Office for National Statistics

Statistical bulletin

Services turnover in the UK: 2017

Annual statistics on the value of turnover from services provided by the UK service economy.

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1 . Main points

- Total UK turnover generated by the services industries increased from £2,414.3 billion in 2016 to £2,639.1 billion in 2017.

- The UK's wholesale and retail sector including the repair of motor vehicles and motorcycles generated the most turnover in 2017 and increased by £150.3 billion in 2017 to £1,253.9 billion.

- The most dominant service products in 2017 were wholesale and retail which had a combined value of £1,069.5 billion, 40.5% of the overall total UK turnover generated in 2017.

- Real estate industries saw the largest rise in turnover generated outside their main industrial classification (off-diagonal) increasing from £5.7 billion in 2016 to £20.1 billion in 2017.

- The top 15 service products remained broadly consistent in 2017 compared with 2016 and accounted for 73.2% of total UK turnover generated in 2017.

- For the first time, actual values are presented whereas the previous publication used proportions.

2 . Services turnover in the UK

About this bulletin

The Annual Survey of Goods and Services (ASGS) is a relatively new Office for National Statistics (ONS) survey, published for the first time in 2018 containing estimates for the 2016 reference period. The survey collects product-level data from the service industries to provide a comprehensive view of the types of services provided by the UK service economy. This level of detail is required to feed into both the supply and use tables (SUT) and the Services Producer Price Index (SPPI), both of which are ultimately used in the compilation of the UK's gross domestic product.

The launch of the ASGS also helped the ONS meet a main recommendation from Professor Sir Charles Bean's review of economic statistics. Specifically, the collection of turnover from businesses operating within the UK's service economy, broken down into the goods and services that they provide both inside and outside of the UK.

What was the overall picture in 2017?

The total UK turnover generated by the service industries increased from £2,414.3 billion in 2016 to £2,639.1 billion in 2017, an increase of £224.8 billion (9.3%).

The UK's wholesale and retail industry including repair of motor vehicles and motorcycles continued to be the dominant sector in 2017 and made the largest contribution to overall total UK turnover. Turnover generated by this sector increased from £1,103.7 billion in 2016 to £1,253.9 billion in 2017, 92.5% of which was generated from the provision of services within the industries main industrial classification, referred to as on-diagonal turnover. This represents a small increase in on-diagonal turnover for the wholesale and retail industries compared to 2016 when 85.7% of turnover was generated by the provision of on-diagonal service products.

