

Statistical bulletin

# Profitability of UK companies: Jan to Mar 2017

The net rate of return on capital employed for UK private non-financial corporations related to their UK operations.



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## Table of contents

1. [Main points](#)
2. [Things you need to know about this release](#)
3. [Profitability of private non-financial corporations increased slightly in Quarter 1 \(Jan to Mar\) 2017](#)
4. [Profitability of UK continental shelf companies increased slightly but remains low by historical standards](#)
5. [Manufacturing companies experienced a sharp increase in profitability whilst services saw a modest increase](#)
6. [How does UK profitability compare internationally?](#)
7. [Links to related statistics](#)
8. [What's changed in this release?](#)
9. [Quality and methodology](#)

# 1 . Main points

- The profitability of private non-financial corporations (PNFCs), as measured by their net rate of return, increased to 12.7% for Quarter 1 (Jan to Mar) 2017, compared with 12.4% in Quarter 4 (Oct to Dec) 2016.
- The profitability of companies engaging in oil and gas exploration on the UK continental shelf (UKCS) increased to 4.2% in Quarter 1 2017 from 3.9% in Quarter 4 2016.
- The profitability of manufacturing companies increased to 14.0% in Quarter 1 2017, the highest since Quarter 2 2014.
- The profitability of services companies increased to 17.9% in Quarter 1 2017, from 17.7% in Quarter 4 2016.

## 2 . Things you need to know about this release

This bulletin provides estimates of the profitability of UK-based private non-financial corporations (PNFCs). PNFCs are comprised of UK continental shelf (UKCS) companies and other non-financial UK (non-UKCS) companies. Non-UKCS companies are further split into manufacturing companies, companies providing non-financial services and other industries (including construction, electricity and gas supply, agriculture, mining and quarrying).

UKCS companies engage in oil and natural gas exploration or extraction. This only includes companies operating on the UK continental shelf – the area where the UK claims mineral rights beyond the territorial sea. Owing to the nature of the industry, UKCS companies tend to be very capital-intensive and so require high levels of capital investment to operate. They also report high levels of depreciation of their fixed assets. For these reasons, the net rate of return for UKCS companies is not directly comparable with those for other sectors.

### How do we measure profitability?

Net rate of return is used as the measurement of company profitability throughout this bulletin, except in the international comparisons section. The rate of return is calculated as the economic gain (profit) shown as a percentage of the capital used in production. “Net” refers to the rate of return after having accounted for the current value of capital consumed and capital stocks. Capital consumed refers to the decline in the current value in the stock of fixed assets (for example, due to depreciation). Gross rates of return are available in the annex tables of this release.

### Revisions to the data

This bulletin includes new data for the latest available quarter, Quarter 1 (Jan to Mar) 2017; there are no revisions made to previously published UK profitability data. This is consistent with the [Quarterly National Accounts](#) for Quarter 1 (Jan to Mar) 2017, published on 30 June 2017. This bulletin follows the [National Accounts Revisions Policy](#).

For more information, please refer to our web page dedicated to [revisions to economic statistics](#), which brings together our work on revisions analysis, links to relevant documentation and revisions policies.

International data used for international comparisons may have been subject to revisions since they were last published in this bulletin on 12 January 2017. Further revisions to international data may also have been made since the preparation of this bulletin. The data are sourced from [Eurostat](#).

### **3 . Profitability of private non-financial corporations increased slightly in Quarter 1 (Jan to Mar) 2017**

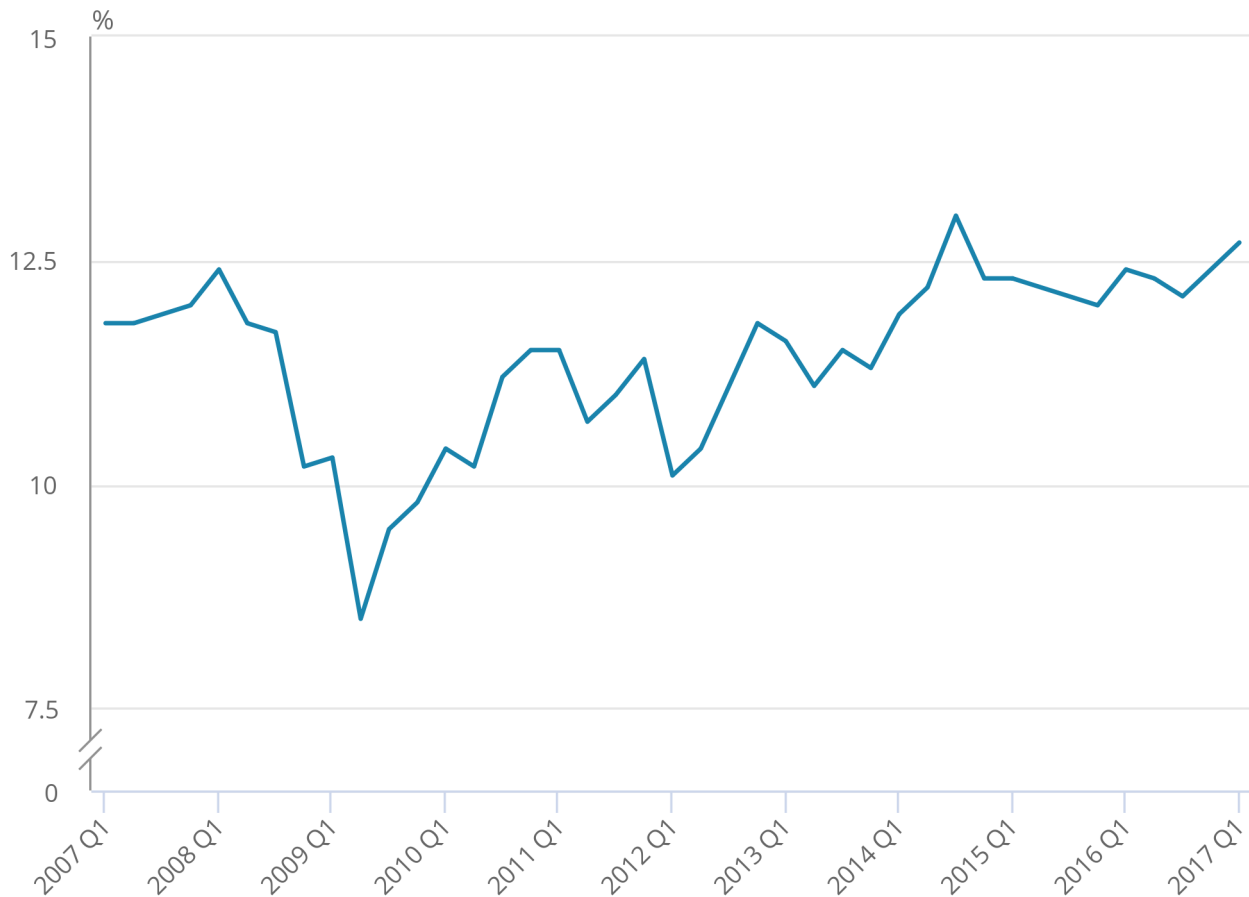
The net rate of return for the private non-financial corporations (PNFC) sector continued to grow. In Quarter 1 (Jan to Mar) 2017, the net rate of return for PNFCs increased to 12.7% from 12.4% in Quarter 4 (Oct to Dec) 2016. However, profitability remained below the peak of 13.0%, reached in Quarter 3 (July to Sept) 2014.

