

30 September 2003

Coverage
United Kingdom
Theme
The Economy

Balance of payments

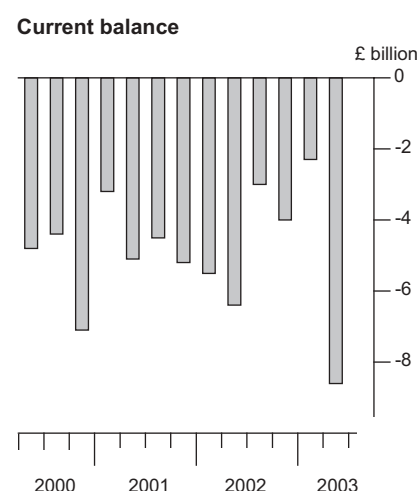
2nd quarter 2003

The current account showed a record deficit of £8.6 billion in the second quarter of 2003. This compares with a revised deficit of £2.3 billion in the first quarter of 2003.

A deficit of £5.9 billion was recorded with EU countries compared with a deficit of £3.6 billion in the previous quarter.

The surplus on investment income fell sharply to £3.0 billion in the second quarter of 2003 from £8.3 billion in the first quarter.

Total trade in goods and services was broadly unchanged from the first quarter of 2003, showing a deficit of £8.3 billion in the second quarter.



Data in this release are consistent with the electronic dataset for Pink Book 2003 which is available from today. Data have been revised from the first quarter of 1996. As a result, the current account deficit has narrowed between 1996 and 1998, but increased in all years from 1999 onwards. The current balance for 2002 now shows a deficit of £19.0 billion.

Current account (balances)

		Trade in goods	Trade in services	Income	Current Transfers	Current Balance
<i>seasonally adjusted: £ billion</i>						
2001	Q2	-10.6	+4.1	+4.0	-2.5	-5.1
	Q3	-10.2	+1.4	+4.4	-0.1	-4.5
	Q4	-10.5	+3.6	+3.8	-2.1	-5.2
	2002	Q1	-11.2	+3.8	+4.3	-2.5
2002	Q2	-10.5	+3.1	+3.2	-2.3	-6.4
	Q3	-11.5	+4.2	+5.9	-1.5	-3.0
	Q4	-13.3	+4.1	+7.7	-2.5	-4.0
	2003	Q1	-10.8	+2.6	+8.3	-2.5
Q2		-10.9	+2.6	+3.0	-3.3	-8.6

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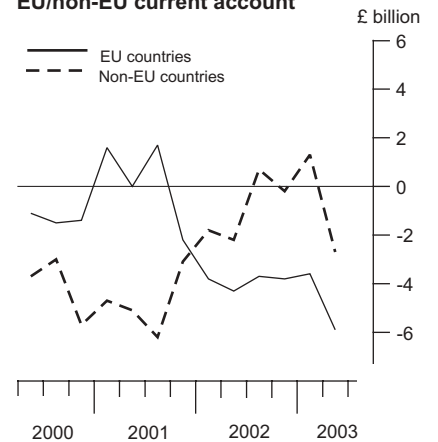


Current account with EU and non-EU countries (Table C)

The current account deficit with **EU countries** increased to £5.9 billion in the second quarter of 2003 from a deficit of £3.6 billion in the first quarter. The higher deficit was driven by a marked fall in the income surplus, down from the record level recorded in the first quarter to £2.5 billion in the second quarter, together with an increased deficit on current transfers.

The current account surplus with **non-EU countries** recorded in the first quarter was followed by a deficit of £2.7 billion in the second quarter. This was mainly due to a large fall in the income surplus, but also to a widening trade deficit and increased deficit on current transfers.

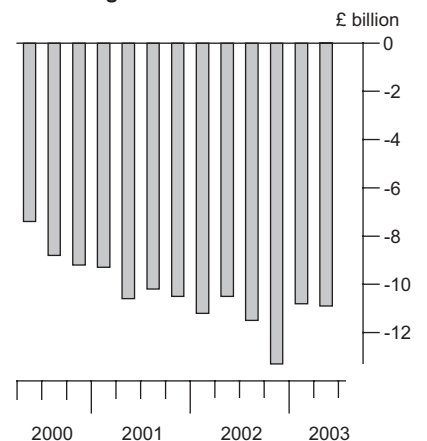
EU/non-EU current account



Trade in Goods (Table E)

The deficit on trade in goods in the second quarter of 2003 was £10.9 billion compared with a deficit of £10.8 billion in the first quarter of 2003. Exports fell by £1.1 billion while imports fell by £1.0 billion. Exports to EU countries fell by £1.4 billion and imports from the EU fell by £1.3 billion. Exports to non-EU countries rose by £0.3 billion while imports from those countries rose by £0.4 billion. The fall in both exports and imports was concentrated in exports and imports of capital goods.

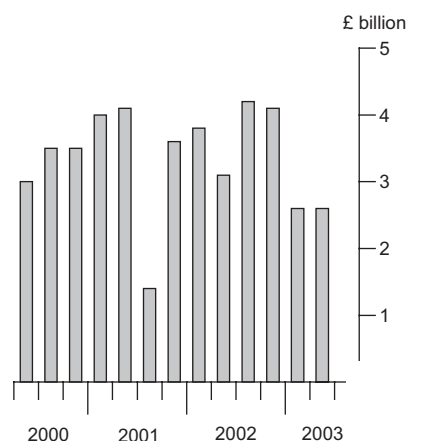
Trade in goods balance



Trade in Services (Table F)

The **trade in services** surplus stood at £2.6 billion for the second quarter, virtually unchanged from the first quarter. Exports decreased by £0.5 billion from the first quarter to £20.6 billion, due to falls in exports of other business services and insurance. Imports also fell by £0.5 billion, to £17.8 billion, reflecting lower imports of travel and transportation services.

Trade in services balance

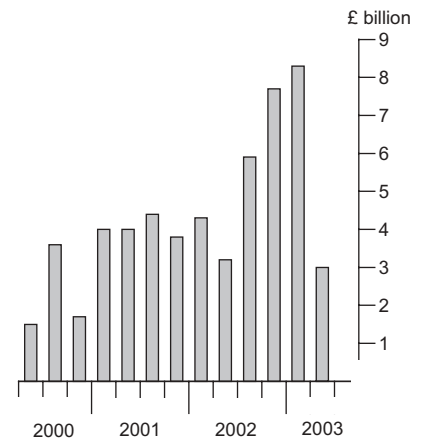




Income (Table G)

The surplus on **income** in the second quarter of 2003 was £3.0 billion, down from the record surplus of £8.3 billion in the first quarter. Income credits fell by £2.7 billion in the second quarter to £30.1 billion, mainly reflecting a fall in earnings on direct investment abroad. Earnings on portfolio investment were also down, although partially offset by a small rise in earnings on other investment abroad. Income debits rose by £2.5 billion in the second quarter, to £27.1 billion. Debits on foreign direct investment in the UK rose by £1.4 billion, whilst debits on portfolio and other investment rose by £0.5 and £0.6 billion respectively.

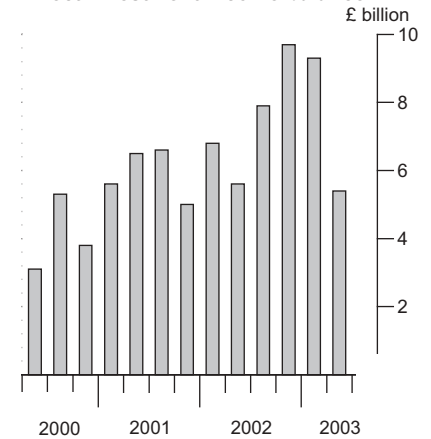
Income balance



The **compensation of employees'** account was broadly in balance, the same as in the previous quarter.

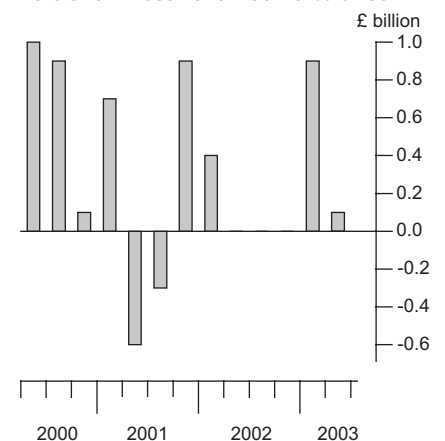
The surplus on **direct investment** income was £5.4 billion in the second quarter of 2003, a decrease of £4.0 billion compared with the first quarter 2003. Credits were £12.3 billion in the second quarter of 2003 compared with £14.9 billion in the previous quarter, principally reflecting lower profits of UK owned oil companies. Debits were £7.0 billion in the second quarter of 2003, an increase of £1.4 billion on the previous quarter due mainly to higher earnings of foreign-owned banks and insurance companies in the UK.

Direct investment income balance



Portfolio investment income recorded a surplus of £0.1 billion in the second quarter of 2003, down from £0.9 billion in the first quarter. UK earnings on holdings of foreign issued securities fell slightly to £7.9. Foreign earnings on portfolio investment in the UK in the second quarter increased to £7.8 billion, predominantly due to higher earnings on equity securities.