The professional, scientific and technical activities (£251.8 billion), and information and communication (£229.4 billion) industries also made notable contributions to the overall total UK turnover figure in 2017, both of which saw increases of £8.7 billion and £12.5 billion respectively.
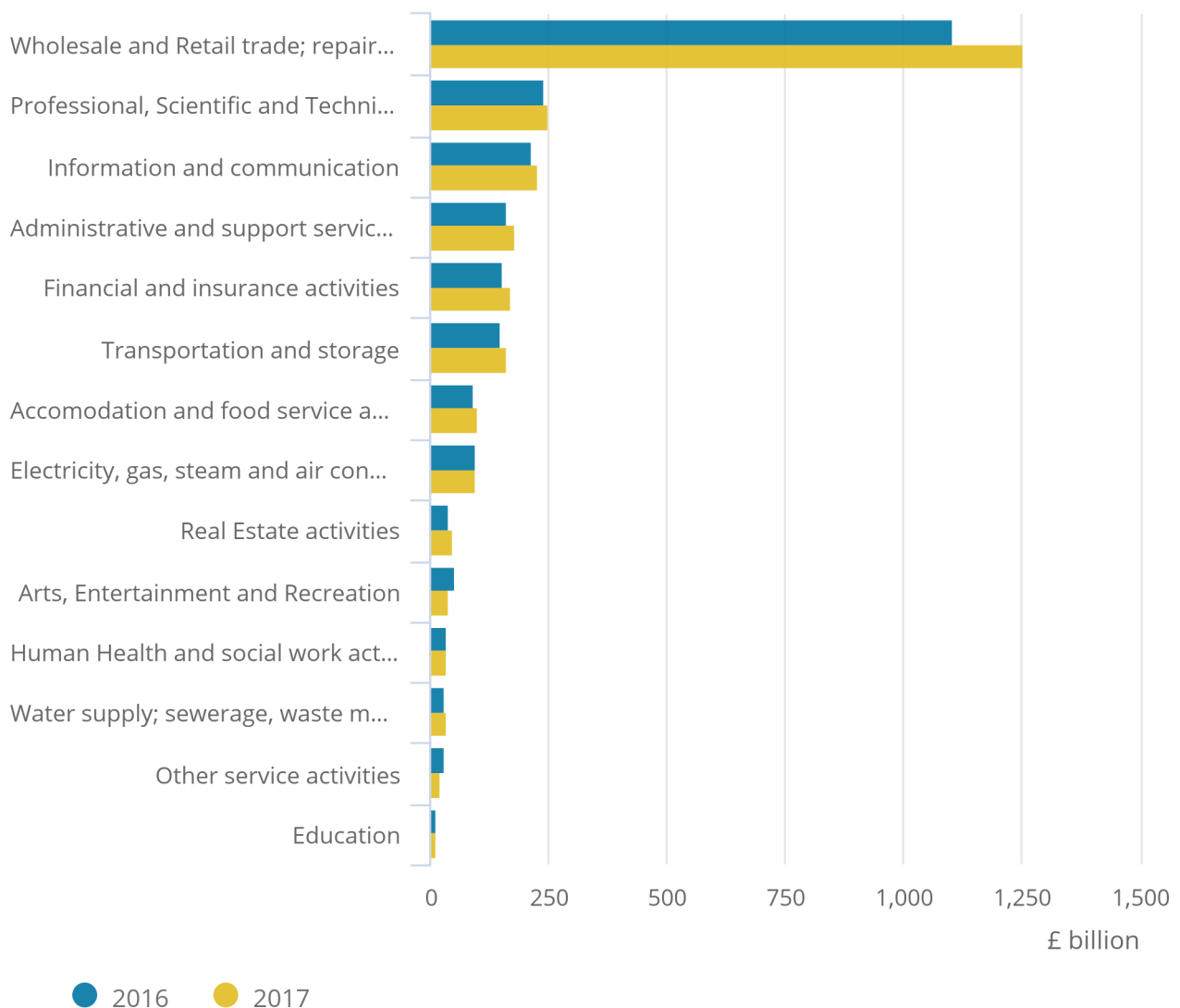
Offsetting movements were also seen in 2017, the largest being within the arts, entertainment and recreation industry, which saw an overall decline in UK turnover of £13.0 billion and fell from a total of £54.0 billion in 2016 to £41.0 billion in 2017.

Figure 1: Wholesale and retail industry continued to be the dominant sector in 2017

Total UK Annual Survey of Goods and Services turnover by industry, UK, 2017

Figure 1: Wholesale and retail industry continued to be the dominant sector in 2017

Total UK Annual Survey of Goods and Services turnover by industry, UK, 2017

Source: Office for National Statistics – Annual Survey of Goods and Services

Notes:

1. All values are at current prices.

3 . Spread of on-diagonal and off-diagonal turnover

This section analyses the data using the concepts of on-diagonal and off-diagonal turnover. The term on-diagonal turnover is used to describe turnover generated through the provision of products which directly map to the same industry classification of the reporting business. Off-diagonal turnover relates to the provision of products outside the main industrial classification reporting business. An example would be a business classified within the education sector providing accommodation services. This is because the industry is in the education section while the product or service is in the accommodation and food services sector.

In 2017, the majority of UK turnover across the 14 broad services sectors was generated by those industries providing services within their primary industrial classification (on-diagonal). The highest proportion of on-diagonal turnover (92.5%) was seen within the wholesale and retail sector including the repair of motor vehicles and motorcycles.

The most notable types of off-diagonal services provided by the wholesale and retail sector, including repair and maintenance of motor vehicles and motorcycles, in 2017 were head office and management consulting services (£7.2 billion in 2017), and repair and installation services of machinery and equipment (£3.0 billion in 2017).

