Compendium

UK National Accounts, The Blue Book: 2025

National accounts statistics including national and sector accounts, industrial analyses and environmental accounts.

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Chapters in this compendium

Compendium

An introduction to the UK National Accounts

Chapter summary and general overview of the national and sector accounts.

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1 . Overview of the Blue Book

UK National Accounts, The Blue Book was first published in August 1952, and presents a full set of economic accounts (national accounts) for the UK. These accounts are compiled by the Office for National Statistics (ONS). They record and describe economic activity in the UK and are used to support the formulation and monitoring of economic and social policies.

Content of Blue Book 2025

Note that the chapter numbers refer to the worksheet numbering sequence in our accompanying data tables.

Chapter 1

Chapter 1 of the Blue Book provides a summary of the UK National Accounts, including explanations and tables covering the main national and domestic aggregates, for example:

- GDP at current market prices and chained volume measures
- GDP deflator
- GVA at basic prices
- gross national income (GNI)
- gross national disposable income (GNDI)
- population estimates
- employment estimates
- GDP per head
- the UK Summary Accounts (the goods and services account, production accounts, distribution and use of income accounts, and accumulation accounts)

Chapter 1 also includes details of revisions to data throughout the series.

Chapter 2

Chapter 2 includes:

- input-output supply and use tables
- analyses of GVA at current market prices and chained volume measures
- capital formation
- workforce jobs by industry

Chapters 3 to 7

Chapter 3, Chapter 4, Chapter 5, Chapter 6 and Chapter 7 provide:

- a description of the institutional sectors
- the sequence of the accounts and balance sheets
- an explanation of the statistical adjustment items needed to reconcile the accounts
- the fullest available set of accounts providing transactions by sectors and appropriate subsectors of the economy (including the rest of the world)

Chapters 8 to 11

Chapter 8, Chapter 9, Chapter 10 and Chapter 11 cover additional analysis and include:

- supplementary tables for gross fixed capital formation (GFCF), national balance sheet and public sector
- statistics for international purposes

Chapter 12

Chapter 12 covers the UK Environmental Economy.

Chapter 13

Chapter 13 covers flow of funds.

2 . Overview of the UK National Accounts and sector accounts

In the UK, priority is given to the production of a single gross domestic product (GDP) estimate using income, production, and expenditure data. Further analysis is available on:

- income analysis at current prices
- expenditure analysis at both current prices and chained volume measures
- value added analysis compiled on a quarterly basis in chained volume measures only

Income, capital, and financial accounts are produced for non-financial corporations, financial corporations, general government, households, and non-profit institutions serving households (NPISH).

The accounts are fully integrated, but with a statistical discrepancy (known as the statistical adjustment), shown for each sector account. This reflects the difference between the sector net borrowing or lending from the capital account, and the identified borrowing or lending in the financial accounts, which should theoretically be equal.

Financial transactions and balance sheets are produced for the rest of the world sector in respect of its dealings with the UK.

An introduction to sector accounts

The sector accounts summarise the transactions of particular groups of institutions within the economy. They show how the income from production is distributed and redistributed, and how savings are used to add wealth through investment in physical or financial assets.

Institutional sectors

The accounting framework identifies two kinds of institutions: consuming units (mainly households), and production units (mainly corporations, non-profit institutions, or government).

Units can own goods and assets, incur liabilities, and engage in economic activities and transactions with other units. All units are classified into one of five sectors:

- non-financial corporations
- financial corporations
- general government
- households and NPISH
- rest of the world

Types of transactions

There are three main types of transactions.

Transactions in products

Transactions in products are related to goods and services. They include output, intermediate and final consumption, gross capital formation, and exports and imports.

Distributive transactions

Distributive transactions transfer income or wealth between units of the economy. They include property income, taxes and subsidies, social contributions and benefits, and other current or capital transfers.

Financial transactions

Financial transactions differ from distributive transactions in that they relate to transactions in financial claims, whereas distributive transactions are unrequited. The main categories in the classification of financial instruments are:

- monetary gold and special drawing rights
- currency and deposits
- debt securities
- loans
- equity and investment fund shares or units
- insurance, pension, and standardised guarantee schemes
- financial derivatives and employee stock options
- other accounts receivable or payable

3 . Summary of changes

For Blue Book and Pink Book 2025, we have made a number of methodological and data changes to the full time series. Changes mainly arise from improvements to our measurement of globalisation and multinational enterprises (MNEs), trade in goods and services, and deflator updates. These affect both current price and volume series. Further improvements include:

- a redevelopment of the systems and methods used to estimate gross fixed capital formation and inventories
- corrected Producer Price Indices (PPIs), and Services Producer Price Indices (SPPIs)
- a new source for calculating the higher education estimates of research and development
- improvements to non-market education volumes and deflators, and healthcare output
- improvements to the local government subsector
- improved estimates for expenditure on audio-visual streaming services, and smuggled alcohol
- increased coverage of our money market and non-money market funds

We have published information about these improvements, and their associated data impacts in our Proposed changes to be implemented in Blue Book and Pink Book: 2025 article and Blue Book 2025: advanced aggregate estimates article.

Globalisation

We have continued to implement improvements to our measurement of globalisation, and multi-national enterprises (MNEs) in the National Accounts. In 2025, the focus is on the globalisation review of the pharmaceutical industry.

Our approach to the review has been a detailed analysis of the business models of several of the largest multi-national enterprises (MNEs) within the industry to better understand and capture them more accurately in the National Accounts.

The impacts on estimates for the pharmaceutical industry, from the globalisation methodology improvements, are shown up to 2022. Data are not shown for 2023 because some survey data were corrected at survey level in that year with the cooperation of businesses. This obscured impacts from the globalisation methodology alone.

The combined impact to trade estimates in 2023 is shown in our Blue Book 2025: Trade impact estimates article.

UK Trade

In the 2025 Blue Book and Pink Book, we have incorporated improvements to estimates for the pharmaceutical industry, brought about by the globalisation review. Furthermore, we have made other improvements across many of our releases within trade in goods and services.

Within trade in goods, these include new estimates for imports and exports of both precious metals, and smuggled goods. Within trade in services, these include new estimates for imports of audiovisual streaming and subscription services, and additional exports of education-related travel services.

We have also expanded the International Trade in Services (ITIS) Survey to include more industries, including the agricultural industry, and the higher and other education activities industry.

We have made improvements to some deflators used in our trade estimates, and additionally, we have incorporated more recent survey data for trade, and other updated data that affect the supply-use tables balancing process.

Deflators

A number of deflator improvements have been made in Blue Book 2025. These include:

- replacement of selected import and export price indices with unit value indices based on HM Revenue and Customs (HMRC) data for basic commodities, including natural gas, crude oil, refined fuels, and metals
- improvement of the construction deflator for non-housing repair and maintenance activities
- updated research and development deflator for the GFCF transaction
- standardising our approach for calculating annual deflators to better reflect aggregate price change at times when both prices and the amount of activity change a lot, such as during the coronavirus pandemic

There are also improvements to our general government health and education data which led to revisions in the implied deflators calculated from these.

Non-market improvements

Non-market education volumes and deflators have been revised to better reflect the volume output of academies, and to also account for the expansion of pre-primary education across the UK.

We have made an improvement to our defence deflator using the most recent data from the Ministry of Defence.

The coverage and granularity of dental and ophthalmic services within our healthcare output have been expanded, alongside the coverage of preventive healthcare services within our annual benchmark, and individual services provided by local authorities.

Public sector finances

To improve the alignment of the national accounts and public sector finances publications, Blue Book 2025 has included the effects of the Classification of the transfer of Bulb Energy Limited (in special administration) to Octopus Group Limited.

In August 2023, the Office for National Statistics (ONS) reviewed the classification status and concluded that Bulb Energy Limited in special administration is no longer considered to be an institutional unit. It is therefore classified with its controlling body, which is the Department for Energy Security and Net Zero from the date of the Energy Transfer Scheme on 20 December 2022. -This is because Bulb's energy supply licence and Bulb's customers, with the majority of its assets, liabilities, and functions, have transferred to Octopus Energy Operations Limited (formerly known as Bulb UK Operations Limited), which is wholly owned by Octopus Energy Retail 2022 Limited. For further information, see our statement on the Classification of the transfer of Bulb Energy Limited (in special administration) to Octopus Group Limited. This change affects the period from December 2022.

Many economic statistic classification decisions in or out of the public sector are implemented by the relevant government departments, and the data flow automatically into the public sector finances and the national accounts from our regular data deliveries. For this reason, they are not always separately identifiable. Occasionally there are more complex classification decisions which require additional work to implement into our relevant economic statistics.

4 . The basic accounting framework

The accounting framework provides a systematic and detailed description of the UK economy, including sector accounts and the input-output framework.

All elements required to compile aggregate measures, such as gross domestic product (GDP), gross national income (GNI), saving, and the current external balance (the balance of payments) are included.

The economic accounts provide the framework for a system of volume and price indices, to allow chained volume measures of aggregates, such as GDP, to be produced. In this system, value added, from the production approach, is measured at basic prices (including other taxes less subsidies on production but not on products) rather than at factor cost (which excludes all taxes less subsidies on production).

The whole economy is subdivided into institutional sectors with current price accounts running in sequence from the production account through to the balance sheet.

The accounts for the whole UK economy and its counterpart, the rest of the world, follow a similar structure to the UK sectors, although several of the rest of the world accounts are collapsed into a single account as they can never be complete when viewed from a UK perspective.

5 . Table numbering system

The table numbering system is designed to show relationships between the UK, its sectors, and the rest of the world. For accounts drawn directly from the European System of Accounts (ESA) 2010, a three-part numbering system is used; the first two digits denote the sector, and the third digit denotes the ESA 2010 account. Not all sectors can have all types of account, so the numbering is not necessarily consecutive within each sector's chapter.

The rest of the world's identified components of accounts 2 to 6 are given in a single account, numbered 2. UK whole economy accounts consistent with ESA 2010 are given in Section 1.6 as a time series and in Section 1.7 in a detailed matrix identifying all sectors, the rest of the world and the UK total.

The ESA 2010 code for each series is shown in the left-hand column, using the following prefixes:

- S for the classification of institutional sectors
- P for transactions in products
- D for distributive transactions
- F for transactions in financial assets and liabilities
- K for other changes in assets
- B for balancing items and net worth

Within the financial balance sheets, the following prefixes are used: AF for financial assets and liabilities, and AN for non-financial assets and liabilities.

6 . The purpose of an account

An account records and displays all flows and stocks for a given aspect of economic life. The sum of resources is equal to the sum of uses, with a balancing item to ensure this equality.

The system of economic accounts allows the build-up of accounts for different areas of the economy, highlighting, for example, production, income, and financial transactions.

Accounts may be elaborated and set out for different institutional units or sectors (groups of units).

Usually, a balancing item must be introduced between the total resources and total uses of these units or sectors. When summed across the whole economy, these balancing items constitute significant aggregates.

7 . The integrated economic accounts

The integrated economic accounts of the UK provide an overall view of the economy. The accounts are grouped into four main categories:

- goods and services accounts
- current accounts
- accumulation accounts
- balance sheets

8 . The goods and services account (Account 0)

The goods and services account is a transactions account, balancing total resources, from outputs and imports, against the uses of these resources in consumption, investment, inventories, and exports. No balancing item is required as the resources are simply balanced with the uses.

9 . Current accounts: the production and distribution of income accounts

The production account (Account I)

This account displays transactions involved in the generation of income by the activity of producing goods and services. The balancing item is value added (B.1). For the nation's accounts, the balancing items (the sum of value added for all industries) are (after the addition of taxes less subsidies on products) gross domestic product (GDP) at market prices or net domestic product when measured net of capital consumption. The production accounts are also shown for each industrial sector.

The distribution and use of income account (Account II)

This account shows the distribution of current income (value added) carried forward from the production account and has saving as its balancing item (B.8). Saving is the difference between income (disposable income) and expenditure (or final consumption).

The distribution of income compromises four sub-accounts:

- primary distribution of income account
- secondary distribution of income
- redistribution of income in kind
- use of income account

The allocation of primary income account (Account II.2.1)

Primary incomes are accrued to institutional units because of their involvement in production or their ownership of productive assets. They include property income (from lending or renting assets) and taxes on production and imports. They exclude taxes on income or wealth, social contributions or benefits, and other current transfers.

The primary distribution of income shows the way these are distributed among institutional units and sectors. The primary distribution account is divided into two sub-accounts: the generation and the allocation of primary incomes.

The secondary distribution of income account (Account II.2)

This account describes how the balance of primary income for each institutional sector is allocated by redistribution, through transfers such as taxes on income, wealth, and so on, social contributions and benefits, and other current transfers. It excludes social transfers in kind.

The balancing item of this account is gross disposable income (B.6g), which reflects current transactions and explicitly excludes capital transfers, real holding gains and losses, and the consequences of events such as natural disasters.

The redistribution of income in kind account (Account II.3)

This account shows how gross disposable income of households, non-profit institutions serving households (NPISH), and government are transformed by the receipt and payment of transfers in kind. The balancing item for this account is adjusted gross disposable income (B.7g).

The use of income account (Account II.4)

The use of income account shows how disposable income is divided between final consumption expenditure and saving. In addition, the use of income account includes, for households and for pensions, an adjustment item (D. 8: adjustment for the change in pension entitlements), which relates to the way that transactions between households and pension funds are recorded.

The accumulation accounts (Account III)

These accounts cover all changes in assets, liabilities, and net worth. The accounts are structured into two groups. The first group covers transactions that would correspond to all changes in assets, liabilities, and net worth that result from transactions and are known as the capital account and the financial account. They are distinguished to show the balancing item net lending or borrowing.

The second group relates to all changes in assets, liabilities, and net worth related to other factors, for example, the discovery or re-evaluation of mineral reserves or the reclassification of a body from one sector to another.

The capital account (Account III.1)

The capital account is presented in two parts.

The first part shows that saving (B.8g), the balance between national disposable income and final consumption expenditure from the production, distribution and use of income accounts, is reduced or increased by the balance of capital transfers (D.9) to provide an amount available for financing investment (in both non-financial and financial assets).

The second part shows total investment in non-financial assets. This is the sum of gross fixed capital formation (P. 51g), changes in inventories (P.52), acquisitions less disposals of valuables (P.53) and acquisitions less disposals of non-financial, non-produced assets (NP). The balance on the capital account is known as net lending or borrowing. Conceptually, net lending or borrowing for all the domestic sectors represents net lending or borrowing to the rest of the world sector.

If actual investment is lower than the amount available for investment, the balance will be positive, representing net lending. Similarly, when the balance is negative, borrowing is represented. Where the capital accounts relate to the individual institutional sectors, the net lending or borrowing of a particular sector represents the amounts available for lending or borrowing to other sectors. The value of net lending or net borrowing is the same, irrespective of whether the accounts are shown before or after deducting consumption of fixed capital (P.51c), provided a consistent approach is adopted throughout.

The financial account (Account III.2)

This account shows how net lending and borrowing are achieved by transactions in financial instruments. The net acquisitions of financial assets are shown separately from the net incurrence of liabilities. The balancing item is net lending or borrowing.

In principle, net lending or borrowing should be identical for both the capital account and the financial account. In practice, however, because of errors and omissions, this identity is difficult to achieve for the sectors and the economy as a whole. The difference is known as a statistical adjustment.

The other changes in assets account (Account III.3)

The other changes in assets account is concerned with the recording of changes in the values of assets and liabilities, and therefore of the changes in net worth, between opening and closing balance sheets that result from flows that are not transactions ("other flows").

This account is further subdivided into:

- the other changes in the volume of assets account, III.3.1
- the revaluation account, III.3.2

The other changes in the volume of assets account records the changes in assets, liabilities, and net worth between opening and closing balance sheets that are neither because of transactions between institutional units (as recorded in the capital and financial accounts) nor holding gains and losses, (as recorded in the revaluation account). Examples include reclassifications and write-offs. The balancing item for this account is other changes in volume (B.102).

The revaluation account records holding gains or losses accruing during the accounting period to the owners of financial and non-financial assets and liabilities. The balancing item for this account is nominal holding gains and losses (B.103).

The balance sheet (Account IV)

The second group of accumulation accounts complete the sequence of accounts. These include the balance sheets and a reconciliation of the changes that have brought about the change in net worth between the beginning and end of the accounting period.

The opening and closing balance sheets show how total holdings of assets by the UK or its sectors match total liabilities and net worth (the balancing item). Various types of assets and liabilities can be shown in the detailed presentations of the balance sheets. Changes between the opening and closing balance sheets for each group of assets and liabilities result from transactions and other flows recorded in the accumulation accounts or reclassifications and revaluations.

Net worth equals changes in assets less changes in liabilities.

The rest of the world account (Account V)

This account covers the transactions between resident and non-resident institutional units and the related stocks of assets and liabilities. Written from the point of view of the rest of the world, its role is similar to an institutional sector.

10 . Satellite accounts

Satellite accounts cover areas or activities not included in the central framework because they either add additional detail to an already complex system, or conflict with the conceptual framework. The UK Environmental Accounts are satellite accounts linking environmental and economic data to show the interactions between the economy and the environment.

See Environmental accounts for further information.

The limits of the national economy: economic territory, residence, and centre of economic interest

Economic territory and residence of economic interest

The economy of the UK is made up of institutional units that have a centre of economic interest in the UK economic territory. These units are known as resident units, and it is their transactions that are recorded in the UK National Accounts.

UK economic territory

The UK economic territory includes:

- Great Britain and Northern Ireland (the geographic territory administered by the UK government within which persons, goods, services, and capital move freely)
- any free zones, including bonded warehouses and factories under UK customs control
- the national airspace, UK territorial waters, and the UK sector of the continental shelf
- the UK economic territory excludes Crown dependencies (Channel Islands and the Isle of Man)

ESA 2010 economic territory

Within the European System of Accounts (ESA) 2010, which the UK still follows, the definition of economic territory also includes territorial enclaves in the rest of the world. These include embassies, military bases, scientific stations, information or immigration offices, and aid agencies used by the British government with the formal political agreement of the governments in which these units are located.

However, it excludes any extra territorial enclaves, that is, parts of the UK geographic territory like embassies and United States military bases used by general government agencies of other countries, by the institutions of the EU, or by international organisations under treaties, or by agreement.

Centre of economic interest

When an institutional unit engages and intends to continue engaging (normally for one year or more) in economic activities on a significant scale from a location (dwelling or place of production) within the UK economic territory, it is defined as having a centre of economic interest and is a resident of the UK.

If a unit conducts transactions on the economic territory of several countries, it has a centre of economic interest in each of them.

Ownership of land and structures in the UK is enough to qualify the owner to have a centre of interest in the UK.