Portfolio investment income balance





The deficit on **other investment** income increased to £2.7 billion in the second quarter, from £2.1 billion in the first quarter. Earnings on other investment abroad rose £0.1 billion to £9.4 billion in the second quarter, largely due to higher earnings on banks' deposits abroad. Earnings on other investment in the UK rose by £0.6 billion to £12.1 billion in the latest quarter, due to higher interest payments on borrowing by securities dealers and higher bank interest payments on foreign currency deposits.

Income on **reserve assets** was £0.2 billion in the second quarter, unchanged from the income earned in the previous quarter.

Current transfers (Table H)

The deficit on **current transfers** increased to £3.3 billion in the second quarter. Credits remained unchanged from the previous quarter at £3.0 billion. Debits rose by £0.8 billion in the second quarter to £6.3 billion, reflecting increases in GNP fourth resource contributions and other payments within central government. It should be noted that the quarterly path of net contributions to EU institutions is erratic.

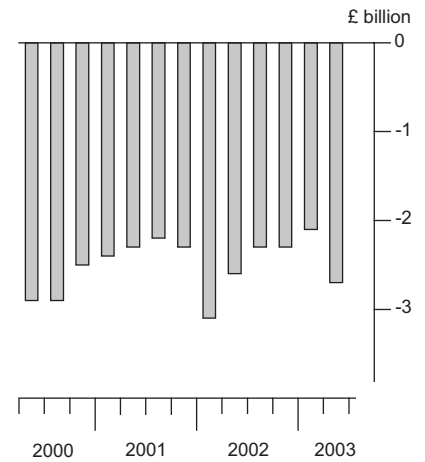
Capital Account (Table I)

The surplus on the **capital account** increased by £0.1 billion in the second quarter to £0.2 billion.

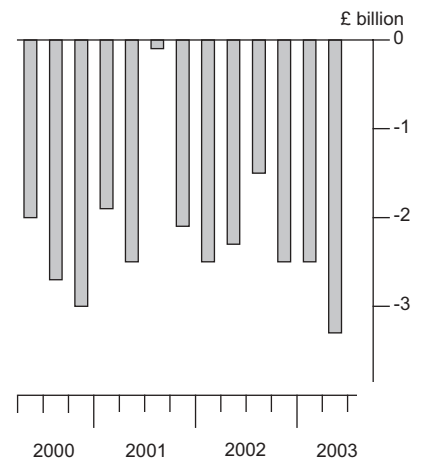
Financial Account (Table J)

The **financial account** showed a net inflow (i.e. inward investment) of £11.2 billion in the second quarter compared with a net outflow of £14.6 billion in the first quarter. There was net investment abroad of £118.4 billion and net investment in the UK of £129.6 billion in the second quarter.

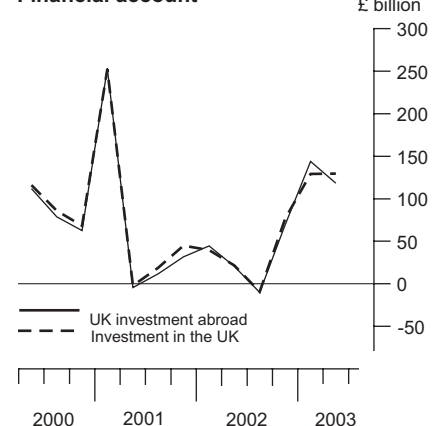
Other investment income balance



Current transfer balance

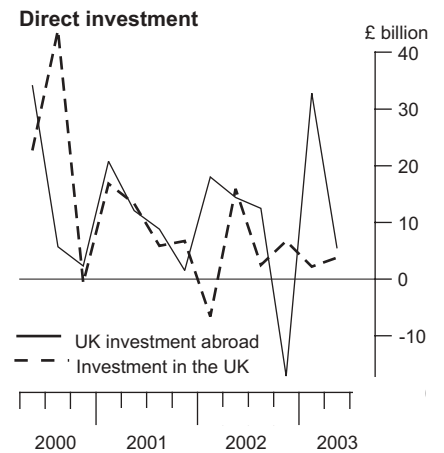


Financial account





Direct investment abroad showed net investment of £5.4 billion in the second quarter of 2003 compared with net investment of £32.8 billion recorded in the previous quarter. Reinvested earnings showed disinvestment of £3.2 billion in the second quarter compared with investment of £10.4 billion in the previous quarter. Transactions in equity capital fell to £1.8 billion from £11.0 billion in the previous quarter. Other capital transactions fell by £4.6 billion, to £6.7 billion in the second quarter. By sector, oil companies and other financial intermediaries were the main contributors to the lower direct investment abroad in the latest quarter.



Foreign direct investment in the UK was £3.8 billion in the second quarter of 2003 compared with investment of £2.2 billion in the first quarter. Equity capital moved from investment of £0.1 billion in the first quarter of 2003 to disinvestment of £0.2 billion in the second quarter. Reinvested earnings rose from £3.4 billion in the first quarter 2003 to £3.5 billion in the second quarter. There was investment of £0.5 billion in other capital transactions, following disinvestment of £1.3 billion in the first quarter of 2003. Investment in the UK in the second quarter of 2003 was higher than in the first quarter in both the financial and non-financial sectors.

Direct investment acquisitions and disposals in the second quarter of 2003 included :

Outward acquisitions (of foreign companies):

The purchase of M.I.M. Holdings Ltd by Xstrata Plc for a publicly reported £1.3 billion.

Outward disposals (of foreign companies):

The sale of their Australasian businesses by Royal and Sun Alliance Insurance Group Plc for a publicly reported £0.5 billion.

Inward acquisitions (of UK companies):

The purchase of the First National group of Abbey National Plc by the GE Consumer Credit group of the General Electric Company for a publicly reported £0.8 billion.

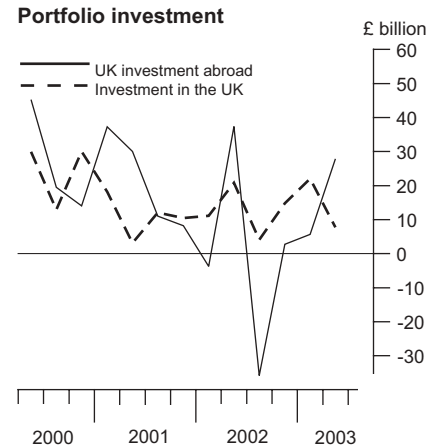
Inward disposals (of UK companies):

There were no significant disposals during the quarter.

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



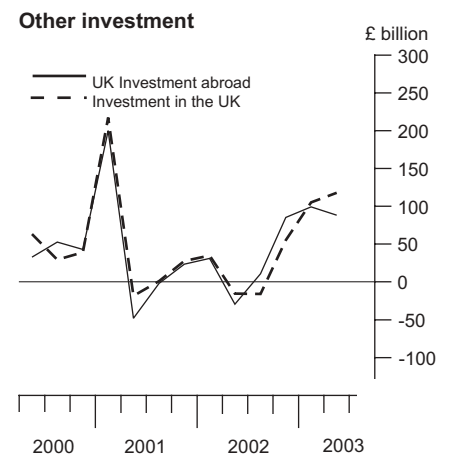
Portfolio investment abroad showed investment of £27.9 billion in the second quarter, compared with investment of £5.7 billion in the previous quarter. The increase in investment was primarily due to purchases of equity securities of £26.3 billion, primarily by UK banks and securities dealers. Within an overall investment of £1.6 billion in debt securities in the second quarter, banks purchased £12.5 billion of bonds and notes, which was partially offset by disinvestment of £7.1 billion by securities dealers. Transactions in money market instruments were broadly neutral, following net purchases of £13.2 billion in the previous quarter.



Portfolio investment in the UK showed investment of £7.7 billion in the second quarter compared with investment of £22.0 billion in quarter one. The high level of equity purchases in the first quarter was largely due to FDI acquisitions funded by the issue of share capital. Investment in quarter two has returned to more usual levels.

Financial derivatives showed net settlement receipts from interest rate swaps contracts of £2.3 billion in the second quarter, compared with net settlement payments of £7.7 billion in the previous quarter.

Other investment abroad showed investment of £88.1 billion in the second quarter of 2003, compared with investment of £99.4 billion in the first quarter. Banks foreign lending decreased by £39.3 billion to £3.6 billion in the second quarter, whilst total UK deposits abroad increased by £26.5 billion to £84.0 billion.



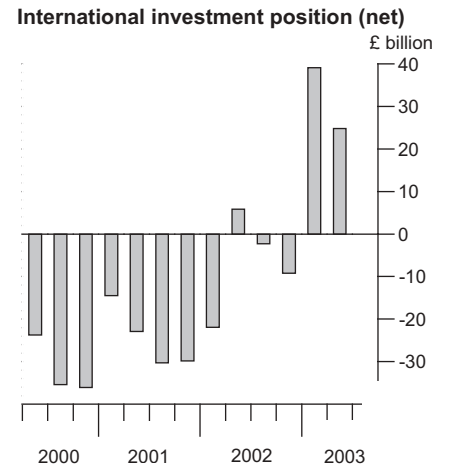
Other investment in the UK showed investment of £118.0 billion in the second quarter, compared with investment of £105.2 billion in the previous quarter. Lending to UK residents and deposits with UK banks both rose in the latest period.



