

18 June 2007

Coverage
United Kingdom
Theme
Commerce, Energy
and Industry

Annual Business Inquiry 2005 revised results

Revised results from the 2005 Annual Business Inquiry (ABI) for the United Kingdom are now available.

A comparison of 2005 results by main industry group with the results for 2004 show that:

- Turnover in 2005 increased more rapidly in the distribution and service industries than in production and construction.
- The rise in the value of purchases was lowest in the construction sector. As a result, gross value added in this sector increased sharply in 2005.
- Approximate gross value added (GVA) at basic prices rose only slightly in the distribution industries in 2005.

	2004 £ billion	2005 £ billion	Per cent change
Production industries			
Turnover	546	573	4.8
Purchases	341	363	6.3
Approximate GVA at basic prices ^(note 5)	187	194	3.5
Construction industries			
Turnover	158	167	5.9
Purchases	104	106	1.8
Approximate GVA at basic prices	56	63	13.6
Distribution industries			
Turnover	864	929	7.5
Purchases	712	775	8.9
Approximate GVA at basic prices	142	143	0.5
Service industries ^(note 4)			
Turnover	722	784	8.6
Purchases	375	406	8.3
Approximate GVA at basic prices	323	353	9.1

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Next publication date
To be announced



Production industries

Turnover of mining and quarrying (which includes oil and gas extraction) rose by 29 per cent between 2004 and 2005. The turnover of the electricity, gas and water supply sector increased by 18 per cent in the same period. Both these increases are likely to reflect higher energy prices in 2005. Purchases and approximate gross value added in these industries also rose sharply.

In contrast, the turnover of manufacturing as a whole increased by just over 1 per cent. However the value of purchases by manufacturing industry rose by 3 per cent, this led to a fall in approximate gross value added in 2005.

Within manufacturing, the turnover in the coke, refined petroleum products and nuclear fuel sector rose by 23 per cent. The value of purchases however increased by nearly half so that there was a sharp drop in approximate gross value added.

The turnover of the basic metals and fabricated metal products industry also rose by over 5 per cent in 2005. Although the value of purchases also increased, approximate gross value added was almost 1 per cent higher.

There were some areas of manufacturing industry where turnover is estimated to have been more than 5 per cent lower in 2005 than it had been in 2004. These are leather and leather products and non-metallic mineral products. In both of these cases there was also a drop in approximate gross value added.

Construction industries

In construction, turnover rose by 5.9 per cent in 2005. The increase in purchases was smaller, at 1.8 per cent, and approximate gross value added was 13.6 per cent higher.

Distribution industries

Within the distribution industry, the increase in turnover for wholesaling was the greatest at 12 per cent. This was largely due to fuel wholesaling.

Service industries

Turnover rose by 8.6 per cent in the service industries in 2005. It increased by over 10 per cent for renting and business activities, for health and social work and for "other services". There was a more modest increase of just under 2 per cent in the turnover of hotels and restaurants.

Approximate gross value added for hotels and restaurants fell in 2005 as the cost of purchases rose over 4 per cent. Other areas, however showed an increase in value added.

Revisions

In line with the policy for ABI, the periods 2004 and 2005 were open for revision for this release. Table R1 shows the revisions for turnover, purchases and approximate gross value added by industry.

The revisions for the latest years form a normal part of the release process for ABI data. This release reflects the revisions since the publication of provisional 2005 data in November 2006. The revised results for both years are based on a more complete set of data following receipt of additional data and further analysis. Additional information can be found at http://www.statistics.gov.uk/abi/revisions_history.asp.

For the sectors covered by the ABI (see background note 4) the turnover estimate for 2004 has been revised downwards by around 0.2 per cent. For 2005, the downward revision is slightly larger at 0.7 per cent.

BACKGROUND NOTES

ABI

This first release covers information collected as part of the Annual Business Inquiry (ABI). The ABI collects both employment and accounting information. This more efficient use of the sample helps to reduce the compliance burden on businesses while at the same time ensuring that these two sets of data are consistent. This inquiry replaced the various annual inquiries sent to businesses for 1997 and earlier. This release is concerned with the accounting information.