Residency

Resident units are:

- households
- legal and social entities such as corporations and quasi corporations, for example, branches of foreign investors
- non-profit institutions
- government
- so-called "notional residents"

Travellers, cross-border and seasonal workers, crews of ships and aircraft, and students studying overseas are all residents of their home countries and remain members of their households.

When an individual leaves the UK for one year or more (excluding students and patients receiving medical treatment), they cease being a member of a resident household and become a non-resident, even on home visits.

11 . Production included in economic activity

Gross domestic product (GDP) is defined as the sum of all economic activity taking place in UK territory. In practice, a "production boundary" is defined, inside which are all the economic activities taken to contribute to economic performance. To decide whether to include a particular activity within the production boundary, the following factors are considered:

- Does the activity produce a useful output?
- Is the product or activity marketable and does it have a market value?
- If the product does not have a meaningful market value, can one be assigned (imputed)?
- Would exclusion (or inclusion) of the product of the activity make comparisons between countries over time more meaningful?

The following are recorded within the European System of Accounts (ESA) 2010 production boundary:

- production of individual and collective services by government
- own-account production of housing services by owner-occupiers
- production of goods for own final consumption, for example, agricultural products
- own-account construction, including that by households
- production of services by paid domestic staff
- breeding of fish in fish farms
- production forbidden by law, as long as all units involved in the transaction enter it voluntarily
- production from which the revenues are not declared in full to the fiscal authorities, for example, clandestine production of textiles

The following fall outside the production boundary:

- domestic and personal services produced and consumed within the same household, for example, cleaning, the preparation of meals, or the care of sick or elderly people
- volunteer services that do not lead to the production of goods, for example, caretaking and cleaning without payment
- natural breeding of fish in open seas

12 . Prices used to value the products of economic activity

In the UK, a number of different prices may be used to value inputs, outputs, and purchases. The prices are different depending on the perception of the bodies engaged in the transaction, that is, the producer and user of a product will usually perceive the value of the product differently. This means that the output prices received by producers can be distinguished from the prices paid by producers.

Basic prices

Basic prices are the preferred method of valuing output in the accounts.

They are the amount received by the producer for a unit of goods or Services
minus
any taxes payable
plus
any subsidy receivable as a consequence of production or sale.

The only taxes included in the price will be taxes on the output process, for example, business rates, and Vehicle Excise Duty, which are not specifically levied on the production of a unit of output. Basic prices exclude any transport charges invoiced separately by the producer. When a valuation at basic prices is not feasible, producers' prices may be used.

Producers' prices

Producers' prices are basic prices
plus
those taxes paid per unit of output (other than taxes deductible by the purchaser such as Value Added Tax (VAT), invoiced for output sold)
minus any subsidies received per unit of output.

Purchasers' or market prices

Purchasers' or market prices are the prices paid by the purchaser and include transport costs, trade margins, and taxes (unless the taxes are deductible by the purchaser).
Purchasers' or market prices are producers' prices
plus
any non-deductible VAT or similar tax payable by the purchaser
plus
transport costs paid separately by the purchaser (not included in the producers' price).

The rest of the world: national and domestic

Domestic product (or income) includes production (or primary incomes generated and distributed) resulting from all activities taking place "at home" or in the UK domestic territory.

This will include production by any foreign-owned company in the UK, but exclude any income earned by UK residents from production taking place outside the domestic territory.

Gross domestic product (GDP)
equals
the sum of primary incomes distributed by resident producer prices.

The definition of gross national income (GNI) is GDP plus income received from other countries (notably interest and dividends), less similar payments made to other countries.

GDP
plus
net property income
equals
GNI.

This can be introduced by considering the primary incomes distributed by the resident producer units. Primary incomes, generated in the production activity of resident producer units, are distributed mostly to other residents' institutional units.

For example, when a foreign company owns a resident producer unit, some of the primary incomes generated by the producer unit are likely to be paid abroad. Similarly, some primary incomes generated in the rest of the world may go to resident units. It is therefore necessary to exclude that part of resident producers' primary income paid abroad, but include the primary incomes generated abroad, but paid to resident units.

GDP (or income)
less
primary incomes payable to non-resident units
plus
primary incomes receivable from the rest of the world
equals
GNI.

GNI at market prices
equals
the sum of gross primary incomes receivable by resident institutional
units or sectors.

National income includes income earned by residents of the national territory, remitted (or deemed to be remitted in the case of direct investment) to the national territory, no matter where the income is earned.

Real GDP (chained volume measures)
plus trading gain
equals
real gross domestic income (RGDI).

RGDI
plus
real primary incomes receivable from abroad
less
real primary incomes payable abroad
equals
real GNI.

Real GNI (chained volume measures)
plus
real current transfers from abroad
less
real current transfers abroad
equals
real gross national disposable income (GNDI).

Receivables and transfers of primary incomes, and transfers to and from abroad, are deflated using the gross domestic final expenditure deflator.

13 . Gross domestic product: the concept of net and gross

The term gross means that, when measuring domestic production, capital consumption or depreciation has not been allowed for.

Capital goods are different from the materials and fuels used up in the production process because they are not used up in the period of account, but are instrumental in allowing that process to take place.

However, over time, capital goods wear out or become obsolete, and in this sense gross domestic product (GDP) does not give a true picture of value added in the economy. When calculating value added as the difference between output and costs, we should also show that part of the capital goods are used up during the production process (the depreciation of capital assets).

Net concepts are net of this capital depreciation, for example:

GDP
minus
consumption of fixed capital
equals
net domestic product.

14 . Symbols used

In general, the following symbols are used in our tables:

.. denotes not available

– denotes nil or less than £500,000

£ billion denotes £1,000 million

15 . Cite this chapter

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Compendium

National accounts at a glance

A summary of recent trends and movements within the UK economy.

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Table of contents

1 . Overview

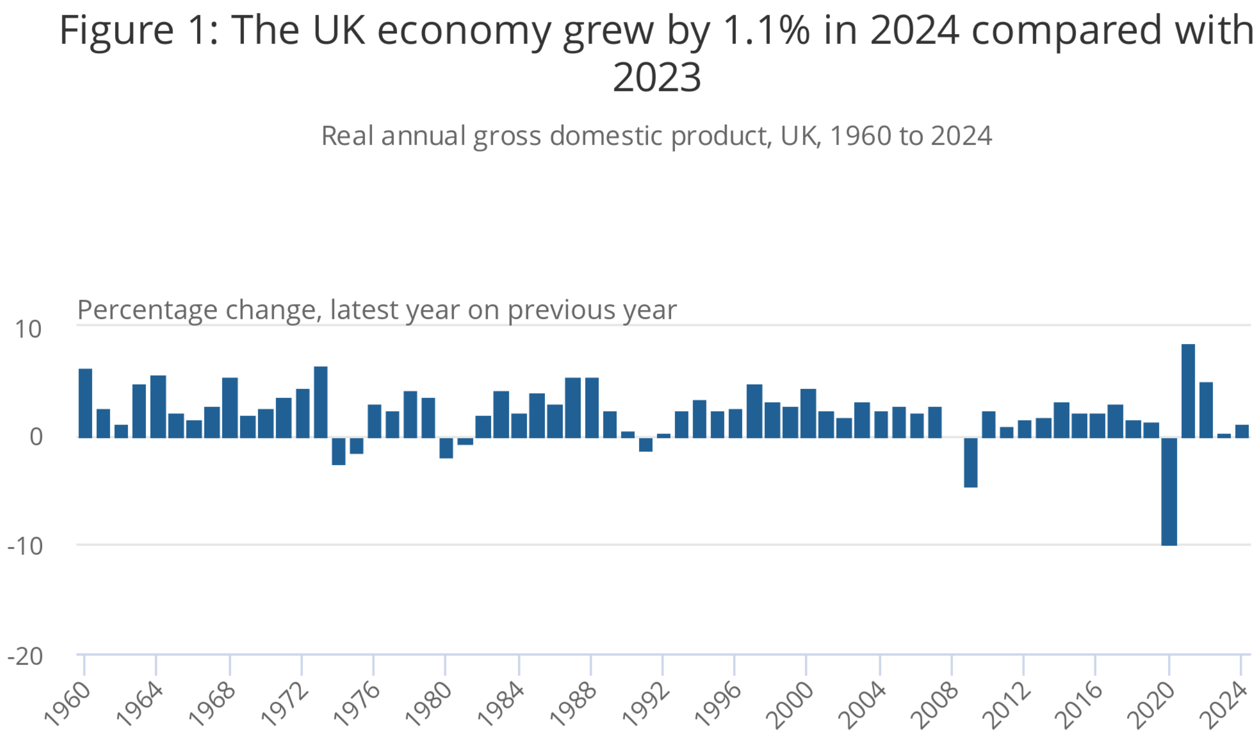
All UK figures referred to in this section are consistent with Blue Book 2025, which contains data and methodological improvements affecting estimates that are produced as part of the national accounts. Revisions occur when there are data changes or methodological improvements that are required to ensure data comparability over time, which are communicated in line with the National Accounts Revisions Policy.

2 . Gross domestic product

GDP is a measure of the total output produced in an economy. Real gross domestic product (GDP) is estimated to have increased by 1.1% in 2024, following a temporary contraction in the second half of 2023. Output increased by a further 0.9% in the first half of 2025.

Figure 1: The UK economy grew by 1.1% in 2024 compared with 2023

Real annual gross domestic product, UK, 1960 to 2024

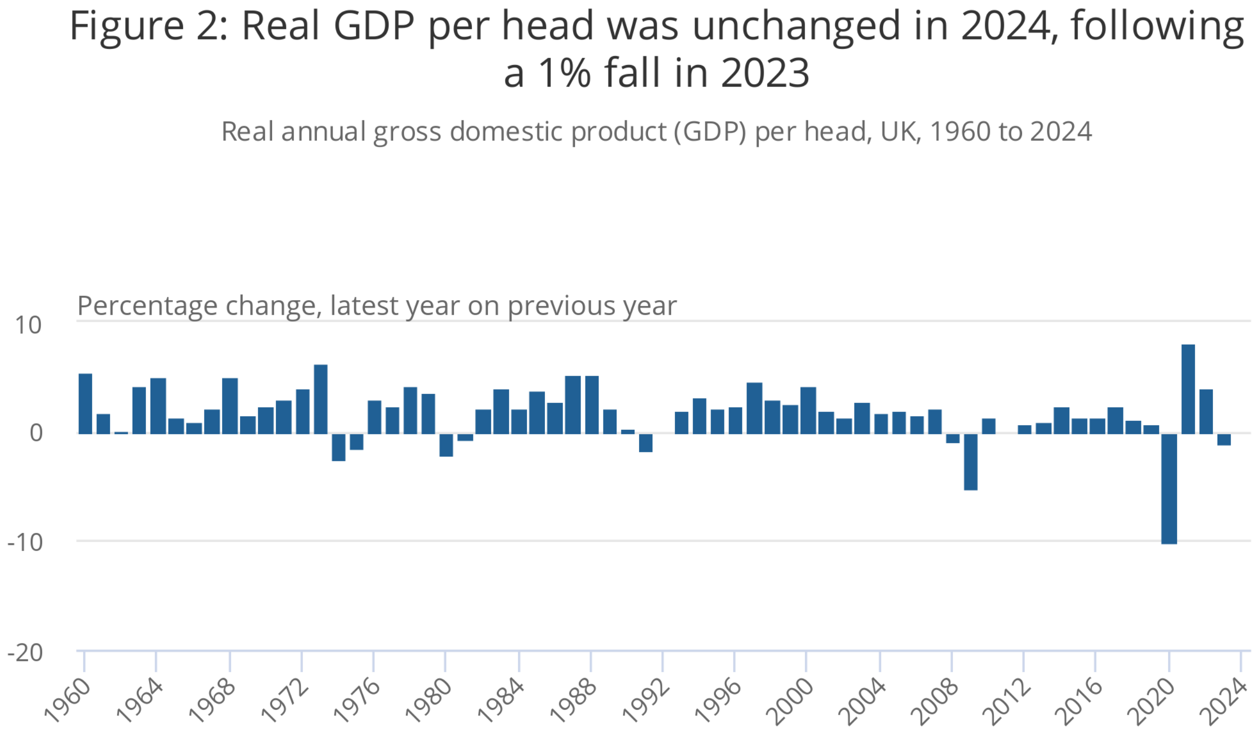


Source: Blue Book 2025 from the Office for National Statistics

GDP per head is one indicator of a country's living standards. Real GDP per head was mostly unchanged in 2024, following a 1% fall in 2023.

Figure 2: Real GDP per head was unchanged in 2024, following a 1% fall in 2023

Real annual gross domestic product (GDP) per head, UK, 1960 to 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

1. In line with the National Accounts Revision Policy, population figures for up to mid-2024 are based on mid-year UK population estimates published on 26 September 2025. Figures for Quarter 3 (July to Sept) 2024 and Quarter 1 (Jan to Mar) 2025 are based on an interpolation between UK 2022-based population projections for mid-2025 (as published on 28 January 2025) using the migration category variant and the mid-2024 UK population estimate. Figures for Quarter 2 (Apr to June) 2025 are based entirely on UK 2022-based population projections.

2. As discussed in our Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2024 bulletin , net international migration contributed to a marked increase in the UK population for a third year in a row in 2024.

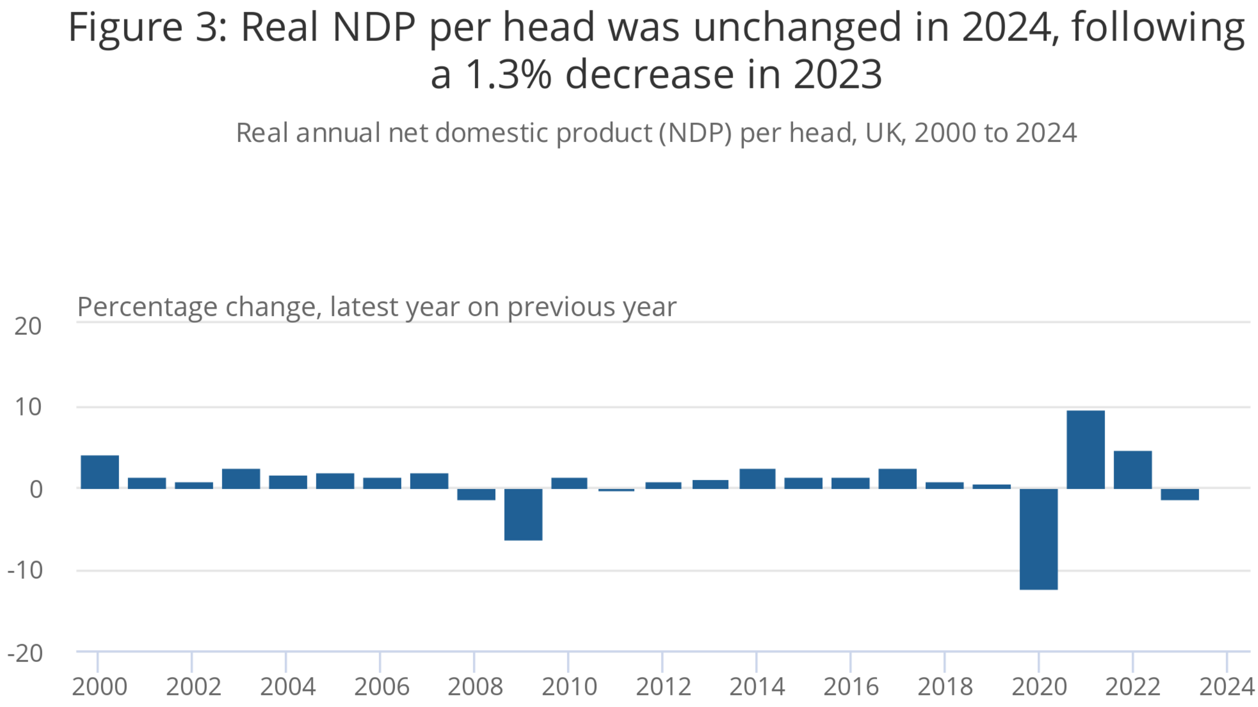
3 . Net domestic product

Gross domestic product (GDP) is a production concept, but net domestic product (NDP) is more appropriate from a welfare and sustainability perspective. It reflects the level of resources that are available for consumption or investment, and it is a proxy of the level of spending that can be maintained while leaving capital assets intact. This is because NDP considers the depreciation of capital assets – that is, the capital that is consumed as part of the production process for GDP.

Real UK NDP is estimated to have increased by 1.0% in 2024, while real NDP per head was unchanged following a 1.3% fall in 2023. Real NDP decreased more than real GDP during the pandemic because consumption of fixed capital did not fall during this period, unlike other types of expenditure.

Figure 3: Real NDP per head was unchanged in 2024, following a 1.3% decrease in 2023

Real annual net domestic product (NDP) per head, UK, 2000 to 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

1. In line with the National Accounts Revision Policy, population figures for up to mid-2024 are based on mid-year UK population estimates published on 26 September 2025. Figures for Quarter 3 (July to Sept) 2024 and Quarter 1 (Jan to Mar) 2025 are based on an interpolation between UK 2022-based population projections for mid-2025 (as published on 28 January 2025) using the migration category variant and the mid-2024 UK population estimate. Figures for Quarter 2 (Apr to June) 2025 are based entirely on UK 2022-based population projections.

2. As discussed in our Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2024 bulletin, net international migration contributed to a marked increase in the UK population for a third year in a row in 2024.