Reserve assets showed net disinvestment of £0.6 billion in the first quarter following net disinvestment of £1.6 billion in the previous quarter.

International Investment Position (Table K)

The **international investment position** showed net external assets (i.e. assets exceed liabilities) of £24.8 billion at the end of the second quarter, compared with net external assets of £39.1 billion at the end of the first quarter. UK assets abroad rose by £124.7 billion from the end of the previous quarter to £3549.6 billion in the latest period. UK liabilities rose by £139.1 billion from the end of the first quarter to reach £3524.8 billion in quarter two. The changes to balance sheets are broadly in line with the net investment flows recorded in the financial account.



BACKGROUND NOTES

This quarter

1. This release includes data available at 12 September 2003.
2. Figures have been revised from the first quarter of 1996 although the most significant changes have been introduced from 2001. These changes are summarised in the table below.

The annual and 2003Q1 revisions by current balance component are as follows:

	£ billion							
	96	97	98	99	00	01	02	03q1
Goods	-	-	-	-1.7	-2.7	-7.1	-11.3	-1.8
Services	0.7	0.9	0.6	1.3	1.6	1.7	1.0	-0.2
Income	-	-	0.3	-0.2	0.4	-0.2	0.5	-2.8
Transfers	1.0	-0.1	-	-0.7	0.3	0.1	0.5	-
Current balance	1.7	0.8	1.0	-1.2	-0.4	-5.6	-9.3	-4.8

Trade in goods - revisions mainly reflect the impact of VAT missing trader intra-Community fraud. See Note 3 below.

Trade in services - exports and imports of services have been revised up in all years since 1996. These changes are mainly due to the expanded sample of the annual International Trade in Services (ITIS) survey introduced in 2002.

Income - the main change to the income account is in the first quarter of 2003, which includes corrected contributor data for direct investment inquiries.

Transfers - revisions mainly reflect the move to accruals recording for net contributions to EU institutions

3. Import figures for Trade in Goods now include adjustments to allow for the impact of 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. 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 also published on 9 July (www.statistics.gov.uk/articles/economic_trends/ETAug03Ruffles.pdf).

International convention determines that the treatment of the impact is to adjust imports upwards by the relevant amounts. However users may wish to interpret short-term movements in exports and imports excluding completely this fraudulent activity, and for this purpose an analysis of the export and import figures with the MTIC adjustments excluded has been produced.



The following table shows the quarterly values of imports and exports of goods at current prices excluding the impact of MTIC fraud:

		£billion	
		Total Exports less MTIC	Total Imports less MTIC
1999	Q1	38.8	46.7
	Q2	40.0	46.6
	Q3	43.1	49.7
	Q4	42.6	50.5
2000	Q1	43.9	51.4
	Q2	46.4	53.8
	Q3	46.6	55.5
	Q4	48.1	57.4
2001	Q1	48.1	57.4
	Q2	46.6	57.2
	Q3	44.6	54.8
	Q4	43.6	54.2
2002	Q1	43.0	54.1
	Q2	45.6	56.1
	Q3	44.3	55.8
	Q4	42.3	55.5
2003	Q1	45.1	55.8
	Q2	45.6	56.5

These estimates are liable to revision as later information becomes available. The Table will be revised and updated as necessary in future Background Notes.

The revisions to trade in goods relate only to part of the 'carousel' version of VAT missing trader intra-Community (MTIC) fraud. This fraud leads to under recording of imports as fraudsters import goods, which they then sell on before disappearing without paying VAT on that sale. The goods are eventually exported back to the EU. Such exports are declared so VAT can be claimed back. Because intra-EU trade statistics are collected using the VAT system, these exports are therefore already reflected in the UK's trade in goods statistics.

4. This press release is consistent with the ONS publications United Kingdom National Accounts - The Blue Book and UK Balance of Payments - The Pink Book. The Blue and Pink Books will be published on the National Statistics website on 24 October 2003 and in hard copy on 21 November 2003.



General notes

5. Table C provides an EU/non-EU breakdown of the current account. A quarterly geographical breakdown of the UK's current account with the USA, Japan and Canada is also available and is published in the United Kingdom Economic Accounts (UKEA).
6. Current and capital accounts are seasonally adjusted. Financial account and international investment position data are not seasonally adjusted.
7. 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.
8. 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.
9. 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.
10. **Free access to National Statistics data is available online at:** www.statistics.gov.uk
11. 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.
12. **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 2003.

A Summary of balance of payments Balances (net transactions)

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	BOKI	-40 620	-46 455	-10 634	-10 176	-10 540	-11 187	-10 463	-11 549	-13 256	-10 772	-10 920
Trade in services	IKBD	13 000	15 166	4 083	1 372	3 568	3 804	3 112	4 176	4 074	2 618	2 589
Total trade	IKBJ	-27 620	-31 289	-6 551	-8 804	-6 972	-7 383	-7 351	-7 373	-9 182	-8 154	-8 331
Income												
Compensation of employees	IJAJ	66	67	66	29	25	5	22	23	17	14	53
Investment income	HBOM	16 122	21 052	3 904	4 371	3 797	4 312	3 224	5 878	7 638	8 292	2 985
Total income	HBOJ	16 188	21 119	3 970	4 400	3 822	4 317	3 246	5 901	7 655	8 306	3 038
Current transfers												
Central government	FNSV	-2 593	-5 752	-1 300	703	-1 107	-1 089	-1 276	-1 526	-1 861	-1 660	-2 400
Other sectors	FNTC	-4 013	-3 043	-1 219	-822	-986	-1 389	-1 061	10	-603	-811	-918
Total current transfers	IKBP	-6 606	-8 795	-2 519	-119	-2 093	-2 478	-2 337	-1 516	-2 464	-2 471	-3 318
Current balance	HBOP	-18 038	-18 965	-5 100	-4 523	-5 243	-5 544	-6 442	-2 988	-3 991	-2 319	-8 611
Capital balance	FNVQ	1 411	1 045	602	351	394	55	195	274	521	108	228
Not seasonally adjusted												
Current account												
Trade in goods and services												
Trade in goods	LQCT	-40 620	-46 455	-11 259	-10 698	-9 513	-10 978	-11 151	-11 883	-12 443	-10 627	-11 062
Trade in services	KTMS	13 000	15 166	4 044	281	3 821	4 884	3 017	2 809	4 456	3 947	2 345
Total trade	KTMY	-27 620	-31 289	-7 215	-10 417	-5 692	-6 094	-8 134	-9 074	-7 987	-6 680	-8 717
Income												
Compensation of employees	KTMP	66	67	76	104	37	-99	35	104	27	-89	67
Investment income	HMBM	16 122	21 052	2 690	7 074	1 412	5 758	1 612	8 606	5 076	9 698	1 005
Total income	HMBP	16 188	21 119	2 766	7 178	1 449	5 659	1 647	8 710	5 103	9 609	1 072
Current transfers												
Central government	FJUQ	-2 593	-5 752	-1 225	703	-906	-1 338	-1 225	-1 579	-1 610	-1 945	-2 364
Other sectors	FJUR	-4 013	-3 043	-1 210	-875	-1 011	-1 326	-1 051	-40	-626	-746	-911
Total current transfers	KTNF	-6 606	-8 795	-2 435	-172	-1 917	-2 664	-2 276	-1 619	-2 236	-2 691	-3 275
Current balance	HBOG	-18 038	-18 965	-6 884	-3 411	-6 160	-3 099	-8 763	-1 983	-5 120	238	-10 920
Capital balance	FKMJ	1 411	1 045	602	351	394	55	195	274	521	108	228
Financial account												
Direct investment	HJYV	-517	-9 338	1 206	-2 986	5 249	-24 607	1 496	-10 032	23 805	-30 641	-1 585
Portfolio investment	HHZD	-42 584	50 208	-26 939	1 103	2 393	14 866	-16 590	39 912	12 020	16 294	-20 138
Financial derivatives (net)	ZPNN	8 417	1 001	-1 473	5 843	1 716	340	1 968	-1 855	548	-7 677	2 302
Other investment	HHYR	53 779	-38 794	29 556	3 065	3 982	3 715	14 180	-26 634	-30 055	5 779	29 989
Reserve assets	LTCV	3 085	459	-37	498	25	528	-22	-682	635	1 626	646
Net financial transactions	HBNT	22 180	3 536	2 313	7 523	13 365	-5 158	1 032	709	6 953	-14 619	11 214
Net errors and omissions¹	HHDH	-5 553	14 384	3 969	-4 463	-7 599	8 202	7 536	1 000	-2 354	14 273	-522

