

4 October 2005

Coverage
United Kingdom
Theme
The Economy

Profitability of UK companies 2nd Quarter 2005

The net rate of return by private non-financial corporations in the second quarter of 2005 was 13.7 per cent. This compares with 13.3 per cent in the previous quarter.

Figures also show for the latest quarter that:

- Manufacturing companies' net rate of return was 7.5 per cent.
- Service companies' net rate of return was 16.8 per cent.
- The net rate of return of companies other than United Kingdom Continental Shelf (UKCS) companies was 13.0 per cent.
- The net rate of return of UKCS companies, at 33.7 per cent, was higher than the 30.6 per cent recorded in the previous quarter and higher than the average for 2004.

Net rate of return of private non-financial corporations



Net rate of return

Private non-financial corporations

	Total	Manufacturing	Services	UK Continental Shelf (UKCS)
<i>Per cent</i>				
2002	12.5	7.2	16.1	30.4
2003	12.9	6.9	16.5	29.2
2004	13.2	7.0	16.4	29.2
2004 Q1	13.2	6.9	16.2	29.2
2004 Q2	13.3	7.4	17.4	29.1
2004 Q3	13.3	5.9	16.3	30.6
2004 Q4	13.1	7.7	15.8	28.0
2005 Q1	13.3	6.0	17.5	30.6
2005 Q2	13.7	7.5	16.8	33.7

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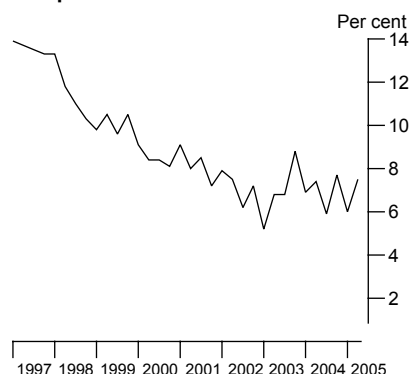
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Manufacturing companies

The net rate of return for manufacturing companies in the second quarter of 2005 is estimated at 7.5 per cent. This is higher than the average net rate of return of 7.0 per cent for manufacturing companies in 2004.

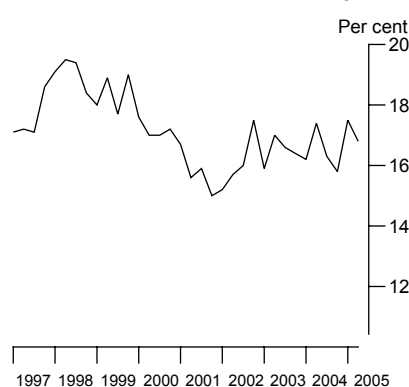
Net rate of return of manufacturing companies



Service companies

The net rate of return for service companies in the second quarter of 2005 is estimated at 16.8 per cent. This is higher than the average for 2004 of 16.4 per cent.

Net rate of return of service companies

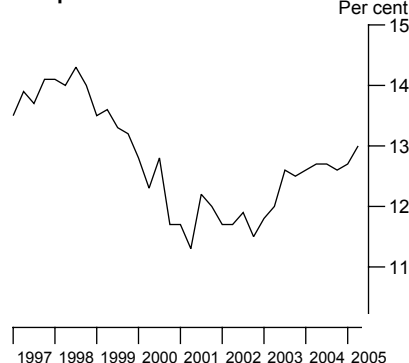


Non-UKCS companies

Non-UKCS companies comprise manufacturing, service and other companies (such as construction and power supply).

The net rate of return for non-UKCS companies in the second quarter of 2005 was 13.0 per cent, higher than the estimate recorded in the previous quarter and the average for 2004.

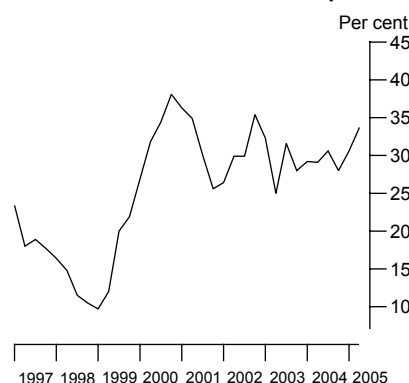
Net rate of return of non-UKCS companies



United Kingdom Continental Shelf (UKCS) companies

The net rate of return for UKCS companies increased in the second quarter of 2005 to 33.7 per cent, compared to the figure of 30.6 percent recorded in the previous quarter; it is also higher than the average of 29.2 per cent in 2004.