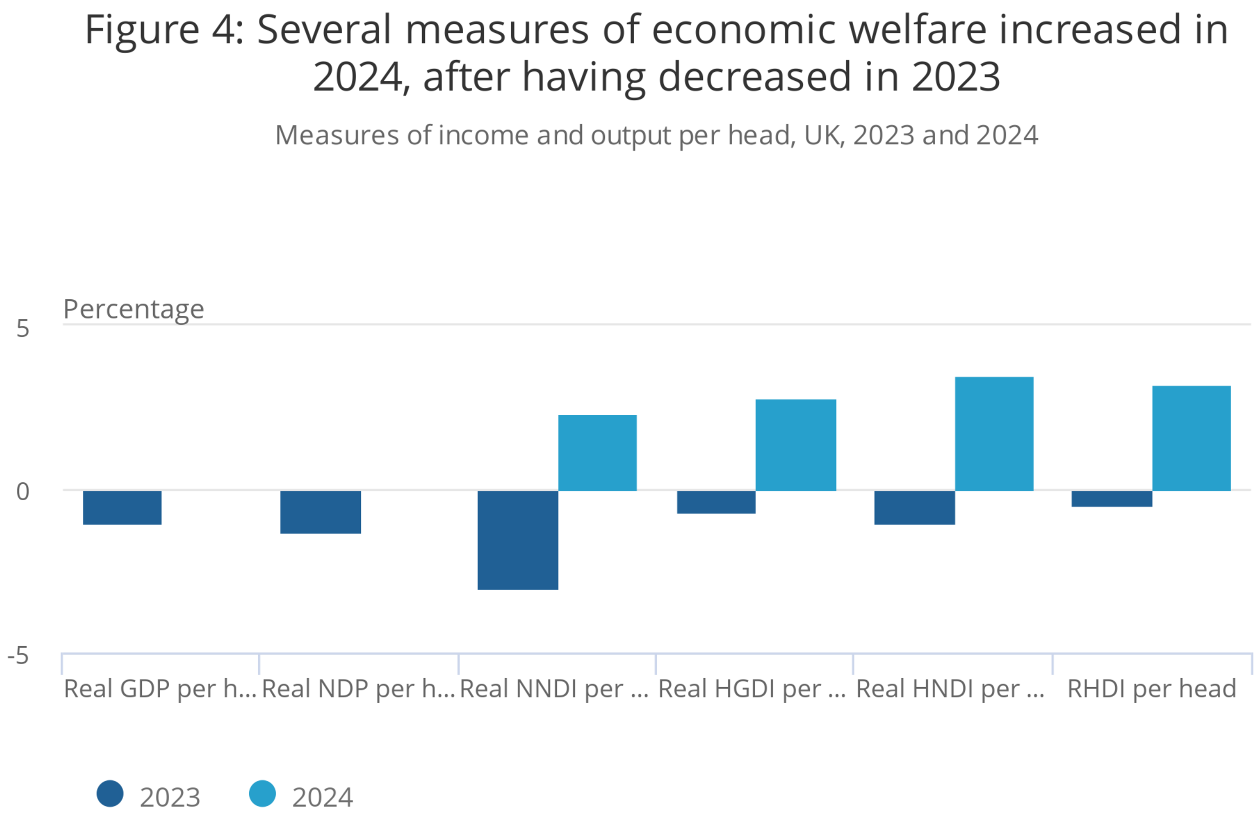
4 . Economic welfare

Most measures of economic welfare fell in 2023 on a per-head basis. However, unlike real GDP and real NDP per head, which were unchanged in 2024, several other measures of income per head pointed to some recovery in economic welfare and living standards.

Disposable household income is the amount of money that individuals in the household sector can spend or save after income distribution measures. Real household gross and net disposable income increased by 2.8% and 3.5% in 2024, on a per-head basis. These measures are adjusted for social transfers in kind; without this adjustment real household disposable income (RHDI) per head increased by 3.2% in 2024, following a 0.5% fall in 2023. On aggregate, these measures of household disposable income point to a recovery in economic welfare in 2024, although they remain slightly below their peak level prior to increases in cost of living.

Figure 4: Several measures of economic welfare increased in 2024, after having decreased in 2023

Measures of income and output per head, UK, 2023 and 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

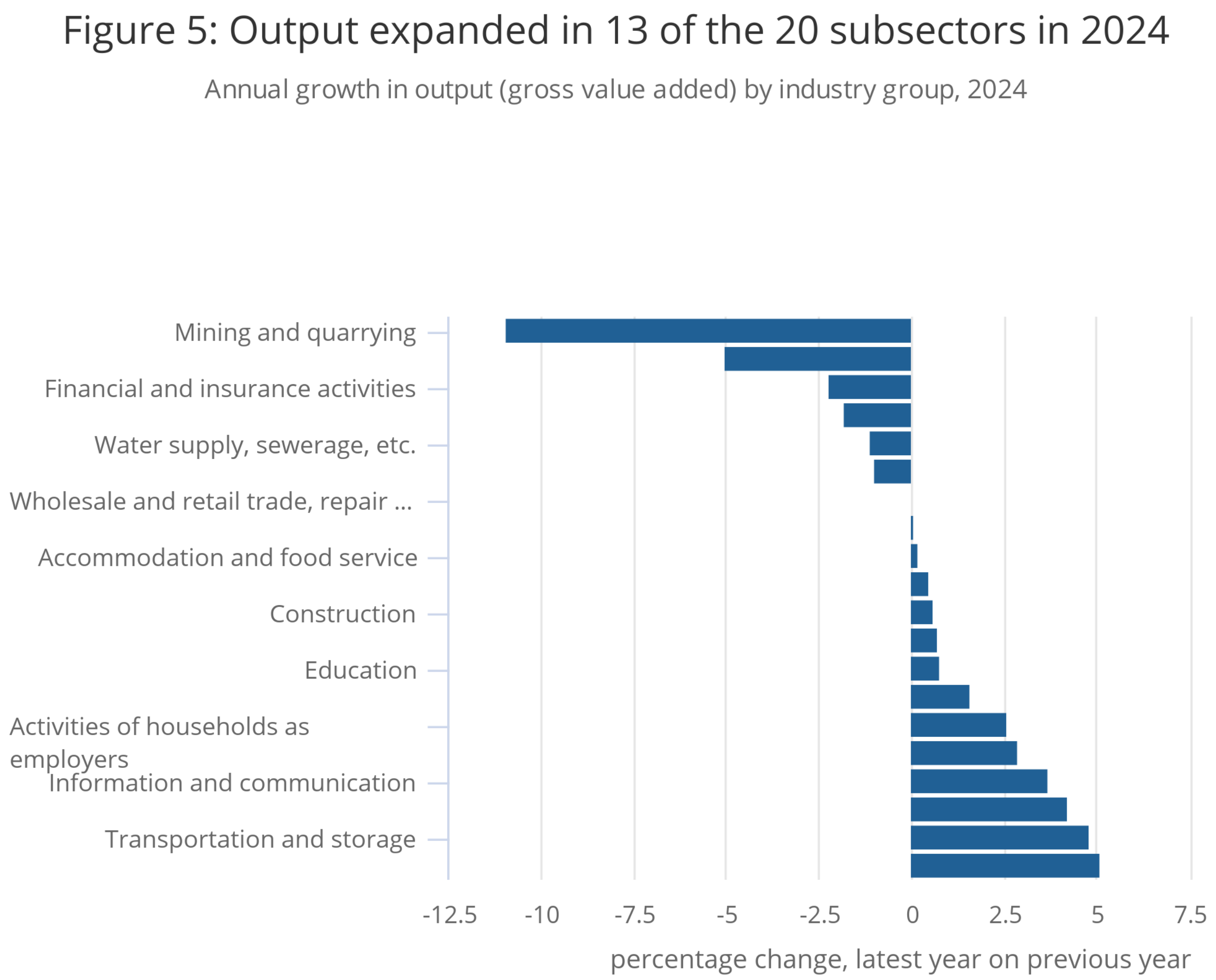
1. GDP denotes gross domestic product. NDP denotes net domestic product.
2. NNDI denotes net national disposable income.
3. HGDI denotes adjusted household gross disposable income.
4. HNDI denotes adjusted household net disposable income.

5 . Output produced in the UK economy

Economic growth in 2024 was led by services industries, which together make up around 80% of UK economic output. Growth of 1.6% in services and 0.6% in construction were partly offset by the decline of 1.5% in production. Output expanded in 13 of the 20 subsectors in 2024, particularly in health and social work (5.1%), transport and storage activities (4.8%), and public administration and defence (4.2%). Mining and quarrying continued to decline in 2024 – a fall of 10.9%. Consumer-facing services declined for a second year in a row in 2024 and remain below their level prior to the coronavirus (COVID-19) pandemic.

Figure 5: Output expanded in 13 of the 20 subsectors in 2024

Annual growth in output (gross value added) by industry group, 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

1. GVA weights for each subsector.

6 . Spending in the UK economy

Real household final consumption expenditure is estimated to have declined by 0.2% in 2024, following a 0.3% decline in 2023. This continued weakness in household spending can be attributed to several factors, mainly related to the general economic outlook. This includes:

- higher economic and geopolitical uncertainty
- increases in the cost of living, as shown in our Consumer price inflation, UK bulletin
- some slowing in the labour market, where the number of vacancies decreased while unemployment increased in 2024, as shown in our Labour market overview, UK bulletin

Instead of spending, households opted to increase their saving. This is reflected in the household saving ratio increasing to 10.1% in 2024, up from 6.2% in 2023 but still lower than the high of 16.6% during the pandemic in 2020 when forced savings were a factor. A high household saving ratio might be indicative of some precautionary saving, or it might be motivated by returns on savings, among other factors.

Gross fixed capital formation is estimated to have risen by 0.5% in 2023 and 1.8% in 2024, mainly led by business investment. Fixed investment by the general government also increased. This was partly offset by investment in public and private new dwellings, and improvements to existing dwellings, which contracted for a second year in a row, by 5.5% in 2023 and 1.6% in 2024.

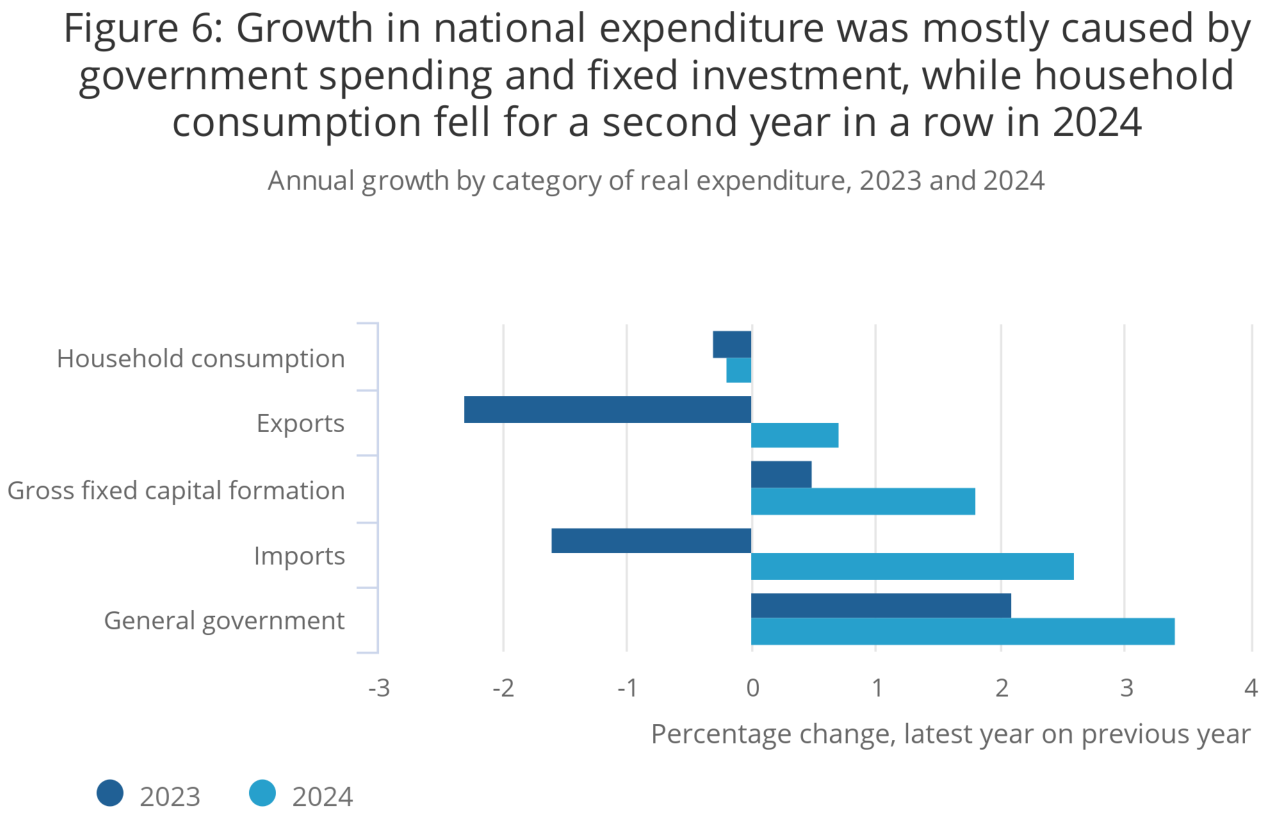
Investment trends also varied significantly across asset types. Investment in intellectual property products turned negative in 2024 for the first time since 2001, reflecting a reduction in R&D (research and development) spending by businesses and marking a shift in intangible investment behaviour. Similarly, fixed investment in transport equipment slowed from 21.3% in 2023 to 1.2% in 2024. In contrast, fixed investment in "other" buildings and structures improved from negative 0.5% in 2023 to 7.8% in 2024.

General government final consumption expenditures increased from 2.1% in 2023 to 3.4% in 2024. The largest contribution to this increase came from health spending, which saw a statistically significant rise from 0.8% in 2023 to 5.5% in 2024. This was followed by a 4.8% growth in expenditures on social protection.

The contribution of net trade to GDP growth declined in 2024 as the volume of exports increased by 0.7% while the volume of imports increased by a higher 2.6% in 2024. The increase in export and import volumes was led by higher trade in services, while trade in goods declined in 2024.

Figure 6: Growth in national expenditure was mostly caused by government spending and fixed investment, while household consumption fell for a second year in a row in 2024

Annual growth by category of real expenditure, 2023 and 2024



Source: Blue Book 2025 from the Office for National Statistics

7 . Net lending and borrowing by institutional sector

The UK reduced its net borrowing from the rest of the world in 2024 as households increased their saving. This was partly offset by lower net saving by the corporate sector, while the general government net balance remained unchanged as a share of GDP.

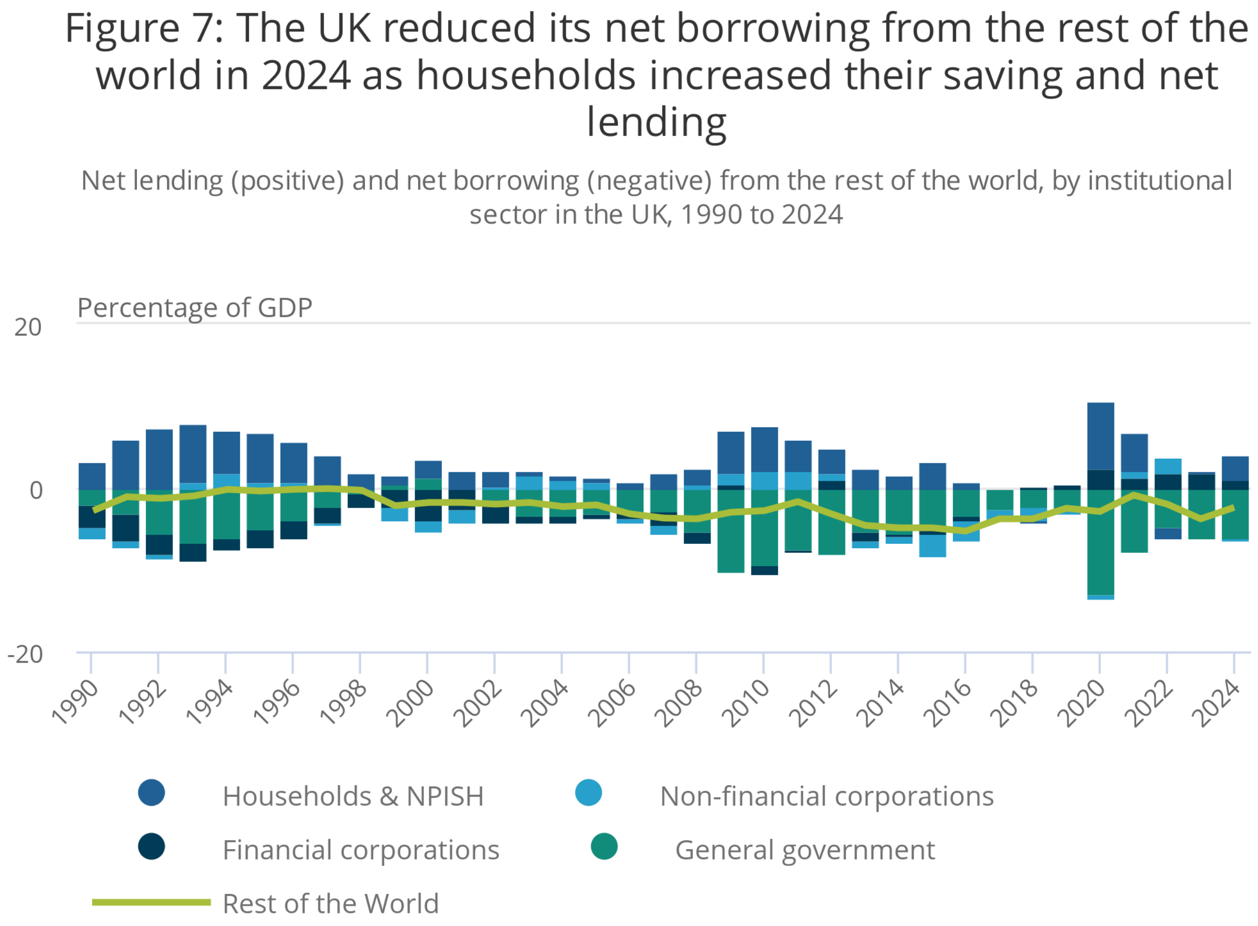
The household sector (including non-profit institutions serving households) increased its net lending to 3.2% of GDP in 2024, as real household disposable incomes increased while real consumption fell slightly. This was the highest household net lending since 2015, excluding the coronavirus (COVID-19) pandemic where the concept of forced savings and government subsidies were important factors.

Financial corporations were also a net lender in 2024, albeit net lending by this sector decreased compared with the previous year, to 1.0% of GDP. Non-financial corporations meanwhile moved to a net borrowing position, at negative 0.3% of GDP in 2024, from a small net lending position in the year prior. This was caused by net borrowing from private non-financial corporations (PNFCs).

General government net borrowing declined from its pandemic peak levels but remains relatively high at 6.0% in 2024. This general government net borrowing was higher than the total net lending provided by the domestic private sector, meaning the UK economy remained a net borrower from the rest of the world.

Figure 7: The UK reduced its net borrowing from the rest of the world in 2024 as households increased their saving and net lending

Net lending (positive) and net borrowing (negative) from the rest of the world, by institutional sector in the UK, 1990 to 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

1. These data are based on UK non-financial accounts.
2. NPISH denotes non-profit institutions serving households.
3. The sector accounts in some years do not sum to zero because of rounding.

