



Annual Business Inquiry Provisional regional results 2007

Date: 30 July 2009

Coverage: United Kingdom **Theme:** Business and Energy

Annual Business Inquiry (ABI) provisional regional results for 2007 for the English government office regions, Scotland, Wales and Northern Ireland have been released today by the Office for National Statistics. Revised regional results for 2006 are also being issued as part of this release.

These regional estimates are consistent with UK national results for the ABI released on 16 June 2009. They do not cover the whole economy, omitting much of the public sector, finance and agriculture.

- In England, the only region not to show an increase between 2006 and 2007 in approximate gross value (GVA) at basic prices was the North East with a decrease of just over 3 per cent.
- In every English region except the North East, West Midlands and the South East, businesses' turnover increased more between 2006 and 2007 than purchases of goods, materials and services.
- London remains the region in England with the most substantial GVA. At more than £194 billion, this is around one quarter of the approximate GVA for England as a whole. The North East region continues to account for the least with just over 3 per cent of English GVA.

No commentary has been made on results for Scotland, Wales or Northern Ireland. The Scottish Executive and the Department of Enterprise, Trade and Investment in Northern Ireland publish their own results.

Revisions

In line with the policy for ABI, the period 2006 was open for revision for this release. Table R1 shows the revisions for turnover, approximate gross value added at basic prices, purchases and employment costs.

The revisions for 2006 form a normal part of the release process for ABI data. This release reflects the revisions since the publication of provisional 2006 data in July 2008. These revised results 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.

Background Notes

Annual Business Inquiry

1. This first release covers information collected as part of the Annual Business Inquiry (ABI). This inquiry replaced the various annual inquiries sent to businesses for 1997 and earlier. The ABI collects both employment and accounting information. This Release is concerned with the accounting information collected by ABI 2. From the publication of 2006 provisional data, there has been a change in the sampling arrangements for the two parts of the ABI. In previous years ABI 2 was a sub-sample of ABI 1, which collects the employment figures. From the 2006 inquiries, ABI 1 and ABI 2 have been sampled separately.
2. Statistics for the English Government Office Regions, Scotland, Wales and Northern Ireland are available at <http://www.statistics.gov.uk/abi/regional.asp>.
3. The Scottish Executive publishes additional analyses for Scotland based on these ABI estimates. These will be available on 27 August 2009 on the Scottish executive website at <http://www.scotland.gov.uk/Topics/Statistics/16170/4363>.
4. Department of Enterprise, Trade and Investment Northern Ireland - DETI(NI) - estimates for Northern Ireland are available on the DETI(NI) website. These estimates will differ from ONS Northern Ireland estimates due to differences in the methodology. The DETI(NI) methodology, while broadly comparable to that of the UK, is designed to give the best Northern Ireland estimate rather than an estimate which is consistent with the rest of the UK. Users who want to look at trends in results for Northern Ireland for 2001-2007 are advised to look at the Northern Ireland website at http://www.detini.gov.uk/cgi-bin/get_builder_page?page=4703&site=4parent=57&prevpage=4791.

Coverage

5. The results in this First Release represent approximately two thirds of the UK economy. The presentation is in line with the Standard Industrial Classification SIC (2003). The industries 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

6. 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. The cost of capital investment, financial charges and dividends to shareholders are met from the operating surplus.

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 such as taxes or subsidies or income earned-in-kind.

The ABI forms a major data input to 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. Details are available in the notes to the United Kingdom Input-Output Analyses
http://www.statistics.gov.uk/about/methodology_by_theme/inputoutput/.

Further information

7. For the reference year 2005 onwards, figures on regional capital expenditure will no longer be made available on the ABI website pages. Accurate estimates of regional capital expenditure is

dependent on there being a strong correlation between the variable on which the estimation is based, in this case local employment, and the variable for which we are attempting to produce estimates, here regional capital expenditure.

It will still be possible to obtain regional capital expenditure figures for 2005 onwards by requesting either standard extracts, for which there is no charge, or special analyses, for which a charge will be made.