The electricity, gas, steam and air conditioning supply sector also showed a large proportion of on-diagonal turnover in 2017 of £83.6 billion in 2017 which equates to 88.7% of the overall total turnover for this sector.

The other service activities sector recorded the largest proportion of off-diagonal turnover in 2017 with approximately 48.8% of turnover (£11.4 billion in 2017) generated outside of the industry's main industrial activity. The provision of wholesale (£2.2 billion) and retail (£1.2 billion) services accounted for the majority of off-diagonal turnover generated by the other service activities industry in 2017.
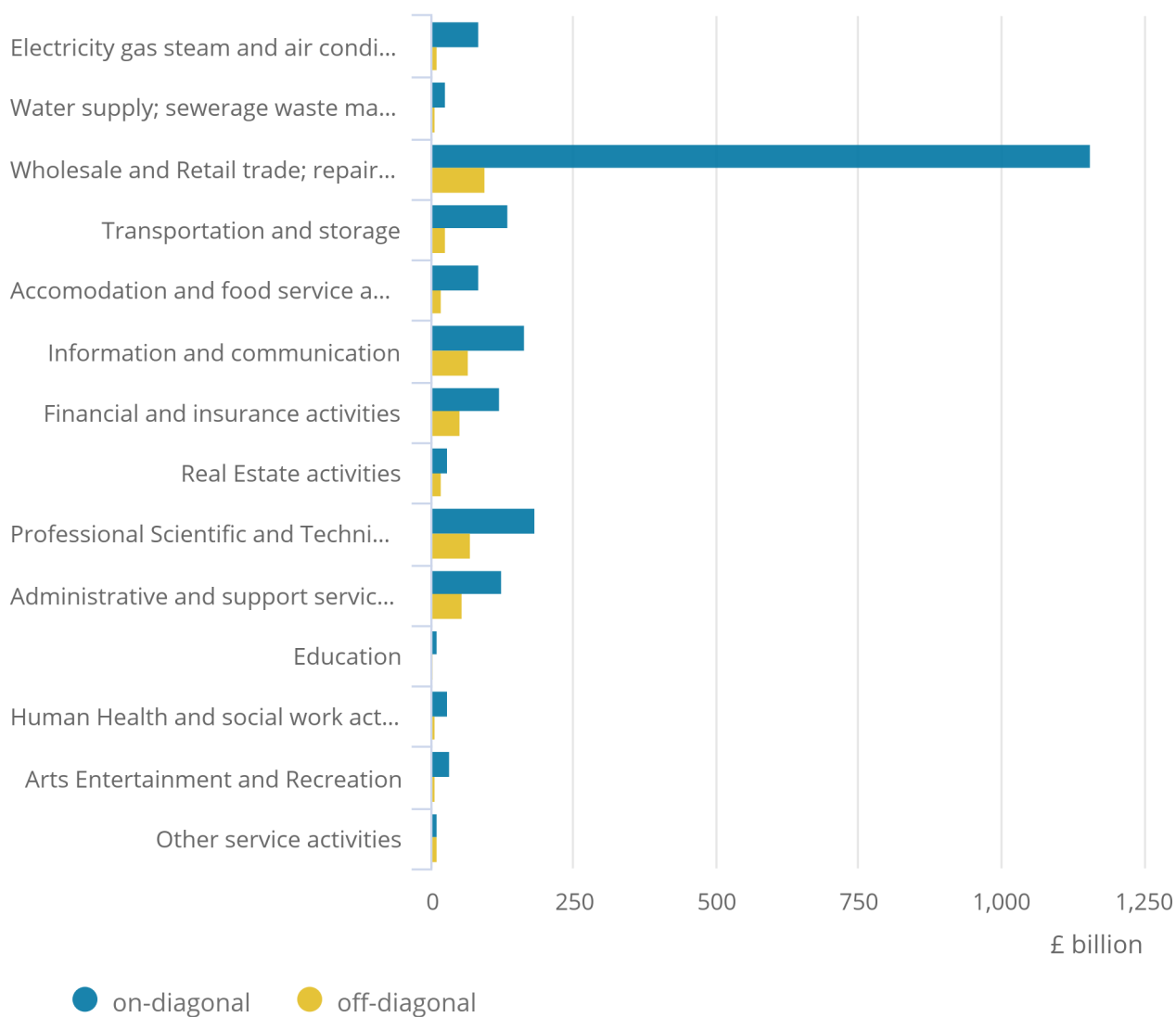
The real estate sector saw the largest increase in off-diagonal turnover, and increased from £5.7 billion in 2016 to £20.1 billion in 2017. The increase was driven by the provision of wholesale and travel accommodation services which increased in 2017 by £9.8 billion and £5.0 billion respectively.

