

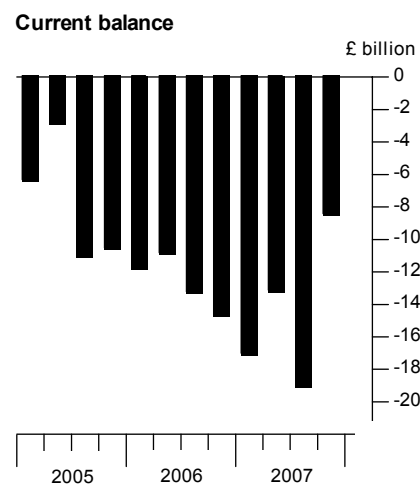
28 March 2008

Coverage
United Kingdom
Theme
The Economy

Balance of payments 4th quarter and annual 2007

The current account recorded a deficit of £8.5 billion in the fourth quarter of 2007, equating to -2.4 per cent of GDP. This compares with a revised deficit of £19.1 billion (-5.5 per cent of GDP) in the third quarter. A deficit of £13.6 billion was recorded with the EU compared with a deficit of £10.7 billion in the previous quarter.

Compared with the third quarter, the current account showed a switch from a deficit on income to a surplus on income, together with a higher surplus on trade in services, partially offset by an increase in the deficit on current transfers. The surplus on income stood at £9.2 billion and the surplus on trade in services widened to £10.1 billion. The deficit in current transfers increased to £4.6 billion. The deficit on trade in goods was little changed at £23.2 billion.



The current account for the year 2007 was in deficit by £57.8 billion (-4.2 per cent of GDP), compared with a revised deficit of £50.7 billion in 2006 (-3.9 per cent of GDP).

Global totals in this release have been revised from the first quarter of 2006. The geographical estimates have been revised from the first quarter of 2005.

Current account (balances)

		Trade in goods	Trade in services	Income	Transfers	Current Balance	Current balance as per cent of GDP
seasonally adjusted: £ billion							%
2006	Q1	-19.3	+7.5	+3.2	-3.2	-11.8	-3.7
	Q2	-18.7	+7.3	+3.1	-2.6	-10.9	-3.4
	Q3	-19.5	+7.7	+1.0	-2.5	-13.3	-4.0
	Q4	-20.1	+8.6	+0.5	-3.7	-14.7	-4.4
2007	Q1	-21.1	+9.1	-1.9	-3.1	-17.1	-5.1
	Q2	-20.2	+9.6	+0.4	-3.1	-13.2	-3.8
	Q3	-23.2	+9.6	-2.4	-3.1	-19.1	-5.5
	Q4	-23.2	+10.1	+9.2	-4.6	-8.5	-2.4

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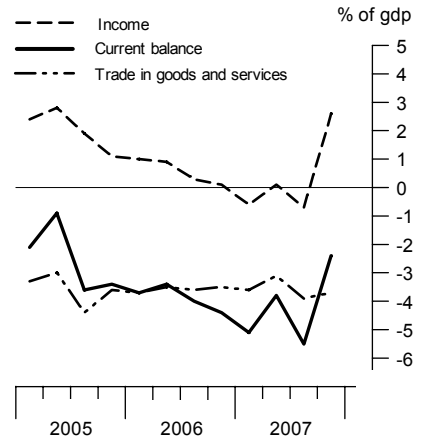


Current account balance as percentage of GDP

The current account balance equates to -2.4 per cent of GDP at current market prices in the fourth quarter, compared with -5.5 per cent in the previous quarter. The deficit on trade in goods and services is equivalent to -3.7 per cent of GDP in the latest quarter, compared with -3.9 per cent in the previous quarter, whilst the surplus on income is 2.6 per cent of GDP in the latest quarter, compared with -0.7 per cent in the third quarter.

The current account balance for the year 2007 equates to -4.2 per cent of GDP, compared to -3.9 per cent in 2006. The deficit on trade in goods and services for the latest year is equivalent to -3.6 per cent of GDP, the same percentage as in 2006.

Balances as percentage of GDP

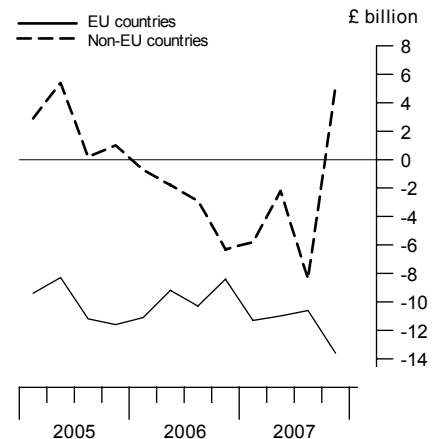


Current account with EU and non-EU countries (Table C)

A deficit of £13.6 billion was recorded with the **EU** in the fourth quarter, compared with a deficit of £10.7 billion in the previous quarter. This increase was driven by a switch from a surplus on income to a deficit on income together with an increase in the deficit on current transfers, which outweighed an increase in the surplus on trade in services. The deficit on trade in goods also increased slightly in the latest quarter. A surplus of £5.2 billion was recorded with **non-EU countries** compared with a deficit of £8.4 billion in the previous quarter. This was driven by a switch from a deficit on income of £2.8 billion in the third quarter to a surplus on income of £10.8 billion in the latest quarter. There was an increase in the surplus on trade in services in the fourth quarter and increases in the deficits on current transfers and on trade in goods.

A deficit of £46.6 billion was recorded with the **EU** in the 2007, compared with a deficit of £39.0 billion in 2006. There was a deficit of £11.2 billion with **non-EU countries** in the latest year, a decrease of £0.5 billion on the previous year.

EU/non-EU current account





Trade in Goods (Table E)

The deficit on **trade in goods** in the fourth quarter was £23.2 billion, the same as in the previous quarter. Exports and imports both rose by £1.4 billion. The deficit on trade in oil was virtually unchanged at £1.3 billion; exports and imports both rose by £1.0 billion. The deficit for fuels other than oil widened by £0.5 billion, due to increased imports outweighing increased exports. The deficit for semi-manufactured goods narrowed by £0.2 billion to £1.7 billion, with a fall in exports being outweighed by a larger fall in imports, whilst the deficit for finished manufactured goods narrowed by £0.4 billion to £13.8 billion, due an increase in exports.

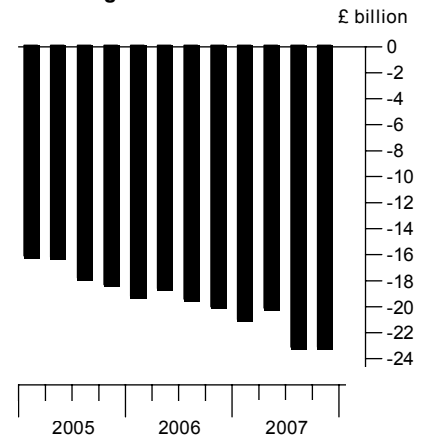
The deficit on trade in goods was £87.6 billion in 2007, a rise of £10.1 billion compared with 2006. The deficit on trade in oil was £3.3 billion in the latest year, virtually unchanged from the deficit of £3.4 billion in 2006: there was little change in the price of crude oil and a fall in the volume of imports but this was balanced by higher imports of oil other than crude oil. Amongst other commodities, the deficits for finished manufactures, semi manufactures, basic materials and food, beverages and tobacco all widened significantly in 2007.

Trade in Services (Table F)

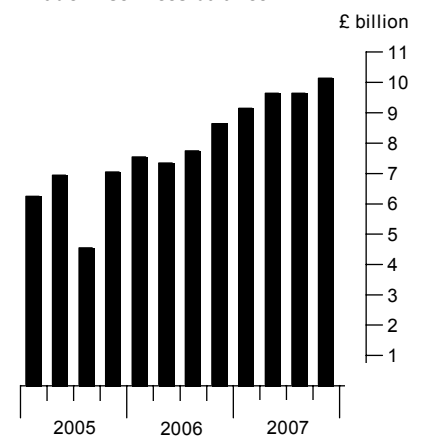
The **trade in services** surplus was £10.1 billion in the fourth quarter, an increase of £0.5 billion compared with the previous quarter. Exports rose by £0.5 billion to £35.3 billion, mainly reflecting increases in exports of financial and travel services. Imports fell by £0.1 billion to £25.1 billion, with falls in imports of other business services being largely offset by rises in imports of government services.

The surplus for trade in services was £38.5 billion in 2007, a rise of £7.4 billion compared with 2006. Exports of services rose by £11.3 billion between 2006 and 2007; imports increased by £3.8 billion during the same period. The increase in exports was mainly driven by financial services with smaller increases in, travel, insurance and other business services. The rises in imports were mainly in travel and other business services.

Trade in goods balance



Trade in services balance





Income (Table G)

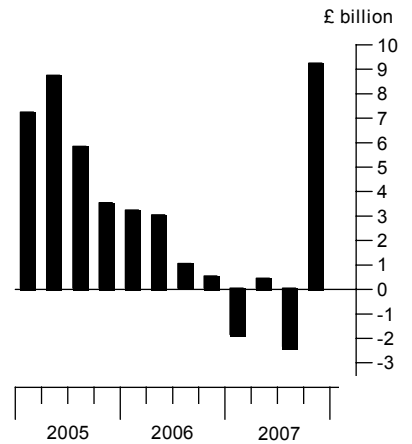
There was a surplus on **income** of £9.2 billion in the fourth quarter, following a deficit of £2.4 billion in the previous quarter. Income credits were £74.6 billion in the fourth quarter, £3.0 billion higher than in the previous quarter. This increase was mainly due to rises in earnings on direct investment abroad and on other investment abroad. Income debits fell by £8.7 billion in the latest quarter, to £65.3 billion, driven by a fall in foreign earnings on direct investment in the UK.

The deficit on **compensation of employees** was £0.2 billion in the fourth quarter, unchanged from the previous quarter.

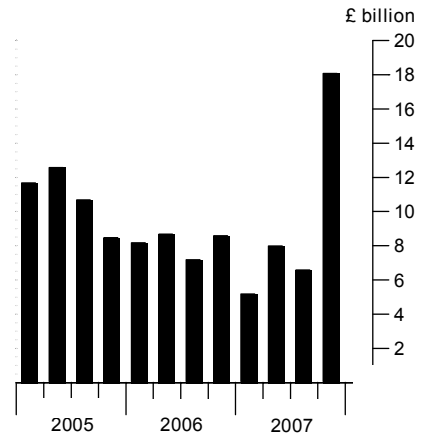
The surplus on **direct investment** income was £18.0 billion in the fourth quarter, up on the £6.5 billion surplus in the previous quarter. Earnings on direct investment abroad were £22.2 billion in the latest period, up £1.4 billion on the third quarter. Increased earnings on UK direct investment abroad were driven mainly by increased earnings in the non-financial sector. Lower earnings reported by the monetary financial sector were more than offset by increased earnings in all other sectors. Earnings on direct investment in the UK fell sharply in the latest quarter to £4.1 billion, compared with earnings of £14.2 billion in the third quarter. Lower earnings were reported by all sectors, with foreign owned banks reporting significant losses in the latest quarter. These losses stem from the reassessment of the value of derivative positions in light of the recent market turmoil.

Portfolio investment income recorded a deficit of £0.3 billion in the fourth quarter, down from a deficit of £0.6 billion in the previous quarter. UK earnings on holdings of foreign securities rose by £0.5 billion in the fourth quarter, to £16.6 billion, the highest on record, with higher earnings on both equity and debt securities. Foreign earnings on portfolio investment in the UK increased by £0.2 billion in the latest quarter, to £16.9 billion, also the highest on record, with an increase in earnings on debt securities outweighing a fall in earnings on equity securities.

