



UK Non-Financial Business Economy, 2013 Revised Results (Annual Business Survey)

Coverage: **UK**

Date: **01 June 2015**

Geographical Area: **UK**

Theme: **Business and Energy**

Main points

- In 2013 the approximate Gross Value Added at basic prices (aGVA) of the UK Non-Financial Business Economy reached £1 trillion for the first time, with an estimated value of £1,001.1 billion. This amount represents the income generated by businesses in the UK, less the cost of goods and services used to create this income.
- Between 2012 and 2013, aGVA increased by 6.8% (£64.1 billion), the largest annual percentage increase following the recession in 2008. This increase is a continuation of the recovery seen between 2009 and 2012 and takes aGVA to a level 10.1% (£91.5 billion) above that seen in 2008, at the start of the recession.
- For the first year since the start of the recession in 2008 all sectors of the UK Non-Financial Business Economy, as measured by the Annual Business Survey (ABS), saw growth in aGVA between 2012 and 2013.
- The Non-Financial Service sector, which accounts for over half (55.0%) of aGVA in the UK Non-Financial Business Economy, contributed most to the increase in aGVA. The sector's increase of 9.6% (£48.2 billion) between 2012 and 2013 was the fourth consecutive annual increase, taking it 24.3% (£107.6 billion) above the level seen in 2008.
- The Production sector, which accounts for just over a fifth (21.9%) of aGVA in the UK Non-Financial Business Economy, saw an increase in aGVA of 1.8% (£3.9 billion) between 2012 and 2013. The increase sees Production sector aGVA just £3.6 billion below the level in 2008.
- The Distribution sector, which accounts for 15.1% of aGVA in the UK Non-Financial Business Economy, also saw an increase in aGVA of 4.7% (£6.8 billion) between 2012 and 2013.

Following two consecutive annual decreases between 2010 and 2012, aGVA in 2013 remains £6.5 billion below the level seen in 2008.

- The Construction sector, which accounts for 7.9% of aGVA in the UK Non-Financial Business Economy, saw an increase in aGVA of 6.5% (£4.8 billion) between 2012 and 2013. This is the third consecutive year of growth, which leaves Construction aGVA £6.2 billion lower than the level in 2008.
- The revised results show small revisions for the UK Non-Financial Business Economy compared with the previous estimate published on 13 November 2014. There were downward revisions of 0.4% (£13.7 billion) in turnover, 0.2% (£4.3 billion) in purchases and 1.1% (£11.5 billion) in aGVA. aGVA for 2012 was revised up by 0.1% (£0.7 billion).

Overview

Estimates of the size and growth of the UK Non-Financial Business Economy for 2013 as measured by the Annual Business Survey (ABS), are presented in this release. It is the key resource for understanding the detailed structure, conduct and performance of businesses across the UK. These figures are revised from those published as part of the [November 2014](#) release as more data has become available. Revisions are an inevitable consequence of the trade-off between timeliness and accuracy. The release covers the following sectors:

- Non-Financial Services (includes professional, scientific, communication, administrative, transport, accommodation and food, private health and education, entertainment services)
- Distribution (includes retail, wholesale and motor trades)
- Production (includes manufacturing, oil and gas extraction, energy generation and supply)
- Construction
- Parts of Agriculture (includes agricultural support services, forestry and fishing)

Together these industries represent the UK Non-Financial Business Economy and account for around two thirds of the whole economy of the UK in terms of Gross Value Added. Public administration and defence, public sector health and education, finance and farming make up the difference between the UK Non-Financial Business Economy and the whole economy.

Estimates published in this release include turnover, purchases, approximate Gross Value Added at basic prices (aGVA) and employment costs. All data are reported at current prices (effect of price changes included).

Where the recession is mentioned it refers to the contraction of Gross Domestic Product (GDP) that started in 2008, the year from which a consistent ABS time series is available. For more information about the survey see the background notes.

The ABS has a wide range of uses: for example, ABS statistics are essential contributors to the [UK National Accounts](#), including the measurement of [GDP](#), they are supplied to Eurostat to meet the requirements of the European Structural Business Statistics (SBS) Regulation, and are used by the devolved administrations and central and local government to monitor and inform policy development.

ABS data are also used to produce adhoc analyses such as the recently published [Median Value Added Per Registered Business](#), 2013 release. For other uses see background note 4.

Questions often asked of the ABS release are 'What is aGVA?' and 'How does the measure of aGVA differ from the GVA measure in the National Accounts?'. For an overview of aGVA please see our new infographic '[What is aGVA?](#)'. National Accounts carry out coverage adjustments, conceptual adjustments and coherence adjustments. The National Accounts estimate of GVA uses input from a number of sources, and covers the whole UK economy, whereas ABS does not include farming, financial or public sectors. ABS total aGVA is around two thirds of the National Accounts whole economy GVA because of these differences. For further information on aGVA, see background note 9. There is also a recently published article '[A Comparison between ABS and National Accounts Measures of Value Added](#)' ([462.3 Kb Pdf](#)) which provides more detail.

ONS makes every effort to provide informative commentary on the data in this release. Where possible, the commentary draws on evidence from businesses or other sources of information to help explain possible reasons behind the observed changes. However, in some places it can prove difficult to elicit detailed reasons for movements, for example, businesses may state a 'change in the nature of business activity'. Consequently, it is not possible for all data movements to be fully explained.

Your Views Matter

We are interested in your views of our data and publication. Please take time to complete a [short survey](#) before 14 August 2015.

We constantly aim to improve this release and its associated commentary. We would welcome any feedback you might have, and would be particularly interested in knowing how you make use of these data to inform your work. Please contact us via email: abs@ons.gsi.gov.uk or telephone Jon Gough on +44 (0)1633 456720.

Interactive Wheel for the UK Non-Financial Business Economy

Use the [Interactive Wheel](#) updated with the latest figures for 2012 and 2013 to investigate which sectors contribute most to the UK Non-Financial Business Economy. Focus on the Business Economy as a whole or each sector and switch between aGVA, Turnover and Purchases.



UK Non-Financial Business Economy, Sections A to S (part)

In 2013, the income generated by businesses in the UK, less the cost of goods and services used to create this income was estimated to be £1,001.1 billion. This amount represents the approximate Gross Value Added at basic prices (aGVA) of the UK Non-Financial Business Economy. Between 2012 and 2013 aGVA increased by 6.8% (£64.1 billion); a continuation of the recovery seen between 2009 and 2012. This increase resulted in aGVA for 2013 reaching £1 trillion for the first time, at a level 10.1% (£91.5 billion) above that seen in 2008, at the start of the recession.

The main components of aGVA are:

1. Turnover (the main component of income)
2. Purchases (the main component of the consumed goods and services)

The consecutive annual increases seen in aGVA follow a similar pattern of increases in both turnover and purchases. Turnover increased by 6.2% (£207.2 billion) between 2012 and 2013, while purchases of goods, materials and services increased at a similar rate of 6.4% (£150.2 billion), resulting in a 6.8% growth in aGVA. As with aGVA, turnover and purchases were above levels seen in 2008 at the start of the recession for the third consecutive year (see Figure 1).

The recession and recovery described by the ABS between 2008 and 2013 is broadly in line with Gross Domestic Product (GDP) figures published in the National Accounts. Both the ABS aGVA estimates and the latest National Accounts GDP estimates (taken from the Second Estimate for Quarter 1 (Jan to Mar) 2015) show a fall between 2008 and 2009 and now four consecutive annual increases from 2009 to 2013 led by the Service sector.

Due to the need to balance timeliness of the data with the accuracy, in-line with the ABS Revisions Policy, ABS Provisional results are published in November with further quality assurance then leading to planned revisions to the data in subsequent releases.

These revisions usually arise from the receipt of additional data and the revision of existing data by businesses responding to the ABS, which may include restructures that can result in data being reallocated to a different industry.

When compared with the ABS Provisional results published on 13 November 2014, the revised 2013 results show minimal revision for the UK Non-Financial Business Economy. There were downward revisions to the 2013 estimates of 0.4% (£13.7 billion) in turnover, 0.2% (£4.3 billion) in purchases and 1.1% (£11.5 billion) in aGVA. The majority of the aGVA downward revisions were in Production and Non-financial services, which together accounted for 71% of the overall revision.

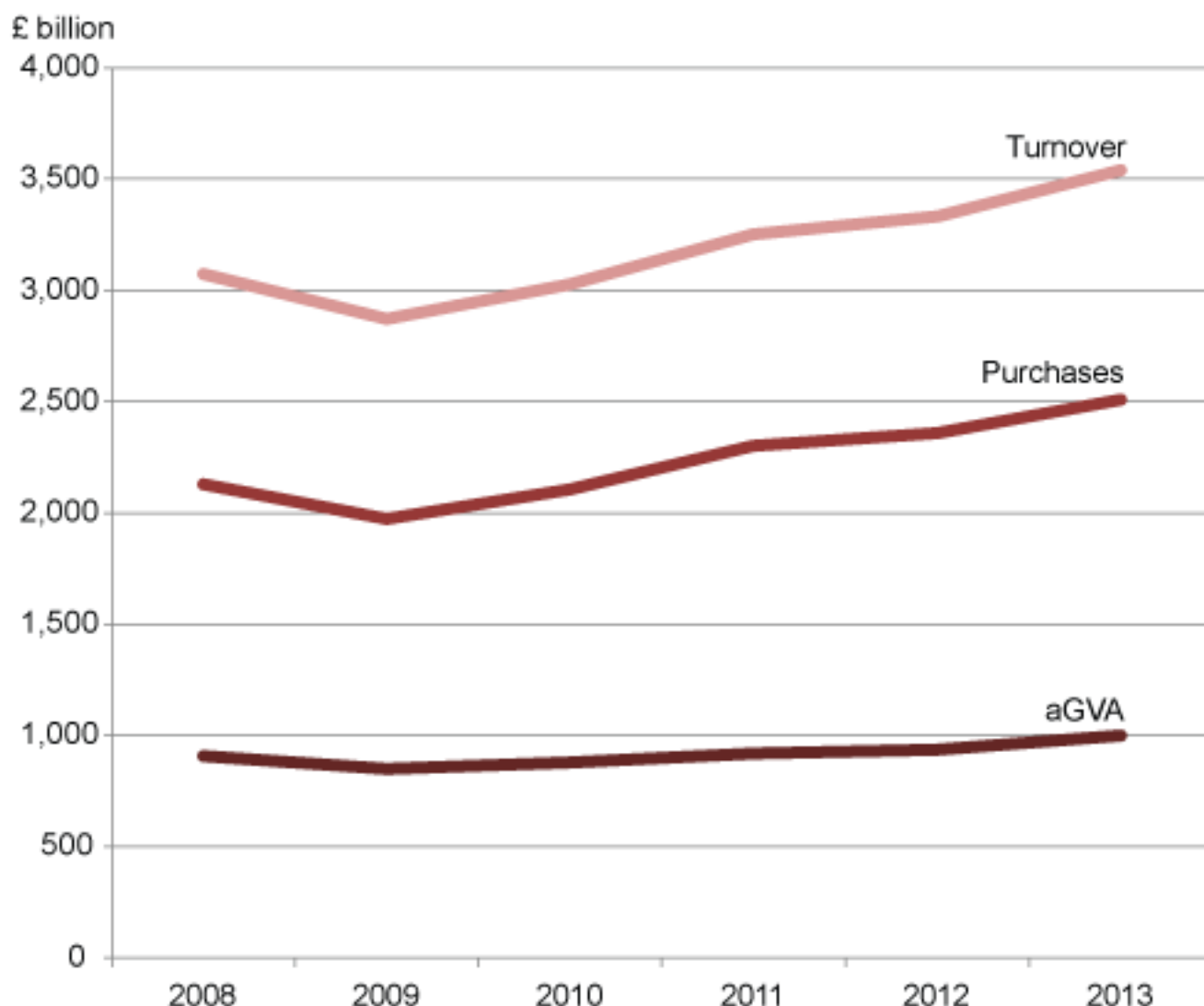
Estimates of aGVA in 2012 have been revised up by 0.1% (£0.7 billion), as a result of upward revisions in Construction, Production and Distribution, with a balancing downwards revision in Non-financial services.

Despite the revisions, the direction of movements of aGVA between 2012 and 2013 for the broad industry groups remains unchanged to that published in November 2013.

For details of the revisions to each sector see the later chapter on Revisions.

A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Figure 1: UK Non-Financial Business Economy, turnover and purchases and resulting aGVA, 2008 to 2013



Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Download chart

[XLS](#) [XLS format](#)

(31 Kb)

For the first year since the start of the recession in 2008 all sectors of the UK Non-Financial Business Economy, as measured by ABS, saw growth in aGVA between 2012 and 2013 (see Figures 2 and 3).

Non-Financial Services, the largest industry sector of the UK Non-Financial Business Economy contributed most to the increase in aGVA. The Non-Financial Service sector aGVA rose by 9.6%

(£48.2 billion) between 2012 and 2013, the fourth consecutive annual increase, taking aGVA to £550.4 billion.

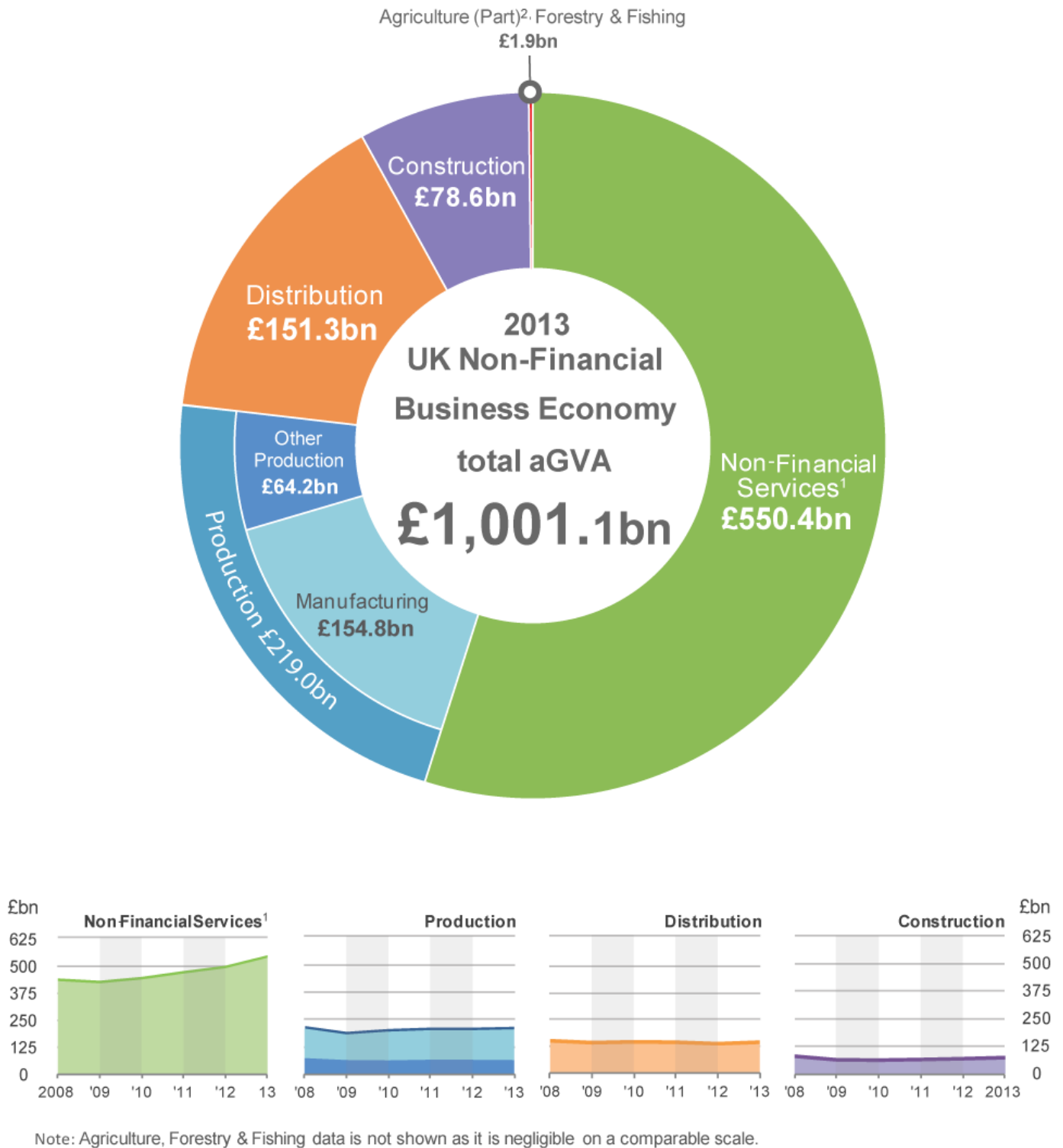
The Production sector saw an increase of 1.8% (£3.9 billion) in aGVA following a slight fall between 2011 and 2012. This increase sees aGVA for the Production sector at £219.0 billion, just below the £222.5 billion seen in 2008, at the start of the recession.

The Distribution sector experienced an increase in aGVA for the first time since 2010, with a rise of 4.7% (£6.8 billion) between 2012 and 2013. This increase took aGVA to £151.3 billion, which is still below the £157.8 billion seen in 2008.

The Construction sector experienced growth in aGVA for the third consecutive year, increasing by 6.5% (£4.8 billion) from £73.8 billion in 2012 to £78.6 billion in 2013. However, as with the Distribution sector, aGVA still remains below the level seen in 2008 (£84.8 billion).

The Agriculture (part), Forestry & Fishing sector experienced the largest percentage rise in aGVA of all the sectors, with a 32.4% (£0.5 billion) increase between 2012 and 2013. At £1.9 billion, aGVA for the industry is now above the level seen in 2008 for the first time.

