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Coverage
United Kingdom
Theme
Commerce, Energy
and Industry

Annual Business Inquiry 2006 provisional results

Provisional results from the 2006 Annual Business Inquiry (ABI) for the United Kingdom are now available.

A comparison of 2006 results by main industry group with the results for 2005 show that:

- Turnover in 2006 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, this sector showed the highest increase in gross value added in 2006
- Approximate gross value added (GVA) at basic prices rose sharply in the distribution industries in 2006

	2005 £ billion	2006 £ billion	Per cent change
Production industries			
Turnover	573	598	4.3
Purchases	363	383	5.4
Approximate GVA at basic prices ^(note 5)	194	199	2.8
Construction industries			
Turnover	167	176	5.3
Purchases	106	109	2.7
Approximate GVA at basic prices	63	68	7.1
Distribution industries			
Turnover	929	986	6.2
Purchases	775	823	6.2
Approximate GVA at basic prices	143	152	6.8
Service industries ^(note 4)			
Turnover	784	837	6.7
Purchases	406	440	8.3
Approximate GVA at basic prices	353	368	4.4

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Production industries

Turnover of mining and quarrying (which includes oil and gas extraction) rose by 10 per cent between 2005 and 2006, purchases rose more sharply at over 20 per cent, resulting in a decrease of over 4 per cent for gross value added. The turnover of the electricity, gas and water supply sector increased by 18 per cent and gross value added by 14 per cent in the same period.

In contrast, the turnover of manufacturing as a whole increased by just under 2 per cent, while gross value added showed a similar increase at just over 2 per cent.

Within manufacturing the largest increases in turnover were seen in the chemicals, chemical products and man made fibres and non-metallic mineral products industries at 13.9 per cent and 10.3 per cent respectively. Increases in purchases within these industries resulted in less sharp rises in gross value added of 7.1 per cent and 5.9 per cent.

Textile and textile products showed decreases across all three variables, from 15.7 per cent for gross value added, 8.8 percent for turnover and 4.9 per cent for purchases.

The wood and wood products industry showed a sharp decrease in gross value added of 10.7 per cent, this was accounted for by turnover remaining static while purchases rose by 7.6 per cent.

The coke refined petroleum products and nuclear fuel industry showed a decrease of 14.2 per cent in turnover, gross value added however rose by 29.6 per cent due to the decrease of 21.8 per cent in purchases.

Construction industries

In construction, turnover rose by 5.3 per cent in 2006. The increase in purchases was smaller, at 2.7 per cent, and approximate gross value added was 7.1 per cent higher.

Distribution industries

Within the distribution industry, wholesaling continued to show the largest increases in turnover and purchases, at around 9 per cent. The increase in gross value added was lower at 7 per cent.

Service industries

Turnover rose by 6.7 per cent in the service industries in 2006. The increases varied across industries at over 9 per cent for renting and business activities and health and social work, while transport storage and communication increased less markedly at 3.6 per cent.

Approximate gross value added for the sector rose by 4.4 per cent during 2006. The only decrease was shown in other services at 1.4 per cent. All other areas showed increases with the largest being in health and social work and hotels and restaurants, at over 12.4 per cent and 9.3 per cent respectively.

Revisions

In line with the policy for the ABI, no revisions have been made to 2005 data for this release. Any changes since the publication of the revised 2005 figures in June 2007 will be made in June 2008 with the publication of revised 2006 information.

BACKGROUND NOTES

ABI

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. For the 2006 inquiries, ABI 1 and ABI 2 have been sampled separately.

ABI Updates

1. Further releases of ABI data will be:
 - 17 June 2008 - Revised data for ABI 2006
 - 31 July 2008 – Regional 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 (for example 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

6. Provisional 2006 UK national results at SIC(2003) 4 digit class level, together with results for 1995-2005, 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(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 ONS Press Office. Also available is a list of the names of those given pre-publication access to the contents of this release.