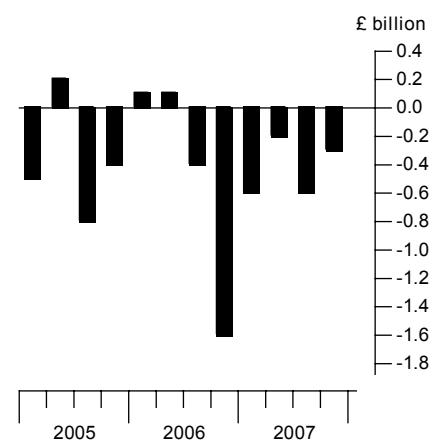
Income balance



Direct investment income balance



Portfolio investment income balance





The deficit on earnings from **other investment** increased by £0.2 billion to £8.5 billion in the latest period, the highest on record. Earnings on other investment abroad were £35.4 billion, an increase of £1.0 billion from the previous quarter, due to higher banks' earnings on loans to and deposits with non-residents, in both foreign currency and Sterling. Earnings on other investment in the UK increased by £1.2 billion, to £43.9 billion, due to increased interest payments on both Sterling and foreign currency bank deposit liabilities. The increase to both credits and debits reflect recent investment and the depreciation in the value of Sterling in the fourth quarter.

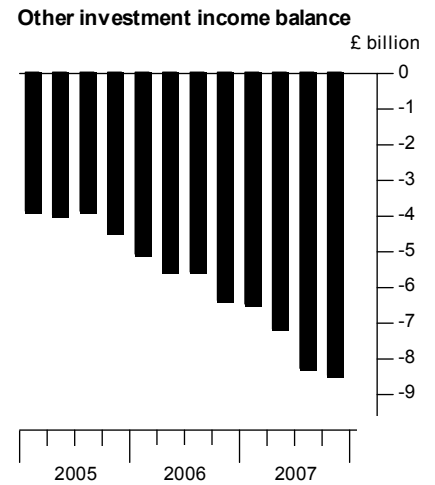
Income on **reserve assets** was £0.2 billion in the fourth quarter, little changed from the income earned in the third quarter.

The surplus on **income** in 2007 fell to £5.3 billion from £7.8 billion in 2006, mostly due to an increase in the deficit on other investment which outweighed an increase in the surplus on direct investment.

There was a **direct investment** surplus of £37.5 billion in 2007, £5.2 billion higher than in the previous year.

Earnings on **direct investment abroad** increased to £86.7 billion in 2007 from £84.3 billion in 2006. The increased earnings abroad mainly reflects the increased profitability of private non-financial corporations, insurance companies and other financial intermediaries.

Earnings on **direct investment in the UK** in 2007 were £49.2 billion, down from £52.0 billion in 2006. Total equity earnings decreased to £42.5 billion, compared with £46.1 billion in 2006. Reinvested earnings increased by £7.6 billion over the year to £30.5 billion, but this was more than offset by losses on distributed branch profits, which went from profits of £6.4 billion in 2006 to losses of £5.8 billion in 2007. Foreign owned banks were the main contributor to the lower earnings on investment in 2007.





The balance on **portfolio investment** showed a deficit of £1.7 billion in 2007, £0.1 billion lower than in the previous year, with a fall in the deficit on equity securities just outweighing a fall in the surplus on debt securities. UK earnings on foreign equity securities rose by £2.6 billion, to £18.1 billion, while UK earnings on debt securities rose by £6.6 billion, to £46.2 billion. Foreign earnings on UK equity securities rose by £1.5 billion, to £22.5 billion, while foreign earnings on UK debt securities grew by £7.6 billion, to £43.5 billion.

The deficit on **other investment** rose from £22.7 billion in 2006 to £30.5 billion in 2007. Earnings on other investment abroad rose by 38 per cent from 2006, to £130.1 billion, whilst earnings on other investment in the UK also rose by 38 per cent, to £160.7 billion. These significant increases are as a result of sustained investment and increases in Euro and Sterling interest rates.

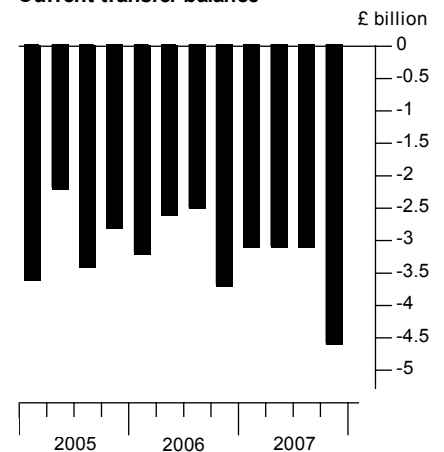
Income on reserve assets in 2007 was £0.6 billion, little changed from 2006.

Current transfers (Table H)

The deficit on **current transfers** increased by £1.6 billion in the fourth quarter to a record £4.6 billion. This was as a result of a rise in contributions to the EU budget. Net payments to EU Institutions were £2.5 billion in the fourth quarter, also the highest on record. It should be noted that the quarterly path of net contributions to EU institutions can be erratic.

The annual deficit on current transfers was £13.9 billion in 2007, compared with a deficit of £12.0 billion in 2006. The increase in the deficit was mainly due to increased aid payments by the government and increased net payments to the EU by other sectors.

Current transfer balance





Capital Account (Table I)

The **capital account** recorded a surplus of £1.0 billion in the fourth quarter, up from £0.6 billion in the previous quarter as a result of increased receipts from the European Regional Development Fund.

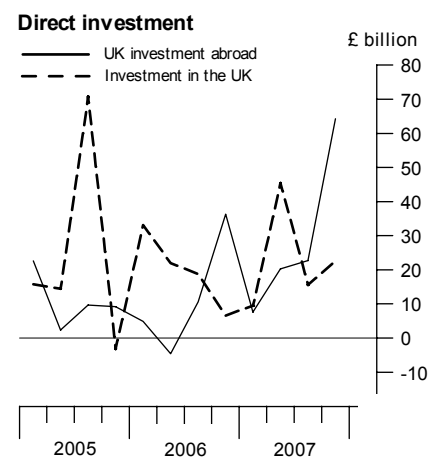
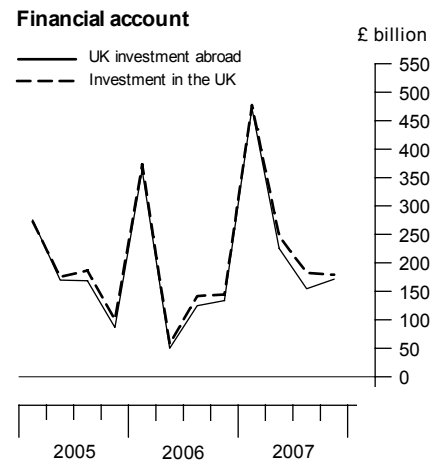
The surplus on the capital account rose from £0.9 billion in 2006 to £2.5 billion in 2007. This reflected a decrease in 'other sectors' debits as there were no large debt write-offs to Nigeria in 2007, as there had been in 2006.

Financial Account (Table J)

The **financial account** showed a net inflow (i.e. inward investment) of £7.5 billion in the fourth quarter, compared with a net inflow of £28.2 billion in the previous quarter. There was net investment abroad of £171.8 billion in the latest quarter, £17.3 billion higher than in the third quarter. Net investment in the UK was £179.3 billion in the fourth quarter, £3.4 billion lower than in the previous quarter.

Direct investment abroad showed net investment of £64.3 billion in the fourth quarter, compared with net investment of £22.7 billion in the previous quarter. The increase in net investment in the latest quarter largely reflects increased investment in other capital transactions and equity capital. Transactions in equity capital increased from £6.0 billion in the third quarter to £19.0 billion in the latest period, while other capital flows showed investment of £33.5 billion in the fourth quarter following investment of £3.5 billion during the previous period. Non-financial corporations dominated investment in the latest quarter and increased investment by other sectors more than offset lower investment by the banking sector.

Direct investment into the UK showed net investment of £22.5 billion in the fourth quarter, compared with net investment of £15.6 billion in the third quarter. Lower investment in equity capital and reinvested earnings was more than offset by increased investment in other capital transactions, which went from net disinvestment of £5.0 billion in the third quarter to net investment of £4.4 billion in the latest period. Increased investment in the financial sector more than offset lower investment in the non-financial sector.



Direct investment acquisitions and disposals in the fourth quarter of 2007 included:**Outward** acquisitions (of foreign companies) -

the purchase of Alcan Inc by Rio Tinto Plc for a publicly reported value of £18.5 billion;

the purchase of Laidlaw International Inc by FirstGroup Plc for a publicly reported value of £1.9 billion;

the purchase of Borsa Italiana S.p.A. by London Stock Exchange Group Plc for a publicly reported value of £1.3 billion;

the purchase of Eland Platinum Holdings Ltd by Xstrata Plc for a publicly reported value of £0.5 billion;

the purchase of DCA Agedcare Group by British United Provident Association for a publicly reported value of £0.5 billion;

the purchase of Continental Auto SL. by National Express Group Plc for a publicly reported value of £0.5 billion;

Outward disposals (of foreign companies) -

no large disposals to report;

Inward acquisitions (of UK companies) -

the purchase of Domestic and General Group Plc by Advent International Plc, through AIDG Jersey Acquisitions Ltd for a publicly reported value of £0.5 billion;

the purchase of Telent Plc by Co-investment No.5 LP Inc for a publicly reported value of £0.4 billion;

the purchase of Sondex Plc by General Electric Company for a publicly reported value of £0.3 billion;

the purchase of Christian Salvesen Plc by Groupe Norbert Dentressangle S.A for a publicly reported value of £0.3 billion;

Inward disposals (of UK companies) -

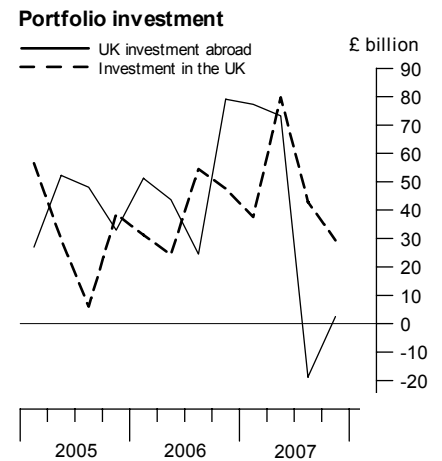
no large disposals to report.

Note: The figures used are those reported in the financial press.



Portfolio investment abroad showed net investment of £2.5 billion in the fourth quarter, following net disinvestment of £18.8 billion in the third quarter. There was net investment of £12.9 billion in equity securities, following net investment of £0.5 billion in the previous quarter, together with net disinvestment in debt securities of £10.4 billion in the fourth quarter, following net disinvestment of £19.3 billion in the third quarter. UK banks reported net investment of £21.2 billion in equity securities and net disinvestment of £12.9 billion in debt securities.

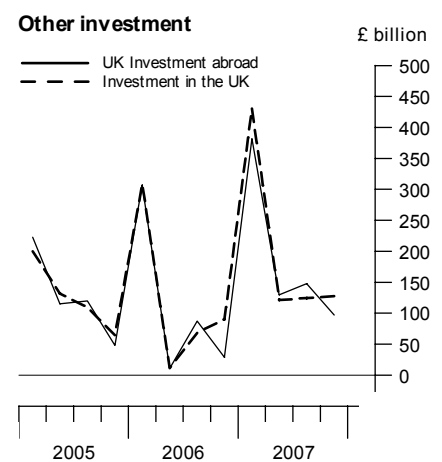
Portfolio investment in the UK showed net investment of £29.4 billion in the fourth quarter, compared with net investment of £42.9 billion in the third quarter. Net investment in equity securities was £21.7 billion in the latest quarter, following negligible net investment in the previous quarter. Net investment in debt securities fell to £7.6 billion in the fourth quarter, following net investment of £42.9 billion in the third quarter. The lower net investment in debt securities was largely a result of net disinvestment in UK certificates of deposits in the latest quarter following net investment in the third quarter.



Financial derivatives showed net settlement receipts of £5.4 billion in the fourth quarter, following net settlement receipts of £3.5 billion in the previous quarter.

Other investment abroad showed net investment of £97.2 billion in the fourth quarter, down from £147.7 billion in the third quarter. The decrease in net investment was mainly driven by lower net advances of loans by UK banks.

Other investment in the UK showed net investment of £127.5 billion in the fourth quarter, compared with £124.3 billion in the third quarter. In the latest quarter net repayments of loans were outweighed by net deposits with UK banks.



Reserve assets showed net investment of £2.5 billion in the fourth quarter, compared with net disinvestment of £0.6 billion in the previous quarter.

The **financial account** in 2007 recorded net inflows of £62.0 billion, compared with net inflows of £44.8 billion in 2006. UK investment abroad in 2007 was £1024.1 billion, compared with £671.7 billion in 2006. Foreign investment in the UK was £1086.1 billion in 2007, compared with £716.5 billion in the previous year.