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

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Credits												
Exports of goods and services												
Exports of goods	BOKG	190 050	186 257	48 256	46 539	45 701	45 803	49 300	46 770	44 384	47 486	46 386
Exports of services	IKBB	81 658	86 470	21 497	18 488	20 220	21 427	20 846	22 369	21 828	21 051	20 560
Total exports of goods and services	IKBH	271 708	272 727	69 753	65 027	65 921	67 230	70 146	69 139	66 212	68 537	66 946
Income												
Compensation of employees	IJAH	1 087	1 121	279	275	272	275	283	284	279	274	287
Investment income	HBOK	141 438	121 954	35 741	34 060	31 830	28 823	30 236	30 733	32 162	32 560	29 828
Total income	HBOH	142 525	123 075	36 020	34 335	32 102	29 098	30 519	31 017	32 441	32 834	30 115
Current transfers												
Central government	FLDM	4 991	3 544	913	1 892	1 248	796	797	1 067	884	929	936
Other sectors	FHIB	9 153	8 159	1 680	3 797	1 704	1 831	2 047	2 033	2 248	2 125	2 043
Total current transfers	IKBN	14 144	11 703	2 593	5 689	2 952	2 627	2 844	3 100	3 132	3 054	2 979
Total	HBON	428 377	407 505	108 366	105 051	100 975	98 955	103 509	103 256	101 785	104 425	100 040
Debits												
Imports of goods and services												
Imports of goods	BOKH	230 670	232 712	58 890	56 715	56 241	56 990	59 763	58 319	57 640	58 258	57 306
Imports of services	IKBC	68 658	71 304	17 414	17 116	16 652	17 623	17 734	18 193	17 754	18 433	17 971
Total imports of goods and services	IKBI	299 328	304 016	76 304	73 831	72 893	74 613	77 497	76 512	75 394	76 691	75 277
Income												
Compensation of employees	IJAI	1 021	1 054	213	246	247	270	261	261	262	260	234
Investment income	HBOL	125 316	100 902	31 837	29 689	28 033	24 511	27 012	24 855	24 524	24 268	26 843
Total income	HBOI	126 337	101 956	32 050	29 935	28 280	24 781	27 273	25 116	24 786	24 528	27 077
Current transfers												
Central government	FLUD	7 584	9 296	2 213	1 189	2 355	1 885	2 073	2 593	2 745	2 589	3 336
Other sectors	FLUZ	13 166	11 202	2 899	4 619	2 690	3 220	3 108	2 023	2 851	2 936	2 961
Total current transfers	IKBO	20 750	20 498	5 112	5 808	5 045	5 105	5 181	4 616	5 596	5 525	6 297
Total	HBOO	446 415	426 470	113 466	109 574	106 218	104 499	109 951	106 244	105 776	106 744	108 651
Balances												
Trade in goods and services												
Trade in goods	BOKI	-40 620	-46 455	-10 634	-10 176	-10 540	-11 187	-10 463	-11 549	-13 256	-10 772	-10 920
Trade in services	IKBD	13 000	15 166	4 083	1 372	3 568	3 804	3 112	4 176	4 074	2 618	2 589
Total trade in goods and services	IKBJ	-27 620	-31 289	-6 551	-8 804	-6 972	-7 383	-7 351	-7 373	-9 182	-8 154	-8 331
Income												
Compensation of employees	IJAJ	66	67	66	29	25	5	22	23	17	14	53
Investment income	HBOM	16 122	21 052	3 904	4 371	3 797	4 312	3 224	5 878	7 638	8 292	2 985
Total income	HBOJ	16 188	21 119	3 970	4 400	3 822	4 317	3 246	5 901	7 655	8 306	3 038
Current transfers												
Central government	FNSV	-2 593	-5 752	-1 300	703	-1 107	-1 089	-1 276	-1 526	-1 861	-1 660	-2 400
Other sectors	FNTC	-4 013	-3 043	-1 219	-822	-986	-1 389	-1 061	10	-603	-811	-918
Total current transfers	IKBP	-6 606	-8 795	-2 519	-119	-2 093	-2 478	-2 337	-1 516	-2 464	-2 471	-3 318
Current balance	HBOP	-18 038	-18 965	-5 100	-4 523	-5 243	-5 544	-6 442	-2 988	-3 991	-2 319	-8 611

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

Seasonally adjusted

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Transactions with the European Union ¹												
Credits												
Exports of goods	ENOF	109 710	109 611	27 986	27 279	26 170	27 085	28 953	27 200	26 373	27 273	25 889
Exports of services	LGOR	32 923	32 048	8 473	8 210	8 004	8 142	8 049	7 916	7 941	7 221	7 247
Exports of goods and services	LHRX	142 633	141 659	36 459	35 489	34 174	35 227	37 002	35 116	34 314	34 494	33 136
Income	BFXD	65 417	54 373	16 597	16 066	14 721	12 807	13 486	13 875	14 205	14 137	13 308
Current transfers	LGPJ	9 298	8 146	1 775	3 313	2 139	1 746	1 967	2 179	2 254	2 125	2 045
Total	BFXJ	217 348	204 178	54 831	54 868	51 034	49 780	52 455	51 170	50 773	50 756	48 489
Debits												
Imports of goods	ENOS	121 385	129 858	30 790	30 092	30 398	31 775	33 385	32 673	32 025	32 613	31 284
Imports of services	LGOT	34 938	36 370	8 845	8 898	8 777	9 180	9 174	9 235	8 781	9 129	8 677
Total imports of goods and services	LHRY	156 323	166 228	39 635	38 990	39 175	40 955	42 559	41 908	40 806	41 742	39 961
Income	BFXE	48 614	41 462	11 973	11 995	11 067	9 626	10 974	10 459	10 403	9 430	10 794
Current transfers	LGPJ	11 357	11 985	3 258	2 187	2 955	2 949	3 183	2 487	3 366	3 215	3 645
Total	BFXK	216 294	219 675	54 866	53 172	53 197	53 530	56 716	54 854	54 575	54 387	54 400
Balances												
Trade in goods	ENPF	-11 675	-20 247	-2 804	-2 813	-4 228	-4 690	-4 432	-5 473	-5 652	-5 340	-5 395
Trade in services	LGOW	-2 015	-4 322	-372	-688	-773	-1 038	-1 125	-1 319	-840	-1 908	-1 430
Total trade in goods and services	LHRZ	-13 690	-24 569	-3 176	-3 501	-5 001	-5 728	-5 557	-6 792	-6 492	-7 248	-6 825
Income	BFXF	16 803	12 911	4 624	4 071	3 654	3 181	2 512	3 416	3 802	4 707	2 514
Current transfers	LGPQ	-2 059	-3 839	-1 483	1 126	-816	-1 203	-1 216	-308	-1 112	-1 090	-1 600
Total	BFXL	1 054	-15 497	-35	1 696	-2 163	-3 750	-4 261	-3 684	-3 802	-3 631	-5 911
Transactions with non-EU countries ²												
Credits												
Exports of goods	ENQX	80 340	76 646	20 270	19 260	19 531	18 718	20 347	19 570	18 011	20 213	20 497
Exports of services	LGOS	48 735	54 422	13 024	10 278	12 216	13 285	12 797	14 453	13 887	13 830	13 313
Total exports of goods and services	LHSA	129 075	131 068	33 294	29 538	31 747	32 003	33 144	34 023	31 898	34 043	33 810
Income	BFXM	77 108	68 702	19 423	18 269	17 381	16 291	17 033	17 142	18 236	18 697	16 807
Current transfers	LGPJ	4 846	3 557	818	2 376	813	881	877	921	878	929	934
Total	BFXS	211 029	203 327	53 535	50 183	49 941	49 175	51 054	52 086	51 012	53 669	51 551
Debits												
Imports of goods	ENRK	109 285	102 854	28 100	26 623	25 843	25 215	26 378	25 646	25 615	25 645	26 022
Imports of services	LGOU	33 720	34 934	8 569	8 218	7 875	8 443	8 560	8 958	8 973	9 304	9 294
Total imports of goods and services	LHSB	143 005	137 788	36 669	34 841	33 718	33 658	34 938	34 604	34 588	34 949	35 316
Income	BFXN	77 723	60 494	20 077	17 940	17 213	15 155	16 299	14 657	14 383	15 098	16 283
Current transfers	LGPQ	9 393	8 513	1 854	3 621	2 090	2 156	1 998	2 129	2 230	2 310	2 652
Total	BFXT	230 121	206 795	58 600	56 402	53 021	50 969	53 235	51 390	51 201	52 357	54 251
Balances												
Trade in goods	ENRX	-28 945	-26 208	-7 830	-7 363	-6 312	-6 497	-6 031	-6 076	-7 604	-5 432	-5 525
Trade in services	LGOY	15 015	19 488	4 455	2 060	4 341	4 842	4 237	5 495	4 914	4 526	4 019
Total trade in goods and services	LHSC	-13 930	-6 720	-3 375	-5 303	-1 971	-1 655	-1 794	-581	-2 690	-906	-1 506
Income	BFXO	-615	8 208	-654	329	168	1 136	734	2 485	3 853	3 599	524
Current transfers	LGPS	-4 547	-4 956	-1 036	-1 245	-1 277	-1 275	-1 121	-1 208	-1 352	-1 381	-1 718
Total	BFXU	-19 092	-3 468	-5 065	-6 219	-3 080	-1 794	-2 181	696	-189	1 312	-2 700