Figure 2: UK Non-Financial Business Economy, aGVA by sector, 2008 to 2013



Source: Office for National Statistics

Notes:

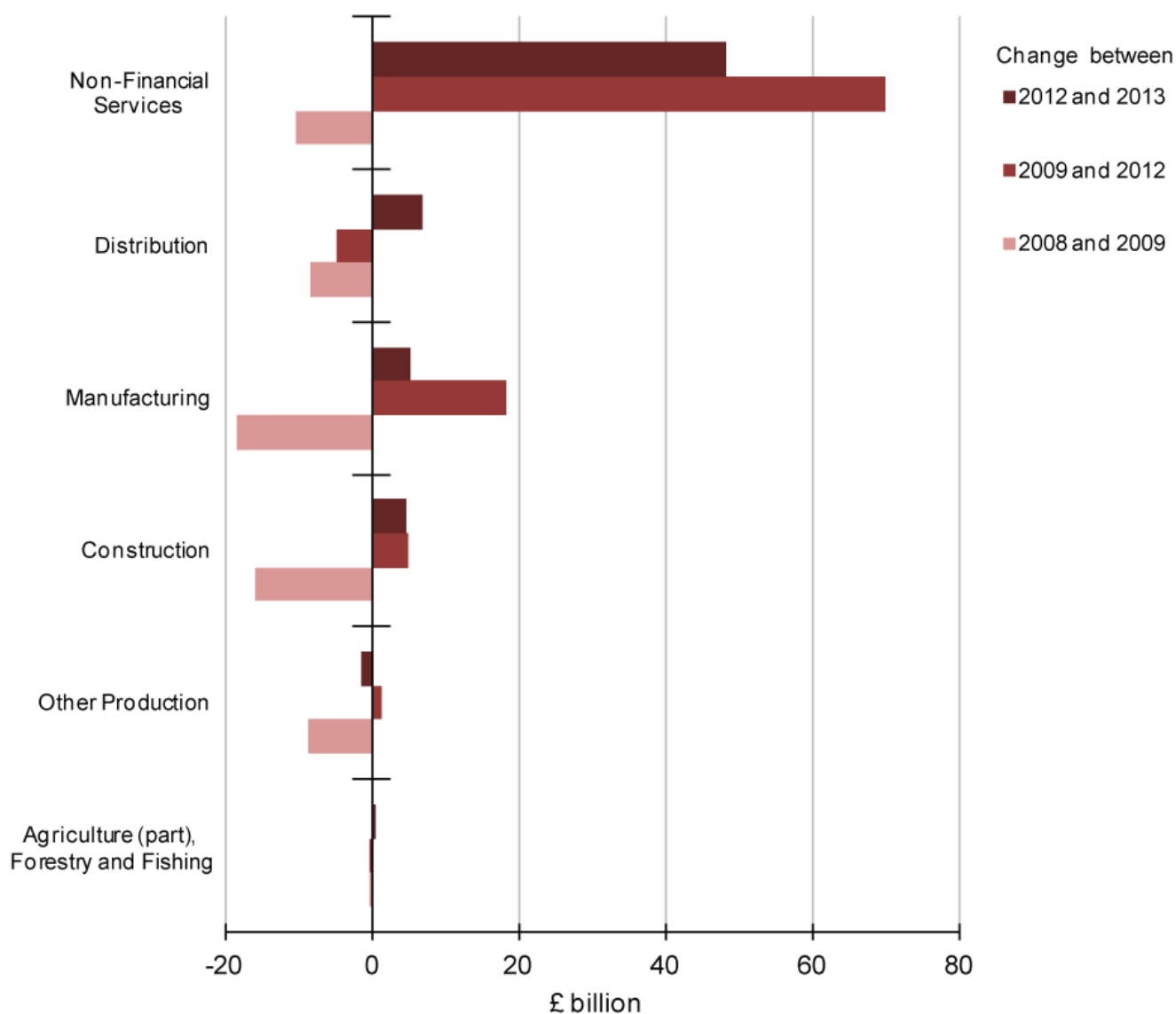
1. Excludes Financial and insurance; Public administration and defence; Public provision of Education; Public provision of Health and all medical and dental practice activities.
2. Excludes crop and animal production.

3. Please click on the image to view a larger version.

Download chart

[XLS](#) [XLS format](#)
(34.5 Kb)

Figure 3: UK Non-Financial Business Economy, aGVA change by sector, 2008 to 2013



Source: Office for National Statistics

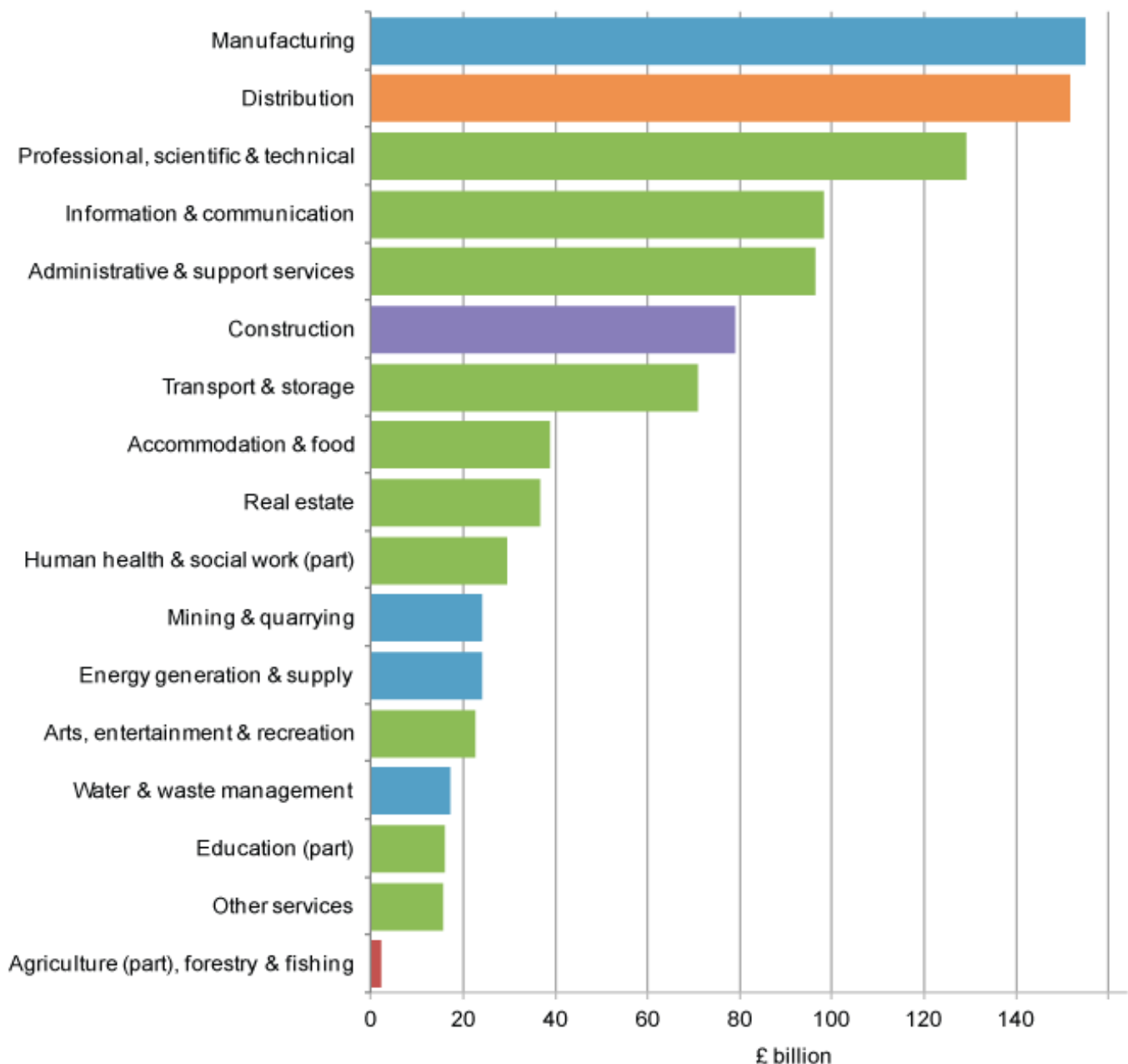
Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Download chart**XLS** [XLS format](#)

(33 Kb)

Non-Financial Services as a whole (Sections H-S) dominates the UK Non-Financial Business Economy in terms of aGVA. However, at the SIC section level Manufacturing (Section C in the Production sector) and Distribution (Section G) are the largest specific contributors followed by Professional, scientific & technical activities (Section M) from the Non-Financial Service sector. Construction (Section F) also contributes more to aGVA than seven of the ten sections within Non-Financial Services (see Figure 4).

Figure 4: UK Non-Financial Business Economy, aGVA by section, 2013

Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Download chart

XLS [XLS format](#)

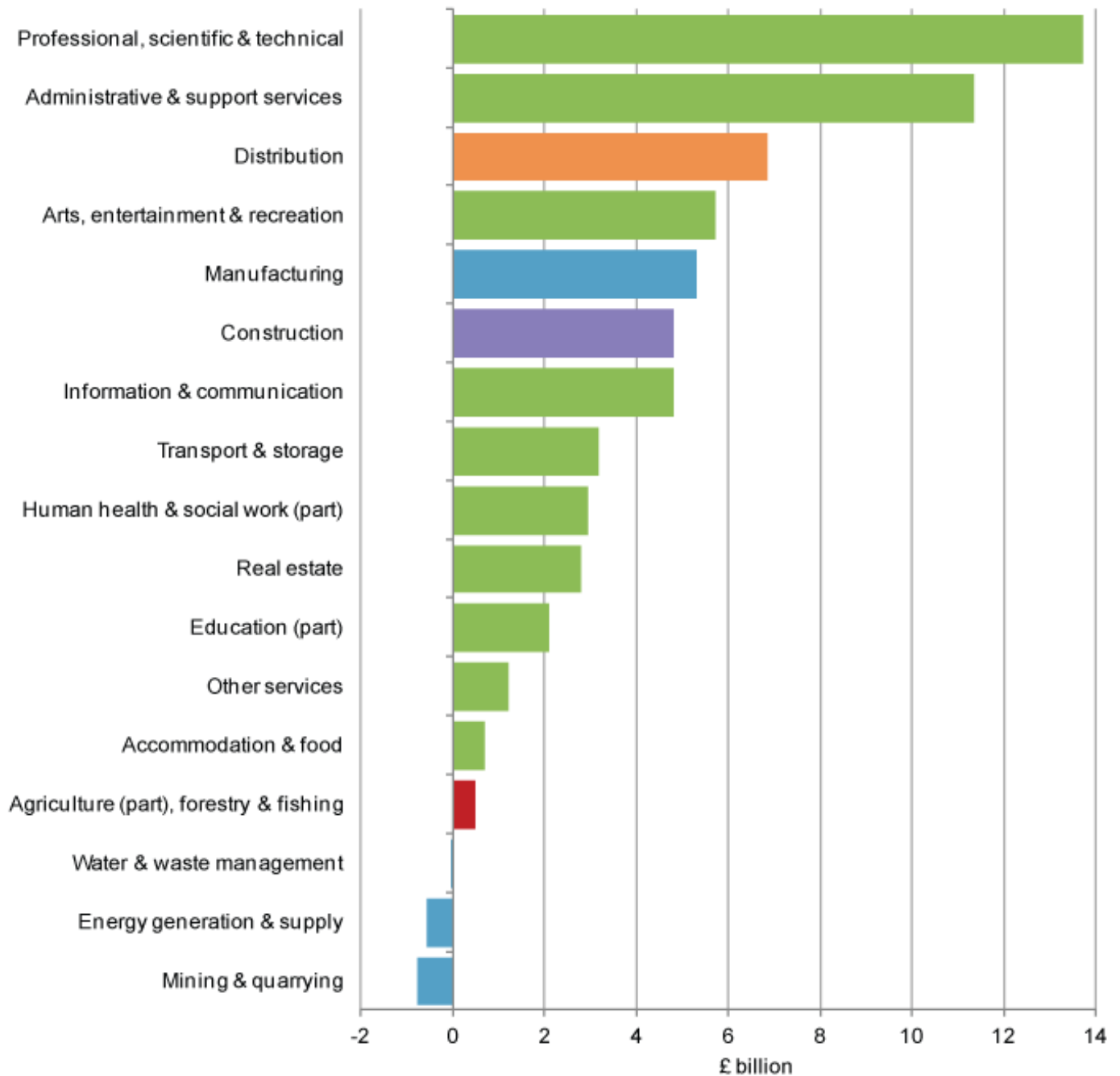
(26.5 Kb)

A different pattern to Figure 4 is seen when analysing those sections which have made the largest contributions to aGVA growth between 2012 and 2013 (see Figure 5). The two sections which stand out, with a combined contribution of nearly 40% of the aGVA growth, are:

- Professional, scientific & technical activities (Section M)
- Administrative & support service activities (Section N)

Only 3 sections (all in the Production sector) are showing a fall in aGVA for 2013, compared with 2012.

Figure 5: UK Non-Financial Business Economy, aGVA change by section, 2012 to 2013



Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Download chart

[XLS](#) [XLS format](#)
(26 Kb)

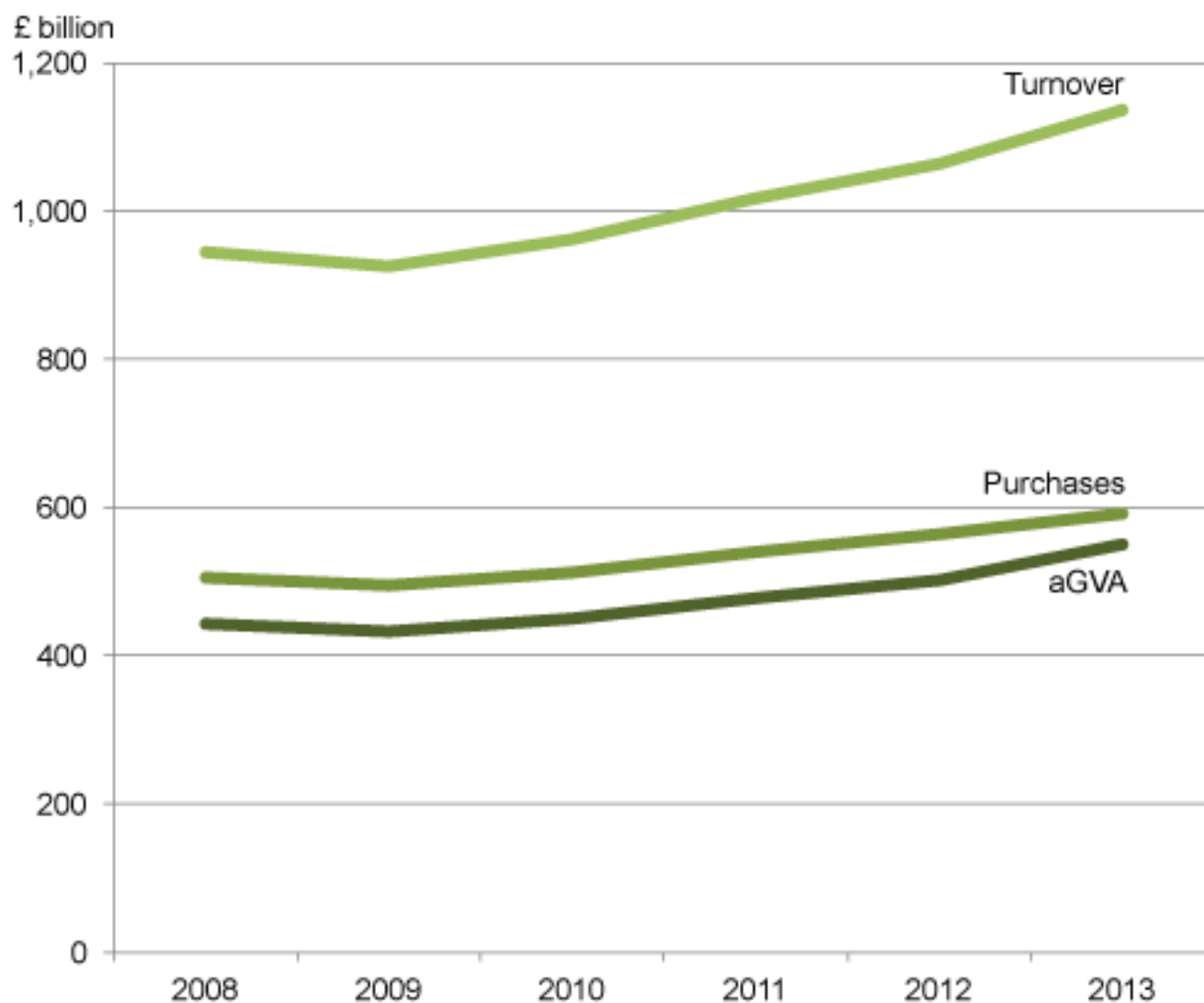
Further detail on these industry sections can be found in the subsequent chapters which describe the Non-Financial Services sector (Sections H to S), the Production sector (Sections B to E including Manufacturing), the Distribution sector (Section G), the Construction sector (Section F) and the Agriculture (part), Forestry & Fishing sector (Section A).

Non-Financial Service Industries, Sections H to S (part)

Non-Financial Services sector contributed £550.4 billion, over a half (55.0%) of the estimated aGVA total of £1,001.1 billion in 2013 for the UK Non-Financial Business Economy.

Between 2012 and 2013 Non-Financial Service turnover increased at a higher rate than purchases, 6.8% (£71.9 billion) compared with 4.8% (£27.0 billion). Together with a rise in stock levels and changes in subsidies and taxes, this resulted in aGVA rising by 9.6% (£48.2 billion). This is the fourth consecutive year of growth in aGVA for the sector, following the fall between 2008 and 2009. Turnover, purchases and aGVA are now well above the level seen in 2008 at the start of the recession (see Figure 6).

For details of revisions to 2012 and 2013 Non-Financial Service data see the later chapter on Revisions.

Figure 6: Non-Financial Services, turnover and purchases and resulting aGVA, 2008 to 2013

Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

Download chart

[XLS](#) [XLS format](#)
(30.5 Kb)

All of the industry sections within the Non-Financial Service sector continued to see increases in aGVA between 2012 and 2013 (see Figures 7 and 8).

