

Asset boundary

This is the national accounts term for what is defined as an asset. Assets which lie inside the asset boundary, such as goods vehicles or a factory, are recorded on the national accounts stocks figures. Assets which lie outside the asset boundary, such as historic monuments or natural resources such as mineral deposits or a forest are not recorded in the core accounts.

Economic rent

Within the environmental accounts this term refers to earnings by a firm from exploiting a natural resource in excess of costs of production and a reasonable rate of return on fixed capital.

Employment

According to the Labour Force Survey (LFS), this is the number of people, aged 16 or over, that have done at least one hour of work in the reference week or are temporarily away from a job (eg on holiday). People classify themselves into one of four categories in the LFS (according to their main job if they have more than one): employees, self-employed, unpaid family worker (doing unpaid work for a family-run business) or participating in a government-supported training programme.

Gross domestic product (GDP)

GDP is a measure of the total economic activity occurring in the UK. It can be estimated in three different ways:

- The total income earned from the production of goods and services;
- The total expenditure on all finished goods and services, work in progress, and stocks, less the cost of imports; or
- The sum of value added by activities that produce goods and services.

In the UK, GDP is found by attempting to find the most accurate compromise between the results of these three methods (the balancing process).

Gross output

This is the total value of output by each establishment within an industry. Gross output is measured at market prices, i.e. the actual price paid for the output of an industry.

Production boundary

This is a national accounting term that defines the extent of economic activity. Sales of goods and services within the production boundary contribute to GDP. Within it are goods and services sold on markets, and goods and services provided by government (public administration and defence). An estimate is also made of 'imputed rent' on owner occupied houses, i.e. the rent a home owner would be paying if they rented rather than owned their home.

Standard Industrial Classification 1992 - SIC(92)

The classification of industrial sectors used in the environmental accounts is based upon the Standard Industrial Classification 1992 (SIC92). SIC (92) is a system of classifying economic activity used in the UK. It is consistent with the European Union's NACE Rev 1. The estimates have been aggregated to 12 sectors (the figures in brackets refer to the SIC(92) codes):

Supply matrix

A table showing which industry makes what product. The names of the selling industry form the column titles and the products being sold the row titles. Extra columns are added to incorporate imports and price adjustments.

Use matrix

This is a table showing the values of goods and services bought and sold within the economy. The names of the purchasing industries form the column headings and the names of the products being sold make up the row headings. Expenditure on imported and domestically produced goods are combined.

Value added

This is the contribution of an industry to gross domestic product. It consists of profits, wages and rent on land and buildings. It is measured at factor cost, that is after the payment of taxes on expenditure and the receipt of subsidies.