8 . Nominal GDP and the GDP deflator

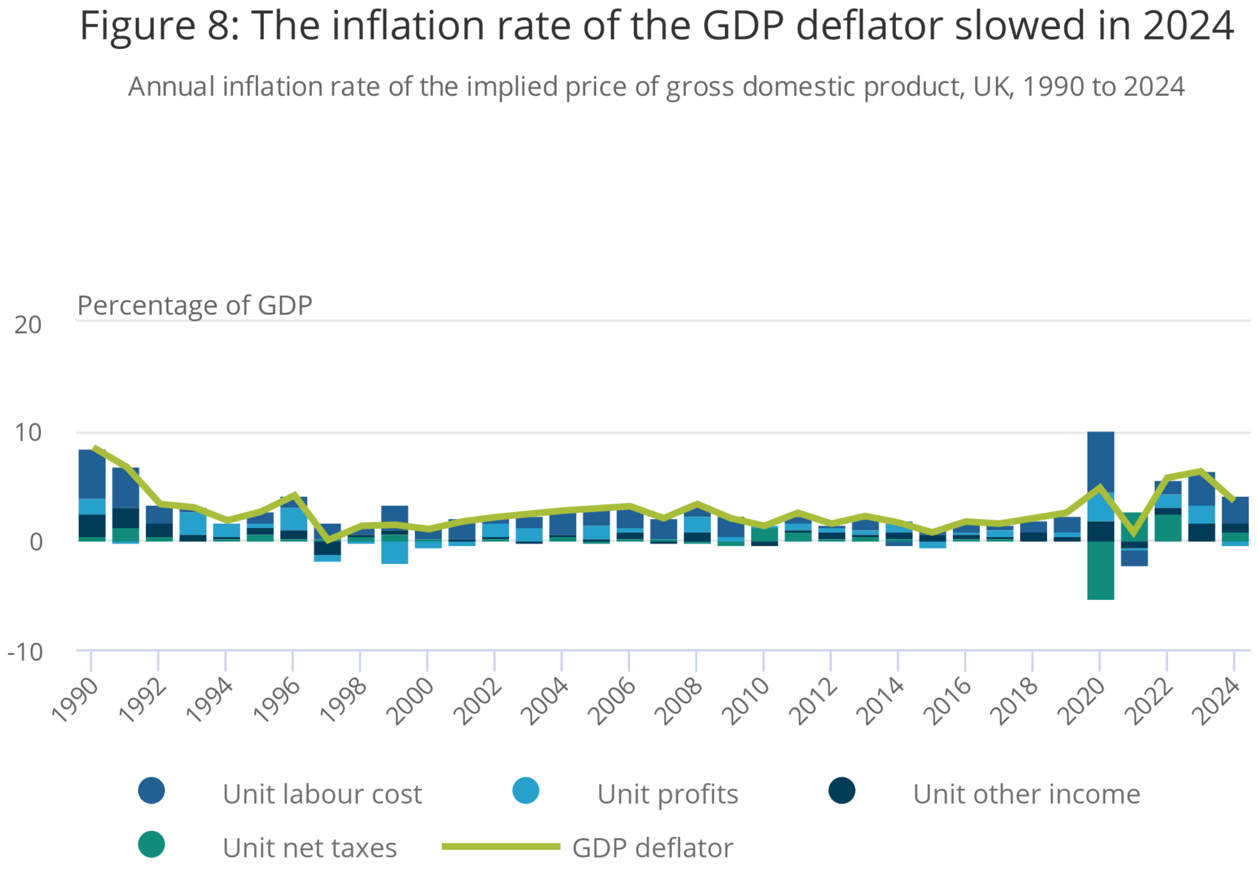
Nominal gross domestic product (GDP) increased by 4.8% in 2024, down from 6.6% in 2023. This is reflected in the GDP implied deflator, which declined to 3.6% in 2024 from 6.3% in 2023.

The GDP implied deflator measures changes in the price of economic output that is produced in the UK. It is a broad measure of inflation, and it can be decomposed into income components including unit labour cost, unit profits, unit other income, and unit net taxes. These are proxy measures for household, firm, and the government shares of income per unit of economic output.

By income category, the moderation in the GDP deflator in 2024 was accounted for by a slower pace of wage increase, and some fall in gross operating surplus (GOS). The growth rate of other income also slowed. This was partly offset by an increase in taxes on products and production while subsidies decreased. Consequently, the labour share of income increased in 2024, while the capital share decreased.

Figure 8: The inflation rate of the GDP deflator slowed in 2024

Annual inflation rate of the implied price of gross domestic product, UK, 1990 to 2024



Source: Blue Book 2025 from the Office for National Statistics

Notes:

1. Unit labour costs are based on compensation of employees, which comprise wages and salaries, and employers' social contributions.

2. Unit profits are based on total gross operating surplus of corporations.

3. Other income includes mixed income and the operating surplus of non-corporations.

4. Net taxes measure taxes less subsidies on products and productions.

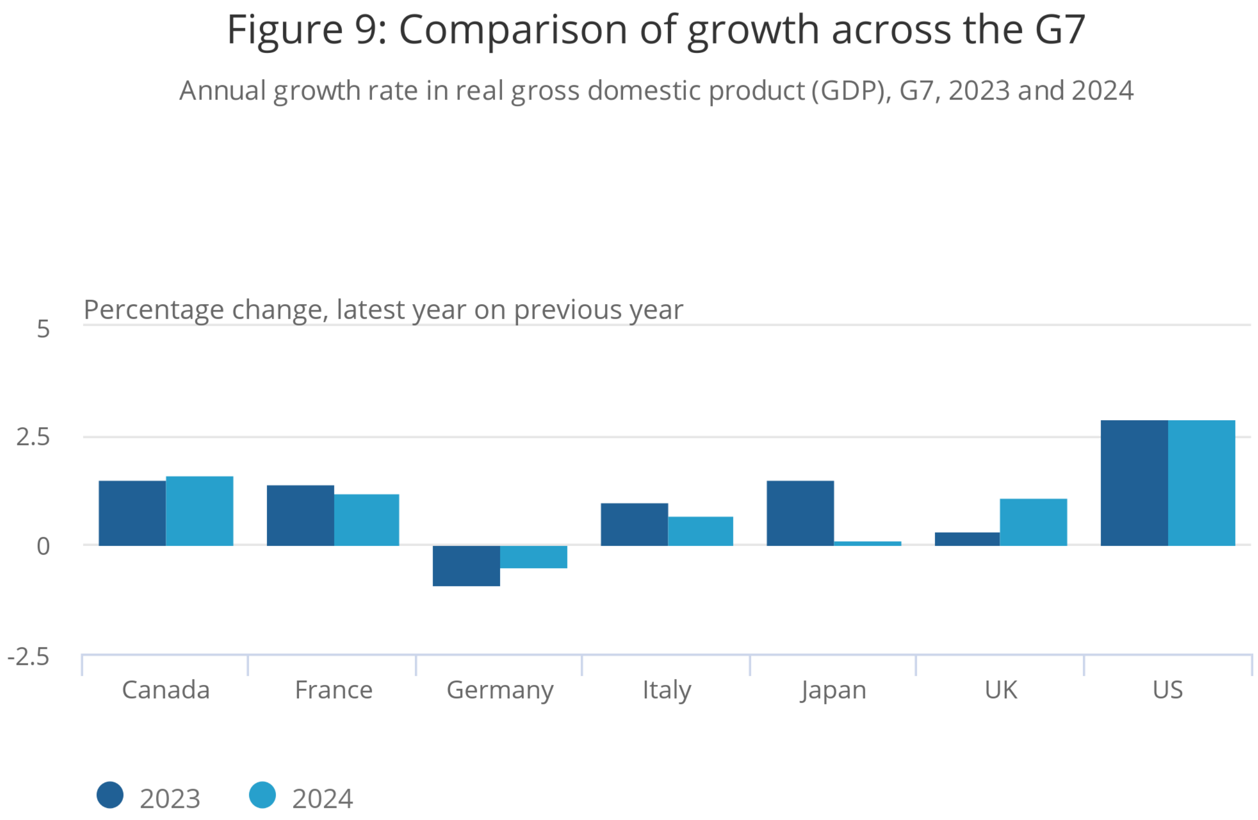
5. There is a residual in 2024 that reflects the statistical discrepancy in the latest year.

9 . International comparison

All G7 countries saw growth in real gross domestic product (GDP) in 2024 except for Germany, where the economy contracted for the second year in a row. Growth slowed in France, Italy, and Japan, while it increased in Canada and the UK in 2024. The US remained the fastest growing economy in the G7. The UK economy grew by 1.1% in 2024, compared with 0.3% in 2023. More information about the G7 countries can be found in our glossary.

Figure 9: Comparison of growth across the G7

Annual growth rate in real gross domestic product (GDP), G7, 2023 and 2024



Source: Organisation for Economic Co-operation and Development, Office for National Statistics

Notes:

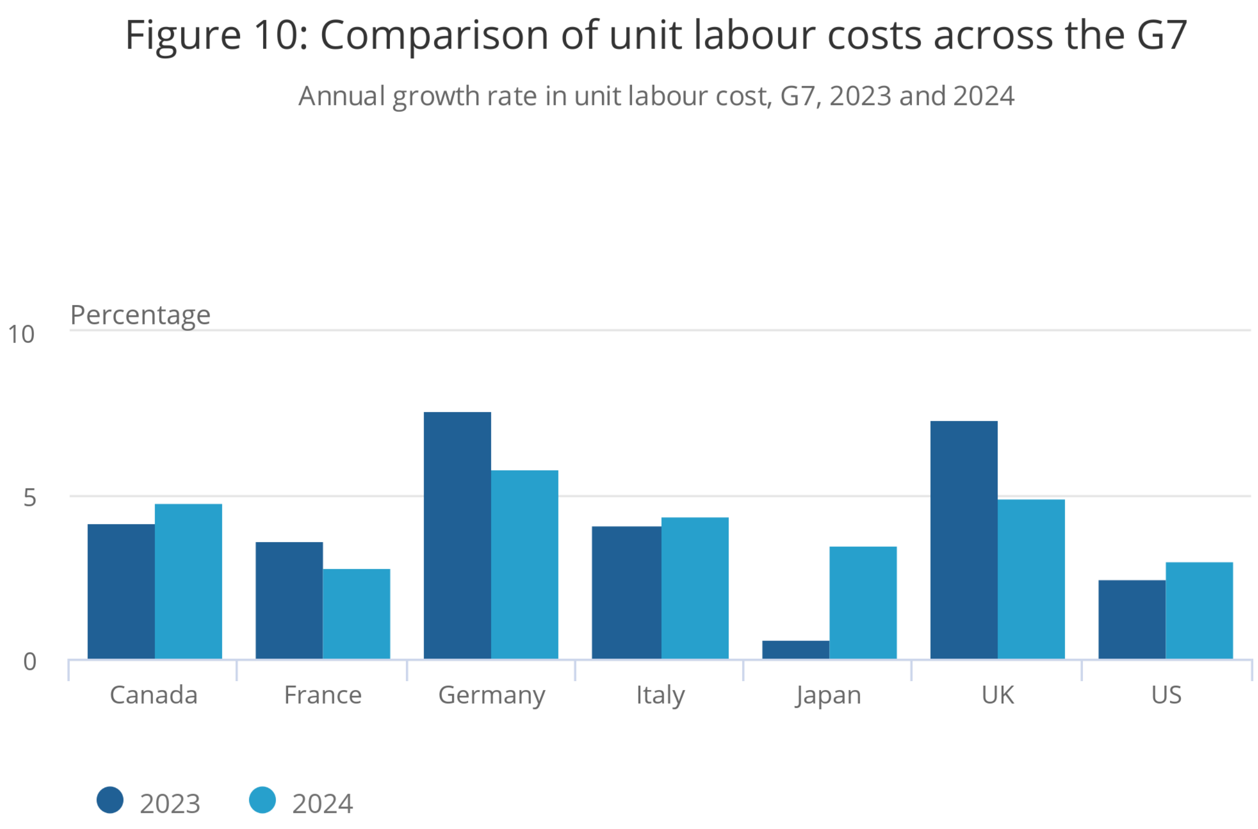
1. Data for the UK are the Office for National Statistics (ONS) measure of real gross domestic product (GDP). Data for other countries are using OECD data for real GDP measured as chain-linked volumes.

2. OECD data correct as of 24 October 2025. Some observations use estimated values that are still open to revisions based on individual country revision policies.

Unit labour cost measures the average cost of labour required to produce one unit of output. It is also proxy measure for inflationary pressures from the domestic labour market. High wage growth and weak productivity growth meant that unit labour cost in the UK outpaced most other advanced economies, increasing by 7.3% in 2023 and 4.9% in 2023. This was second only to Germany in the G7, and it was broad-based across industries in the UK economy, including services, production, construction, and agriculture. Such increases in unit labour costs typically point to some remaining domestic inflationary pressures, with headline and core inflation in the UK among the highest in the G7 in 2025 to date.

Figure 10: Comparison of unit labour costs across the G7

Annual growth rate in unit labour cost, G7, 2023 and 2024



Source: Organisation for Economic Co-operation and Development (OECD), Office for National Statistics

10 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, [National accounts at a glance, UK National Accounts, The Blue Book: 2025]

Compendium

The industrial analysis

Analysis of the 10 broad industrial groups' contributions to gross value added, compensation of employees and workforce jobs, and summary supply and use tables.

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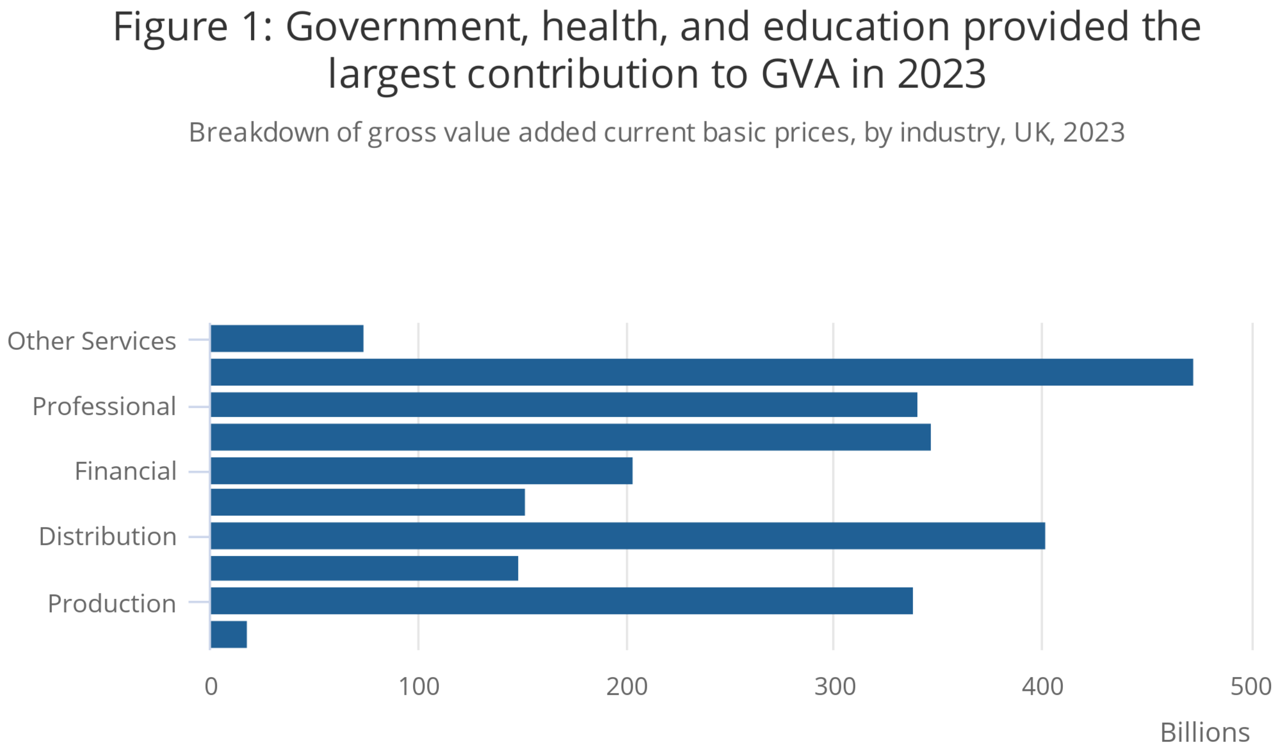
1 . The industrial analysis

Analysis of the 10 broad industrial groups shows that in 2023, the government, health, and education industries provided the largest contribution to gross value added (GVA) at current basic prices. These industries contributed 18.9% to the total GVA of £2,497 billion, with a value of £473 billion. Of the remaining industries:

- distribution, transport, hotels, and restaurants contributed 16.1%
- real estate (including imputed rental of owner-occupied housing) contributed 13.9%
- professional, scientific, and support contributed 13.6%
- production contributed 13.5%

Figure 1: Government, health, and education provided the largest contribution to GVA in 2023

Breakdown of gross value added current basic prices, by industry, UK, 2023



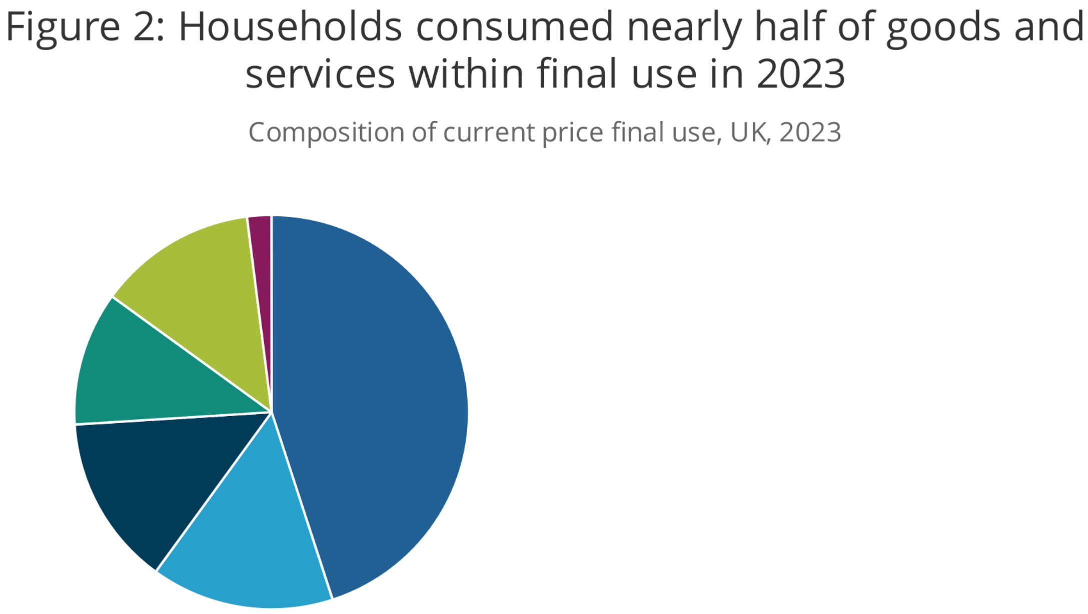
Source: Blue book 2025 from the Office for National Statistics

