireland
United Kingdom
2002 Q1
2003 Q1
2004 Q1
2005 Q1
2006 Q1

4.6 Average earnings (including bonuses)[1]

Great Britain

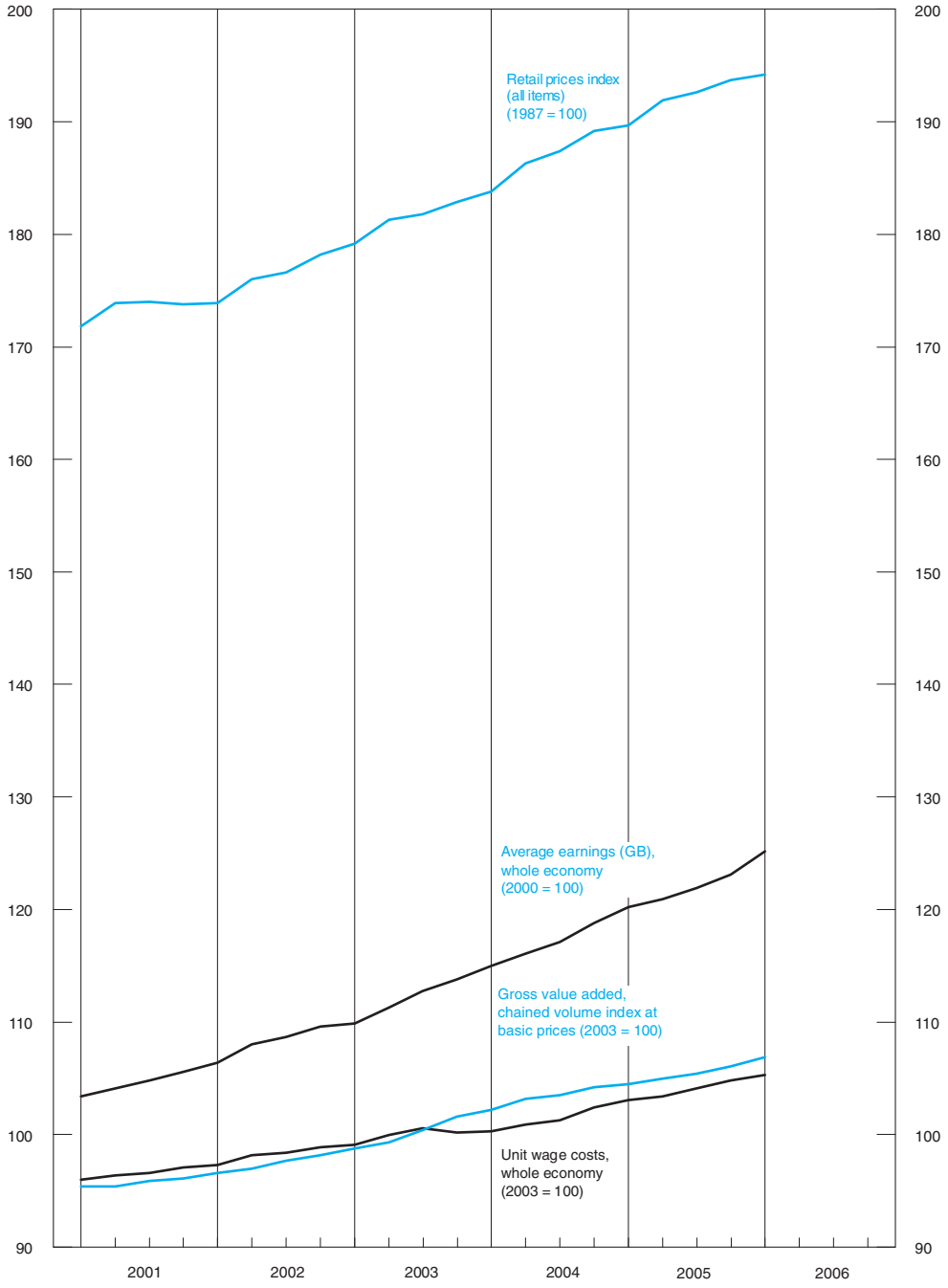
2000 = 100

	Whole economy+	Three-month average[2]	Private sector	Three-month average[2]	Public sector	Three-month average[2]	Manufacturing industries[3]	Three-month average[2,3]	Production industries	Three-month average[2]	Service industries	Three-month average[2]	Private sector services	Three-month average[2]
	LNMQ		LNKY		LNNJ		LNMR		LNMS		LNMT		JJGH	
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	116.8		116.0		119.8		116.0		115.8†		116.8		115.7†	
2005	121.5		120.6		125.5		120.2		120.0†		121.6		120.3†	
		LNNC		LNND		LNNE		LNNG		LNNF		LNNH		JJGJ
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	*3.4*	116.1	*3.4*	117.9	*3.6*	116.8	*3.5*
Oct	118.6	*4.2*	117.9	*4.1*	121.7	4.6	116.8	*3.2*	116.6	*3.2*	118.8	*4.3*	117.8	*4.2*
Nov	118.9	*4.4*	118.2	*4.3*	121.9	4.7	117.1	*3.1*	116.9	*3.1*	119.0	*4.5*	117.9	*4.4*
Dec	119.0	*4.4*	118.4	*4.3*	122.1	4.6	117.8	*3.3*	117.4	*3.3*	119.3	*4.5*	118.2	*4.5*
2005 Jan	120.9†	*4.4*†	119.9†	*4.2*†	122.8†	4.6	117.8	*3.2*	117.7†	*3.2*	120.9†	*4.5*	120.4†	*4.4*
Feb	119.8†	*4.6*†	119.1†	*4.5*†	123.3†	4.6†	118.4†	*3.4*†	118.5†	*3.4*†	120.0†	*4.9*	118.7†	*4.9*
Mar	120.0	*4.5*	119.2	*4.5*	123.1	4.5†	120.1†	*3.5*†	119.4	*3.4*†	120.1	*4.7*†	118.9	*4.7*†
Apr	120.7	*4.4*	119.8	*4.4*	124.4	4.6	118.8	*3.5*	118.6	*3.3*	120.8	*4.7*	119.7	*4.8*
May	120.8	*4.0*	119.3	*3.7*	127.8	5.6	118.2	*3.0*	118.1	*2.8*	121.2	*4.3*	119.4	*4.0*
Jun	121.1	*4.1*	120.2	*3.8*	125.0	5.7	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	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	*4.1*	126.1	4.2	121.6	*4.1*	121.2	*4.0*	122.0	*4.1*	120.7	*4.1*
Oct	122.3	*3.6*	121.3	*3.5*	126.7	4.1	122.0	*4.4*	121.7	*4.3*	122.1	*3.4*	120.7	*3.3*
Nov	122.9	*3.4*	121.9	*3.3*	127.3	4.1	122.2	*4.5*	121.9	*4.3*	122.9	*3.2*	121.5	*2.9*
Dec	124.0	*3.6*	123.1	*3.3*	127.9	4.4	122.9	*4.4*	123.0	*4.4*	124.0	*3.3*	122.7	*3.1*
2006 Jan	124.6	*3.5*	123.5	*3.4*	127.9	4.4	123.6	*4.6*	123.3	*4.6*	124.4	*3.4*	123.4	*3.1*
Feb	125.8	*4.1*	125.4	*4.1*	128.3	4.3	124.6	*4.9*	124.0	*4.7*	126.0	*3.9*	125.2	*3.9*
Mar	125.3	*4.2*	124.5	*4.2*	128.5	4.2	125.3	*4.9*	124.8	*4.7*	125.5	*4.1*	124.4	*4.1*
Apr	125.1	*4.4*	124.3	*4.5*	128.2	3.8	126.4	*5.3*	126.0	*5.1*	124.7	*4.3*	123.7	*4.5*

1 Data for the latest published month are provisional.
2 The three-month average is the percentage change in the average seasonally adjusted indices for the latest three months compared with the same period a year earlier.
3 Owing to an irregularity, these series have been withdrawn for the period 1963 to 1982.

Source: Office for National Statistics; Enquiries: 01633 816024

Earnings, wages, retail prices and output



4.7 Productivity and unit wage costs[1]

United Kingdom

2003 = 100

	Productivity jobs			Output per worker:[2]	Output per filled job[3]			Output per hour worked[4]			Unit wage costs[5]	
	Whole economy	Total production industries	Manufacturing industries	whole economy	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	Whole economy	Manufacturing industries
	LNNM	LNOJ	LNOK	A4YM	LNNN	LNNW	LNNX	LZVB	LZVK	LZVF	LNNK	LNNQ
2003	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†	100.0†
2004	100.8	95.6	95.9	102.2	102.5	105.4	106.3	102.7	104.3	105.6	101.2	97.5
2005	101.7	92.5	92.6	103.2	103.5	107.0	109.0	103.5	105.9	108.2	103.9	98.5
2003 Q1	99.7†	102.4†	102.0†	99.2†	99.1†	97.5†	97.3†	99.0†	97.8†	97.3†	99.1†	101.8†
Q2	99.9	100.7	100.7	99.2	99.4	98.6	98.7	99.0	99.0	98.9	100.0	100.4
Q3	100.1	99.2	99.3	100.2	100.2	100.7	100.7	100.1	100.2	100.4	100.6	99.6
Q4	100.2	97.6	98.0	101.3	101.3	103.2	103.3	101.8	103.0	103.4	100.2	98.1
2004 Q1	100.6	96.7	97.1	101.4	101.6	104.3	104.8	101.8	104.0	104.7	100.3	97.9
Q2	100.7	96.1	96.5	102.4	102.5	105.4	106.1	103.0	104.6	105.5	100.9	97.5
Q3	100.8	95.2	95.6	102.4	102.7	105.3	106.3	103.0	103.7	104.9	101.3	97.6
Q4	101.1	94.3	94.6	102.7	103.1	106.6	108.2	102.9	105.1	107.1	102.4	96.8
2005 Q1	101.4	93.5	93.9	102.7	103.0	106.5	108.1	102.8	104.9	107.0	103.1	98.2
Q2	101.6	92.6	92.8	103.1	103.3	107.4	108.7	103.6	106.3	108.3	103.4	97.6
Q3	101.9	92.1	92.1	103.0	103.4	107.1	109.7	103.2	105.7	108.5	104.1	98.4
Q4	101.9	91.6	91.6	103.9	104.1	107.0	109.4	104.2	106.8	109.2	104.8	99.9
2006 Q1	102.0	90.8	90.6	104.2	104.8	108.8	111.5	104.7	106.8	109.7	105.3	99.8
2004 Jan	..	..	97.2†	..	..	..	104.5†	..	..	..	..	97.7†
Feb	..	..	97.0	..	..	..	104.3	..	..	..	..	98.0
Mar	..	..	97.0	..	..	..	105.5	..	..	..	..	97.9
Apr	..	..	96.6	..	..	..	106.0	..	..	..	..	97.3
May	..	..	96.4	..	..	..	106.2	..	..	..	..	97.5
Jun	..	..	96.4	..	..	..	106.1	..	..	..	..	97.7
Jul	..	..	96.1	..	..	..	105.4	..	..	..	..	98.5
Aug	..	..	95.6	..	..	..	106.0	..	..	..	..	97.7
Sep	..	..	95.1	..	..	..	107.5	..	..	..	..	96.6
Oct	..	..	94.9	..	..	..	107.1	..	..	..	..	97.4
Nov	..	..	94.6	..	..	..	108.6	..	..	..	..	96.3
Dec	..	..	94.3	..	..	..	108.9	..	..	..	..	96.7
2005 Jan	..	..	94.2	..	..	..	108.5	..	..	..	..	97.0
Feb	..	..	93.9	..	..	..	108.9	..	..	..	..	97.2
Mar	..	..	93.5	..	..	..	106.8	..	..	..	..	100.4
Apr	..	..	93.2	..	..	..	108.1	..	..	..	..	98.2
May	..	..	92.8	..	..	..	108.7	..	..	..	..	97.2
Jun	..	..	92.4	..	..	..	109.4	..	..	..	..	97.5
Jul	..	..	92.2	..	..	..	110.0	..	..	..	..	97.5
Aug	..	..	92.1	..	..	..	109.9	..	..	..	..	98.4
Sep	..	..	92.0	..	..	..	109.3	..	..	..	..	99.4
Oct	..	..	91.6	..	..	..	108.9	..	..	..	..	100.1
Nov	..	..	91.6	..	..	..	109.4	..	..	..	..	99.9
Dec	..	..	91.5	..	..	..	110.0	..	..	..	..	99.9
2006 Jan	..	..	90.9	..	..	..	111.0	..	..	..	..	99.5
Feb	..	..	90.7	..	..	..	111.1	..	..	..	..	100.2
Mar	..	..	90.4	..	..	..	112.3	..	..	..	..	99.7
Apr	..	..	90.1	..	..	..	112.3	..	..	..	..	100.5

Percentage change, quarter on corresponding quarter of previous year

	LNNO	LNNR	LNNS	A4YN	LNNP	LNNT	LNNU	LZVD	LZVM	LZVH	LOJE	LOJF
2003 Q1	*1.0*	*−4.3†*	*−3.8†*	*1.2†*	*1.2†*	*3.9†*	*3.1†*	*2.0†*	*3.7†*	*3.4†*	*1.9*	*1.4†*
Q2	*0.9*	*−5.2*	*−4.4*	*1.3*	*1.4*	*4.3*	*4.5*	*1.2*	*2.4*	*3.5*	*1.9†*	*−1.5*
Q3	*0.9*	*−5.2*	*−4.3*	*1.6*	*1.8*	*5.2*	*4.2*	*2.3*	*2.7*	*2.9*	*2.3*	*−0.9*
Q4	*0.6*	*−5.9*	*−4.6*	*2.8*	*2.9*	*6.9*	*6.8*	*3.5*	*6.3*	*7.6*	*1.3*	*−3.2*
2004 Q1	*0.8*	*−5.6*	*−4.9*	*2.2*	*2.6*	*7.0*	*7.6*	*2.8*	*6.3*	*7.6*	*1.2*	*−3.9*
Q2	*0.8*	*−4.6*	*−4.2*	*3.1*	*3.1*	*6.8*	*7.5*	*4.0*	*5.7*	*6.6*	*0.9*	*−2.9*
Q3	*0.6*	*−4.0*	*−3.8*	*2.2*	*2.4*	*4.5*	*5.6*	*2.9*	*3.5*	*4.6*	*0.6*	*−2.0*
Q4	*0.8*	*−3.4*	*−3.4*	*1.4*	*1.7*	*3.3*	*4.7*	*1.1*	*2.0*	*3.6*	*2.2*	*−1.3*
2005 Q1	*0.8*	*−3.3*	*−3.3*	*1.2*	*1.4*	*2.1*	*3.2*	*1.0*	*0.9*	*2.2*	*2.8*	*0.3*
Q2	*0.9*	*−3.7*	*−3.8*	*0.7*	*0.8*	*1.9*	*2.5*	*0.6*	*1.7*	*2.6*	*2.5*	*0.1*
Q3	*1.2*	*−3.3*	*−3.6*	*0.6*	*0.7*	*1.7*	*3.2*	*0.2*	*1.9*	*3.4*	*2.8*	*0.8*
Q4	*0.8*	*−2.9*	*−3.2*	*1.2*	*1.0*	*0.4*	*1.2*	*1.3*	*1.6*	*1.9*	*2.3*	*3.2*
2006 Q1	*0.6*	*−2.9*	*−3.4*	*1.5*	*1.7*	*2.1*	*3.2*	*1.8*	*1.8*	*2.5*	*2.1*	*1.6*

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

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

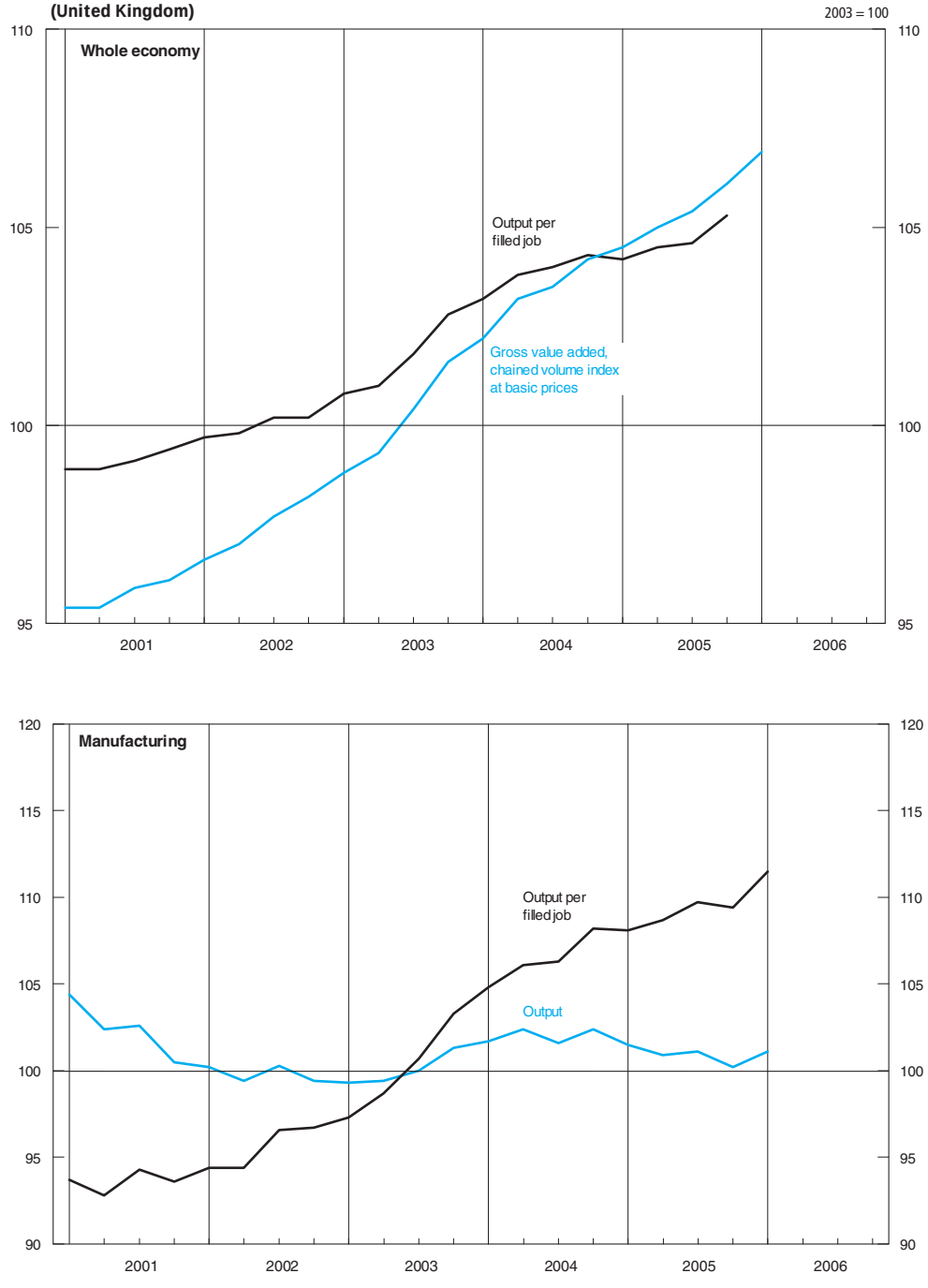
3 Output per filled job is the ratio of GVA at basic prices to productivity jobs.