Direct investment abroad in 2007 showed investment of £114.9 billion, compared to £47.2 billion in the previous year. There was higher investment in equity capital, other capital and higher reinvested earnings. While monetary financial institutions and insurance companies investments were lower in the latest period, other sectors showed increased investment, with private non-financial corporations showing the highest levels of new investment abroad.

Direct investment in the UK was £92.9 billion in 2007, compared with £80.5 billion in 2006. Increased investment in equity capital and higher reinvested earnings were partly offset by net disinvestment in other capital. All sectors showed higher investment in the latest period apart from the insurance sector.

In 2007, **portfolio investment abroad** showed net investment of £134.2 billion following net investment of £198.5 billion recorded in 2006. Investment in equity securities rose to £46.7 billion, compared with investment of £18.6 billion in 2006. However, UK investment in debt securities decreased to £87.4 billion in 2007 from £179.9 billion in 2006, with lower net investment by UK banks in bonds and notes being the largest factor in this decrease.

In 2007, **portfolio investment in the UK** showed net investment of £189.6 billion compared with £157.6 billion in 2006. There was investment in equity securities of £18.6 billion, following disinvestment £5.6 billion in the previous year. Net investment in debt securities increased to £171.0 billion, from £163.2 billion in 2006, with higher investment in bonds and notes outweighing lower investment in money market instruments.

Financial derivatives in 2007 showed net settlement receipts of £17.5 billion, compared with net settlement payments of £7.4 billion in the previous year.

Other investment abroad in 2007 saw net investment of £756.3 billion compared with £434.0 billion in 2006. The increase was largely driven by UK banks increasing both their lending in foreign currency and their deposits abroad.

Other investment in the UK saw net investment of £803.5 billion in 2007, compared with net investment of £478.4 billion in 2006. The increase was mainly due to increased foreign currency and Sterling deposits with UK banks, which saw net deposits of £686.9 billion in 2007.

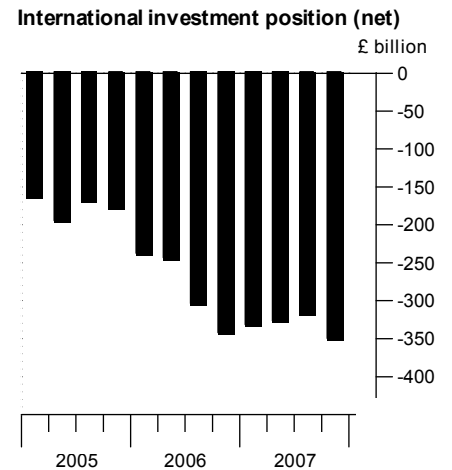


Reserve assets showed net investment abroad of £1.2 billion in 2007, following disinvestment abroad of £0.4 billion in 2006.

International Investment Position (Table K)

The **international investment position** showed net external liabilities (i.e. liabilities exceed assets) of £351.3 billion at the end of the fourth quarter compared with net external liabilities of £318.4 billion at end of the previous quarter. UK assets abroad increased by £276.7 billion from the end of the third quarter to a level of £6445.9 billion at the end of the fourth quarter. UK liabilities increased by £309.5 billion over the same period to a level of £6797.2 billion. The rise in the level of both UK assets and UK liabilities in the fourth quarter reflects net investment, the depreciation in the value of sterling and increases in the price of some debt securities.

Compared with the position at the end of 2006, UK assets and liabilities have risen by 21.5 per cent and 20.4 per cent respectively. The UK's net liability position has widened by £7.4 billion, from £343.8 billion at the end of 2006. As a proportion of annualised GDP, the net position fell to -25.4 per cent at the end of 2006 compared with -26.4 per cent at the end of 2006.



Revisions since last Balance of Payments First Release (Table R)

Data for global totals in this release have been revised from the first quarter of 2006, while the geographical estimates have been revised from the first quarter of 2005.

Overall changes to the current account in the latest periods, by current balance component, are as follows:

	£ billion							
	2006	06q1	06q2	06q3	06q4	07q1	07q2	07q3
Trade in goods	-0.2	-0.1	0.1	-0.2	-	-0.7	-0.6	-0.5
Trade in services	-	-	-	-	-	0.1	0.5	0.2
Income	-0.4	-0.6	-0.4	0.2	0.4	-	0.6	1.3
Current transfers	-	-	-	-0.1	0.1	-	-	-0.1
Current balance	-0.5	-0.8	-0.3	-	0.6	-0.5	0.5	1.0

Notes: columns may not sum due to rounding;

- means nil or less than £50 million.

Trade in goods - The revisions to data from the first quarter of 2006 reflect revised data from HM Revenue & Customs and other data suppliers, revised estimates of trading associated with VAT MTIC fraud and a reassessment of seasonal factors.

Trade in services - The revisions to the first three quarters of 2007 affect most service categories and mainly result from the use of late returns to the ONS's International Trade in Services (ITIS) and Insurance surveys.

Current transfers - There are large and mainly offsetting revisions to both current transfers credits and debits from the first quarter of 2006. These are mostly attributable to revised source data from ONS Insurance surveys.

Capital account - The revisions to the capital account in the third quarter of 2007 are attributable to revised source data from the ITIS survey.

Investment income, financial account and international investment position - Revisions from the first quarter of 2006 reflect new and revised survey data and a reassessment of seasonal factors. Revisions in the latest period also reflect amended data from quarterly inquiries and new estimates from the Bank for International Settlements.



Geographical analysis - The EU/non-EU breakdown shown in table C has additionally been revised from 2005 to incorporate new estimates for investment income stemming from the inclusion of new information from the annual Foreign Direct Investment inquiry.



BACKGROUND NOTES

This quarter

1. This release includes data available up to 12 March 2008.

Basic Quality Information for BoP First Release Summary Quality Report

2. A Summary Quality Report for this First Release is available on the National Statistics website at:

<http://www.statistics.gov.uk/cci/article.asp?ID=1453>

Key quality issues

3. *Common pitfalls in interpreting series:* Expectations of accuracy and reliability in early estimates are often too high. Revisions are an inevitable consequence of the trade off between timeliness and accuracy. Early estimates are based on incomplete data.

Very few statistical revisions arise as a result of 'errors' in the popular sense of the word. All estimates, by definition, are subject to statistical 'error'; but in this context the word refers to the uncertainty inherent in any process or calculation that uses sampling, estimation or modelling. Most revisions reflect either the adoption of new statistical techniques, or the incorporation of new information which allows the statistical error of previous estimates to be reduced. Only rarely are there avoidable 'errors' such as human or system failures, and such mistakes are made quite clear when they do occur.

Reliability

4. Estimates for the most recent quarters are provisional and, as usual, are subject to revision in light of updated source information. ONS has recently started to provide an analysis of past revisions in the BoP and other First Releases which present time series. Details can be found at:

<http://www.statistics.gov.uk/cci/article.asp?ID=793>

Spreadsheets giving revisions triangles (real time databases) of estimates from 1996 to date and the calculations behind the averages in the table are available on the National Statistics website at:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1118>.



5. Revisions to data provide one indication of the reliability of key indicators. The table below shows summary information on the size and direction of the revisions which have been made to the data covering a five year period. A statistical test has been applied to the average revision to find out if it is statistically significantly different from zero. An asterisk (*) shows that the test is significant.

The table covers estimates from the balance of payments first published from March 2000 (1999q4) to December 2004 (2004q3).

Current account (seasonally adjusted)		£ million	
	Value in latest period	Revisions between first publication and estimates three years later	
		Average over the last five years	Average over the last five years without regard to sign (average absolute revision)
Credits (HBON)	171276	1734	2476
Debits (HBOO)	179734	2305*	2400*
Balance (HBOP)	-8458	-571	2009

An article analysing balance of payments current account revisions was published in the May 2007 edition of *Economic & Labour Market Review*. It is available on the National Statistics website at:

http://www.statistics.gov.uk/elmr/05_07/downloads/ELMR_May07.pdf

Status of figures and planned future revisions

6. Import figures for Trade in Goods include adjustments to allow for the impact of trade associated with VAT Missing Trader Intra-Community (MTIC) fraud. The adjustments were introduced for the first time in the UK Trade May 2003 First Release published on 9 July 2003. The adjustments are added to the EU import estimates derived from Intrastat returns.

An article explaining the fraud and the impact on the trade figures was published on 9 July 2003. A follow-up report was published on 17 February 2005 which summarises the work carried out since July 2003 to review the estimates of the impact on the trade figures. The articles can be found at:

<http://www.statistics.gov.uk/cci/article.asp?ID=402>

and <http://www.statistics.gov.uk/cci/article.asp?ID=1066>.



Changes to the pattern of trading associated with MTIC fraud can make it difficult to analyse trade by commodity group and by country as changes in the impact of activity associated with this fraud affect both imports and exports. Some trade associated with VAT MTIC fraud has affected non-EU exports from 2004 onwards. However, the MTIC trade adjustments are added to the EU import estimates derived from Intrastat returns as it is this part of the chain that is not generally recorded. In particular, adjustments affect trade in capital goods and intermediate goods - these categories include mobile phones and computer components.

HMRC are completing a project to review the methodology for producing the estimates of the impact on the trade statistics. The level of such trading has reduced in recent months.

7. Figures for total exports and imports less adjustments for trade associated with VAT MTIC fraud are given in the monthly UK Trade First Release, which can be found at:
<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119>.
8. Figures for the most recent periods are provisional and subject to revision in light of: (a) late and corrected responses to surveys; (b) revisions to seasonal adjustment factors which are re-estimated annually.
9. ONS delivered Q4 2007 current account estimates at the end of February to Eurostat solely for them to estimate aggregate euro-indicators. The same approach is followed for each quarterly delivery.

General notes

10. Table C provides an EU/non-EU breakdown of the current account. Data in this release are presented on an EU27 basis, reflecting the expansion of EU membership on 1 January 2007. A quarterly geographic breakdown of the UK's current account with the Euro area, the USA, Japan, Canada, Switzerland, Brazil, China, Hong Kong, India and Russia is also available and is published in *United Kingdom Economic Accounts (UKEA)*.
11. Current and capital accounts are seasonally adjusted. Financial account and international investment position data are not seasonally adjusted.
12. When compiling the geographic breakdown of income, current transfers and trade in services, the EU countries are seasonally adjusted. The non-EU seasonally adjusted figure is calculated by subtracting the seasonally adjusted EU total from the seasonally adjusted world total. Both EU and non-EU data are seasonally adjusted for trade in goods; these are aggregated to form the world total.



13. International investment position statistics are based on recording direct investments at book values and other assets and liabilities at estimated market values and are likely in some respects to be deficient in scope and coverage. Quarterly estimates tend to be less reliable because they are largely based on cumulated flows and not reported levels.
14. In theory, every credit entry should be matched by a corresponding debit so that total current, capital and financial account credits should be equal to, and therefore offset by, total debits. In practice there is a discrepancy termed net errors and omissions. The net errors and omissions are shown on Table A.

Further information

15. The United Nations Statistics Commission and the IMF Board of Directors have approved the comprehensive and parallel updating of the following National Accounts manuals, in order to ensure their consistency and achieve greater harmonisation:

1993 System of National Accounts, 1993 (SNA93);

Balance of Payments Manual, 5th edition (BPM5);

Government Finance Statistics Manual, 2001 (GFSM2001).

The ONS has developed the following webpage to inform users of progress and to invite their input:

<http://www.statistics.gov.uk/about/Consultations/NA/default.asp>

16. Free access to National Statistics data is available online at:
<http://www.statistics.gov.uk>
17. Details of the policy governing the release of new data are available from the press office. Also available is a list of the names of those given pre-publication access to the contents of this release.
18. 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.