1 Includes transactions with European Union institutions.

2 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

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Investment abroad												
International Investment Position												
Direct investment	HBWD	625.0	644.8	629.8	627.8	625.0	640.2	660.3	662.5	644.8	694.3	717.0
Portfolio investment	HHZZ	942.5	865.3	958.3	902.8	942.5	957.7	954.4	845.2	865.3	869.7	930.2
Other investment	HLXV	1 613.1	1 676.5	1 600.6	1 582.4	1 613.1	1 660.1	1 618.3	1 585.4	1 676.5	1 836.3	1 878.9
Reserve assets	LTEB	25.6	25.4	26.6	26.2	25.6	25.5	25.6	25.9	25.4	24.6	23.5
Total	HBQA	3 206.2	3 212.1	3 215.2	3 139.2	3 206.2	3 283.5	3 258.6	3 118.9	3 212.1	3 424.9	3 549.6
Financial Account transactions												
Direct investment	-HJYP	43.2	27.8	12.1	8.8	1.5	18.0	14.4	12.5	-17.1	32.8	5.4
Portfolio investment	-HHZC	86.5	0.6	30.0	11.0	8.2	-3.7	37.4	-35.8	2.8	5.7	27.9
Financial derivatives (net)	-ZPNN	-8.4	-1.0	1.5	-5.8	-1.7	-0.3	-2.0	1.9	-0.5	7.7	-2.3
Other investment	-XBMM	173.8	98.1	-48.1	-1.9	23.7	31.3	-29.6	10.9	85.5	99.4	88.1
Reserve assets	-LTCV	-3.1	-0.5	-	-0.5	-	-0.5	-	0.7	-0.6	-1.6	-0.6
Total	-HBNR	292.0	125.1	-4.5	11.6	31.6	44.7	20.3	-9.9	69.9	143.9	118.4
Investment income earnings												
Direct investment	HJYW	46.6	49.9	12.0	11.9	9.4	10.7	12.6	13.8	12.8	14.4	12.5
Portfolio investment	HLYX	34.9	31.9	9.1	8.3	8.3	7.8	8.8	7.9	7.5	7.9	8.5
Other investment	ATOP	59.0	39.3	15.5	14.5	12.5	9.5	9.8	9.8	10.2	9.3	9.4
Reserve assets	HHCB	1.0	0.8	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	HMBN	141.4	122.0	36.9	35.1	30.4	28.2	31.4	31.7	30.7	31.8	30.6
Investment in the UK												
International Investment Position												
Direct investment	HBWI	380.6	397.5	354.6	367.4	380.6	373.4	388.9	391.1	397.5	399.2	402.7
Portfolio investment	HLXW	954.4	892.6	963.5	901.3	954.4	973.8	933.4	861.6	892.6	889.6	946.2
Other investment	HLYD	1 900.9	1 931.1	1 920.0	1 900.9	1 900.9	1 958.2	1 930.5	1 868.6	1 931.1	2 096.9	2 175.9
Total	HBQB	3 236.0	3 221.3	3 238.1	3 169.5	3 236.0	3 305.4	3 252.8	3 121.2	3 221.3	3 385.7	3 524.8
Financial Account transactions												
Direct investment	HJYU	42.7	18.5	13.3	5.9	6.7	-6.6	15.9	2.5	6.7	2.2	3.8
Portfolio investment	HHZF	43.9	50.8	3.1	12.1	10.5	11.1	20.8	4.1	14.8	22.0	7.7
Other investment	XBMN	227.6	59.3	-18.5	1.1	27.7	35.0	-15.4	-15.8	55.4	105.2	118.0
Total	HBNS	314.2	128.6	-2.1	19.1	45.0	39.5	21.4	-9.2	76.9	129.3	129.6
Investment income												
Direct investment	HJYX	22.8	19.9	5.3	3.6	6.1	3.8	7.0	4.1	5.0	4.9	7.7
Portfolio investment	HLZC	34.3	31.4	11.1	7.5	8.0	6.0	10.5	6.8	8.1	5.7	9.9
Other investment	HLZN	68.2	49.6	17.8	16.9	14.8	12.6	12.3	12.2	12.5	11.4	12.0
Total	HMBO	125.3	100.9	34.2	28.0	29.0	22.4	29.8	23.1	25.6	22.1	29.6
Net investment												
International Investment Position												
Direct investment	HBWQ	244.4	247.3	275.2	260.4	244.4	266.9	271.4	271.5	247.3	295.0	314.3
Portfolio investment	CGNH	-11.9	-27.3	-5.3	1.6	-11.9	-16.1	21.0	-16.4	-27.3	-19.8	-16.0
Other investment	CGNG	-287.9	-254.6	-319.4	-318.5	-287.9	-298.2	-312.2	-283.2	-254.6	-260.7	-297.0
Reserve assets	LTEB	25.6	25.4	26.6	26.2	25.6	25.5	25.6	25.9	25.4	24.6	23.5
Net investment	HBQC	-29.8	-9.2	-22.9	-30.3	-29.8	-21.9	5.8	-2.3	-9.2	39.1	24.8
Financial Accounts transactions												
Direct investment	HJYV	-0.5	-9.3	1.2	-3.0	5.2	-24.6	1.5	-10.0	23.8	-30.6	-1.6
Portfolio investment	HHZD	-42.6	50.2	-26.9	1.1	2.4	14.9	-16.6	39.9	12.0	16.3	-20.1
Financial derivatives	ZPNN	8.4	1.0	-1.5	5.8	1.7	0.3	2.0	-1.9	0.5	-7.7	2.3
Other investment	HHYR	53.8	-38.8	29.6	3.1	4.0	3.7	14.2	-26.6	-30.1	5.8	30.0
Reserve assets	LTCV	3.1	0.5	-	0.5	-	0.5	-	-0.7	0.6	1.6	0.6
Net transactions	HBNT	22.2	3.5	2.3	7.5	13.4	-5.2	1.0	0.7	7.0	-14.6	11.2
Investment income earnings												
Direct investment	HJYE	23.8	30.0	6.6	8.4	3.3	6.9	5.7	9.7	7.8	9.4	4.8
Portfolio investment	HLZX	0.6	0.5	-1.9	0.8	0.3	1.8	-1.7	1.1	-0.7	2.2	-1.4
Other investment	CGNA	-9.3	-10.3	-2.3	-2.3	-2.3	-3.1	-2.6	-2.4	-2.3	-2.1	-2.6
Reserve assets	HHCB	1.0	0.8	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net earnings	HMBM	16.1	21.1	2.7	7.1	1.4	5.8	1.6	8.6	5.1	9.7	1.0

E Trade in goods

Seasonally adjusted

£ million

		2001	2002	2001	2001	2001	2002	2002	2002	2002	2003	2003
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Exports												
Food, beverages and tobacco	BOPL	9 650	9 977	2 364	2 379	2 403	2 325	2 499	2 638	2 515	2 771	2 627
Basic materials	BOPM	2 579	2 851	661	629	638	657	705	727	762	836	821
Oil	ELBL	14 809	14 325	4 056	3 806	3 215	3 206	4 159	3 387	3 573	4 157	3 491
Other fuels	BOQI	1 570	1 676	374	400	357	361	402	387	526	432	530
Semi-manufactured goods	BOPO	50 444	50 185	12 909	12 268	12 162	12 358	12 899	12 583	12 345	12 891	13 487
Finished manufactured goods	BOPP	109 959	106 170	27 651	26 788	26 669	26 681	28 318	26 737	24 434	26 153	25 192
Unspecified goods	BOQL	1 039	1 073	241	269	257	215	318	311	229	246	238
Total	BOKG	190 050	186 257	48 256	46 539	45 701	45 803	49 300	46 770	44 384	47 486	46 386
Imports												
Food, beverages and tobacco	BQAR	18 517	19 324	4 616	4 602	4 739	4 778	4 752	4 849	4 945	5 087	5 180
Basic materials	BQAS	6 454	5 950	1 659	1 577	1 489	1 489	1 499	1 465	1 497	1 490	1 499
Oil	ENXO	9 232	8 838	2 633	1 985	2 262	1 997	2 286	2 306	2 249	2 621	2 354
Other fuels	BPBI	1 270	1 005	366	305	284	242	294	230	239	176	244
Semi-manufactured goods	BQAU	53 061	52 572	13 458	13 257	13 146	12 892	13 290	12 974	13 416	13 424	13 949
Finished manufactured goods	BQAV	140 856	143 571	35 840	34 648	33 983	35 203	37 287	36 143	34 938	35 081	33 697
Unspecified goods	BQAW	1 280	1 452	318	341	338	389	355	352	356	379	383
Total	BOKH	230 670	232 712	58 890	56 715	56 241	56 990	59 763	58 319	57 640	58 258	57 306
Balances												
Food, beverages and tobacco	ELBE	-8 867	-9 347	-2 252	-2 223	-2 336	-2 453	-2 253	-2 211	-2 430	-2 316	-2 553
Basic materials	ELBF	-3 875	-3 099	-998	-948	-851	-832	-794	-738	-735	-654	-678
Oil	ENXQ	5 577	5 487	1 423	1 821	953	1 209	1 873	1 081	1 324	1 536	1 137
Other fuels	ENIW	300	671	8	95	73	119	108	157	287	256	286
Semi-manufactured goods	ELBH	-2 617	-2 387	-549	-989	-984	-534	-391	-391	-1 071	-533	-462
Finished manufactured goods	ELBI	-30 897	-37 401	-8 189	-7 860	-7 314	-8 522	-8 969	-9 406	-10 504	-8 928	-8 505
Unspecified goods	BQKX	-241	-379	-77	-72	-81	-174	-37	-41	-127	-133	-145
Total	BOKI	-40 620	-46 455	-10 634	-10 176	-10 540	-11 187	-10 463	-11 549	-13 256	-10 772	-10 920