**Figure 1: Quarterly net rate of return for private non-financial corporations, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017**

UK

Figure 1: Quarterly net rate of return for private non-financial corporations, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017

UK



Source: Office for National Statistics

**Source: Office for National Statistics**

**Notes:**

1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 refers to Quarter 3 (July to September) and Q4 refers to Quarter 4 (October to December).

## **4 . Profitability of UK continental shelf companies increased slightly but remains low by historical standards**

UK continental shelf (UKCS) companies have historically experienced volatile profitability. In Quarter 1 (Jan to Mar) 2017, the net rate of return of UKCS companies increased by 0.3 percentage points to 4.2%, from 3.9% in Quarter 4 (Oct to Dec) 2016. This follows an increase in the average oil price in Quarter 1 2017 compared with the previous quarter.

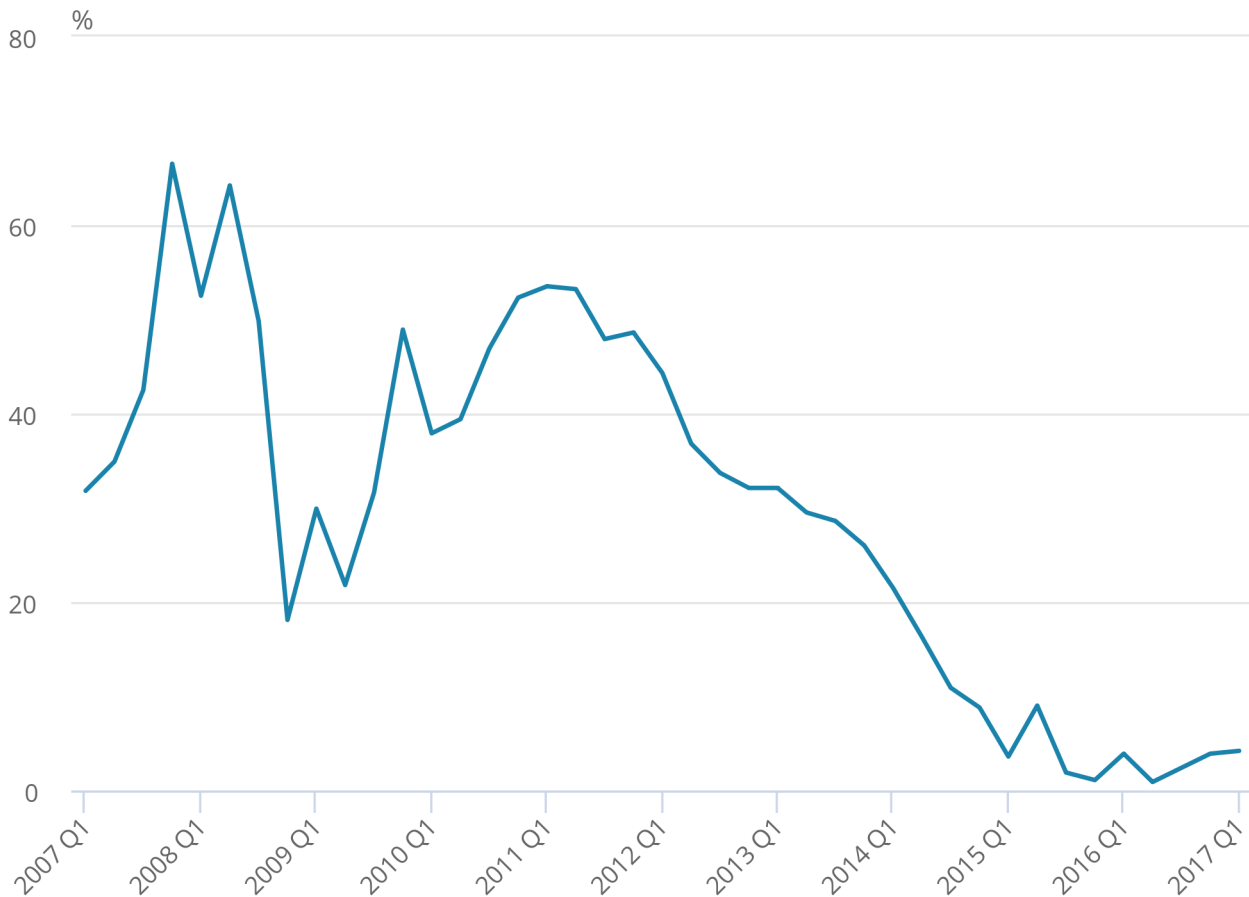
Figure 2 depicts a general trend of declining UKCS profitability from Quarter 1 2011 onwards. In Quarter 2 (Apr to June) 2016, the quarterly net rate of return for UKCS companies was the lowest since the series began in 1997, at 0.9%; this was due to a fall in oil prices. However, the net rate of return has been gradually increasing since.

**Figure 2: Quarterly net rate of return for UK continental shelf companies, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017**

UK

Figure 2: Quarterly net rate of return for UK continental shelf companies, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017

UK



Source: Office for National Statistics

**Source: Office for National Statistics**

**Notes:**

1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 refers to Quarter 3 (July to September) and Q4 refers to Quarter 4 (October to December).