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

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

Source: Office for National Statistics; Enquiries: 01633 812766

Index of output per filled job
(United Kingdom)



5.1 Output of the production industries[1]

2003 = 100

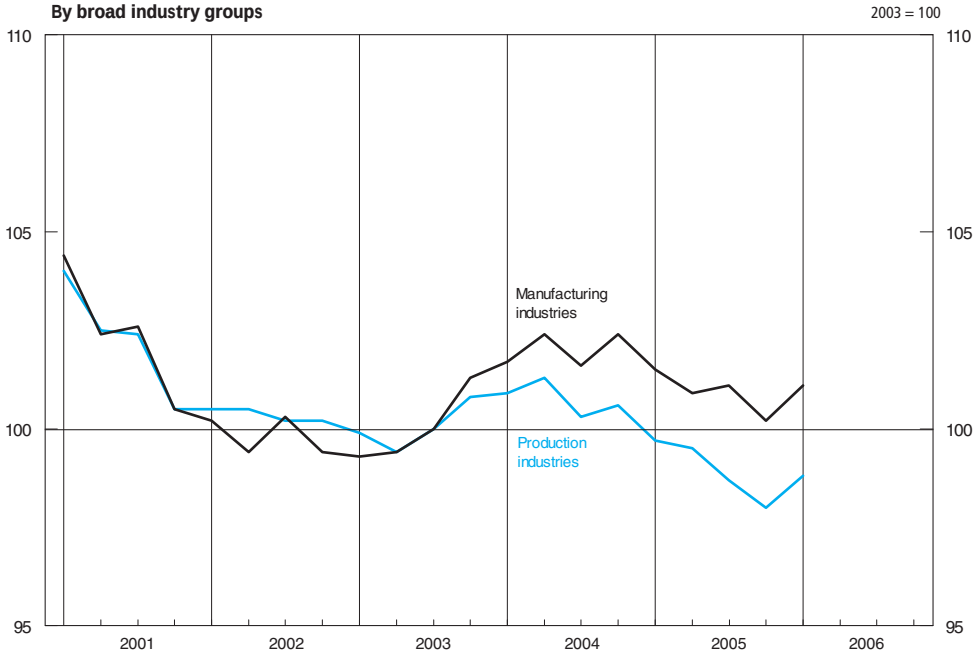
	Broad industry groups				Main industrial groupings			
	Production industries+	Mining and quarrying including oil and gas extraction	Manufacturing+	Electricity, gas and water supply	Oil and gas extraction	Consumer durables	Consumer non-durables	Capital goods	Intermediate goods and energy
2003 weights	*1 000*	*118*	*792*	*90*	*107*	*36*	*272*	*213*	*478*
	CKYW	CKYX	CKYY	CKYZ	CKZO	UFIU	UFJS	UFIL	JMOH
2001	102.3†	105.0†	102.5†	98.0†	107.3†	101.2†	99.4†	106.8†	102.3†
2002	100.3	105.4	99.8	98.4	105.9	101.7	99.9	98.2	101.5
2003	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2004	100.8	92.1	102.0	101.1	91.6	104.6	100.0	103.7	99.7
2005	99.0	84.3	100.9	100.8	82.7	102.6	99.2	103.7	96.5
2001 Q1	104.0†	104.1†	104.4†	99.8†	106.3†	102.6†	99.2†	110.8†	103.9†
Q2	102.5	106.3	102.4	98.6	108.7	100.8	98.8	106.8	103.0
Q3	102.4	105.5	102.6	97.3	107.7	100.2	99.6	107.4	102.0
Q4	100.5	104.1	100.5	96.4	106.3	101.0	100.1	102.1	100.1
2002 Q1	100.5	105.4	100.2	97.2	105.4	104.0	100.2	98.2	101.4
Q2	100.5	109.6	99.4	97.6	110.8	100.7	99.9	97.5	102.1
Q3	100.2	101.0	100.3	99.2	101.1	100.4	100.5	98.7	100.8
Q4	100.2	105.7	99.4	99.7	106.4	101.6	98.7	98.4	101.7
2003 Q1	99.9	105.0	99.3	98.1	105.1	99.7	99.0	98.7	101.0
Q2	99.4	99.8	99.4	98.9	99.5	99.3	99.2	99.1	99.6
Q3	100.0	98.9	100.0	100.6	99.1	99.9	100.6	99.8	99.7
Q4	100.8	96.3	101.3	102.3	96.3	101.2	101.2	102.4	99.8
2004 Q1	100.9	94.3	101.7	102.2	94.4	102.6	100.4	102.2	100.4
Q2	101.3	94.8	102.4	100.7	94.5	104.9	100.4	103.4	100.6
Q3	100.3	90.9	101.6	101.0	90.2	106.3	99.1	104.0	98.9
Q4	100.6	88.6	102.4	100.6	87.2	104.7	99.8	105.1	98.7
2005 Q1	99.7	87.3	101.5	99.9	85.9	105.1	99.4	102.9	98.0
Q2	99.5	87.8	100.9	101.8	86.5	102.5	99.2	103.5	97.6
Q3	98.7	80.8	101.1	100.8	79.0	101.3	99.1	105.1	95.3
Q4	98.0	81.3	100.2	100.8	79.3	101.5	98.9	103.1	95.0
2006 Q1	98.8	81.7	101.1	100.9	79.7	103.1	99.1	104.7	95.7
2003 Jul	100.3†	100.2†	100.3†	99.8†	100.3†	101.4†	100.9†	99.6†	100.1†
Aug	99.5	99.4	99.4	100.7	99.6	98.3	100.3	98.9	99.5
Sep	100.1	97.2	100.4	101.3	97.3	100.0	100.5	100.8	99.5
Oct	101.4	98.1	101.6	104.6	98.3	101.0	102.2	101.6	101.0
Nov	100.2	96.2	100.8	100.4	96.0	102.2	100.4	102.5	99.0
Dec	100.6	94.7	101.4	101.9	94.6	100.3	101.0	103.1	99.4
2004 Jan	100.8	94.8	101.6	102.0	94.9	101.8	100.4	102.3	100.2
Feb	100.5	93.3	101.3	103.3	93.2	102.4	99.9	101.6	100.2
Mar	101.4	94.9	102.3	101.4	95.1	103.7	100.9	102.6	100.9
Apr	101.4	94.5	102.4	101.6	94.5	104.9	101.2	102.6	100.6
May	101.3	93.8	102.5	100.5	93.5	104.2	99.9	104.5	100.4
Jun	101.3	96.0	102.3	99.9	95.6	105.7	100.2	103.0	100.9
Jul	100.6	96.2	101.3	100.2	95.7	107.6	98.0	103.6	100.2
Aug	100.2	90.9	101.3	102.0	90.3	105.6	99.6	103.2	98.7
Sep	100.2	85.7	102.3	100.7	84.6	105.7	99.8	105.2	97.7
Oct	99.9	86.8	101.7	101.3	85.4	105.4	99.7	104.5	97.5
Nov	100.9	88.9	102.7	100.5	87.6	103.2	100.1	105.5	99.1
Dec	101.0	90.0	102.7	100.0	88.4	105.4	99.7	105.1	99.5
2005 Jan	100.2	86.9	102.3	99.7	85.8	104.5	100.5	103.7	98.2
Feb	100.3	86.9	102.3	100.2	85.5	106.6	100.0	103.3	98.6
Mar	98.5	88.0	99.9	99.7	86.5	104.2	97.6	101.6	97.2
Apr	99.6	88.1	100.8	103.3	86.8	105.0	98.2	103.1	98.4
May	99.5	89.3	100.9	101.1	88.2	101.5	99.1	103.5	97.8
Jun	99.3	85.9	101.1	100.9	84.5	100.9	100.2	104.1	96.5
Jul	99.2	83.2	101.5	100.7	81.9	100.5	100.1	105.5	95.9
Aug	98.1	75.8	101.2	100.1	73.4	101.1	98.8	105.3	94.3
Sep	98.6	83.4	100.6	101.4	81.6	102.1	98.5	104.6	95.8
Oct	97.5	81.8	99.8	98.0	80.0	100.8	98.2	102.9	94.5
Nov	98.1	80.9	100.2	102.5	78.7	101.4	98.8	103.5	95.1
Dec	98.5	81.2	100.6	101.9	79.1	102.3	99.9	103.0	95.4
2006 Jan	98.8	83.4	100.9	100.5	81.3	101.3	99.3	103.8	96.1
Feb	98.4	81.3	100.8	99.7	79.3	102.3	99.0	104.7	95.0
Mar	99.1	80.5	101.5	102.5	78.5	105.8	99.0	105.6	95.8
Apr	98.6	80.1	101.3	98.6	78.0	106.0	98.7	105.1	95.0

1 Figures contain, where appropriate, an adjustment for stock changes.

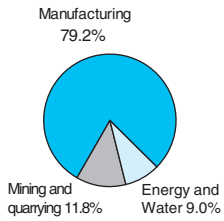
Source: Office for National Statistics; Enquiries: 01633 812059

Output of production industries

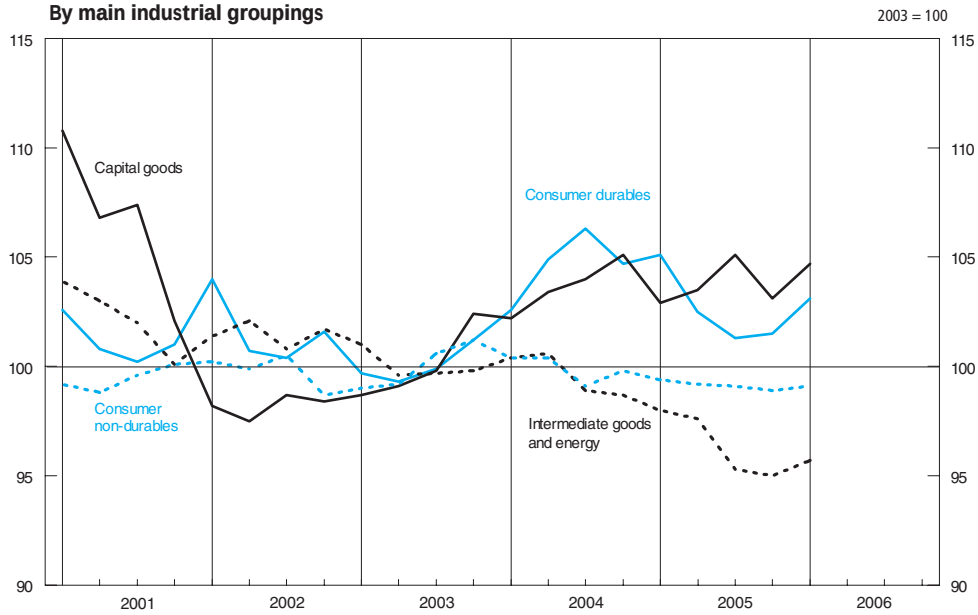
By broad industry groups



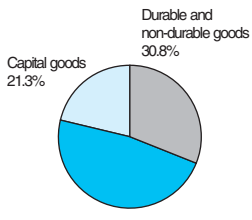
Share of output in 2003



By main industrial groupings



Share of output in 2003



5.2 Engineering and construction: output and orders

Seasonally adjusted index numbers at constant prices[1]

	Engineering (2000 = 100)									Construction (GB) (2000 = 100)	
	Total			Home			Export				
	Orders on hand[2]	New orders[3]	Turnover	Orders on hand[2]	New orders[3]	Turnover	Orders on hand[2]	New orders[3]	Turnover	Gross output[4] +	Orders received
	JIQI	JIQH	JIQJ	JIQC	JIQB	JIQD	JIQF	JIQE	JIQG	SFZX	SGAA
2001	95.6†	89.6†	95.3	105.4†	94.5†	98.4	79.1†	83.0†	91.2	102.0	99.5
2002	92.6	80.8	84.5	104.5	87.9†	91.8	72.4	71.2	74.8	106.3	102.5
2003	92.6	78.9	81.6	108.4	87.9	90.2	65.8	66.8	70.3	111.7	97.8
2004	88.9	78.3	82.1	102.5	83.9	89.3†	65.8	70.8	72.6†	115.2	106.2
2005	92.8	79.3	80.8	104.8	86.2	88.9†	72.3	70.1	70.1†	113.9	112.3
2001 Q1	104.5†	100.6†	103.8†	105.9†	100.7†	104.2†	102.1†	100.5†	103.3†	101.2	108.4
Q2	101.9	90.9	97.1	108.3	98.5	99.4	91.2	80.6	94.1	101.3	95.6
Q3	100.1	87.1	92.2	108.0	92.0	96.1	86.8	80.5	87.1	102.1	103.6
Q4	95.6	80.0	88.1	105.4	87.0	94.0	79.1	70.5	80.3	103.5	90.5
2002 Q1	95.0	81.8	85.4	104.9	88.0	92.2	78.1	73.5	76.3	105.3	107.6
Q2	93.6	80.3	84.7	105.6	89.8	92.6	73.3	67.5	74.2	104.7	90.7
Q3	93.7	81.5	84.2	106.2	88.6	91.4	72.5	72.1	74.8	106.8	109.2
Q4	92.6	79.6	83.7	104.5	85.4	91.2	72.4	71.8	73.7	108.5	102.5
2003 Q1	91.1	76.7	81.2	103.4	86.0	90.9	70.2	64.4	68.3	108.7	104.7
Q2	91.5	79.3	81.5	105.2	89.2	90.6	68.3	65.9	69.5	110.4	95.8
Q3	91.6	78.9	81.5	106.2	87.6	89.8	66.9	67.2	70.4	113.5	98.0
Q4	92.6	80.7	82.3	108.4	88.8	89.5	65.8	69.8	72.8	114.4	92.7
2004 Q1	93.7	79.2	80.5	108.4	83.7	87.1	68.8	73.1	71.9	117.1	109.5
Q2	92.9	78.7	82.5	106.8	83.4	89.1	69.3	72.5	73.8	114.2	108.1
Q3	90.2	76.8	82.6	103.7	82.0	89.4	67.3	69.7	73.6	115.1	101.0
Q4	88.9	78.4	82.7	102.5	86.3	91.5	65.8	67.8	71.2	114.2	106.2
2005 Q1	89.7	79.0	80.6	101.0	84.2	89.5	70.5	72.0	68.9	114.4	107.5
Q2	90.0	78.6	80.9	100.9	86.0	89.6	71.4	68.7	69.5	115.0	116.7
Q3	92.0	81.2	81.5	103.3	88.7	89.1	72.8	71.1	71.5	113.1	110.2
Q4	92.8	78.4	80.2	104.8	85.8	87.4	72.3	68.4	70.6	113.0	114.9
2006 Q1	91.1	75.9	80.5	102.2	79.6	86.4	72.4	71.0	72.8	..	115.1†
2003 Jul	91.7†	80.9†	82.9†	104.9†	87.1†	91.6†	69.3†	72.6†	71.4†	..	111.1
Aug	91.5†	76.6	79.9	106.1	89.1	87.9†	66.8	59.8	69.3	..	80.7
Sep	91.6	79.2	81.6	106.2	86.7	90.0	66.9	69.3	70.5	..	102.3
Oct	92.2	81.9	82.6	107.1	90.6	90.8	67.0	70.2	71.8	..	87.3
Nov	94.0	85.5	81.8	109.9	96.7	89.5	67.2	70.5	71.8	..	102.7
Dec	92.6	74.7	82.4	108.4	79.1	88.2	65.8	68.7	74.7	..	88.2
2004 Jan	94.1	83.0	80.3	109.2	87.2	87.6	68.6	77.4	70.5	..	90.8
Feb	91.3	67.9	80.3	106.0	69.7	85.1	66.4	65.4	73.9	..	127.0
Mar	93.7	86.7	81.0	108.4	94.3	88.5	68.8	76.6	71.2	..	110.5
Apr	92.0	72.3	81.1	105.1	71.4	87.6	69.7	73.6	72.6	..	105.3
May	92.9	83.2	82.7	105.9	88.8	89.2	70.9	75.9	74.1	..	113.4
Jun	92.9	80.6	83.6	106.8	90.1	90.5	69.3	67.9	74.6	..	105.7
Jul	92.9	80.5	83.3	107.0	87.5	90.1	68.9	71.2	74.3	..	110.8
Aug	90.8	71.7	81.6	104.4	74.4	87.6	67.6	68.0	73.7	..	102.1
Sep	90.2	78.1	82.9	103.7	84.2	90.5	67.3	70.0	72.8	..	90.3
Oct	89.0	75.1	81.9	102.3	81.5	90.5	66.5	66.4	70.6	..	102.5
Nov	88.6	79.4	83.8	102.0	88.8	93.5	65.7	66.8	70.9	..	109.1
Dec	88.9	80.8	82.5	102.5	88.7	90.5	65.8	70.3	72.0	..	106.9
2005 Jan	89.9	81.9	81.1	104.5	94.8	90.7	65.0	64.6	68.6	..	103.0
Feb	89.2	76.3	81.2	102.5	79.5	90.7	66.6	72.0	68.7	..	101.8
Mar	89.7	78.7	79.5	101.0	78.2	87.2	70.5	79.4	69.3	..	117.6
Apr	89.0	76.6	81.8	102.4	91.9	90.0	66.2	56.1	71.1	..	107.1
May	89.6	79.9	80.4	101.5	81.7	88.9	69.5	77.6	69.2	..	129.1
Jun	90.0	79.2	80.5	100.9	84.3	89.8	71.4	72.4	68.3	..	114.0
Jul	89.9	77.4	80.5	100.1	82.1	88.9	72.6	71.2	69.4	..	107.3
Aug	92.0	86.2	81.4	103.2	98.1	89.6	73.0	70.2	70.7	..	114.0
Sep	92.0	79.9	82.5	103.3	85.8	88.8	72.8	71.9	74.3	..	109.4
Oct	92.3	78.0	79.6	103.9	86.6	87.9	72.7	66.6	68.6	..	115.0
Nov	92.2	77.2	80.3	103.4	82.2	87.4	73.1	70.5	70.9	..	113.9
Dec	92.8	79.9	80.6	104.8	88.6	86.8	72.3	68.2	72.4	..	115.8
2006 Jan	91.3	72.1	80.0	101.7	69.9	85.3	73.6	75.1	73.0	..	135.2
Feb	93.2	84.4	80.3	105.0	96.5	87.0	73.1	68.2	71.6	..	103.0†
Mar	91.1	71.3	81.3	102.2	72.5	86.9	72.4	69.8	73.7	..	107.1
Apr	91.5	79.3	80.5	102.0	82.7	86.7	73.8	74.6	72.3	..	102.1

1 The figures shown represent the output of UK-based manufacturers classified to subsections DK and DL of the Standard Industrial Classification (2003).

2 Annual and quarterly indices represent the value at the end of the period in question, rather than the average value for that period.

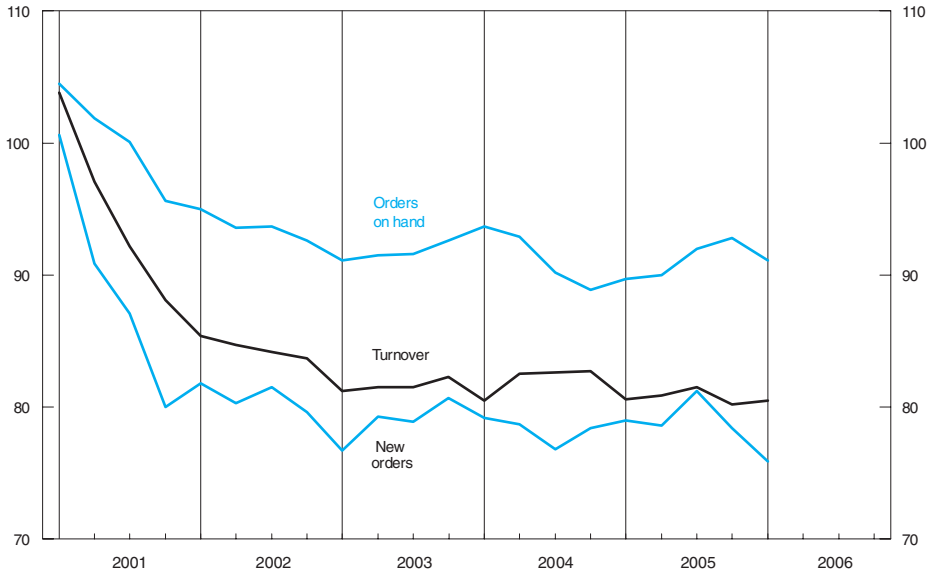
3 Net of cancellations.