Net rate of return of UKCS companies



BACKGROUND NOTES

Revisions

1. Table R1 shows the revisions since the last publication to the net rates of return. Revisions to the underlying data have been made back to the first quarter of 2004; consistent with the data published in the latest Quarterly National Accounts Release and Capital Stocks, Capital Consumption and Non-Financial Balance Sheets 2005.
2. Estimates for the most recent quarters are provisional and, as usual, are subject to revisions in the light of updated source information. ONS now publishes analyses of past revisions of headline published data, comparing original published estimates with the equivalent estimate three years later. As quarterly publication of profitability started with the first quarter of 2000, the time period for which three years of data is available is insufficient for this revisions analysis. Such an analysis is therefore not included in this Release. Details of ONS policy on standards for presenting revisions in time series First Releases can be found at:

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

Future revisions

3. In the next release in January 2006, the profits data will be consistent with data published in the Quarterly National Accounts release of 22 December 2005. The period open for revision is expected to start in the first quarter of 2004.
4. The underlying profits data used to calculate these rates of return are consistent with the Quarterly National Accounts First Release, published on 28 September 2005. The underlying capital stock and capital consumption data used to calculate these rates of return are consistent with statistics published in the *Capital Stocks, Capital Consumption and Non-Financial Balance Sheets* publication on 25 July 2005.

Additional information

5. The non-UKCS profits data from 2003 onwards are derived from the ONS Quarterly Profits Inquiry, which has a relatively small sample. This has shown a greater variation between companies' profits over the last couple of years than had been seen previously, which has made it more difficult to estimate total company profits. These issues are being investigated but until they have been resolved the statistics in this release may be subject to more revision than has been usual.
6. Complete runs of the series in this Release are available to download free of charge at **<http://www.statistics.gov.uk/timeseries>**. Alternatively, for low-cost tailored data call Online Services on **020 7533 5675** or email **tailored@statistics.gov.uk**

7. United Kingdom Continental Shelf (UKCS) companies are defined as those involved in the exploration for and extraction of oil and natural gas in the UK.
8. Private non-financial corporations (PNFCs) comprise UKCS, manufacturing, non-financial service sector companies and others (such as construction, electricity and gas supply, agriculture, mining and quarrying).
9. The gross trading profits figures used in the calculation of gross operating surplus exclude the quarterly alignment adjustments applied to non-UKCS companies' gross trading profits, as published in the Quarterly National Accounts. These alignment adjustments improve the coherence of the quarterly national accounts, so that the quarterly paths of the income and expenditure aggregates reflect the quarterly path of the output measure, and average to zero over calendar years.
10. The rates of return presented are ratios of operating surpluses compared to capital employed, expressed as percentages. The ratios measure the 'accounting' rates of return achieved in a particular year against total capital employed. The rates of return are on the basis of current replacement cost and relate to United Kingdom operations of PNFCs. The net rate of return uses capital estimates, which are net of capital consumption, and is more widely used than the gross rate of return. Rates of return are published for quarters and for years. In the absence of direct data for capital stock on a quarterly basis, standard statistical techniques have been used to estimate a quarterly series. The quarterly rates of return are available from the first quarter of 1989. The annual rates of return are available back to 1965 for total private non-financial corporations.
11. Gross operating surplus consists of gross trading profits, plus income from rental of buildings, less inventory holding gains.
12. Gross trading profits includes only that part of a company's income arising from trading activities in the UK. It does not include income from investments or other means, such as earnings from abroad. Gross trading profits are calculated before payments of dividends, interest and tax.
13. Inventory holdings gains are the differences in the change in the book value of inventories measured at replacement cost and historic cost. The holding gain is subtracted from profits because revaluations are not considered to be part of economic activity, as defined for National Accounts purposes.
14. Estimates of gross capital stock are a measure of the cost of replacing all produced capital assets held at a particular point in time. Capital employed is the value of fixed assets, plus the value of inventories. It measures the value at replacement cost of all fixed assets at the end of a calendar year. This includes all tangible assets and intangible assets which have been produced and are themselves repeatedly or continuously used in the processes of production for more than a year. Tangible assets include buildings, plant and machinery. Intangible assets include computer software