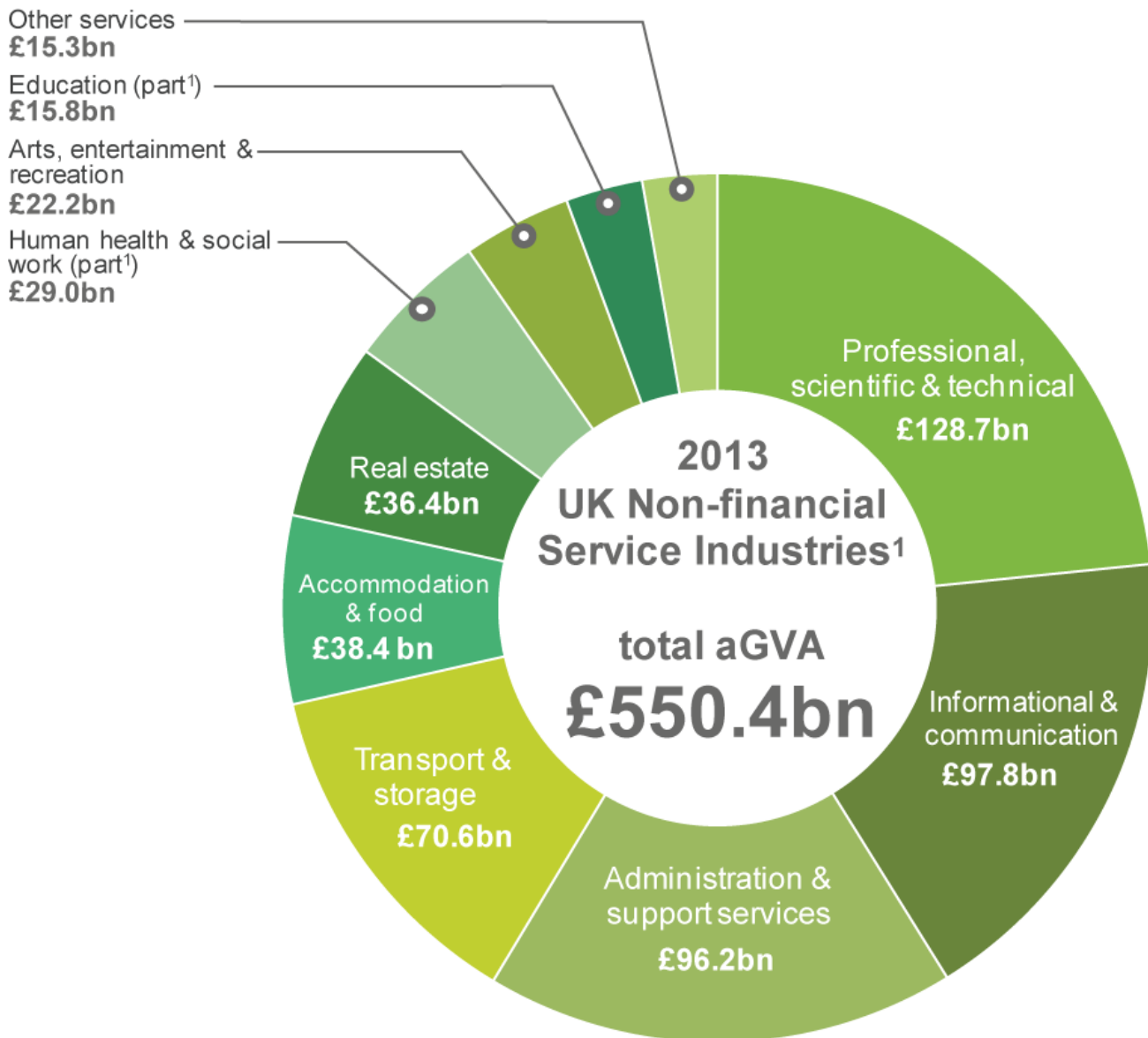
Those industries which have made the largest contributions to growth are:

- Professional, scientific & technical activities (Section M)
- Administrative & support service activities (Section N)

- Arts, entertainment & recreation (Section R)
- Information & communication (Section J), and
- Transport & storage (Section H)

These industries, which together accounted for an increase in aGVA of £38.6 billion, are described in more detail after Figure 7b.

Figure 7a: Non-Financial Services, aGVA by section, 2013



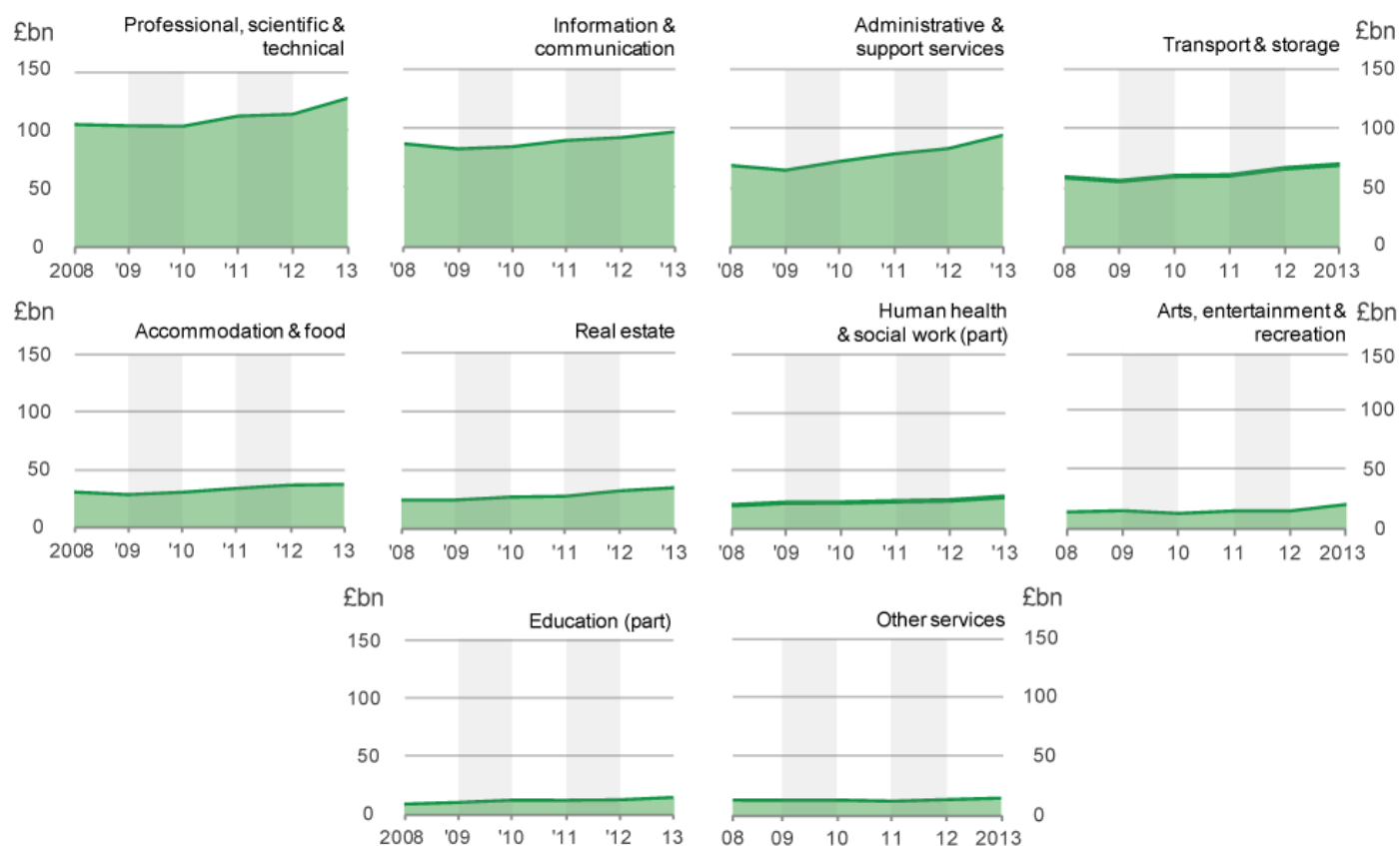
Source: Office for National Statistics

Notes:

1. Excludes Financial and insurance; Public administration and defence; Public provision of Education; Public provision of Health and all medical and dental practice activities.

Download chart[XLS](#) [XLS format](#)

(31.5 Kb)

Figure 7b: Non-Financial Services, aGVA by section, 2008 to 2013

Source: Office for National Statistics

Notes:

1. Excludes Financial and insurance; Public administration and defence; Public provision of Education; Public provision of Health and all medical and dental practice activities.
2. Please click on the image to view a larger version.

Download chart[XLS](#) [XLS format](#)

(31.5 Kb)

Professional, Scientific & Technical Activities (Section M)

Turnover in Professional, scientific & technical activities increased by 9.7% (£20.2 billion) between 2012 and 2013, with purchases increasing by 8.6% (£8.0 billion). The resulting growth in aGVA of 11.9% (£13.7 billion), meant aGVA remained above the level reported in 2008 for the third consecutive year.

This broad section, which covers a range of industries from Legal & accounting activities to Advertising & market research and Veterinary activities, saw increases in aGVA in almost all its divisions between 2012 and 2013. Those having the largest impact on aGVA growth were Activities of head offices; management consultancy (Division 70) and Architectural & engineering activities; technical testing & analysis (Division 71) which between them contributed £8.5 billion to the increase in aGVA. However, Scientific Research & Development (Division 72) showed a decrease of £1.3 billion in aGVA over this period.

Administrative & Support Services (Section N)

Between 2012 and 2013 Administrative & support services saw turnover rise by 8.8% (£15.2 billion), while purchases increased by 5.2% (£4.6 billion) leading to an aGVA increase of 13.3% (£11.3 billion).

The main industries contributing to growth within Administrative & support services were Employment activities (Division 78) where aGVA increased by 16.4% (£4.0 billion). Office administrative, office support & other business support activities (Division 82) also made a substantial contribution with a 15.7% (£3.2 billion) increase in aGVA.

Arts, Entertainment & Recreation (Section R)

Turnover in Arts, entertainment & recreation increased by 8.0% (£8.9 billion) between 2012 and 2013, while purchases increased by 3.2% (£3.0 billion) leading to a 34.5% (£5.7 billion) rise in aGVA. This growth was driven by Gambling & betting (Division 92) where aGVA increased by 67.4% (£3.5 billion). The growth in this industry could in part be attributed to the types and geographical spread of the interactive entertainment industry and increase in internet usage in recent years.

Information & Communication (Section J)

Turnover in Information & communication increased by 3.8% (£7.3 billion) between 2012 and 2013 which, coupled with a smaller 3.8% (£3.7 billion) increase in purchases, resulted in an increase in aGVA of 5.1% (£4.8 billion) between 2012 and 2013.

The main division causing the growth in aGVA within this section was Computer programming, consultancy & related activities (Division 62), with an increase of 7.7% (£3.1 billion) between 2012 and 2013. The development of mobile phone applications are included in this division. The addition of mobile phone applications to the [CPI basket in 2011](#) and increase in [internet use](#) on mobile devices indicates this activity has been increasing in importance in recent years.

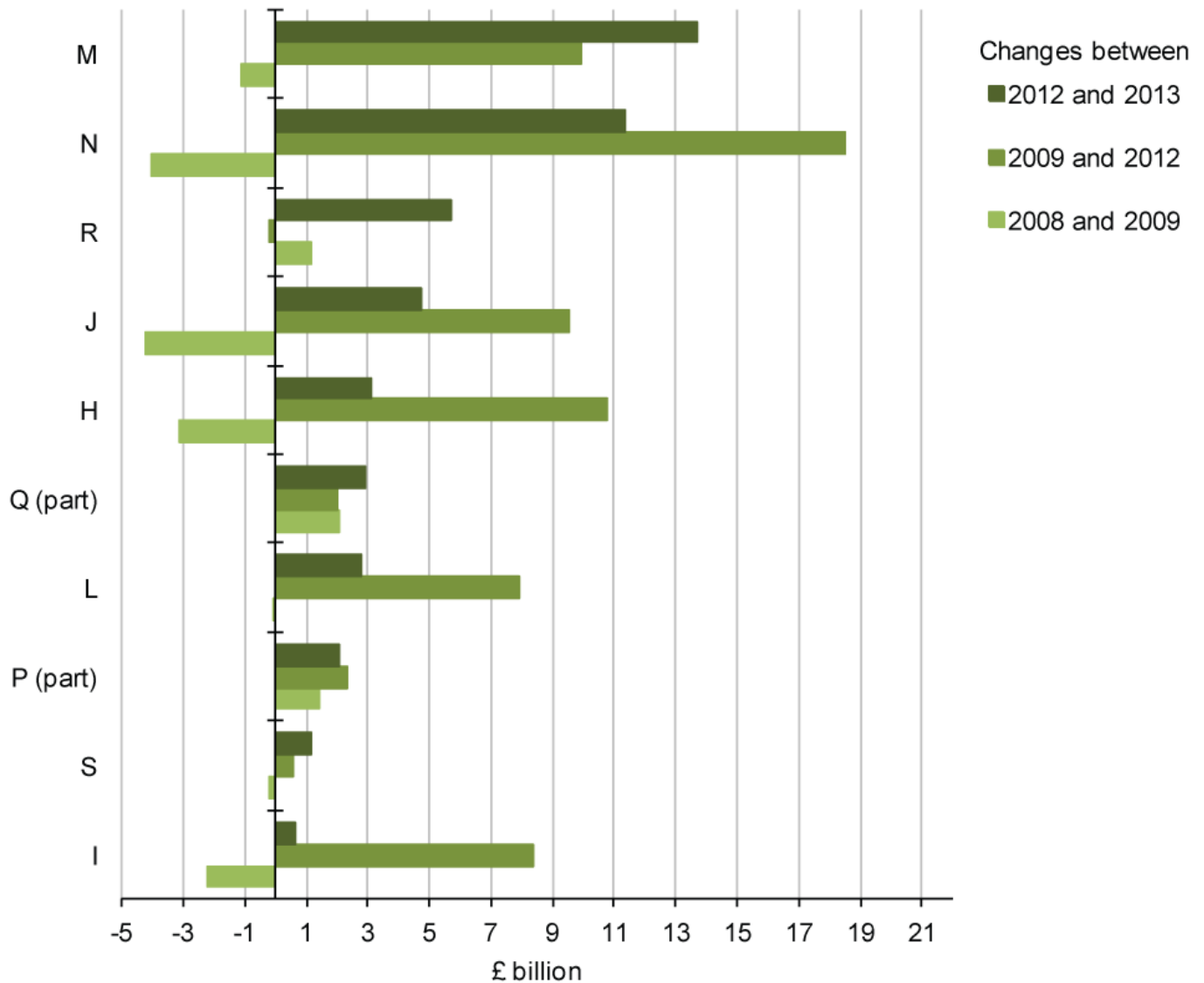
Transport & Storage (Section H)

Turnover in Transport & storage increased by 3.5% (£5.3 billion) between 2012 and 2013, with purchases rising by 2.6% (£2.3 billion) resulting in a 4.6% (£3.1 billion) increase in aGVA.

The main divisions contributing to aGVA growth within Transport & storage were Warehousing & support activities for transportation (Division 52) and Air transport (Division 51). Increases in this sector may be related to the effect of the internet economy. Data on the retail sector indicates that turnover from mail order and via the internet continued to increase at a higher rate than turnover

from shops. An increase seen in Warehousing & support activities for transportation is likely to partly result from the storage of items ordered from the internet.

Figure 8: Non-Financial Services, aGVA growth by section 2008 to 2013



Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.

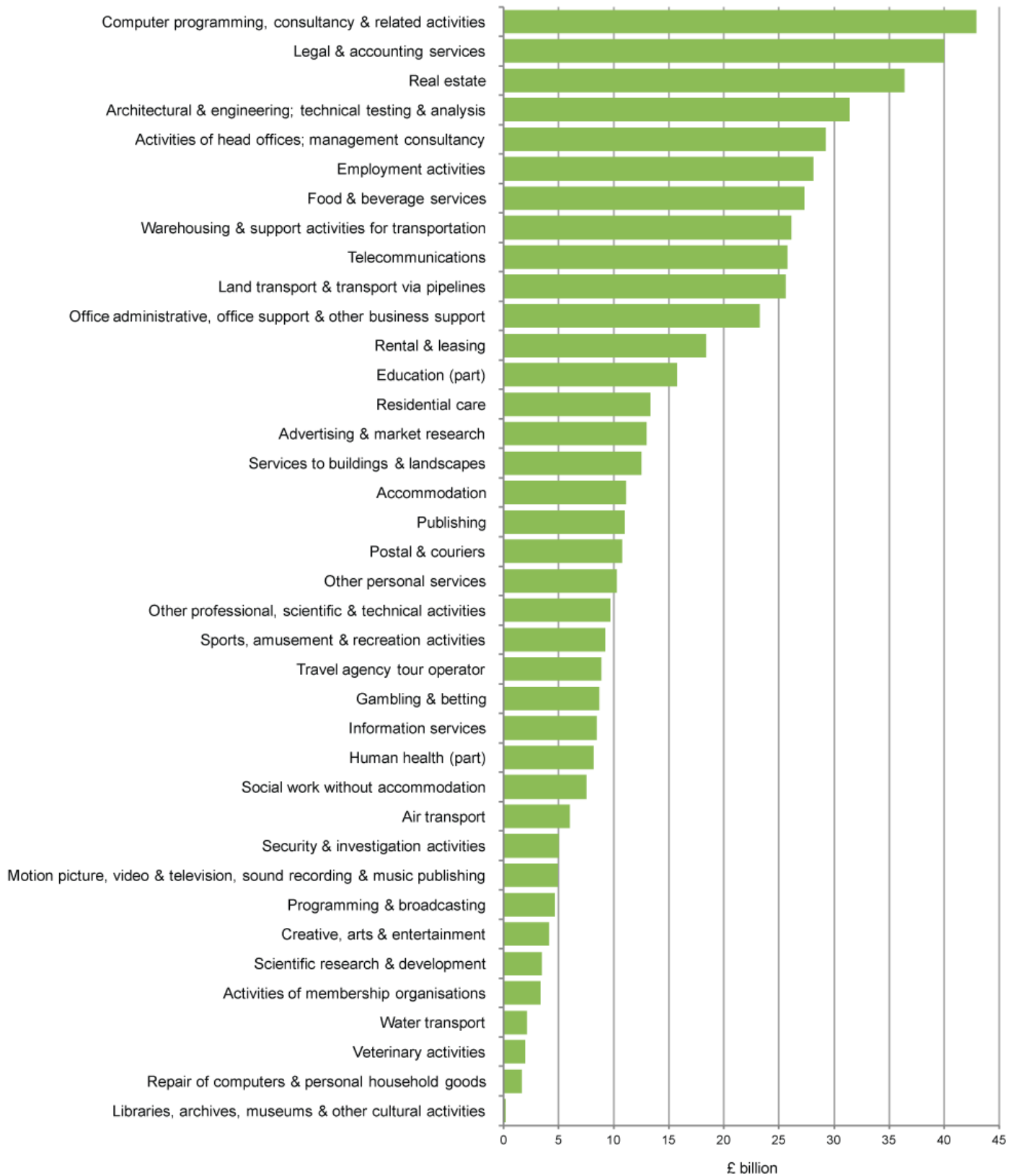
Download chart

[XLS](#) [XLS format](#)

(32 Kb)

Within these sections, at a division level, Computer programming, consultancy & related activities (Division 62) made the largest contribution to Non-Financial Services aGVA with £42.9 billion in 2013, followed by Legal & accounting services (Division 69) with £40.0 billion (see Figure 9).