## **5 . Manufacturing companies experienced a sharp increase in profitability whilst services saw a modest increase**

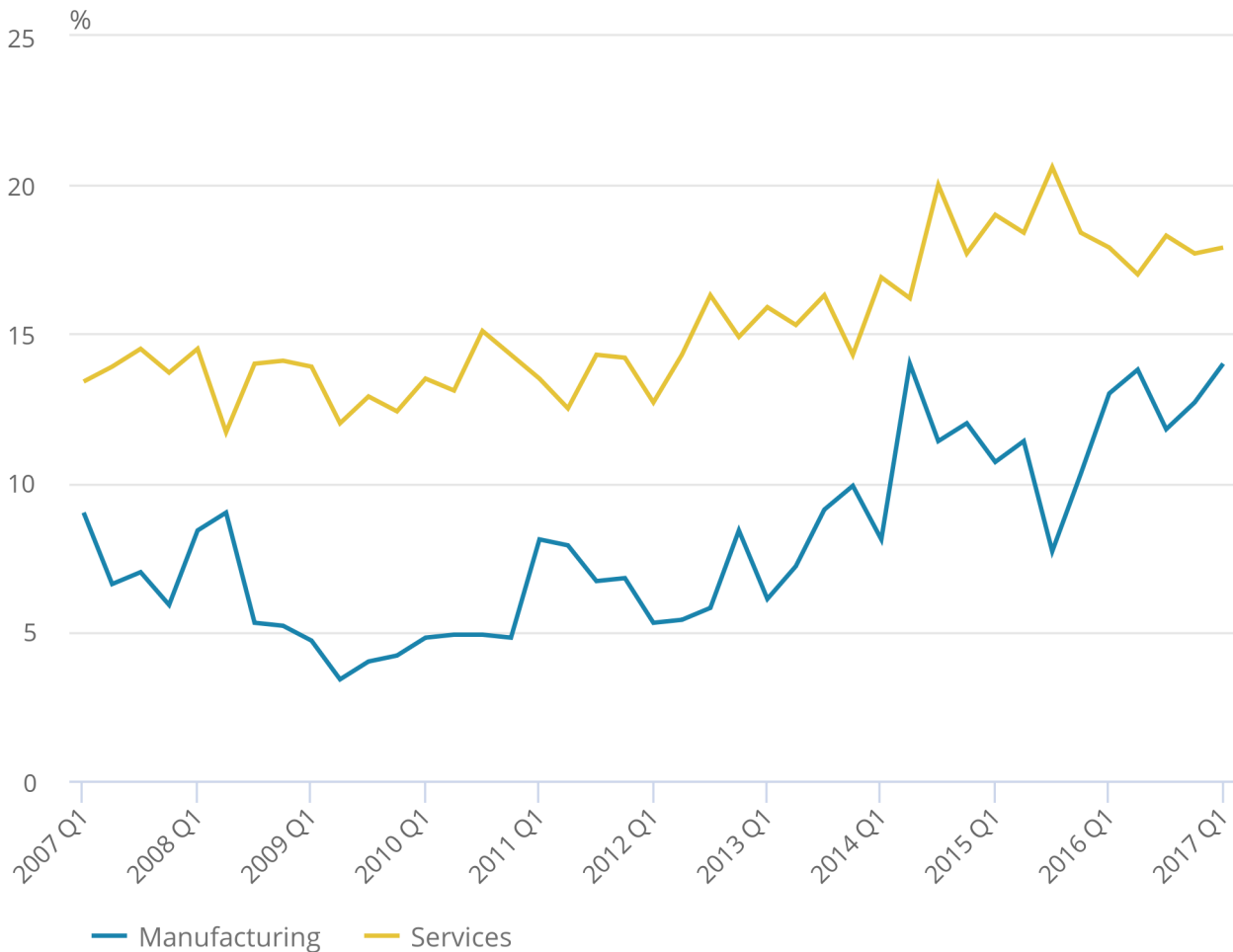
The profitability of UK manufacturing companies increased in Quarter 1 (Jan to Mar) 2017. Their net rate of return increased by 1.3 percentage points to 14.0% in Quarter 1 2017, from 12.7% in Quarter 4 (Oct to Dec) 2016. The net rate of return for UK manufacturing companies was last at this level in Quarter 2 (Apr to June) 2014, when it was also 14.0%. Manufacturing companies' net rate of return has only been higher once, in Quarter 3 (July to Sept) 1997 when it was 14.2%.

This increase in the net rate of return for manufacturers may be partly attributed to the depreciation of sterling since June 2016, which has led to an increase in export volumes and domestic sourcing according to the [Bank of England Agents' Summary Report](#). This also coincides with the Confederation of British Industry [\(CBI\) industrial trends](#) survey, which suggests that manufacturers were benefiting from increased price competitiveness compared with overseas corporations in the 3 months to March 2017.

**Figure 3: Quarterly net rate of return for non-UK continental shelf companies split by manufacturing and services, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017**

UK

Figure 3: Quarterly net rate of return for non-UK continental shelf companies split by manufacturing and services, Quarter 1 (Jan to Mar) 2007 to Quarter 1 2017



Source: Office for National Statistics

Source: Office for National Statistics

**Notes:**

1. Q1 refers to Quarter 1 (January to March), Q2 refers to Quarter 2 (April to June), Q3 refers to Quarter 3 (July to September) and Q4 refers to Quarter 4 (October to December)

The net rate of return for services companies increased by 0.2 percentage points to 17.9% in Quarter 1 2017, from 17.7% in Quarter 4 2016. This was broadly in line with services companies' profitability since Quarter 4 2015.



## 6 . How does UK profitability compare internationally?

International comparisons of profitability can be problematic; the UK measures the rate of return on capital employed, while other countries use a range of methods. Therefore, aggregated national profit shares that follow the European System of Accounts 2010 (ESA 2010) guidance are used for international comparisons in this bulletin. Please note that national profit shares used for international comparisons represent the profitability of all profit-making sectors, whereas the rest of this bulletin reports the profitability of private non-financial corporations (PNFCs) alone.

Aggregated national profit share is the sum of gross operating surplus (GOS) and mixed income (self-employed and other non-incorporated businesses income), divided by gross value added (GVA). GOS is the income earned by the capital factor in production. GVA is determined by the difference between the cost of inputs and outputs, or the value added by the use of labour and capital.