F Trade in services

Seasonally adjusted

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Exports												
Transportation	FKOA	12 201	12 019	3 139	3 005	2 893	3 004	3 047	2 958	3 010	2 867	2 875
Travel	FAPD	13 110	13 995	3 140	3 365	2 935	3 293	3 573	3 417	3 712	3 298	3 235
Communications	FDQP	2 054	1 943	554	506	439	558	447	470	468	371	319
Construction	FDSG	174	176	44	58	30	28	34	60	54	53	61
Insurance	FDTF	4 562	6 922	1 742	-651	2 131	2 106	1 111	2 133	1 572	1 851	1 594
Financial	FDYI	13 824	13 585	3 704	3 577	3 161	3 247	3 560	3 557	3 221	2 815	2 909
Computer and information	FDYQ	3 053	2 978	800	760	770	809	740	695	734	813	842
Royalties and license fees	FEBA	5 673	5 776	1 431	1 334	1 501	1 490	1 399	1 503	1 384	1 360	1 489
Other business	FEHH	24 127	25 904	6 217	5 816	5 601	6 180	6 164	6 733	6 827	6 654	6 311
Personal, cultural and recreational	FGXJ	1 358	1 594	340	340	351	341	377	445	431	528	510
Government	FGZA	1 522	1 578	386	378	408	371	394	398	415	441	415
Total	IKBB	81 658	86 470	21 497	18 488	20 220	21 427	20 846	22 369	21 828	21 051	20 560
Imports												
Transportation	FHME	15 757	16 739	3 984	3 709	3 898	4 195	4 053	4 228	4 263	4 231	4 032
Travel	APQL	26 376	27 847	6 686	6 723	6 214	6 844	6 994	7 047	6 962	7 439	7 038
Communications	FIND	1 993	2 025	539	492	409	505	515	499	506	460	386
Construction	FIOU	107	111	28	28	24	26	26	28	31	47	46
Insurance	FIFP	765	756	199	187	187	179	176	223	178	207	187
Financial	FIIY	3 046	3 086	746	688	824	777	831	833	645	704	777
Computer and information	FIUG	1 175	1 110	347	256	333	234	247	317	312	348	366
Royalties and license fees	FIVX	4 494	4 440	1 120	1 154	1 087	1 075	1 087	1 123	1 155	1 099	1 067
Other business	FIWF	12 248	12 493	3 099	3 160	3 024	3 111	3 146	3 159	3 077	2 953	3 133
Personal, cultural and recreational	FLQJ	724	800	170	199	182	186	205	195	214	266	204
Government	FLSA	1 973	1 897	496	520	470	491	454	541	411	679	735
Total	IKBC	68 658	71 304	17 414	17 116	16 652	17 623	17 734	18 193	17 754	18 433	17 971
Balances												
Transportation	FLYS	-3 556	-4 720	-845	-704	-1 005	-1 191	-1 006	-1 270	-1 253	-1 364	-1 157
Travel	FNGY	-13 266	-13 852	-3 546	-3 358	-3 279	-3 551	-3 421	-3 630	-3 250	-4 141	-3 803
Communications	FNIT	61	-82	15	14	30	53	-68	-29	-38	-89	-67
Construction	FNJM	67	65	16	30	6	2	8	32	23	6	15
Insurance	FNKF	3 797	6 166	1 543	-838	1 944	1 927	935	1 910	1 394	1 644	1 407
Financial	FNLQ	10 778	10 499	2 958	2 889	2 337	2 470	2 729	2 724	2 576	2 111	2 132
Computer and information	FNLY	1 878	1 868	453	504	437	575	493	378	422	465	476
Royalties and license fees	FNMR	1 179	1 336	311	180	414	415	312	380	229	261	422
Other business	FNMZ	11 879	13 411	3 118	2 656	2 577	3 069	3 018	3 574	3 750	3 701	3 178
Personal, cultural and recreational	FNRB	634	794	170	141	169	155	172	250	217	262	306
Government	FNRU	-451	-319	-110	-142	-62	-120	-60	-143	4	-238	-320
Total	IKBD	13 000	15 166	4 083	1 372	3 568	3 804	3 112	4 176	4 074	2 618	2 589

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Credits												
Compensation of employees	IJAH	1 087	1 121	279	275	272	275	283	284	279	274	287
Investment income												
Earnings on direct investment abroad	CNZQ	46 592	49 881	11 409	10 917	10 521	11 054	12 047	12 816	13 964	14 863	12 317
Earnings on portfolio investment abroad												
Earnings on equity securities	CGDT	9 996	10 741	2 331	2 423	2 756	2 709	2 644	2 839	2 549	2 882	2 687
Earnings on debt securities	CGDU	24 910	21 208	6 188	5 923	5 917	5 352	5 584	5 027	5 245	5 303	5 235
Total portfolio investment	CGDV	34 906	31 949	8 519	8 346	8 673	8 061	8 228	7 866	7 794	8 185	7 922
Earnings on other investment abroad	CGDW	58 979	39 304	15 562	14 557	12 432	9 524	9 750	9 843	10 187	9 307	9 393
Earnings on reserve assets	HHCC	961	820	251	240	204	184	211	208	217	205	196
Total investment income	HBOK	141 438	121 954	35 741	34 060	31 830	28 823	30 236	30 733	32 162	32 560	29 828
Total	HBOH	142 525	123 075	36 020	34 335	32 102	29 098	30 519	31 017	32 441	32 834	30 115
Debits												
Compensation of employees	IJAI	1 021	1 054	213	246	247	270	261	261	262	260	234
Investment income												
Foreign earnings on direct investment in the UK	CNZR	22 792	19 892	4 877	4 268	5 480	4 248	6 456	4 877	4 311	5 546	6 963
Foreign earnings on portfolio investment in the UK												
Earnings on equity securities	HGOT	13 243	13 661	3 627	3 570	3 297	3 190	3 782	3 419	3 270	3 011	3 426
Earnings on debt securities	CGDX	21 033	17 759	5 505	5 055	4 507	4 427	4 426	4 413	4 493	4 256	4 381
Total portfolio investment	CGDZ	34 276	31 420	9 132	8 625	7 804	7 617	8 208	7 832	7 763	7 267	7 807
Earnings on other investment in the UK	CGEB	68 248	49 590	17 828	16 796	14 749	12 646	12 348	12 146	12 450	11 455	12 073
Total investment income	HBOI	125 316	100 902	31 837	29 689	28 033	24 511	27 012	24 855	24 524	24 268	26 843
Total	HBOI	126 337	101 956	32 050	29 935	28 280	24 781	27 273	25 116	24 786	24 528	27 077
Balances												
Compensation of employees	IJAJ	66	67	66	29	25	5	22	23	17	14	53
Investment income												
Direct investment	CVWX	23 800	29 989	6 532	6 649	5 041	6 806	5 591	7 939	9 653	9 317	5 354
Portfolio investment												
Earnings on equity securities	CGEC	-3 247	-2 920	-1 296	-1 147	-541	-481	-1 138	-580	-721	-129	-739
Earnings on debt securities	CGED	3 877	3 449	683	868	1 410	925	1 158	614	752	1 047	854
Total portfolio investment	CGEE	630	529	-613	-279	869	444	20	34	31	918	115
Other investment	CGFF	-9 269	-10 286	-2 266	-2 239	-2 317	-3 122	-2 598	-2 303	-2 263	-2 148	-2 680
Reserve assets	HHCC	961	820	251	240	204	184	211	208	217	205	196
Total investment income	HBOJ	16 122	21 052	3 904	4 371	3 797	4 312	3 224	5 878	7 638	8 292	2 985
Total	HBOJ	16 188	21 119	3 970	4 400	3 822	4 317	3 246	5 901	7 655	8 306	3 038