Figure 9: Non-Financial Services, aGVA by division, 2013



Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.
2. Please click on the image to view a larger version.

Download chart[!\[\]\(c3d993ca47bfe2a953c700506ce31fa0_img.jpg\) XLS format](#)

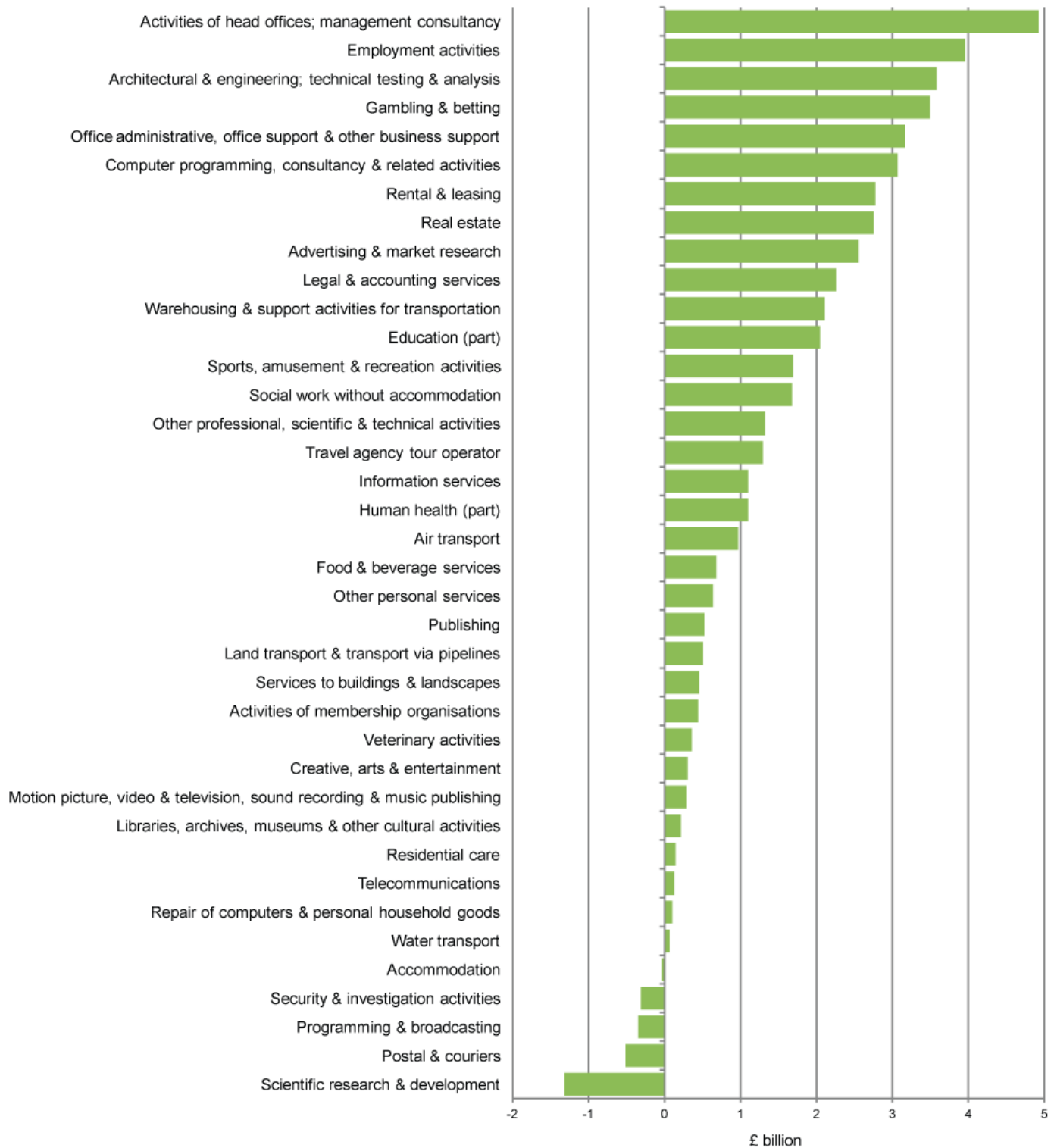
(28.5 Kb)

Activities of head offices, management consultancy (Division 70) showed the largest aGVA growth at 20.3% (£4.9 billion) between 2012 and 2013, followed by Employment activities (Division 78) with 16.4% (£4.0 billion) increase in aGVA (see Figure 10).

Computer programming (which made the largest overall divisional contribution to Non-financial services in Figure 9) also showed the sixth largest growth in aGVA of 7.7% (£3.1 billion) in 2013. This division includes the development of mobile phone applications which has been increasing in importance in recent years.

The largest fall in aGVA during 2013 was in Scientific research & development (Division 72) which showed a decrease of 27.3% (£1.3 billion).

Figure 10: Non-Financial Services, aGVA change by division, 2012 to 2013



Source: Office for National Statistics

Notes:

1. A list of industries which are included in the ABS measure of the UK Non-Financial Business Economy, can be found in background note 9.
2. Please click on the image to view a larger version.

Download chart[XLS](#) [XLS format](#)

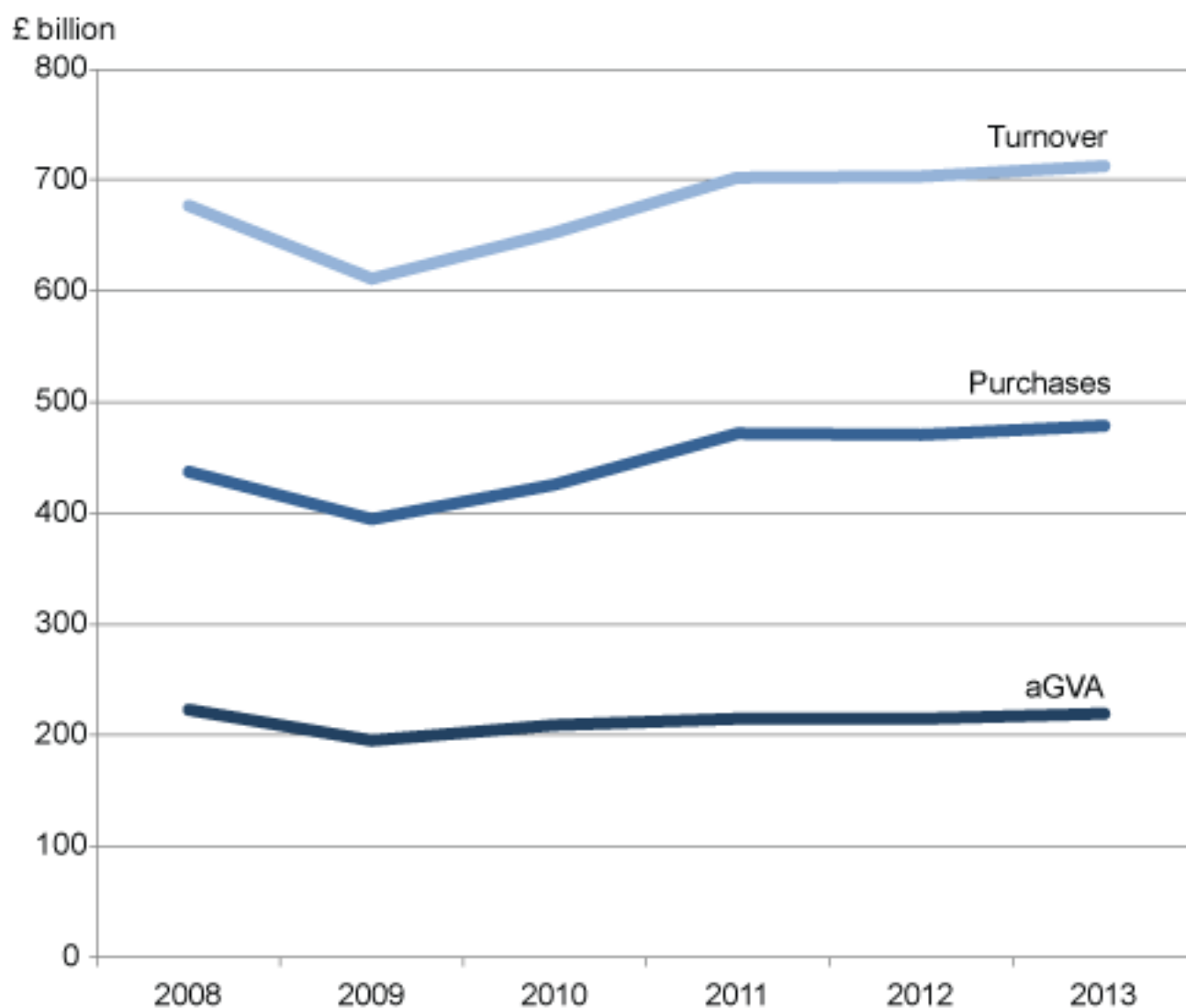
(28.5 Kb)

Production Industries, Sections B to E

The Production sector in 2013 provided £219.0 billion, just over a fifth (21.9%) of the estimated aGVA total of £1,001.1 billion for the UK Non-Financial Business Economy.

Between 2012 and 2013 Production sector turnover and purchases increased by 1.4% (£9.6 billion) and 1.7% (£8.0 billion) respectively. Together with rises in stock levels and changes in taxes, this led to an increase in aGVA of 1.8% (£3.9 billion), which followed a slight fall between 2011 and 2012. The increase sees Production sector aGVA just £3.6 billion below the level in 2008, at the start of the recession (see Figure 11).

For details of revisions to 2012 and 2013 Production data see the later chapter on Revisions.

Figure 11: Production, turnover and purchases and resulting aGVA, 2008 to 2013

Source: Office for National Statistics

Download chart

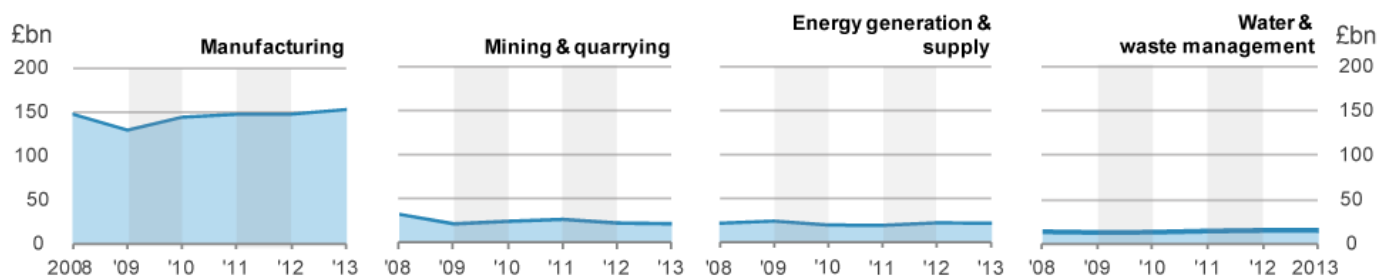
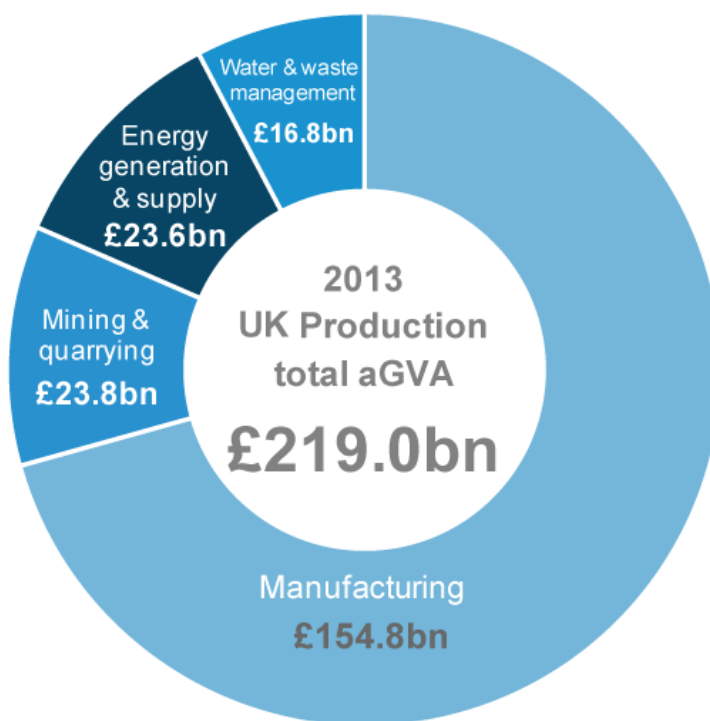
[XLS](#) [XLS format](#)

(31 Kb)

Manufacturing (Section C), which contributes 70.7% of Production sector aGVA, saw a rise in aGVA of 3.5% (£5.3 billion) between 2012 and 2013, and was the reason for overall growth.

Over the same period the other sections in the Production sector: B (Mining & quarrying), E (Water & waste management) and D (Energy generation & supply), saw decreases in aGVA of 3.1% (£0.8 billion), 0.3% (£0.1 billion) and 2.4% (£0.6 billion) respectively (see Figures 12 and 13).

Figure 12: Production, aGVA by section, 2008 to 2013



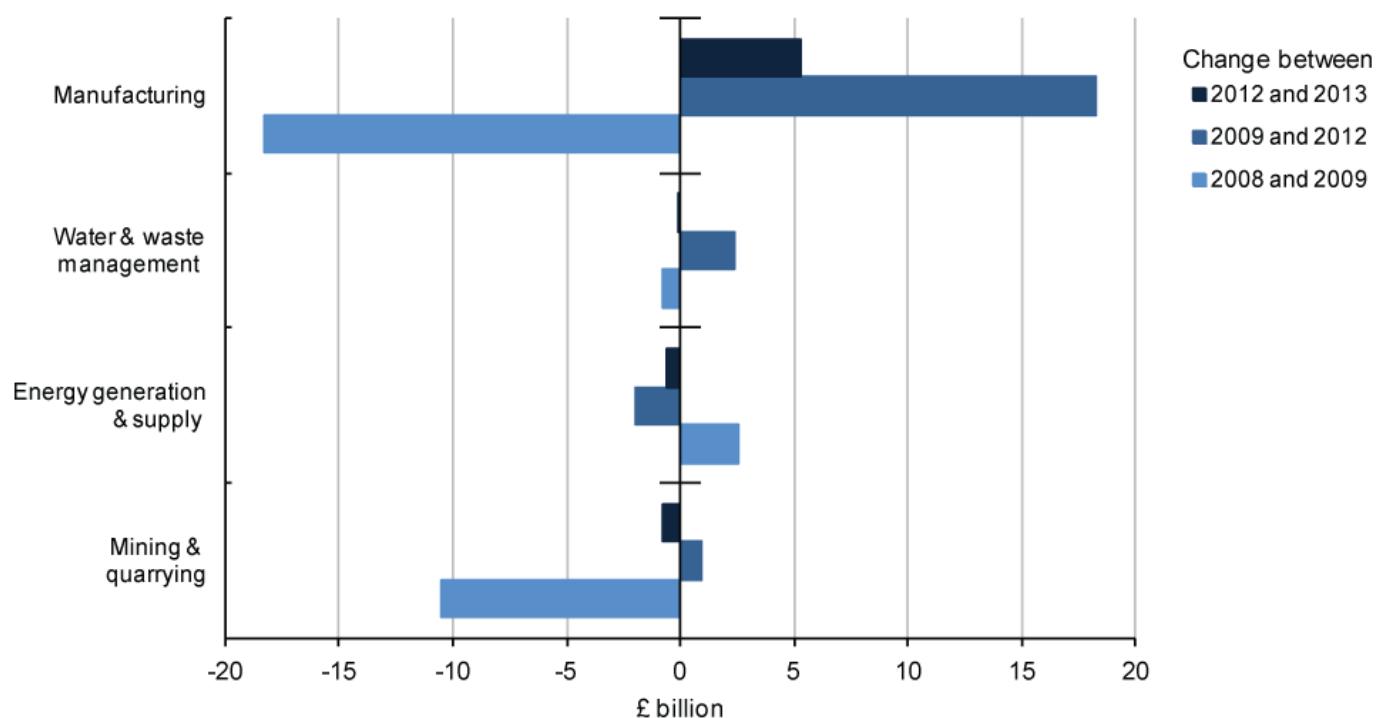
Source: Office for National Statistics

Notes:

1. Please click on the image to view a larger version.

Download chart

[XLS](#) [XLS format](#)
(32.5 Kb)