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A Summary of balance of payments Balances (net transactions)

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	BOKI	-77 555	-87 649	-18 378	-19 276	-18 694	-19 465	-20 120	-21 116	-20 173	-23 169	-23 191
Trade in services	IKBD	31 023	38 450	7 041	7 470	7 324	7 653	8 576	9 088	9 631	9 592	10 139
Total trade	IKBJ	-46 532	-49 199	-11 337	-11 806	-11 370	-11 812	-11 544	-12 028	-10 542	-13 577	-13 052
Income												
Compensation of employees	IJAJ	-745	-622	-195	-100	-212	-235	-198	-119	-157	-173	-173
Investment income	HBOM	8 505	5 902	3 683	3 289	3 262	1 264	690	-1 823	582	-2 253	9 396
Total income	HBOJ	7 760	5 280	3 488	3 189	3 050	1 029	492	-1 942	425	-2 426	9 223
Current transfers												
Central government	FNSV	-9 531	-10 031	-2 074	-2 477	-1 907	-2 216	-2 931	-2 165	-2 071	-2 145	-3 650
Other sectors	FNTC	-2 422	-3 845	-693	-693	-698	-275	-756	-953	-998	-915	-979
Total current transfers	IKBP	-11 953	-13 876	-2 767	-3 170	-2 605	-2 491	-3 687	-3 118	-3 069	-3 060	-4 629
Current balance	HBOP	-50 725	-57 795	-10 616	-11 787	-10 925	-13 274	-14 739	-17 088	-13 186	-19 063	-8 458
Capital balance	FNVQ	853	2 459	-310	619	-686	429	491	430	434	643	952
Not seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	LQCT	-77 555	-87 649	-17 174	-20 002	-17 347	-20 662	-19 544	-21 551	-20 181	-23 719	-22 198
Trade in services	KTMS	31 023	38 450	7 847	8 103	7 217	6 434	9 269	9 652	9 537	8 298	10 963
Total trade	KTMY	-46 532	-49 199	-9 327	-11 899	-10 130	-14 228	-10 275	-11 899	-10 644	-15 421	-11 235
Income												
Compensation of employees	KTMP	-745	-622	-182	-142	-190	-225	-188	-156	-135	-171	-160
Investment income	HMEM	8 505	5 902	2 642	3 366	2 782	1 865	492	-2 100	-163	-1 443	9 608
Total income	HMBP	7 760	5 280	2 460	3 224	2 592	1 640	304	-2 256	-298	-1 614	9 448
Current transfers												
Central government	FJUQ	-9 531	-10 031	-1 657	-2 974	-1 786	-2 346	-2 425	-2 778	-1 931	-2 303	-3 019
Other sectors	FJUR	-2 422	-3 845	-668	-849	-544	-260	-769	-1 119	-825	-889	-1 012
Total current transfers	KTNF	-11 953	-13 876	-2 325	-3 823	-2 330	-2 606	-3 194	-3 897	-2 756	-3 192	-4 031
Current balance	HBOG	-50 725	-57 795	-9 192	-12 498	-9 868	-15 194	-13 165	-18 052	-13 698	-20 227	-5 818
Capital balance	FKMJ	853	2 459	-314	576	-661	453	485	381	470	662	946
Financial account												
Direct investment	HJYV	33 384	-21 939	-12 458	28 280	26 592	8 136	-29 624	1 835	25 065	-7 076	-41 763
Portfolio investment	HHZD	-40 834	55 433	5 658	-19 911	-19 428	30 002	-31 497	-39 692	6 564	61 641	26 920
Financial derivatives (net)	ZPNN	7 449	-17 497	3 762	-827	174	-2 101	10 203	-6 057	-2 522	-3 537	-5 381
Other investment	HHYR	44 375	47 182	16 720	1 839	24	-19 112	61 624	48 524	-8 210	-23 356	30 224
Reserve assets	LTCV	426	-1 191	-286	465	210	-385	136	824	-67	558	-2 506
Net financial transactions	HBNT	44 800	61 988	13 396	9 846	7 572	16 540	10 842	5 434	20 830	28 230	7 494
Net errors and omissions¹	HHDH	5 072	-6 652	-3 890	2 076	2 957	-1 799	1 838	12 237	-7 602	-8 665	-2 622

¹ This series represents net errors and omissions in the balance of payments accounts. It is the converse of the current and capital balances (HBOG and FKMJ) and net financial account transactions (HBNT) and is required to balance these three accounts, not seasonally adjusted.

B Current account

Seasonally adjusted

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Credits												
Exports of goods and services												
Exports of goods	BOKG	243 631	220 857	57 414	64 734	67 748	56 498	54 651	53 364	54 508	55 779	57 206
Exports of services	IKBB	127 157	138 424	30 178	31 499	31 205	31 896	32 557	33 801	34 547	34 805	35 271
Total exports of goods and services	IKBH	370 788	359 281	87 592	96 233	98 953	88 394	87 208	87 165	89 055	90 584	92 477
Income												
Compensation of employees	IJAH	1 058	1 105	251	288	256	231	283	317	270	256	262
Investment income	HBOK	234 143	281 674	50 779	53 825	56 334	59 728	64 256	65 192	70 843	71 331	74 308
Total income	HBOH	235 201	282 779	51 030	54 113	56 590	59 959	64 539	65 509	71 113	71 587	74 570
Current transfers												
Central government	FHDM	4 351	4 197	1 062	1 177	1 069	1 246	859	1 171	923	1 055	1 048
Other sectors	FHIB	13 995	11 405	2 693	3 366	3 404	3 757	3 468	2 747	2 675	2 802	3 181
Total current transfers	IKBN	18 346	15 602	3 755	4 543	4 473	5 003	4 327	3 918	3 598	3 857	4 229
Total	HBON	624 335	657 662	142 377	154 889	160 016	153 356	156 074	156 592	163 766	166 028	171 276
Debits												
Imports of goods and services												
Imports of goods	BOKH	321 186	308 506	75 792	84 010	86 442	75 963	74 771	74 480	74 681	78 948	80 397
Imports of services	IKBC	96 134	99 974	23 137	24 029	23 881	24 243	23 981	24 713	24 916	25 213	25 132
Total imports of goods and services	IKBI	417 320	408 480	98 929	108 039	110 323	100 206	98 752	99 193	99 597	104 161	105 529
Income												
Compensation of employees	IJAI	1 803	1 727	446	388	468	466	481	436	427	429	435
Investment income	HBOL	225 638	275 772	47 096	50 536	53 072	58 464	63 566	67 015	70 261	73 584	64 912
Total income	HBOI	227 441	277 499	47 542	50 924	53 540	58 930	64 047	67 451	70 688	74 013	65 347
Current transfers												
Central government	FLUD	13 882	14 228	3 136	3 654	2 976	3 462	3 790	3 336	2 994	3 200	4 698
Other sectors	FLUZ	16 417	15 250	3 386	4 059	4 102	4 032	4 224	3 700	3 673	3 717	4 160
Total current transfers	IKBO	30 299	29 478	6 522	7 713	7 078	7 494	8 014	7 036	6 667	6 917	8 858
Total	HBOO	675 060	715 457	152 993	166 676	170 941	166 630	170 813	173 680	176 952	185 091	179 734
Balances												
Trade in goods and services												
Trade in goods	BOKI	-77 555	-87 649	-18 378	-19 276	-18 694	-19 465	-20 120	-21 116	-20 173	-23 169	-23 191
Trade in services	IKBD	31 023	38 450	7 041	7 470	7 324	7 653	8 576	9 088	9 631	9 592	10 139
Total trade in goods and services	IKBJ	-46 532	-49 199	-11 337	-11 806	-11 370	-11 812	-11 544	-12 028	-10 542	-13 577	-13 052
Income												
Compensation of employees	IJAJ	-745	-622	-195	-100	-212	-235	-198	-119	-157	-173	-173
Investment income	HBOM	8 505	5 902	3 683	3 289	3 262	1 264	690	-1 823	582	-2 253	9 396
Total income	HBOJ	7 760	5 280	3 488	3 189	3 050	1 029	492	-1 942	425	-2 426	9 223
Current transfers												
Central government	FNSV	-9 531	-10 031	-2 074	-2 477	-1 907	-2 216	-2 931	-2 165	-2 071	-2 145	-3 650
Other sectors	FNTC	-2 422	-3 845	-693	-693	-698	-275	-756	-953	-998	-915	-979
Total current transfers	IKBP	-11 953	-13 876	-2 767	-3 170	-2 605	-2 491	-3 687	-3 118	-3 069	-3 060	-4 629
Current balance	HBOP	-50 725	-57 795	-10 616	-11 787	-10 925	-13 274	-14 739	-17 088	-13 186	-19 063	-8 458
Balances as a percentage of GDP¹												
Trade in goods and services												
Trade in goods	D28J	-5.9	-6.3	-5.8	-6.0	-5.8	-5.9	-6.0	-6.3	-5.8	-6.6	-6.6
Trade in services	D28K	2.4	2.8	2.2	2.3	2.3	2.3	2.6	2.7	2.8	2.7	2.9
Total trade in goods and services	D28L	-3.6	-3.6	-3.6	-3.7	-3.5	-3.6	-3.5	-3.6	-3.1	-3.9	-3.7
Total income	D28M	0.6	0.4	1.1	1.0	0.9	0.3	0.1	-0.6	0.1	-0.7	2.6
Total current transfers	D28N	-0.9	-1.0	-0.9	-1.0	-0.8	-0.8	-1.1	-0.9	-0.9	-0.9	-1.3
Current balance as percentage of GDP	AA6H	-3.9	-4.2	-3.4	-3.7	-3.4	-4.0	-4.4	-5.1	-3.8	-5.5	-2.4

¹ Using series YBHA: GDP at current market prices



Current account: Transactions with the European Union (EU) and with non-EU countries

Seasonally adjusted

£ million

		2006	2007	2005	2006	2006	2006	2006	2007	2007	2007	2007
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Transactions with the European Union ^{1 2}												
Credits												
Exports of goods	LGCK	152 353	127 886	33 400	40 960	43 990	34 709	32 694	31 160	30 809	32 448	33 469
Exports of services	GD7B	52 057	53 972	12 624	12 992	13 008	12 917	13 140	12 981	13 471	13 792	13 728
Total exports of goods and services	GD7A	204 410	181 858	46 024	53 952	56 998	47 626	45 834	44 141	44 280	46 240	47 197
Income	G97T	90 128	114 721	18 023	19 923	21 404	22 302	26 499	26 720	27 687	29 905	30 409
Current transfers	GD76	10 873	9 699	2 595	2 797	2 357	3 149	2 570	2 637	1 947	2 427	2 688
Total	G97N	305 411	306 278	66 642	76 672	80 759	73 077	74 903	73 498	73 914	78 572	80 294
Debits												
Imports of goods	LGDC	184 440	168 250	43 000	49 942	52 152	41 859	40 487	40 730	41 060	42 669	43 791
Imports of services	GD7T	51 362	52 490	12 102	12 792	12 752	12 687	13 131	12 995	13 153	13 338	13 004
Total imports of goods and services	GD7S	235 802	220 740	55 102	62 734	64 904	54 546	53 618	53 725	54 213	56 007	56 795
Income	G97K	92 848	116 399	19 721	20 832	21 694	24 935	25 387	27 212	27 654	29 522	32 011
Current transfers	GD7O	15 784	15 724	3 452	4 190	3 328	3 928	4 338	3 889	3 028	3 693	5 114
Total	G97E	344 434	352 863	78 275	87 756	89 926	83 409	83 343	84 826	84 895	89 222	93 920
Balances												
Trade in goods	LGCG	-32 087	-40 364	-9 600	-8 982	-8 162	-7 150	-7 793	-9 570	-10 251	-10 221	-10 322
Trade in services	GD7Y	695	1 482	522	200	256	230	9	-14	318	454	724
Total trade in goods and services	GD7X	-31 392	-38 882	-9 078	-8 782	-7 906	-6 920	-7 784	-9 584	-9 933	-9 767	-9 598
Income	G97C	-2 720	-1 678	-1 698	-909	-290	-2 633	1 112	-492	33	383	-1 602
Current transfers	GD7V	-4 911	-6 025	-857	-1 393	-971	-779	-1 768	-1 252	-1 081	-1 266	-2 426
Total	G976	-39 023	-46 585	-11 633	-11 084	-9 167	-10 332	-8 440	-11 328	-10 981	-10 650	-13 626
Transactions with non-EU countries ³												
Credits												
Exports of goods	LGDY	91 278	92 971	24 014	23 774	23 758	21 789	21 957	22 204	23 699	23 331	23 737
Exports of services	GEK9	75 100	84 452	17 554	18 507	18 197	18 979	19 417	20 820	21 076	21 013	21 543
Total exports of goods and services	GEK8	166 378	177 423	41 568	42 281	41 955	40 768	41 374	43 024	44 775	44 344	45 280
Income	G98L	145 073	168 058	33 007	34 190	35 186	37 657	38 040	38 789	43 426	41 682	44 161
Current transfers	GEK6	7 473	5 903	1 160	1 746	2 116	1 854	1 757	1 281	1 651	1 430	1 541
Total	G98E	318 924	351 384	75 735	78 217	79 257	80 279	81 171	83 094	89 852	87 456	90 982
Debits												
Imports of goods	LGER	136 746	140 256	32 792	34 068	34 290	34 104	34 284	33 750	33 621	36 279	36 606
Imports of services	GEM9	44 772	47 484	11 035	11 237	11 129	11 556	10 850	11 718	11 763	11 875	12 128
Total imports of goods and services	GEM8	181 518	187 740	43 827	45 305	45 419	45 660	45 134	45 468	45 384	48 154	48 734
Income	G98C	134 593	161 100	27 821	30 092	31 846	33 995	38 660	40 239	43 034	44 491	33 336
Current transfers	GEM6	14 515	13 754	3 070	3 523	3 750	3 566	3 676	3 147	3 639	3 224	3 744
Total	G985	330 626	362 594	74 718	78 920	81 015	83 221	87 470	88 854	92 057	95 869	85 814
Balances												
Trade in goods	LGDT	-45 468	-47 285	-8 778	-10 294	-10 532	-12 315	-12 327	-11 546	-9 922	-12 948	-12 869
Trade in services	GEN6	30 328	36 968	6 519	7 270	7 068	7 423	8 567	9 102	9 313	9 138	9 415
Total trade in goods and services	GEN5	-15 140	-10 317	-2 259	-3 024	-3 464	-4 892	-3 760	-2 444	-609	-3 810	-3 454
Income	G983	10 480	6 958	5 186	4 098	3 340	3 662	-620	-1 450	392	-2 809	10 825
Current transfers	GEN3	-7 042	-7 851	-1 910	-1 777	-1 634	-1 712	-1 919	-1 866	-1 988	-1 794	-2 203
Total	G97V	-11 702	-11 210	1 017	-703	-1 758	-2 942	-6 299	-5 760	-2 205	-8 413	5 168