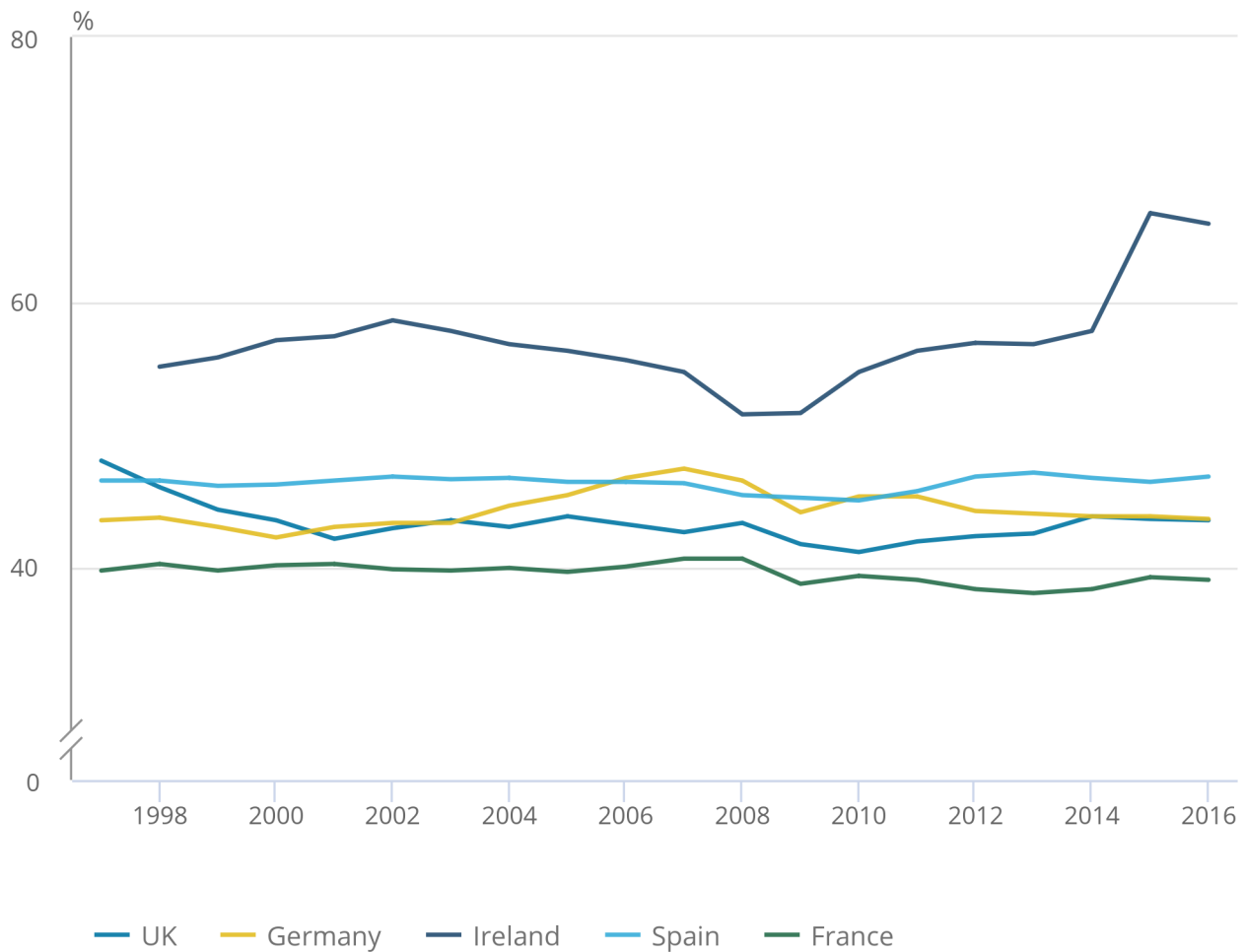
In 2016 Ireland, France, Germany and the UK experienced slight declines in their aggregate national profit share, while Spain recorded a modest increase. Of the countries compared, Ireland's net profit share of 65.9% in 2016 was the highest, despite a 0.8 percentage point decline from 2015. Spain and Germany had aggregate national profit shares of 46.8% and 43.6% respectively. The UK had an aggregate national profit of 43.5%. France had the lowest aggregate national profit share of all countries used for comparison at 39.0%. This is shown in Figure 4.

**Figure 4: National profit share for selected countries 1997 to 2016**

International comparisons

Figure 4: National profit share for selected countries 1997 to 2016

International comparisons



Source: Office for National Statistics and Eurostat

Source: Office for National Statistics and Eurostat

Notes:

1. Calendar years are used for figure 4.

The estimates quoted in this international comparison section are the latest available estimates published by the respective bodies (referenced) at the time of preparation of this statistical bulletin and may subsequently have been revised.

## 7 . Links to related statistics

The gross operating surplus (GOS) of private non-financial corporations (PNFCs) is a component of the income approach to measuring gross domestic product (GDP). GOS consists of gross trading profits, plus income from rental of buildings, less inventory holding gains (changes in inventory value caused by price). See the [Quarterly National Accounts](#) for a detailed breakdown of the components of GDP, as well as main sector accounts aggregates.

The [Quarterly Sector Accounts](#) includes estimates of national production, income and expenditure, UK sector accounts and the UK balance of payments.

## 8 . What's changed in this release?

As of 1 July 2017, [pre-release access was removed for official statistics](#) produced by Office for National Statistics (ONS). This bulletin and the data within this publication have not been shared with any external users or stakeholders prior to publication.

We have recently updated the style of our bulletin to be more concise and user-friendly. We welcome any feedback and are particularly interested to know how you use the data to inform your work. Contact us via email at [profitability@ons.gsi.gov.uk](mailto:profitability@ons.gsi.gov.uk) or by telephone on +44 (0)1633 455092.

## 9 . Quality and methodology

The Profitability of UK companies statistical bulletin reports the estimates for net rate of return on capital employed for UK private non-financial corporations (PNFCs) related to their UK operations.

The [Profitability of UK companies](#) and [Quarterly Operating Profits Survey](#) Quality and Methodology Information reports contain important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

### Perpetual inventory method

Underlying estimates of capital stock and capital consumption are produced using the perpetual inventory method. Further details are available in the [Capital stocks, capital consumption, methodological changes to the estimation of capital stocks and consumption of fixed capital](#) publication, which was published on 5 August 2016.