In 2023, of all goods and services within final demand:

- households consumed 45.1%
- government, both central and local, consumed 15.5%
- gross capital formation, by all sectors of the economy, consumed 13.9%
- 11.4% were exported goods, and 12.6% were exported services
- non-profit institutions serving households (NPISH) consumed 1.5%

Figure 2: Households consumed nearly half of goods and services within final use in 2023

Composition of current price final use, UK, 2023

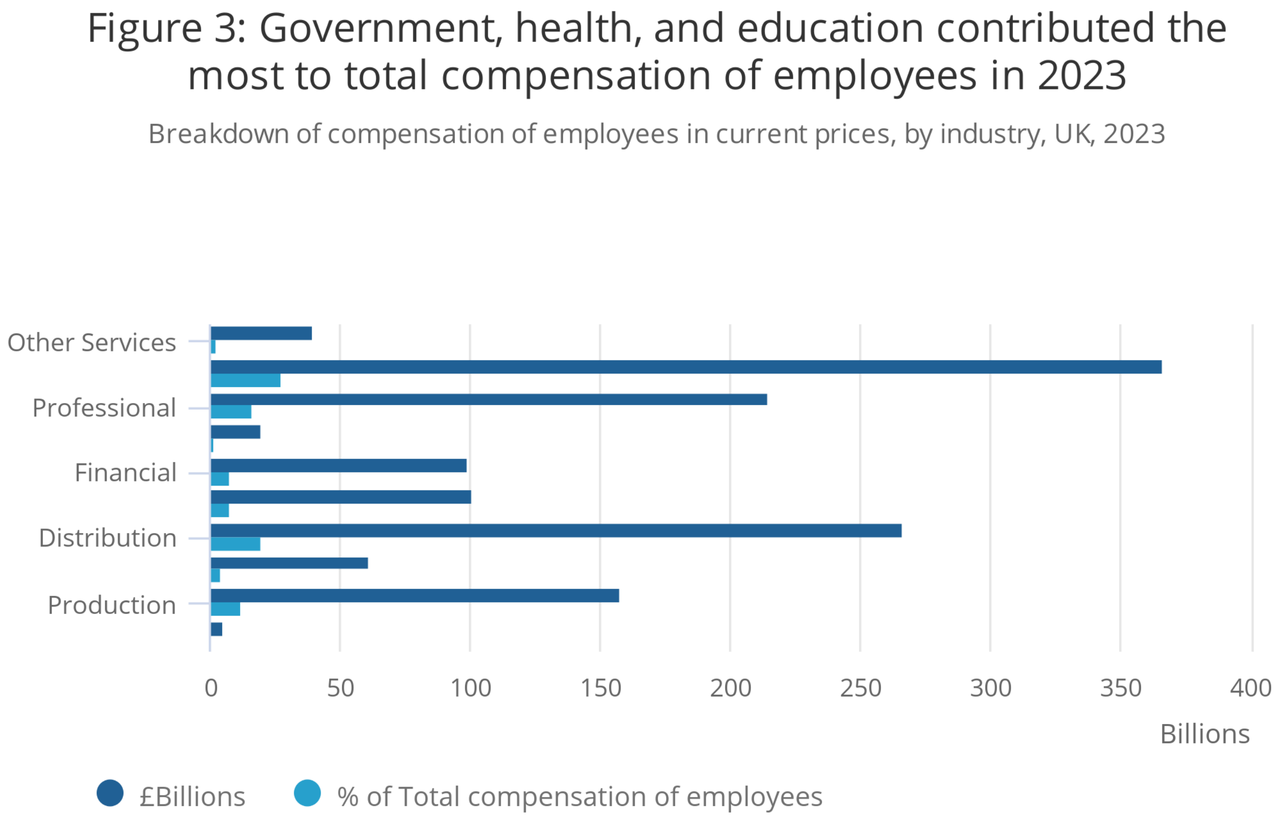


Source: Blue book 2025 from the Office for National Statistics

The government, health, and education industries contributed the most to compensation of employees in 2023 at £366 billion (27.6% of the whole economy). The second largest industry grouping, in terms of their contribution to total compensation of employees, were the distribution, transport, and hotels and restaurants industries at £266 billion (20.0%).

Figure 3: Government, health, and education contributed the most to total compensation of employees in 2023

Breakdown of compensation of employees in current prices, by industry, UK, 2023



Source: Blue book 2025 from the Office for National Statistics

2 . Input-output supply and use tables

The annual estimates included in the UK National Accounts, The Blue Book: 2025 edition, incorporate the results of annual inquiries that become available in the first part of the year. However, estimates for 2024 are based largely on quarterly information. Any newly collected data are shown as revisions. To reassess these estimates, supply and use tables (SUTs) are prepared using all the available information on inputs, outputs, gross value added and income and expenditure. To produce consolidated sector and financial accounts requires preparation of "top-to-bottom" sector and subsector accounts to identify discrepancies in the estimates relating to each sector.

The latest annual SUTs provide estimates for the years 1997 to 2023. Data for 2023 are balanced for the first time. Data for 2021 and 2022 have been fully re-balanced. Data from 1997 to 2020 have been revised to incorporate changes required under new international standards and guidelines, as well as to make sure the data are comparable and meet user needs.

Table 2.1a: Summary supply and use tables 2020

Table 2.1b: Summary supply and use tables 2021

Table 2.1c: Summary supply and use tables 2022

Table 2.1d: Summary supply and use tables 2023

Further general information regarding the supply and use framework and the balancing process can be found in our Guide to UK National Accounts methodology.

3 . Current price analysis

The analyses of gross value added (GVA) and other variables by industry, shown in Tables 2.1, 2.1A, and 2.2 in the accompanying dataset (XLS, 3.4 MB), reflect estimates based on Standard Industrial Classification 2007 (SIC 2007). These tables are based on current price data reconciled through the input-output supply and use the framework from 1997 to 2023.

Estimates of total output and GVA are valued at basic prices; the method recommended by the European System of Accounts 2010 (ESA 2010). Therefore, the only taxes and subsidies included in the price will be those paid or received as part of the production process (such as business rates), rather than those associated with the production of a unit of output (such as Value Added Tax).

This also includes supplementary information for the different components that make up GVA for each industry. Under the income approach, GVA is split into compensation of employees (CoE), taxes less subsidies on production, gross operating surplus (GOS), and mixed income. Estimates of each industry's intermediate consumption and total output are also published, with the difference between the two equalling GVA.

This additional information allows for more detailed analysis of national output to be conducted. For example, CoE can be used to calculate how much of an industry's production income is spent on wages, salaries, and employers' social contributions. GOS data can be used to estimate how much profit is generated by companies after considering labour costs and taxes less subsidies.

4 . Chained volume indices (2023 equals 100) analyses

Worksheet 2.3 in the [accompanying dataset (XLS, 3.4 MB)] shows chained volume estimates of gross value added (GVA) at basic prices by industry. These GVA measures are based on appropriately deflated data that have been reconciled through the supply and use tables (SUTs) framework for the years 1997 to 2023.

These industry-level estimates from within the SUTs framework are based on more detailed information than those that currently feed into the industry short-term volume estimates. This not only reflects that the annual estimates are based on a wider range of annual surveys and administrative information, but that it is also measuring the correct concept of GVA, rather than turnover as a proxy indicator. Monthly and quarterly industry data in Blue Book 2025 are benchmarked to these annual volume estimates up to 2023.

Data from after the supply use balanced years (2024 onwards) are derived from the movements in the short-term measures of output (such as Index of Production and Index of Services).

5 . Workforce jobs by industry

Workforce jobs (WFJ) is the preferred measure of the change in jobs by industry. A person can have more than one job; the number of jobs is not the same as the number of people employed.

Table 2.4 in the accompanying dataset (XLS, 3.4 MB) breaks down WFJ into 10 broad industry groupings on Standard Industrial Classification 2007 (SIC 2007).

The main component of WFJ is employee jobs. Estimates for employee jobs are obtained mainly from surveys of businesses selected from the Inter-Departmental Business Register (IDBR). All other business surveys collecting economic data also use this register.

The Labour Force Survey (LFS), a household survey, collects self-employment jobs data for all SIC sections, employee jobs data for SIC sections A and T, and government-supported trainees data for England. It codes respondents according to their own view of the industry they work in, therefore the industry breakdown is less reliable than that of the business surveys.

WFJ also includes His Majesty's Forces (within industry section O) and government-supported trainees. Government-supported trainees from the devolved administrations are sourced from administrative sources, split by industry using the LFS.

6 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, The industrial analyses, UK National Accounts, The Blue Book: 2025

Compendium

Non-financial corporations

Public and private sector non-financial corporations.

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Table of contents

1 . Non-financial corporations

Non-financial corporations produce goods and services for the market and do not, as a primary activity, deal in financial assets and liabilities.

This sector includes retailers, manufacturers, utilities, business service providers (such as accountancy and law firms), caterers, haulage companies, airlines, construction companies, and farms, among others.

The non-financial sector is broken down into two subsectors:

- public sector non-financial corporations
- private sector non-financial corporations

In our accompanying dataset (XLSX, 3.4 MB):

- worksheets 3.1.1 to 3.1.11 in the non-financial corporations as a whole
- worksheets 3.2.1 to 3.2.11 relate to public non-financial corporations, which are government-owned or government-controlled trading businesses
- worksheets 3.3.1 to 3.3.11 relate to private non-financial corporations, which are trading businesses in the private sector

All the tables are downloadable as an Excel workbook.

Further information can be found on our sector classifications and classification decisions can be found in Economic statistics classifications web page.

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Non-financial corporations, UK National Accounts, The Blue Book: 2025

Compendium

Financial corporations

Financial corporations including monetary financial institutions, insurance corporations and pension funds, and other financial corporations.

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Release date:
31 October 2025

Next release:
To be announced

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Table of contents

1 . Financial corporations

The financial corporations sector (S.12) consists of institutional units that are independent legal entities and market producers, and whose principal activity is the production of financial services. Such institutional units comprise all corporations and quasi corporations that are principally engaged in:

- financial intermediation (financial intermediaries)
- auxiliary financial activities (financial auxiliaries)

Also included are institutional units providing financial services, where most of their assets or their liabilities are not transacted on open markets.

Financial intermediation is the activity in which an institutional unit acquires financial assets and incurs liabilities on its own account by engaging in financial transactions on the market. The assets and liabilities of financial intermediaries are transformed or repackaged in relation to, for example, maturity, scale, or risk in the financial intermediation process. Auxiliary financial activities are activities related to financial intermediation, but which do not involve financial intermediation themselves.

Financial corporations are presented in the following groupings:

- monetary financial institutions (MFI)
- insurance corporations and pension funds (ICPF)
- financial corporations except MFI and ICPF

Further information on sector classifications and classification decisions is available in our Public sector classification guide and forward work plan.

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Financial corporations, UK National Accounts, The Blue Book: 2025

Compendium

General government

General government sector by central and local government.

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Release date:
31 October 2025

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To be announced

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1 . General government

The general government sector is made up of units providing services for collective or individual consumption that are not sold at market prices. These units are usually funded by compulsory payments from units in other sectors (taxes), and may be involved in the redistribution of national income (for example, benefits and State Pension).

The sector includes government departments and agencies, local authorities, the devolved administrations in Northern Ireland, Scotland, and Wales, the state education system, the NHS, the armed forces, and the police. Non-departmental public bodies are also included in the general government sector.

The UK National Accounts, The Blue Book: 2025 edition presents estimates for the general government sector and subsector breakdowns for:

- central government
- local government

You can find further information on sector classifications and classification decisions in our [Public sector classification guide and forward work plan](#).

2 . Cite this bulletin

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, [General government, UK National Accounts, The Blue Book: 2025](#)

Compendium

Households and non-profit institutions serving households

Households, and non-profit institutions serving households sectors.

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1 . Households and non-profit institutions serving households

The households sector covers people living independently in residential accommodation and those living in communal establishments. Residential households are groups of people sharing the same living accommodation who share some or all of their income, and collectively consume certain types of goods and services, such as food, electricity, or housing. Examples of communal establishments include prisons, student accommodation, care homes and boarding schools.

The households sector also includes the self-employed (market producers), who do not form part of quasi-corporations, as well as individuals or groups of individuals who produce goods and non-financial services for their own final use.

Non-profit institutions serving households (NPISH) are institutions that:

- provide goods and services, either free, or below market prices
- mainly derive their income from grants and donations
- are not controlled by the government

In the UK, the NPISH sector includes:

- charitable organisations
- trade unions
- religious organisations
- political parties
- universities and further education establishments

The UK National Accounts, The Blue Book: 2025 edition presents estimates for the households and NPISH sectors separately. To allow comparison with previous Blue Book publications, estimates for the combined households and NPISH sectors are also presented.

Further information on sector classifications and classification decisions can be found in our [Public sector classification guide and forward work plan](#).

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Households and non-profit institutions serving households, [UK National Accounts, The Blue Book: 2025](#)

Compendium

Rest of the world

Rest of the world sector including all institutions or individuals not resident in the UK that have economic interactions with resident units.

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31 October 2025

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To be announced

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1 . Rest of the world

The rest of the world sector includes all those institutions or individuals not resident in the UK that have economic interactions with resident units. It can include overseas corporations, charities, governments, or private individuals. The sector also includes foreign embassies and consulates on UK soil.

Further information on sector classifications and classification decisions can be found in our Public sector classification guide and forward work plan.

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Rest of the world, UK National Accounts, The Blue Book: 2025

Compendium

Gross fixed capital formation supplementary tables

Gross fixed capital formation estimates of net capital expenditure on fixed assets by public and private sectors.

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Table of contents

1 . Gross fixed capital formation supplementary tables

Gross fixed capital formation (GFCF) is the estimate of net capital expenditure (acquisitions less the proceeds from disposals) on fixed assets by both the public and private sectors. Fixed assets are purchased assets used in production processes for more than one year.

Capital expenditure includes spending on:

- machinery and equipment
- transport equipment
- software
- artistic originals
- research and development
- new dwellings and major improvements to dwellings
- other buildings and major improvements to buildings
- structures, such as roads

In Blue Book 2025, we have implemented several methodological improvements to enhance the accuracy and reliability of our GFCF estimates.

We have implemented substantial improvements to the estimation of Research and Development (R&D) within GFCF, following the redevelopment of the Business Enterprise Research and Development (BERD) survey. These updates reflect methodological enhancements and a broader coverage of R&D activity, including better representation of small businesses and improved industry allocation. The revised BERD data have been integrated into GFCF and Business Investment estimates, resulting in a more accurate reflection of R&D investment across the UK economy. These changes are detailed in our Improvements to estimation of research and development within gross fixed capital formation and business investment article, and form part of the wider set of proposed changes to be implemented in Blue Book and Pink Book 2025.

We have also updated our estimates of own own-account software using later Annual Survey of Hours and Earnings (ASHE) data and updated occupation codes.

We have also Incorporated revised Annual Business Survey (ABS) benchmarks for 2022 and new ABS data for 2023.

Revised data from important surveys, such as the Quarterly Acquisitions and Disposals of Capital Assets Survey (QCAS), and the Annual Business Survey (ABS), continue to play a central role, alongside improved data for central and local government sectors. Additionally, refinements to the sectorisation of non-profit institutions serving households (NPISH) have been made, reflecting more detailed ABS data.

GFCF data in Blue Book 2025 are open for revision from 1997. Additionally, in our chained volume estimates, we have moved the last base year on to 2023, as part of our production process. Our revisions approach aligns with our latest national accounts revision policy.

Further changes include the latest seasonal adjustment review. Each year, the seasonal adjustment models used in the processing of GFCF data are reviewed to ensure they are still appropriate following revisions to the data.

As is usual during the Blue Book process, the opportunity was taken to review and improve national accounts, balancing adjustments across all transactions.

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Gross fixed capital formation supplementary tables, UK National Accounts, The Blue Book: 2025

Compendium

National balance sheet

A measure of the national wealth, or total net worth, of the UK, showing the estimated market value of financial and non-financial assets.

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31 October 2025

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To be announced

Table of contents

1 . National balance sheet

The national balance sheet is a measure of the national wealth, or total net worth, of the UK. It shows the estimated market value of financial assets, such as shares and deposits at banks, and non-financial assets, such as dwellings and machinery.

Market value is an estimate of how much these assets would sell for, if sold on the market. The estimates are used for international comparisons, to monitor economic performance and inform monetary and fiscal policy decisions.

The components of net worth can be broadly categorised as produced assets, non-produced assets, and net financial assets. Non-produced assets are land. Produced assets are either inventories or net capital stocks in current prices.

Financial assets and liabilities include:

- monetary gold and special drawing rights
- means of payment, such as currency and deposits
- debt securities
- financial claims, such as loans
- economic assets, which are close to financial claims in nature, such as equity and investment shares
- insurance, pension, and standardised guarantee schemes
- financial derivates and employee stock options
- other accounts receivable or payable

Produced non-financial assets include:

- dwellings
- buildings and other structures
- machinery, equipment, and weapons systems
- intellectual property products, such as computer software and databases, and research and development inventories
- cultivated assets, such as certain farming stocks

Non-produced assets include:

- contracts, leases and licences
- natural resources

Data sources include:

- annual reports of public corporations and major businesses
- industry publications
- other government departments and agencies

Where non-financial asset market valuations are not readily available, we use a proxy based on the UK net capital stocks data, modelled in the perpetual inventory method (PIM).

For central government, data are taken from returns made by government departments to HM Treasury.

Local authority housing is shown in the public non-financial corporations sector. This is because government-owned market activities are always treated as being carried out by public corporations, either in their own right, or through quasi-corporations.

2 . Cite this chapter

Office for National Statistics (ONS), released 31 October 202, ONS website, compendium chapter, National balance sheet, UK National Accounts, The Blue Book: 2025

Compendium

Public sector supplementary tables

The main taxes and social contributions payable by UK residents to central and local government and the European Union.

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Table of contents

1 . Introduction

The majority of government income is provided by taxes and social contributions. Worksheet 10.1 in our accompanying dataset (XLSX, 3.4MB) provides a breakdown of the main taxes and social contributions payable by UK residents to both the government (central and local government) and the European Union (EU).

2 . Taxes and social contributions payable by UK residents

Taxes on production are included in gross domestic product (GDP) at market prices.

Other taxes on production include taxes levied on inputs to production. These include national non-domestic rates, also known as business rates, and a range of compulsory unrequited levies that producers must pay.