and mineral exploration costs. For UKCS companies, capital employed includes mineral exploration costs and oil rigs, but not the oil and gas reserves that are classified as non-produced assets. Inventories include raw material and fuel that are used up in production. Book values are used for levels of inventories. National Statistics estimates capital stock and capital consumption using the Perpetual Inventory Method. Further details are available in the *Capital Stocks, Capital Consumption and Non-Financial Balance Sheets* publication, which was published on 25 July 2005:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=10730&Pos=&ColRank=1&Rank=272>

15. In the calculations for net rates of return, estimates of net operating surplus are net of capital consumption (depreciation). Capital consumption is derived from capital stock and covers the depreciation of fixed assets over their service lives. Estimates of net capital are net of accumulated capital consumption; that is, they are a measure of the written down replacement costs of fixed assets.
16. Details of the policy governing the release of new data are available from the Press Office. Also available is a list of names of those given pre-publication access to the contents of this release.
17. **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 2005.

1 Annual Rates of return of Private Non-Financial Corporations - Summary¹

per cent

Year	All Private Non-Financial Corporations ²		UKCS companies ³		Non - UKCS PNFCs		Manufacturing Sector PNFCs		Service Sector PNFCs	
	Gross ⁴	Net ⁵	Gross ⁴	Net ⁵	Gross ⁴	Net ⁵	Gross ⁴	Net ⁵	Gross ⁴	Net ⁵
	LRWV	LRWW	LRXD	LRXE	LRXO	LRXP	LRYB	LRYC	LRYP	LRYQ
1989	11.8	12.7	14.9	11.8	11.6	12.8	8.7	9.0	15.2	16.7
1990	10.9	11.1	15.4	12.6	10.6	11.0	7.7	6.9	14.0	14.6
1991	10.2	9.8	14.6	10.7	10.0	9.8	6.4	4.2	14.3	14.6
1992	10.1	9.6	14.4	10.3	9.9	9.6	7.6	5.6	13.2	12.9
1993	11.0	11.0	15.1	11.7	10.7	10.9	8.5	7.3	14.0	14.2
1994	11.7	12.5	16.1	14.1	11.4	12.4	10.0	10.2	14.8	15.5
1995	11.5	12.4	16.8	15.8	11.2	12.2	10.4	11.4	14.4	15.0
1996	12.1	13.4	20.8	23.5	11.6	12.9	11.1	12.4	14.8	16.0
1997	12.4	14.1	18.3	19.5	12.0	13.8	11.6	13.6	15.5	17.5
1998	12.4	14.0	14.8	13.3	12.3	14.1	10.5	11.6	16.9	19.1
1999	12.2	13.5	15.9	15.9	11.9	13.4	9.7	10.1	16.5	18.4
2000	12.1	13.3	24.4	32.8	11.4	12.4	8.7	8.5	15.7	17.2
2001	11.6	12.6	23.3	31.7	11.0	11.8	8.5	8.2	14.7	15.8
2002	11.6	12.5	22.0	30.4	11.0	11.7	7.8	7.2	15.2	16.1
2003	11.9	12.9	20.9	29.2	11.4	12.2	7.7	6.9	15.4	16.5
2004	12.1	13.2	20.6	29.2	11.6	12.6	7.7	7.0	15.2	16.4

1 Underlying data are presented in tables 3 to 7. Background notes to this release and footnotes 2 to 4 in Table 1 apply to all tables.

2 Private non-financial corporations are comprised of UK Continental Shelf, manufacturing, non-financial service sector companies and others (such as construction, electricity and gas supply, agriculture, mining and quarrying etc.)