1 EU presented on an EU27 basis.

2 Includes transactions with European Union institutions.

3 Includes transactions with international organisations other than European Union institutions.

D Summary of international investment position, financial account and investment income

Not seasonally adjusted

£billion

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Investment abroad												
International Investment Position												
Direct investment	HBWD	733.6	851.9	705.9	723.8	713.3	709.3	733.6	742.8	762.4	785.4	851.9
Portfolio investment	HHZZ	1 599.9	1 808.4	1 374.3	1 467.2	1 460.6	1 504.9	1 599.9	1 688.7	1 780.0	1 786.9	1 808.4
Other investment	HLXV	2 947.3	3 759.0	2 745.3	3 058.0	2 970.4	3 006.9	2 947.3	3 329.7	3 393.9	3 574.5	3 759.0
Reserve assets	LTEB	22.9	26.7	24.7	24.6	23.6	23.6	22.9	22.4	21.8	22.4	26.7
Total	HBQA	5 303.6	6 445.9	4 850.3	5 273.5	5 168.0	5 244.8	5 303.6	5 783.6	5 958.1	6 169.3	6 445.9
Financial Account transactions												
Direct investment	-HJYP	47.2	114.9	9.2	4.9	-4.6	10.6	36.3	7.6	20.3	22.7	64.3
Portfolio investment	-HHZC	198.5	134.2	33.0	51.2	43.7	24.5	79.1	77.3	73.2	-18.8	2.5
Financial derivatives (net)	-ZPNN	-7.4	17.5	-3.8	0.8	-0.2	2.1	-10.2	6.1	2.5	3.5	5.4
Other investment	-XBMM	434.0	756.3	47.8	306.9	11.0	87.4	28.7	382.0	129.4	147.7	97.2
Reserve assets	-LTCV	-0.4	1.2	0.3	-0.5	-0.2	0.4	-0.1	-0.8	0.1	-0.6	2.5
Total	-HBNR	671.7	1 024.1	86.5	363.3	49.8	125.0	133.7	472.1	225.6	154.6	171.8
Investment income earnings												
Direct investment	HJYW	84.3	86.7	19.7	18.5	20.6	21.8	23.5	20.2	22.4	21.3	22.7
Portfolio investment	HLXY	55.1	64.3	11.5	13.0	14.7	13.6	13.8	15.2	17.4	15.8	15.9
Other investment	AIOP	94.0	130.1	18.3	20.8	22.8	24.4	26.0	27.8	32.6	34.4	35.4
Reserve assets	HHCB	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2
Total	HMBN	234.1	281.7	49.6	52.4	58.3	60.0	63.5	63.4	72.6	71.6	74.1
Investment in the UK												
International Investment Position												
Direct investment	HBWI	577.4	642.9	494.2	540.1	552.8	573.1	577.4	567.8	609.9	623.5	642.9
Portfolio investment	HLXW	1 701.1	1 878.9	1 426.7	1 545.2	1 528.0	1 620.2	1 701.1	1 737.0	1 798.2	1 824.8	1 878.9
Other investment	HLYD	3 369.0	4 275.3	3 108.0	3 427.3	3 332.3	3 357.0	3 369.0	3 812.1	3 878.0	4 039.3	4 275.3
Total	HBQB	5 647.5	6 797.2	5 028.9	5 512.7	5 413.0	5 550.4	5 647.5	6 116.9	6 286.1	6 487.7	6 797.2
Financial Account transactions												
Direct investment	HJYU	80.5	92.9	-3.2	33.1	22.0	18.8	6.6	9.5	45.4	15.6	22.5
Portfolio investment	HHZF	157.6	189.6	38.6	31.3	24.3	54.5	47.6	37.6	79.8	42.9	29.4
Other investment	XBMN	478.4	803.5	64.5	308.7	11.1	68.3	90.3	430.5	121.2	124.3	127.5
Total	HBNS	716.5	1 086.1	99.9	373.1	57.4	141.5	144.5	477.6	246.4	182.8	179.3
Investment income												
Direct investment	HJYX	52.0	49.2	12.5	11.3	11.1	14.0	15.6	16.6	13.9	14.1	4.6
Portfolio investment	HLZC	56.9	65.9	11.8	11.9	16.0	14.1	15.0	14.6	19.0	16.3	16.1
Other investment	HLZN	116.7	160.7	22.7	25.8	28.5	30.1	32.4	34.3	39.8	42.7	43.9
Total	HMBO	225.6	275.8	47.0	49.0	55.5	58.1	63.0	65.5	72.7	73.0	64.5
Net investment												
International Investment Position												
Direct investment	HBWQ	156.2	208.9	211.7	183.7	160.6	136.2	156.2	175.0	152.5	161.9	208.9
Portfolio investment	CGNH	-101.2	-70.5	-52.4	-78.0	-67.4	-115.2	-101.2	-48.3	-18.2	-37.9	-70.5
Other investment	CGNG	-421.7	-516.4	-362.7	-369.4	-361.9	-350.1	-421.7	-482.4	-484.2	-464.8	-516.4
Reserve assets	LTEB	22.9	26.7	24.7	24.6	23.6	23.6	22.9	22.4	21.8	22.4	26.7
Net investment	HBQC	-343.8	-351.3	-178.7	-239.1	-245.1	-305.5	-343.8	-333.3	-328.0	-318.4	-351.3
Financial Accounts transactions												
Direct investment	HJYV	33.4	-21.9	-12.5	28.3	26.6	8.1	-29.6	1.8	25.1	-7.1	-41.8
Portfolio investment	HHZD	-40.8	55.4	5.7	-19.9	-19.4	30.0	-31.5	-39.7	6.6	61.6	26.9
Financial derivatives	ZPNN	7.4	-17.5	3.8	-0.8	0.2	-2.1	10.2	-6.1	-2.5	-3.5	-5.4
Other investment	HHYR	44.4	47.2	16.7	1.8	-	-19.1	61.6	48.5	-8.2	-23.4	30.2
Reserve assets	LTCV	0.4	-1.2	-0.3	0.5	0.2	-0.4	0.1	0.8	-0.1	0.6	-2.5
Net transactions	HBNT	44.8	62.0	13.4	9.8	7.6	16.5	10.8	5.4	20.8	28.2	7.5
Investment income earnings												
Direct investment	HJYE	32.3	37.5	7.2	7.1	9.5	7.8	7.9	3.6	8.5	7.2	18.2
Portfolio investment	HLZX	-1.8	-1.7	-0.3	1.1	-1.2	-0.4	-1.2	0.5	-1.6	-0.4	-0.2
Other investment	CGNA	-22.7	-30.5	-4.4	-5.0	-5.6	-5.6	-6.4	-6.4	-7.2	-8.3	-8.5
Reserve assets	HHCB	0.6	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2
Net earnings	HMBM	8.5	5.9	2.6	3.4	2.8	1.9	0.5	-2.1	-0.2	-1.4	9.6

E Trade in goods

Seasonally adjusted

£ million

		2006	2007	2005	2006	2006	2006	2006	2007	2007	2007	2007
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exports												
Food, beverages and tobacco	BOPL	10 940	11 785	2 620	2 629	2 723	2 758	2 830	2 900	2 892	2 994	2 999
Basic materials	BOPM	4 890	5 507	1 007	1 103	1 198	1 218	1 371	1 292	1 463	1 308	1 444
Oil	ELBL	23 274	22 812	5 475	5 795	6 438	5 915	5 126	4 868	5 618	5 659	6 667
Other fuels	BOQI	2 126	1 955	399	494	607	626	399	320	498	456	681
Semi-manufactured goods	BOPO	64 811	68 310	15 230	15 780	16 317	16 094	16 620	16 824	16 968	17 423	17 095
Finished manufactured goods	BOPP	136 304	109 319	32 268	38 556	40 153	29 580	28 015	26 803	26 817	27 672	28 027
Unspecified goods	BOQL	1 286	1 169	415	377	312	307	290	357	252	267	293
Total	BOKG	243 631	220 857	57 414	64 734	67 748	56 498	54 651	53 364	54 508	55 779	57 206
Imports												
Food, beverages and tobacco	BQAR	25 013	26 725	6 034	6 188	6 159	6 255	6 411	6 445	6 584	6 774	6 922
Basic materials	BQAS	7 887	9 563	1 738	1 871	1 886	1 926	2 204	2 149	2 412	2 563	2 439
Oil	ENXO	26 706	26 114	6 190	6 824	6 781	7 225	5 876	5 473	5 753	6 925	7 963
Other fuels	BPBI	4 921	5 148	1 602	1 623	1 018	1 153	1 127	1 194	1 007	1 095	1 852
Semi-manufactured goods	BQAU	69 342	74 598	15 968	16 730	16 973	17 399	18 240	18 173	18 435	19 239	18 751
Finished manufactured goods	BQAV	185 247	164 069	43 785	50 228	53 116	41 542	40 361	40 518	39 945	41 820	41 786
Unspecified goods	BQAW	2 070	2 289	475	546	509	463	552	528	545	532	684
Total	BOKH	321 186	308 506	75 792	84 010	86 442	75 963	74 771	74 480	74 681	78 948	80 397
Balances												
Food, beverages and tobacco	ELBE	-14 073	-14 940	-3 414	-3 559	-3 436	-3 497	-3 581	-3 545	-3 692	-3 780	-3 923
Basic materials	ELBF	-2 997	-4 056	-731	-768	-688	-708	-833	-857	-949	-1 255	-995
Oil	ENXQ	-3 432	-3 302	-715	-1 029	-343	-1 310	-750	-605	-135	-1 266	-1 296
Other fuels	ENIW	-2 795	-3 193	-1 203	-1 129	-411	-527	-728	-874	-509	-639	-1 171
Semi-manufactured goods	ELBH	-4 531	-6 288	-738	-950	-656	-1 305	-1 620	-1 349	-1 467	-1 816	-1 656
Finished manufactured goods	ELBI	-48 943	-54 750	-11 517	-11 672	-12 963	-11 962	-12 346	-13 715	-13 128	-14 148	-13 759
Unspecified goods	BQKX	-784	-1 120	-60	-169	-197	-156	-262	-171	-293	-265	-391
Total	BOKI	-77 555	-87 649	-18 378	-19 276	-18 694	-19 465	-20 120	-21 116	-20 173	-23 169	-23 191