Figure 13: Production, aGVA change by section, 2008 to 2013

Source: Office for National Statistics

Download chart

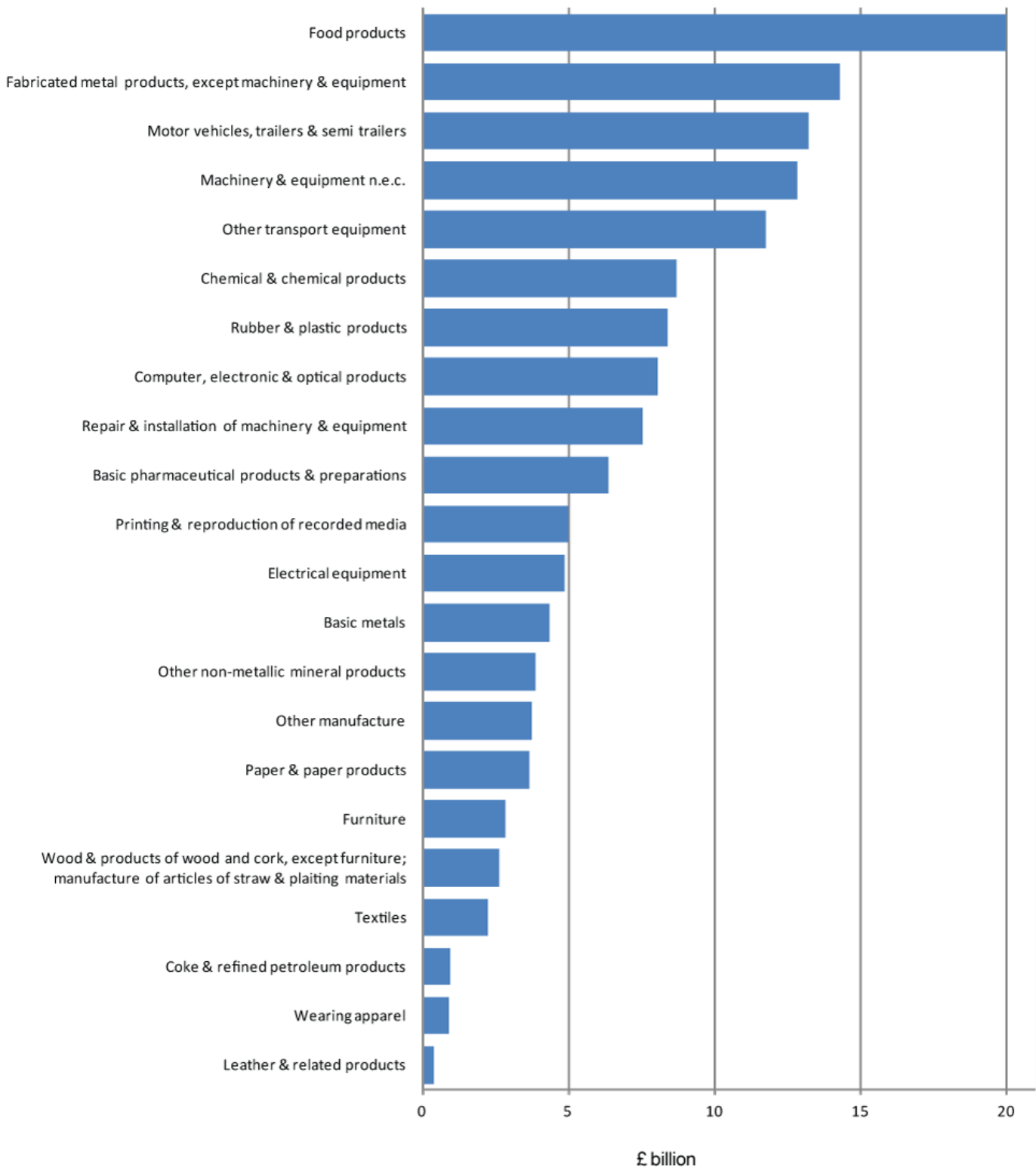
[XLS](#) [XLS format](#)
(31.5 Kb)

Manufacturing (Section C)

There are five divisions that contribute almost a half (46.6%) of the overall Manufacturing aGVA in 2013 which are (see Figure 14):

- Manufacture of food products (Division 10)
- Manufacture of fabricated metal products, except machinery & equipment (Division 25)
- Manufacture of motor vehicles, trailers & semi-trailers (Division 29)
- Manufacture of machinery & equipment n.e.c. (Division 28), and
- Manufacture of other transport equipment (Division 30)

Figure 14: Manufacturing, aGVA by division, 2013



Source: Office for National Statistics

Notes:

1. Information for Beverages and Tobacco products, suppressed to avoid disclosure.

Download chart

XLS [XLS format](#)

(26.5 Kb)

Between 2012 and 2013 Manufacturing saw increases of 1.1% (£5.4 billion) in turnover and 0.3% (£0.9 billion) in purchases which, together with rises in stock levels and changes in taxes, contributed to an increase in aGVA of 3.5% (£5.3 billion).

The increase in Manufacturing aGVA was mainly in:

- Manufacture of motor vehicles, trailers & semi-trailers (Division 29)
- Manufacture of other transport equipment (Division 30)

Together these two divisions contributed £4.5 billion to the overall £5.3 billion increase in Manufacturing aGVA (see Figure 15).

Accounting for 45.3% of the overall manufacturing aGVA growth in 2013 was Manufacture of motor vehicles, trailers & semi-trailers (Division 29), where the aGVA increase of £2.4 billion can be largely attributed to the increase in sales and, in particular, export of high-end vehicles. The Society of Motor Manufacturers and Traders (SMMT) reported in 2013 that the number of vehicles produced in the UK fell rapidly during the recession, from 1.8 million in 2007 to 1.1 million in 2009. The industry has now partially recovered with 1.5 million vehicles being produced in 2013.

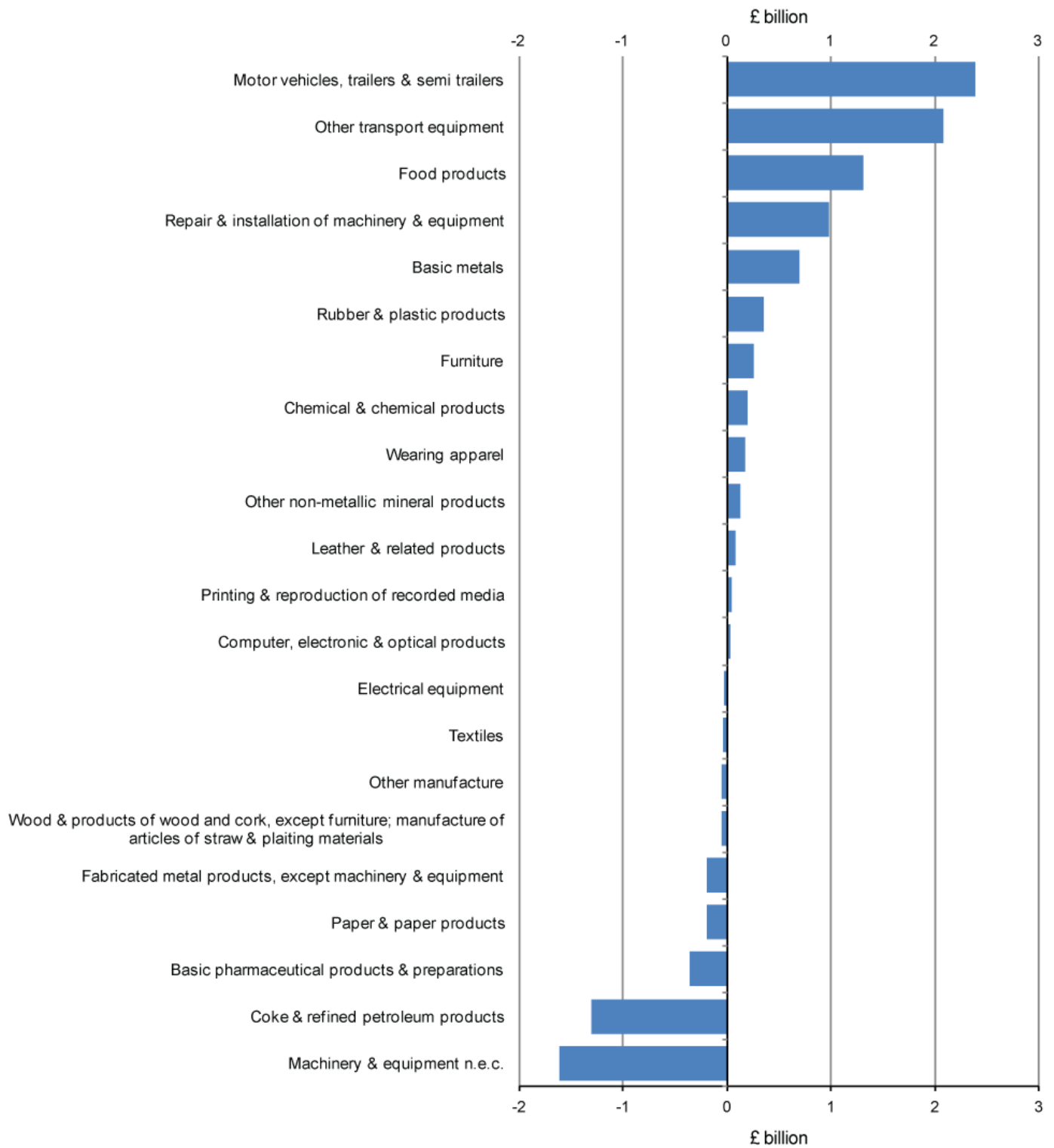
New overseas contracts awarded to businesses in Manufacture of other transport equipment (Division 30), which includes manufacture of air and space craft, contributed to the aGVA increase of £2.1 billion. As detailed in a short story released by ONS ([What does the UK aerospace industry look like today?](#)), the importance of Aerospace to the UK economy has been increasing for a number of years. A House of Commons economic and statistics policy paper ([The aerospace industry: statistics and policy](#)) states “The UK Government consider the aerospace industry a “phenomenal success story” and a sector that offers “tremendous opportunities for growth”.

Across Manufacturing almost 60% (14 out of 24) of the divisions contributing to this sector experienced increases in aGVA between 2012 and 2013.

Other reasons cited by businesses as contributing to the rise in Manufacturing aGVA were businesses restructuring, the take-over of a similar business, the gaining of new contracts and reduction in purchases.

The 58.5% (£1.3 billion) decrease in aGVA for Manufacture of coke & refined petroleum products (Division 19) is caused by decreases in both turnover and purchases resulting from restructuring of businesses within the Industry. There is also an 11.2% (£1.6 billion) decrease in aGVA for Manufacture of machinery and equipment (Division 28). Due to the small size of these divisions in terms of Manufacturing aGVA, annual changes should be viewed with care.

Figure 15: Manufacturing, aGVA change by division, 2012 to 2013



Source: Office for National Statistics

Notes:

1. Information for Beverages and Tobacco products, suppressed to avoid disclosure.
2. Please click on the image to view a larger version.

Download chart
[XLS](#) [XLS format](#)

(26.5 Kb)

The recession and recovery in the Manufacturing sector described by the ABS, between 2008 and 2013, is broadly in line with movements in comparable industries of 'UK Manufacturers' sales by product (PRODCOM)' figures published by ONS. PRODCOM 's 'Total Sales of Businesses Classified to this Industry' figure is broadly comparable with the ABS total turnover figures. Both the ABS turnover estimates and the PRODCOM industry total sales estimates show a fall between 2008 and 2009 and then annual increases from 2009 to 2013, with ABS showing a slight fall in 2012.

Other Production (Sections B, D to E)

This sector consists of Mining & quarrying (Section B, which includes oil and gas extraction), Energy generation & supply (Section D) and Water supply, sewerage, waste management and remediation activities (Section E). The sector saw larger increases in purchases than turnover, 1.4% (£7.1 billion) and 0.3% (£4.2 billion) respectively, which resulted in a decrease in aGVA of 1.7% (£1.4 billion).

The industry contributing the most to this decrease was Mining & quarrying.

Mining & Quarrying (Section B, Which Includes Oil and Gas Extraction)

Turnover in Mining & quarrying decreased by 3.0% (£1.5 billion) while purchases increased by 2.6% (£0.7 billion). The main contributor was Extraction of crude petroleum and natural gas (Division 06). A possible reason for these changes is the reduction in oil extraction. North Sea oil and gas reserves are becoming increasingly difficult to extract, in part due to ageing extraction equipment which has required extensive repairs and maintenance. Also natural declines in the reserves in older fields were further exacerbated in 2013 by an increased amount of time lost to unplanned shutdowns. Despite increased levels of investment, production efficiency has declined, as there is expected to be a time lag in the investment being reflected in increased production. This has resulted in a 3.1% (£0.8 billion) decrease in aGVA.

Energy Generation & Supply (Section D)

Electricity generation & supply also saw an increase between 2012 and 2013. Turnover increased by 3.9% (£4.2 billion) and purchases by 6.1% (£5.1 billion), which resulted in an aGVA decrease of 2.4% (£0.6 billion).

The continuing population rise of micro-businesses (those with less than 10 employees) in this sector is thought to be due to the growth of small producers of renewable energy encouraged by various green grants, subsidies and "feed in tariffs". Between 2012 and 2013 the number of micro-businesses in this area increased by 42.8% (to over 2,300).

Notes for Production Industries, Sections B to E

1. Manufacturing (Section C)

Please note that the ABS figures for the Manufacturing industries should not be compared directly with PRODCOM 's 'Total Sales of Businesses Classified to this Industry' figure because:

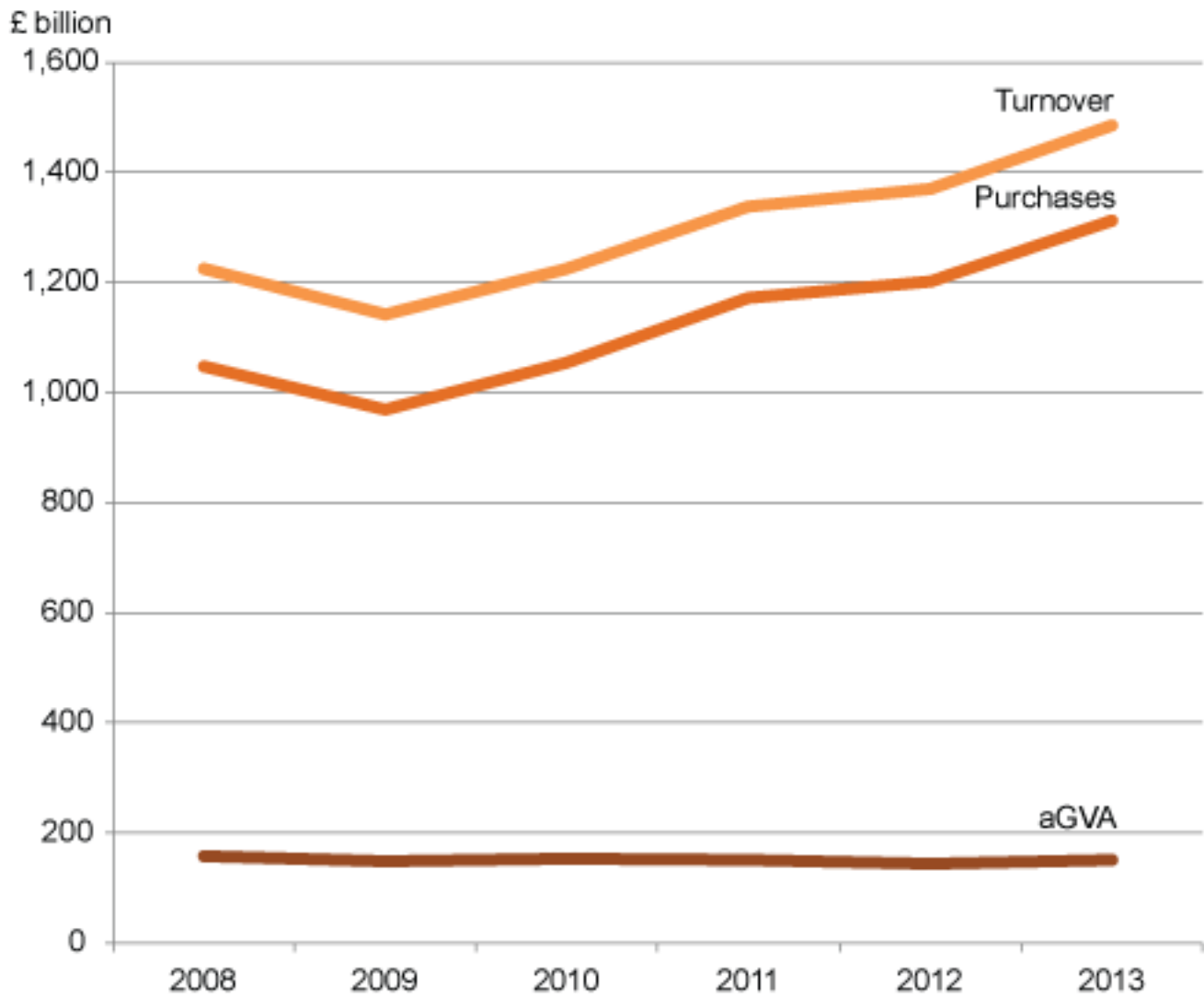
- PRODCOM publish a calendar year figure whereas ABS figures are based on annual responses from businesses cover a range of financial years,
- PRODCOM focuses on products whilst ABS focuses on activities. The total value of production, in a particular industry, may differ from the turnover reported by ABS as an enterprise might carry out other activities, in addition to production, that contribute to its turnover,
- PRODCOM and ABS produce estimates using different sampling and statistical methodologies,
- PRODCOM publish industrial classes excluding HMRC Duty, while ABS publishes turnover inclusive of Duty.

Distribution Industries, Section G

The Distribution industries in 2013 contributed £151.3 billion, 15.1% of the estimated aGVA total of £1,001.1 billion for the UK Non-Financial Business Economy in 2013.

This sector saw an 8.5% (£116.2 billion) rise in turnover and a 9.2% (£110.5 billion) increase in purchases between 2012 and 2013 (see Figure 16). This contributed to the increase in aGVA of 4.7% (£6.8 billion). This is the first annual increase in aGVA since 2010.

For details of revisions to 2012 and 2013 Distribution data see the later chapter on Revisions.