3 UKCS companies are defined as those involved in the exploration for and production of oil and natural gas from the UK Continental Shelf.

4 Basis of gross estimates:

Gross operating surplus (numerator): Gross trading profits from United Kingdom operations plus rentals received less inventory holding gains.

Gross capital employed (denominator): Value of fixed assets at current replacement cost plus the book value of inventories held in United Kingdom.

5 Basis of net estimates:

Net operating surplus (numerator): Gross operating surplus less capital consumption at current replacement cost.

Net capital employed (denominator): Gross capital employed less accumulated capital consumption at current replacement cost.

2 Quarterly Rates of return of Private Non-Financial Corporations - Summary¹

per cent

Year	All Private Non-Financial Corporations		UKCS companies		Non - UKCS PNFCs		Manufacturing Sector PNFCs		Service Sector PNFCs	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	LRWV	LRWW	LRXD	LRXE	LRXO	LRXP	LRYP	LRYS	LRYP	LRYP
1989 Q1	12.1	13.1	13.4	9.4	12.0	13.6	8.7	8.9	16.4	18.4
Q2	11.8	12.8	15.5	12.7	11.6	12.9	8.6	8.8	15.2	16.7
Q3	11.8	12.8	15.2	12.3	11.6	12.8	8.9	9.4	15.1	16.6
Q4	11.5	12.1	15.5	12.8	11.2	11.9	8.6	8.9	14.1	15.1
1990 Q1	11.2	11.7	15.4	12.7	10.9	11.6	7.9	7.4	14.0	14.7
Q2	11.3	11.7	14.2	10.7	11.1	11.8	8.4	8.3	14.0	14.8
Q3	10.6	10.6	14.3	10.7	10.4	10.6	7.4	6.4	14.1	14.7
Q4	10.5	10.4	17.7	16.3	10.0	10.0	7.1	5.5	13.9	14.2
1991 Q1	10.0	9.6	14.4	10.6	9.7	9.5	7.3	6.0	14.2	14.5
Q2	10.1	9.5	13.3	8.5	10.0	9.7	6.0	3.5	14.0	14.1
Q3	10.3	9.9	15.3	11.8	10.1	9.9	5.9	3.2	14.7	15.1
Q4	10.4	10.2	15.4	11.9	10.2	10.1	6.4	4.1	14.3	14.7
1992 Q1	9.9	9.2	14.3	10.2	9.7	9.3	6.3	3.5	13.8	13.7
Q2	10.0	9.6	13.7	9.2	9.9	9.6	8.2	6.7	12.9	12.4
Q3	10.0	9.4	13.7	9.1	9.8	9.4	7.9	6.2	12.8	12.3
Q4	10.5	10.2	15.9	12.7	10.2	10.1	8.0	6.0	13.3	13.2
1993 Q1	10.3	9.8	14.3	10.2	10.0	9.7	7.8	6.1	13.1	12.9
Q2	10.9	10.9	13.8	9.3	10.8	10.9	8.7	7.6	13.8	13.8
Q3	11.2	11.4	15.8	12.9	10.9	11.2	8.5	7.3	14.4	14.8
Q4	11.6	11.9	16.5	14.4	11.1	11.8	9.0	8.2	14.7	15.3
1994 Q1	11.9	12.6	14.2	10.4	11.7	12.7	9.9	9.9	15.0	15.8
Q2	11.9	12.8	18.4	18.0	11.5	12.5	10.0	10.2	15.2	16.0
Q3	11.6	12.4	16.0	14.0	11.3	12.3	9.9	10.2	14.5	15.2
Q4	11.4	12.2	15.8	14.0	11.1	12.1	10.2	10.5	14.5	15.0