Figure 2: Other service activities sector showed largest proportion of off-diagonal turnover in 2017

Annual Survey of Goods and Services turnover, on-diagonal and off-diagonal, UK, 2017

Source: Office for National Statistics – Annual Survey of Goods and Services

Notes:

1. All values are at current prices.

4 . Top 15 service products in 2017

The top 15 products in this section have been calculated excluding products where totals have been suppressed as a result of failing Office for National Statistics' (ONS) standard disclosure methodology.

Wholesale trade services continued to be the largest service product provided by UK businesses in 2017 and showed the largest growth in 2017. UK turnover generated by the provision of wholesale trade services increased from £504.8 billion in 2016 to £673.7 billion, an increase of £168.9 billion. Retail trade services also made a notable contribution to overall total UK turnover in 2017 (£395.8 billion). Turnover generated by the provision of both wholesale and retail trade services combined accounted for 40.5% of total UK turnover across all products in 2017.

The top 15 service products remained broadly consistent in 2017, except for rental and leasing which entered the top 15 service products for the first time in 2017 and replaced real estate activities which were categorised within the top 15 service products in 2016.
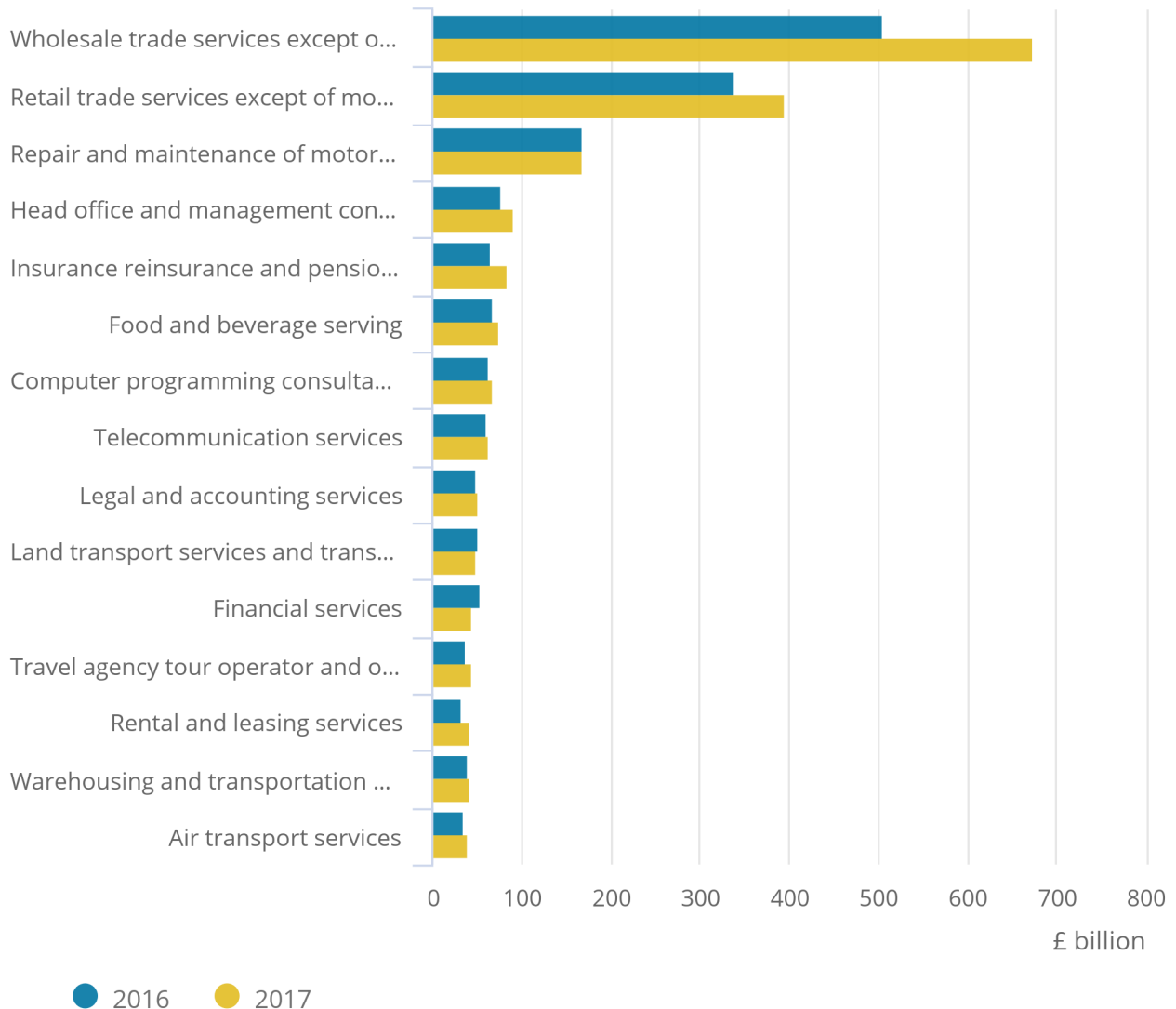
Combined, the total turnover generated through the provision of the top 15 service products (omitting disclosive product totals) in 2017 was £1,932.0 billion and accounted for 73.2% of overall total UK turnover.