Figure 16: Distribution, turnover and purchases and resulting aGVA, 2008 to 2013

Source: Office for National Statistics

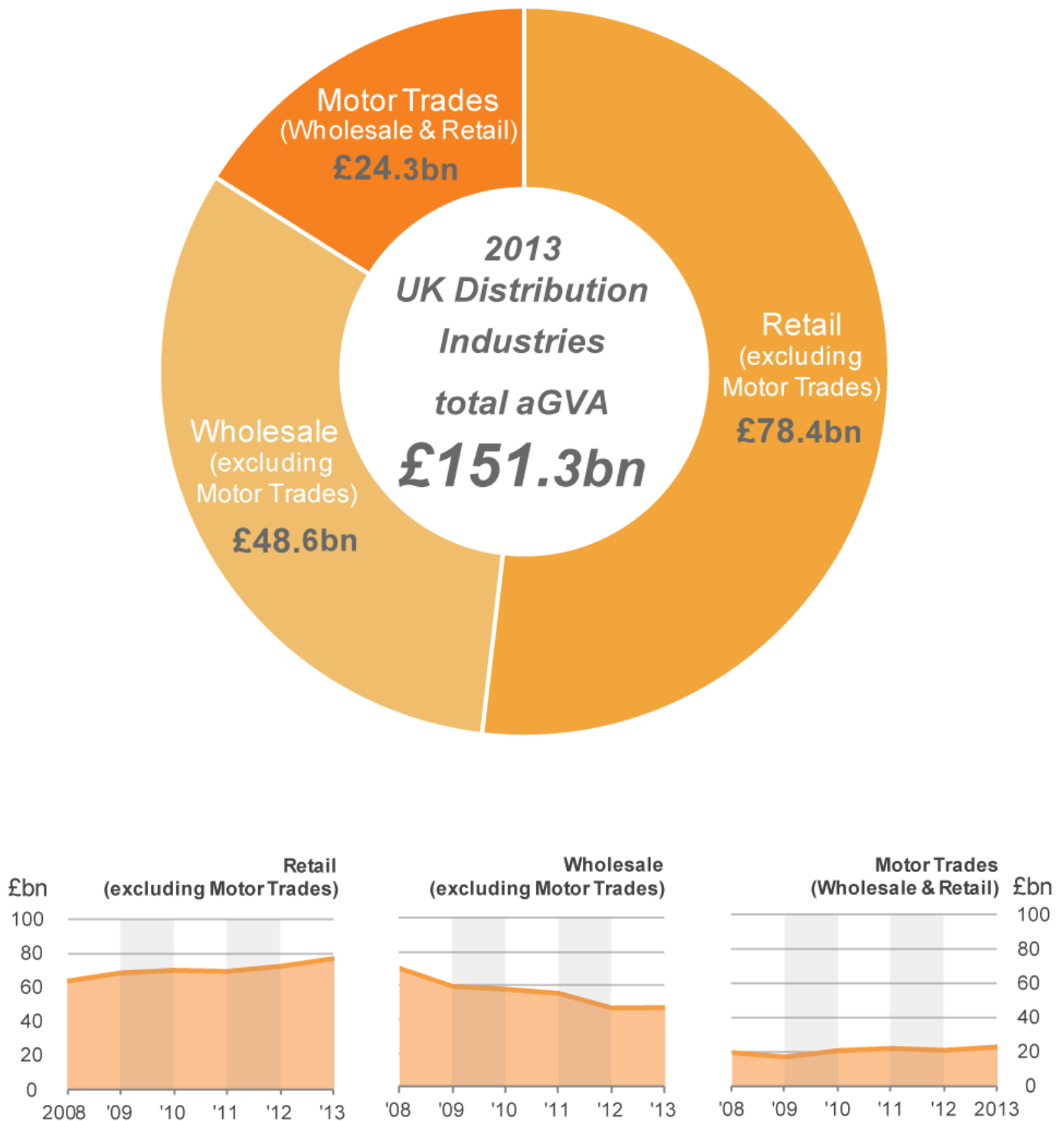
Download chart

[XLS](#) [XLS format](#)

(30 Kb)

Increases in aGVA were seen in all three divisions within Distribution (see Figures 17 and 18), with the largest increase between 2012 and 2013 seen in Retail (excluding Motor Trades - Division 47).

Figure 17: Distribution, aGVA by division, 2008 to 2013



Source: Office for National Statistics

Download chart[XLS](#) [XLS format](#)

(30 Kb)

Retail (Excluding Motor Trades) (Division 47)

Retail aGVA saw an increase of 6.2% (£4.6 billion) between 2012 and 2013. This growth in aGVA was a result of a 2.8% (£9.8 billion) increase in turnover and a smaller 2.2% (£6.2 billion) increase in purchases.

The increases in aGVA were driven by a 7.4% (£2.3 billion) rise in Retail sale in non-specialised stores (Group 47.1) which includes retail sales in super-stores and department stores.

Reports from businesses continued to indicate that turnover from mail orders and via the internet increased at a higher rate than turnover from shops. Although increasing, retail sales from mail order and the internet remains a small share of total turnover.

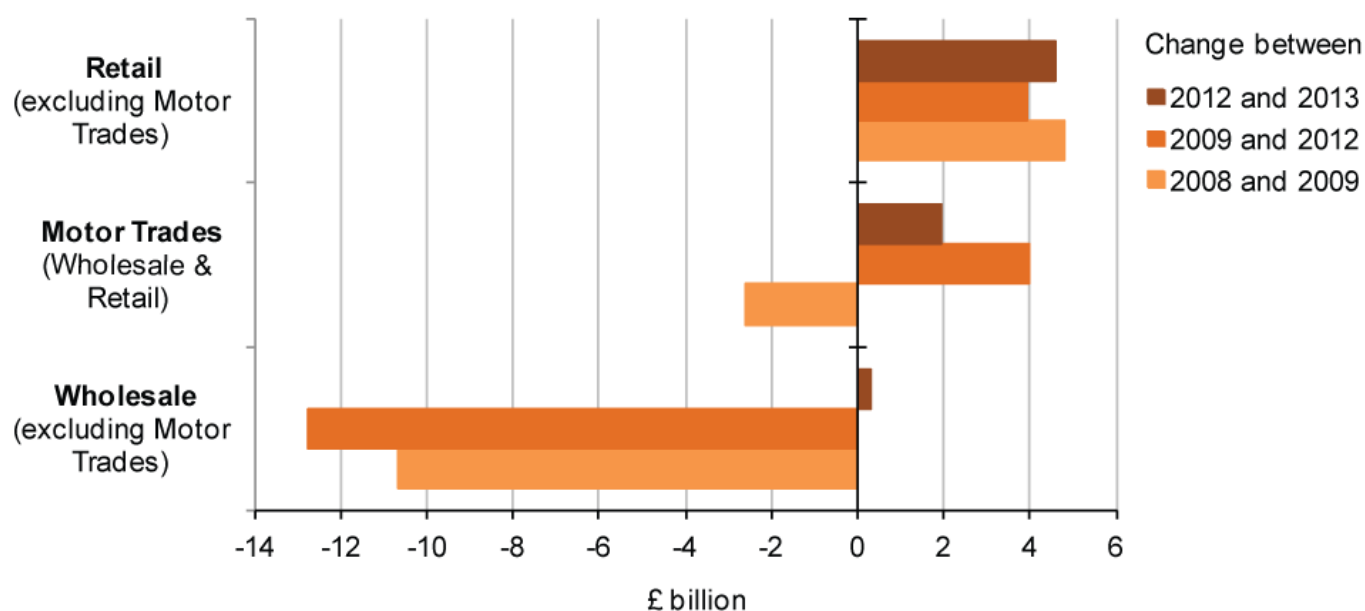
Motor Trades (Wholesale and Retail) (Division 45)

Between 2012 and 2013 both purchases and turnover increased, by 7.2% (£8.7 billion) and 6.7% (£9.6 billion) respectively. This resulted in aGVA increasing by 8.7% (£1.9 billion), following a decrease last year.

Within Motor Trades, Sale of motor vehicles (Group 45.1) contributed most to the growth with an 11.8% (£1.4 billion) increase in aGVA between 2012 and 2013. This increase comes after a slight fall of 1.6% (£0.2 billion) in aGVA between 2011 and 2012.

Wholesale (Excluding Motor Trades) (Division 46)

Wholesale experienced similar increases in both turnover of 11.0% (£96.8 billion) and purchases of 11.9% (£95.6 billion) between 2012 and 2013 which resulted in a small increase in aGVA of 0.6% (£0.3 billion).

Figure 18: Distribution, aGVA change by division, 2008 to 2013

Source: Office for National Statistics

Download chart

[XLS](#) [XLS format](#)
(30 Kb)

Notes for Distribution Industries, Section G

1. Retail (Excluding Motor Trades) (Division 47)

Please note that the ABS figures for the Retail industry should not be compared directly with the annual value non seasonally adjusted' figures in the monthly 'Retail Sales Inquiry' release because:

- the ABS figures cover the United Kingdom, while the 'Retail Sales Inquiry' covers Great Britain only,
- the ABS 'total' turnover figures in the main results tables represent sales to both business and the public and are published excluding VAT, while those in the 'Retail Sales Inquiry' represent sales to the public only and are published including VAT.

2. The ABS does publish 'retail' turnover figures (for sales to the public only) in its Retail Commodities tables in the June release which are inclusive of VAT and will be closer to 'Retail Sales Inquiry' figures, however;

- the ABS 'retail' turnover figures includes data for National Health Service receipts and commissions whereas the 'Retail Sales Inquiry' do not,
- Retail Sales Inquiry does not cover household spending on services bought from the retail sector as it is designed to only cover goods,

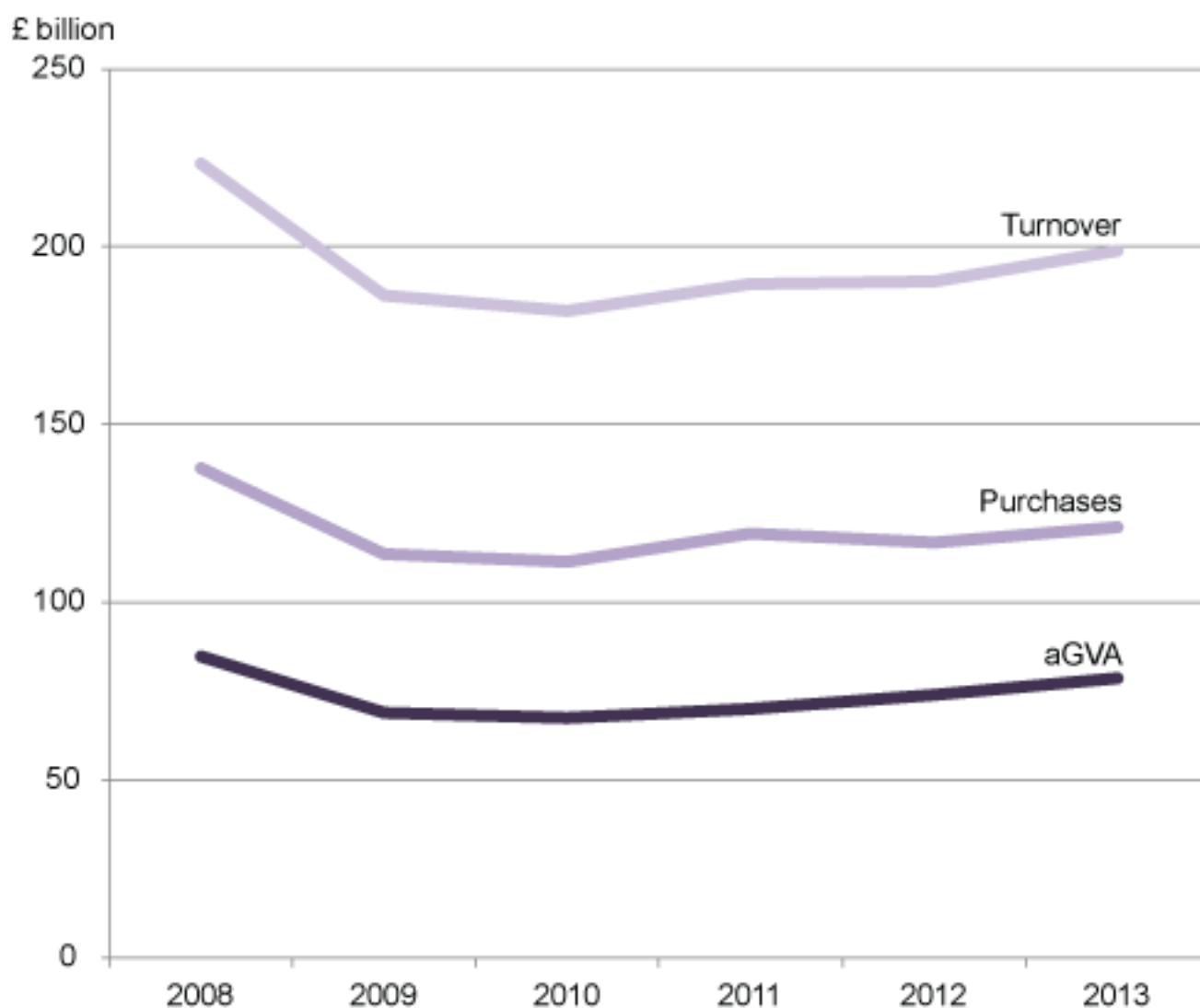
- although both quote figures for a calendar year, the 'Retail Sales Inquiry' produce monthly output measures which include average weekly value and volume estimates. The value estimates reflect the average total turnover that businesses have collected over a standard reporting period, while the volume estimates are calculated by taking the value estimates and adjusting to remove the impact of price changes. ABS figures are based on annual responses from businesses covering a range of financial years.

Construction Industries, Section F

The Construction industries contributed £78.6 billion, 7.9% of the estimated aGVA total of £1,001.1 for the UK Non-Financial Business Economy in 2013.

Construction turnover increased by 4.5% (£8.6 billion) between 2012 and 2013 with purchases increasing by 3.7% (£4.3 billion) to give overall growth in aGVA of 6.5% (£4.8 billion). This is the third consecutive year of growth and, which leaves Construction aGVA £6.2 billion lower than the level in 2008, at the start of the recession (see Figure 19).

For details of revisions to 2012 and 2013 Construction data see the later chapter on Revisions.

Figure 19: Construction, turnover and purchases and resulting aGVA, 2008 to 2013

Source: Office for National Statistics

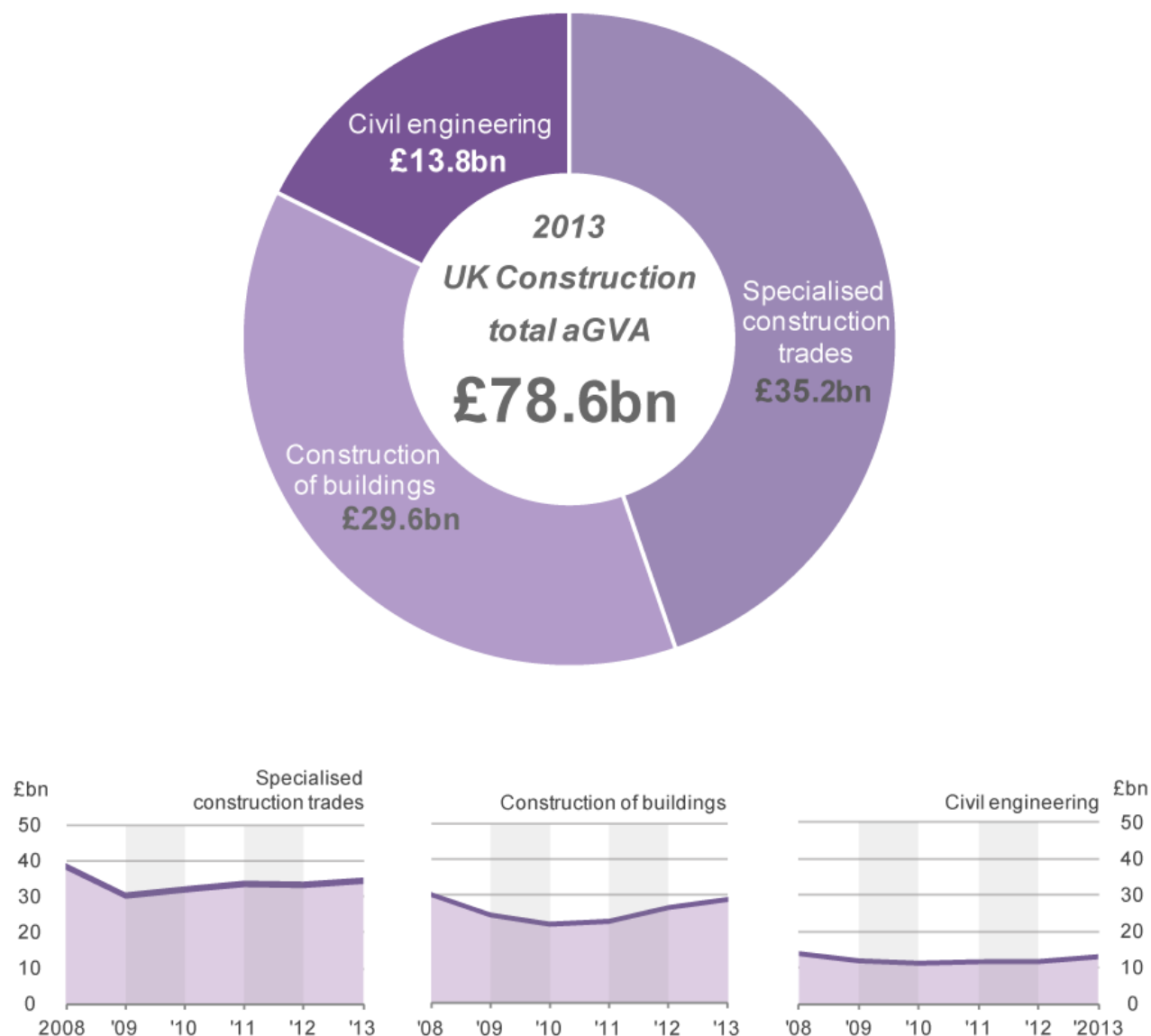
Download chart

[XLS](#) [XLS format](#)

(30 Kb)

As in the previous year, the growth in Construction was mainly in Construction of buildings (Division 41), see Figures 20 and 21. However, the other two divisions which make up the Construction sector also contributed to the rise for 2013; aGVA in Civil engineering (Division 42) rose by 10.8% (£1.4 billion) and Specialised construction activities (Division 43) increased by 3.4% (£1.1 billion).