ABI Updates

1. Further releases of ABI data will be:
 - 31 July 2007 - Regional data for ABI 2005
 - 15 November 2007 – Provisional data for ABI 2006

Basic Quality Information

2. A Summary Quality Report for ABI/2 can be found at http://www.statistics.gov.uk/about/data/methodology/quality/information_business_statistics.asp. This report describes, in detail, the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them.
3. Estimates of sampling errors, together with response rates can be found on the ABI Quality Measures page at http://www.statistics.gov.uk/abi/quality_measures.asp.

Coverage

4. The results in this first release represent approximately two thirds of the UK economy and cover agriculture (part), fishing, production, construction, distribution and service industries. The presentation is in line with the Standard Industrial Classification SIC(2003). The sectors covered are:

Agriculture (service activities only), hunting and forestry	Section A (Groups 01.4 and 01.5 and Division 02) only
Fishing	Section B
Production Industries	Sections C-E
Construction Industry	Section F
Distribution Industries	Section G
Service Industries	Section H, Section I, Section K, Section M, Section N (except industries 85.111, 85.12, 85.13, 85.311 and 85.321) and Section O.

The main areas excluded are agriculture (Groups 01.1, 01.2 and 01.3), financial intermediation, public administration and defence.

Definitions

5. Gross value added (GVA) represents the amount that individual businesses, industries or sectors contribute to the economy. Broadly, this is measured by the income generated by the business, industry or sector *less* their intermediate consumption of goods and services used up in order to produce their output. GVA consists of labour costs (e.g. wages and salaries) and an operating surplus (or loss). The latter is a good approximation to profits, and out of which the cost of capital investment, financial charges and dividends to shareholders are met.

Data collected and published through the ONS Annual Business Inquiry (ABI) are used to produce an approximate estimate of GVA at basic prices. This measure is approximate because it does not allow fully for certain types of National Accounts concepts/issues such as taxes or subsidies or income earned-in-kind.

The ABI forms a major data input in the production of Input-Output Annual Supply and Use Tables used to set the annual level of UK Gross Domestic Product. These tables also show industry estimates of GVA at basic prices but are different from those shown in the ABI. In producing the Input-Output based estimates of GVA at basic prices fully consistent with the European System of Accounts 1995, there are essentially four key adjustments required to the survey based data: coverage adjustments; conceptual and valuation adjustments; quality adjustments; and coherence adjustments. Fuller details are available in the notes to the United Kingdom Input-Output Analyses.

Further information

6. Revised 2005 UK national results at SIC(2003) 4 digit class level, together with results for 1995-2004, giving both analysis and tabular detail, will be available free of charge from the National Statistics website at <http://www.statistics.gov.uk/abi/>.

Additional standard extracts are available on request. Bespoke analyses are also available but there will be a charge for these. For more information about either of these services please e-mail abi2@ons.gov.uk or telephone +44(0)1633 812435 for standard extracts or +44(0)1633 812674 for bespoke analyses.

Articles describing the Inter Departmental Business Register (IDBR), which provides the sampling frame, appeared in the November 1995 and February 1998 editions of *Economic Trends*, explaining the move of business surveys to the IDBR in more detail. The November 2000 edition of *Economic Trends* (no 564) contained an article detailing the development of the Annual Business Inquiry, together with methodological information. Further information on the IDBR can be found at <http://www.statistics.gov.uk/idbr>.

Information on SIC(92) is contained in the October 1992 and February 1993 editions of *Economic Trends* (nos 468, 472). Information on SIC(2003) is available on the National Statistics website at <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14012>.

7. Details of the policy governing the release of new data are available from the press office.
8. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2007.