H Current transfers

Seasonally adjusted

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Credits												
Central government												
Receipts from EU Institutions:												
Abatement	FKKM	4 560	3 099	816	1 788	1 140	683	683	958	775	818	818
Other EU receipts	GTTA	8	13	2	2	4	4	3	3	3	3	3
Other receipts	CGDN	423	432	95	102	104	109	111	106	106	108	115
Total central government	FHDM	4 991	3 544	913	1 892	1 248	796	797	1 067	884	929	936
Other sectors												
Receipts from EU Institutions:												
Social fund	HHAD	370	412	44	8	87	7	98	13	294	97	18
Agricultural guarantee fund	ZXIA	2 484	2 778	595	595	595	595	728	728	727	728	725
ECSC Grant	FHHS	1	—	1	—	—	—	—	—	—	—	—
Other receipts	CGDO	6 298	4 969	1 040	3 194	1 022	1 229	1 221	1 292	1 227	1 300	1 300
Total other sectors	FHIB	9 153	8 159	1 680	3 797	1 704	1 831	2 047	2 033	2 248	2 125	2 043
Total	IKBN	14 144	11 703	2 593	5 689	2 952	2 627	2 844	3 100	3 132	3 054	2 979
Debits												
Central government												
Payments to EU institutions												
GNP:4th resource	HCSP	3 859	5 259	1 328	342	1 187	906	1 167	1 629	1 557	1 491	1 838
GNP adjustments	HCSN	—1	76	—	—	—1	—	—	—	76	—	—
Other	FLMT	24	10	3	17	1	2	—	7	1	4	2
Other payments	CGDP	3 702	3 951	882	830	1 168	977	906	957	1 111	1 094	1 496
Total central government	FLUD	7 584	9 296	2 213	1 189	2 355	1 885	2 073	2 593	2 745	2 589	3 336
Other sectors												
Payments to EU institutions												
Other payments	CGDR	5 675	4 752	1 572	1 134	1 367	1 563	1 573	379	1 237	1 249	1 264
	CGDS	7 491	6 450	1 327	3 485	1 323	1 657	1 535	1 644	1 614	1 687	1 697
Total other sectors	FLUZ	13 166	11 202	2 899	4 619	2 690	3 220	3 108	2 023	2 851	2 936	2 961
Total	IKBO	20 750	20 498	5 112	5 808	5 045	5 105	5 181	4 616	5 596	5 525	6 297
Balances												
Central government												
Other sectors	FNSV	—2 593	—5 752	—1 300	703	—1 107	—1 089	—1 276	—1 526	—1 861	—1 660	—2 400
	FNTC	—4 013	—3 043	—1 219	—822	—986	—1 389	—1 061	10	—603	—811	—918
Total	IKBP	—6 606	—8 795	—2 519	—119	—2 093	—2 478	—2 337	—1 516	—2 464	—2 471	—3 318
<i>Of which: EU institutions</i>	<i>GTTB</i>	—2 134	—3 795	—1 445	900	—728	—1 182	—1 228	—313	—1 072	—1 098	—1 540

Capital account

Seasonally adjusted

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
Credits												
Capital transfers												
Central government												
Debt forgiveness	FLWV	–	–	–	–	–	–	–	–	–	–	–
Other capital transfers	FHJA	–	–	–	–	–	–	–	–	–	–	–
Total central government	FHIU	–	–	–	–	–	–	–	–	–	–	–
Other sectors												
Migrants' transfers	FHJC	1 602	1 834	378	472	451	359	436	530	509	417	494
Debt forgiveness	FHJD	–	–	–	–	–	–	–	–	–	–	–
EU Institutions:												
Regional development fund	GTTX	543	296	223	71	172	35	26	28	207	99	43
Agricultural guidance fund	FHJF	26	–	16	–	2	–	–	–	–	2	–
Other capital transfers	EBGO	322	–	249	59	14	–	–	–	–	–	–
Total EU institutions	GTTY	891	296	488	130	188	35	26	28	207	101	43
Total other sectors	FHJB	2 493	2 130	866	602	639	394	462	558	716	518	537
Total capital transfers	FHIT	2 493	2 130	866	602	639	394	462	558	716	518	537
Sales of non-produced, non-financial assets	FHJL	177	181	33	23	74	30	34	22	95	39	21
Total	FHLD	2 670	2 311	899	625	713	424	496	580	811	557	558
Debits												
Capital transfers												
Central government												
Debt forgiveness	FLWD	18	15	3	6	3	6	2	5	2	6	3
Other capital transfers (project grants)	FLWH	237	263	31	38	101	80	44	57	82	118	49
Total central government	FLWB	255	278	34	44	104	86	46	62	84	124	52
Other sectors												
Migrants' transfers	FLWJ	430	390	118	90	63	144	107	82	57	141	105
Debt Forgiveness												
Monetary financial institutions	FLWL	–	–	–	–	–	–	–	–	–	–	–
Public corporations	HMLY	300	300	75	75	75	75	75	75	75	75	75
Total debt forgiveness	JCWM	300	300	75	75	75	75	75	75	75	75	75
Other capital transfers	FLWQ	–	–	–	–	–	–	–	–	–	–	–
Total other sectors	FLWI	730	690	193	165	138	219	182	157	132	216	180
Total capital transfers	FLWA	985	968	227	209	242	305	228	219	216	340	232
Purchases of non-produced, non-financial assets	FLWT	274	298	70	65	77	64	73	87	74	109	98
Total	FLYL	1 259	1 266	297	274	319	369	301	306	290	449	330
Balances												
Capital transfers												
Central government												
Debt forgiveness	FNTM	–18	–15	–3	–6	–3	–6	–2	–5	–2	–6	–3
Other capital transfers	FNTN	–237	–263	–31	–38	–101	–80	–44	–57	–82	–118	–49
Total central government	FNTL	–255	–278	–34	–44	–104	–86	–46	–62	–84	–124	–52
Other sectors												
Migrants' transfers	FNTP	1 172	1 444	260	382	388	215	329	448	452	276	389
Debt forgiveness	FNTQ	–300	–300	–75	–75	–75	–75	–75	–75	–75	–75	–75
Other capital transfers	FNTR	891	296	488	130	188	35	26	28	207	101	43
Total other sectors	FNTO	1 763	1 440	673	437	501	175	280	401	584	302	357
Total capital transfers	FNTK	1 508	1 162	639	393	397	89	234	339	500	178	305
Non-produced, non-financial assets	FNTS	–97	–117	–37	–42	–3	–34	–39	–65	21	–70	–77
Total	FNVQ	1 411	1 045	602	351	394	55	195	274	521	108	228

J Financial Account

Not seasonally adjusted

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
UK investment abroad (net debits)												
Direct investment abroad												
Equity capital	-HJYM	15 693	17 868	9 030	1 644	946	212	5 288	8 952	3 416	11 046	1 845
Reinvested earnings	-HDNY	24 720	28 561	6 234	8 430	4 785	7 856	9 406	10 091	1 208	10 443	-3 158
Other capital transactions	-HMA8	2 799	-18 617	-3 192	-1 235	-4 231	9 895	-245	-6 496	-21 771	11 336	6 708
Total direct investment abroad	-HJYP	43 212	27 812	12 072	8 839	1 500	17 963	14 449	12 547	-17 147	32 825	5 395
Portfolio investment abroad												
Equity securities	-HBVI	44 431	-2 451	31 628	-5 613	7 755	8 235	12 397	-4 087	-18 996	-1 112	26 283
Debt securities	-XBMM	42 085	3 060	-1 612	16 658	401	-11 980	24 993	-31 730	21 777	6 779	1 579
Total portfolio investment abroad	-HHZC	86 516	609	30 016	11 045	8 156	-3 745	37 390	-35 817	2 781	5 667	27 862
Financial derivatives (net)	-ZPNN	-8 417	-1 001	1 473	-5 843	-1 716	-340	-1 968	1 855	-548	7 677	-2 302
Other investment abroad	-XBMM	173 811	98 123	-48 055	-1 919	23 717	31 316	-29 563	10 872	85 498	99 372	88 058
Reserve assets	-LTCV	-3 085	-459	37	-498	-25	-528	22	682	-635	-1 626	-646
Total	-HBNR	292 037	125 084	-4 457	11 624	31 632	44 666	20 330	-9 861	69 949	143 915	118 367
Investment in the UK (net credits)												
Direct investment in the UK												
Equity capital	HJYR	20 409	11 812	6 233	2 473	3 490	-949	3 401	7 272	2 088	97	-176
Reinvested earnings	CYFV	4 912	8 583	1 619	1 660	-1 593	2 510	3 038	2 255	780	3 378	3 488
Other capital transactions	HMA8	17 374	-1 921	5 426	1 720	4 852	-8 205	9 506	-7 012	3 790	-1 291	498
Total direct investment in the UK	HJYU	42 695	18 474	13 278	5 853	6 749	-6 644	15 945	2 515	6 658	2 184	3 810
Portfolio investment in the UK												
Equity securities	XBLW	23 065	1 931	8 628	7 373	3 045	5 244	1 186	-2 843	-1 656	10 344	-1 698
Debt securities	XBLX	20 867	48 886	-5 551	4 775	7 504	5 877	19 614	6 938	16 457	11 617	9 422
Total portfolio investment in the UK	HHZF	43 932	50 817	3 077	12 148	10 549	11 121	20 800	4 095	14 801	21 961	7 724
Other investment in the UK	XBMM	227 590	59 329	-18 499	1 146	27 699	35 031	-15 383	-15 762	55 443	105 151	118 047
Total	HBNS	314 217	128 620	-2 144	19 147	44 997	39 508	21 362	-9 152	76 902	129 296	129 581
Net transactions (net credits less net debits)												
Direct investment												
Equity capital	HBWN	4 716	-6 056	-2 797	829	2 544	-1 161	-1 887	-1 680	-1 328	-10 949	-2 021
Reinvested earnings	HBWT	-19 808	-19 978	-4 615	-6 770	-6 378	-5 346	-6 368	-7 836	-428	-7 065	6 646
Other capital transactions	HBWU	14 575	16 696	8 618	2 955	9 083	-18 100	9 751	-516	25 561	-12 627	-6 210
Total net direct investment	HJYV	-517	-9 338	1 206	-2 986	5 249	-24 607	1 496	-10 032	23 805	-30 641	-1 585
Portfolio investment												
Equity securities	HBWV	-21 366	4 382	-23 000	12 986	-4 710	-2 991	-11 211	1 244	17 340	11 456	-27 981
Debt securities	HBWX	-21 218	45 826	-3 939	-11 883	7 103	17 857	-5 379	38 668	-5 320	4 838	7 843
Total net portfolio investment	HHZD	-42 584	50 208	-26 939	1 103	2 393	14 866	-16 590	39 912	12 020	16 294	-20 138
Financial derivatives	ZPNN	8 417	1 001	-1 473	5 843	1 716	340	1 968	-1 855	548	-7 677	2 302
Other investment	HHYR	53 779	-38 794	29 556	3 065	3 982	3 715	14 180	-26 634	-30 055	5 779	29 989
Reserve assets	LTCV	3 085	459	-37	498	25	528	-22	-682	635	1 626	646
Total	HBNT	22 180	3 536	2 313	7 523	13 365	-5 158	1 032	709	6 953	-14 619	11 214