# 1 Annual Rates of Return of Private Non-Financial Corporations<sup>1</sup> - Summary<sup>2</sup>

Percentage

Year	All Private Non-Financial Corporations <sup>2</sup>		UKCS Companies <sup>3</sup>		UK non -CS PNFCs		Manufacturing Sector PNFCs		Service Sector PNFCs	
	Gross <sup>4,6</sup> Net <sup>5,6</sup>		Gross <sup>4,6</sup> Net <sup>5,6</sup>		Gross <sup>4,6</sup> Net <sup>5,6</sup>		Gross <sup>4,6</sup> Net <sup>5,6</sup>		Gross <sup>4,6</sup> Net <sup>5,6</sup>	
	LRWV	LRWW	LRXD	LRXE	LRXO	LRXP	LRYB	LRYC	LRYP	LRYQ
1997	13.6	14.5	10.6	9.9	13.9	14.8	12.8	13.6	16.3	18.8
1998	12.9	13.4	8.9	7.2	13.3	13.8	11.3	11.2	17.0	18.3
1999	12.2	12.2	10.7	11.8	12.4	12.3	10.7	10.1	15.6	16.1
2000	12.0	12.1	16.7	26.7	11.6	11.3	10.3	9.4	14.7	14.7
2001	11.0	10.4	16.4	27.5	10.6	9.6	8.7	6.9	13.4	12.6
2002	11.7	11.3	16.2	27.3	11.4	10.6	9.4	7.9	14.3	13.5
2003	11.8	11.6	16.1	27.4	11.5	11.0	8.7	7.1	14.9	14.9
2004	11.9	12.0	16.5	29.0	11.7	11.4	9.5	8.7	14.6	14.4
2005	12.0	12.2	20.3	39.5	11.5	11.3	9.3	8.3	14.5	14.6
2006	12.0	12.3	23.6	47.4	11.4	11.1	9.0	7.8	14.2	14.1
2007	11.7	11.9	22.5	44.0	11.1	10.9	8.5	7.1	13.9	13.9
2008	11.3	11.5	23.6	46.2	10.7	10.4	8.3	7.0	13.4	13.6
2009	10.1	9.5	18.7	33.0	9.7	8.8	6.8	4.1	12.9	12.8
2010	10.8	10.8	23.4	44.1	10.3	9.9	7.1	4.9	13.6	14.0
2011	11.0	11.1	27.2	50.7	10.3	9.9	8.5	7.4	13.2	13.6
2012	10.8	10.8	22.6	36.6	10.2	10.0	7.8	6.2	13.7	14.6
2013	11.0	11.4	20.2	29.0	10.6	10.7	8.7	8.1	14.2	15.5
2014	11.7	12.4	13.7	14.2	11.6	12.3	10.5	11.4	15.6	17.7
2015	11.5	12.1	8.1	3.9	11.6	12.5	9.8	10.0	16.4	19.1
2016	11.6	12.3	7.6	2.8	11.7	12.7	11.3	12.8	15.5	17.7

Source: Office for National Statistics

- 1 Private non-financial corporations are comprised of UK Continental Shelf, manufacturing, non-financial service sector companies and others (including construction, electricity and gas supply, agriculture, mining and quarrying).
- 2 Underlying data are presented in tables 3 to 7. Background notes to this release and all footnotes in Table 1 apply to all tables.
- 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.

- 5 Basis of net estimates:  
Net operating surplus (numerator): Gross operating surplus less capital consumption at current replacement cost.
  - 6 Net capital employed (denominator): Gross capital employed less accumulated capital consumption at current replacement cost.
- For more information see the revisions section of this release.

## 2 Quarterly Rates of Return of Private Non-Financial Corporations - Summary<sup>1</sup>

Percentage

Year	All Private Non-Financial Corporations		UKCS Companies		UK non-CS 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	LRYS
1997 Q1	13.1	13.8	12.3	12.5	13.2	13.9	12.8	13.1	14.3	17.3
Q2	13.5	14.3	9.7	8.3	13.9	14.8	12.6	13.3	15.9	19.1
Q3	14.1	15.2	10.2	9.5	14.4	15.7	13.1	14.2	18.1	20.0
Q4	13.6	14.5	10.1	9.4	14.0	14.9	12.8	13.7	17.4	19.0
1998 Q1	13.3	14.0	9.5	8.4	13.7	14.5	11.8	11.9	16.7	17.9
Q2	13.1	13.8	9.2	7.9	13.5	14.2	12.6	13.3	17.0	18.4
Q3	12.3	12.4	8.5	6.5	12.6	12.8	10.1	9.2	16.9	18.2
Q4	12.8	13.3	8.2	5.9	13.2	13.8	10.7	10.2	17.3	18.8
1999 Q1	12.7	13.1	8.1	6.0	13.2	13.6	11.5	11.5	15.8	16.4
Q2	11.9	11.7	9.4	9.0	12.1	11.9	11.5	11.3	15.1	15.3
Q3	12.1	12.1	12.5	15.7	12.1	11.9	9.9	8.7	16.1	16.7
Q4	12.2	12.1	13.0	17.2	12.1	11.8	10.0	8.8	15.6	15.9
2000 Q1	12.5	12.7	14.8	21.6	12.3	12.2	11.5	11.5	14.5	14.4
Q2	12.2	12.3	16.2	25.4	11.8	11.6	11.2	11.0	14.8	14.9
Q3	11.9	12.0	17.4	28.4	11.5	11.1	9.9	8.9	15.5	16.1
Q4	11.5	11.2	18.7	31.8	11.0	10.2	8.6	6.5	13.8	13.3
2001 Q1	10.5	9.7	17.8	30.3	10.0	8.7	9.0	7.3	11.6	10.0
Q2	11.2	10.8	17.7	30.6	10.8	9.9	9.3	7.8	13.6	13.1
Q3	11.1	10.5	15.7	26.1	10.7	9.8	8.5	6.6	14.1	13.7
Q4	11.2	10.7	14.3	22.7	11.0	10.2	8.1	5.8	14.1	13.7
2002 Q1	11.7	11.4	14.7	23.6	11.5	10.9	11.1	10.8	12.9	11.6
Q2	11.8	11.4	16.1	27.0	11.5	10.7	9.7	8.3	13.7	12.6
Q3	11.7	11.2	15.5	25.4	11.5	10.6	8.9	7.1	15.4	15.0
Q4	11.6	11.2	18.5	33.4	11.2	10.2	7.9	5.5	15.3	15.0
2003 Q1	11.5	11.1	18.0	32.0	11.1	10.2	8.1	5.9	14.1	13.3
Q2	11.4	11.2	13.7	21.4	11.2	10.7	8.7	7.1	14.5	14.5
Q3	12.1	12.2	16.0	27.3	11.9	11.6	8.7	7.1	16.3	17.0
Q4	12.1	12.1	16.7	29.1	11.8	11.4	9.4	8.2	14.8	14.7
2004 Q1	11.9	11.8	15.8	27.2	11.6	11.2	9.8	9.0	14.2	13.8
Q2	12.2	12.4	15.5	26.6	12.0	11.9	9.9	9.4	15.0	15.2
Q3	12.1	12.2	17.3	31.6	11.8	11.5	9.4	8.5	15.1	15.1
Q4	11.6	11.5	17.1	30.9	11.3	10.8	9.1	7.8	14.0	13.7
2005 Q1	11.5	11.5	18.7	35.3	11.0	10.6	9.2	8.2	13.3	12.9
Q2	11.9	12.2	19.7	38.0	11.4	11.3	9.7	9.1	13.7	13.6
Q3	12.2	12.6	20.7	40.4	11.7	11.6	9.4	8.5	15.4	15.9
Q4	12.3	12.6	22.3	44.2	11.7	11.6	8.8	7.4	15.6	16.2