Figure 20: Construction, aGVA by section, 2008 to 2013



Source: Office for National Statistics

Notes:

1. Please click on the image to view a larger version.

Download chart

[XLS](#) [XLS format](#)
(29.5 Kb)

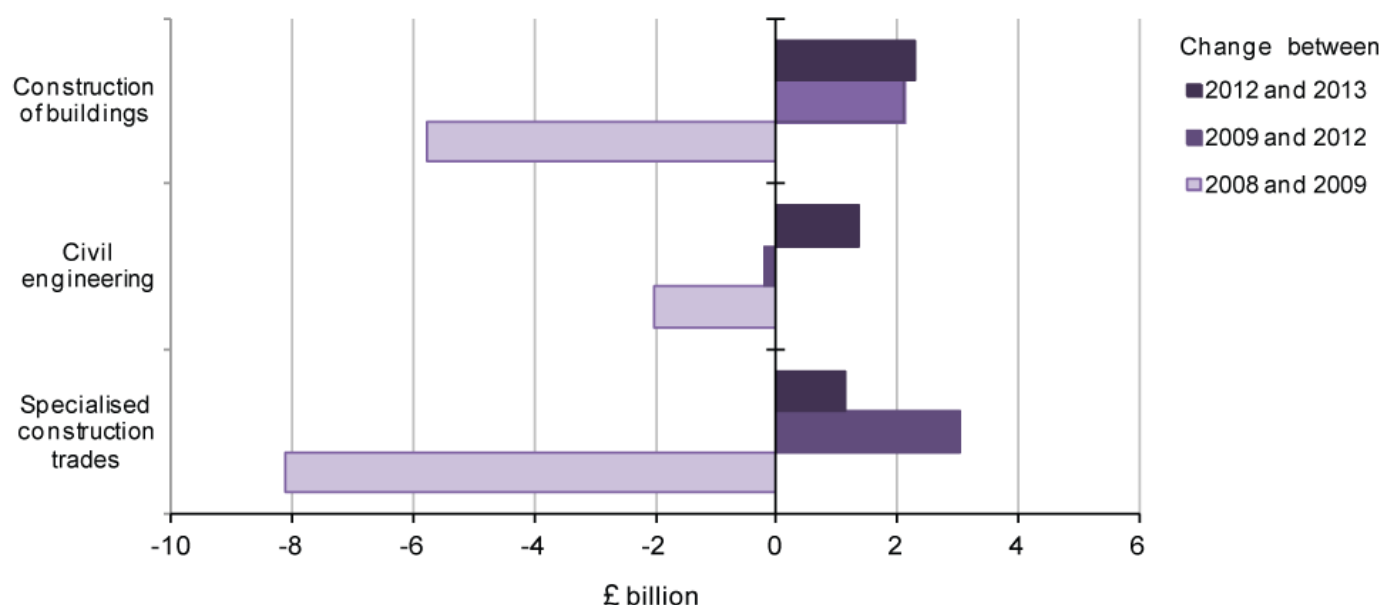
Construction of Buildings (Division 41)

Construction of buildings, contributed most to the growth in the Construction sector, with an increase in aGVA of 8.4% (£2.3 billion) between 2012 and 2013. This was a result of a 6.2% (£4.6 billion) increase in turnover and a 6.5% (£3.1 billion) increase in purchases, coupled with a rise in stock levels.

The aGVA growth between 2012 and 2013 for this division has fallen from the 19.1% (£4.9 billion) increase reported in the Provisional Results in November 2014, to 8.4% (£2.3 billion) in these Revised Results. This is due mainly to a number of quality improvements to the data, because of further survey responses and validation including some reclassifications.

As was the case in 2012, the main reason for the increase in aGVA was in Development of building projects (Group 41.1).

Figure 21: Construction, aGVA change by division, 2008 to 2013



Source: Office for National Statistics

Download chart

[XLS](#) [XLS format](#)

(30 Kb)

Notes for Construction Industries, Section F

- Please note that the ABS figures for the Construction industries should not be compared directly with annual figures in the monthly '[Output in the Construction Industry](#)' release because:
 - the ABS figures cover the United Kingdom, while the 'Output in the Construction Industry' covers Great Britain only,
 - the two surveys measure different concepts of this industry,

- while both quote figures for a calendar year, the 'Output in the Construction Industry' are based on the aggregate of the responses to 12 monthly surveys, whereas ABS figures are based on annual responses covering a range of business years,
- the ABS figures will always be larger than those in the 'Output in the Construction Industry' because the latter excludes: Property developers (SIC 41.1); Payment on purchased services (architects, technical engineering, etc.); Payment to subcontractors, unless the subcontractors are not classified to construction and therefore are not part of the survey; Value of land; Value of materials sold (which are not part of a structure); and Fixtures, equipment and tools that are sold,
- the ABS figures include secondary activities related to businesses classified within the construction sector, while the 'Output in the Construction Industry' covers only the construction activity of the businesses.

Agriculture (part), Forestry and Fishing, Section A

The ABS covers only hunting, forestry, fishing and the support activities to agriculture. Commentary is therefore limited because the sector's size in terms of economic output, as measured by the ABS, is small in comparison to the other sectors of the UK Non-Financial Business Economy. However, data for these parts of Section A can be found in the reference tables linked to this bulletin.

Note that the values quoted below for Section A are in **£ millions**.

The part of Section A covered by ABS showed rises in turnover of 24.2% (£862 million) between 2012 and 2013 and in purchases of 16.5% (£389 million) which led to an increase of 32.4% (£454 million) in aGVA between 2012 and 2013. The main contributor to this increase was Silviculture and other forestry activities (Group 02.1) which covers the cultivation of trees for timber and pulp.

This rise means that, at £1,856 million, aGVA is now higher than the level in 2008, at the start of the recession.

Comparable GVA figures for the rest of Agriculture (which includes crop and animal production) are available in Chapter 3 (Table 3.2) of the Agriculture in the United Kingdom release published annually by the Department for Environment, Food and Rural Affairs (DEFRA), and shows a value of £9,222 million for 2013.

Revisions to 2012 and 2013 ABS data

Due to the need to balance timeliness of the data with the accuracy, in-line with the ABS Revisions Policy, ABS Provisional results are published in November with further quality assurance then leading to planned revisions to the data in subsequent releases.

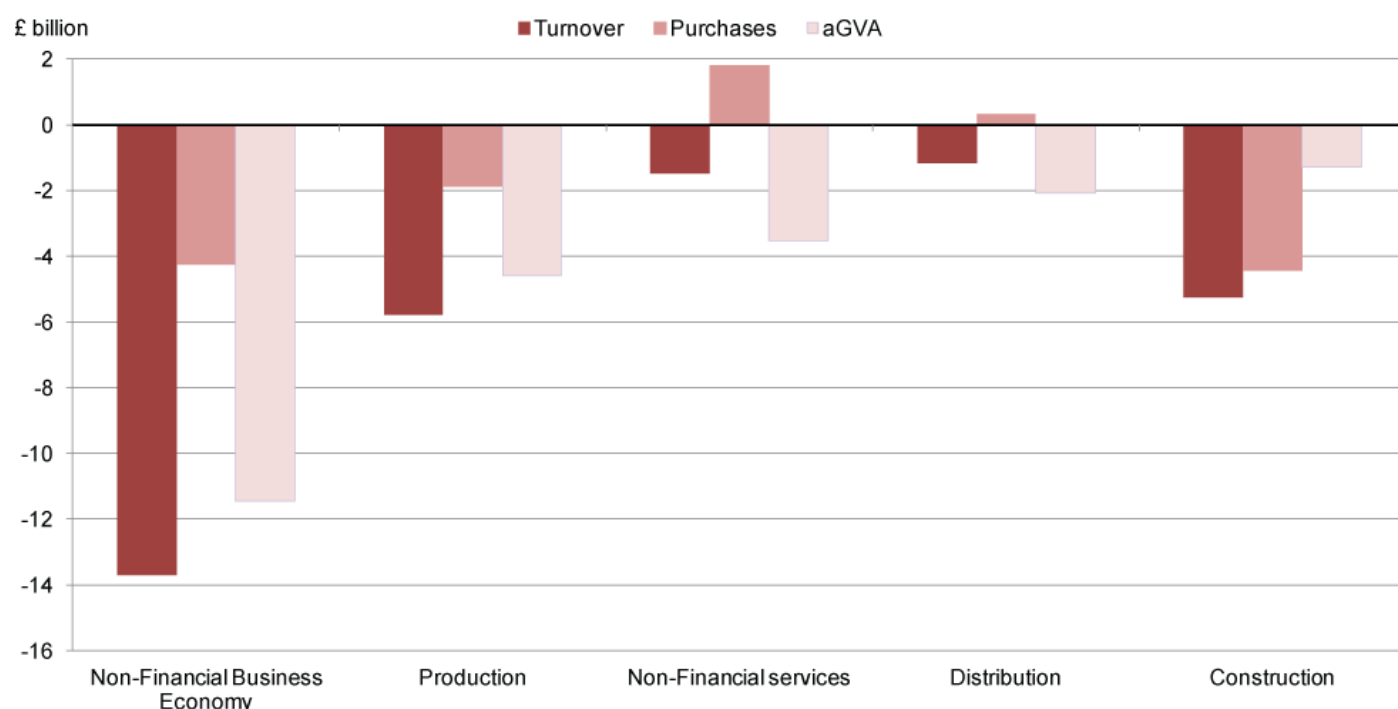
These revisions usually arise from the receipt of additional data and the further validation and revision of existing data by businesses responding to the ABS, which may include restructures that can result in data being reallocated to a different industry.

When compared with the ABS Provisional results published on 13 November 2014, the revised 2013 results show minimal revision for the UK Non-Financial Business Economy. There were downward revisions to the 2013 estimates of 0.4% (£13.7 billion) in turnover, 0.2% (£4.3 billion) in purchases and 1.1% (£11.5 billion) in aGVA. The majority of the aGVA downward revisions were in Production and Non-financial services, which together accounted for 71% of the overall revision.

Estimates of aGVA in 2012 have been revised up by 0.1% (£0.7 billion), as a result of upward revisions in Construction, Production and Distribution, with a balancing downwards revision in Non-financial services.

Despite the revisions, the direction of movements of aGVA between 2012 and 2013 for the broad industry groups remains unchanged to that published in November 2013.

Figure 22: UK Non-Financial Business Economy, aGVA revisions, 2013



Note: Agriculture (part), Forestry & Fishing data are excluded as it is negligible on comparable scales.

Source: Office for National Statistics

Notes:

1. Please click on the image to view a larger version.

Download chart

[XLS](#) [XLS format](#)

(42.5 Kb)

In the Production sector the final 2012 results show an upward revision to aGVA of £1.5 billion, while the revised 2013 results show a downward revision of £4.6 billion. These revisions were driven by Manufacturing (Section C) and Energy generation & supply (Section D).

The Non-Financial Service sector showed downward revisions to aGVA for the final 2012 and revised 2013 results of £2.8 billion and £3.5 billion respectively. These revisions were driven by downward revisions to Professional, scientific & technical activities (Section M) in 2012 and Information and Communication (Section J) in 2013.

In the Distribution sector the final 2012 results show an upward revision of £0.4 billion in aGVA, driven by an upward revision within Retail (excluding Motor Trades) (Division 47). The revised 2013 results show a downward revision in aGVA of £2.1 billion. These revisions were driven by a downward revision within Wholesale (excluding Motor Trades) (Division 46).

The Construction sector showed an upward revision to aGVA of £1.6 billion in the final 2012 results, while the revised 2013 results show a downward revision of £1.3 billion.

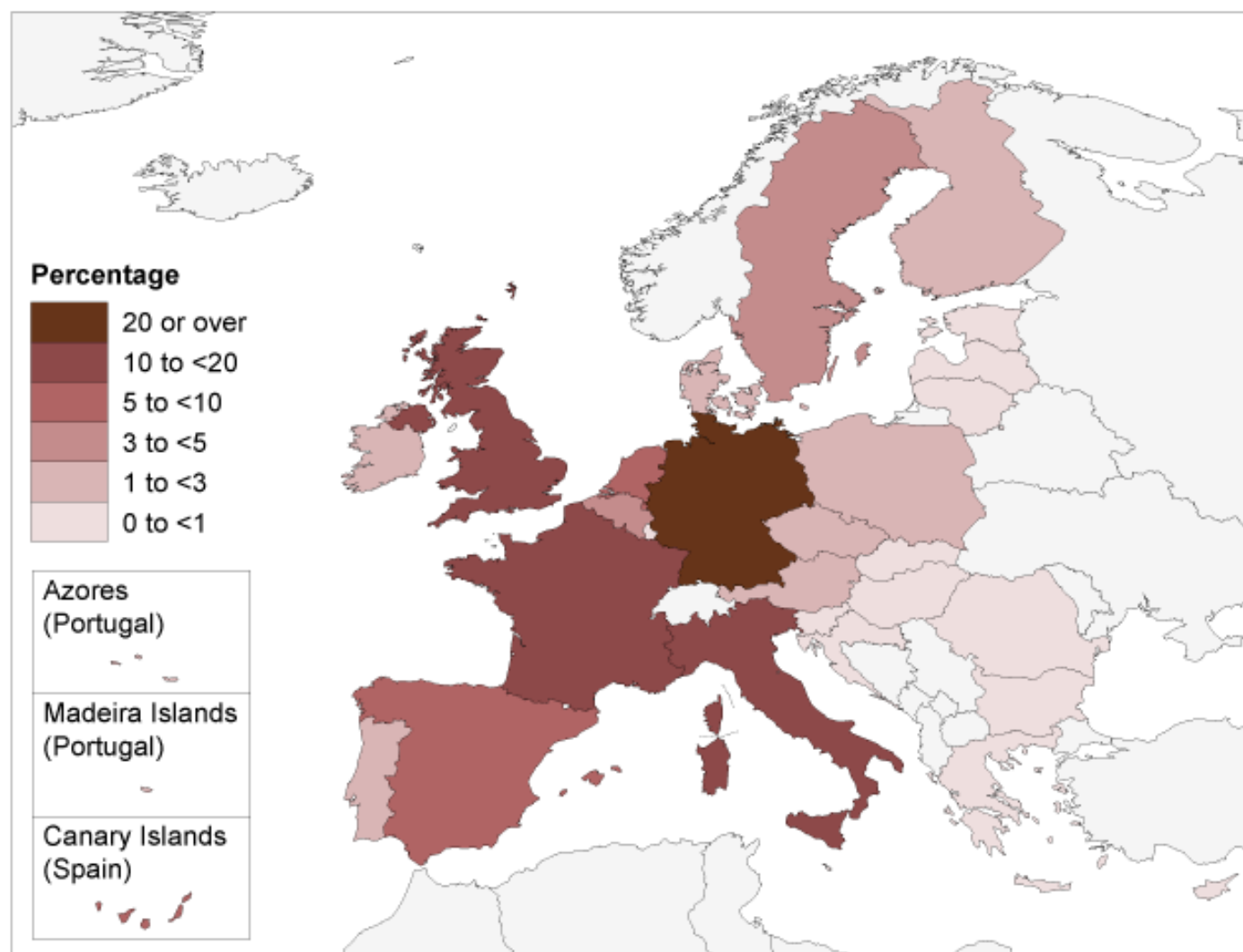
In the Agriculture (part), Forestry and Fishing sector showed downward revisions to aGVA for the final 2012 of £2 million and an upward revision to 2013 results of £52 million.

All of the above revisions were the result of different combinations of the receipt of additional data, the further validation and revision of existing data, and the restructuring of businesses responding to the ABS that can result in data being reallocated to a different industry. The magnitude of the revisions is in line with revisions made in previous years.

European Comparison

Map 1 shows the share of the total value of EU-28 aGVA in the business economy of each member state in 2012 (the latest figures available). The UK makes the second largest contribution with 16.8% of total EU aGVA. Germany accounts for 22.4% of EU aGVA. France and Italy are the only other member states that contribute more than 10% of EU business economy aGVA.

Map 1: Percentage share of the aGVA for the business economy in the EU-28, 2012



Source of data: Eurostat

Source of boundaries: UNEP (2015): UNEP Environmental Data Explorer.

United Nations Environment Programme. <http://geodata.grid.unep.ch>.

Source: Eurostat

Notes:

1. aGVA presented here is at [factor costs, not at basic prices](#).
2. Industry coverage for the European comparisons is SIC Sections B–N, excluding Section K. This is the business economy excluding 'Agriculture, Education, Human health and social work activities, Arts, entertainment and recreation, Other service activities'.
3. Data are included for all of the EU-28 countries. Croatia joined the European Union on 1 July 2013.
4. Data for Ireland have been estimated and data provided for Macedonia are provisional.

Download map

PNG [PNG format](#)
(169.9 Kb)

Background notes**1. What's New?**

UK Non-Financial Business Economy aGVA by Section charts (Figures 4 and 5) compare the 2013 contribution and amount of aGVA growth for each section in the Economy.

Non-Financial Services aGVA by Division charts (Figures 9 and 10) compare the 2013 contribution and amount of aGVA growth for each division in Non-Financial Services.

Chapter on revisions to the 2012 and 2013 ABS data.

Our next publication is the UK Non-Financial Business Economy, 2013 Regional Results on 23 July 2015. This release will see the implementation of a new methodology for the additivity of purchases component values to the total purchases. The impact of this change is described in this [Information Paper](#).

2. Annual Business Survey – ABS

The Annual Business Survey (ABS), formerly the Annual Business Inquiry part 2 (ABI/2), produced by the Office for National Statistics (ONS), is the key resource for understanding the detailed structure, conduct and performance of businesses across the UK.

The ABS survey samples approximately 63,000 businesses in Great Britain from a population of over 1.8 million businesses in the sample frame on the Inter-Departmental Business Register (IDBR). The responding businesses provide information such as their turnover, purchases, employment costs, capital expenditure and stocks.

Approximately 11,000 businesses in Northern Ireland are sampled by the Department of Finance and Personnel Northern Ireland and contribute to the UK estimates.

In this National Statistics publication, a range of estimates are published including turnover, purchases, approximate Gross Value Added at basic prices (aGVA) and employment costs for industry sectors and the UK Business Economy. All data are reported at current prices (effect of price changes included).

Visit the [ABS webpages](#) for more in-depth information about the ABS, plus the latest news on survey changes and developments.

An [ABS Glossary of terms \(345.4 Kb Pdf\)](#) is available to help interpret the technical descriptions and abbreviations used throughout this bulletin.

3. ABS Quality Information

A [Quality and Methodology Information \(QMI\)](#) report for the ABS can be found on the ONS website. The aims of the QMI report are to provide users with a greater understanding of ONS's statistics, their uses and the methods that are used to produce them.