Taxes on products are taxes levied on the sale of goods and services; this includes Value Added Tax (VAT) and Fuel Duty. Taxes on income and wealth include Income Tax and Corporation Tax. Income Tax is the largest single source of tax revenue paid by UK residents. This category also includes a number of other charges payable by households including:

- Council Tax
- the BBC licence fee
- taxes, such as Vehicle Excise Duty, which, when paid by businesses, are classified as taxes on production

The totals include tax credits and reliefs recorded as expenditure in the national accounts, such as Working Tax Credit and Child Tax Credit.

The European System of Accounts 2010 (ESA 2010) has a specific category of payments to the government called "compulsory social contributions". These are payments associated with social security schemes, such as unemployment benefit and pensions. In the UK accounts this category includes all National Insurance contributions. Details of total social contributions and benefits are shown in Worksheets 5.2.4S and 5.3.4S in our accompanying dataset (XLSX, 3.4MB).

Capital taxes are taxes levied at irregular or infrequent intervals on the values of assets, gifts or legacies. In the UK, the main capital tax is Inheritance Tax.

Some UK taxes are recorded as the resources of the European Union (EU). These include taxes on imports, which were payable to the EU under the EU treaties before the UK leaving the EU.

3 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Public sector supplementary tables, UK National Accounts, The Blue Book: 2025

Compendium

Statistics for international purposes

How the EU uses national accounts data in the calculation of gross national income, which is used to set the EU budget and member contributions.

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1 . Overview of statistics for international purposes

Data comparability between countries is crucial for administrative and economic purposes. The UK provides data to a range of international organisations, including the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD).

The EU also uses UK National Accounts data. Gross national income (GNI) is one of the four measures used by the EU and is calculated in accordance with the European System of Accounts (ESA). GNI is used to set the EU budget and to calculate part of member states' contributions to the EU budget. It is based on ESA 2010.

The following sections outline how the EU uses our data.

2 . UK transactions with the institutions of the EU

Table 1 shows payments that flowed between the EU and the UK before the UK left the EU. The first part of the table shows the payments that flowed into the UK in the form of EU expenditure. The second part of the table shows the UK contribution to the EU budget, which depended on UK gross national income (GNI).

Our explanatory article detailing the UK contribution to the EU budget was published on 30 September 2019. Our dataset on gross national income with usage notes was published on 9 December 2021. This explained differences between the UK GNI as published in the annual national accounts and the UK GNI used to calculate UK budget payments to the EU, known as GNI for EU own resource purposes (GNI OR). From Blue Book 2022, the content of the 9 December 2021 publication has been incorporated here, in Section 4: Calculation of UK GNI for UK own resource: 2010 to 2020.

Under the EU withdrawal agreement, the UK continues to make payments towards the EU budget for years up to 2020. Contributions are still to be finalised for the years 2010 to 2020, for both the UK and the EU member states (MS). This may mean additional payment flows between the UK and EU after 2020.

3 . Data to monitor government deficit and debt

The convergence criteria for the Economic and Monetary Union (EMU) are set out in the 1992 Treaty on European Union (The Maastricht Treaty). The treaty and the Stability and Growth Pact require member states to avoid excessive government deficits, defined as general government net borrowing and gross debt as a percentage of gross domestic product (GDP). The treaty does not determine what constitutes "excessive". This is agreed by the Economic and Finance Council (ECOFIN).

Member states report their planned and actual deficits, and the levels of their debt to the European Commission. Data to monitor excessive deficits are supplied in accordance with EU legislation. While the UK is no longer in the EU, data on UK government debt and deficit are still compiled and are consistent with previous releases.

Table 1: Estimates of UK government debt and deficit, September 2025

General Government deficit	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Deficit (£bn)	48.5	53.6	274.4	175.1	118.7	166.4	169.7
as % GDP[2]	2.3	2.4	13.0	7.7	4.7	6.1	6.0
General Government debt							
Debt[1] (£bn)	1,858.5	1,913.6	2,226.4	2,402.7	2,516.7	2,721.0	2,887.8
as % GDP[2]	86.3	85.7	105.8	105.1	99.6	100.4	101.3

Source: UK government debt and deficit from the Office for National Statistics

Notes

1. Debt is recorded as at the end of December each calendar year.

2. Gross domestic product (GDP).

4 . Calculation of UK gross national income for EU own resource: 2010 to 2020

The Agreement on the withdrawal of the UK from the European Union (EU) sets out, among other things, the UK's contribution to, and participation in, the EU budget. Article 136 states that "the applicable Union law concerning the Union's own resources relating to financial years until 2020 shall continue to apply to the UK after 31 December 2020, including where the own resources concerned are to be made available, corrected or subject to adjustments after that date".

The UK pays budget contributions to the EU for the years up to 2020. Contributions are still to be finalised for the years 2010 to 2020, for both the UK and the EU member states (MS).

The gross national income (GNI) estimates, on which a large part of calculating budget payments is based, are produced for the UK by the Office for National Statistics (ONS) and published in the Blue Book. The calculation of GNI in both the UK and the MS is subject to verification by the European Commission's statistical arm, Eurostat. If Eurostat finds an issue relating to the calculation of GNI, it can place a reservation on a country's national accounts. This means that improvements to data sources, methods, or both may need to be implemented.

The UK was subject to 23 reservations placed in 2019; 18 issues were specific to the UK and five transversal issues applied to both the UK and all MS. Many MS also had a large number of country-specific reservations, because of a major verification of sources and methods following the adoption of a new accounting framework in 2014 (the European System of Accounting (ESA) 2010).

The years 2010 to 2020, which are still open for recalculating EU budget payments are now "time-barred", except for revisions related to reservations. The GNI data we release in the annual national accounts often include routine revisions to methods and source data that affect the UK-published GNI estimates. These routine revisions must be excluded from GNI data notified to Eurostat, known as GNI for Own Resource purposes (GNI OR), in the years that have become "time-barred". This is a standard practice that also applies to all MS.

A further difference between published GNI and GNI OR applies to the years 2010 to 2013, when GNI OR is based on the previous international standard (the ESA 1995 accounting framework). There is a standard list of major changes between the ESA 1995 and ESA 2010 frameworks. This is used to estimate the impact of differences in definitions between them.

Eurostat publishes UK and MS GNI for own resource estimates (currently only 2024-consistent data are available). Worksheet 11.2 in our accompanying dataset (XLSX, 3.4MB) shows the differences between the UK GNI OR and the UK-published GNI estimates. It is produced for Eurostat each time the UK annual national accounts are updated.

In March 2025, the last of the 23 UK reservations placed in 2019 was lifted by the European Commission. While this means that UK GNI OR is now finalised for the years 2010 to 2017, budget payments for those years may still change somewhat. A small number of MS have outstanding reservations still being addressed for those years. The budget contributions are calculated on comparative share of EU GNI so are not settled until GNI for all countries is finalised.

EU budget contributions for the years 2018 to 2020 remain under scrutiny for all countries. General UK GNI compilation methods were approved by Eurostat in the latest verification cycle (confirmed in November 2024). Consequently, no additional country-specific reservations have been placed for those years. However, the EU is mandating two important improvements to methods that apply to all countries from 2018 onwards. These are treatment of non-resident VAT traders; and recognising households' own account production of electricity. Transversal reservations have been placed on all countries to implement these improvements by the end of 2026. As with previous reservations, the UK must implement these improvements (if deemed necessary) under the terms of the EU withdrawal agreement.

There were no revisions relating to reservations applied to UK GNI during the production of the 2025 national accounts data release. Therefore, UK GNI OR is unchanged compared with the 2024 data release. Table 11.2 has been updated to show the impact of routine revisions in production of the 2025 data release.

We will continue to update worksheet 11.2 in future years, until all reservations are lifted. This will inevitably show further divergence between published and own resources versions of GNI.

5 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, [Statistics for international purposes, UK National Accounts, The Blue Book: 2025]

Compendium

Environmental economy

Estimates of energy consumption, atmospheric emissions, material flows, natural capital, and environmental taxes.

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1 . Environmental accounts

- Environmental accounts are "satellite" or extended accounts to the main UK National Accounts.
- They are compiled in accordance with the System of Environmental-Economic Accounting (SEEA), which closely follows the United Nations System of National Accounts (SNA).
- They measure the impact the economy has on the environment, how the environment contributes to the economy, and how society responds to environmental issues by using the accounting framework and concepts of the national accounts.
- They are used to inform sustainable development policy, model impacts of fiscal or monetary measures, and evaluate the environmental impacts of different sectors of the economy.
- Data are provided in units of physical measurement (mass or volume) and monetary units, where these are the most relevant or only data available.

In our accompanying dataset (XLSX, 3.4MB):

- Worksheets 12.2 to 12.5 show estimates of energy consumption, atmospheric emissions and material flows
- Worksheets 12.6 to 12.8 show natural capital accounts
- Worksheets 12.9 to 12.12 show data on environmental taxes

More data, information and other environmental accounts (including fuel use, environmental goods and services sector, and environmental protection expenditure) can be found on our Environmental accounts release web page.

2 . Energy consumption

Worksheet 12.2 in our accompanying dataset (XLSX, 3.4MB) presents energy consumption by industry for the UK.

Energy consumption is defined as the use of energy for power generation, heating and transport. This is essential to most economic activities, for example, as an input for production processes.

The term "direct use of energy" refers to the energy content of fuel for energy at the point of use, allocated to the original purchasers and consumers of fuels. Alternatively, "reallocated use of energy" means that the losses incurred during transformation and distribution are allocated to the final consumer of the energy, rather than incorporating it all in the electricity generation sector.

Transformation losses are the differences between the energy content of the input and output product, arising from the transformation of one energy product to another.

Distribution losses are losses of energy product during transmission (for example, losses of electricity in the grid) between the supplier and the user of the energy.

Fossil fuels are the main source of energy for consumption, although other sources (including nuclear, net imports, renewable and waste sources) are becoming increasingly important.

Renewable sources include:

- solar photovoltaic
- geothermal and energy from wind, wave and tide
- hydroelectricity
- wood
- charcoal
- straw
- liquid biofuels
- biogas from anaerobic digestion
- sewage gas

Landfill gas, poultry litter and municipal solid waste combustion have also been included within this definition.

Short-term fluctuations in energy consumption are often attributable to changes in temperature or gross domestic product (GDP). Longer term, the decline in energy consumption for these purposes has largely been driven by the switch away from coal by the energy supply and manufacturing industries to other, more efficient fuels, such as natural gas and, more recently, renewable sources.

Data are provided by Ricardo Energy and Environment.

3 . Atmospheric emissions

Worksheets 12.3 and 12.4 in our accompanying dataset (XLSX, 3.4MB) show emissions of greenhouse gases, acid rain precursors (ARPs) and other pollutants by industry for the UK.

Greenhouse gases (GHG) are covered by the Paris Agreement, which has superseded the Kyoto Protocol. These gases contribute directly to global warming and climate change because of their positive radiative forcing effect. The potential of each GHG to cause global warming is assessed in relation to a given weight of CO2, so all GHG emissions are measured as carbon dioxide equivalents (CO2e).

The greenhouse gases included in the worksheets are:

- carbon dioxide (CO_2)
- methane (CH_4)
- nitrous oxide (N_2O)
- hydrofluorocarbons (HFC)
- perfluorocarbons (PFC)
- nitrogen trifluoride (NF_3)
- sulphur hexafluoride (SF_6)

Other important atmospheric emissions include acid rain precursors (ARPs). Acid rain is caused primarily by emissions of sulphur dioxide (SO_2), nitrogen oxides (NOX) and ammonia (NH_3), and can have harmful effects on the environment. For comparability, all figures are weighted according to their acidifying potential and presented as sulphur dioxide equivalents (SO_2e).

Emissions levels are influenced by factors such as gross domestic product (GDP) and UK temperatures. They are also influenced by policy initiatives, for example, those encouraging adoption of cleaner technologies or emissions standards on motor vehicles. Changes in energy consumption, particularly energy from fossil fuels, directly influence air emissions.

Data are provided by Ricardo Energy and Environment.

4 . Material flows

Worksheet 12.5 in our accompanying dataset (XLSX, 3.4MB) presents economy-wide material flow accounts, which estimate the physical flow of materials through the UK economy.

Domestic extraction is divided into four categories:

- biomass, which includes material of biological origin that is not from fossil, such as crops, wood and wild fish catch
- non-metallic minerals, which are mainly construction and industrial minerals, including limestone and gypsum, sand and gravel, and clays
- fossil energy materials and carriers, which include coal, peat, crude oil and natural gas
- metal ores, which include precious metals, such as gold

For fossil energy materials and carriers (which include coal, crude oil, natural gas and peat), peat estimates were not available from 2016.

Data are compiled from multiple sources including the Department for Environment, Food and Rural Affairs (DEFRA), the United Nations Food and Agriculture Organisation (FAO), the British Geological Survey (BGS), Eurostat, His Majesty's Revenue and Customs (HMRC) and the Department for Energy Security and Net Zero (DESNZ).

Physical trade balance

The physical trade balance (PTB) shows the relationship between imports and exports and is calculated by subtracting the weight of exports from the weight of imports. The PTB (imports minus exports) is defined in reverse to the monetary trade balance (exports minus imports). Physical estimates can differ quite substantially from monetary estimates.

The UK has a positive PTB, meaning that more materials and products are imported than are exported. This suggests that the UK may be becoming more reliant on the production of materials in other countries.

Material consumption

Direct material input (DMI) (domestic extraction plus imports) measures the total amount of materials that are available for use in the economy.

Domestic material consumption (DMC) (domestic extraction plus imports minus exports) measures the number of materials used in the economy and is calculated by subtracting exports from DMI.

5 . Natural capital

Natural capital accounting estimates the current value of natural wealth and what it could provide for current and future generations. Natural wealth is reflected in the productivity of soils, access to clean water, and recreational green space, for example. Any natural resource or process that supports human life, society, and the economy is an important part of our natural capital.

These remain in development, and so are currently classed as Official Statistics in Development.

Natural capital is one part of a wider move to better understand wealth. The total of what we are currently able to value is presented in our annual UK natural capital accounts.

Natural capital accounts monetary estimates should be interpreted as partial or minimal value of the ecosystem services provided by the natural environment, as a number of these services are not currently measured. The ecosystem services that we can currently measure include:

- timber provisioning
- woodfuel provisioning
- agricultural biomass provisioning
- fish provisioning
- water provisioning
- oil and gas provisioning
- coal provisioning
- minerals and metals provisioning
- renewable electricity provisioning
- air pollution regulating
- greenhouse gas regulating
- noise regulating
- urban heat regulating
- recreation and tourism
- recreation (health benefits)
- aesthetics and recreation (house prices)

We will continue to work to include as much of the economic value of the natural world as possible. Our annual and asset values are narrowly market driven and should not be interpreted as an absolute "value" of the natural world. More details are available in our UK Natural Capital Accounts: 2024 bulletin and our UK natural capital accounts quality and methods guide.

With methodologies under development, these estimates are not comparable with those published previously.

We have expanded ecosystem services coverage this year, with urban heat regulating service estimates now available for all local authorities in Great Britain, previously only available for 11 city and enterprise regions. This estimates the value of green and blue spaces that can cool urban environments on hot days.

Full details of these methodological updates will be published alongside our UK Natural Capital Accounts: 2025 later this year.

6 . Environmental taxes

Environmental taxes are those for which the base is a physical unit, for example, a litre of petrol or a passenger flight, that has a proven negative impact on the environment. These taxes should reduce the activity, and therefore reduce negative environmental impacts. Increases in tax revenue can occur from either rising tax rates, increased activity, or both.

Other initiatives may promote environmentally positive behaviour, but are not considered an environmental tax under this definition. For example, charges on single-use plastic bags by retailers are not classified as a tax.

An environmental tax needs to be defined as a tax (and not another type of payment) in the System of National Accounts (SNA 2008). The National Tax List is published by the Office for National Statistics (ONS) using the European System of National and Regional Accounts (ESA 2010), which is consistent with the SNA. This definition is also explained in the Central Framework for the System of Environmental-Economic Accounting from the United Nations, which uses concepts, definitions and classifications consistent with the SNA.

Source data on aggregate revenue for each type of tax are provided to the ONS from HM Treasury, to enable compilation of public sector accounts. We produce a breakdown of the aggregate by industry, including allocation to households and the rest of the world. To do so, we use a number of sources, including supply and use tables.

More information on this environmental taxes measure can be found in our Environmental accounts on environmental taxes QMI.

7 . More information about environmental accounts

More information about environmental accounts, including data rounded to a thousand tonnes, is available on our Environmental accounts release web page.

The residence adjustment is included, as the UK Environmental Accounts are based on a UK residence basis (as opposed to a territory basis). This is in line with national accounting principles, allowing environmental impacts to be compared on a consistent basis with economic indicators such as gross domestic product (GDP).

UK figures for energy and air emissions on a territory basis are published by the Department for Energy Security and Net Zero (DESNZ). Energy and air emissions bridging tables, which show the difference between these estimates, are available.

Further explanation of the differences can be found in our Energy consumption article and our Measuring UK greenhouse gas emissions methodology.

8 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Environmental accounts, UK National Accounts, The Blue Book: 2025.

Compendium

Flow of funds

Estimates of stocks and flows of financial assets and liabilities by institutional sector and financial instrument.

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Table of contents

1 . Introduction

The tables in this chapter present estimates of stocks and flows of financial assets and liabilities by institutional sector and financial instrument.

Of these tables, in our accompanying dataset (XLSX, 3.4MB):

- Worksheet 13.1 presents flows (or transactions) of financial assets and liabilities for each institutional sector and lower-level financial instrument (financial account)
- Worksheet 13.2 presents levels (or stocks) of financial assets and liabilities for each institutional sector and lower-level financial instrument (balance sheet)
- Worksheets 13.3.1 to 13.3.8 present both financial flows and stocks by institutional sector and financial instrument

Estimates for all the institutional sectors are brought together in these tables to allow changes in assets and liabilities to be compared across the sectors. Estimates for each individual sector are also published in the appropriate sector pages in this publication.

These financial statistics are important for identifying the build-up of risks in the financial sector and for understanding financial connections among the institutional sectors and subsectors within the economy.

2 . Flow of funds

"Flow of funds" refers to the financial flows across sectors of the UK economy and the rest of the world. Information can be presented on debtor and creditor relationships and the changes in financial assets and liabilities in the economy. Flow of funds is based on the principle that the movement of all funds must be accounted for. Across the total economy (UK and the rest of the world), the total sources of funds must equal the total uses of funds, and every financial asset transaction must have a counterpart liability transaction.