Figure 3: Wholesale trade services was the dominant UK service product in 2017

Top 15 service products, UK, 2017

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Top 15 service products, UK, 2017

Source: Office for National Statistics – Annual Survey of Goods and Services

Notes:

1. All values are at current prices.

2. Excludes products marked as disclosive.

5 . Services turnover in the UK data

[Services turnover in the UK: industry by product](#)

Dataset | Released 12 September 2019

Annual data on UK service sector turnover for the Annual Survey of Goods and services (ASGS).

6 . Glossary

Turnover

The turnover of a company is the value of the goods or services sold during a particular time period.

Off-diagonal turnover

This refers to businesses classified to an industry providing products or services that are mapped to a different industry or section. An example would be a business in the education industry (industry 85) providing a service or product belonging to accommodation services (CPA 55). This is because the industry is in the education section while the product or service is in the accommodation and food service activities section.

On-diagonal turnover

This refers to businesses classified to an industry providing products or services that are mapped to the same industry or section. An example would be a business in the accommodation industry (industry 55) providing food and beverage-serving services (CPA 56). This is because both industry and product are in the accommodation and food service activities section.

7 . Measuring the data

Data collection

National accounts, and supply and use tables measure output. Output is defined as the total of products created during the accounting period ([European System of Accounts 2010 (PDF, 6.4MB)](#), page 55). We plan to use the Annual Survey of Goods and Services (ASGS) estimates which measure turnover to inform the distribution of output to products within the supply and use tables. This is currently done based on estimates from the International Trade in Services (ITIS) Survey, along with administrative data sources.

The ASGS collects turnover data primarily at the six-digit level as outlined in the [Statistical Classification of Products by Activity (CPA code)](#). Exceptions to this are the wholesale industry, which is collected at three-digit level, and the retail trade and waste collection, treatment and disposal activities industries, which are collected at five-digit. This change was implemented for the 2017 reference period as sampled businesses within these industries found it difficult to provide data at such a granular level.

The CPA is the classification of products at the level of the European Union (EU) and is designed to categorise products that have common characteristics. They provide the basis for collecting and calculating statistics on such products. The CPA is consistent with Standard Industrial Classification (SIC) at four-digit level and provides further detail at five- and six-digit level.