1995 Q1	11.4	12.1	16.9	15.8	11.0	11.9	10.1	10.7	14.1	14.6
Q2	11.5	12.4	17.3	16.6	11.2	12.2	10.4	11.3	14.6	15.2
Q3	11.6	12.6	16.2	14.7	11.4	12.5	10.7	12.0	14.5	15.0
Q4	11.5	12.5	16.8	16.1	11.2	12.2	10.4	11.6	14.4	15.2
1996 Q1	12.0	13.2	18.8	19.7	11.6	12.9	11.0	12.3	14.7	15.6
Q2	12.0	13.3	20.9	23.5	11.5	12.7	11.0	12.2	14.8	15.9
Q3	12.1	13.3	21.6	25.0	11.5	12.7	10.8	11.9	14.7	15.9
Q4	12.3	13.8	21.9	25.8	11.8	13.3	11.6	13.2	15.0	16.6
1997 Q1	12.3	14.0	20.6	23.4	11.8	13.5	11.7	13.9	15.3	17.1
Q2	12.4	14.1	17.4	18.0	12.1	13.9	11.7	13.7	15.2	17.2
Q3	12.3	13.9	17.9	18.9	11.9	13.7	11.6	13.5	15.2	17.1
Q4	12.6	14.4	17.3	17.7	12.2	14.1	11.4	13.3	16.3	18.6
1998 Q1	12.4	14.1	16.5	16.4	12.2	14.1	11.5	13.3	16.7	19.1
Q2	12.4	13.9	15.7	14.8	12.2	14.0	10.6	11.8	17.1	19.5
Q3	12.5	14.1	13.8	11.5	12.4	14.3	10.2	11.0	17.1	19.4
Q4	12.3	13.9	13.2	10.5	12.4	14.0	9.7	10.3	16.7	18.4
1999 Q1	12.0	13.2	12.7	9.7	12.0	13.5	9.5	9.8	16.1	18.0
Q2	12.2	13.5	13.9	12.0	12.0	13.6	9.9	10.5	16.9	18.9
Q3	12.4	13.7	18.1	20.0	11.9	13.3	9.4	9.6	16.1	17.7
Q4	12.2	13.6	18.9	21.9	11.7	13.2	10.0	10.5	16.9	19.0
2000 Q1	12.3	13.5	21.4	26.9	11.6	12.8	9.1	9.1	16.1	17.6
Q2	12.0	13.1	24.0	31.8	11.3	12.3	8.7	8.4	15.6	17.0
Q3	12.4	13.7	25.1	34.4	11.7	12.8	8.6	8.4	15.6	17.0
Q4	11.7	12.9	27.1	38.1	11.0	11.7	8.4	8.1	15.5	17.2
2001 Q1	11.7	12.8	26.0	36.3	11.0	11.7	9.0	9.1	15.3	16.7
Q2	11.4	12.3	25.0	34.9	10.7	11.3	8.3	8.0	14.6	15.6
Q3	11.8	12.9	22.3	30.0	11.3	12.2	8.7	8.5	14.8	15.9
Q4	11.5	12.4	19.9	25.6	11.0	12.0	8.0	7.2	14.1	15.0
2002 Q1	11.4	12.3	20.1	26.4	10.9	11.7	8.2	7.9	14.3	15.2
Q2	11.6	12.5	21.8	29.9	11.0	11.7	7.9	7.5	14.9	15.7
Q3	11.8	12.7	21.7	29.9	11.2	11.9	7.2	6.2	15.2	16.0
Q4	11.6	12.5	24.4	35.4	10.9	11.5	7.9	7.2	16.4	17.5
2003 Q1	11.8	12.7	22.6	32.3	11.2	11.8	6.7	5.2	15.1	15.9
Q2	11.6	12.4	18.8	25.0	11.2	12.0	7.6	6.8	15.9	17.0
Q3	12.2	13.3	22.0	31.6	11.6	12.6	7.6	6.8	15.4	16.6
Q4	12.0	13.1	20.1	28.0	11.5	12.5	8.8	8.8	15.2	16.4
2004 Q1	12.1	13.2	20.6	29.2	11.5	12.6	7.6	6.9	14.9	16.2
Q2	12.1	13.3	20.5	29.1	11.6	12.7	7.9	7.4	15.7	17.4
Q3	12.2	13.3	21.1	30.6	11.6	12.7	7.0	5.9	15.0	16.3
Q4	12.0	13.1	19.8	28.0	11.5	12.6	8.1	7.7	14.7	15.8
2005 Q1	12.2	13.3	20.9	30.6	11.6	12.7	7.1	6.0	15.8	17.5
Q2	12.4	13.7	22.4	33.7	11.8	13.0	7.9	7.5	15.4	16.8

¹ The quarterly rates of return are consistent with the annual rates of return presented in Table 1.