Since the global financial crisis of the late 2000s, the international community has had an increased focus on the analysis of financial stability, and the development of improvements to the data that support that analysis. This is particularly important for those countries, such as the UK, that have a substantial financial sector.

An important area identified internationally for improvement is the development of flow of funds counterpart statistics. These improve our understanding of how each individual sector may be exposed to the risk that could build up in other sectors. These statistics support macro-economic analysis and financial stability policy.

Counterpart statistics are not currently presented in this publication. However, in response to the need for counterpart statistics, the Office for National Statistics (ONS) and the Bank of England started the joint Flow of Funds Project in 2014. More information on the project and the most recent experimental counterpart statistics are available in our UK financial accounts experimental statistics flow of funds matrices: 2020 article, based on Blue Book 2020 data.

3 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, Flow of funds, UK National Accounts, The Blue Book: 2025

Compendium

Glossary

An A-to-Z list defining the main terms used within the national accounts.

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1 . A to B

Above the line

Transactions in the production, current and capital accounts that are above the net lending (positive) or net borrowing (negative) (financial surplus or deficit) line in the presentation used in the economic accounts. The financial transactions account is below the line in this presentation.

Accruals basis

A method of recording transactions based on when the exchange of ownership of the goods, services or financial asset occurs (see also cash basis). For example, Value Added Tax (VAT) accrues when the expenditure to which it relates takes place but HM Revenue and Customs (HMRC) receives the cash some time later. The difference between accruals and cash results in an asset and liability in the financial accounts, shown as amounts receivable or payable.

Actual final consumption

The value of goods consumed, but not necessarily purchased, by a sector (see also final consumption expenditure, intermediate consumption).

Advance and progress payments

Payments made for goods in advance of completion and delivery of the goods and services. Also referred to as staged payments.

Asset boundary

A boundary separating assets included (for example, plant and factories, and non-produced assets such as land and water resources) and those excluded (such as natural assets not managed for an economic purpose) in creating core economic accounts.

Assets

Entities over which ownership rights are enforced by institutional units – individually or collectively – and from which economic benefits may be derived by owners holding them over a period of time.

Balancing item

An accounting construct obtained by subtracting the total value of the entries on one side of an account from the total value for the other side.

Balance of payments

A summary of the transactions between residents of a country and residents abroad in a given time period.

Balance of trade

The balance of trade in goods and services is a summary of the imports and exports of goods and services across an economic boundary in a given period.

Balance sheet

A statement, drawn up at a particular point in time, of the value of assets owned and of the financial claims (liabilities) against the owner of these assets.

Bank of England

This comprises the central bank subsector of the financial corporations sector.

Bank of England – Issue Department

This part of the Bank of England deals with the issue of bank notes on behalf of central government. It was formerly classified to central government, though it is now part of the central bank and monetary authorities sector. Its activities include, among other things, market purchases of commercial bills from UK banks.

Basic prices

These are the preferred method of measuring gross value added (GVA) and output. They reflect the amount received by the producer for a unit of goods or services, minus any taxes payable, plus any subsidy receivable on that unit as a consequence of production or sale (that is the cost of production including subsidies).

The only taxes included in the basic price are taxes on the production process – such as business rates and any Vehicle Excise Duty paid by businesses – that are not specifically levied on the production of a unit of output. Basic prices exclude any transport charges invoiced separately by the producer.

Below the line

The financial transactions account that shows the financing of net lending (positive) or net borrowing (negative) (formerly financial surplus or deficit).

Bond

A financial instrument that usually pays interest to the holder. Bonds are issued by governments and by companies and other institutions, for example, local authorities. Most bonds have a fixed date on which the borrower will repay the holder.

Bonds are attractive to investors because they can be bought and sold easily in a secondary market. Special forms of bonds include deep discount bonds, equity warrant bonds, Eurobonds and zero-coupon bonds.

British government securities

Securities issued or guaranteed by the UK government; these are also known as gilts.

2 . C to D

Capital

Capital assets are those that contribute to the productive process to produce an economic return. In other contexts, the word can include tangible assets (for example, buildings, plant and machinery), intangible assets and financial capital (see also fixed assets, inventories).

Capital formation

Acquisitions less disposals of fixed assets, improvement of land, change in inventories and acquisitions less disposals of valuables.

Capital stock

A measure of the cost of replacing the capital assets of a country held at a particular point in time.

Capital transfers

Transfers that are related to the acquisition or disposal of assets by the recipient or payer. They may be in cash or kind and may be imputed to reflect the assumption or forgiveness of debt.

Cash basis

The recording of transactions when cash or other assets are actually transferred, rather than on an accruals basis.

Certificate of deposit

A short-term, interest-paying instrument issued by deposit-taking institutions in return for money deposited for a fixed period. Interest is earned at a given rate. The instrument can be used as security for a loan if the depositor requires money before the repayment date.

Chained volume measures

Time series that measure economic activity in real terms (that is, excluding price effects). Series are calculated in the prices of the previous year and in current price, and these two-year series are then "chain linked" together. The advantage of the chain-linking method is that the previous period's price structure is more relevant than the price structure of a fixed period from further in the past.

Cost, insurance and freight (CIF)

The basis of valuation of imports for customs purposes, including the cost of insurance premiums and freight services. These need to be deducted to obtain the Free On Board (FOB) valuation consistent with the valuation of exports that is used in the economic accounts.

Classification of individual consumption by purpose (COICOP)

An international classification that groups consumption according to its function or purpose. The heading clothing, for example, includes expenditure on garments, clothing materials, laundry and repairs. It is used to classify the expenditure of households.

Combined use table

Table of the demand for products by each industry group or sector, whether from domestic production or imports, estimated at purchasers' prices. It displays the inputs used by each industry to produce their total output and separates out intermediate purchases of goods and services. The table shows which industries use which products: columns represent the purchasing industries; rows represent the products purchased.

Commercial paper

This is an unsecured promissory note for a specific amount, maturing on a specific date. The commercial paper market allows companies to issue short-term debt directly to financial institutions, which then market this paper to investors or use it for their own investment purposes.

Compensation of employees

Total remuneration payable to employees in cash or in kind. Includes the value of social contributions payable by the employer.

Conditional liabilities

Where the transfer of assets only takes place under certain defined circumstances, are known as contingent liabilities.

Consolidated accounts

Accounts drawn up to reflect the affairs of a group of entities. For example, a ministry or holding company with many different operating agencies or subsidiary companies may prepare consolidated accounts reflecting the affairs of the organisation as a whole and accounts for each operating agency or subsidiary.

Consolidated fund

An account of central government into which most government revenue (excluding borrowing and certain payments to government departments) is paid and from which most government expenditure (excluding loans and National Insurance benefits) is paid.

Consumption

See final consumption, intermediate consumption.

Consumption of fixed capital

The amount of capital resources used up in the process of production in any period. It is not an identifiable set of transactions but an imputed transaction, which can only be measured by a system of conventions.

Corporations

All bodies recognised as independent legal entities that are producers of market output and whose principal activity is the production of goods and services.

Counterpart

In a double-entry system of accounting, each transaction gives rise to two corresponding entries. These entries are the counterparts to each other, so the counterpart of a payment by one sector is the receipt by another.

Debenture

A long-term bond issued by a UK or foreign company and secured on fixed assets. A debenture entitles the holder to a fixed-interest payment or a series of such payments.

Deflators

A price index or other modifier used to remove the change in prices, commonly referred to as inflation, between any two given time periods. This allows the data in the two periods to be compared in real price terms.

Depreciation

A fall in the value of an asset or currency.

Derivatives

Financial instruments whose value is linked to the value of another financial instrument, indicator or commodity. Unlike the holder of a primary financial instrument (for example, a government bond or a bank deposit), who has an unqualified right to receive cash (or some other economic benefit), the holder of a derivative has only a qualified right to receive such a benefit. Examples of derivatives are options and swaps.

Dividend and Interest Matrix (DIM)

This represents property income flows related to holdings of financial transactions. The gross flows are shown in property income.

Direct investment

Net investment by UK or foreign companies in their foreign or UK branches, subsidiaries or associated companies. A direct investment in a company means that the investor has a significant influence on the operations of the company, defined as having an equity interest in an enterprise resident in another country of 10% or more of the ordinary shares or voting stock.

Investment includes not only acquisition of fixed assets, stock building and stock appreciation, but also all other financial transactions such as: additions to, or payments of, working capital; other loans and trade credit; and acquisitions of securities. Estimates of investment flows allow for depreciation in any undistributed profits. Funds raised by the subsidiary or associate company in the economy in which it operates are excluded as they are locally raised and not sourced from the parent company.

Discount market

The part of the market dealing with short-term borrowing. It is called the discount market because the interest on loans is expressed as a percentage reduction (discount) on the amount paid to the borrower. For example, for a loan of £100 face value, when the discount rate is 5%, the borrower will receive £95 but will repay £100 at the end of the term.

Double deflation

A method for calculating value added by industry chained volume measures, which takes separate account of the differing price and volume movements of input and outputs in an industry's production process.

Dividend

A payment made to company shareholders from current or previously retained profits. Dividends are recorded when they become payable.

3 . E to F

Economically significant prices

These are prices where the level significantly affects the supply of the good or service concerned. Market output consists mainly of goods and services sold at "economically significant" prices, while non-market output comprises those provided free or at prices that are not economically significant.

Employee stock options

An agreement made on a given date (the "grant" date) under which an employee may purchase a given number of shares of the employer's stock at a stated price (the "strike" price), either at a stated time (the "vesting" date) or within a period of time (the "exercise" period) immediately following the vesting date.

Enterprise

An institutional unit producing market output. Enterprises are found mainly in the non-financial and financial corporations sectors but exist in all sectors. Each enterprise consists of one or more kind-of-activity units.

Environmental accounts

A satellite account describing the relationship between the environment and the economy.

Equity

The ownership of a residual claim on the assets of the institutional unit that issued the instrument. Equities differ from other financial instruments in that they confer ownership of something more than a financial claim. Shareholders are owners of the company, whereas bond holders are just outside creditors.

European System of National and Regional Accounts (ESA)

An integrated system of economic accounts; the European version of the System of National Accounts (SNA).

European Investment Bank

This was set up to assist economic development within the EU. Its members are the member states of the EU.

Exchange Cover Scheme (ECS)

A scheme introduced in 1969 whereby UK public bodies raise foreign currency from overseas residents, either directly or through UK banks, and surrender it to the Exchange Equalisation Account in exchange for sterling to finance expenditure in the UK. HM Treasury sells the borrower foreign currency to service and repay the loan at the exchange rate that applied when the loan was taken out.

Exchange Equalisation Account (EEA)

The government account with the Bank of England in which transactions in reserve assets are recorded. These transactions are classified to the central government sector. It is the means by which the government, through the Bank of England, influences exchange rates.

Export credit

Credit extended abroad by UK institutions, primarily in connection with UK exports but also including some credit in respect of third country trade.

Export Credit Guarantee Department (ECGD)

A non-ministerial government department, classified to the public corporations sector, the main function of which is to provide insurance cover for export credit transactions.

Factor cost

In the System of National Accounts (SNA) 1968, this was the basis of valuation that excluded the effects of taxes on expenditure and subsidies.

Final consumption expenditure

The expenditure on those goods and services used for the direct satisfaction of individual needs or the collective needs of members of the community, as distinct from their purchase for use in the productive process. It may be contrasted with actual final consumption, which is the value of goods consumed, but not necessarily purchased, by that sector (see also intermediate consumption).

Financial auxiliaries

Activities closely related to financial intermediation but that are not financial intermediation themselves, such as the repackaging of funds, insurance broking and fund management. Financial auxiliaries include insurance brokers and fund managers.

Financial corporations

All bodies recognised as independent legal entities whose principal activity is financial intermediation or the production of auxiliary financial services.

Financial intermediation

The activity by which an institutional unit acquires financial assets and incurs liabilities on its own account by engaging in financial transactions on the market. The assets and liabilities of financial intermediaries have different characteristics so that the funds are transformed or repackaged with respect to maturity, scale or risk, for example, in the financial intermediation process.

Financial Intermediation Services Indirectly Measured (FISIM)

The implicit charge for the service provided by monetary financial institutions paid for by the interest differential between borrowing and lending rather than through fees and commissions.

Financial leasing

A form of leasing in which the lessee (the lease holder) contracts to assume the rights and responsibilities of ownership of leased goods from the lessor (the legal owner) for the whole (or virtually the whole) of the economic life of the asset. In the economic accounts, this is recorded as the sale of the asset to the lessee, financed by an imputed loan. The leasing payments are split into interest payments and repayments of principal.

Fixed assets

Produced assets that are themselves used repeatedly or continuously in the production process for more than one year. They comprise buildings and other structures, vehicles and other plant and machinery as well as plants and livestock that are used repeatedly or continuously in production, for example, fruit trees or dairy cattle. They also include intangible assets such as computer software, research and development, and artistic originals.

Flows

These reflect the creation, transformation, exchange, transfer or extinction of economic value. They involve changes in the volume, composition or value of an institutional unit's assets and liabilities. They are recorded in the production, distribution and use of income and accumulation accounts.

Free On Board (FOB)

A Free On Board (FOB) price excludes the cost of insurance and freight from the country of consignment but includes all charges up to the point of the exporting country's customs frontier.

Futures

Forward contracts traded on organised exchanges. They give the holder the right to purchase a commodity or a financial asset at a future date.

4 . G to H

Gilts

Bonds issued or guaranteed by the UK government. Also known as gilt-edged securities or British Government securities.

Globalisation

The revised concept of economic ownership first recommended by the System of National Accounts (SNA) in 2008 that proposes that imports and exports be recorded strictly when a change of ownership occurs, rather than when goods cross a border, to better reflect the nature of multinational enterprises.

Gold

The System of National Accounts (SNA) and the International Monetary Fund (IMF) (in the sixth edition of its Balance of Payments Manual) recognise three types of gold:

- monetary gold, treated as a financial asset
- gold held as a store of value, to be included in valuables
- gold as an industrial material, to be included in intermediate consumption or inventories

The present treatment is as follows.

In the accounts, a distinction is drawn between gold held as a financial asset (financial gold) and gold held like any other commodity (commodity gold). Commodity gold in the form of finished manufactures, together with net domestic and overseas transactions in gold moving into or out of finished manufactured form (as in for jewellery, dentistry, electronic goods, medals and proof – but not bullion – coins) is recorded in exports and imports of goods.

All other transactions in gold (that is, those involving semi-manufactures, for example, rods and wire, bullion, bullion coins, or banking-type assets and liabilities denominated in gold, including official reserve assets) are treated as financial gold transactions and included in the financial account of the balance of payments.

The UK has adopted different treatment to avoid distortion of its trade in goods account by the substantial transactions of the London bullion market.

Grants

Voluntary transfer payments. They may be current or capital in nature. Grants from the government or the EU to producers are subsidies.

Gross

Important economic series can be shown as gross (as in, before deduction of the consumption of fixed capital) or net (as in, after deduction). Gross has this meaning throughout this publication unless otherwise stated.

Gross domestic product (GDP)

The total value of output in the economic territory. It is the balancing item on the production account for the whole economy. Domestic product can be measured gross or net. It is presented in the accounts at market (or purchasers') prices.

Gross fixed capital formation (GFCF)

Acquisitions less disposals of fixed assets and the improvement of land.

Gross national disposable income

The income available to the residents arising from gross domestic product (GDP) and receipts from, less payments to, the rest of the world of employment income, property income and current transfers.

Gross national income (GNI)

The total value of goods produced and services provided by a country during one year, equal to the gross domestic product plus the net income from foreign investments.

Gross value added (GVA)

The value generated by any unit engaged in production and the contributions of individual sectors or industries to gross domestic product (GDP). It is measured at basic prices, excluding taxes less subsidies on products.

Holding companies

A purely financial concern that uses its capital solely to acquire interests (normally controlling interests) in a number of operating companies. Although the purpose of a holding company is mainly to gain control and not to operate, it will typically have representation on the boards of directors of the operating firms.

Holding companies provide a means by which corporate control can become highly concentrated through pyramiding. A holding company may gain control over an operating company, which itself has several subsidiaries.

Holding gains or losses

Profit or loss obtained by virtue of the changing price of assets being held. Holding gains or losses may arise from either physical or financial assets.

Households

Individuals or small groups of individuals as consumers, and in some cases as entrepreneurs, producing goods and market services (where such activities cannot be hived off and treated as those of a quasi corporation).

5 . I to J

Imputation

The process of inventing a transaction where, although no money has changed hands, there has been a flow of goods or services. It is confined to a very small number of cases where a reasonably satisfactory basis for the assumed valuation is available.

Index-linked gilts

Gilts whose coupon and redemption value are linked to movements in the Retail Prices Index.

Institutional unit

The individual bodies whose data are merged to form the sectors of the economy. A body is regarded as an institutional unit if it has decision-making autonomy in respect of its principal function and either keeps a complete set of accounts or is in a position to compile, if required, a complete set of accounts that would be meaningful from both an economic and a legal viewpoint.

Input-output

A detailed analytical framework based on supply and use tables. These are matrices showing the composition of output of individual industries by types of product and how the domestic and imported supply of goods and services is allocated between various intermediate and final uses, including exports.

Institutional sector

In the economic accounts, the economy is split into different institutional sectors, that is, units grouped according broadly to their role in the economy. The main sectors are: non-financial corporations, financial corporations, general government, households, and non-profit institutions serving households (NPISH). The rest of the world is also treated as a sector for many purposes within the accounts.

Intellectual property products

Products including mineral exploration, computer software, research and development, and entertainment, literary or artistic originals. Expenditure on them is part of gross fixed capital formation. They exclude non-produced non-financial assets such as leases, transferable contracts and purchased goodwill, expenditure on which would be intermediate consumption.

Intermediate consumption

The consumption of goods and services in the production process. It may be contrasted with final consumption and capital formation.

International Monetary Fund (IMF)

A fund set up as a result of the Bretton Woods Conference in 1944, which began operations in 1947. It currently has 190 member countries (at time of publication) including most of the major countries of the world. The fund was set up to supervise the fixed exchange rate system agreed at Bretton Woods and to make available to its members a pool of foreign exchange resources to assist them when they have balance of payments difficulties. It is funded by member countries' subscriptions according to agreed quotas.

Inventories

Finished goods (held by the producer prior to sale, further processing or other use) and products (materials and fuel) acquired from other producers to be used for intermediate consumption or resold without further processing as well as military inventories.

6 . K to L

Kind-of-activity unit (KAU)

An enterprise, or part of an enterprise, that engages in only one kind of non-ancillary productive activity or in which the principal productive activity accounts for most of the value added. Each enterprise consists of one or more kind-of-activity units.

