

22 November 2006

**Coverage**  
United Kingdom  
**Theme**  
Commerce, Energy  
and Industry

## Annual Business Inquiry 2005 provisional results

Provisional 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 published on 15 June 2006 shows 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 was almost unchanged in the distribution industries in 2005

	2004 £ billion	2005 £ billion	Per cent change
<b>Production industries</b>			
Turnover	549	570	3.7
Purchases	345	360	4.2
Approximate GVA at basic prices <sup>(note 5)</sup>	186	194	4.2
<b>Construction industries</b>			
Turnover	159	169	6.6
Purchases	105	108	2.4
Approximate GVA at basic prices	56	64	12.6
<b>Distribution industries</b>			
Turnover	866	934	7.8
Purchases	714	780	9.3
Approximate GVA at basic prices	142	143	0.3
<b>Service industries</b> <sup>(note 4)</sup>			
Turnover	721	796	10.5
Purchases	378	420	11.0
Approximate GVA at basic prices	321	354	10.4

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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 25 per cent between 2004 and 2005. The turnover of the electricity, gas and water supply sector increased by 20 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 rose similarly sharply.

In contrast, the turnover of manufacturing as a whole was almost unchanged. In 2004, manufacturing turnover was £464 billion; the provisional estimate for 2005 is £465 billion. A rise of just over 1 per cent in purchases by manufacturing industry meant that approximate gross value added was also around the same in current price terms in 2005 as it had been in 2004, at £148 billion against £149 billion the previous year.

Within manufacturing, the turnover in two industries rose by over 5 per cent in 2005. They were the coke, refined petroleum products and nuclear fuel sector; and basic metals and fabricated metal products. In both these cases, however, there was also an increase in purchases (the value of which rose by 40 per cent in the coke, refined petroleum products and nuclear fuel sector, probably again largely reflecting higher energy costs), and approximate gross value added fell slightly in both.

There were also a number of areas of manufacturing industry where turnover is provisionally estimated to have been more than 5 per cent lower in 2005 than it had been in 2004. These are textile and textile products; leather and leather products; pulp, paper and paper products, publishing and printing; non-metallic mineral products; and electrical and optical equipment. In the last two of these the drop in approximate gross value added was steeper than the reduction in turnover; in the other cases approximate gross value added held up better.

### **Construction industries**

In construction, turnover rose by 6.6 per cent in 2005. The increase in purchases was smaller, at 2.4 per cent, and approximate gross value added was 12.6 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 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 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 almost 6 per cent. Other areas, however showed an increase in value added. The sharpest increase was a 17 per cent rise for "other services".

### **Revisions**

In line with the policy for the ABI, no revisions have been made to 2004 data for this release. Any changes since the publication of the revised 2004 figures in June will be made next June with the publication of revised 2005 information.

## 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;
  - June 2007 - Revised data for ABI 2005

### 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](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](http://www.statistics.gov.uk/abi/quality_measures.asp). For provisional results, only response rates are updated.

### 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. Provisional 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](mailto: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).

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 2006.

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

Provisional 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,	2,299,776	1,544,719	708,025
	2005	construction, distribution and services	2,474,582	1,670,084	757,586
A (Part)	2004	Agriculture, hunting and forestry	3,567	1,713	2,017
	2005		4,030	1,755	2,576
B	2004	Fishing	1,024	635	362
	2005		1,084	562	535
C-E	2004	Production industries	549,325	345,393	186,317
	2005		569,661	359,973	194,136
C	2004	Mining and quarrying	34,013	14,445	19,407
	2005		42,562	17,992	24,200
CA	2004	Mining and quarrying of	28,852	11,178	17,670
	2005	energy producing materials	35,940	13,843	21,968
CB	2004	Mining and quarrying except	5,160	3,267	1,737
	2005	energy producing materials	6,623	4,149	2,231
D	2004	Manufacturing	463,734	296,410	148,991
	2005		464,977	300,396	148,186
DA	2004	Food products; beverages	83,031	50,740	22,734
	2005	and tobacco	82,093	50,108	22,180
DB	2004	Textiles and textile products	10,990	7,123	3,858
	2005		10,393	6,484	3,866
DC	2004	Leather and leather products	940	613	320
	2005		804	496	308
DD	2004	Wood and wood products	7,458	4,503	2,966
	2005		7,563	4,577	3,033
DE	2004	Pulp, paper and paper products;	46,039	26,427	19,462
	2005	publishing and printing	43,458	24,138	19,228
DF	2004	Coke, refined petroleum	28,000	16,182	2,627
	2005	products and nuclear fuel	32,562	22,655	2,431

DG	2004	Chemicals, chemical products and man made fibres	50,175	34,155	16,060
	2005		51,095	34,274	16,947
DH	2004	Rubber and plastic products	20,792	13,064	7,842
	2005		21,674	13,723	7,920
DI	2004	Non-metallic mineral products	13,582	7,838	5,811
	2005		12,640	7,428	5,295
DJ	2004	Basic metals and fabricated metal products	40,921	26,232	15,226
	2005		43,217	28,334	15,175
DK	2004	Manufacture of other machinery and equipment	33,773	21,782	12,110
	2005		34,679	22,478	12,283
DL	2004	Electrical and optical equipment	43,319	27,405	16,086
	2005		40,690	26,064	14,701
DM	2004	Manufacture of transport equipment	66,728	48,940	17,164
	2005		66,084	48,204	18,166
DN	2004	Manufacture not elsewhere classified	17,986	11,405	6,725
	2005		18,025	11,432	6,652
E	2004	Electricity, gas and water supply	51,578	34,539	17,918
	2005		62,121	41,585	21,751
F	2004	Construction	158,839	105,172	56,401
	2005		169,248	107,705	63,531
G-O (see note 4)	2004	Distribution and service industries	1,587,021	1,091,805	462,928
	2005		1,730,559	1,200,089	496,808
G	2004	Distribution industries	866,401	713,526	142,395
	2005		934,213	780,153	142,798
50	2004	Motor trades	154,768	131,754	24,239
	2005		160,489	138,294	22,481
51	2004	Wholesale trades and commission trade	452,004	381,825	58,281
	2005		507,204	435,727	60,095
52	2004	Retail trade and repair of personal and household goods	259,630	199,948	59,876
	2005		266,520	206,133	60,222
H-O (see note 4)	2004	Service industries	720,620	378,279	320,533
	2005		796,346	419,936	354,009
H	2004	Hotels and restaurants	60,691	31,789	28,872
	2005		61,957	33,648	28,250
I	2004	Transport, storage and communication	199,035	127,791	76,280
	2005		214,271	137,021	81,196

K	2004	Renting and business activities	305,645	126,154	155,204
	2005		345,462	144,611	175,067
M	2004	Education	18,952	12,126	6,868
	2005	(excludes some public sector)	20,760	13,084	7,882
N (see note 4)	2004	Health and social work	20,497	6,948	13,546
	2005	(excludes some public sector)	23,955	8,795	15,106
O	2004	Other services	115,801	73,471	39,764
	2005		129,941	82,776	46,508

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