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) 2005 and 2006

Provisional 2006 United Kingdom data

Standard Industrial Classification Revised 2003 Industry	Year		Turnover £ million	Purchases £ million	Approximate Gross Value Added £ million
A-O (see note 4)	2005	Agriculture, fishing, production,	2,458,288	1,652,985	755,469
	2006	construction, distribution and services	2,602,146	1,757,472	789,929
A (Part)	2005	Agriculture, hunting and forestry	4,027	1,845	2,457
	2006		3,792	2,163	1,807
B	2005	Fishing	1,095	609	503
	2006		1,145	637	566
C-E	2005	Production industries	572,837	362,956	193,806
	2006		597,607	382,559	199,194
C	2005	Mining and quarrying	44,103	18,746	24,981
	2006		48,420	22,608	23,907
CA	2005	Mining and quarrying of	37,479	14,559	22,785
	2006	energy producing materials	42,333	18,363	22,285
CB	2005	Mining and quarrying except	6,624	4,187	2,195
	2006	energy producing materials	6,087	4,244	1,622
D	2005	Manufacturing	466,731	302,878	146,487
	2006		475,783	310,462	149,722
DA	2005	Food products; beverages	82,618	50,073	22,766
	2006	and tobacco	80,529	49,286	21,798
DB	2005	Textiles and textile products	10,318	6,410	3,891
	2006		9,410	6,093	3,279
DC	2005	Leather and leather products	770	471	301
	2006		761	477	292
DD	2005	Wood and wood products	7,462	4,561	2,943
	2006		7,477	4,908	2,630
DE	2005	Pulp, paper and paper products;	44,086	25,397	18,612
	2006	publishing and printing	43,439	25,125	18,282
DF	2005	Coke, refined petroleum	34,273	23,781	2,094
	2006	products and nuclear fuel	29,393	18,598	2,714

DG	2005	Chemicals, chemical products	50,225	33,639	16,582
	2006	and man made fibres	57,188	39,795	17,755
DH	2005	Rubber and plastic products	21,328	13,471	7,821
	2006		21,115	13,682	7,523
DI	2005	Non-metallic mineral products	12,534	7,370	5,244
	2006		13,829	8,332	5,555
DJ	2005	Basic metals and fabricated	43,154	28,085	15,375
	2006	metal products	46,576	30,123	17,012
DK	2005	Manufacture of other	34,744	22,585	12,206
	2006	machinery and equipment	36,809	23,913	13,149
DL	2005	Electrical and optical	40,831	25,843	15,057
	2006	equipment	40,807	25,198	15,692
DM	2005	Manufacture of transport	66,558	49,823	17,074
	2006	equipment	69,088	51,964	17,473
DN	2005	Manufacture not elsewhere	17,829	11,369	6,520
	2006	classified	19,364	12,968	6,569
E	2005	Electricity, gas and water supply	62,003	41,332	22,339
	2006		73,405	49,490	25,565
F	2005	Construction	167,331	106,271	63,196
	2006		176,184	109,163	67,667
G-O (see note 4)	2005	Distribution and service industries	1,712,996	1,181,304	495,507
	2006		1,823,418	1,262,949	520,695
G	2005	Distribution industries	928,852	775,147	142,558
	2006		986,474	823,038	152,226
50	2005	Motor trades	157,409	135,360	22,463
	2006		155,888	132,746	23,457
51	2005	Wholesale trades and commission	505,620	434,876	59,588
	2006	trade	550,409	475,545	63,686
52	2005	Retail trade and repair of personal	265,822	204,911	60,507
	2006	and household goods	280,176	214,747	65,083
H-O (see note 4)	2005	Service industries	784,145	406,156	352,950
	2006		836,945	439,911	368,469
H	2005	Hotels and restaurants	61,743	33,190	28,511
	2006		64,759	34,335	31,153
I	2005	Transport, storage and	213,047	134,665	82,301
	2006	communication	220,775	139,669	85,668

K	2005	Renting and business activities	337,695	135,903	174,904
	2006		369,633	155,111	182,863
M	2005	Education	20,509	12,757	7,949
	2006	(excludes some public sector)	22,098	13,923	8,256
N (see note 4)	2005	Health and social work	23,017	7,966	14,995
	2006	(excludes some public sector)	25,139	8,204	16,859
O	2005	Other services	128,133	81,676	44,289
	2006		134,541	88,668	43,671