4 This index is based on 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.

Sources: Office for National Statistics; Enquiries: Columns 1-9 01633 812540; Department of Trade and Industry; Enquiries: Columns 10-11 020 7215 1953

Engineering industries: turnover and orders

Volume indices 2000 = 100



Construction industries (GB): output and orders

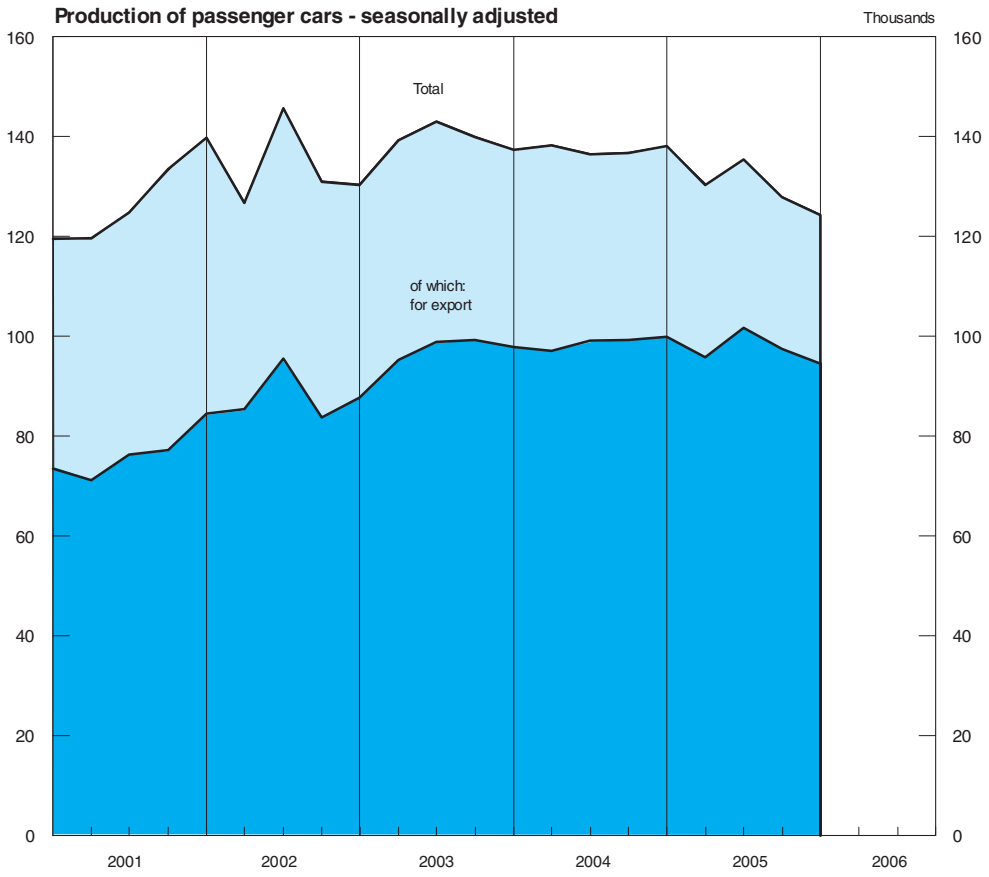
Volume indices 2000 = 100

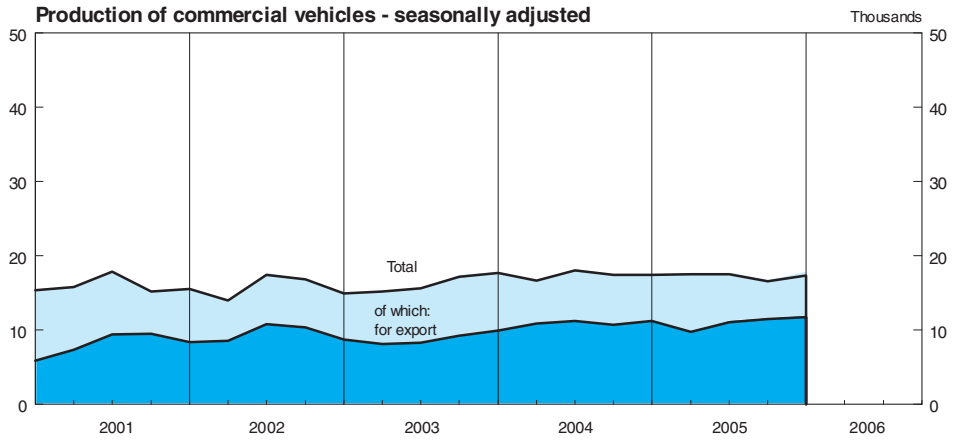
5.3 Motor vehicle and steel production

	Passenger cars[1]				Commercial vehicles[1]				
	Not seasonally adjusted		Seasonally adjusted		Not seasonally adjusted		Seasonally adjusted		Crude steel production (NSA)[2] (thousand tonnes)
	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	Total production (thousands)	*of which* for export (thousands)	
	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	135.8	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	17.5	10.7	13 765.8
2005	133.0	98.7	133.0	98.7	17.2	10.9	17.2	10.8	13 234.4
2001 Q1	129.0	75.5	119.5	73.5	17.2	6.6	15.4	5.9	3 651.7
Q2	124.1	76.5	119.7	71.1	16.6	7.7	15.8	7.3	3 729.6
Q3	111.9	61.0	124.8	76.3	14.5	7.4	17.9	9.4	3 205.5
Q4	132.4	85.1	133.5	77.2	16.1	10.3	15.2	9.5	2 955.9
2002 Q1	149.9	85.0	139.8	84.5	16.7	8.4	15.6	8.4	3 046.3
Q2	134.1	94.0	126.7	85.4	14.8	9.4	14.0	8.5	3 060.0
Q3	130.6	80.7	145.7	95.5	14.9	9.3	17.4	10.8	2 801.9
Q4	128.7	89.3	131.0	83.7	17.3	10.9	16.8	10.3	2 758.9
2003 Q1	141.4	91.5	130.4	87.7	16.5	9.3	14.9	8.7	3 081.0
Q2	144.4	101.3	139.3	95.3	15.5	8.3	15.2	8.1	3 258.7
Q3	130.4	85.8	143.0	98.9	13.4	6.9	15.6	8.3	3 264.3
Q4	136.2	102.7	139.9	99.3	17.6	9.7	17.2	9.2	3 524.4
2004 Q1	148.5	101.2	137.4	97.8	19.3	10.4	17.7	9.9	3 380.7
Q2	142.7	102.3	138.3	97.1	16.9	11.2	16.7	10.9	3 681.4
Q3	126.3	88.3	136.5	99.1	15.6	9.7	18.0	11.2	3 405.2
Q4	131.4	101.5	136.7	99.2	17.9	11.4	17.4	10.7	3 298.5
2005 Q1	144.3	99.1	138.1	99.9	18.4	11.3	17.4	11.2	3 310.9
Q2	138.7	105.3	130.4	95.8	18.2	10.7	17.5	9.7	3 523.8
Q3	125.7	91.5	135.5	101.7	14.9	9.2	17.5	11.0	3 106.0
Q4	123.3	98.9	127.8	97.5	17.3	12.2	16.6	11.5	3 293.7
2006 Q1	136.4	100.5	124.3	94.5	19.2	12.6	17.4†	11.7†	3 551.1†
2003 Jul	146.3	93.1	143.1	97.2	15.2	7.6	17.0	9.0	1 245.8*
Aug	91.4	57.5	143.1	97.4	7.8	3.8	14.7	7.5	977.8
Sep	153.5	106.8	142.7	102.2	17.1	9.2	15.1	8.3	1 040.7
Oct	153.4	113.8	140.2	98.3	16.8	9.5	14.8	8.0	1 198.0*
Nov	142.9	110.5	137.6	100.4	19.0	9.8	17.5	9.6	1 117.8
Dec	112.4	83.8	141.8	99.1	17.0	9.9	19.4	10.0	1 208.6*
2004 Jan	141.3	96.4	141.5	101.9	20.5	9.6	19.8	10.5	1 009.3
Feb	141.1	93.0	133.2	94.0	17.3	10.0	16.4	10.1	1 024.9
Mar	163.0	114.3	137.6	97.6	20.2	11.7	16.9	9.1	1 346.5*
Apr	129.6	95.7	135.6	96.4	15.7	10.1	16.3	10.0	1 155.5
May	143.1	102.3	142.3	98.0	16.9	11.9	17.6	11.9	1 160.7
Jun	155.5	108.9	136.9	96.9	18.2	11.6	16.2	10.7	1 365.2*
Jul	140.5	100.5	142.3	104.5	14.9	10.1	17.3	11.7	1 042.6
Aug	83.2	56.7	131.7	95.0	10.2	5.7	18.2	10.2	1 015.8
Sep	155.3	107.6	135.5	97.8	21.7	13.3	18.6	11.7	1 346.8*
Oct	135.1	107.2	135.6	102.2	18.6	12.2	18.0	11.3	1 091.5
Nov	149.3	114.4	139.3	99.5	20.1	12.3	17.2	10.3	1 001.4
Dec	109.7	82.8	135.2	95.9	14.9	9.7	17.0	10.5	1 205.6*
2005 Jan	136.0	89.2	140.4	98.1	17.7	10.7	17.1	10.9	1 033.5
Feb	143.5	98.3	136.8	99.4	18.0	10.7	17.1	10.6	1 016.8
Mar	153.3	109.9	137.1	102.2	19.6	12.6	17.9	12.0	1 260.6*
Apr	139.8	105.1	137.9	96.6	18.9	11.4	18.6	9.7	1 161.8
May	132.0	99.1	128.8	94.0	17.5	10.7	18.1	10.6	1 147.5
Jun	144.3	111.7	124.6	96.7	18.3	10.0	15.7	8.9	1 214.5*
Jul	130.2	93.8	131.1	96.6	14.2	8.5	17.3	10.6	966.4
Aug	97.1	71.8	142.8	110.4	10.8	6.8	17.9	11.3	1 180.2*
Sep	149.9	108.9	132.7	98.2	19.7	12.4	17.3	11.2	959.4
Oct	124.8	99.4	126.8	95.6	18.4	12.4	16.7	10.6	986.2
Nov	149.7	119.4	131.2	99.7	20.0	13.8	17.1	12.0	1 279.5*
Dec	95.3	77.9	125.5	97.2	13.6	10.3	16.0	11.8	1 028.0
2006 Jan	119.1	86.5	121.1	92.4	18.2	11.8	17.4	12.0	1 053.5
Feb	131.2	95.2	124.5	94.8	18.2	12.1	17.3	12.0	1 077.3
Mar	159.0	119.7	127.2†	96.2†	21.3	13.8	17.5†	11.2†	1 420.3*†
Apr	118.6	95.2	127.2	99.1	16.3	11.8	17.3	12.2	1 128.3
May	132.3	105.4	122.7	95.7	15.1	10.3	14.7	9.6	1 360.5*

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 International Iron and Steel Institute, but in a change from previous publications, figures are actual production totals based on four- or five-week periods (not seasonally adjusted). The latest month's figure is provisional.

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


Production of passenger cars - seasonally adjusted
Thousands
160
140
120
100
80
60
40
20
0
Total
of which:
for export
2001
2002
2003
2004
2005
2006


Production of commercial vehicles - seasonally adjusted
Thousands
50
40
30
20
10
0
Total
of which:
for export
2001
2002
2003
2004
2005
2006

5.4 Indicators of fixed investment in dwellings

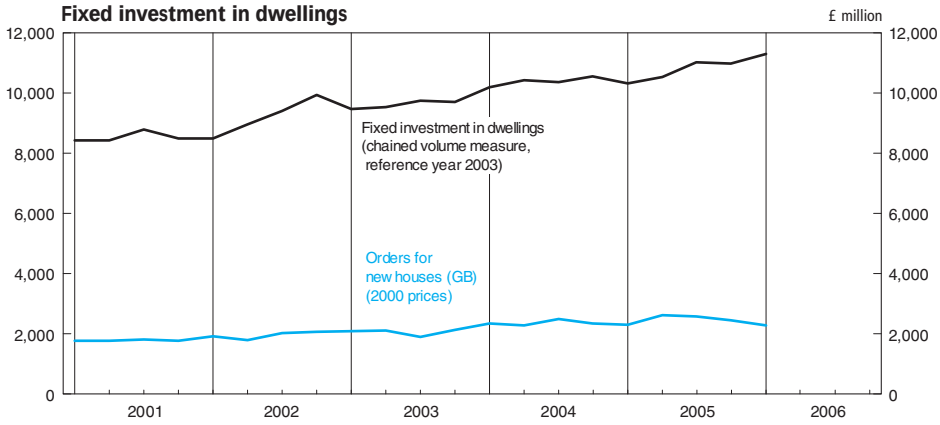
	Fixed investment in dwellings (£ million, chained volume measures, reference year 2003)	Orders received by contractors for new houses (GB) (£ million, 2000 prices)	Housing starts (GB) (not seasonally adjusted)[1]			Housing completions (GB) (not seasonally adjusted)[1]			Mix-adjusted price of new dwellings at mortgage completion stage (NSA)[3] (£)
			Private enterprise (thousands)	Registered social landlords[2] (thousands)	Local authorities (thousands)	Private enterprise (thousands)	Registered social landlords[2] (thousands)	Local authorities (thousands)	
	DFEG	SGAB	FCAB	CTOR	CTOV	FCAD	CTOT	CTOX	WMPS
2001	34 141†	7 122†	162.8	16.8	0.3	139.9	20.9	0.3	134 234
2002	36 800	7 805	164.6	16.2	0.2	149.3	19.3	0.2	161 533
2003	38 462	8 219	177.5	16.2	0.3	158.3	17.2	0.3	186 427
2004	41 541	9 472	194.5	19.0	0.2	166.2	20.6	0.1	205 818
2005	42 853	9 917	..	..	..	..	..	..	218 342
2001 Q1	8 427†	1 767	39.2	5.7	0.2	32.5	5.6	0.1	130 771
Q2	8 435	1 772	43.8	4.2	–	34.4	4.7	0.1	130 774
Q3	8 796	1 822	43.5	3.2	–	35.6	4.6	0.1	135 507
Q4	8 483	1 761	36.3	3.7	0.1	37.5	5.9	0.1	137 368
2002 Q1	8 499	1 916	41.7	5.4	0.1	33.6	5.1	–	143 996
Q2	8 958	1 782	42.5	3.8	0.1	36.9	4.6	0.2	157 646
Q3	9 400	2 031	44.0	3.4	–	36.4	4.7	–	164 293
Q4	9 943	2 075	36.3	3.6	–	42.4	4.9	–	173 254
2003 Q1	9 467	2 095	44.2	5.0	0.1	34.6	4.5	0.1	175 947
Q2	9 536	2 108	46.9	4.4	0.2	39.3	4.1	0.1	187 676
Q3	9 752	1 894	45.8	3.8	–	37.5	4.5	–	188 711
Q4	9 707	2 123	40.6	3.0	0.1	46.8	4.1	0.1	193 373
2004 Q1	10 193	2 346	47.2	6.5	–	34.0	5.1	–	194 276
Q2	10 430	2 287	52.1	4.3	0.1	43.1	4.3	0.1	204 679
Q3	10 370	2 488	51.3	3.6	–	43.6	5.3	–	212 505
Q4	10 548	2 351	44.0	4.6	–	45.6	5.8	–	211 812
2005 Q1	10 318	2 293	44.7	7.1	0.1	35.7	6.4	–	214 704
Q2	10 533	2 612	..	..	..	..	..	..	216 780
Q3	11 024	2 569	..	..	..	..	..	..	220 477
Q4	10 978	2 444	..	..	..	..	..	..	221 407
2006 Q1	11 291	2 277†	..	..	..	..	..	..	220 350
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	..	669	..	..	..	..	..	..	212 952
Feb	..	795	..	..	..	..	..	..	213 093
Mar	..	828	..	..	..	..	..	..	218 067
Apr	..	905	..	..	..	..	..	..	213 950
May	..	805	..	..	..	..	..	..	217 361
Jun	..	902	..	..	..	..	..	..	219 029
Jul	..	905	..	..	..	..	..	..	221 548
Aug	..	835	..	..	..	..	..	..	220 141
Sep	..	829	..	..	..	..	..	..	219 742
Oct	..	840	..	..	..	..	..	..	223 550
Nov	..	819	..	..	..	..	..	..	217 427
Dec	..	786	..	..	..	..	..	..	223 244
2006 Jan	..	741	..	..	..	..	..	..	222 234
Feb	..	767†	..	..	..	..	..	..	215 685
Mar	..	769	..	..	..	..	..	..	223 132
Apr	..	736	..	..	..	..	..	..	219 946

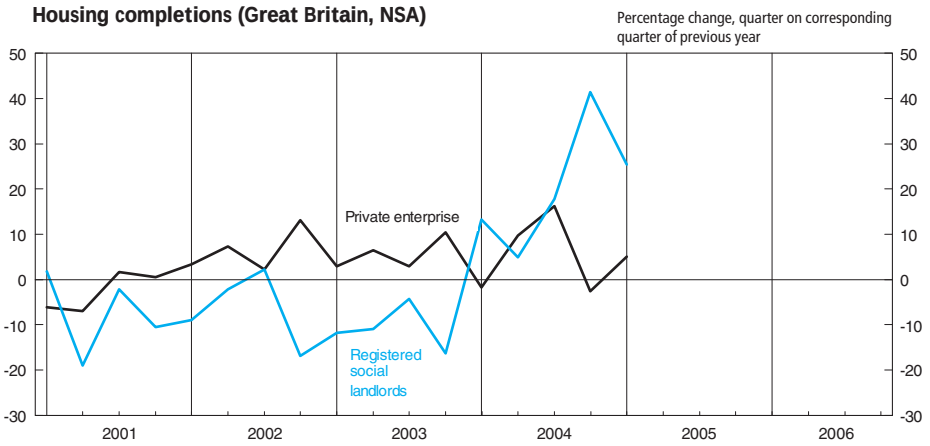
1 Monthly data collection ceased after March 2003. Seasonally adjusted data for Great Britain are no longer updated. Seasonally adjusted data for England are available by visiting the Department for Communities and Local Government (DCLG) website at **www.communities.gov.uk**

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 DCLG's 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 7215 1953;
Department for Communities and Local Government;
Columns 3-8 0117 372 8055; Column 9 020 7944 3325


Fixed investment in dwellings
£ million
12,000
10,000
8,000
6,000
4,000
2,000
0
Fixed investment in dwellings (chained volume measure, reference year 2003)
Orders for new houses (GB) (2000 prices)
2001
2002
2003
2004
2005
2006


Housing completions (Great Britain, NSA)
Percentage change, quarter on corresponding quarter of previous year
50
40
30
20
10
0
-10
-20
-30
Private enterprise
Registered social landlords
2001
2002
2003
2004
2005
2006

5.5 Number of property transactions[1,2,3]

Thousands

	Not seasonally adjusted England and Wales	Seasonally adjusted England and Wales[4,5]	Not seasonally adjusted England, Wales and Northern Ireland
	FTAP		FTAR
2001	1 457		1 497
2002	1 586		1 627
2003	1 345		1 397
2004	1 792		1 838
2005	1 529		1 577
		FTAQ	
2001 Q1	327	347	337
Q2	347	358	359
Q3	396	368	405
Q4	387	384	396
2002 Q1	342	375	351
Q2	395	404	404
Q3	457	415	468
Q4	392	391	404
2003 Q1	340	363	359
Q2	306	317	320
Q3	358	325	369
Q4	340	339	349
2004 Q1	447	477	457
Q2	452	470	463
Q3	494	446	507
Q4	398	398	410
2005 Q1	300	337	310
Q2	352	356	363
Q3	447	404	461
Q4	430	432	443
2006 Q1	392	425	403
2001 Feb	99	117	102
Mar	105	116	108
Apr	101	114	105
May	121	122	126
Jun	125	122	128
Jul	132	121	135
Aug	140	123	143
Sep	124	124	127
Oct	140	126	143
Nov	137	137	141
Dec	110	122	112
2002 Jan	131	124	134
Feb	108	126	110
Mar	104	126	106
Apr	129	135	132
May	137	138	140
Jun	129	131	132
Jul	152	134	154
Aug	166	149	171
Sep	139	133	144
Oct	147	133	151
Nov	127	131	131
Dec	118	128	122
2003 Jan	131	125	137
Feb	103	119	109
Mar	106	119	113
Apr	101	112	108
May	101	105	105
Jun	103	101	107
Jul	132	116	135
Aug	112	105	116
Sep	114	104	118
Oct	120	108	124
Nov	110	118	113
Dec	111	113	113
2004 Jan	157	155	160
Feb	148	172	152
Mar	142	150	145
Apr	140	156	143
May	145	155	148
Jun	167	159	172
Jul[6]	175	158	179
Aug[6]	159	144	163
Sep	160	145	165
Oct	148	144	152
Nov	123	123	127
Dec	128	132	132
2005 Jan	100	103	104
Feb	102	118	105
Mar	98	116	102
Apr	109	114	112
May	109	117	113
Jun	134	126	138
Jul	132	124	136
Aug	153	133	158
Sep	163	147	167
Oct	140	134	144
Nov	144	145	148
Dec	146	154	150
2006 Jan	131	134	134
Feb	126	145	129
Mar	136	146	140
Apr	121	144	124
May	130	137	134

1 Figures are based on counts of the relevant administrative form successfully processed each month. For completions up to and including November 2003, this was the Particulars Delivered form; since December 2003 it has been 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. 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. These figures are therefore subject to revision the following 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 some types of transaction requiring a Land Transaction Return which did not require a Particulars Delivered form, and 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[1]

Reference year 2003, £ million

	Mining and quarrying	Manufacturing industries: Materials and fuel	Manufacturing industries: Work in progress	Manufacturing industries: Finished goods	Manufacturing industries: Total	Electricity, gas and water supply	Distributive trades: Wholesale[2]	Distributive trades: Retail[2]	Other industries[3]	Changes in inventories
Level of inventories at end-December 2005	*1 030*	*16 197*	*15 797*	*19 429*	*51 423*	*1 797*	*27 132*	*26 056*	*46 458*	*153 896*
	FAEA	FBNF	FBNG	FBNH	DHBM	FAEB	FAJX	FBYN	DLWX	CAFU
2001 Q1	63	–652	325	–133	–524†	–214	566	–130	1 824†	1 643†
Q2	–45	–200	331	224	291	190	–76	–160	1 544	1 802
Q3	93	352	271	32	591	88	519	229	165	1 743
Q4	–15	93	–413	45	–342	–15	–299	1 076	–75	389
2002 Q1	48	118	36	615	705	–63	13	674	–388	1 047
Q2	–30	–82	–159	–128	–433	140	810	1 112	–1 272	385
Q3	–20	–115	341	–263	–101	–66	431	–74	283	511
Q4	–26	–311	–222	–588	–1 188	–110	–643	–94	2 348	346
2003 Q1	–25	540	137	34	217	67	169	167	–789	–571
Q2	53	–385	–130	–215	267	–5	–583	455	–1 457	–644
Q3	–86	–213	–246	279	–527	–41	275	274	2 198	2 264
Q4	1	–34	–266	–228	–943	–1	369	247	3 448	2 934
2004 Q1	7†	–89†	60†	–613†	–1 192	156†	40†	1 047†	–518	–381
Q2	–4	–96	–356	361	–43	–165	1 441	–617	918	1 050
Q3	–41	100	–80	219	439	5	–398	794	1 526	1 025
Q4	–1	–24	–271	–38	–107	–82	181	405	2 308	2 903
2005 Q1	–	265	175	–31	500	–108	–10	–168	1 536	1 692
Q2	–28	–213	–69	–245	–160	225	12	–192	654	519
Q3	–24	23	–51	34	–109	–39	–49	–10	234	1 108
Q4	–4	–20	412	117	509	371	215	–141	–1 008	–58
2006 Q1	–72	–89	489	77	410	–460	–654	329	1 907	1 617

