

17 November 2008

Coverage
United Kingdom

Theme
The Economy



Annual Business Inquiry 2007 Provisional Results

Provisional results from the 2007 Annual Business Inquiry (ABI) for the United Kingdom are now available.

A comparison between 2006 and 2007 of the four main industry groups shows increases in turnover, purchases and gross value added figures. The largest percentage increases were in the construction industries and the smallest in the production industries.

	2006 £ billion	2007 £ billion	Per cent change
Production industries			
Turnover	607	632	4.2
Purchases	389	404	4.0
Approximate GVA at basic prices ^(note 5)	201	212	5.6
Construction industries			
Turnover	175	199	14.0
Purchases	109	123	13.1
Approximate GVA at basic prices ^(note 5)	67	78	16.1
Distribution industries			
Turnover	991	1056	6.6
Purchases	827	882	6.6
Approximate GVA at basic prices ^(note 5)	152	167	9.8
Service industries			
Turnover	827	900	8.8
Purchases	433	474	9.5
Approximate GVA at basic prices ^(note 5)	367	397	8.0

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Production industries

Turnover of the mining and quarrying industries (which includes oil and gas extraction) increased by just over 2 per cent between 2006 and 2007, a decrease in the value of purchases resulted in gross value added increasing by over 10 per cent. The turnover of the electricity, gas and water supply industries increased by 6 per cent and gross value added by over 5 per cent in the same period.

Turnover and gross value added of the manufacturing industries as a whole increased by less than 5 per cent between 2006 and 2007.

Within manufacturing the largest increases in turnover were seen in the non-metallic mineral products industry at 17.4 per cent and the wood and wood products industry at 13.9 per cent. The largest increases in gross value added were shown in the coke, refined petroleum products and nuclear fuel industry at 25.1 per cent and the manufacture not elsewhere classified industry at 19.8 per cent.

There were no significant decreases in turnover within manufacturing. The chemicals, chemical products and man made fibres industry showed increases in turnover and purchases of only 1.3 per cent and 2.1 per cent respectively, resulting in a decrease in gross value added of 2.7 per cent.

Construction industries

In the construction industries, turnover increased by 14 per cent, purchases by 13.1 per cent and gross value added by 16.1 per cent.

Distribution industries

Within the distribution industries, wholesaling continued to show the largest increases for all three variables. Turnover increased by 8.0 per cent, purchases by 7.9 per cent and gross value added by 14.2 per cent.

Service industries

In the service industries the largest increase in turnover and purchases were in renting and business activities at 13.7 per cent and 16.3 per cent respectively, with education showing the largest increase of 15.6 per cent for gross value added.

Revisions

In line with the policy for the ABI, no revisions have been made to 2006 data for this release. Any changes since the publication of the revised 2006 figures in

June 2008 will be made in June 2009 with the publication of revised 2007 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. From the 2006 inquiries, ABI 1 and ABI 2 have been sampled separately.

ABI Updates

1. Further releases of ABI data will be:
 - 16 June 2009 - Revised data for ABI 2007
 - 30 July 2009 - Regional data for ABI 2007

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. 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

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. 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 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/>.

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.gsi.gov.uk or telephone +44(0)1633 456592 for standard extracts or +44(0)1633 456601 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.
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 2008.

1 Details of income and expenditure by industry (Sections A-O) 2006 and 2007

Provisional 2007 United Kingdom data

Standard Industrial Classification Revised 2003 Industry	Year		Turnover £ million	Purchases £million	Approximate Gross Value Added £ million
A-O (see note 4)	2006	Agriculture, fishing, production.	2,604,719	1,761,015	789,490
	2007	construction, distribution and services	2,793,078	1,886,464	855,660
A (Part)	2006	Agriculture, hunting and forestry	3,831	2,177	1,834
	2007		3,916	2,192	1,987
B	2006	Fishing	1,144	637	566
	2007		964	531	463
C-E	2006	Production industries	606,630	388,864	200,705
	2007		632,131	404,237	211,854
C	2006	Mining and quarrying	48,659	22,637	24,138
	2007		49,782	22,576	26,700
CA	2006	Mining and quarrying of	42,449	18,416	22,364
	2007	energy producing materials	45,029	19,613	25,067
CB	2006	Mining and quarrying except	6,209	4,221	1,774
	2007	energy producing materials	4,754	2,963	1,633
D	2006	Manufacturing	484,199	316,197	151,124
	2007		504,150	329,843	158,334
DA	2006	Food products; beverages	81,957	49,865	22,368
	2007	and tobacco	81,895	49,572	22,804
DB	2006	Textiles and textile products	9,289	6,014	3,241
	2007		9,552	6,112	3,454
DC	2006	Leather and leather products	760	476	291
	2007		784	497	291

DD	2006	Wood and wood products	7,519	4,873	2,711
	2007		8,564	5,490	3,157
DE	2006	Pulp, paper and paper products; publishing and printing	44,169	25,775	18,374
	2007		43,783	25,489	18,397
DF	2006	Coke, refined petroleum Products and nuclear fuel	30,945	18,856	2,873
	2007		32,773	20,129	3,594
DG	2006	Chemicals, chemical products and man made fibre	62,020	43,525	18,985
	2007		62,811	44,434	18,476
DH	2006	Rubber and plastics products	21,246	13,717	7,617
	2007		21,823	13,912	8,045
DI	2006	Non-metallic mineral products	13,786	8,335	5,498
	2007		16,189	10,094	6,108
DJ	2006	Basic metals and fabricated metal products	46,593	30,375	16,767
	2007		50,418	33,077	17,896
DK	2006	Manufacture of other machinery and equipment	36,739	23,835	13,151
	2007		38,892	25,714	13,314
DL	2006	Electrical and optical equipment	40,721	25,515	15,270
	2007		40,412	24,916	15,792
DM	2006	Manufacture of transport equipment	69,076	51,979	17,478
	2007		74,587	56,177	19,215
DN	2006	Manufacture not elsewhere classified	19,379	13,055	6,501
	2007		21,665	14,229	7,791
E	2006	Electricity, gas and water supply	73,773	50,031	25,442
	2007		78,199	51,819	26,819
F	2006	Construction	174,984	108,860	67,129
	2007		199,416	123,095	77,907
G-O (see note 4)	2006	Distribution and service industries	1,818,130	1,260,476	519,257
	2007		1,956,651	1,356,409	563,449
G	2006	Distribution industries	991,008	827,401	152,041
	2007		1,056,367	882,203	166,948
50	2006	Motor trades	156,349	132,450	24,116
	2007		166,853	141,674	26,106
51	2006	Wholesale trades and commission trade	555,763	480,638	63,768
	2007		600,487	518,689	72,802
52	2006	Retail trade and repair of personal and household goods	278,896	214,312	64,157
	2007		289,027	221,839	68,040

H-O (see note 4)	2006	Service industries	827,122	433,076	367,216
	2007		900,284	474,206	396,501
H	2006	Hotels and restaurants	64,293	34,052	30,311
	2007		65,437	34,340	31,119
I	2006	Transport, storage and	219,872	139,378	85,068
	2007	communication	230,237	143,631	91,151
K	2006	Renting and business activities	361,828	149,500	183,042
	2007		411,418	173,813	206,005
M	2006	Education	21,816	13,875	8,035
	2007	(excludes some public sector)	24,161	14,913	9,290
N (see note 4)	2006	Health and social work	24,616	7,982	16,591
	2007	(excludes some public sector)	27,263	9,646	17,576
O	2006	Other services	134,697	88,289	44,168
	2007		141,769	97,862	41,361