K International Investment Position

Balance sheets valued at end of period: Not seasonally adjusted

£billion

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2
UK Assets												
Direct investment abroad												
Equity capital and reinvested earnings	CGMO	590.7	630.8	588.5	588.3	590.7	596.3	616.6	626.7	630.8	668.7	684.7
Other capital assets	HBWU	34.2	14.0	41.2	39.4	34.2	44.0	43.7	35.9	14.0	25.5	32.2
Total direct investment abroad	HBWD	625.0	644.8	629.8	627.8	625.0	640.2	660.3	662.5	644.8	694.3	717.0
Portfolio investment abroad												
Equity securities	HEPX	409.7	333.6	434.7	368.0	409.7	432.3	412.7	337.6	333.6	323.8	389.1
Debt securities	HHZX	532.8	531.7	523.6	534.8	532.8	525.4	541.7	507.6	531.7	545.9	541.1
Total portfolio investment abroad	HHZZ	942.5	865.3	958.3	902.8	942.5	957.7	954.4	845.2	865.3	869.7	930.2
Other investment abroad	HLXV	1 613.1	1 676.5	1 600.6	1 582.4	1 613.1	1 660.1	1 618.3	1 585.4	1 676.5	1 836.3	1 878.9
Reserve assets	LTEB	25.6	25.4	26.6	26.2	25.6	25.5	25.6	25.9	25.4	24.6	23.5
Total	HBQA	3 206.2	3 212.1	3 215.2	3 139.2	3 206.2	3 283.5	3 258.6	3 118.9	3 212.1	3 424.9	3 549.6
UK Liabilities												
Direct investment in the UK												
Equity capital and reinvested earnings	HBUY	283.1	302.1	268.7	277.2	283.1	284.2	290.2	299.3	302.1	305.4	308.5
Other capital liabilities	HBVC	97.5	95.4	85.9	90.1	97.5	89.2	98.7	91.7	95.4	93.8	94.2
Total direct investment in the UK	HBWI	380.6	397.5	354.6	367.4	380.6	373.4	388.9	391.1	397.5	399.2	402.7
Portfolio investment in the UK												
Equity securities	HLXX	529.5	409.8	558.7	491.6	529.5	540.1	483.1	395.7	409.8	389.7	438.2
Debt securities	HLXY	424.9	482.8	404.8	409.6	424.9	433.7	450.2	465.9	482.8	499.9	508.0
Total portfolio investment in the UK	HLXW	954.4	892.6	963.5	901.3	954.4	973.8	933.4	861.6	892.6	889.6	946.2
Other investment in the UK	HLYD	1 900.9	1 931.1	1 920.0	1 900.9	1 900.9	1 958.2	1 930.5	1 868.6	1 931.1	2 096.9	2 175.9
Total	HBQB	3 236.0	3 221.3	3 238.1	3 169.5	3 236.0	3 305.4	3 252.8	3 121.2	3 221.3	3 385.7	3 524.8
Net International Investment Position												
Direct investment												
Equity capital and reinvested earnings	HBSH	307.7	328.7	319.8	311.1	307.7	312.1	326.4	327.3	328.7	363.3	376.3
Other capital	CGKF	-63.3	-81.4	-44.6	-50.7	-63.3	-45.3	-55.0	-55.9	-81.4	-68.3	-62.0
Total net direct investment	HBWQ	244.4	247.3	275.2	260.4	244.4	266.9	271.4	271.5	247.3	295.0	314.3
Portfolio investment												
Equity securities	CGNE	-119.8	-76.2	-124.0	-123.6	-119.8	-107.8	-70.5	-58.1	-76.2	-65.9	-49.1
Debt securities	CGNF	107.9	48.9	118.7	125.1	107.9	91.7	91.5	41.7	48.9	46.0	33.1
Total net portfolio investment	CGNH	-11.9	-27.3	-5.3	1.6	-11.9	-16.1	21.0	-16.4	-27.3	-19.8	-16.0
Other investment	CGNG	-287.9	-254.6	-319.4	-318.5	-287.9	-298.2	-312.2	-283.2	-254.6	-260.7	-297.0
Reserve assets	LTEB	25.6	25.4	26.6	26.2	25.6	25.5	25.6	25.9	25.4	24.6	23.5
Total	HBQC	-29.8	-9.2	-22.9	-30.3	-29.8	-21.9	5.8	-2.3	-9.2	39.1	24.8

Revisions since last Balance of Payments First Release Balances (net transactions)

£ million

		2001	2002	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1
Seasonally adjusted											
Current account											
Trade in goods and services											
Trade in goods	BOKI	-7 110	-11 273	-1 676	-2 022	-1 837	-2 701	-3 854	-2 719	-1 999	-1 758
Trade in services	IKBD	1 700	1 007	471	404	-125	323	291	736	-343	-153
Total trade	IKBJ	-5 410	-10 266	-1 205	-1 618	-1 962	-2 378	-3 563	-1 983	-2 342	-1 911
Income											
Compensation of employees	IJAJ	-	-	1	-1	-	-2	2	-1	1	-2
Investment income	HBOH	-216	473	127	-517	1 076	35	315	109	14	-2 839
Total income	HBOJ	-216	473	128	-518	1 076	33	317	108	15	-2 841
Current transfers											
Central government	FNSV	7	31	119	18	-57	-38	119	-2	-48	-145
Other sectors	FNTC	66	421	3	3	-	-	140	141	140	136
Total current transfers	IKBP	73	452	122	21	-57	-38	259	139	92	-9
Current balance	HBOP	-5 553	-9 341	-955	-2 115	-943	-2 383	-2 987	-1 736	-2 235	-4 761
Capital balance	FNVQ	-101	-51	-9	-10	-10	-13	-15	-21	-2	-5
Not seasonally adjusted											
Current account											
Trade in goods and services											
Trade in goods	LQCT	-7 110	-11 273	-1 662	-1 912	-2 105	-2 856	-3 832	-2 470	-2 115	-2 084
Trade in services	KTMS	1 700	1 007	437	236	312	381	134	476	16	154
Total trade	KTMY	-5 410	-10 266	-1 225	-1 676	-1 793	-2 475	-3 698	-1 994	-2 099	-1 930
Income											
Compensation of employees	KTMP	-	-	-	-	-	-	-	-	-	-
Investment income	HMBM	-216	473	-89	-62	17	37	265	66	105	-2 756
Total income	HMBP	-216	473	-89	-62	17	37	265	66	105	-2 756
Current transfers											
Central government	FJUQ	7	31	2	2	3	4	10	9	8	-67
Other sectors	FJUR	66	421	-	-	-	-	141	141	139	139
Total current transfers	KTNF	73	452	2	2	3	4	151	150	147	72
Current balance	HBOG	-5 553	-9 341	-1 312	-1 736	-1 773	-2 434	-3 282	-1 778	-1 847	-4 614
Capital balance	FKMJ	-101	-51	-9	-10	-10	-13	-15	-21	-2	-5
Financial account											
Direct investment	HJYV	3 706	-20 466	-34	669	2 636	738	150	-20 012	-1 342	9 569
Portfolio investment	HHZD	3 190	-11 224	166	1 120	-299	-2 532	-1 921	-1 611	-5 160	5 266
Financial derivatives	ZPNN	-	-10 619	-	-	-	-	-	-4 521	-6 098	4 319
Other investment	HHYR	7	38 657	2	-18	11	5 004	2 883	21 855	8 915	-18 322
Reserve assets	LTCV	-	-	-	-	-	-	-	-	-	-
Net financial transactions	HBNT	6 903	-3 652	134	1 771	2 348	3 210	1 112	-4 289	-3 685	832
Net errors and omissions¹	HHDH	-1 249	13 044	1 187	-25	-565	-763	2 185	6 088	5 534	3 787

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.