1 Estimates are given to the nearest £ million but cannot be regarded as accurate to this degree.
2 Excluding the motor trades.
3 This series includes a quarterly alignment adjustment. For a 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

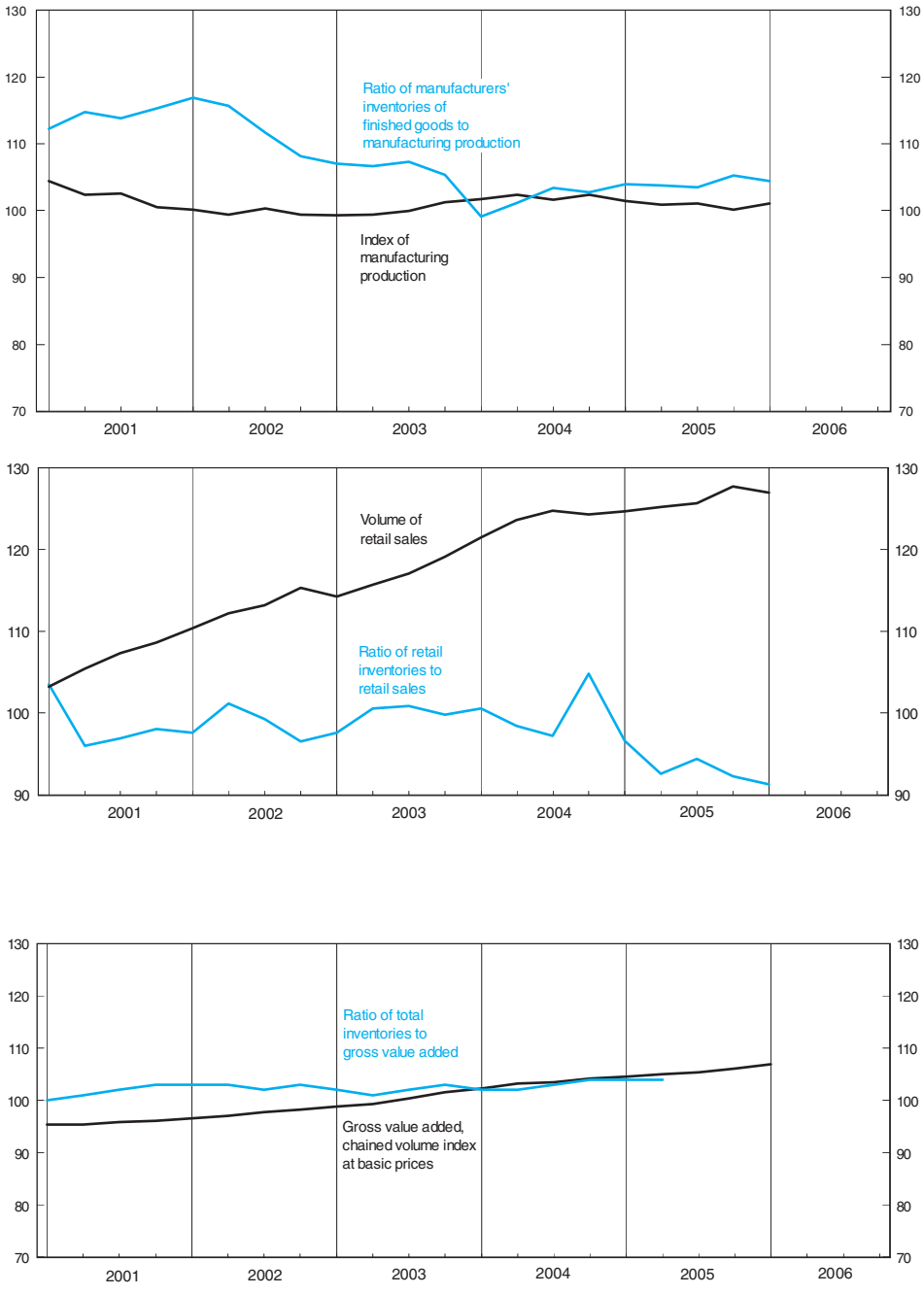
	Manufacturers' inventories[1] to manufacturing production: Materials and fuel	Work in progress	Finished goods	Total inventories	Retail inventories[1] to retail sales[2]	Total inventories[1,3] to gross value added
	FAPG	FAPH	FAPI	FAPF	FAPC	FDCA
2001 Q1	89.4†	105.7†	112.3†	102.4†	103.5†	100
Q2	89.5	105.9	114.8	103.4	96.0	101
Q3	88.3	107.3	113.8	103.0	96.9	102
Q4	90.3	104.8	115.3	103.5	98.0	103
2002 Q1	90.2	102.4	116.9	103.3	97.6	103
Q2	89.3	101.5	115.7	102.3	101.2	103
Q3	87.3	100.5	111.7	99.9	99.3	102
Q4	85.6	99.4	108.2	97.7	96.5	103
2003 Q1	88.2	106.6	107.1	100.4	97.6	102
Q2	88.0	105.9	106.7	100.0	100.6	101
Q3	84.4	103.3	107.3	98.1	100.9	102
Q4	82.9	101.1	105.4	96.3	99.8	103
2004 Q1	80.4	100.9	99.1	93.1	100.6	102
Q2	79.4	98.0	101.2	92.6	98.4	102
Q3	81.7	97.8	103.4	94.2	97.2	103
Q4	82.1	96.1	102.8	93.7	104.8	104†
2005 Q1	84.0	91.4	104.0	93.3	96.6	104
Q2	83.5	93.0	103.8	93.5	92.6	104
Q3	82.1	92.0	103.5	92.7	94.4	..
Q4	82.9	89.4	105.3	92.8	92.3	..
2006 Q1	81.7	98.2	104.4	94.6	91.3	..

1 Chained volume measure: reference year 2003.
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
(Indices, 2003 = 100
seasonally adjusted)



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

	Value of retail sales per week: total (average 2000=100)[1]	Volume of retail sales per week (average 2000=100)[1]								New registrations of cars (NSA, '000s)[2]	Consumer credit (£ million)[3]		
				Predominantly non-food stores								*of which*	
		All retailing	Predominantly food stores+	Total+	Non-specialised stores	Textile, clothing and footwear stores	Household goods stores	Other stores	Non-store retailing and repair+		Total net lending[4]	Credit cards[5]	Other lending[5]
Average weekly sales in 2000 (£ million)	*3 984*	*3 984*	*1 712*	*2 045*	*361*	*536*	*533*	*615*	*226*				
	EAQV	EAPS	EAPT	EAPV	EAPU	EAPX	EAPY	EAPW	EAPZ	BCGT	RLMH	VZQX	VZQY
2001	105.9	106.1	104.1	107.8	106.0	109.4	109.6	105.9	106.0	2 577.5	17 587	6 284	11 382
2002	110.6	112.2	108.2	115.5	110.5	121.0	117.8	111.6	113.3	2 682.0	21 292†	7 613	13 715†
2003	113.7	116.3	111.9	121.1	113.8	128.9	122.3	117.4	107.0	2 646.2	20 158	8 911	11 398
2004	118.7	123.2	116.5	129.6†	118.0†	139.1	130.8	127.0†	116.9†	2 598.8	22 922	9 962	12 935
2005	119.8	125.7	119.5	131.8†	119.3†	143.8	131.2	129.2†	117.7†	2 443.3	17 097	6 132	10 964
2001 Q1	102.8	103.2	102.7	103.9	104.8	105.0	105.9	100.6	100.4	704.2	3 322†	1 355	2 157†
Q2	105.5	105.4	103.5	106.9	106.6	107.0	109.7	104.5	105.8	617.7	4 605	1 695	2 865
Q3	107.1	107.3	104.5	109.4	107.5	110.9	110.5	108.3	110.1	725.6	4 055	1 219	2 820
Q4	108.1	108.6	105.4	111.3	107.7	114.0	113.2	109.4	108.5	530.0	5 605	2 015	3 540
2002 Q1	109.5	110.4	106.7	114.1	109.3	118.3	115.7	111.7	105.6	758.7	5 051	1 958	3 204
Q2	110.5	112.2	107.9	115.9	110.1	120.4	117.3	114.1	110.7	650.0	4 730	1 669	3 013
Q3	111.2	113.2	108.9	116.3	112.7	122.5	118.2	111.2	118.4	744.6	6 092	2 031	3 999
Q4	112.9	115.3	110.8	118.3	113.2	123.9	121.0	114.2	121.1	528.7	5 419	1 955	3 499
2003 Q1	112.3	114.3	110.0	118.8	111.7	126.1	118.2	117.0	107.3	737.6	4 868	2 250	2 720
Q2	113.1	115.7	111.6	120.3	113.3	127.5	122.4	116.2	105.8	642.7	5 493	2 518	2 934
Q3	114.4	117.1	112.6	122.0	115.3	130.7	123.6	117.1	106.1	742.8	5 144	2 157	2 957
Q4	115.9	119.1	113.4	124.9	117.0	132.1	126.3	122.1	109.4	523.1	4 653	1 986	2 787
2004 Q1	117.7	121.5	114.6	128.3	117.1	137.2	128.7	126.8	112.4	762.2	5 975	2 461	3 466
Q2	119.2	123.6	116.2	130.3	119.9	139.7	130.4	128.3	117.8	629.8	5 790	2 437	3 292
Q3	119.8	124.8	117.4	131.8	121.0	140.3	133.8	128.8	118.3	709.9	5 720	2 601	3 107
Q4	119.1	124.3	117.6	130.5	118.4	140.8	132.2	127.3	119.3	496.9	5 437	2 463	3 070
2005 Q1	119.3†	124.7†	118.8	130.2†	121.1†	141.4†	130.8†	125.3†	118.8†	697.9	5 861	2 420	3 457
Q2	119.6†	125.2†	119.1†	131.0†	118.3†	143.7†	130.2†	128.1†	119.0†	594.4	4 501	1 334	3 065
Q3	119.7	125.7	119.5†	132.1	118.9	143.8	130.8	130.8	114.3	677.1	3 505	1 232	2 281
Q4	120.9	127.7	120.9	134.7	121.8	146.2	135.6	131.4	116.0	473.9	3 230	1 146	2 161
2006 Q1	120.4	127.0	121.1	133.2	122.4	145.7	133.6	128.2	116.1	661.7	2 828	1 106	1 729
2004 Jan	117.9	121.1	114.2	128.0	116.1	137.2	127.4	127.6	111.2	199.6	2 032†	658†	1 374†
Feb	117.5	121.1	114.5	127.8	117.6	135.7	128.8	126.1	111.1	92.3	2 009	565	1 444
Mar	117.8	122.1	115.0	128.9	117.5	138.4	129.6	126.8	114.4	470.3	2 053	1 326	727
Apr	118.5	122.6	115.4	129.4	118.8	139.5	129.2	127.0	114.7	191.1	1 567	765	802
May	119.3	123.6	116.3	130.3	120.9	140.5	129.8	127.4	118.6	197.6	2 129	773	1 356
Jun	119.8	124.3	116.9	131.1	120.0	139.1	131.9	129.9	119.5	241.1	2 016	898	1 118
Jul	119.1	123.9	116.4	130.8	119.2	137.2	133.9	129.4	117.6	188.2	1 860	912	948
Aug	119.7	124.6	117.6	131.4	122.4	141.8	132.8	126.5	115.6	87.3	1 975	911	1 064
Sep	120.5	125.8	118.0	132.8	121.4	141.6	134.6	130.2	120.9	434.4	1 925	815	1 110
Oct	119.9	124.9	117.9	131.5	120.1	142.3	132.1	128.2	118.3	171.8	1 633	711	921
Nov	120.0	125.3	118.1	132.0	120.7	141.2	135.8	127.5	119.5	175.6	1 967	884	1 083
Dec	117.7	123.1	117.0	128.6	115.2	139.3	129.5	126.4	119.9	149.5	1 768	753	1 016
2005 Jan	119.8	125.1	119.6	130.3	121.1	140.2	132.7	124.9	120.0	180.0	2 226	959	1 268
Feb	119.2	124.7	118.7	130.0	121.0	142.1	130.5	124.2	122.4	77.5	1 629	695	934
Mar	119.1	124.3	118.2	130.4	121.1	141.9	129.6	126.5	114.9	440.4	2 164	841	1 324
Apr	119.3	124.9	118.7	130.4	118.7	143.2	129.3	127.1	121.9	178.9	1 345	245	1 101
May	118.6†	124.3†	118.8†	129.8†	116.2†	142.3†	129.3†	127.3†	116.9†	189.2	1 533	823	710
Jun	120.5	126.1	119.6	132.4	119.6	145.1	131.5	129.5	118.4	226.3	1 489	293	1 196
Jul	119.8	125.3	119.8	131.1	117.3	143.0	129.8	130.0	115.4	175.3	1 027	344	683
Aug	119.6	125.4	118.4	132.2	119.3	143.6	130.5	131.5	116.4	84.2	1 376	448	928
Sep	119.9	126.2	120.1	132.8	119.8	144.6	131.8	131.0	111.9	417.6	1 174	402	772
Oct	120.2	126.6	120.5	133.0	120.7	143.2	132.5	131.9	114.4	153.9	1 234	542	692
Nov	121.1	127.8	121.2	134.7	122.5	150.0	132.5	130.4	115.4	160.8	809	304	505
Dec	121.5	128.5	121.1	136.0	122.0	145.5	140.7	131.9	117.6	159.2	1 179	281	898
2006 Jan	119.7	126.4	120.4	132.7	121.4	143.2	134.4	128.6	115.3	154.0	1 246	589	657
Feb	120.3	126.7	121.1	132.6	120.4	146.3	132.1	128.3	114.6	74.8	1 303	439	864
Mar	121.0	127.8	121.6	134.0	124.8	147.3	134.1	127.8	117.9	432.9	433	105	328
Apr	121.6	128.6	121.4	135.9	125.3	148.4	138.5	129.1	117.1	..	816	259	557
May	122.2	129.3	121.4	137.1	126.2	150.5	139.0	130.1	119.1	..	1 225	253	973

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

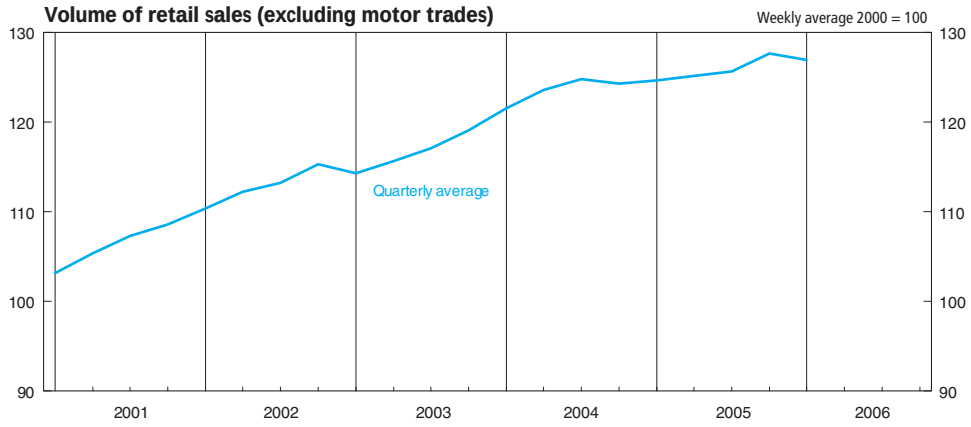
2 Seasonally adjusted data are not published in *Economic Trends*. Data up to 1998 are published in the *Economic Trends Annual Supplement*.

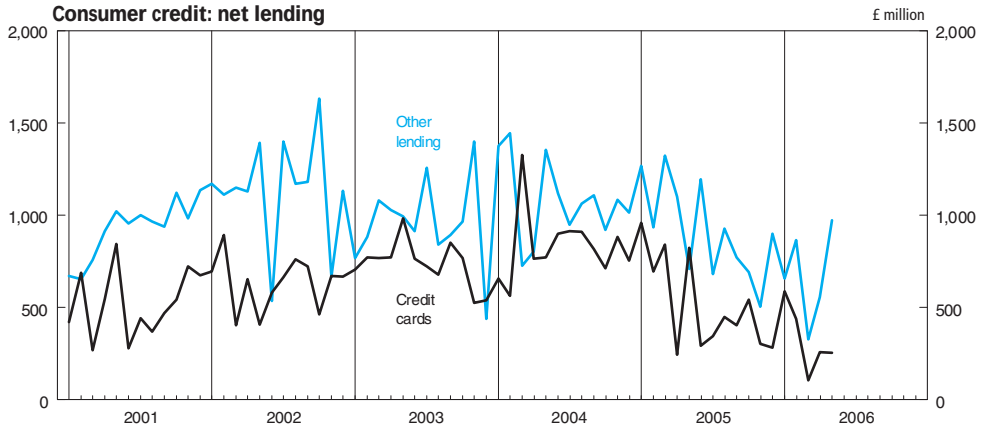
3 Covers all institutions providing finance for consumers, including loans by banks on personal accounts and on bank credit cards and charge cards, by insurance companies, retailers and other specialist lenders, but excluding loans for house purchase.

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

5 These figures fall outside the scope of National Statistics.

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.


Volume of retail sales (excluding motor trades)
Weekly average 2000 = 100
130
120
110
100
90
Quarterly average
2001
2002
2003
2004
2005
2006


Consumer credit: net lending
£ million
2,000
1,500
1,000
500
0
Other lending
Credit cards
2001
2002
2003
2004
2005
2006

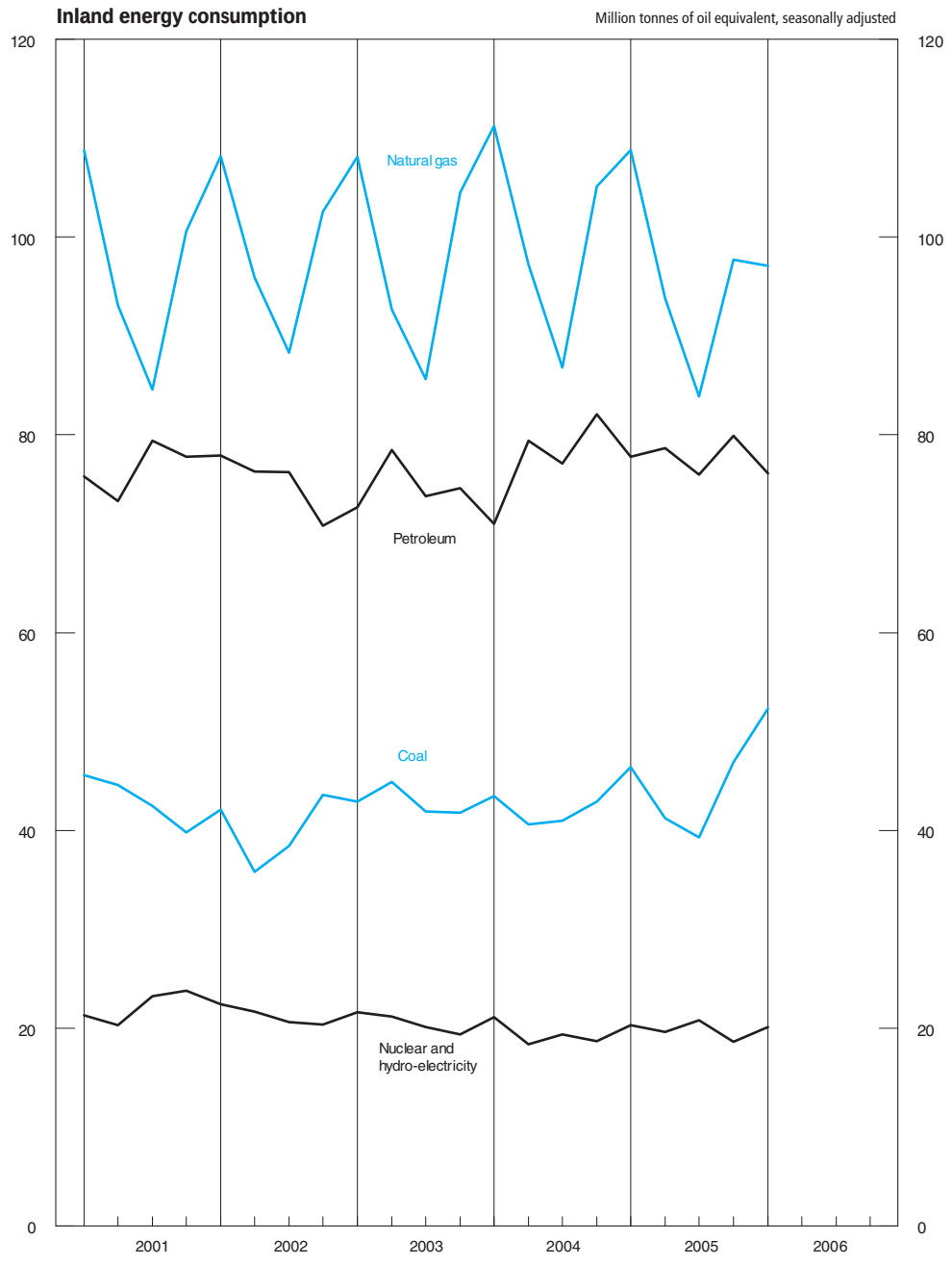
5.9 Inland energy consumption: primary fuel input basis