F Trade in services

Seasonally adjusted

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Exports												
Transportation	FKOA	16 324	16 128	4 796	4 456	4 129	3 926	3 813	4 112	4 037	3 966	4 013
Travel	FAPO	18 313	19 287	4 446	4 366	4 593	4 684	4 670	4 891	4 683	4 752	4 961
Communications	FDQP	4 295	4 212	977	1 155	1 039	1 066	1 035	1 057	1 051	1 041	1 063
Construction	FDSG	815	1 038	147	201	204	202	208	213	222	291	312
Insurance	FDIF	3 832	5 284	795	1 002	888	880	1 062	1 084	1 380	1 443	1 377
Financial	FDYI	28 672	34 924	6 063	6 822	7 071	7 170	7 609	8 429	8 626	8 763	9 106
Computer and information	FDYQ	7 036	6 464	1 539	1 715	1 748	1 913	1 660	1 536	1 758	1 577	1 593
Royalties and license fees	FEBA	7 741	8 093	1 915	2 090	1 824	1 835	1 992	2 150	2 077	1 996	1 870
Other business	FEHH	35 932	38 669	8 434	8 658	8 630	9 203	9 441	9 236	9 673	9 858	9 902
Personal, cultural and recreational	FGXJ	2 141	2 220	570	552	546	486	557	553	528	552	587
Government	FGZA	2 056	2 105	496	482	533	531	510	540	512	566	487
Total	IKBB	127 157	138 424	30 178	31 499	31 205	31 896	32 557	33 801	34 547	34 805	35 271
Imports												
Transportation	FHME	19 511	18 443	5 177	5 247	4 872	4 785	4 607	4 707	4 718	4 567	4 451
Travel	APQL	34 291	36 257	8 300	8 418	8 622	8 494	8 757	9 141	8 959	9 060	9 097
Communications	FIND	4 013	4 451	918	994	987	1 086	946	966	1 170	1 169	1 146
Construction	FIOU	625	753	174	171	121	158	175	150	153	212	238
Insurance	FIPT	979	998	230	242	268	234	235	252	253	246	247
Financial	FIYI	5 861	6 010	1 283	1 454	1 416	1 494	1 497	1 346	1 469	1 601	1 594
Computer and information	FIUG	2 709	2 877	523	670	704	681	654	781	689	694	713
Royalties and license fees	FIVX	5 166	5 520	1 348	1 300	1 231	1 288	1 347	1 341	1 335	1 367	1 477
Other business	FIWF	19 443	20 859	4 269	4 727	4 646	5 150	4 920	5 177	5 234	5 368	5 080
Personal, cultural and recreational	FLQJ	856	775	192	215	206	221	214	198	199	184	194
Government	FLSA	2 680	3 031	723	591	808	652	629	654	737	745	895
Total	IKBC	96 134	99 974	23 137	24 029	23 881	24 243	23 981	24 713	24 916	25 213	25 132
Balances												
Transportation	FLYS	-3 187	-2 315	-381	-791	-743	-859	-794	-595	-681	-601	-438
Travel	FNQY	-15 978	-16 970	-3 854	-4 052	-4 029	-3 810	-4 087	-4 250	-4 276	-4 308	-4 136
Communications	FNIT	282	-239	59	161	52	-20	89	91	-119	-128	-83
Construction	FNJM	190	285	-27	30	83	44	33	63	69	79	74
Insurance	FNKF	2 853	4 286	565	760	620	646	827	832	1 127	1 197	1 130
Financial	FNLQ	22 811	28 914	4 780	5 368	5 655	5 676	6 112	7 083	7 157	7 162	7 512
Computer and information	FNLY	4 327	3 587	1 016	1 045	1 044	1 232	1 006	755	1 069	883	880
Royalties and license fees	FNMR	2 575	2 573	567	790	593	547	645	809	742	629	393
Other business	FNMZ	16 489	17 810	4 165	3 931	3 984	4 053	4 521	4 059	4 439	4 490	4 822
Personal, cultural and recreational	FNRB	1 285	1 445	378	337	340	265	343	355	329	368	393
Government	FNRU	-624	-926	-227	-109	-275	-121	-119	-114	-225	-179	-408
Total	IKBD	31 023	38 450	7 041	7 470	7 324	7 653	8 576	9 088	9 631	9 592	10 139

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Credits												
Compensation of employees	IJAH	1 058	1 105	251	288	256	231	283	317	270	256	262
Investment income												
Earnings on direct investment abroad	CNZQ	84 339	86 666	20 331	19 675	19 674	21 294	23 696	21 770	22 011	20 720	22 165
Earnings on portfolio investment abroad												
Earnings on equity securities	CGDT	15 521	18 080	3 469	3 746	3 784	3 918	4 073	4 436	4 448	4 555	4 641
Earnings on debt securities	CGDU	39 593	46 180	8 549	9 467	9 865	9 954	10 307	11 008	11 652	11 548	11 972
Total portfolio investment	CGDV	55 114	64 260	12 018	13 213	13 649	13 872	14 380	15 444	16 100	16 103	16 613
Earnings on other investment abroad	CGDW	94 045	130 138	18 264	20 772	22 845	24 407	26 021	27 824	32 588	34 362	35 364
Earnings on reserve assets	HHCC	645	610	166	165	166	155	159	154	144	146	166
Total investment income	HBOK	234 143	281 674	50 779	53 825	56 334	59 728	64 256	65 192	70 843	71 331	74 308
Total	HBOH	235 201	282 779	51 030	54 113	56 590	59 959	64 539	65 509	71 113	71 587	74 570
Debits												
Compensation of employees	IJAI	1 803	1 727	446	388	468	466	481	436	427	429	435
Investment income												
Foreign earnings on direct investment in the UK	CNZR	52 013	49 172	11 940	11 577	11 056	14 162	15 218	16 677	14 143	14 213	4 139
Foreign earnings on portfolio investment in the UK												
Earnings on equity securities	HGOT	21 013	22 483	4 580	4 849	4 953	5 088	6 123	5 567	5 832	5 632	5 452
Earnings on debt securities	CGDX	35 872	43 460	7 843	8 238	8 595	9 214	9 825	10 453	10 495	11 086	11 426
Total portfolio investment	CGDZ	56 885	65 943	12 423	13 087	13 548	14 302	15 948	16 020	16 327	16 718	16 878
Earnings on other investment in the UK	CGEB	116 740	160 657	22 733	25 872	28 468	30 000	32 400	34 318	39 791	42 653	43 895
Total investment income	HBOL	225 638	275 772	47 096	50 536	53 072	58 464	63 566	67 015	70 261	73 584	64 912
Total	HBOI	227 441	277 499	47 542	50 924	53 540	58 930	64 047	67 451	70 688	74 013	65 347
Balances												
Compensation of employees	IJAJ	-745	-622	-195	-100	-212	-235	-198	-119	-157	-173	-173
Investment income												
Direct investment	CVWX	32 326	37 494	8 391	8 098	8 618	7 132	8 478	5 093	7 868	6 507	18 026
Portfolio investment												
Earnings on equity securities	CGEC	-5 492	-4 403	-1 111	-1 103	-1 169	-1 170	-2 050	-1 131	-1 384	-1 077	-811
Earnings on debt securities	CGED	3 721	2 720	706	1 229	1 270	740	482	555	1 157	462	546
Total portfolio investment	CGEE	-1 771	-1 683	-405	126	101	-430	-1 568	-576	-227	-615	-265
Other investment	CGFF	-22 695	-30 519	-4 469	-5 100	-5 623	-5 593	-6 379	-6 494	-7 203	-8 291	-8 531
Reserve assets	HHCC	645	610	166	165	166	155	159	154	144	146	166
Total investment income	HBOM	8 505	5 902	3 683	3 289	3 262	1 264	690	-1 823	582	-2 253	9 396
Total	HBOJ	7 760	5 280	3 488	3 189	3 050	1 029	492	-1 942	425	-2 426	9 223

H Current transfers

Seasonally adjusted

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Credits												
General government												
Receipts from EU Institutions:												
Abatement	FKKM	3 570	3 523	899	1 007	890	1 052	621	995	769	891	868
Other EU receipts	GTIA	104	36	4	24	7	12	61	11	–	6	19
Other receipts	CGDN	677	638	159	146	172	182	177	165	154	158	161
Total general government	FHDM	4 351	4 197	1 062	1 177	1 069	1 246	859	1 171	923	1 055	1 048
Other sectors												
Receipts from EU Institutions:												
Social fund ¹	HSU3	1 225	763	145	96	109	657	363	101	–	252	410
Agricultural guarantee fund	ZXIA	3 220	2 943	845	845	792	792	791	792	717	717	717
ECSC Grant	FHHS	–	–	–	–	–	–	–	–	–	–	–
Other receipts	CGDO	9 550	7 699	1 703	2 425	2 503	2 308	2 314	1 854	1 958	1 833	2 054
Total other sectors	FHIB	13 995	11 405	2 693	3 366	3 404	3 757	3 468	2 747	2 675	2 802	3 181
Total	IKBN	18 346	15 602	3 755	4 543	4 473	5 003	4 327	3 918	3 598	3 857	4 229
Debits												
General government												
Payments to EU institutions												
GNP:4th resource	HCSP	8 358	7 996	1 701	2 138	1 778	2 063	2 379	1 796	1 476	1 803	2 921
GNP adjustments	HCSN	163	327	135	–	–	–	163	–	–	–	327
Other	FLMT	8	6	85	5	1	2	–	3	–	–	3
Other payments	CGDP	5 353	5 899	1 215	1 511	1 197	1 397	1 248	1 537	1 518	1 397	1 447
Total general government	FLUD	13 882	14 228	3 136	3 654	2 976	3 462	3 790	3 336	2 994	3 200	4 698
Other sectors												
Payments to EU institutions	CGDR	4 496	4 731	1 061	1 077	1 046	1 120	1 253	1 195	1 069	1 177	1 290
Other payments	CGDS	11 921	10 519	2 325	2 982	3 056	2 912	2 971	2 505	2 604	2 540	2 870
Total other sectors	FLUZ	16 417	15 250	3 386	4 059	4 102	4 032	4 224	3 700	3 673	3 717	4 160
Total	IKBO	30 299	29 478	6 522	7 713	7 078	7 494	8 014	7 036	6 667	6 917	8 858
Balances												
General government	FNSV	–9 531	–10 031	–2 074	–2 477	–1 907	–2 216	–2 931	–2 165	–2 071	–2 145	–3 650
Other sectors	FNTC	–2 422	–3 845	–693	–693	–698	–275	–756	–953	–998	–915	–979
Total	IKBP	–11 953	–13 876	–2 767	–3 170	–2 605	–2 491	–3 687	–3 118	–3 069	–3 060	–4 629
<i>Of which: EU institutions</i>	<i>GTIB</i>	<i>–4 906</i>	<i>–5 795</i>	<i>–1 089</i>	<i>–1 248</i>	<i>–1 027</i>	<i>–672</i>	<i>–1 959</i>	<i>–1 095</i>	<i>–1 059</i>	<i>–1 114</i>	<i>–2 527</i>

1 Social fund receipts by local government are included up to 2005 Q4. From 2006 Q1 they are included in general government other EU receipts.