1 Details of income and expenditure by industry (Sections A-O) 2004 and 2005

Revised 2005 United Kingdom data

Standard Industrial Classification Revised 2003 Industry	Year		Turnover £ million	Purchases £ million	Approximate Gross Value Added £ million
A-O (see note 4)	2004	Agriculture, fishing, production,	2,295,339	1,534,950	710,699
	2005	construction, distribution and services	2,458,288	1,652,985	755,469
A (Part)	2004	Agriculture, hunting and forestry	3,851	1,800	2,212
	2005		4,027	1,845	2,457
B	2004	Fishing	1,023	635	383
	2005		1,095	609	503
C-E	2004	Production industries	546,426	341,409	187,199
	2005		572,837	362,956	193,806
C	2004	Mining and quarrying	34,159	15,813	17,890
	2005		44,103	18,746	24,981
CA	2004	Mining and quarrying of	29,012	12,550	16,163
	2005	energy producing materials	37,479	14,559	22,785
CB	2004	Mining and quarrying except	5,147	3,263	1,728
	2005	energy producing materials	6,624	4,187	2,195
D	2004	Manufacturing	459,880	292,890	148,864
	2005		466,731	302,878	146,487
DA	2004	Food products; beverages	81,985	49,969	22,516
	2005	and tobacco	82,618	50,073	22,766
DB	2004	Textiles and textile products	10,840	6,995	3,825
	2005		10,318	6,410	3,891
DC	2004	Leather and leather products	920	587	326
	2005		770	471	301
DD	2004	Wood and wood products	7,421	4,473	2,958
	2005		7,462	4,561	2,943
DE	2004	Pulp, paper and paper products;	45,924	26,324	19,413
	2005	publishing and printing	44,086	25,397	18,612
DF	2004	Coke, refined petroleum	27,881	16,136	2,651
	2005	products and nuclear fuel	34,273	23,781	2,094

DG	2004	Chemicals, chemical products and man made fibres	51,375	34,182	17,240
	2005		50,225	33,639	16,582
DH	2004	Rubber and plastic products	20,790	13,104	7,799
	2005		21,328	13,471	7,821
DI	2004	Non-metallic mineral products	13,715	7,934	5,846
	2005		12,534	7,370	5,244
DJ	2004	Basic metals and fabricated metal products	40,873	26,136	15,234
	2005		43,154	28,085	15,375
DK	2004	Manufacture of other machinery and equipment	33,838	21,766	12,170
	2005		34,744	22,585	12,206
DL	2004	Electrical and optical equipment	41,545	26,483	15,206
	2005		40,831	25,843	15,057
DM	2004	Manufacture of transport equipment	64,870	47,476	16,963
	2005		66,558	49,823	17,074
DN	2004	Manufacture not elsewhere classified	17,902	11,326	6,718
	2005		17,829	11,369	6,520
E	2004	Electricity, gas and water supply	52,386	32,707	20,445
	2005		62,003	41,332	22,339
F	2004	Construction	158,025	104,428	55,636
	2005		167,331	106,271	63,196
G-O (see note 4)	2004	Distribution and service industries	1,586,015	1,086,678	465,269
	2005		1,712,996	1,181,304	495,507
G	2004	Distribution industries	864,129	711,745	141,797
	2005		928,852	775,147	142,558
50	2004	Motor trades	153,447	131,600	23,125
	2005		157,409	135,360	22,463
51	2004	Wholesale trades and commission trade	451,387	380,372	58,909
	2005		505,620	434,876	59,588
52	2004	Retail trade and repair of personal and household goods	259,295	199,773	59,764
	2005		265,822	204,911	60,507
H-O (see note 4)	2004	Service industries	721,885	374,933	323,472
	2005		784,145	406,156	352,950
H	2004	Hotels and restaurants	60,674	31,813	28,833
	2005		61,743	33,190	28,511
I	2004	Transport, storage and communication	200,127	126,782	76,988
	2005		213,047	134,665	82,301

K	2004	Renting and business activities	305,656	124,237	156,876
	2005		337,695	135,903	174,904
M	2004	Education	19,049	11,994	7,098
	2005	(excludes some public sector)	20,509	12,757	7,949
N (see note 4)	2004	Health and social work	20,318	6,844	13,474
	2005	(excludes some public sector)	23,017	7,966	14,995
O	2004	Other services	116,061	73,263	40,205
	2005		128,133	81,676	44,289