Million tonnes of oil equivalent

	Seasonally adjusted and temperature corrected[1] (annualised rates)						
				Primary electricity[5]			
	Coal[2]	Petroleum[3]	Natural gas[4]	Nuclear	Wind and natural flow hydro[6]	Net imports[7]	Total
	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH
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
2005	43.4†	78.1†	96.0†	18.6	0.5	0.7	237.4†
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	46.4†	77.8†	108.8†	19.3	0.5	0.5	253.3†
Q2	41.2	78.7	93.8	18.3	0.6	0.7	233.3
Q3	39.3	76.0	83.9	19.6	0.5	0.7	220.0
Q4	46.9	79.9	97.7	17.1	0.5	1.0	243.0
2006 Q1	52.3	76.1	97.1	19.1	0.4	0.6	245.6
2003 Jul	43.8	74.5	82.7	18.1	0.5	–	219.6
Aug	42.5	69.8	82.8	17.7	0.5	0.3	213.6
Sep	39.3	77.1	91.4	23.5	0.4	–0.6	231.0
Oct	46.4	76.0	98.3	18.5	0.3	–	239.6
Nov	36.5	70.6	104.4	17.6	0.3	0.3	229.8
Dec	42.5	77.3	110.7	19.7	0.4	1.0	251.6
2004 Jan	41.9	83.0	109.6	18.6	0.6	0.7	254.6
Feb	44.2	62.3	113.2	19.6	0.5	0.6	240.4
Mar	44.4	67.8	110.7	22.3	0.4	–	245.5
Apr	42.7	81.0	102.1	18.1	0.5	0.5	244.9
May	37.4	86.3	100.0	16.7	0.6	0.4	241.5
Jun	41.6	70.8	89.4	16.8	0.6	0.8	219.9
Jul	38.8	88.9	86.3	19.7	0.6	0.8	235.1
Aug	42.7	67.3	84.6	17.3	0.8	0.7	213.4
Sep	41.7	75.3	89.3	16.8	0.9	0.6	224.5
Oct	44.9	89.3	100.4	18.0	0.8	1.2	254.5
Nov	43.7	72.5	106.0	16.8	0.5	0.7	240.3
Dec	40.0	84.6	108.7	17.0	0.5	0.7	251.5
2005 Jan	45.3†	81.8†	111.0†	21.5	0.6	0.6	260.8†
Feb	48.7	66.4	108.3	19.0	0.5	0.3	243.0
Mar	45.1	85.3	107.1	17.5	0.4	0.6	256.0
Apr	43.0	77.0	99.2	17.8	0.5	0.6	238.0
May	38.6	79.8	96.7	19.3	0.6	1.0	236.0
Jun	42.0	79.2	85.5	17.9	0.6	0.6	225.9
Jul	39.8	67.0	81.4	21.4	0.5	0.6	210.6
Aug	41.0	75.8	79.4	21.4	0.5	1.0	219.2
Sep	37.0	85.3	90.7	16.0	0.6	0.4	230.1
Oct	42.4	74.3	96.4	16.7	0.6	0.9	231.4
Nov	52.1	83.3	98.3	17.5	0.5	1.0	252.7
Dec	46.3	82.0	98.4	17.0	0.3	1.0	245.0
2006 Jan	52.8	74.7	98.1	19.9	0.4	0.8	246.8
Feb	53.4	72.7	96.7	18.7	0.3	0.2	242.0
Mar	50.6	80.8	96.4	18.8	0.3	0.9	247.9
Apr	43.3	81.9	90.5	19.6	0.5	1.2	237.1

1 For details of temperature correction see DTI energy statistics website at **www.dti.gov.uk/energy/inform/dukes/dukes2005/01longterm.pdf**
2 Includes solid renewable sources (wood, straw and waste), a small amount of renewable primary heat sources (solar, geothermal, etc.) and net foreign trade and stock changes in other solid fuels.
3 Excludes non-energy use.
4 Includes gas used during production, colliery methane, landfill gas and sewage gas. Excludes gas flared or re-injected and non-energy use of gas.
5 Not temperature corrected.
6 Includes generation by solar photovoltaics (PV). Excludes generation from pumped storage stations.
7 Not seasonally adjusted.

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


Inland energy consumption
Million tonnes of oil equivalent, seasonally adjusted
120
100
80
60
40
20
0
Natural gas
Petroleum
Coal
Nuclear and
hydro-electricity
2001
2002
2003
2004
2005
2006

T63

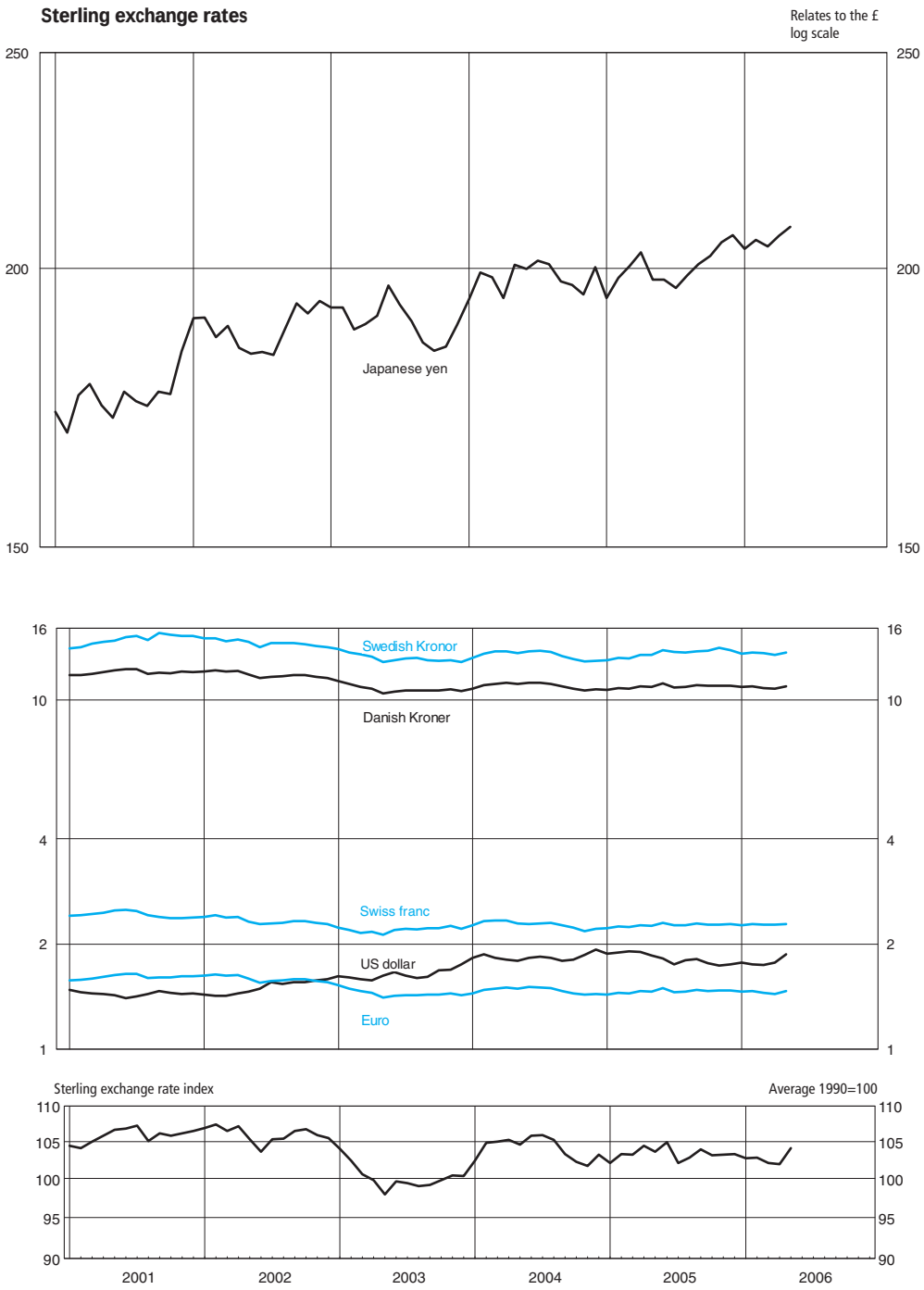
6.1 Sterling exchange rates and UK reserves[1]

Not seasonally adjusted

	Sterling exchange rate against major currencies[2]								UK international reserves[4] at end of period (£ million)	Sterling exchange rate index 1990 = 100
	Japanese yen	US dollar	Swiss franc	Euro[3]	Danish kroner	Norwegian kroner	Swedish kronor	Hong Kong dollar		
	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	28 018	103.3
2001 Q1	172.26	1.4584	2.424	1.5814	11.7988	12.965	14.230	11.3765	30 457	104.5
Q2	174.19	1.4208	2.487	1.6280	12.1436	13.039	14.847	11.0866	30 632	106.4
Q3	174.67	1.4380	2.432	1.6152	12.0231	12.928	15.203	11.2092	29 662	106.1
Q4	178.45	1.4428	2.375	1.6111	11.9887	12.845	15.264	11.2548	27 773	106.1
2002 Q1	188.79	1.4260	2.396	1.6263	12.0863	12.700	14.895	11.1230	28 053	106.9
Q2	185.29	1.4630	2.329	1.5923	11.8379	11.956	14.564	11.4015	28 623	105.3
Q3	184.85	1.5495	2.305	1.5747	11.6973	11.662	14.538	12.0871	27 950	105.7
Q4	192.42	1.5720	2.304	1.5716	11.6733	11.494	14.285	12.2547	26 566	106.0
2003 Q1	190.67	1.6017	2.189	1.4937	11.0987	11.313	13.709	12.5030	26 388	102.3
Q2	191.90	1.6194	2.163	1.4256	10.5851	11.344	13.032	12.6352	25 199	99.1
Q3	189.14	1.6108	2.209	1.4300	10.6264	11.794	13.103	12.5605	26 954	99.2
Q4	185.64	1.7065	2.228	1.4334	10.6591	11.796	12.913	13.2305	25 724	100.2
2004 Q1	197.07	1.8391	2.306	1.4708	10.9571	12.703	13.507	14.2983	25 266	104.1
Q2	198.21	1.8052	2.305	1.4992	11.1529	12.387	13.712	14.0831	25 178	105.2
Q3	199.95	1.8189	2.285	1.4877	11.0633	12.478	13.627	14.1861	25 382	104.8
Q4	197.18	1.8648	2.206	1.4388	10.6958	11.798	12.966	14.5080	25 908	102.4
2005 Q1	197.53	1.8904	2.234	1.4424	10.7362	11.889	13.092	14.7449	25 801	102.9
Q2	199.56	1.8559	2.276	1.4744	10.9788	11.863	13.572	14.4506	26 844	104.3
Q3	198.44	1.7844	2.273	1.4635	10.9160	11.534	13.709	13.8685	26 728	102.9
Q4	205.02	1.7481	2.275	1.4706	10.9687	11.584	13.935	13.5546	28 018	103.2
2006 Q1	204.86	1.7528	2.272	1.4570	10.8723	11.697	13.623	13.5963	28 097	102.5
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	28 018	103.3
2006 Jan	204.09	1.7678	2.259	1.4582	10.880	11.724	13.568	13.7079	27 602	102.7
Feb	205.95	1.7470	2.281	1.4637	10.926	11.801	13.672	13.5566	27 672	102.8
Mar	204.53	1.7435	2.276	1.4500	10.819	11.567	13.629	13.5288	28 097	102.1
Apr	206.83	1.7685	2.268	1.4402	10.746	11.300	13.442	13.7172	28 200	101.9
May	208.79	1.8702	2.278	1.4637	10.914	11.413	13.654	14.5016	..	104.1

1 These figures fall outside the scope of National Statistics.
2 Average of daily telegraphic transfer rates in London.
3 Prior to January 1999, a synthetic Euro has been calculated by geometrically averaging the bilateral exchange rates of the 11 Euro-area countries using "internal weights" based on each country's share of the extra Euro-area trade.
4 International reserves data are all valued at end-period market prices and exchange rates. They additionally include other reserve assets such as repos (sale and purchase agreements) and derivatives. Full details are shown in Table 1.2I of *Financial Statistics*.

Source: Bank of England; Enquiries: 020 7601 4342


Sterling exchange rates
Relates to the £
log scale
250
200
150
Japanese yen
16
10
4
2
1
Swedish Kronor
Danish Kroner
Swiss franc
US dollar
Euro
Sterling exchange rate index
Average 1990=100
110
105
100
95
90
2001
2002
2003
2004
2005
2006

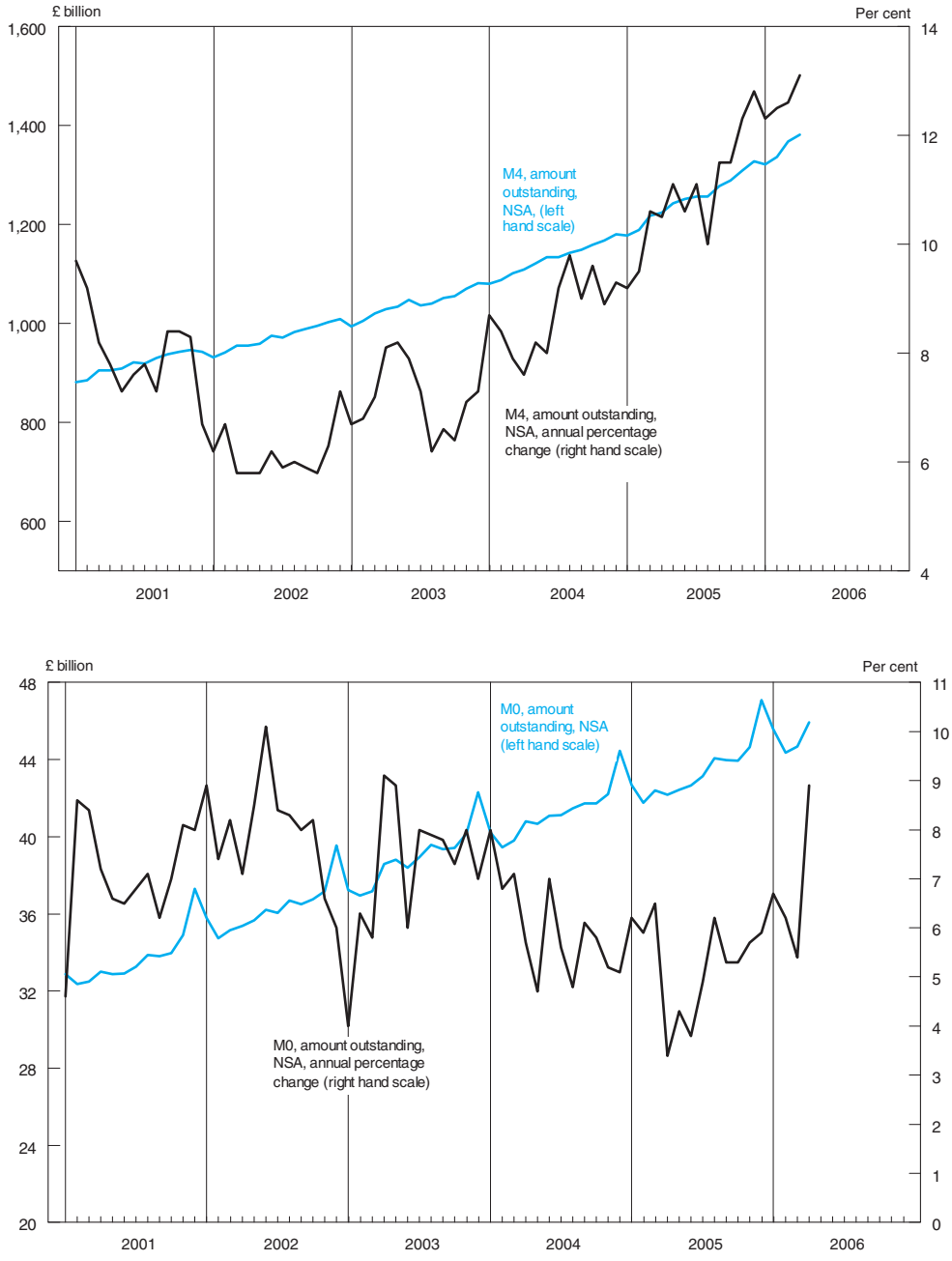
6.2 Monetary aggregates[1,2]

	M0[3]					M4				
	Amount outstanding[4,5] (NSA)		Amount outstanding[5]			Amount outstanding[5] (NSA)		Amount outstanding[5]		
	£ million	Annual percentage change	£ million+	Annual percentage change	Velocity of circulation ratio	£ million	Annual percentage change	£ million+	Annual percentage change	Velocity of circulation ratio
	AVAD	VQNB	AVAE	VQMX	AVAM	AUYM	VQLC	AUYN†	VQJW	AUYU
2001	37 319	*8.0*	35 000	*7.0*	29.76	942 594	*6.7*	943 676†	*7.7*	1.09
2002	39 540	*6.0*	37 237	*7.9*	28.99	1 008 751	*7.3*	1 009 542	*6.3*	1.08
2003	42 317	*7.0*	40 000†	*7.4*	28.49	1 081 299	*7.3*	1 081 848	*7.2*	1.07
2004	44 466	*5.1*	42 284†	*6.0*	28.28	1 179 208†	*9.3*	1 179 501	*8.5*	1.03
2005	47 093	*5.9*	44 274	*5.1*	27.94	1 327 309†	*12.8*	1 327 650	*11.4*	0.97
							VQRY			
2001 Q1	32 489	*8.4*	33 114	*7.1*	29.91	905 746	*8.2*	905 292†	*8.3*	1.10
Q2	32 896	*6.5*	33 283	*6.8*	30.01	921 500	*7.6*	917 867	*7.6*	1.10
Q3	33 797	*6.2*	33 940	*6.8*	29.68	937 099	*8.4*	940 069	*8.4*	1.08
Q4	37 319	*8.0*	35 000	*7.4*	29.44	942 594	*6.7*	943 676	*6.6*	1.08
2002 Q1	35 157	*8.2*	35 544†	*7.5*	29.09†	955 216	*5.7*	955 124	*5.8*	1.09
Q2	36 225	*10.1*	36 639†	*8.9*	29.13†	975 727	*6.1*	971 376	*6.1*	1.09
Q3	36 511	*8.0*	36 672	*8.2*	28.95	989 433	*5.9*	993 073	*5.9*	1.08
Q4	39 540	*6.0*	37 237	*7.1*	28.78	1 008 751	*7.3*	1 009 542	*7.3*	1.07
2003 Q1	37 184	*5.8*	37 881	*6.2*	28.84	1 020 661	*7.2*	1 020 783	*7.2*	1.07
Q2	38 403	*6.0*	38 902	*7.7*	28.37	1 048 158	*7.9*	1 043 149	*7.9*	1.06
Q3	39 348	*7.8*	39 515	*7.9*	28.42	1 051 176	*6.6*	1 055 567	*6.6*	1.07
Q4	42 317	*7.0*	40 000	*7.6*	28.34	1 081 299	*7.3*	1 081 848	*7.2*	1.06
2004 Q1	39 812	*7.1*	40 562	*7.2*	28.34	1 101 926	*7.8*	1 102 055	*7.8*	1.05
Q2	41 109	*7.0*	41 408	*5.8*	28.31	1 133 432	*8.0*	1 127 716	*8.0*	1.04
Q3	41 748	*6.1*	41 810	*5.5*	28.20	1 148 480	*9.0*	1 153 962	*9.1*	1.03
Q4	44 466	*5.1*	42 284	*5.5*	28.29	1 179 208	*9.3*	1 179 501	*9.2*	1.02
2005 Q1	42 395	*6.5*	42 634	*5.5*	27.99	1 216 932†	*10.6*	1 216 922	*10.6*	1.00
Q2	42 656	*3.8*	42 967	*4.3*	28.14	1 250 546	*10.6*	1 244 064	*10.6†*	0.98
Q3	43 969	*5.3*	44 076	*5.4*	27.81	1 277 152	*11.5*	1 283 752	*11.6*	0.96
Q4	47 093	*5.9*	44 274	*5.2*	27.82	1 327 309	*12.8*	1 327 650	*12.8*	0.95
2006 Q1	44 669	*5.4*	45 501	*6.5*	..	1 367 644	*12.6†*	1 367 190	*12.6*	..
							VQLC			
2003 Jul	38 938	*8.0*	39 181	*8.0*	..	1 036 753	*7.3*	1 039 318†	*7.2*	..
Aug	39 579	*7.9*	39 392	*7.9*	..	1 040 309	*6.2*	1 039 796	*6.3*	..
Sep	39 348	*7.8*	39 515†	*7.8*	..	1 051 176	*6.6*	1 051 652	*6.6*	..
Oct	39 416	*7.3*	39 711	*7.2*	..	1 055 028	*6.4*	1 054 313	*6.3*	..
Nov	40 149	*8.0*	40 065	*8.2*	..	1 070 564	*7.1*	1 067 807	*7.1*	..
Dec	42 317	*7.0*	40 000	*7.4*	..	1 081 299	*7.3*	1 079 265	*7.3*	..
2004 Jan	40 222	*8.0*	40 230	*7.7*	..	1 080 319	*8.7*	1 089 540	*8.7*	..
Feb	39 448	*6.8*	40 248	*6.8*	..	1 087 910	*8.4*	1 095 949	*8.4*	..
Mar	39 812	*7.1*	40 562	*7.1*	..	1 101 926	*7.9*	1 099 331	*7.9*	..
Apr	40 799	*5.7*	40 758	*5.7*	..	1 109 179	*7.6*	1 106 002	*7.4*	..
May	40 668	*4.7*	41 044	*5.3*	..	1 121 193	*8.2*	1 117 630	*8.2*	..
Jun	41 109	*7.0*	41 408	*6.4*	..	1 133 432	*8.0*	1 125 062	*8.0*	..
Jul	41 115	*5.6*	41 349	*5.5*	..	1 133 334	*9.2*	1 134 400	*9.0*	..
Aug	41 489	*4.8*	41 389	*5.1*	..	1 143 250	*9.8*	1 144 758	*10.0*	..
Sep	41 748	*6.1*	41 810	*5.8*	..	1 148 480	*9.0*	1 149 108	*9.0†*	..
Oct	41 721	*5.8*	42 026	*5.8*	..	1 158 430	*9.6*	1 159 023	*9.7*	..
Nov	42 222	*5.2*	42 082	*5.0*	..	1 166 766	*8.9*	1 165 208	*9.0*	..
Dec	44 466	*5.1*	42 284	*5.7*	..	1 179 208	*9.3*	1 173 956	*9.0*	..
2005 Jan	42 700	*6.2*	42 488	*5.6*	..	1 177 476†	*9.2*	1 189 202	*9.4*	..
Feb	41 757	*5.9*	42 608	*5.9*	..	1 189 119	*9.5*	1 199 651	*9.7*	..
Mar	42 395	*6.5*	42 634	*5.1*	..	1 216 932	*10.6*	1 213 561	*10.6*	..
Apr	42 188	*3.4*	42 692	*4.7*	..	1 223 656	*10.5*	1 220 924	*10.6*	..
May	42 426	*4.3*	42 797	*4.3*	..	1 242 150	*11.1*	1 239 302	*11.2*	..
Jun	42 656	*3.8*	42 967	*3.8*	..	1 250 546	*10.6*	1 240 642	*10.5*	..
Jul	43 127	*4.9*	43 351	*4.8*	..	1 256 379	*11.1*	1 257 246	*11.1*	..
Aug	44 078	*6.2*	43 913	*6.1*	..	1 255 464	*10.0*	1 257 618	*10.1*	..
Sep	43 969	*5.3*	44 076	*5.4*	..	1 277 152	*11.5*	1 276 484	*11.4*	..
Oct	43 926	*5.3*	44 236	*5.3*	..	1 288 467	*11.5*	1 291 759	*11.8*	..
Nov	44 644	*5.7*	44 412	*5.5*	..	1 308 371	*12.3*	1 307 053	*12.3*	..
Dec	47 093	*5.9*	44 274	*4.7*	..	1 327 309	*12.8*	1 321 672	*12.9*	..
2006 Jan	45 567	*6.7*	45 274	*6.6*	..	1 320 546	*12.3†*	1 333 130	*12.2*	..
Feb	44 367	*6.2*	45 251	*6.2*	..	1 336 303	*12.5*	1 347 941	*12.5*	..
Mar	44 669	*5.4*	45 501	*6.7*	..	1 367 644	*12.6*	1 361 489	*12.4*	..
Apr	45 939	*8.9*	45 878	*7.5*	..	1 381 415	*13.1*	1 378 520	*13.1*	..