Liability

A claim on an institutional unit by another body that gives rise to a payment or other transaction transferring assets to the other body. Conditional liabilities, where the transfer of assets only takes place under certain defined circumstances, are known as contingent liabilities.

Life assurance

An insurance policy that, in return for the payment of regular premiums, pays a lump sum on the death of the insured. In the case of policies limited to investments that have a cash value, in addition to life cover, a savings element provides benefits that are payable before death. In the UK, endowment assurance provides life cover or a maturity value after a specified term, whichever is sooner.

Liquidity

The ease with which a financial instrument can be exchanged for goods and services. Cash is very liquid whereas a life assurance policy is less so.

Lloyd's of London

The international insurance and reinsurance market in London.

7 . M to N

Marketable securities

Securities that can be sold on the open market.

Market output

Output of goods and services sold at economically significant prices.

Merchant banks

Monetary financial institutions whose main business is primarily concerned with corporate finance and acquisitions.

Mixed income

The balancing item on the generation of income account for unincorporated businesses owned by households. The owner or members of the same household often provide unpaid labour inputs to the business. The surplus is therefore a mixture of remuneration for such labour and return to the owner as entrepreneur.

Monetary financial institutions (MFIs)

As defined by the European Central Bank, these consist of all institutional units included in the central bank, deposit-taking corporations except the central bank and money market funds subsectors.

Money market

The market in which short-term loans are made and short-term securities traded. "Short-term" usually applies to periods of under one year but can be longer in some instances.

NACE

The industrial classification used in the EU. Revision 2 is the "Statistical classification of economic activities in the European Community in accordance with Commission Regulation (EC) No. 1893/2006 of 20 December 2006".

National income

The total value of goods produced, and services provided, by a country during one year, equal to the gross domestic product (GDP) plus the net income from foreign investments.

Net

After deduction of the consumption of fixed capital. Also used in the context of financial accounts and balance sheets to denote, for example, assets less liabilities.

Net domestic product

Net domestic product (NDP) is equal to gross domestic product (GDP) minus the consumption of fixed capital (CFC). This considers the decline in the value of fixed assets that are used up in the production process, because of wear and tear, and obsolescence.

Non-market output

Output of own account production of goods and services provided free or at prices that are not economically significant. Non-market output is produced mainly by the general government and non-profit institutions serving households (NPISH) sectors.

Non-observed economy

Certain activities that may be productive and also legal but are concealed from the authorities for various reasons, for example, to evade taxes or regulation. In principle these, as well as economic production that is illegal, are to be included in the accounts but are by their nature difficult to measure.

Non-profit institutions serving households (NPISH)

An institutional sector consisting of non-profit institutions that provide goods or services to households for free or at prices that are not economically significant. These include bodies such as charities, universities, churches, and trade unions.

8 . O to P

Operating leasing

The conventional form of leasing in which the lessee makes use of the leased asset for a period in return for a rental while the asset remains on the balance sheet of the lessor. The leasing payments are part of the output of the lessor and the intermediate consumption of the lessee (see also financial leasing).

Operating surplus

The balance on the generation of income account. Households also have a mixed income balance. It may be seen as the surplus arising from the production of goods and services before taking into account flows of property income.

Ordinary share

The most common type of share in the ownership of a corporation. Holders of ordinary shares receive dividends (see also equity).

Output for own final use

Production of output for final consumption or gross fixed capital formation (GFCF) by the producer. Also known as own-account production.

Own-account production

Production of output for final consumption or gross fixed capital formation (GFCF) by the producer. Also known as output for own final use.

Par value

A security's face or nominal value. Securities can be issued at a premium or discount to par.

Pension funds

The institutions that administer pension schemes. Pension schemes are significant investors in securities. Self-administered funds are classified in the financial accounts as pension funds. Those managed by insurance companies are treated as long-term business of insurance companies.

Perpetual inventory model (or method) (PIM)

A method for estimating the level of assets held at a particular point in time by accumulating the acquisitions of such assets over a period and subtracting the disposals of assets over that period. Adjustments are made for price changes over the period. The perpetual inventory model (PIM) is used in the UK National Accounts to estimate the stock of fixed capital and as such the value of the consumption of fixed capital.

Portfolio

A list of the securities owned by a single investor. In the balance of payments statistics, portfolio investment is investment in securities that does not qualify as direct investment.

Preference share

This type of share guarantees its holder a prior claim on dividends. The dividend paid to preference shareholders is normally more than that paid to holders of ordinary shares. Preference shares may give the holder a right to a share in the ownership of the company (participating preference shares). However, in the UK they usually do not, and are therefore classified as bonds.

Prices

See economically significant prices, basic prices, purchasers' prices.

Principal

The lump sum that is lent under a loan or a bond.

Production boundary

Boundary between production included in creating core economic accounts (such as all economic activity by industry and commerce) and production that is excluded (such as production by households that is consumed within the household).

Promissory note

A security that entitles the bearer to receive cash. These may be issued by companies or other institutions (see commercial paper).

Property income

Incomes that accrue from lending or renting financial or tangible non-produced assets, including land, to other units. See also tangible assets.

Public corporations

These are public trading bodies that have a substantial degree of financial independence from the public authority which created them. A body is normally treated as a trading body when more than half of its income is financed by fees. A public corporation is publicly controlled to the extent that the public authorities appoint a majority of the board of management or when public authorities can exert significant control over general corporate policy through other means.

Since the 1980s, many public corporations, such as the BT Group, have been privatised and reclassified within the accounts as private non-financial corporations. Public corporations can also exist in the financial sector.

Public sector

Central government, local government and public corporations.

Purchasers' prices

These are the prices paid by purchasers. They include transport costs, trade margins and taxes (unless the taxes are deductible by the purchaser from their own tax liabilities).

9 . Q to R

Quasi corporations

Unincorporated enterprises that function as if they were corporations. For the purposes of allocation to sectors and subsectors, they are treated as if they were corporations, that is, separate units from those to which they legally belong. Three main types of quasi corporation are recognised in the accounts:

- unincorporated enterprises owned by the government that are engaged in market production
- unincorporated enterprises (including partnerships) owned by households
- unincorporated enterprises owned by foreign residents

The last group consists of permanent branches or offices of foreign enterprises and production units of foreign enterprises that engage in significant amounts of production in the territory over long or indefinite periods of time.

Real national disposable income (RNDI)

Gross national disposable income adjusted for changes in prices and in the terms of trade.

Related companies

Branches, subsidiaries, associates or parents.

Related import or export credit

Trade credit between related companies included in direct investment.

Rental

The amount payable by the user of a fixed asset to its owner for the right to use that asset in production for a specified period of time. It is included in the output of the owner and the intermediate consumption of the user.

Rents

The property income derived from land and subsoil assets. It should be distinguished in the current system from rental income derived from buildings and other fixed assets, which is included in output.

Repurchase agreement (repo or reverse repo)

This is short for "sale and repurchase agreement". One party agrees to sell bonds or other financial instruments to other parties under a formal legal agreement to repurchase them at some point in the future, usually up to six months, at a fixed price.

Reverse repos are the counterpart asset to any repo liability. Repo or reverse repo transactions are generally treated as borrowing or lending within other investment, rather than as transactions in the underlying securities.

The exception is for banks, where repos are recorded as deposit liabilities. Banks' reverse repos are recorded as loans, the same as for all other sectors. Legal ownership does not change under a "repo" agreement. It was previously treated as a change of ownership in the UK financial account but under the System of National Accounts (SNA) is treated as a collateralised deposit.

Reserve assets

Short-term assets that can be very quickly converted into cash. They comprise the UK's official holdings of gold, convertible currencies, special drawing rights and changes in the UK reserve position in the International Monetary Fund (IMF). Also included between July 1979 and December 1998 are European Currency Units (ECUs) acquired from swaps with the European Monetary Cooperation Fund (EMCF), European Monetary Institute (EMI) and the European Central Bank (ECB).

Residents

These comprise general government, individuals, private non-profit-making bodies serving households and enterprises within the territory of a given economy.

Residual error

The term used in the former accounts for the difference between the measures of gross domestic product (GDP) from the expenditure and income approaches.

Resources and uses

The term resources refers to the side of the current accounts where transactions that add to the amount of economic value of a unit or sector appear. For example, wages and salaries are a resource for the unit or sector receiving them. Resources are by convention put on the right side or at the top of tables arranged vertically.

The left side (or bottom section) of the accounts, which relates to transactions that reduce the amount of economic value of a unit or sector, is termed "uses". To continue the example, wages and salaries are a use for the unit or sector that must pay them.

Rest of the world

This sector records the counterpart of transactions of the whole economy with non-residents.

10 . S to T

Satellite accounts

Satellite accounts describe areas or activities not dealt with by core economic accounts. These areas or activities are considered to require too much detail for inclusion in the core accounts or they operate with a different conceptual framework. Internal satellite accounts re-present information within the production boundary. External satellite accounts present new information not covered by the core accounts.

Saving

The balance on the use of income account. It is that part of disposable income that is not spent on final consumption and may be positive or negative.

Secondary market

A market in which holders of financial instruments can resell all or part of their holding. The larger and more effective the secondary market for any particular financial instrument, the more liquid that instrument is to the holder.

Sector

See institutional sector.

Securities

Tradable or potentially tradable financial instruments.

Special drawing rights (SDRs)

These are reserve assets created and distributed by decision of the members of the International Monetary Fund (IMF). Participants accept an obligation to provide convertible currency to another participant, when designated by the IMF to do so, in exchange for special drawing rights (SDRs) equivalent to three times their own allocation.

Only countries with a sufficiently strong balance of payments are so designated by the IMF. SDRs may also be used in certain direct payments between participants in the scheme and for payments of various kinds to the IMF.

Special purpose entities (SPEs)

These are generally organised or established in economies other than those in which the parent companies are resident and engaged primarily in international transactions but in few or no local operations.

Special purpose entities (SPEs) are defined either by their structure (for example, financing subsidiary, holding company, base company or regional headquarters) or their purpose (for example, sale and regional administration, management of foreign exchange risk, or facilitation of financing of investment).

SPEs should be treated as direct investment enterprises if they meet the 10% criterion. They are an integral part of direct investment networks as are, for the most part, SPE transactions with other members of the group.

Staged payments

See advance and progress payments.

Standard Industrial Classification (SIC)

The industrial classification applied to the collection and publication of a wide range of economic statistics. The current version, Standard Industrial Classification (SIC) 2007, is consistent with NACE, revision 2. See NACE for further details.

Standardised guarantees

These are normally issued in large numbers, usually for fairly small amounts, along identical lines. There are three parties involved in these arrangements: the debtor, the creditor and the guarantor. Either the debtor or creditor may contract with the guarantor to repay the creditor if the debtor defaults. The classic examples are export credit guarantees and student loan guarantees.

Subsidiaries

Companies owned or controlled by another company. Under Section 1159 of the Companies Act (2006) this means, broadly speaking, that another company either:

- holds a majority of the voting rights
- is a member and has the right to appoint or remove a majority of its board of directors
- is a member and controls alone (pursuant to an agreement with other members) a majority of the voting rights

The category also includes subsidiaries of subsidiaries.

Subsidies

Current unrequited payments made by general government or the EU to enterprises. Those made on the basis of a quantity or value of goods or services are classified as "subsidies on products". Other subsidies based on levels of productive activity (for example, numbers employed) are designated "other subsidies on production".

Suppliers' credit

Export credit extended overseas directly by UK firms other than to related concerns.

Supply table

Table of estimates of domestic industries' output by type of product. Compiled at basic prices and including columns for imports of goods and services, for distributors' trading margins and for taxes less subsidies on products. The final column shows the value of the supply of goods and services at purchasers' prices. This table shows which industries make which products: columns represent the supplying industries, rows represent the products supplied.

System of National Accounts (SNA)

The internationally agreed standard system for macroeconomic accounts. The latest version is described in SNA 2008.

Taxes

Compulsory unrequited transfers to central or local government or the EU. Taxation is classified in the following main groups: taxes on production and imports, current taxes on income wealth and so on, and capital taxes.

Technical reserves (of insurance companies)

These reserves consist of prepaid premiums, reserves against outstanding claims, actuarial reserves for life insurance and reserves for with-profit insurance. They are treated in the economic accounts as the property of policy holders.

Terms of trade

Ratio of the change in export prices to the change in import prices. An increase in the terms of trade implies that the receipts from the same quantity of exports will finance an increased volume of imports, so measurement of real national disposable income needs to take account of this factor.

Transfers

Unrequited payments made by one unit to another. They may be current transfers or capital transfers. The most important types of transfers are taxes, social contributions, and benefits.

Treasury bills

Short-term securities or promissory notes that are issued by the government in return for funding from the money market. Each week in the UK, the Bank of England invites tenders for sterling Treasury bills from the financial institutions operating in the market. European currency unit (ECU) or euro-denominated bills were issued by tender each month, but this programme has now wound down; the last bill was redeemed in September 1999. Treasury bills are an important form of short-term borrowing for the government, generally being issued for periods of three or six months.

11 . U to Z

Unit trusts

Institutions within the Other monetary financial institutions subsector through which investors pool their funds to invest in a diversified portfolio of securities. Unit trusts give individual investors the opportunity to invest in a diversified and professionally managed portfolio of securities, without the need for detailed knowledge of the individual companies issuing the stocks and bonds. They differ from investment trusts in that the latter are companies in which investors trade shares on the stock exchange, whereas unit trust units are issued and bought back on demand by the managers of the trust.

Uses

See resources and uses.

Use table

See combined use table.

United Kingdom (UK)

Broadly, in the accounts, the United Kingdom (UK) comprises Great Britain plus Northern Ireland and that part of the continental shelf deemed by international convention to belong to the UK. It excludes the Channel Islands and the Isle of Man.

Valuables

Goods of considerable value that are not used primarily for production or consumption but are held as stores of value over time, for example, precious metals, precious stones, jewellery and works of art.

Valuation

See basic prices, purchasers' prices, factor cost.

Value added

The balance on the production account: output less intermediate consumption. Value added may be measured net or gross.

Value Added Tax (VAT)

A tax paid by enterprises. In broad terms an enterprise is liable for VAT on the total of its taxable sales but may deduct tax already paid by suppliers on its inputs (intermediate consumption). Therefore, the tax is effectively on the value added by the enterprise. Where the enterprise cannot deduct tax on its inputs, the tax is referred to as non-deductible. VAT is the main UK tax on products.

12 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2025, ONS website, compendium chapter, [Glossary, UK National Accounts, The Blue Book: 2025]

Compendium

Background notes

Information about the compilation of the latest national accounts including quality and reliability issues.

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Release date:
31 October 2025

Next release:
To be announced

Table of contents

1 . Feedback

We welcome your feedback on this publication. Please email blue.book.coordination@ons.gov.uk if you would like to get in touch.

2 . Release policy

This release includes data up to 2025. Data are consistent with:

- our Index of Production bulletin, published on 16 October 2025
- our Index of Services bulletin, published on 16 October 2025
- the current price trade in goods data within our UK trade: August 2025 bulletin, published on 16 October 2025
- the Construction output price indices dataset, published on 14 August 2025
- our Balance of payments bulletin, published on 30 September 2025
- our GDP quarterly national accounts bulletin, published on 30 September 2025
- the UK Economic Accounts dataset, published on 30 September 2025

3 . Continuous improvement of sources, methods and communication

During 2025, we published a series of articles detailing changes that will affect Blue Book 2025. These articles can be found on the Office for National Statistics (ONS) website using the following keywords: BlueBook2025, BB25 and National Accounts.

4 . National accounts classification decisions

The UK National Accounts are produced under internationally agreed guidance and rules set out in the European System of Accounts: ESA 2010 (PDF, 6.4MB) and the accompanying Manual on Government Deficit and Debt: Implementation of ESA 2010 to 2016 edition (MGDD) (PDF, 3.7MB).

In the UK, we are responsible for the application and interpretation of these rules. Therefore, we make classification decisions based on the agreed guidance and rules, as shown in our UK economic statistics sector and transaction classifications: the classification process methodology.

5 . Economic context

We publish economic commentary, giving commentary on the latest gross domestic product (GDP) estimate and our other economic releases. The next commentary will be published on 22 December 2025.

6 . Important quality issues

Commonly occurring issues in interpreting the series include:

- expectations of accuracy and reliability in early estimates are often too high
- revisions are an inevitable consequence of the trade-off between timeliness and accuracy
- early estimates are based on incomplete data

Very few statistical revisions arise because of "errors". All estimates, by definition, are subject to statistical "error". In this context, the word refers to the uncertainty inherent in any process or calculation that uses sampling, estimation, or modelling.

Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information, which allow the statistical error of previous estimates to be reduced. Only rarely are there avoidable "errors", such as human or system failures, and such mistakes are made clear when they do occur.

On 31 October 2025, we published the latest analysis in our GDP revisions in Blue Book article.

7 . The quality of Blue Book estimates

Unlike many of the short-term indicators we publish, there is no simple way of measuring the accuracy of the Blue Book dataset. All estimates, by definition, are subject to statistical uncertainty.

For many well-established statistics, we measure and publish the sampling error and non-sampling error associated with the estimate, using this as an indicator of accuracy. Since sampling is typically done to determine the characteristics of a whole population, the difference between the sample and population values is considered a sampling error. Non-sampling errors are a result of deviations from the true value that are not a function of the sample chosen, including various systematic errors and any other errors that are not because of sampling.

The Blue Book dataset, however, is currently constructed from various data sources, some of which are not based on random samples or do not have published sampling and non-sampling errors available. This makes it very difficult to measure both error aspects and their impact on gross domestic product (GDP). While development work continues in this area, like all other G7 national statistical institutes (NSIs), we do not publish a measure of the sampling error or non-sampling error associated with this dataset.

8 . Reliability

Estimates for the most recent quarters are provisional and are subject to revision in the light of updated source information. We currently provide an analysis of past revisions in the gross domestic product (GDP) and other statistical bulletins that present data time series.

Our revisions to economic statistics web page brings together our work on revisions analysis, linking to articles and revisions policies. Revisions to data provide one indication of the reliability of main indicators.

9 . Further information

You can see all of our latest releases on the Office for National Statistics (ONS) release calendar.

Details of the policy governing the release of new data are available from the UK Statistics Authority.

We are committed to ensuring that all information provided is kept strictly confidential and will only be used for statistical purposes. Further details regarding confidentiality can be found in our Respondent charter for business surveys and in our Respondent charter for households.

10 . Code of Practice

National Statistics are produced to high professional standards set out in the Code of Practice for Statistics. They undergo regular quality assurance reviews to ensure that they meet user needs. They are produced free from any political interference.

11 . Cite this chapter

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