For more information about either of these services, please either:

Email abi2@ons.gov.uk

or telephone +44(0) 1633 456592 for standard extracts

 +44(0) 1633 456601 for special analyses

ONS does not recommend the use of these regional capital expenditure figures but recognises that some users will wish to have them.

Regional capital expenditure figures for earlier years will continue to be available on the ABI website, although the concerns identified apply equally to those early years.

Revised 2007 UK national results at SIC(2003) 4 digit class level, together with results for 1995-2006, giving both analysis and tabular detail, will be available free of charge from the National Statistics website at <http://www.statistics.gov.uk/abi/>.

Information on additional national standard extracts and bespoke analyses can also be obtained from the contact details above.

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 (2003) is available on the National Statistics website at <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14012>.

8. Details of the policy governing the release of new data are available from the media office.

9. National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. © Crown copyright 2009.
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Issued by: Office for National Statistics, Government Buildings, Cardiff Road, Newport NP10 8XG

Media contact:

Tel **Media Relations Office 0845 6041858**

Emergency on-call 07867 906553

E-mail **press.office@ons.gsi.gov.uk**

Statistical contact:

Tel **David Knight 01633 456605**

E-mail **ABI2@ons.gov.uk**

Website:

www.statistics.gov.uk/abi

1 Whole Economy (Sections A-O) by Country and Government Office Region, 2006-2007

Government Office Region or Country	Year	Turnover	Approximate Gross Value Added	Purchases	Total Employment Costs
		£ million	£ million	£million	£ million
North East	2006	77,814	26,332	50,827	14,448
	2007	80,163	25,488	54,190	14,436
North West	2006	243,271	80,695	159,206	45,488
	2007	259,322	87,703	168,589	47,946
Yorkshire and the Humber	2006	173,312	57,082	117,117	32,335
	2007	184,038	63,787	121,555	33,263
East Midlands	2006	153,239	49,437	101,937	27,715
	2007	165,128	53,959	108,915	29,352
West Midlands	2006	206,244	63,691	140,238	36,509
	2007	218,141	65,150	152,096	37,548
East of England	2006	221,021	70,156	147,122	38,414
	2007	225,348	74,156	149,160	40,784
London	2006	631,518	172,916	456,590	91,978
	2007	695,034	194,537	494,975	102,139
South East	2006	401,518	125,665	270,879	69,484
	2007	432,654	132,058	296,315	74,648
South West	2006	158,246	52,472	104,618	29,918
	2007	174,151	57,898	115,036	31,931
England	2006	2,266,182	698,446	1,548,534	386,289
	2007	2,433,979	754,736	1,660,831	412,048
Wales	2006	83,056	25,517	56,393	14,531
	2007	88,715	26,654	60,853	14,963
Scotland	2006	195,541	75,485	119,467	34,046
	2007	200,211	75,449	124,312	36,747
Great Britain	2006	2,544,779	799,447	1,724,393	434,866
	2007	2,722,905	856,838	1,845,996	463,758
Northern Ireland	2006	53,138	17,250	34,158	8,024
	2007	57,569	18,921	37,332	8,469
United Kingdom	2006	2,597,917	816,697	1,758,551	442,890
	2007	2,780,474	875,760	1,883,328	472,227

1 Whole Economy (Sections A-O) by Country and Government Office Region, 2006
Revisions to Data

Government Office Region or Country	Year	Turnover	Approximate Gross Value Added	Purchases	Total Employment Costs
		£ million	£ million	£million	£ million
North East	2006	-978	-91	-902	-12
North West	2006	-560	-704	72	-115
Yorkshire and the Humber	2006	4	302	-232	-1
East Midlands	2006	-591	-353	-161	-49
West Midlands	2006	1,314	680	422	258
East of England	2006	588	-77	408	40
London	2006	-4,594	-3,535	-893	-136
South East	2006	-143	-412	270	-92
South West	2006	-148	316	-144	-42
England	2006	-5,107	-3,874	-1,161	-149
Wales	2006	-226	-195	-29	-38
Scotland	2006	-954	-488	-427	-42
Great Britain	2006	-6,287	-4,557	-1,617	-229
Northern Ireland	2006	-515	292	-847	-57
United Kingdom	2006	-6,802	-4,265	-2,463	-286

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