Capital account

Seasonally adjusted

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
Credits												
Capital transfers												
Central government												
Debt forgiveness	FHIV	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	FHJA	-	-	-	-	-	-	-	-	-	-	-
Total central government	FHIU	-	-	-	-	-	-	-	-	-	-	-
Other sectors												
Migrants' transfers	FHJC	2 725	2 953	649	661	674	685	705	717	732	744	760
Debt forgiveness	FHJD	-	-	-	-	-	-	-	-	-	-	-
EU Institutions:												
Regional development fund	GTTX	618	707	477	285	81	125	127	143	51	83	430
Agricultural guidance fund	FHJF	50	22	46	8	2	8	32	10	-	8	4
Other capital transfers	EBGO	-	-	-	-	-	-	-	-	-	-	-
Total EU institutions	GTTY	668	729	523	293	83	133	159	153	51	91	434
Total other sectors	FHJB	3 393	3 682	1 172	954	757	818	864	870	783	835	1 194
Total capital transfers	FHIT	3 393	3 682	1 172	954	757	818	864	870	783	835	1 194
Sales of non-produced, non-financial assets	FHJL	509	698	75	122	148	120	119	107	138	237	216
Total	FHLD	3 902	4 380	1 247	1 076	905	938	983	977	921	1 072	1 410
Debits												
Capital transfers												
Central government												
Debt forgiveness	FLWD	13	11	2	6	1	5	1	5	1	4	1
Other capital transfers (project grants)	FLWH	388	428	114	96	87	121	84	110	130	96	92
Total central government	FLWB	401	439	116	102	88	126	85	115	131	100	93
Other sectors												
Migrants' transfers	FLWJ	669	697	151	180	162	163	164	191	171	168	167
Debt Forgiveness												
Monetary financial institutions	FLWL	-	-	-	-	-	-	-	-	-	-	-
Public corporations	HMLY	1 356	76	1 168	26	1 178	76	76	76	-	-	-
Total debt forgiveness	JCWM	1 356	76	1 168	26	1 178	76	76	76	-	-	-
Other capital transfers	FLWQ	-	-	-	-	-	-	-	-	-	-	-
Total other sectors	FLWI	2 025	773	1 319	206	1 340	239	240	267	171	168	167
Total capital transfers	FLWA	2 426	1 212	1 435	308	1 428	365	325	382	302	268	260
Purchases of non-produced, non-financial assets	FLWT	623	709	122	149	163	144	167	165	185	161	198
Total	FLYL	3 049	1 921	1 557	457	1 591	509	492	547	487	429	458
Balances												
Capital transfers												
Central government												
Debt forgiveness	FNTM	-13	-11	-2	-6	-1	-5	-1	-5	-1	-4	-1
Other capital transfers	FNTN	-388	-428	-114	-96	-87	-121	-84	-110	-130	-96	-92
Total central government	FNTL	-401	-439	-116	-102	-88	-126	-85	-115	-131	-100	-93
Other sectors												
Migrants' transfers	FNTP	2 056	2 256	498	481	512	522	541	526	561	576	593
Debt forgiveness	FNTQ	-1 356	-76	-1 168	-26	-1 178	-76	-76	-76	-	-	-
Other capital transfers	FNTR	668	729	523	293	83	133	159	153	51	91	434
Total other sectors	FNTO	1 368	2 909	-147	748	-583	579	624	603	612	667	1 027
Total capital transfers	FNTK	967	2 470	-263	646	-671	453	539	488	481	567	934
Non-produced, non-financial assets	FNTS	-114	-11	-47	-27	-15	-24	-48	-58	-47	76	18
Total	FNVQ	853	2 459	-310	619	-686	429	491	430	434	643	952

J Financial Account

Not seasonally adjusted

£ million

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
UK investment abroad (net debits)												
Direct investment abroad												
Equity capital	-HJYM	25 647	37 953	6 430	5 778	3 018	5 629	11 222	2 747	10 193	6 040	18 973
Reinvested earnings	-HDNY	47 795	49 955	9 139	12 407	12 896	13 956	8 536	14 833	10 259	13 064	11 799
Other capital transactions	-HMAB	-26 287	26 959	-6 343	-13 334	-20 496	-8 959	16 502	-9 933	-162	3 549	33 505
Total direct investment abroad	-HJYP	47 155	114 867	9 226	4 851	-4 582	10 626	36 260	7 647	20 290	22 653	64 277
Portfolio investment abroad												
Equity securities	-HBVI	18 571	46 744	9 464	-3 793	5 265	17 167	-68	23 247	10 087	534	12 876
Debt securities	-XBMW	179 885	87 444	23 513	54 964	38 458	7 334	79 129	54 026	63 146	-19 303	-10 425
Total portfolio investment abroad	-HHZC	198 456	134 188	32 977	51 171	43 723	24 501	79 061	77 273	73 233	-18 769	2 451
Financial derivatives (net)	-ZPNN	-7 449	17 497	-3 762	827	-174	2 101	-10 203	6 057	2 522	3 537	5 381
Other investment abroad	-XBMM	433 990	756 330	47 771	306 874	11 043	87 367	28 706	381 964	129 448	147 687	97 231
Reserve assets	-LTCV	-426	1 191	286	-465	-210	385	-136	-824	67	-558	2 506
Total	-HBNR	671 726	1 024 073	86 498	363 258	49 800	124 980	133 688	472 117	225 560	154 550	171 846
Investment in the UK (net credits)												
Direct investment in the UK												
Equity capital	HJYR	56 005	70 261	6 757	26 068	14 024	12 635	3 278	3 306	42 708	12 701	11 546
Reinvested earnings	CYFV	22 930	30 511	1 231	5 010	6 986	8 303	2 631	9 887	6 205	7 858	6 561
Other capital transactions	HMAD	1 604	-7 844	-11 220	2 053	1 000	-2 176	727	-3 711	-3 558	-4 982	4 407
Total direct investment in the UK	HJYU	80 539	92 928	-3 232	33 131	22 010	18 762	6 636	9 482	45 355	15 577	22 514
Portfolio investment in the UK												
Equity securities	XBLW	-5 563	18 614	7 231	-8 181	-5 244	5 832	2 030	4 507	-7 626	10	21 723
Debt securities	XBLX	163 185	171 007	31 404	39 441	29 539	48 671	45 534	33 074	87 423	42 862	7 648
Total portfolio investment in the UK	HHZF	157 622	189 621	38 635	31 260	24 295	54 503	47 564	37 581	79 797	42 872	29 371
Other investment in the UK	XBMN	478 365	803 512	64 491	308 713	11 067	68 255	90 330	430 488	121 238	124 331	127 455
Total	HBNS	716 526	1 086 061	99 894	373 104	57 372	141 520	144 530	477 551	246 390	182 780	179 340
Net transactions (net credits less net debits)												
Direct investment												
Equity capital	HBWN	30 358	32 308	327	20 290	11 006	7 006	-7 944	559	32 515	6 661	-7 427
Reinvested earnings	HBWT	-24 865	-19 444	-7 908	-7 397	-5 910	-5 653	-5 905	-4 946	-4 054	-5 206	-5 238
Other capital transactions	HBWU	27 891	-34 803	-4 877	15 387	21 496	6 783	-15 775	6 222	-3 396	-8 531	-29 098
Total net direct investment	HJYV	33 384	-21 939	-12 458	28 280	26 592	8 136	-29 624	1 835	25 065	-7 076	-41 763
Portfolio investment												
Equity securities	HBVW	-24 134	-28 130	-2 233	-4 388	-10 509	-11 335	2 098	-18 740	-17 713	-524	8 847
Debt securities	HBWX	-16 700	83 563	7 891	-15 523	-8 919	41 337	-33 595	-20 952	24 277	62 165	18 073
Total net portfolio investment	HHZD	-40 834	55 433	5 658	-19 911	-19 428	30 002	-31 497	-39 692	6 564	61 641	26 920
Financial derivatives	ZPNN	7 449	-17 497	3 762	-827	174	-2 101	10 203	-6 057	-2 522	-3 537	-5 381
Other investment	HHYR	44 375	47 182	16 720	1 839	24	-19 112	61 624	48 524	-8 210	-23 356	30 224
Reserve assets	LTCV	426	-1 191	-286	465	210	-385	136	824	-67	558	-2 506
Total	HBNT	44 800	61 988	13 396	9 846	7 572	16 540	10 842	5 434	20 830	28 230	7 494

K International Investment Position

Balance sheets valued at end of period: Not seasonally adjusted

£billion

		2006	2007	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3	2007 Q4
UK Assets												
Direct investment abroad												
Equity capital and reinvested earnings	CGMO	759.7	849.6	726.8	737.1	746.0	751.5	759.7	778.0	797.6	816.9	849.6
Other capital assets	HBWU	-26.1	2.3	-20.9	-13.3	-32.7	-42.2	-26.1	-35.2	-35.3	-31.5	2.3
Total direct investment abroad	HBWD	733.6	851.9	705.9	723.8	713.3	709.3	733.6	742.8	762.4	785.4	851.9
Portfolio investment abroad												
Equity securities	HEPX	696.1	796.9	620.5	653.6	632.0	665.0	696.1	727.4	775.5	789.2	796.9
Debt securities	HHZX	903.7	1 011.5	753.8	813.6	828.6	839.9	903.7	961.4	1 004.5	997.7	1 011.5
Total portfolio investment abroad	HHZZ	1 599.9	1 808.4	1 374.3	1 467.2	1 460.6	1 504.9	1 599.9	1 688.7	1 780.0	1 786.9	1 808.4
Other investment abroad	HLXV	2 947.3	3 759.0	2 745.3	3 058.0	2 970.4	3 006.9	2 947.3	3 329.7	3 393.9	3 574.5	3 759.0
Reserve assets	LTEB	22.9	26.7	24.7	24.6	23.6	23.6	22.9	22.4	21.8	22.4	26.7
Total	HBQA	5 303.6	6 445.9	4 850.3	5 273.5	5 168.0	5 244.8	5 303.6	5 783.6	5 958.1	6 169.3	6 445.9
UK Liabilities												
Direct investment in the UK												
Equity capital and reinvested earnings	HBWY	432.5	518.2	368.7	394.0	406.2	428.2	432.5	438.1	483.7	503.2	518.2
Other capital liabilities	HBVC	144.9	124.7	125.5	146.2	146.5	145.0	144.9	129.7	126.2	120.3	124.7
Total direct investment in the UK	HBWI	577.4	642.9	494.2	540.1	552.8	573.1	577.4	567.8	609.9	623.5	642.9
Portfolio investment in the UK												
Equity securities	HLXX	778.0	796.9	623.9	718.6	694.0	728.5	778.0	798.4	809.2	786.8	796.9
Debt securities	HLXY	923.1	1 082.0	802.7	826.6	834.0	891.6	923.1	938.7	989.0	1 038.1	1 082.0
Total portfolio investment in the UK	HLXW	1 701.1	1 878.9	1 426.7	1 545.2	1 528.0	1 620.2	1 701.1	1 737.0	1 798.2	1 824.8	1 878.9
Other investment in the UK	HLXD	3 369.0	4 275.3	3 108.0	3 427.3	3 332.3	3 357.0	3 369.0	3 812.1	3 878.0	4 039.3	4 275.3
Total	HBQB	5 647.5	6 797.2	5 028.9	5 512.7	5 413.0	5 550.4	5 647.5	6 116.9	6 286.1	6 487.7	6 797.2
Net International Investment Position												
Direct investment												
Equity capital and reinvested earnings	HBSH	327.1	331.4	358.1	343.1	339.8	323.3	327.1	339.9	313.9	313.6	331.4
Other capital	CGKF	-171.0	-122.4	-146.4	-159.4	-179.2	-187.1	-171.0	-164.9	-161.4	-151.8	-122.4
Total net direct investment	HBWQ	156.2	208.9	211.7	183.7	160.6	136.2	156.2	175.0	152.5	161.9	208.9
Portfolio investment												
Equity securities	CGNE	-81.8	-	-3.4	-65.0	-61.9	-63.6	-81.8	-71.0	-33.7	2.5	-
Debt securities	CGNF	-19.4	-70.5	-49.0	-13.0	-5.4	-51.7	-19.4	22.7	15.5	-40.3	-70.5
Total net portfolio investment	CGNH	-101.2	-70.5	-52.4	-78.0	-67.4	-115.2	-101.2	-48.3	-18.2	-37.9	-70.5
Other investment	CGNG	-421.7	-516.4	-362.7	-369.4	-361.9	-350.1	-421.7	-482.4	-484.2	-464.8	-516.4
Reserve assets	LTEB	22.9	26.7	24.7	24.6	23.6	23.6	22.9	22.4	21.8	22.4	26.7
Total	HBQC	-343.8	-351.3	-178.7	-239.1	-245.1	-305.5	-343.8	-333.3	-328.0	-318.4	-351.3

R1 Summary of revisions since last Balance of Payments First Release Balances (net transactions)