3 Rates of return of all Private Non-Financial Corporations

£billion

Year	% Rate of Return		Gross operating surplus	Capital consumption	Net operating surplus	Capital employed	
	Gross	Net				Gross	Net
	LRWV	LRWW	LRWL	BGXZ	LRWM	LRWT	LRWU
1965	11.8	12.7	5.8	1.4	4.5	49.6	35.3
1966	10.5	11.4	5.8	1.5	4.4	55.3	38.4
1967	10.6	11.5	6.1	1.5	4.6	57.3	39.8
1968	10.7	11.5	6.4	1.6	4.8	60.1	41.8
1969	10.7	11.4	7.0	1.8	5.2	65.8	45.8
1970	9.9	10.2	7.3	2.1	5.2	73.5	51.0
1971	10.2	10.4	8.4	2.4	5.9	82.6	57.1
1972	10.5	10.9	9.8	2.8	7.0	93.2	64.0
1973	10.3	10.7	11.4	3.4	8.1	110.4	75.5
1974	7.6	6.6	10.5	4.2	6.3	138.5	94.8
1975	6.8	5.2	11.7	5.6	6.1	172.1	117.0
1976	7.1	5.5	14.7	7.0	7.7	205.6	138.7
1977	9.1	8.3	21.8	8.4	13.3	238.4	160.5
1978	9.6	8.9	26.5	10.0	16.5	274.8	184.6
1979	9.3	8.4	30.4	12.0	18.4	326.1	219.0
1980	8.9	7.7	34.1	14.3	19.8	383.5	256.3
1981	8.7	7.4	37.3	16.3	21.0	427.6	282.3
1982	9.8	9.1	44.9	17.8	27.1	455.7	297.7
1983	11.0	10.8	52.6	19.2	33.4	477.6	309.8
1984	11.7	12.0	60.0	20.2	39.8	513.5	330.9
1985	12.1	12.6	70.1	23.2	46.9	581.9	371.8
1986	11.2	11.4	69.2	24.3	44.9	617.9	393.8
1987	11.5	11.9	78.9	27.2	51.8	684.2	435.0
1988	12.2	13.1	91.4	28.7	62.7	750.0	479.3
1989	11.8	12.7	101.6	31.6	70.0	857.4	549.2
1990	10.9	11.1	104.9	36.3	68.7	964.5	619.6
1991	10.2	9.8	105.7	41.5	64.3	1 033.1	653.8
1992	10.1	9.6	105.9	43.1	62.7	1 044.1	653.7
1993	11.0	11.0	116.3	44.0	72.3	1 059.5	660.4
1994	11.7	12.5	133.0	45.1	87.9	1 135.3	703.9
1995	11.5	12.4	142.2	47.2	95.0	1 232.7	768.1
1996	12.1	13.4	160.3	49.5	110.8	1 322.8	824.8
1997	12.4	14.1	172.1	49.8	122.3	1 389.9	867.3
1998	12.4	14.0	175.5	51.0	124.4	1 413.3	887.1
1999	12.2	13.5	179.7	53.3	126.4	1 477.9	935.0
2000	12.1	13.3	186.3	55.1	131.2	1 542.4	983.6
2001	11.6	12.6	186.7	56.7	130.0	1 607.3	1 028.7
2002	11.6	12.5	190.7	58.6	132.2	1 641.3	1 056.5
2003	11.9	12.9	200.7	60.6	140.2	1 693.1	1 089.4
2004	12.1	13.2	215.0	63.4	151.7	1 788.6	1 146.8