Source: Office for National Statistics

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

See footnotes on Table 1

continued over

## 2 Quarterly Rates of Return of Private Non-Financial Corporations - Summary<sup>1</sup> continued

Percentage

Year	All Private Non-Financial Corporations		UKCS Companies		UK non -CS PNFCs		Manufacturing Sector PNFCs		Service Sector PNFCs	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	LRWV	LRWW	LRXD	LRXE	LRXO	LRXP	LRYB	LRYC	LRYP	LRYQ
2006 Q1	12.5	12.9	26.1	54.1	11.7	11.5	10.1	9.5	14.6	14.6
Q2	12.0	12.3	25.2	51.5	11.3	11.0	9.1	7.9	13.9	13.8
Q3	12.0	12.3	22.4	44.2	11.4	11.2	8.8	7.5	14.4	14.5
Q4	11.6	11.6	20.7	39.6	11.1	10.7	8.0	6.1	13.9	13.6
2007 Q1	11.7	11.8	17.7	31.8	11.3	11.1	9.6	9.0	13.6	13.4
Q2	11.6	11.8	18.9	34.9	11.2	11.0	8.2	6.6	13.9	13.9
Q3	11.7	11.9	21.9	42.5	11.2	11.0	8.4	7.0	14.4	14.5
Q4	11.8	12.0	31.5	66.5	10.8	10.3	7.8	5.9	13.8	13.7
2008 Q1	11.9	12.4	26.0	52.5	11.2	11.1	9.2	8.4	14.1	14.5
Q2	11.4	11.8	30.5	64.2	10.4	10.1	9.5	9.0	12.2	11.7
Q3	11.4	11.7	25.0	49.8	10.7	10.5	7.4	5.3	13.6	14.0
Q4	10.5	10.2	12.6	18.1	10.3	10.0	7.4	5.2	13.7	14.1
2009 Q1	10.6	10.3	17.5	29.9	10.2	9.7	7.2	4.7	13.6	13.9
Q2	9.5	8.5	14.3	21.8	9.3	8.1	6.5	3.4	12.4	12.0
Q3	10.1	9.5	18.2	31.6	9.7	8.8	6.7	4.0	13.0	12.9
Q4	10.2	9.8	25.1	48.9	9.5	8.6	6.7	4.2	12.6	12.4
2010 Q1	10.6	10.4	20.7	37.9	10.1	9.6	7.1	4.8	13.2	13.5
Q2	10.5	10.2	21.4	39.4	10.0	9.3	7.1	4.9	13.0	13.1
Q3	11.1	11.2	24.5	46.9	10.5	10.1	7.1	4.9	14.3	15.1
Q4	11.3	11.5	27.0	52.3	10.6	10.3	7.1	4.8	13.8	14.3
2011 Q1	11.2	11.5	27.7	53.5	10.5	10.2	8.9	8.1	13.2	13.5
Q2	10.7	10.7	28.0	53.2	9.9	9.4	8.7	7.9	12.5	12.5
Q3	10.9	11.0	26.2	47.9	10.2	9.9	8.1	6.7	13.6	14.3
Q4	11.2	11.4	27.0	48.6	10.5	10.2	8.2	6.8	13.6	14.2
2012 Q1	10.3	10.1	25.6	44.3	9.6	9.0	7.3	5.3	12.6	12.7
Q2	10.5	10.4	22.6	36.8	10.0	9.5	7.3	5.4	13.6	14.3
Q3	10.9	11.1	21.5	33.7	10.5	10.4	7.5	5.8	14.8	16.3
Q4	11.3	11.8	21.0	32.1	10.9	11.1	8.9	8.4	14.0	14.9
2013 Q1	11.2	11.6	21.2	32.1	10.7	10.9	7.6	6.1	14.5	15.9
Q2	10.8	11.1	20.3	29.5	10.4	10.4	8.3	7.2	14.1	15.3
Q3	11.1	11.5	20.1	28.6	10.7	10.9	9.3	9.1	14.8	16.3
Q4	11.0	11.3	19.2	26.0	10.7	10.8	9.8	9.9	13.5	14.3
2014 Q1	11.4	11.9	17.2	21.5	11.1	11.5	8.7	8.1	15.1	16.9
Q2	11.6	12.2	14.7	16.3	11.4	12.1	12.0	14.0	14.7	16.2
Q3	12.1	13.0	11.9	10.9	12.1	13.1	10.6	11.4	17.1	20.0
Q4	11.6	12.3	10.8	8.8	11.6	12.5	10.9	12.0	15.6	17.7
2015 Q1	11.6	12.3	8.0	3.6	11.7	12.6	10.1	10.7	16.3	19.0
Q2	11.5	12.2	10.8	9.0	11.5	12.3	10.5	11.4	16.0	18.4
Q3	11.4	12.1	6.9	1.9	11.6	12.5	8.5	7.7	17.4	20.6
Q4	11.4	12.0	6.6	1.1	11.6	12.4	9.9	10.3	16.0	18.4
2016 Q1	11.6	12.4	8.2	3.9	11.8	12.7	11.4	13.0	15.6	17.9
Q2	11.6	12.3	6.5	0.9	11.8	12.8	11.8	13.8	15.1	17.0
Q3	11.4	12.1	7.3	2.4	11.6	12.5	10.7	11.8	15.8	18.3
Q4	11.7	12.4	8.4	3.9	11.8	12.8	11.2	12.7	15.4	17.7
2017 Q1	11.8	12.7	8.6	4.2	11.9	13.1	11.9	14.0	15.5	17.9