1 A fuller range of monetary aggregates is published monthly in *Financial Statistics*.
2 These figures fall outside the scope of National Statistics.
3 The Bank of England ceased publication of data on M0 after April 2006 following the implementation of reforms to its money market operations.
4 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.
5 At end period.

Source: Bank of England; Enquiries: 020 7601 5467

Monetary aggregates



6.3 Counterparts to changes in money stock M4[1,2]

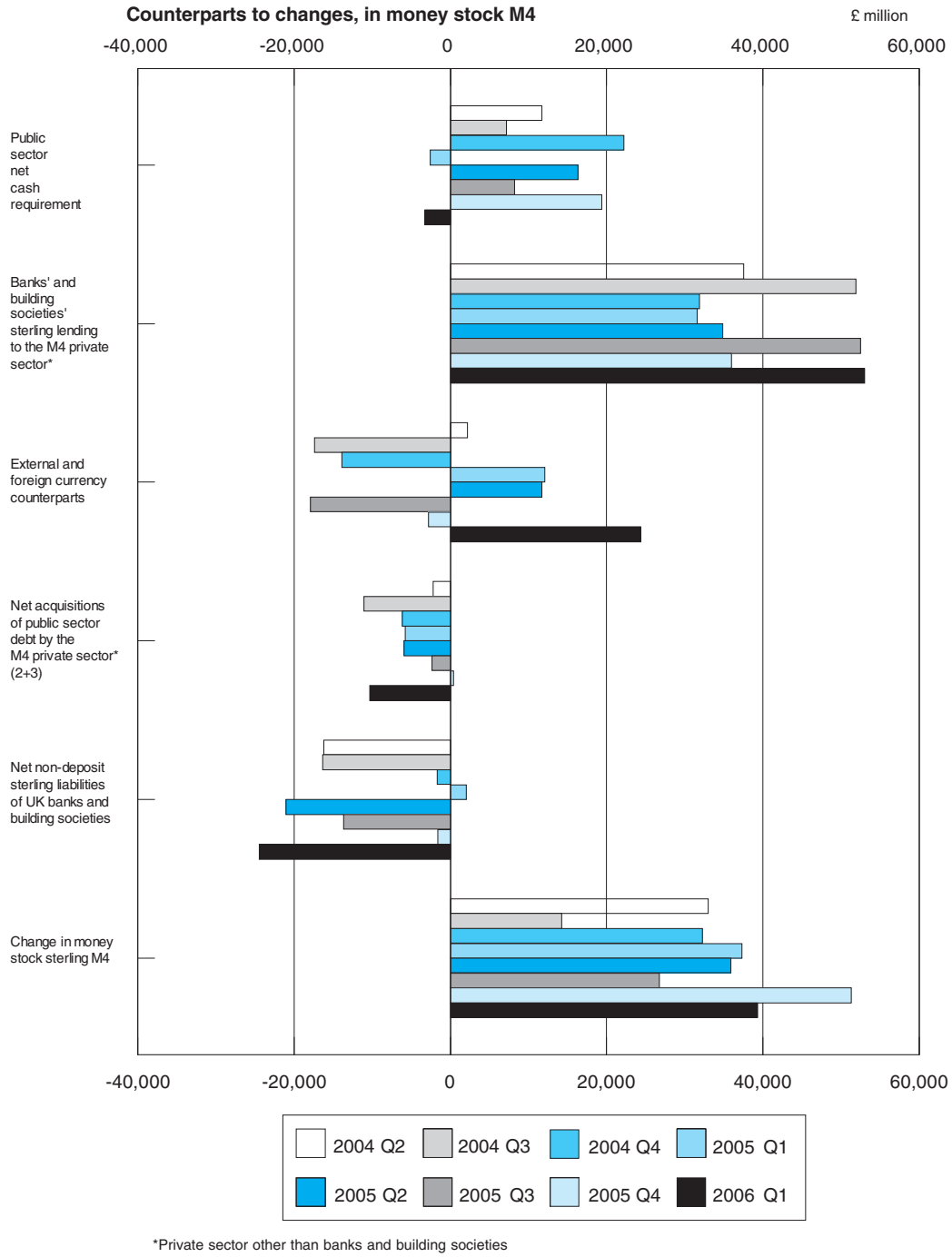
£ million, not seasonally adjusted

	Public sector net cash requirement+[3]	Purchases by the M4 private sector[4] of: Central government debt	Purchases by the M4 private sector[4] of: Other public sector debt	External and foreign currency financing of public sector: Purchase of British government stocks by overseas sector	External and foreign currency financing of public sector: Other	Public sector contribution M4	UK banks and building societies: Sterling lending to the M4 private sector	UK banks and building societies: External and foreign currency transactions	UK banks and building societies: Net non-deposit sterling liabilities	UK banks and building societies: External and foreign currency counterparts	M4
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	ABEN	RCMD	AVBV	AVBZ	AQGA	AVBF	AVBS	AVBW	AVBX	VQLP	AUZI
2001	–2 750	7 526	191	318	4 194	8 842	82 574	–21 607	–10 815	–17 732	58 994
2002	18 316	–9 148	–110	–897	1 588	11 543	107 553	–25 113	–25 149	–22 627	68 834
2003	38 829	–31 962	–473	10 378	–3 067	–7 048	127 820	–27 161	–20 341	–40 602	73 271
2004	41 366	–30 783	–1 147	2 235	–158	7 042	156 084	4 380	–67 477	1 987	100 030
2005	41 303†	–13 456†	–279†	28 610†	84	–957†	154 906†	31 605†	–34 352	3 080†	151 201†
2001 Q1	–12 408	3 243	–268	–2 356	3 734	–3 343	30 987	–7 719	1 254	–1 629	21 178
Q2	6 421	2 972	233	4 549	1 000	6 078	21 177	–7 262	–4 325	–10 811	15 669
Q3	–6 103	4 439	95	–2 931	1 287	2 648	15 809	7 221	–8 836	11 438	16 842
Q4	9 340	–3 128	131	1 056	–1 827	3 459	14 601	–13 847	1 092	–16 730	5 305
2002 Q1	–6 179	2 873	–260	–1 045	2 398	–124	24 577	–7 089	–3 172	–3 646	14 192
Q2	7 087	–4 266	101	–266	–1 001	2 188	24 515	1 613	–8 069	879	20 247
Q3	399	–2 120	93	–1 960	208	540	34 146	–8 547	–11 077	–6 379	15 063
Q4	17 009	–5 635	–44	2 374	–17	8 939	24 315	–11 090	–2 831	–13 481	19 332
2003 Q1	–318	–4 248	31	1 934	430	–6 038	21 776	2 357	–4 432	854	13 663
Q2	16 293	–8 454	–210	2 855	–2 099	2 676	34 669	–1 532	–6 969	–6 485	28 845
Q3	5 852	–10 522	–184	980	–1 222	–7 056	30 472	–2 300	–17 743	–4 501	3 373
Q4	17 002	–8 738	–110	4 609	–176	3 370	40 903	–25 686	8 803	–30 470	27 390
2004 Q1	259	–11 970	–499	978	1 670	–11 519	34 788	30 397	–33 204	31 089	20 463
Q2	11 692	–1 846	–343	2 204	–136	7 162	37 493	4 568	–16 199	2 227	33 024
Q3	7 216	–11 055	–26	125	–1 441	–5 431	51 904	–15 857	–16 348	–17 423	14 268
Q4	22 199	–5 912	–279	–1 072	–251	16 830	31 899	–14 728	–1 726	–13 906	32 275
2005 Q1	–2 597	–5 459	–321	7 592	1 411	–14 558	31 595	18 254†	2 046	12 073†	37 337†
Q2	16 312†	–5 818	–152†	5 512	–306	4 523	34 880	17 537	–21 074	11 719	35 866
Q3	8 242	–2 567	174	8 891	–815	–3 856	52 484	–8 217	–13 694	–17 922	26 716
Q4	19 346	388†	20	6 615†	–206	12 934†	35 947†	4 031	–1 630	–2 790	51 282
2006 Q1	–3 292	–9 960	–387	6 285	1 108	–18 818	52 992	29 559	–24 438†	24 381	39 295
2003 Jul	–6 066	–2 472	–235	–1 339	880	–6 555	7 695	–900	–11 353	1 319	–11 112
Aug	3 454	–5 675	53	228	–771	–3 166	5 269	–9 972	11 432	–10 971	3 563
Sep	8 464	–2 375	–3	2 091	–1 331	2 665	17 507	8 572	–17 823	5 151	10 921
Oct	–1 576	–5 271	–96	–1 161	3 016	–2 766	23 364	–21 906	5 433	–17 729	4 125
Nov	5 551	1 071	–41	7 050	–49	–518	9 725	8 850	–2 980	1 751	15 077
Dec	13 026	–4 538	28	–1 280	–3 143	6 654	7 815	–12 630	6 350	–14 492	8 188
2004 Jan	–14 375	493	–292	–786	3 019	–10 368	20 704	7 285	–18 931	11 090	–1 311
Feb	–68	–4 662	237	1 267	225	–5 536	4 735	12 057	–3 581	11 015	7 675
Mar	14 701	–7 801	–444	497	–1 574	4 386	9 349	11 055	–10 691	8 984	14 099
Apr	–2 239	–2 121	–158	–1 908	80	–2 530	10 447	6 561	–7 175	8 548	7 303
May	3 207	–1 617	–26	1 168	–68	328	8 540	3 210	325	1 974	12 402
Jun	10 724	1 892	–159	2 944	–148	9 364	18 506	–5 203	–9 349	–8 295	13 319
Jul	–6 886	–4 326	139	–947	–117	–10 243	14 255	940	–5 114	1 770	–162
Aug	3 256	2 294	–106	3 248	409	2 605	15 576	–6 240	–1 700	–9 080	10 240
Sep	10 845	–9 023	–58	–2 176	–1 733	2 208	22 074	–10 557	–9 534	–10 114	4 190
Oct	–1 486	–2 332	–118	1 345	–56	–5 337	15 016	–5 602	5 877	–7 002	9 954
Nov	9 024	190	–43	–1 944	286	11 401	2 124	–1 068	–2 775	1 161	9 682
Dec	14 661	–3 770	–118	–473	–480	10 766	14 759	–8 058	–4 828	–8 065	12 639
2005 Jan	–16 853	–4 433	24	990	1 714	–20 539	16 638	–3 744†	6 055	–3 020†	–1 589†
Feb	627	1 850	–138	2 457	–406	–523	4 563	14 827	–7 219	11 965	11 648
Mar	13 629	–2 877	–207	4 145	103	6 504	10 394	7 170	3 210	3 128	27 278
Apr	–1 086	1 376	–250	1 912	–37	–1 909	8 592	2 511	–2 466	562	6 728
May	5 121	–4 021	210	–588	–129	1 768	14 765	18 835	–14 632	19 294	20 736
Jun	12 278†	–3 173	–113†	4 188	–139	4 664	11 524	–3 810	–3 976	–8 137	8 402
Jul	–8 454	636	87	2 274	–551	–10 556	18 439	–1 502	–544	–4 327	5 837
Aug	4 743	633	127	1 904	–150	3 449	5 005	–13 272	3 910	–15 326	–909
Sep	11 952	–3 835	–39	4 713	–114	3 250	29 040	6 558	–17 060	1 731	21 787
Oct	–4 861	616	–226	3 175	–187	–7 833	12 284	1 657	5 211	–1 705	11 319
Nov	8 960	–2 170	225	1 056	–210	5 749	660	14 596	–1 344	13 329	19 660
Dec	15 247	1 943†	20	2 384†	191	15 018†	23 004†	–12 222	–5 498	–14 414	20 302
2006 Jan	–21 279	639	56	789	1 098	–20 275	8 890	22 500	–19 233†	22 809	–8 118
Feb	1 987	–6 073	16	2 252	26	–6 295	16 670	–2 361	7 748	–4 586	15 762
Mar	16 000	–4 526	–460	3 244	–17	7 753	27 432	9 420	–12 953	6 158	31 652
Apr	–1 746	3 775	462	4 219	–191	–1 918	26 296	–6 055	–4 527	–10 464	13 796

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

Source: Bank of England; Enquiries: 020 7601 5467

1 A wider range of figures is published monthly in *Financial Statistics*.
2 These figures fall outside the scope of National Statistics.
3 Formerly the public sector borrowing requirement.
4 Comprises all UK residents other than the public sector, banks and building societies.



*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/dividends from private/RoW	Rent and other current transfers	Total current receipts
	GZSN	NMRL	ANLY	GZSI	NNAI	ANLO	ANLT	ANBP	NMYE	ANSO	NMGI	MJBC	ANBO	ANBQ	ANBS	ANBT
2002	210 654	5 266	123 288	–539	27 351†	21 534	384 421	16 278	138 365†	142 716	2 381	20 360	63 410	4 852	2 426	390 873
2003	231 543	6 243	130 308	–855	30 275	22 721	418 740	17 293	145 970	144 021	2 416	22 660	71 540	4 836	2 123	410 783
2004	250 708†	6 460†	136 518†	–424†	32 550	23 579†	449 391†	18 334†	154 628	154 656†	2 881	26 881†	78 709	5 377†	2 072†	443 538†
2005	267 530	6 175	142 365	–519	32 845	26 309	474 705	20 252	158 024	173 214	3 154	28 276	85 031†	6 078	1 997	476 026
2002 Q1	50 871	1 204	30 075	12	7 516†	5 236	92 807	4 037	32 611†	45 805	556	4 812	17 103	1 158	670	106 826
Q2	52 712	1 332	29 977	–126	6 510	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	7 130	4 631	96 225	4 099	35 825	35 492	619	5 221	15 278	1 230	743	98 510
Q4	53 807	1 370	32 736	–50	6 195	6 230	99 990	4 209	35 989	32 875	599	5 155	15 887	1 277	501	96 500
2003 Q1	56 276	1 207	30 829	–75	7 720	5 321	100 785	4 217	34 073	46 210	545	5 204	17 222	1 243	661	109 379
Q2	57 925	2 044	31 540	–185	7 701	5 813	104 525	4 118	36 517	29 368	606	5 807	17 670	1 169	484	95 712
Q3	58 272	1 461	32 810	–295	7 054	5 398	104 355	4 269	36 564	36 110	631	5 829	18 245	1 173	491	103 294
Q4	59 070	1 531	35 129	–300	7 800	6 189	109 075	4 689	38 816	32 333	634	5 820	18 403	1 251	487	102 398
2004 Q1	61 166†	1 428†	32 433†	–220†	8 510	5 455†	108 772†	4 815†	36 920	47 611†	650	6 472†	20 830	1 173†	516†	118 987†
Q2	62 020	1 682	33 593	–187	7 660	5 662	110 430	4 399	38 439	31 628	731	6 730	18 663	1 347	531	102 468
Q3	63 028	1 451	34 067	–35	8 751	5 808	113 070	4 456	38 809	39 214	759	6 880	19 105	1 404	510	111 137
Q4	64 494	1 899	36 425	18	7 629	6 654	117 119	4 664	40 460	36 203	741	6 799	20 111	1 453	515	110 946
2005 Q1	65 492	1 740	33 451	–372	9 612	6 424	116 347	4 852	37 286	54 147	713	6 816	22 330†	1 431	506	128 081
Q2	65 817	1 360	35 122	–23	7 247	6 483	116 006	4 819	39 262	35 554	804	7 112	20 555†	1 538	499	110 143
Q3	67 461	1 536	35 636	–150	8 153	6 316	118 952	5 298	40 497	44 099	844	7 427	20 832	1 550	497	121 044
Q4	68 760	1 539	38 156	26	7 833	7 086	123 400	5 283	40 979	39 414	793	6 921	21 314	1 559	495	116 758
2006 Q1	70 181	1 647	34 724	–44	9 913	6 583	123 004	5 119	38 833	60 787	837	7 299	23 908	1 482	495	138 760