4 Rates of return of UK Continental Shelf companies

£billion

Year	% Rate of Return		Gross operating surplus	Capital consumption	Net operating surplus	Capital employed	
	Gross	Net ¹				Gross	Net
	LRXD	LRXE	LRWX	BGYB	LRWY	LRXB	LRXC
1989	14.9	11.8	8.0	4.2	3.8	54.1	32.7
1990	15.4	12.6	8.9	4.6	4.2	57.7	33.8
1991	14.6	10.7	8.5	4.9	3.6	58.3	33.8
1992	14.4	10.3	8.5	4.9	3.5	58.9	34.4
1993	15.1	11.7	9.4	5.2	4.2	62.1	36.3
1994	16.1	14.1	10.8	5.3	5.5	66.9	38.7
1995	16.8	15.8	12.1	5.6	6.5	72.1	41.0
1996	20.8	23.5	15.7	5.7	10.0	75.3	42.4
1997	18.3	19.5	14.0	5.7	8.3	76.6	42.6
1998	14.8	13.3	11.9	5.9	5.9	80.2	44.3
1999	15.9	15.9	13.3	6.0	7.3	84.1	46.1
2000	24.4	32.8	20.8	5.9	14.9	85.1	45.6
2001	23.3	31.7	19.9	5.8	14.1	85.4	44.5
2002	22.0	30.4	19.1	5.6	13.5	86.7	44.4
2003	20.9	29.2	18.6	5.6	13.0	88.8	44.6
2004	20.6	29.2	18.9	5.7	13.2	91.6	45.3

¹ Net rates of return are not a good measure of performance for Continental Shelf companies because of the nature of the fixed assets. This leads to distortions in the average capital employed.

5 Rates of return of non-UKCS PNFCs

£billion

Year	% Rate of Return		Gross operating surplus	Capital consumption	Net operating surplus	Capital employed	
	Gross	Net				Gross	Net
	LRXO	LRXP	LRXG	BGYC	LRXH	LRXM	LRXN
1989	11.6	12.8	93.5	27.4	66.2	803.4	516.6
1990	10.6	11.0	96.1	31.7	64.4	906.9	585.9
1991	10.0	9.8	97.2	36.6	60.6	974.8	620.0
1992	9.9	9.6	97.4	38.2	59.2	985.3	619.2
1993	10.7	10.9	106.9	38.8	68.1	997.4	624.1
1994	11.4	12.4	122.3	39.8	82.5	1 068.4	665.2
1995	11.2	12.2	130.0	41.6	88.5	1 160.6	727.1
1996	11.6	12.9	144.6	43.8	100.9	1 247.5	782.4
1997	12.0	13.8	158.0	44.1	114.0	1 313.3	824.7
1998	12.3	14.1	163.6	45.1	118.5	1 333.1	842.8
1999	11.9	13.4	166.4	47.3	119.1	1 393.9	888.9
2000	11.4	12.4	165.5	49.3	116.3	1 457.3	938.1
2001	11.0	11.8	166.9	51.0	115.9	1 521.9	984.2
2002	11.0	11.7	171.6	53.0	118.7	1 554.5	1 012.1
2003	11.4	12.2	182.2	55.0	127.2	1 604.3	1 044.8
2004	11.6	12.6	196.1	57.7	138.4	1 696.9	1 101.5