Source: Office for National Statistics

### 3 Rates of Return of all Private Non-Financial Corporations

Year	Percentage Rate of Return		£ billion				
	Gross LRWV	Net LRWW	Gross Operating Surplus LRWL	Capital Consumption BGXZ	Net Operating Surplus LRWM	Capital Employed	
						Gross LRWT	Net LRWU
1997	13.6	14.5	199.7	67.7	132.1	1471.6	913.6
1998	12.9	13.4	195.9	69.1	126.8	1521.2	949.2
1999	12.2	12.2	195.0	73.0	122.1	1595.2	997.0
2000	12.0	12.1	204.2	76.0	128.2	1697.4	1063.6
2001	11.0	10.4	197.0	79.8	117.3	1788.8	1124.8
2002	11.7	11.3	212.2	82.7	129.5	1810.1	1145.6
2003	11.8	11.6	225.0	84.6	140.3	1912.0	1206.6
2004	11.9	12.0	234.3	86.2	148.1	1963.7	1236.4
2005	12.0	12.2	250.2	89.4	160.8	2090.1	1315.8
2006	12.0	12.3	262.8	94.1	168.7	2184.1	1375.7
2007	11.7	11.9	269.7	97.0	172.7	2304.0	1452.6
2008	11.3	11.5	279.9	100.5	179.4	2482.5	1561.9
2009	10.1	9.5	251.4	103.7	147.7	2487.9	1552.1
2010	10.8	10.8	268.9	102.6	166.3	2478.8	1534.6
2011	11.0	11.1	282.9	105.9	177.0	2577.3	1590.4
2012	10.8	10.8	285.8	108.3	177.5	2655.1	1637.7
2013	11.0	11.4	304.0	110.9	193.2	2755.7	1700.9
2014	11.7	12.4	331.7	113.4	218.3	2845.3	1763.1
2015	11.5	12.1	336.4	116.7	219.7	2933.3	1811.8
2016	11.6	12.3	346.2	118.7	227.5	2993.4	1849.6

See footnotes on Table 1

## 4 Rates of Return of UK Continental Shelf (UKCS) Companies

Year	Percentage Rate of Return		£ billion				
	Gross	Net <sup>1</sup>	Gross	Capital	Net	Capital Employed	
			Operating Surplus	Consumption	Operating Surplus	Gross	Net
LRXD	LRXE	LRWX	BGYB	LRWY	LRXB	LRXC	
1997	10.6	9.9	13.8	7.2	6.7	130.9	67.5
1998	8.9	7.2	11.5	7.0	4.6	130.3	63.5
1999	10.7	11.8	13.7	6.8	6.9	127.7	58.6
2000	16.7	26.7	21.2	6.6	14.6	126.4	54.6
2001	16.4	27.5	20.1	6.4	13.7	122.6	49.9
2002	16.2	27.3	19.1	6.3	12.8	117.9	46.7
2003	16.1	27.4	18.8	6.2	12.6	116.9	45.9
2004	16.5	29.0	18.7	6.1	12.6	113.4	43.4
2005	20.3	39.5	23.6	6.3	17.3	115.9	43.9
2006	23.6	47.4	27.3	6.4	20.9	115.6	44.1
2007	22.5	44.0	26.1	6.3	19.8	116.0	45.0
2008	23.6	46.2	28.1	6.4	21.7	119.2	47.0
2009	18.7	33.0	21.5	6.4	15.1	114.6	45.7
2010	23.4	44.1	25.4	6.0	19.4	108.6	44.0
2011	27.2	50.7	29.8	6.2	23.6	109.5	46.6
2012	22.6	36.6	25.2	6.6	18.7	111.5	51.1
2013	20.2	29.0	23.5	6.9	16.5	116.3	57.1
2014	13.7	14.2	16.7	7.5	9.2	122.2	64.7
2015	8.1	3.9	10.3	7.6	2.7	127.2	69.9
2016	7.6	2.8	9.7	7.6	2.1	128.5	77.1

<sup>1</sup> 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.  
See also footnotes on Table 1

## 5 Rates of Return of non-UKCS PNFCs

Year	Percentage Rate of Return		£ billion				
	Gross	Net	Gross	Capital	Net	Capital Employed	
			Operating Surplus	Consumption	Operating Surplus	Gross	Net
LRXO	LRXP	LRXG	BGYC	LRXH	LRXM	LRXN	
1997	13.9	14.8	185.9	60.5	125.4	1340.8	846.2
1998	13.3	13.8	184.3	62.1	122.2	1390.9	885.7
1999	12.4	12.3	181.3	66.2	115.1	1467.5	938.3
2000	11.6	11.3	183.0	69.4	113.6	1571.0	1009.0
2001	10.6	9.6	176.9	73.4	103.5	1666.2	1074.9
2002	11.4	10.6	193.1	76.4	116.8	1692.2	1098.9
2003	11.5	11.0	206.2	78.5	127.7	1795.1	1160.7
2004	11.7	11.4	215.6	80.1	135.5	1850.3	1193.0
2005	11.5	11.3	226.6	83.2	143.4	1974.1	1271.9
2006	11.4	11.1	235.5	87.7	147.8	2068.5	1331.5
2007	11.1	10.9	243.6	90.7	152.9	2187.9	1407.6
2008	10.7	10.4	251.7	94.1	157.7	2363.3	1514.9
2009	9.7	8.8	229.9	97.3	132.6	2373.3	1506.4
2010	10.3	9.9	243.5	96.7	146.9	2370.2	1490.6
2011	10.3	9.9	253.1	99.7	153.4	2467.8	1543.8
2012	10.2	10.0	260.6	101.8	158.8	2543.6	1586.6
2013	10.6	10.7	280.6	103.9	176.6	2639.5	1643.8
2014	11.6	12.3	315.0	105.9	209.1	2723.0	1698.4
2015	11.6	12.5	326.1	109.2	217.0	2806.1	1742.0
2016	11.7	12.7	336.4	111.0	225.4	2864.9	1772.5



See footnotes on Table 1

## 6 Rates of Return of Manufacturing Sector PNFCs

Year	Percentage Rate of Return		£ billion					
	Gross	Net	Gross		Net		Capital Employed	
			Operating Surplus	Capital Consumption	Operating Surplus	Gross	Net	
LRXB	LRXC	LRXR	BGYI	LRXS	LRXZ	LRYA		
1997	12.8	13.6	52.1	19.0	33.1	406.2	244.2	
1998	11.3	11.2	47.1	19.2	27.9	416.6	250.1	
1999	10.7	10.1	45.9	20.0	25.9	428.6	257.8	
2000	10.3	9.4	45.9	20.5	25.4	447.0	269.1	
2001	8.7	6.9	39.8	21.0	18.9	457.6	275.1	
2002	9.4	7.9	42.6	21.1	21.5	453.6	271.3	
2003	8.7	7.1	39.6	20.5	19.1	454.5	269.8	
2004	9.5	8.7	43.1	20.0	23.1	451.5	265.9	
2005	9.3	8.3	44.5	21.1	23.4	479.6	283.5	
2006	9.0	7.8	44.7	21.8	22.9	497.5	294.9	
2007	8.5	7.1	43.5	22.1	21.4	511.6	300.6	
2008	8.3	7.0	46.1	23.6	22.5	552.8	322.6	
2009	6.8	4.1	37.2	24.4	12.8	549.2	315.2	
2010	7.1	4.9	38.2	23.3	14.9	540.9	307.9	
2011	8.5	7.4	47.0	23.9	23.1	555.8	314.1	
2012	7.8	6.2	43.5	24.0	19.5	559.4	314.5	
2013	8.7	8.1	49.6	24.1	25.6	567.5	316.9	
2014	10.5	11.4	60.0	23.9	36.1	569.9	317.3	
2015	9.8	10.0	56.0	24.2	31.8	574.2	317.4	
2016	11.3	12.8	64.8	24.3	40.5	574.3	315.9	