Source: Office for National Statistics; Enquiries: 020 7533 5987

6.5 Public sector key fiscal indicators[1]

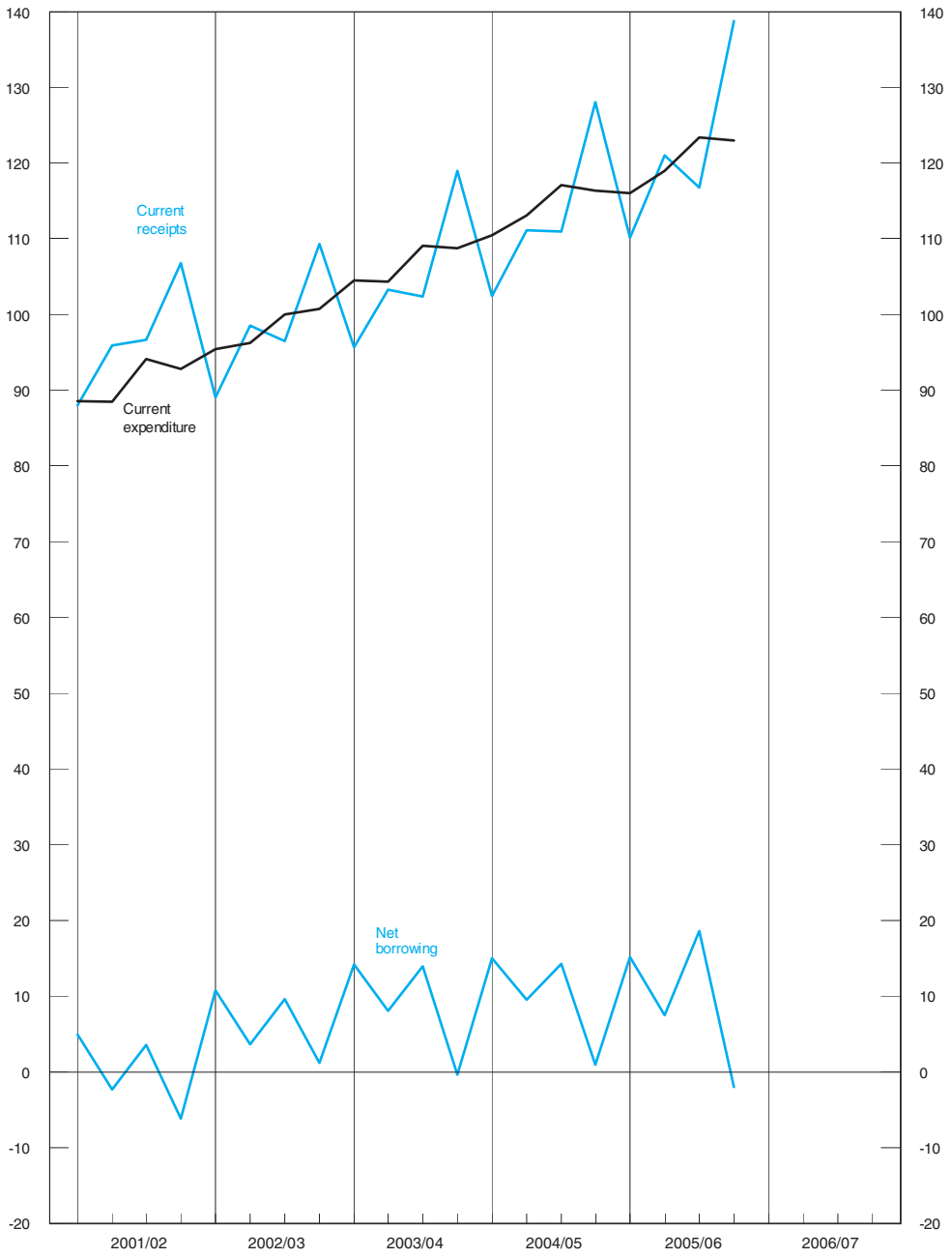
	Surplus on current budget[3]		Net investment[4]		Net borrowing[5]		Net cash requirement		Public sector net debt	
	General government	Public sector	General government	Public sector	General government	Public sector	General government	Public sector	£ billion[6]	Percentage of GDP[7]
	ANLW	ANMU	-ANNV	-ANNW	NNBK	-ANNX	RUUS	RURQ	RUTN	RUTO
2002	–4 978	–7 331	10 752	10 487	–16 011	17 818	16 421	19 310	349.0	*32.5*
2003	–20 454	–22 331	15 037	15 103	–35 806	37 434	38 214	38 521	380.2	*33.5*
2004	–19 995	–21 118	17 756	17 279	–37 751	38 397	41 321	42 324	421.9	*35.5*
2005	–14 524	–15 305†	26 603	26 862	–41 453†	42 167†	41 865	40 897†	461.5†	*37.3†*
2002 Q1	11 284	10 701	4 891	4 515	6 248	–6 186	–6 383	–6 119	314.6	*30.4*
Q2	–9 168	–9 750	1 068	997	–10 481	10 747	7 126	7 045	321.5	*30.7*
Q3	–730	–1 165	2 618	2 463	–3 448	3 628	–145	1 329	325.5	*30.6*
Q4	–6 364	–7 117	2 175	2 512	–8 330	9 629	15 823	17 055	349.0	*32.5*
2003 Q1	5 839	4 952	5 942	6 186	–331	1 234	–1 305	–208	346.3	*31.8*
Q2	–11 834	–12 358	2 015	1 824	–14 083	14 182	16 404	16 266	354.8	*32.1*
Q3	–4 247	–4 623	3 444	3 440	–7 753	8 063	6 036	5 903	360.1	*32.1*
Q4	–10 212	–10 302	3 636	3 653	–13 639	13 955	17 079	16 560	380.2	*33.5*
2004 Q1	7 075†	5 933	6 117†	5 570	637	–363	486	1 003	381.1	*33.2*
Q2	–11 311	–11 840	2 520	3 179	–14 928	15 019	11 577	11 690	393.9	*33.8*
Q3	–4 919	–5 716	4 098	3 785	–9 410	9 501	6 968	7 370	399.6†	*34.0*
Q4	–9 254	–9 495	4 796	4 745	–14 050	14 240	22 290	22 261	421.9	*35.5*
2005 Q1	8 164	8 026†	8 341	8 961	–162†	935†	–2 098	–2 750†	419.6	*35.0*
Q2	–10 344	–10 901	4 331	4 295	–14 831	15 196	15 948	16 246	434.1	*35.9†*
Q3	–1 604	–1 643	5 958	5 819	–7 711	7 462	8 457	8 156	441.5	*36.1*
Q4	–10 740	–10 787	7 973	7 787	–18 749	18 574	19 558	19 245	461.5	*37.3*
2006 Q1	11 664	11 647	9 573	9 644†	1 996	–2 003	–3 871	–3 459	457.3	*36.6*

1 National accounts entities as defined under the European System of Accounts 1995 (ESA95).
2 Unless otherwise stated.
3 Net saving, *plus* capital taxes.
4 Gross capital formation, *plus* payments *less* receipts of investment grants, *less* depreciation.
5 Net borrowing equals net investment *minus* surplus on current budget.
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.

Source: Office for National Statistics; Enquiries 020 7533 5984

Public sector finances

£ billion, not seasonally adjusted



6.6 Consumer credit and other household sector borrowing

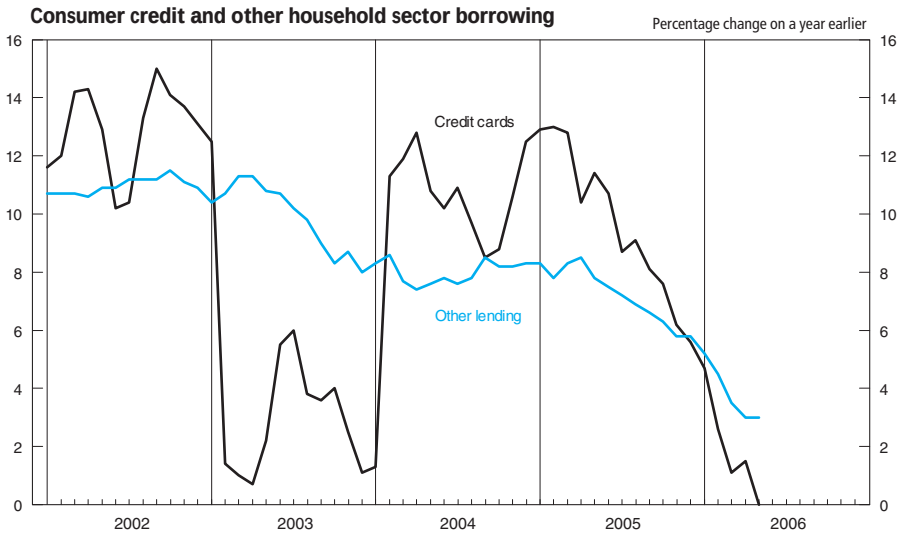
£ million

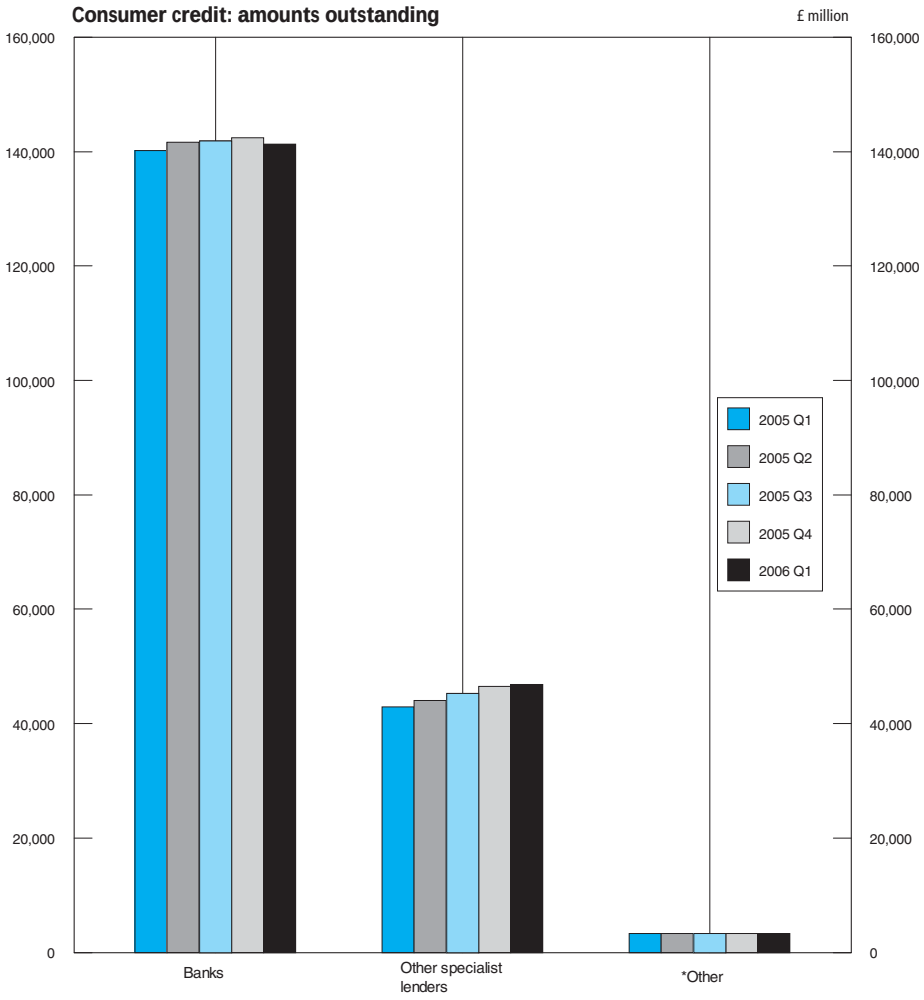
	Consumer credit								
		of which							
	Total net lending	Credit cards[1]	Other lending[1]	Banks	Building societies	Other specialist lenders	Retailers	Insurance companies	Loans secured on dwellings (NSA)[2]
Amounts outstanding									
	VZRI	VZRJ	VZRK	VRVV	VZRG	VZRH	RLBO	VZQZ	AMWT
2001 Q1	129 095†	38 012	91 143†	95 839†	411	29 123	2 523†	1 229	547 099
Q2	133 027†	39 417	93 625†	100 377†	423	28 332	2 509	1 221	561 121
Q3	135 991	39 993	95 996	103 418	446	28 469	2 522	1 206	576 957
Q4	140 848	41 761	99 036	107 704	435	29 099	2 478	1 178	591 152
2002 Q1	144 224	43 405	100 882	110 943	462	29 198	2 504	1 183	606 222
Q2	147 169	43 430	103 749	113 118	458	29 637	2 574	1 193	625 670
Q3	152 990	45 942	106 997	118 397	520	30 404	2 562	1 196	652 553
Q4	157 098	47 241	109 847	120 977	606	31 822	2 531	1 182	675 180
2003 Q1	156 403	43 824	112 587	116 643	622	35 682	2 521	1 033	695 615
Q2	160 979	45 792	115 153	119 495	668	37 447	2 221	933	718 271
Q3	164 250	47 593	116 595	121 842	732	38 757	2 169	824	746 267
Q4	166 281	47 756	118 604	122 781	762	39 927	2 141	701	774 548
2004 Q1	170 134	49 023	121 132	127 011	750	39 732	2 072	669	799 589
Q2	174 475	50 447	123 986	130 714	777	40 111	2 040	655	826 812
Q3	178 079	51 684	126 343	133 805	836	40 872	1 991	610	854 443
Q4	182 070	53 691	128 424	137 215	904	41 486	1 933	573	877 525
2005 Q1	186 412	55 305	131 162	140 209	947	42 897	1 867	565	893 256
Q2	189 140	55 806	133 287	141 654	978	44 027	1 812	556	917 071
Q3	190 543	55 906	134 598	141 840	1 066	45 320	1 774	538	942 470
Q4	192 393	56 630	135 800	142 484	1 110	46 568	1 747	520	967 063
2006 Q1	191 471	55 879	135 622	141 296	1 158	46 869	1 702	507	..
2003 Jan	157 686†	47 467†	110 218†	121 312†	599	32 033	2 542†	1 143	..
Feb	154 611	43 594	111 018	119 816	613†	30 348	2 539	1 089	..
Mar	156 103	43 717	112 386	116 312	630†	35 462	2 511	1 033	..
Apr	157 385	44 159	113 226	116 850	654	36 549	2 492	990	..
May	159 112	45 082	114 030	117 960	654	36 706	2 471	959	..
Jun	160 635	45 681	114 954	119 191	680	37 534	2 215	933	..
Jul	162 107	46 342	115 765	120 669	693	37 697	2 199	904	..
Aug	163 262	46 893	116 369	121 627	709	37 677	2 197	868	..
Sep	164 004	47 576	116 428	121 661	721	38 821	2 160	824	..
Oct	165 203	47 961	117 242	121 897	727	39 884	2 152	776	..
Nov	166 071	47 852	118 219	122 645	725	40 128	2 153	732	..
Dec	166 028	47 572	118 456	122 590	736	39 994	2 135	701	..
2004 Jan	167 454	48 076	119 377	125 306	746	38 524	2 088	681	..
Feb	169 100	48 507	120 592	126 759	749	38 831	2 039	672	..
Mar	169 994	48 934	121 060	126 973	759	39 491	2 065	669	..
Apr	171 432	49 820	121 612	128 460	770	39 534	2 064	668	..
May	172 680	49 960	122 721	129 160	786	39 794	2 040	664	..
Jun	174 253	50 356	123 897	130 648	788	40 208	2 036	655	..
Jul	176 013	51 402	124 611	132 057	800	40 353	2 023	642	..
Aug	176 912	51 453	125 459	132 371	808	40 772	1 993	626	..
Sep	177 901	51 633	126 268	133 799	821	40 991	1 984	610	..
Oct	179 090	52 193	126 897	135 260	831	41 000	1 966	595	..
Nov	180 889	52 942	127 947	136 237	847	41 526	1 946	582	..
Dec	181 821	53 521	128 300	136 959	879	41 498	1 925	573	..
2005 Jan	183 624	54 297	129 327	138 248	896	41 755	1 905	568	..
Feb	184 836	54 815	130 021	139 045	912	42 128	1 881	566	..
Mar	186 321	55 216	131 105	140 337	959	42 668	1 860	565	..
Apr	186 910	54 987	131 923	140 682	942	42 936	1 835	563	..
May	187 975	55 636	132 339	141 110	965	43 129	1 823	560	..
Jun	188 913	55 741	133 172	141 635	990	44 099	1 808	556	..
Jul	189 411	55 874	133 537	141 883	1 028	44 152	1 789	550	..
Aug	190 261	56 110	134 150	142 091	1 047	44 437	1 789	544	..
Sep	190 387	55 803	134 584	141 700	1 051	45 477	1 768	538	..
Oct	191 068	56 141	134 927	141 424	1 072	46 646	1 759	532	..
Nov	191 565	56 213	135 352	141 700	1 082	46 805	1 746	526	..
Dec	192 224	56 500	135 724	142 349	1 082	46 590	1 739	520	..
2006 Jan	192 833	56 829	136 005	142 905	1 101	46 493	1 724	515	..
Feb	192 079	56 231	135 848	142 143	1 127	46 423	1 707	511	..
Mar	191 460	55 796	135 663	141 335	1 178	46 620	1 696	507	..
Apr	191 647	55 821	135 826	141 981	1 158	46 477	1 685	503	..
May	191 971	55 629	136 341	142 268	1 182	45 966	1 673	499	..

1 Since January 1999, a more accurate breakdown between credit card and other lending has been available. Credit card lending by other specialist lenders can now be separately identified and is included within the credit card component. Data from January 1999 onwards are therefore not directly comparable with earlier periods.

2 These figures fall outside the scope of National Statistics.

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





* Other is the sum of retailers, insurance companies and building societies

6.7 Analysis of bank lending to UK residents[1,2]

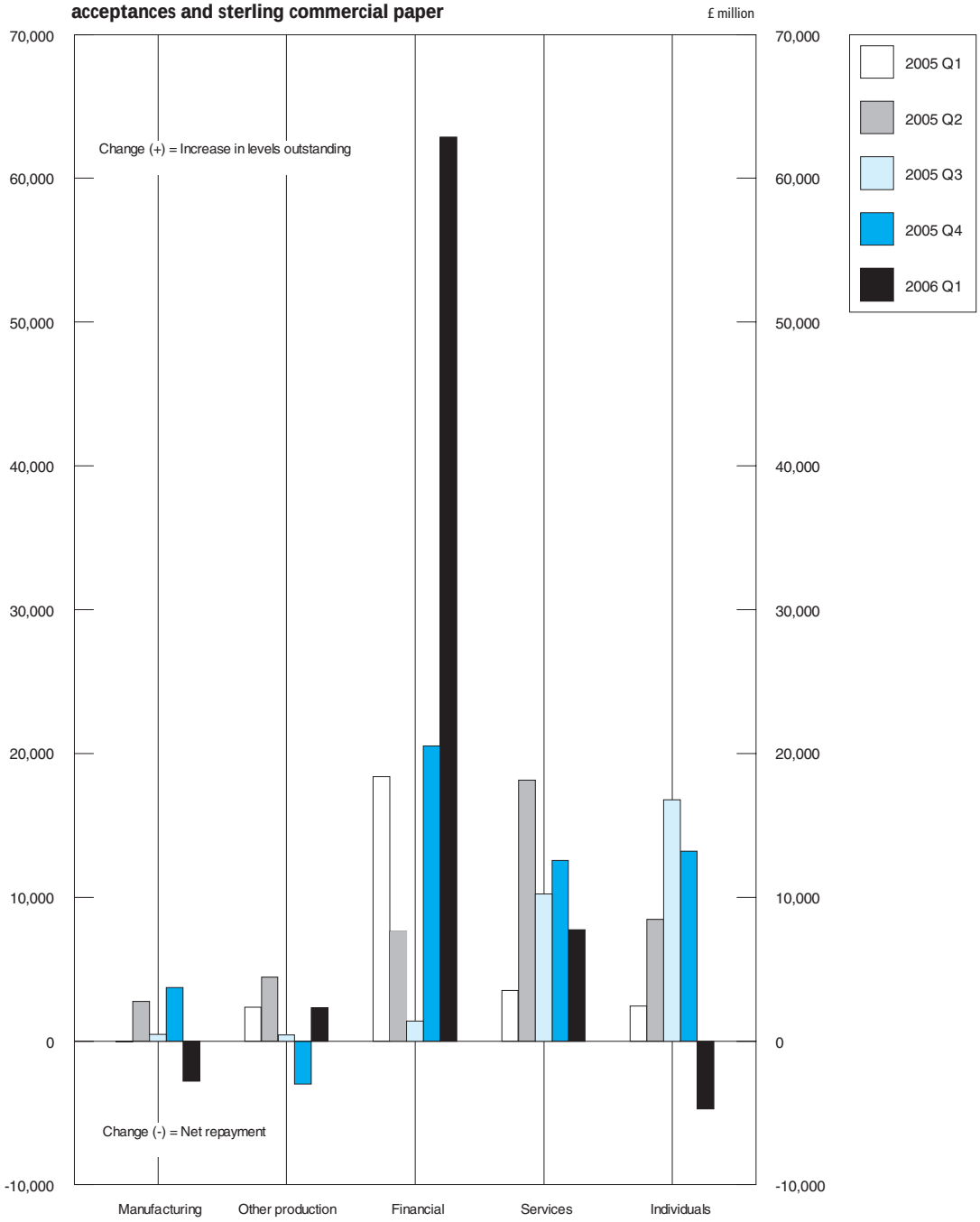
£ million, not seasonally adjusted

	Manufacturing[3]	Other production	Financial	Services	Individuals	Total loans, advances and acceptances
Total loans, advances, acceptances and sterling commercial paper						
Amounts outstanding						
	TBSF	BCEX	BCFH	BCFR	TBTW	TBSA
2005 Q1	41 160	36 157	490 833	280 213	667 560	1 515 924
Q2	43 892	40 642	497 342	296 820	674 527	1 553 222
Q3	44 538	41 118	501 621	307 164	689 722	1 584 162†
Q4	48 568	38 311	527 289	318 441	702 175	1 634 785†
2006 Q1	45 783	40 618	590 874	326 273	694 438	1 697 985
Of which **in sterling**						
	TBUF	BCEY	BCFI	BCFS	TBVW	TBUA
2005 Q1	29 449	32 943	243 282	261 801	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	1 302 676
Q4	31 509	34 754	272 689	294 993	701 220	1 335 165
2006 Q1	31 066	37 047	292 027	300 033	693 053	1 353 227
Changes in sterling						
	TBWF	BCEZ	BCFJ	BCFT	TBXW	TBWA
2005 Q1	347	2 073	–3 040	3 635	2 351	5 366†
Q2	1 285	3 933	11 816	17 077	8 498	42 610†
Q3	594	718	9 634	7 985	16 492†	35 424
Q4	450	–2 927	11 872	11 793	13 481†	34 668
2006 Q1	–444	2 294	19 338	5 001	–5 167	21 023
Changes in foreign currencies						
	TBYF	BCFA	BCFK	BCFU	TBZW	TBYA
2005 Q1	–383	296	21 428	–109	75	21 307
Q2	1 488	517	–4 193	1 096	–42	–1 133†
Q3	–116	–288	–8 251	2 249	292	–6 115†
Q4	3 269	–65	8 652	787	–270	12 373
2006 Q1	–2 365	20	43 538	2 731	423	44 347
Facilities granted						
Amounts outstanding						
	TCAF	BCFB	BCFL	BCFV	TCBW	TCAA
2005 Q1	81 873	69 889	548 189	392 410	754 583	1 846 944
Q2	85 567	73 990	556 131	413 779	762 253	1 891 719
Q3	83 697	75 025	565 990	422 977	782 659†	1 930 349†
Q4	87 320	75 902	593 097	438 985	792 984†	1 988 288†
2006 Q1	86 031	74 523	664 526	447 634	792 778	2 065 491
Of which **in sterling**						
	TCCF	BCFC	BCFM	BCFW	TCDW	TCCA
2005 Q1	53 213	54 298	281 451	351 019	753 551	1 493 532
Q2	53 016	57 655	286 953	369 369	761 236	1 528 229
Q3	51 639	58 229	300 707	375 208	781 324	1 567 107
Q4	52 314	57 978	311 539	388 423	791 769	1 602 021
2006 Q1	52 806	57 610	333 424	393 498	791 140	1 628 477
Changes in sterling						
	TCEF	BCFD	BCFN	BCFX	TCFW	TCEA
2005 Q1	1 251	715	–5 348	3 329	2 209	2 155†
Q2	80	3 381	12 278	20 226	8 978	44 943†
Q3	–1 377	573	13 754	5 948	21 687†	40 584
Q4	675	–361	10 577	14 918	11 284†	37 093
2006 Q1	492	–368	21 885	5 037	2 371	29 417
Changes in foreign currencies						
	TCGF	BCFE	BCFO	BCFY	TCHW	TCGA
2005 Q1	158	1 487	21 216	1 621	60	24 543
Q2	3 023	194	644	1 884	–35	5 710†
Q3	–898	245	–7 052	2 812	306†	–4 587†
Q4	2 219	711	10 822	1 775	–207†	15 320
2006 Q1	–1 692	–867	48 972	3 691	417	50 520

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 the 1992 Standard Industrial Classification and excludes lending to residents in the Channel Islands and the Isle of Man who 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 These figures fall outside the scope of National Statistics.
3 Includes lending under the DTI special scheme for domestic shipbuilding.