6 Rates of return of Manufacturing Sector PNFCs

£billion

Year	% Rate of Return		Gross operating surplus	Capital consumption	Net operating surplus	Capital employed	
	Gross	Net				Gross	Net
	LRYB	LRYC	LRXR	BGYI	LRXS	LRXZ	LRYA
1970	7.2	7.0	3.3	1.1	2.2	45.7	31.9
1971	6.6	5.9	3.4	1.3	2.1	51.2	35.5
1972	7.4	7.1	4.2	1.5	2.7	56.5	38.7
1973	7.5	7.2	4.9	1.7	3.2	64.9	43.9
1974	5.0	3.5	4.0	2.1	1.9	80.3	54.2
1975	4.1	1.9	4.1	2.8	1.3	99.5	66.6
1976	4.3	2.0	5.1	3.5	1.6	118.2	78.2
1977	6.1	4.6	8.3	4.2	4.1	134.5	88.7
1978	6.6	5.1	9.9	4.9	5.0	150.7	98.9
1979	5.6	3.5	9.7	5.7	4.0	174.0	113.7
1980	5.0	2.5	10.0	6.8	3.2	199.9	129.3
1981	4.5	1.5	9.8	7.8	2.0	220.2	139.8
1982	5.5	3.0	12.8	8.5	4.3	232.5	145.4
1983	6.1	3.8	14.6	9.0	5.6	240.0	148.4
1984	6.2	4.1	15.4	9.0	6.4	249.3	153.5
1985	7.0	5.5	18.2	9.4	8.9	260.3	159.9
1986	7.3	6.2	19.9	9.5	10.3	270.8	165.3
1987	7.5	6.5	21.2	10.0	11.2	283.0	171.9
1988	8.6	8.6	25.8	10.2	15.6	300.4	182.6
1989	8.7	9.0	29.8	11.4	18.4	343.4	205.5
1990	7.7	6.9	27.9	13.0	14.9	360.2	215.9
1991	6.4	4.2	23.5	14.4	9.1	365.8	218.0
1992	7.6	5.6	27.2	15.2	12.0	360.2	213.1
1993	8.5	7.3	30.4	15.1	15.3	359.2	210.7
1994	10.0	10.2	36.8	14.9	21.8	368.3	213.3
1995	10.4	11.4	40.4	14.8	25.6	387.2	224.8
1996	11.1	12.4	44.3	15.4	29.0	399.7	233.2
1997	11.6	13.6	46.6	14.8	31.8	400.2	234.1
1998	10.5	11.6	42.1	14.9	27.2	400.6	235.0
1999	9.7	10.1	39.1	15.1	24.0	404.6	238.2
2000	8.7	8.5	35.9	15.3	20.6	411.5	243.2
2001	8.5	8.2	35.5	15.3	20.2	417.2	246.3
2002	7.8	7.2	32.8	15.2	17.6	418.2	245.5
2003	7.7	6.9	31.9	15.2	16.7	416.5	242.5
2004	7.7	7.0	31.9	15.1	16.8	417.2	240.6

7 Rates of return of Service Sector PNFCs

£billion

Year	% Rate of Return		Gross operating surplus	Capital consumption	Net operating surplus	Capital employed	
	Gross	Net				Gross	Net
	LRYP	LRYQ	LRYF	BGYK	LRYG	LRYN	LRYO
1989	15.2	16.7	51.0	11.8	39.2	334.7	234.6
1990	14.0	14.6	54.0	14.0	39.9	385.1	273.1
1991	14.3	14.6	56.5	15.5	41.0	395.0	280.7
1992	13.2	12.9	53.1	16.2	36.9	401.4	285.7
1993	14.0	14.2	57.7	16.5	41.2	411.2	290.0
1994	14.8	15.5	65.7	17.4	48.3	444.6	311.7
1995	14.4	15.0	68.6	18.2	50.4	477.3	335.1
1996	14.8	16.0	78.0	19.2	58.8	526.7	367.1
1997	15.5	17.5	88.9	19.5	69.4	572.0	397.3
1998	16.9	19.1	100.1	20.3	79.7	592.7	416.6
1999	16.5	18.4	105.5	22.0	83.5	638.2	452.8
2000	15.7	17.2	107.7	23.4	84.3	684.6	490.3
2001	14.7	15.8	108.1	24.6	83.6	735.3	528.5
2002	15.2	16.1	115.0	26.1	88.9	758.4	551.4
2003	15.4	16.5	123.8	27.9	95.9	801.5	582.0
2004	15.2	16.4	134.3	29.8	104.5	885.3	636.1

R1 Revisions to Annual and Quarterly Net Rates of Return of Private Non-Financial Corporations

per cent

	All Private Non-Financial Corporations	UKCS companies	Non - UKCS PNFCs	Manufacturing Sector PNFCs	Service Sector PNFCs
Year					
2003	–	–	–	–	–
2004	–0.1	0.1	–0.1	0.1	–0.1
Quarter					
2004 Q1	–	0.5	–0.1	–	–
Q2	–0.1	–0.6	–0.1	–	–
Q3	–0.1	0.1	–0.1	0.1	–0.1
Q4	–	0.4	–	–	–0.1
2005 Q1	–	1.0	–	–	–
Q2