£ million

		2005	2006	2005 Q3	2005 Q4	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2007 Q1	2007 Q2	2007 Q3
Seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	BOKI	-	-156	-	-	-108	116	-187	23	-668	-600	-532
Trade in services	IKBD	-	18	-	-	-19	19	1	17	132	519	247
Total trade	IKBJ	-	-138	-	-	-127	135	-186	40	-536	-81	-285
Income												
Compensation of employees	IJAJ	-	-10	-	-	-4	2	2	-10	-34	41	-13
Investment income	HBOM	-	-356	-	-	-612	-396	242	410	14	576	1 343
Total income	HBOJ	-	-366	-	-	-616	-394	244	400	-20	617	1 330
Current transfers												
Central government	FNSV	-	11	-	-	-26	5	-77	109	27	22	-18
Other sectors	FNTC	-	4	-	-	-2	-9	-11	26	-7	-41	-42
Total current transfers	IKBP	-	15	-	-	-28	-4	-88	135	20	-19	-60
Current balance	HBOP	-	-489	-	-	-771	-263	-30	575	-536	517	985
Capital balance	FNVQ	-	-	-	-	2	-1	3	-4	8	-1	127
Not seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	LQCT	-	-156	-	-	-30	-36	-34	-56	-68	-48	217
Trade in services	KTMS	-	18	-	-	-9	-6	-12	45	88	471	349
Total trade	KTMY	-	-138	-	-	-39	-42	-46	-11	20	423	566
Income												
Compensation of employees	KTMP	-	-10	-	-	-	-	-	-10	-32	38	-16
Investment income	HMBM	-	-356	-	-	-71	-71	-63	-151	598	686	1 307
Total income	HMBP	-	-366	-	-	-71	-71	-63	-161	566	724	1 291
Current transfers												
Central government	FJUQ	-	11	-	-	-2	2	3	8	17	-19	8
Other sectors	FJUR	-	4	-	-	-	3	3	-2	-2	-24	-23
Total current transfers	KTNF	-	15	-	-	-2	5	6	6	15	-43	-15
Current balance	HBOG	-	-489	-	-	-112	-108	-103	-166	601	1 104	1 842
Capital balance	FKMJ	-	-	-	-	-	-	-	-	6	-	123
Financial account												
Direct investment	HJYV	-	80	-	-	20	20	20	20	704	1 814	1 051
Portfolio investment	HHZD	-	-1 033	-	-	259	128	-1 407	-13	-343	1 226	-8 867
Financial derivatives	ZPNN	-	-	-	-	-	-	-	-	-	-	144
Other investment	HHYR	-	7 820	-	-	-779	686	203	7 710	-1 709	-581	6 644
Reserve assets	LTCV	-	-	-	-	-	-	-	-	-	-	-
Net financial transactions	HBNT	-	6 867	-	-	-500	834	-1 184	7 717	-1 348	2 459	-1 028
Net errors and omissions¹	HHDH	-	-6 378	-	-	612	-726	1 287	-7 551	741	-3 563	-937

¹ This series represents net errors and omissions in the balance of payments accounts. It is the converse of the not seasonally adjusted current and capital balances (HBOG and FKMJ) and net financial account transactions (HBNT) and is required to balance these three accounts.

R2 Current account revisions since last Balance of Payments First Release

Seasonally adjusted

£ million

		2005	2006	2005	2005	2006	2006	2006	2006	2007	2007	2007
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Credits												
Exports of goods and services												
Exports of goods	BOKG	-	-1 035	-	-	-346	-172	-290	-227	-662	-584	-865
Exports of services	IKBB	-	18	-	-	-4	12	-10	20	129	394	369
Total exports of goods and services	IKBH	-	-1 017	-	-	-350	-160	-300	-207	-533	-190	-496
Income												
Compensation of employees	IJAH	-	11	-	-	-4	2	2	11	14	-7	-13
Investment income	HBOK	-	-320	-	-	-99	-645	-183	607	607	1 289	1 108
Total income	HBOH	-	-309	-	-	-103	-643	-181	618	621	1 282	1 095
Current transfers												
Central government	FHDM	-	7	-	-	-11	3	10	5	27	16	30
Other sectors	FHIB	-	1 756	-	-	343	498	506	409	291	343	268
Total current transfers	IKBN	-	1 763	-	-	332	501	516	414	318	359	298
Total	HBON	-	437	-	-	-121	-302	35	825	406	1 451	897
Debits												
Imports of goods and services												
Imports of goods	BOKH	-	-879	-	-	-238	-288	-103	-250	6	16	-333
Imports of services	IKBC	-	-	-	-	15	-7	-11	3	-3	-125	122
Total imports of goods and services	IKBI	-	-879	-	-	-223	-295	-114	-247	3	-109	-211
Income												
Compensation of employees	IJAI	-	21	-	-	-	-	-	21	48	-48	-
Investment income	HBOL	-	36	-	-	513	-249	-425	197	593	713	-235
Total income	HBOI	-	57	-	-	513	-249	-425	218	641	665	-235
Current transfers												
Central government	FLUD	-	-4	-	-	15	-2	87	-104	-	-6	48
Other sectors	FLUZ	-	1 752	-	-	345	507	517	383	298	384	310
Total current transfers	IKBO	-	1 748	-	-	360	505	604	279	298	378	358
Total	HBOO	-	926	-	-	650	-39	65	250	942	934	-88
Balances												
Trade in goods and services												
Trade in goods	BOKI	-	-156	-	-	-108	116	-187	23	-668	-600	-532
Trade in services	IKBD	-	18	-	-	-19	19	1	17	132	519	247
Total trade in goods and services	IKBJ	-	-138	-	-	-127	135	-186	40	-536	-81	-285
Income												
Compensation of employees	IJAJ	-	-10	-	-	-4	2	2	-10	-34	41	-13
Investment income	HBOM	-	-356	-	-	-612	-396	242	410	14	576	1 343
Total income	HBOJ	-	-366	-	-	-616	-394	244	400	-20	617	1 330
Current transfers												
Central government	FNSV	-	11	-	-	-26	5	-77	109	27	22	-18
Other sectors	FNTC	-	4	-	-	-2	-9	-11	26	-7	-41	-42
Total current transfers	IKBP	-	15	-	-	-28	-4	-88	135	20	-19	-60
Current balance	HBOP	-	-489	-	-	-771	-263	-30	575	-536	517	985
Balances as a percentage of GDP¹												
Trade in goods and services												
Trade in goods	D28J	-	-	-	-	-	-	-	-	-0.3	-0.1	-0.1
Trade in services	D28K	-	-	-	-	-0.1	-	-	-	0.1	0.2	-
Total trade in goods and services	D28L	-	-	-	-	-	0.1	-0.1	-	-0.2	-0.1	-0.1
Total income	D28M	-	-	-	-	-0.2	-0.2	0.1	0.1	-	0.2	0.4
Total current transfers	D28N	-	-	-	-	-	-	-0.1	-	-	-	-
Current balance as percentage of GDP	AA6H	-	-	-	-	-0.2	-0.1	-	0.2	-0.2	0.2	0.2

1 Using series YBHA: GDP at current market prices

R3 Revisions to international investment since last Balance of Payments First Release

Not seasonally adjusted

£billion

		2005	2006	2005	2005	2006	2006	2006	2006	2007	2007	2007
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Investment abroad												
International Investment Position												
Direct investment	HBWD	-	1.0	-	-	1.0	1.0	0.8	1.0	1.7	2.0	-11.5
Portfolio investment	HHZZ	-	-0.3	-	-	0.3	-0.4	0.4	-0.3	-1.0	-2.1	3.1
Other investment	HLXV	-	-7.0	-	-	-	-	-	-7.0	-7.0	-6.2	-12.7
Reserve assets	LTEB	-	-	-	-	-	-	-	-	-	-	-
Total	HBQA	-	-6.4	-	-	1.3	0.7	1.2	-6.4	-6.3	-6.4	-21.0
Financial Account transactions												
Direct investment	-HJYP	-	-	-	-	-	-	-	-	0.4	0.3	-2.1
Portfolio investment	-HHZC	-	0.1	-	-	0.6	-0.6	0.8	-0.7	-0.9	-1.3	4.1
Financial derivatives (net)	-ZFNN	-	-	-	-	-	-	-	-	-	-	-0.2
Other investment	-XBMM	-	-7.0	-	-	-	-	-	-7.0	-	0.7	-5.1
Reserve assets	-LTCV	-	-	-	-	-	-	-	-	-	-	-
Total	-HBNR	-	-7.0	-	-	0.6	-0.6	0.8	-7.7	-0.5	-0.1	-3.2
Investment income earnings												
Direct investment	HJYW	-	-0.3	-	-	-	-	-	-0.1	0.1	0.9	1.2
Portfolio investment	HLYX	-	-	-	-	-	-	-	-	0.1	0.1	-
Other investment	AIOP	-	-0.1	-	-	-	-	-	-0.1	0.5	0.4	0.3
Reserve assets	HHCB	-	-	-	-	-	-	-	-	-	-	-
Total	HMBN	-	-0.4	-	-	-	-0.1	-	-0.1	0.7	1.5	1.4
Investment in the UK												
International Investment Position												
Direct investment	HBWI	-	-	-	-	-	-	-	-	-16.0	-12.9	-22.6
Portfolio investment	HLXW	-	-3.7	-	-	-1.2	-2.0	-2.4	-3.7	-3.8	-6.2	-3.3
Other investment	HLYD	-	3.0	-	-	0.7	1.5	2.2	3.0	3.0	3.1	4.4
Total	HBQB	-	-0.7	-	-	-0.5	-0.6	-0.1	-0.7	-16.8	-16.0	-21.4
Financial Account transactions												
Direct investment	HJYU	-	-	-	-	-	-	-	-	1.1	2.2	-1.0
Portfolio investment	HHZF	-	-1.0	-	-	0.9	-0.4	-0.7	-0.7	-1.2	-	-4.7
Other investment	XBMN	-	0.9	-	-	-0.8	0.7	0.3	0.7	-1.7	0.1	1.5
Total	HBNS	-	-0.2	-	-	0.1	0.3	-0.5	-	-1.8	2.3	-4.2
Investment income												
Direct investment	HJYX	-	-	-	-	-	-	-	-	-0.1	0.4	-0.2
Portfolio investment	HLZC	-	-	-	-	-	-	-	-	-	-	-0.1
Other investment	HLZN	-	0.1	-	-	-	-	0.1	-	0.2	0.3	0.4
Total	HMBO	-	-	-	-	-	-	-	-	0.1	0.7	0.1
Net investment												
International Investment Position												
Direct investment	HBWQ	-	1.0	-	-	1.0	1.0	0.9	1.0	17.7	14.9	11.1
Portfolio investment	CGNH	-	3.4	-	-	1.5	1.6	2.8	3.4	2.8	4.1	6.4
Other investment	CGNG	-	-10.0	-	-	-0.7	-1.5	-2.2	-10.0	-9.9	-9.5	-17.1
Reserve assets	LTEB	-	-	-	-	-	-	-	-	-	-	-
Net investment	HBQC	-	-5.7	-	-	1.8	1.2	1.5	-5.7	10.5	9.6	0.4
Financial Accounts transactions												
Direct investment	HJYV	-	0.1	-	-	-	-	-	-	0.7	1.8	1.0
Portfolio investment	HHZD	-	-1.0	-	-	0.3	0.2	-1.4	-	-0.4	1.3	-8.9
Financial derivatives	ZFNN	-	-	-	-	-	-	-	-	-	-	0.2
Other investment	HHYR	-	7.8	-	-	-0.8	0.7	0.2	7.7	-1.7	-0.6	6.6
Reserve assets	LTCV	-	-	-	-	-	-	-	-	-	-	-
Net transactions	HBNT	-	6.9	-	-	-0.5	0.9	-1.2	7.7	-1.4	2.4	-1.1
Investment income earnings												
Direct investment	HJYE	-	-0.3	-	-	-0.1	-	-0.1	-0.1	0.2	0.5	1.4
Portfolio investment	HLZX	-	-	-	-	-	-	0.1	-	-	0.1	0.2
Other investment	CGNA	-	-0.2	-	-	-	-	-	-0.1	0.4	0.1	-0.1
Reserve assets	HHCB	-	-	-	-	-	-	-	-	-	-	-
Net earnings	HMBM	-	-0.4	-	-	-	-0.1	-	-0.1	0.6	0.6	1.4