Source: Bank of England; Enquiries: 020 7601 5360

Analysis of bank lending to UK residents: total loans, advances, acceptances and sterling commercial paper



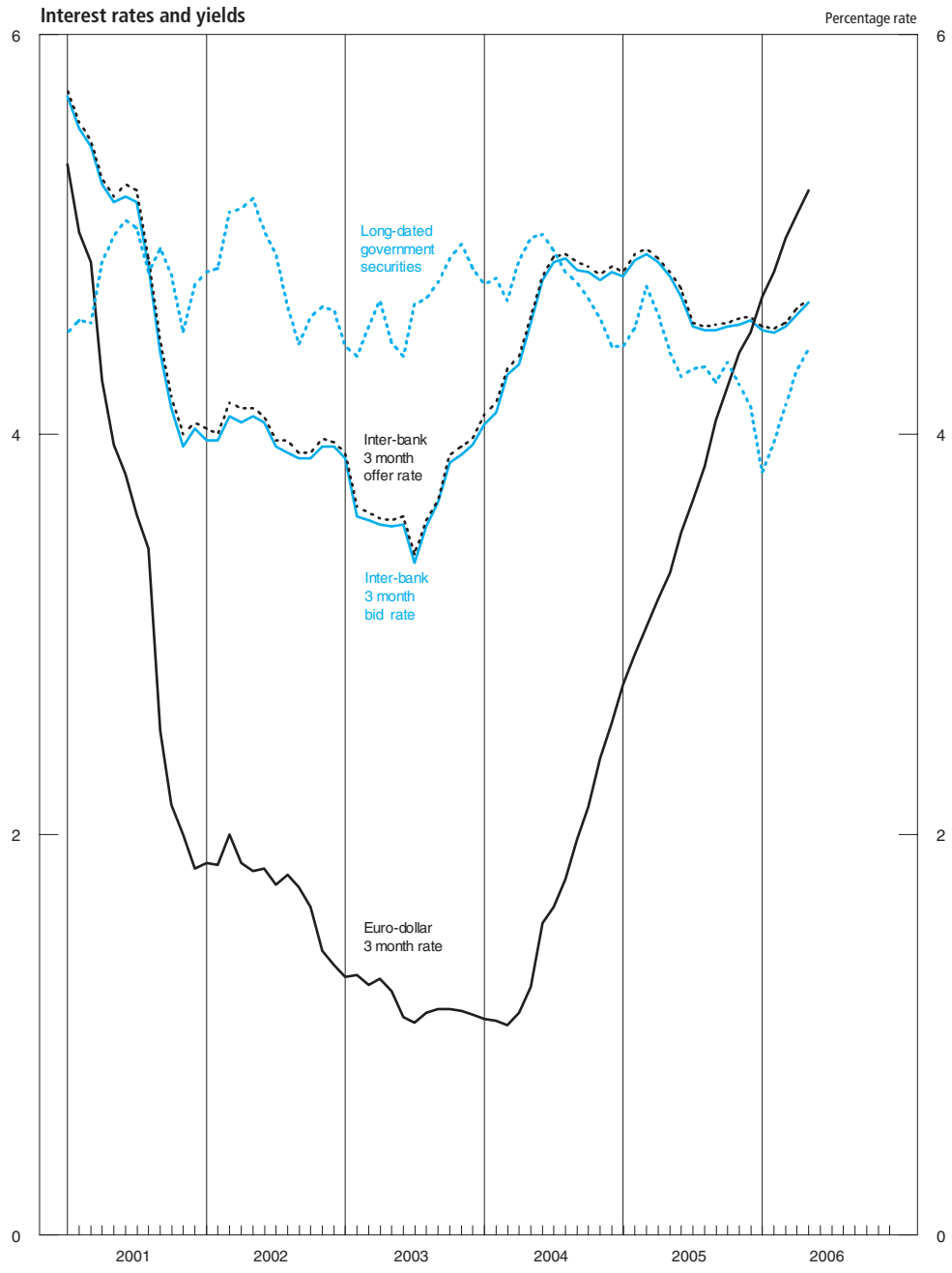
6.8 Interest rates and yields[1]

Percentage rate

	Last Friday						Last working day		Average of working days
	Treasury bill yield[2]	Inter-bank 3 months bid rate[3]	Inter-bank 3 months offer rate[3]	Sterling certificates of deposit 3 months bid rate	Sterling certificates of deposit 3 months offer rate	Selected retail banks: base rate	3 month US Treasury bills rate	3 month Euro-dollar rate	British govern-ment securities: long-dated[4] - 20 years
	AJRP	HSAJ	HSAK	HSAL	HSAM	ZCMG	LUST	AJIB	AJLX
2002	3.92	3.94	3.96	3.90	3.94	..	1.20	1.35	4.83
2003	3.90	3.95	3.98	3.95	3.98	..	0.93	1.10	4.64
2004	4.75	4.81	4.84	4.78	4.82	..	2.18	2.56	4.77
2005	4.48	4.57	4.59	4.57	4.61	..	3.92	4.51	4.39
2002 Jan	3.90	3.97	4.03	3.97	3.99	4.00	1.73	1.86	4.81
Feb	3.91	3.97	4.00	3.91	3.95	4.00	1.76	1.85	4.83
Mar	4.04	4.09	4.16	4.09	4.11	4.00	1.76	2.00	5.11
Apr	3.98	4.06	4.13	4.05	4.06	4.00	1.74	1.86	5.13
May	4.04	4.09	4.13	4.09	4.11	4.00	1.71	1.82	5.18
Jun	3.97	4.06	4.09	4.05	4.07	4.00	1.67	1.83	5.02
Jul	3.75	3.94	3.97	3.92	3.94	4.00	1.68	1.75	4.90
Aug	3.86	3.91	3.97	3.91	3.93	4.00	1.66	1.80	4.64
Sep	3.81	3.88	3.91	3.85	3.86	4.00	1.54	1.74	4.45
Oct	3.73	3.88	3.91	3.85	3.87	4.00	1.42	1.64	4.59
Nov	3.86	3.94	3.98	3.94	3.95	4.00	1.21	1.42	4.64
Dec	3.92	3.94	3.96	3.90	3.94	4.00	1.20	1.35	4.62
2003 Jan	3.79	3.88	3.91	3.88	3.89	4.00	1.16	1.29	4.44
Feb	3.49	3.59	3.64	3.60	3.62	3.75	1.18	1.30	4.39
Mar	3.51	3.57	3.61	3.57	3.59	3.75	1.12	1.25	4.54
Apr	3.47	3.55	3.58	3.54	3.56	3.75	1.11	1.28	4.67
May	3.44	3.54	3.57	3.55	3.55	3.75	1.09	1.22	4.46
Jun	3.50	3.55	3.59	3.55	3.56	3.75	0.89	1.09	4.39
Jul	3.32	3.36	3.40	3.36	3.38	3.50	0.94	1.06	4.65
Aug	3.53	3.54	3.57	3.54	3.56	3.50	0.97	1.11	4.68
Sep	3.59	3.66	3.67	3.63	3.65	3.50	0.94	1.13	4.76
Oct	3.81	3.86	3.90	3.85	3.87	3.50	0.94	1.13	4.88
Nov	3.86	3.90	3.94	3.90	3.92	3.75	0.92	1.12	4.95
Dec	3.90	3.95	3.98	3.95	3.98	3.75	0.93	1.10	4.83
2004 Jan	4.00	4.05	4.10	4.06	4.08	3.75	0.90	1.08	4.75
Feb	4.11	4.11	4.16	4.12	4.14	4.00	0.94	1.07	4.78
Mar	4.24	4.30	4.33	4.30	4.32	4.00	0.93	1.05	4.67
Apr	4.31	4.35	4.39	4.35	4.37	4.00	0.96	1.11	4.87
May	4.54	4.56	4.59	4.55	4.59	4.25	1.06	1.24	4.98
Jun	4.65	4.77	4.79	4.74	4.78	4.50	1.31	1.56	5.00
Jul	4.80	4.86	4.89	4.87	4.88	4.50	1.42	1.64	4.92
Aug	4.77	4.88	4.90	4.88	4.90	4.75	1.57	1.78	4.81
Sep	4.73	4.82	4.86	4.83	4.85	4.75	1.68	1.98	4.76
Oct	4.73	4.81	4.84	4.82	4.84	4.75	1.87	2.14	4.68
Nov	4.69	4.77	4.80	4.76	4.80	4.75	2.20	2.38	4.58
Dec	4.75	4.81	4.84	4.78	4.82	4.75	2.18	2.56	4.44
2005 Jan	4.71	4.79	4.81	4.77	4.81	4.75	2.48	2.75	4.44
Feb	4.79	4.87	4.90	4.86	4.90	4.75	2.72	2.90	4.53
Mar	4.82	4.90	4.93	4.88	4.92	4.75	2.73	3.04	4.74
Apr	4.75	4.86	4.88	4.85	4.89	4.75	2.84	3.18	4.60
May	4.70	4.79	4.81	4.78	4.82	4.75	2.93	3.31	4.41
Jun	4.57	4.69	4.73	4.69	4.73	4.75	3.06	3.51	4.29
Jul	4.48	4.54	4.56	4.53	4.57	4.75	3.35	3.67	4.33
Aug	4.43	4.52	4.54	4.51	4.55	4.50	3.44	3.84	4.34
Sep	4.45	4.52	4.55	4.52	4.56	4.50	3.47	4.07	4.26
Oct	4.47	4.54	4.56	4.53	4.57	4.50	3.89	4.24	4.36
Nov	4.46	4.55	4.58	4.54	4.58	4.50	3.86	4.41	4.25
Dec	4.48	4.57	4.59	4.57	4.61	4.50	3.92	4.51	4.14
2006 Jan	4.45	4.52	4.54	4.51	4.55	4.50	4.37	4.69	3.81
Feb	4.44	4.51	4.53	4.49	4.53	4.50	4.51	4.81	3.96
Mar	4.47	4.54	4.56	4.53	4.57	4.50	4.52	4.98	4.15
Apr	4.50	4.60	4.63	4.59	4.63	4.50	4.66	5.10	4.32
May	4.56	4.66	4.68	4.65	4.68	4.50	4.74	5.22	4.43

1 These statistics fall outside the scope of National Statistics.
2 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
3 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
4 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (three a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

Source: Bank of England; Enquiries: 020 7601 4342


Interest rates and yields
Percentage rate
6
4
2
0
Long-dated government securities
Inter-bank 3 month offer rate
Inter-bank 3 month bid rate
Euro-dollar 3 month rate
2001
2002
2003
2004
2005
2006

6.9 A selection of asset prices

Not seasonally adjusted

	Producer price indices (2000 = 100)		Housing: DCLG all lenders mix-adjusted house price index (February 2002 = 100)			
	Plant and machinery bought as fixed assets by motor vehicle industry	Manufactured output: motor vehicle industry	New dwellings[1]	Second-hand dwellings[1]	All dwellings[1]	Average price of agricultural land in England (1995 = 100)[2,3]
	PVJL	PQIR	WMPN	WMPP	WMPQ	BAJI
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	99.4	97.3	147.6	152.4	151.8	..
2001 Q1	102.9	95.4	90.8	92.1	92.1	156
Q2	103.1	95.5	90.8	96.0	95.4	148
Q3	101.2	95.4	94.1	99.4	98.8	160
Q4	101.1	95.4	95.4	96.9	96.8	154
2002 Q1	101.0	95.6	100.0	100.0	100.0	130
Q2	100.5	95.5	106.5	108.4	108.2	139
Q3	100.0	94.9	111.0	116.1	115.5	152
Q4	99.2	94.9	117.1	121.8	121.3	148
2003 Q1	99.1	94.6	119.3	124.0	123.4	136
Q2	99.7	94.1	127.2	127.3	127.2	148
Q3	99.9	94.5	127.9	131.1	130.7	179
Q4	99.5	95.1	131.8	133.7	133.4	141
2004 Q1	98.8	95.5	130.8	135.2	134.6	155
Q2	99.3	96.2	137.8	143.1	142.5	155
Q3	98.9	96.3	143.1	149.6	148.9	175
Q4	98.8	96.5	142.6	150.7	149.8	170
2005 Q1	99.2	96.9	145.1	150.1	149.5	211
Q2	99.0	97.0	146.5	151.6	150.9	189
Q3	99.7	97.5	149.0	154.5	153.8	..
Q4	99.8	97.8	149.6	153.7	153.1	..
2006 Q1	99.4p	98.0	154.1†	155.1	154.8	..
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	98.8	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	99.4	97.4	148.8	154.4	153.7	..
Sep	99.7	97.6	148.5	154.8	154.0	..
Oct	100.2	97.8	151.1	153.0	152.7	..
Nov	99.8	97.7	146.9	154.2	153.4	..
Dec	99.5	97.8	150.9	153.8	153.3	..
2006 Jan	99.3	97.9	155.5	155.3	155.1	..
Feb	99.5p†	97.9	150.9	153.6	153.2	..
Mar	99.5p	98.1	156.1	156.5	156.2	..
Apr	99.3p	98.5p	153.9	158.3	157.7	..
May	99.3p	98.4p	..	..	..	..

1 Series are based on mortgage lending by all financial institutions rather than building societies only, as previously published. This change was made necessary because of the mergers, takeovers and conversions to plc status affecting the building society sector. The series are based on the Department for Communites and Local Government's 5% survey of mortgage lenders (at completion stage), but now include all mortgage lenders rather than building societies only. From February 2002, monthly data have been obtained from the enlarged survey and from 2002Q2, quarterly data are based on monthly indices. From September 2005, figures are based on the new Regulated Mortgage Survey (CML/BankSearch).

2 Because of some changes in coverage, the revised series from 1993Q1 is not directly comparable with the old series. From this date, 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 exactly represent competitive open market values. Sales are now analysed and recorded on the basis of when the transactions actually took place. For further information, visit the DEFRA website at **www.statistics.defra.gov.uk/esg/default.htm**. Data before 1993 remain on the previous basis.

3 Figures from 2001 onwards are provisional.

Sources: Office for National Statistics, Enquiries: Columns 1-2 01633 812106;
Department for Communities and Local Government;
Enquiries: Columns 3-5 020 7944 3325;
Department for Environment, Food and Rural Affairs;
Enquiries: Column 6 01904 455326

Measures of variability of selected economic time series[1]

	Table number(s)	Identifier	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series									
National income and components: chained volume measures, reference year 2002									
Gross value added (GVA) at basic prices	2.1	CGCE	Q1 1990 to Q4 2005	*0.6*	*0.1*	*0.6*	0.2	1	0.2
Households' final consumption expenditure	2.5	NPSP	Q1 1990 to Q4 2005	*0.8*	*0.3*	*0.7*	0.4	1	0.4
Gross fixed capital formation	2.2, 2.7	NPQT	Q1 1990 to Q4 2005	*1.6*	*0.8*	*1.3*	0.7	1	0.7
Exports of goods and services	2.2	IKBK	Q1 1990 to Q4 2005	*2.0*	*1.0*	*1.5*	0.7	1	0.7
Imports of goods and services	2.2	IKBL	Q1 1990 to Q4 2005	*1.9*	*0.9*	*1.6*	0.6	1	0.6
Real households' disposable income	2.5	NRJR	Q1 1990 to Q4 2005	*1.0*	*0.8*	*0.7*	1.1	2	0.4
Current prices									
Gross operating surplus of private non-financial corporations	2.11	CAER	Q1 1990 to Q4 2005	*2.6*	*1.8*	*1.6*	1.1	2	0.4
Other quarterly series									
Construction output[2]	5.2	SFZX	Q1 1990 to Q4 2005	*1.2*	*0.7*	*0.8*	0.9	1	0.9
Households' saving ratio[3]	2.5	NRJS	Q1 1990 to Q4 2005	*0.9*	*0.7*	*0.5*	1.5	2	0.4
Monthly series									
Retail sales (volume per week)[2]									
Predominantly food stores	5.8	EAPT	Jan 1990 to Dec 2005	*0.6*	*0.6*	*0.2*	2.4	3	0.8
Predominantly non-food stores	5.8	EAPV	Jan 1990 to Dec 2005	*1.0*	*0.9*	*0.4*	2.4	3	0.7
Non-store retailing and repair	5.8	EAPZ	Jan 1990 to Dec 2005	*2.0*	*1.9*	*0.5*	3.6	4	0.9
Index of industrial production									
Production industries	5.1	CKYW	Jan 1990 to Dec 2005	*0.6*	*0.5*	*0.2*	2.9	4	0.8
Manufacturing industries	5.1	CKYY	Jan 1990 to Dec 2005	*0.6*	*0.5*	*0.2*	2.4	3	0.9
Average earnings: whole economy[2]	4.6	LNMQ	Jan 1990 to Dec 2005	*0.5*	*0.3*	*0.4*	0.7	1	0.7
Exports of goods[4]	2.13	BOKG	Jan 1990 to Dec 2005	*2.8*	*2.6*	*0.8*	3.5	3.0	1.0.9
Imports of goods[4]	2.13	BOKH	Jan 1990 to Dec 2005	*2.2*	*2.1*	*0.7*	2.9	3	0.8
Money stock - M0[5]	6.2	AVAE	Jan 1990 to Dec 2005	*0.6*	*0.3*	*0.5*	0.6	1	0.6
Money stock - M4[5]	6.2	AUYN	Jan 1990 to Dec 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.
$\overline{C}$ is the same for the trend component.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes 3 and 5.
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend, on average, exceed the irregular movement.
MCD cannot exceed 6 even if $\overline{I}/\overline{C}$ exceeds 1 for 6-month periods.

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

Source: Office for National Statistics; Enquiries: 020 7533 6294

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Abbreviations

DCLG – Department for Communities and Local Government

DEFRA – Department for Environment, Food and Rural Affairs.

Credit business (see also Hire purchase)	5.8	Office for National Statistics	Financial Statistics
Current balance (see also Balance of payments)	2.13	Office for National Statistics	First Release Financial Statistics UK Economic Accounts
Dwellings (see also Housing)	5.4	Office for National Statistics DCLG	
Earnings (average)	1.1, 4.6	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Economic activity (Labour Force Survey)	4.1, 4.2, 4.3	Office for National Statistics	First Release Labour Market Trends
Electricity (see also Energy)	5.9	Department of Trade and Industry	Energy Trends
Employees in employment	4.1, 4.2, 4.3, 4.4	Office for National Statistics	First Release Labour Market Trends Monthly Digest of Statistics
Energy	5.9	Department of Trade and Industry	Energy Trends UK Energy Statistics
Household final consumption expenditure on energy products	2.6	Office for National Statistics	Monthly Digest of Statistics
Output index for energy and water supply	5.1		Monthly Digest of Statistics
Primary fuel input: total, coal, petroleum, natural gas and primary electricity	5.9	Department of Trade and Industry	Energy Trends
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Consumer Trends 2006 quarter 1
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www.statistics.gov.uk/products/p1904.asp

UK Trade in Goods analysed in terms of industry (MQ10): 2006 quarter 1
www.statistics.gov.uk/products/p731.asp

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- Index of Production
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Financial Statistics: June 2006. Palgrave Macmillan, ISBN 0 230 00283 8. Price £42.50

Focus on Consumer Price Indices: May 2006
www.statistics.gov.uk/products/p867.asp

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www.statistics.gov.uk/products/p613.asp

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