Survey coverage

Services industries included in the ASGS

- Electricity, gas, steam and air conditioning supply (section D)

- Water supply; sewerage, waste management and remediation activities (section E)

- Wholesale and retail trade; repair of motor vehicles and motor cycles (section G)

- Transportation and storage (section H)

- Accommodation and food service activities (section I)

- Information and communication (section J)

- Financial and insurance activities (section K) (64.3, 64.9, 65.1, 65.2, 65.3)

- Real estate activities (section L)

- Professional, scientific and technical activities (section M)

- Administrative and support service activities (section N)

- Education (section P)

- Human health and social work activities (section Q)

- Arts, entertainment and recreation (section R)

- Other service activities (section S)

Services industries excluded from the ASGS

- Financial and insurance activities (section K) (64.1, 64.2, 66.1, 66.2, 66.3)

- Public administration and defence; compulsory social security (section O)

- Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use (section T)

- Activities of extraterritorial organisations and bodies (section U)

Quality and methodology

A detailed Quality and Methodology Information (QMI) report will be produced (as is done for other Office for National Statistics surveys) detailing ASGS methodology and associated metadata. The aim is for this to be published in September 2019.

Questionnaire review

A review of the electronic questionnaire is planned between 2019 and 2020 which may impact future data returns. Both user and cognitive testing will be carried out with respondents prior to implementing any changes.

Data collection for the 2018 reference period is currently underway. The next ASGS survey will be dispatched to businesses in June 2020 requesting data for the 2019 reference period.

For more detail on how the questionnaire has been developed, see the Development of the Annual Survey of Goods and Services article.

Feedback

We are keen to get your views on the methods, data and work to date to help inform and make improvements to the ASGS. If you have any comments, please email us at ASGS@ons.gov.uk.

As part of this work, we will be working towards achieving National Statistics status. More information on this will be made available when appropriate.

Acknowledgements

The author would like to acknowledge contributions from IFF Research, Jayne Olney, Lucas Michaelides, Katie Evans, Laura Requena, Leela Luke and Matthew Plews.

8 . Strengths and limitations

The estimates produced from the Annual Survey of Goods and Services (ASGS) included in this publication are still regarded as experimental as the survey is in a development phase. This will be the case until the survey undergoes a formal assessment with the UK Statistics Authority to ensure compliance with the Code of Practice for Statistics. Work is currently underway to review elements of the applied methodology, in particular how survey data are used to compile estimates for the survey population. We aim to implement recommendations from this review in time for the next edition of this publication.

This publication provides revised estimates for 2016 and, for the first time, presents data for both reference periods as actual values instead of proportions. Their primary purpose is to measure product-level information from businesses classified to the service economy, to estimate the proportion of turnover generated for each product. The previous publication contained turnover proportions which were constrained to estimates published by the Annual Business Survey (ABS), this publication however presents actual ASGS turnover estimates for the first time.

Survey developments

Following the surveys launch and the publication of the previous ASGS statistical bulletin, work has continued to improve the applied ASGS statistical methodology, the culmination of which has supported the move from publishing constrained proportions to actual values as presented in this publication.

Although the ASGS has a short time series, having data for two years has enabled us to review and enhance our imputation methodology. Estimates in this publication have been compiled adopting previous period imputation techniques where non-responders in the current reference period have been estimated for based on their return in the previous year, providing they were sampled for the ASGS and responded. This method has also been applied retrospectively therefore further enhancing the quality of the 2016 estimates.

The ASGS microdata has been thoroughly reviewed to determine the most appropriate disclosure methodology to apply in order to prevent individual businesses responses from being identified. Disclosure methods have been applied to the 2016 and 2017 estimates in this publication. Values identified as disclosive have subsequently been suppressed in the ASGS data tables

A review of ASGS sampling methodology has also been undertaken and as a result, to compliment the current sampling methods, the ASGS now also samples companies from a bespoke ASGS reference list. Reference list sampling was used to draw the sample for the 2018 reference period, estimates for which will be published in the summer of 2020.

9 . Related links

[Development of the Annual Survey of Goods and Services](#)

Article | Released 31 August 2018

Latest information on the development of the Annual Survey of Goods and Services, a new survey developed to more accurately measure the UK service economy.