R1 Details of income and expenditure by industry (Sections A-O) 2004 and 2005

Revisions to Data

Standard Industrial Classification Revised 2003 Industry	Year		Turnover £ million	Purchases £ million	Approximate Gross Value Added £ million
A-O (see note 4)	2004	Agriculture, Fishing, Production,	-4,437	-9,769	2,673
	2005	Construction, Distribution and Services	-16,294	-17,099	-2,117
A (Part)	2004	Agriculture, hunting and forestry	284	87	195
	2005		-2	90	-119
B	2004	Fishing	-2	-1	21
	2005		11	47	-32
C-E	2004	Production industries	-2,899	-3,984	882
	2005		3,176	2,983	-330
C	2004	Mining and quarrying	146	1,367	-1,517
	2005		1,541	754	781
CA	2004	Mining and quarrying of	160	1,372	-1,508
	2005	energy producing materials	1,539	717	817
CB	2004	Mining and quarrying except	-14	-5	-9
	2005	energy producing materials	2	37	-36
D	2004	Manufacturing	-3,854	-3,520	-127
	2005		1,754	2,481	-1,699
DA	2004	Food products; beverages	-1,046	-771	-218
	2005	and tobacco	525	-35	586
DB	2004	Textiles and textile products	-150	-128	-34
	2005		-75	-73	26
DC	2004	Leather and leather products	-20	-26	6
	2005		-33	-25	-7
DD	2004	Wood and wood products	-37	-31	-8
	2005		-100	-16	-90
DE	2004	Pulp, paper and paper products;	-115	-103	-48
	2005	publishing and printing	629	1,259	-617
DF	2004	Coke, refined petroleum	-119	-46	24
	2005	products and nuclear fuel	1,711	1,125	-337

DG	2004	Chemicals, chemical products	1,200	27	1,179
	2005	and man made fibres	-870	-635	-364
DH	2004	Rubber and plastic products	-2	39	-42
	2005		-346	-253	-99
DI	2004	Non-metallic mineral products	133	97	35
	2005		-107	-57	-51
DJ	2004	Basic metals and fabricated	-48	-97	8
	2005	metal products	-62	-250	200
DK	2004	Manufacture of other	66	-16	60
	2005	machinery and equipment	65	107	-77
DL	2004	Electrical and optical	-1,775	-922	-881
	2005	equipment	140	-222	356
DM	2004	Manufacture of transport	-1,857	-1,464	-201
	2005	equipment	474	1,619	-1,092
DN	2004	Manufacture not elsewhere	-84	-79	-7
	2005	classified	-197	-63	-133
E	2004	Electricity, gas and water supply	808	-1,831	2,526
	2005		-118	-253	589
F	2004	Construction	-814	-743	-766
	2005		-1,917	-1,434	-335
G-O (see note 4)	2004	Distribution and service industries	-1,006	-5,127	2,341
	2005		-17,563	-18,786	-1,300
G	2004	Distribution industries	-2,272	-1,781	-598
	2005		-5,361	-5,006	-241
50	2004	Motor trades	-1,320	-153	-1,114
	2005		-3,080	-2,934	-19
51	2004	Wholesale trades and Commission	-617	-1,453	628
	2005	trade	-1,584	-850	-508
52	2004	Retail trade and Repair of personal	-335	-175	-112
	2005	and household goods	-698	-1,222	286
H-O (see note 4)	2004	Service industries	1,265	-3,346	2,939
	2005		-12,201	-13,780	-1,060
H	2004	Hotels and restaurants	-17	24	-39
	2005		-214	-459	260
I	2004	Transport, Storage and	1,092	-1,009	708
	2005	communication	-1,223	-2,356	1,105

K	2004	Renting and Business activities	12	-1,918	1,671
	2005		-7,767	-8,708	-164
M	2004	Education	97	-132	230
	2005	(excludes some public sector)	-251	-327	68
N (see note 4)	2004	Health and social work	-178	-103	-72
	2005	(excludes some public sector)	-938	-829	-111
O	2004	Other services	260	-208	441
	2005		-1,808	-1,101	-2,218