1 See footnotes on table 1

## 7 Rates of Return of Service Sector PNFCs

Year	Percentage Rate of Return		£ billion					
	Gross	Net	Gross		Net		Capital Employed	
			Operating Surplus	Capital Consumption	Operating Surplus	Gross	Net	
LRYP	LRYQ	LRYP	BGYK	LRYG	LRYN	LRYO		
1997	16.3	18.8	113.4	34.4	79.1	694.5	420.5	
1998	17.0	18.3	116.9	35.5	81.5	689.1	444.5	
1999	15.6	16.1	115.0	38.4	76.7	735.7	476.5	
2000	14.7	14.7	116.5	40.6	75.9	795.2	517.9	
2001	13.4	12.6	114.6	43.7	70.9	855.3	560.8	
2002	14.3	13.5	124.4	46.2	78.1	868.3	576.9	
2003	14.9	14.9	142.3	48.7	93.6	952.0	628.1	
2004	14.6	14.4	145.4	50.7	94.7	997.6	656.2	
2005	14.5	14.6	154.1	52.2	101.9	1061.2	695.9	
2006	14.2	14.1	158.6	55.4	103.2	1116.9	730.4	
2007	13.9	13.9	165.6	57.6	108.0	1190.5	778.7	
2008	13.4	13.6	172.0	58.5	113.5	1285.7	836.6	
2009	12.9	12.8	167.2	60.3	106.9	1297.3	835.9	
2010	13.6	14.0	177.4	60.8	116.6	1307.1	833.5	
2011	13.2	13.6	180.2	62.7	117.5	1362.3	863.5	
2012	13.7	14.6	193.2	64.0	129.3	1405.8	887.5	
2013	14.2	15.5	206.8	65.3	141.5	1454.7	915.8	
2014	15.6	17.7	234.4	66.9	167.5	1500.9	945.1	
2015	16.4	19.1	255.5	69.2	186.3	1555.5	976.3	
2016	15.5	17.7	246.2	70.4	175.7	1589.3	991.6	

1 See footnotes on table 1



# R1 Revisions to Annual and Quarterly Net Rates of Return of PNFCs

Percentage

Year	All PNFCs	UKCS Companies	UK non-CS PNFCs	Manufacturing Sector PNFCs	Service Sector PNFCs
	LRWW	LRXE	LRXP	LRYC	LRYQ
1997	-	-	-	-	-
1998	-	-	-	-	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
Quarter					
1997 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-
1998 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-
1999 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-
2000 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-
2001 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-
2002 Q1	-	-	-	-	-
Q2	-	-	-	-	-
Q3	-	-	-	-	-
Q4	-	-	-	-	-

Source: Office for National Statistics

1 Table R1 shows the revisions to the net rates of return. There are no revisions made to previously published UK profitability data. This is consistent with the Quarterly National Accounts for Quarter 1 (Jan to Mar) 2017.

**continued over**

# R1 Revisions to Annual and Quarterly Net Rates of Return of PNFCs continued

Quarter	%				
	All	UKCS	UK non -CS	Manufacturing	Service
	PNFCs	Companies	PNFCs	Sector	Sector
	LRWW	LRXE	LRXP	LRYC	LRYQ
2003 Q1	-	-	-	-	-
2003 Q2	-	-	-	-	-
2003 Q3	-	-	-	-	-
2003 Q4	-	-	-	-	-
2004 Q1	-	-	-	-	-
2004 Q2	-	-	-	-	-
2004 Q3	-	-	-	-	-
2004 Q4	-	-	-	-	-
2005 Q1	-	-	-	-	-
2005 Q2	-	-	-	-	-
2005 Q3	-	-	-	-	-
2005 Q4	-	-	-	-	-
2006 Q1	-	-	-	-	-
2006 Q2	-	-	-	-	-
2006 Q3	-	-	-	-	-
2006 Q4	-	-	-	-	-
2007 Q1	-	-	-	-	-
2007 Q2	-	-	-	-	-
2007 Q3	-	-	-	-	-
2007 Q4	-	-	-	-	-
2008 Q1	-	-	-	-	-
2008 Q2	-	-	-	-	-
2008 Q3	-	-	-	-	-
2008 Q4	-	-	-	-	-
2009 Q1	-	-	-	-	-
2009 Q2	-	-	-	-	-
2009 Q3	-	-	-	-	-
2009 Q4	-	-	-	-	-
2010 Q1	-	-	-	-	-
2010 Q2	-	-	-	-	-
2010 Q3	-	-	-	-	-
2010 Q4	-	-	-	-	-
2011 Q1	-	-	-	-	-
2011 Q2	-	-	-	-	-
2011 Q3	-	-	-	-	-
2011 Q4	-	-	-	-	-
2012 Q1	-	-	-	-	-
2012 Q2	-	-	-	-	-
2012 Q3	-	-	-	-	-
2012 Q4	-	-	-	-	-
2013 Q1	-	-	-	-	-
2013 Q2	-	-	-	-	-
2013 Q3	-	-	-	-	-
2013 Q4	-	-	-	-	-
2014 Q1	-	-	-	-	-
2014 Q2	-	-	-	-	-
2014 Q3	-	-	-	-	-
2014 Q4	-	-	-	-	-
2015 Q1	-	-	-	-	-
2015 Q2	-	-	-	-	-
2015 Q3	-	-	-	-	-
2015 Q4	-	-	-	-	-
2016 Q1	-	-	-	-	-
2016 Q2	-	-	-	-	-
2016 Q3	-	-	-	-	-
2016 Q4	-	-	-	-	-

Source: Office for National Statistics

1 Table R1 shows the revisions to the net rates of return. There are no revisions made to previously published UK profitability data. This is consistent with the Quarterly National Accounts for Quarter 1 (Jan to Mar) 2017.



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