The ABS is a sample survey. As with all estimates obtained from sample surveys, ABS estimates are subject to various sources of error. The total error in a survey estimate is the difference between the estimate derived from the data collected and the true (unknown) value for the population. The total error consists of two main elements; the sampling error and the non-sampling error. The ABS was designed to minimise both these errors. The standard error is the estimated value of the sampling error. The estimate for a variable, plus and minus the standard error for the variable, gives a range in which the true unknown value for the population might lie. The closer the standard error is to 0, the more reliable the estimate.

The coefficient of variation is the standard error of a variable divided by the survey estimate, and it is used to compare the relative precision across surveys or variables. The closer the coefficient of variation is to 0, the more reliable the estimate. Standard errors and coefficients of variation for turnover, aGVA, purchases and employment costs are available in the quality measures table published with this release.

More detailed information on these and other quality and methodology issues is available in the ABS Technical Report published on the [ABS webpages](#).

Selective Editing

When ABS responses are received, checks are undertaken to ensure the information is correct. This is known as editing and validation. Selective editing was used to validate responses for the first time for the 2011 results using software called SELEKT. SELEKT is a generic selective editing tool which highlights responses which appear to be in error if they fall outside the range of what is expected and have a large influence on key estimates. Those responses with the highest score are prioritised for editing and validation. This increases the efficiency of the editing process by focusing on the responses with the highest impact and importance.

The introduction of selective editing should at least maintain, if not improve the quality of the ABS results as it should: minimise the bias introduced by processing (removing over-editing); remove non-value adding activities from the process; and focus resources to errors that impact on the results.

However, the full impact on quality is not yet known. This will continue to be monitored and any updates will be included with future ABS releases. For more information on SELEKT, see Chapter 5 of the [ABS Technical Report \(1.68 Mb Pdf\)](#).

4. Uses and Users of ABS Statistics

ABS outputs may be used to answer questions such as:

- how much wealth has been created in a particular industry?

- has there been a shift in activity from one industrial sector to another, and which industry groups/classes/subclasses are driving the change?
- are any industries particularly dominant in specific regions or countries of the UK and are there structural changes over time?
- how productive is a particular industry, such as the chemicals sector, and what is its operating profitability?

There are a wide range of users that view, download and utilise the ABS data. Key users of the output include:

National Accounts: The statistics produced help to improve the overall quality of the UK National Accounts and the measurement of Gross Domestic Product (GDP). The ABS forms a major data input to the production of [Input-Output Annual Supply and Use Tables](#) used to set the annual level of UK GDP. The Supply and Use tables show the sales and purchases relationships between consumers and producers by industry (see chapter 2 of [UK National Accounts, Blue Book 2011 edition](#)). For the latest available comparison with National Accounts GVA see the figures for 2012 in the [Blue Book 2014 edition table 2.3](#).

Indices of Services and Production: Use ABS data to calculate the weights used to produce the indexes, and to calculate the deflation of turnover.

Eurostat: ABS is the main source of data supplied to Eurostat to meet the requirements of the European Structural Business Statistics (SBS) Regulation. This regulation ensures that key statistics on the structure of businesses are composed in a way which is comparable across Europe. Eurostat use SBS data to inform and monitor European Union policy.

Scottish Government and the **Welsh Government:** The financial information is also used by the Scottish Government and the Welsh Government in the compilation of regional and country specific Input-Output tables (For example [Scottish Input-Output](#)) and Indices of Production (For example [Welsh Indices of Production](#)). The resulting outputs are used to inform and monitor policy.

Department for Business, Innovation & Skills (BIS): Use ABS data to assess the structure and performance of UK industries.

Local Authorities: Data are used for economic research, planning purposes, lobbying and economic strategy development.

Business consultants: Use these data to understand trends in industry sectors and UK regions.

Marketing experts: Use these data to undertake demographic mapping and market segmentation.

Other local and national government departments and bodies, businesses, academics and the general public use these data for research, modelling or forecasting and to track industry trends.

More detailed information on the uses and users of ABS is available in the [ABS Technical Report \(1.68 Mb Pdf\)](#) published on the [ABS webpages](#).

5. Your Views Matter

We are interested in your views of our data and publication. Please take time to complete a [short survey](#) before 14 August 2015.

We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have, and would be particularly interested in knowing how you make use of these data to inform your work. Please contact us via email: abs@ons.gsi.gov.uk or telephone Jon Gough on +44 (0)1633 456720.

The Changing Shape of UK Manufacturing, an event coordinated jointly with the Department for Business, Innovation and Skills (BIS), took place in October 2014. The event featured a range of talks from users, producers and suppliers of manufacturing statistics, not just from central government and the devolved administrations, but also local government, media, business representatives and researchers. To view the content of the day, please visit [Storify](#).

6. ABS Revisions

ABS estimates are revised in line with the ABS Revisions Policy. The revisions policy is available in the [ABS Technical Report \(1.68 Mb Pdf\)](#) to assist users with their understanding of the cycle and frequency of data revisions. Users of this release are strongly advised to read this policy before using the data for research or policy related purposes.

Planned revisions usually arise from either the receipt of additional data or the correction of errors to existing data by businesses responding to the ABS. Those of notable magnitude will be highlighted and explained.

Revisions to published ABS regional results for the previous reference year can be expected in the latest reference year's data release.

As an example of the timing and scale of revisions, provisional regional data for 2011 were first published in July 2013 and included Insurance & reinsurance industries (part of Section K). The revised results for 2011 in this July 2014 release exclude Insurance & reinsurance industries. The revision to aGVA between these two regional releases, comparing the UK Business Economy to the UK Non-Financial Business Economy, is -6.2% (-£60.3 billion). If Insurance & reinsurance industries are removed from the July 2013 release, the revision to aGVA falls to -2.2% (-£20.7 billion).

Revisions to data provide one indication of the reliability of key indicators. A table showing the size of revisions is published alongside the statistical bulletin released in June each year.

All other revisions will be regarded as unplanned and will be dealt with by non-standard releases. All revisions will be released in compliance with the same principles as other new information.

7. International Comparisons

International comparisons of structural business statistics are available from Eurostat (for the European Union), and the Organisation for Economic Co-operation and Development (OECD):

[Eurostat](#): analysis of Structural Business Statistics.

[OECD](#): follow the link to the structural analysis database, under the industry and services theme.

8. Response Rates and Compliance Costs

The figures in this release are based on an annual survey of businesses. Revised 2013 results are based on a response rate of 76.2%. Response rates by different sectors can be found in the [Quality Measures \(794.5 Kb Excel sheet\)](#) accompanying this release, with a summary provided in Table 1.

Table 1: UK Non-Financial Business Economy (Part) 1 - Response rates by sector

Percentage

Standard Industrial Classification (Revised 2007) Sector	Description	2010 ²	2011 ³	2012 ⁴	2013 ⁵
A-S (Part) ¹	Agriculture, forestry and fishing, Production, Construction, Distribution and Non-Financial Service Industries	78.2	77.9	77.8	76.2
A (Part) ¹	Agriculture, forestry and fishing	76.3	76.4	80.2	77.6
B-E	Production Industries	78.7	77.7	78.7	78.3
F	Construction Industries	74.8	74.9	74.8	69.7
G	Distribution Industries	77.1	77.6	77.5	74.7
H-S (Part) ¹	Non-Financial Service Industries	79.5	79.0	78.4	77.9

Table source: Office for National Statistics**Table notes:**

1. The ABS covers only the UK Non-Financial Business Economy which accounts for approximately two thirds of the UK economy in terms of Gross Value Added.

The industries covered are:

- o Agriculture (support activities SIC 01.6 and hunting and trapping SIC 01.7 only), forestry and fishing - Section A
 - o Production - Sections B-E
 - o Construction - Section F
 - o Distribution - Section G
 - o Non-Financial Services - Sections H, I, J, L, M, N, P (private provision only), Q (private provision only in SIC 86.1 and 86.9), R and S
2. Response rate at June 2012.
 3. Response rate at June 2013.
 4. Response rate at June 2014.
 5. Response rate at June 2015.

Download table

 [XLS format](#)
(27 Kb)

For an estimate of the cost to GB businesses for providing their data to the ABS (known as compliance cost) see appendix B of the [ONS Compliance Plan \(215.7 Kb Pdf\)](#).

9. General Information

These points should be noted when using ABS results:

ABS Coverage

The results in this Statistical Bulletin represent approximately two-thirds of the UK economy in terms of Gross Value Added. In previous releases the UK Business Economy has been referred to as the Whole Economy.

The industries covered are:

- Agriculture (support activities SIC 01.6 and hunting & trapping 01.7 only), forestry and fishing - Section A
- Production - Sections B to E
- Construction - Section F
- Distribution - Section G
- Non-Financial Services - Sections H, I, J, L, M, N, P (private provision only), Q (private provision only in SIC 86.1 and 86.9), R and S.

The main industries excluded are:

- Agriculture (SIC 01.1, 01.2, 01.3, 01.4 and 01.5 in Section A)
- Financial and insurance (Section K)

- Public administration and defence (Section O)
- Education (public provision in Section P)
- Health (SIC 86.2, public provision in SIC 86.1 and 86.9 in Section Q).

Data for a small part of the Financial and insurance sector (Insurance and reinsurance only (SIC 65.1 and 65.2)) has been collected by the ABS since 2008 and was previously included in the results. This was the only part of Financial and Insurance Activities (Section K) covered by the survey. As with any new time-series, estimates for these industries have remained experimental while ongoing quality assurance has taken place. This quality assurance has led the figures to be revised substantially in recent years with a resulting break in the series between 2009 and 2010. Following discussions with key users, ONS decided to remove this experimental series from ABS releases for the reference year 2012 onwards due to the continued volatility of the data. The estimates for this series have been removed from releases since November 2013 to allow for a more detailed quality assessment to be undertaken. The removal of these series does not affect other industries published as part of this release and has no impact on any other financial statistics published by ONS.

A review of the questionnaire for Insurance and Reinsurance businesses will be undertaken, alongside continued validation of returns to the survey, with the aim of reintroducing them to the ABS publications when the quality of the data has improved. Updates on progress will be available on the [ABS News Pages](#).

Standard Industrial Classification

ABS results are classified according to the [Standard Industrial Classification of Economic Activities \(SIC\) system](#). The UK is required by European legislation to have a system of classification consistent with the European Union's industrial classification system. The system underwent a major review in 2007. ABS data have been collected and published on the SIC 2007 system since the reference year 2008. Other revisions to the system occurred in 1958, 1968, 1980, 1992, 1997, and 2003.

UK SIC 2007 is divided into 21 sections, each denoted by a single letter from A to U. Each section can be uniquely defined by the next breakdown, the divisions (denoted by two digits). The divisions are then broken down into groups (three digits), then into classes (four digits) and, in several cases, again into subclasses (five digits). So for example we have:

section	C	manufacturing (comprising divisions 10 to 33)
division	13	manufacture of textiles
group	13.9	manufacture of other textiles
class	13.93	manufacture of carpets and rugs
subclass	13.93/1	manufacture of woven or tufted carpets and rugs

The full structure of SIC 2007 consists of 21 sections, 88 divisions, 272 groups, 615 classes and 191 subclasses in SIC 2007.

Structural Changes to Businesses

The business economy is constantly evolving as businesses merge, are taken over, or simply change the main focus of their business. These changes can result in the industry classification of a business changing over time. For example, if a business undertakes both manufacturing and wholesale activities, but most of its employment is within manufacturing, it will be classified to manufacturing. If the employment were to change substantially so that the majority worked in wholesale then the industry classification would change and the whole of the businesses turnover, for example, would move from manufacturing to wholesale. In industries where movements are common, or where large businesses are involved, these changes can themselves sometimes cause large changes in ABS estimates. This should be taken into consideration when changes over time are being assessed.

Calculation of Gross Value Added Estimates

Approximate Gross Value Added at basic prices (aGVA) is derived from the responses of businesses to questions asked on the ABS. It is a measure of the income generated by businesses, industries or sectors, less the cost of goods and services used to create the income. The main component of income is turnover, while purchases is the main component of the consumed goods and services. Stock levels which may rise or fall can also have an impact on aGVA, as can the values of subsidies received or duty paid. Businesses' labour costs (for example, wages and salaries) are paid from the value of aGVA, leaving a gross operating surplus (or loss) which is a good approximation for profit (or loss). The cost of capital investment, financial charges and dividends to shareholders are met from the gross operating surplus.

aGVA is calculated in basic prices. That is, the valuation of output includes net taxes (taxes minus subsidies) on production, such as business rates, but not net taxes on individual products that result from the production process, such as Value Added Tax (VAT).

Estimates of turnover and purchases from the ABS are used to produce estimates of output and intermediate consumption (and therefore GVA) in the National Accounts. However, many other sources (including surveys and administrative sources) are also used to produce National Accounts estimates. These include sources of data on taxation and inventories (which are preferred to the ABS as they are used consistently throughout all parts of the National Accounts), as well as own-use output and non-market output (as these activities are only partially covered by the ABS).

There are differences between the two measures of gross value added in terms of coverage. For example, GVA covers the whole of the UK economy while aGVA covers the UK Non-Financial Business Economy, a subset of the whole economy that excludes large parts of agriculture, all of public administration and defence, publicly provided healthcare and education, and the financial sector.

There are conceptual differences between the 2 measures of gross value added. For example, some production activities such as illegal smuggling of goods must be included in the National Accounts but are outside the scope of the ABS.

There are 3 approaches to measuring GDP; 1 based on production activity, 1 based on expenditure, and 1 based on income. In theory, the 3 approaches should produce the same estimate of GDP. However, in practice this is never the case because the three approaches make use of different data sources, each with their own definitions and limitations. The three different estimates are therefore reconciled in a process known as Supply and Use balancing. The balancing process is informed by a variety of data sources, and results in adjustments to estimates of output and intermediate consumption. For many industries, the balancing adjustment is the greatest source of difference between estimates from the ABS and the National Accounts.

More detailed information of the differences between aGVA and GVA is available in the [ABS Technical Report \(1.68 Mb Pdf\)](#) published on the [ABS webpages](#). There is also a more detailed article 'A Comparison between ABS and National Accounts Measures of Value Added' ([462.3 Kb Pdf](#)) recently published by the ABS.

Business Register and Employment Survey

The reference tables that support this release include estimates of employment. The ABS does not collect employment level information so instead this key information is taken from another source. In the past, employment data were collected via the Annual Business Inquiry / Part 1 (ABI/1), however, in 2009, ABI/1 was replaced with the Business Register and Employment Survey (BRES). The ABS and BRES are both optimal for their respective purposes, however caution should be taken when combining the financial data from the ABS and employment information from BRES to calculate estimates due to differences in methodology. More information on the differences between ABS and BRES is available in the [ABS Technical Report \(1.61 Mb Pdf\)](#) published on the [ABS webpages](#).

Employment estimates by employment sizeband from BRES are not available in this release due to ongoing quality concerns about this information. ONS aim to resolve this issue in time for the 2015 BRES results published in September 2016. This will mean that employment sizeband estimates for all years back to 2009 will be reinstated within the ABS release in November 2016. Employment figures are still available at an industry breakdown.

10. Disclosure Control and Symbols Used

It is sometimes necessary to suppress figures for certain items in order to avoid disclosing information about an individual business. Further information on why data are suppressed is available in the [ONS Disclosure Control Policy \(337 Kb Word document\)](#) or in the [ABS Technical Report \(1.68 Mb Pdf\)](#).

The following symbols are used throughout the ABS releases:

- * information suppressed to avoid disclosure
- .. not available
- nil or less than half the level of rounding

11. National Statistics

The United Kingdom Statistics Authority reviewed ABS outputs in their report “[Assessment of compliance with the Code of Practice for Official Statistics: Statistics from the Annual Business Survey – Assessment Report 180](#)”.

Following the ABS response to the report the UK Statistics Authority have since designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs,
- are well explained and readily accessible,
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

12. Social Media

Follow ONS on [Twitter](#)
icon_twitter



and receive up to date information about our statistics.

Like ONS on [Facebook](#)
icon_facebook



to receive our updates in your newsfeed and to post comments on our page.

Watch our videos on [YouTube](#).

13. Government Statistical Service (GSS) Business Statistics

To find out about other official business statistics, and choose the right data for your needs, use the [GSS Business Statistics Interactive User Guide](#). By selecting your topics of interest, the tool will pinpoint publications that should be of interest to you, and provide you with links to more detailed information and the relevant statistical releases. It also offers guidance on which statistics are appropriate for different uses.

14. Discussing ONS Business Statistics Online

There is a [Business and Trade Statistics](#) community on the [StatsUserNet](#) website. StatsUserNet is the Royal Statistical Society's interactive site for users of official statistics. The community objectives are to promote dialogue and share information between users and producers of official business and trade statistics about the structure, content and performance of businesses within the UK. Anyone can join the discussions by registering via either of the links.

15. ONS Theme Pages

Statistics are available on the ONS web pages categorised by themes, subject areas, topics and sub-topics. If you are interested in statistics on a particular issue, navigating through the categories will identify all the statistics available that relate to the selected theme, topic or sub-topic.

For Business themed short stories and articles please visit the [Business and Energy](#) theme page.

16. Special Events

ONS has published commentary, analysis and policy on 'Special Events' which may affect statistical outputs. For full details visit the [Special Events](#) page on the ONS website.

17. Release Policy

ABS UK national results at the industry class level (4 digit Standard Industrial Classification 2007) are available free of charge via the 'Data in this release' button at the top of this publication, or from the [ABS webpages](#) on the ONS website. The published variables include turnover, purchases, aGVA and employment costs.

Additional standard extracts containing more detail are available on request. Bespoke analyses are also available but there will be a charge for these. For more information about either of these services please email abs@ons.gsi.gov.uk, or telephone +44 (0)1633 456592 for standard extracts, or +44 (0)1633 456606 for bespoke special analyses

Any bespoke analysis carried out for ABS customers will be available free of charge on the [Published ad hoc data and analysis: Business and Energy](#) web pages.

18. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.

Copyright

© Crown copyright 2015

You may use or re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This document is also available on our website at www.ons.gov.uk.

Statistical contacts

Name	Phone	Department	Email
Jon Gough	+44 (0)1633 456720	Structural and International Statistics	abs@ons.gsi.gov.uk

Issuing Body:

Office for National Statistics

Media Contact Details:

Telephone: 0845 604 1858
(8.30am-5.30pm Weekdays)

Emergency out of hours (limited service): 07867 906553

Email:

media.relations@ons.gsi.gov.uk