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Prime Minister (e)
To note
AT 7/6

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Andrew Turnbull Esq
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London SW1

7 June 1984

Dear Andrew

US PROTECTIONISM

In connection with the likely discussion during the Summit of trade protectionism and debtor countries, the Chancellor thought the Prime Minister might be interested to see the attached note of two current US examples.

She will be aware already that President Reagan is under a good deal of pressure domestically to impose restrictions which would damage export prospects of debtor countries. However, we must plainly be careful in references to this, given that the European Community, including the UK, maintains a number of restrictions which harm similar export prospects.

Nevertheless, against the background illustrated by the attached examples, we would like to hope that the President would find it helpful for the Summit to speak out strongly against further protectionist measures, and to acknowledge the importance of allowing export outlets to debtor countries.

Yours ever
David

D L C PERETZ
Private Secretary



TWO EXAMPLES OF US PROTECTIONISM

First, Brazil seeks further outlets for such exports as steel, footwear, fruit juices. She has been having success in the United States market, but this in turn has provoked vigorous US domestic opposition, partly invoking anti-dumping arguments, and Brazil has recently been driven to impose a 27.4 per cent export tax on certain major products. But the fear of further US restrictions which would inhibit Brazilian export prospects has by no means been removed.

Perhaps more striking is the case of Chile, which relies to an important extent on exports of copper. In January of this year 11 major United States copper producers petitioned for the imposition of copper quotas to protect domestic industry affecting mainly Chile, Zaire, Zambia and the Philippines (all important debtors). No decision from the President is expected until the end of September.



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Measuring Import Penetration in the UK

by

Hugh Bredenkamp

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June 1984

MEASURING IMPORT PENETRATION*

1. UK firms are in competition with foreign producers for market share both at home and abroad. As international specialisation has developed and the volume of trade expanded, it has become common practice to assess a country's economic performance in the light of certain summary trade statistics. For this purpose, import penetration is often used as an indicator of UK producers' success in the home market, and the share of UK exports in world trade as a measure of their export performance. Both measures can refer either to the economy as a whole or to individual sectors such as manufacturing.

2. The aim of this paper is primarily to consider the problems involved in measuring import penetration, to arrive at useful and consistent definitions and to present and compare the resulting figures with other published series. The figures presented here attempt to measure the average extent to which the appropriately defined potential market, or demand, for UK production is met instead by imports. They do not refer to the effect on imports of a change in the size of the market, which may well differ and would require assumptions about the effects of other determinants of import demand (that is, they measure average rather than marginal propensities to import). Nor should they necessarily be seen as measuring the proportion of expenditure by UK residents which "leaks" abroad. When the market is defined in terms of home sales, for example, a significant part of expenditure on imports is retained in the domestic economy through indirect taxation or as payments to UK distributors. However, full account is taken of the effects on UK producers of a switch in final demand between domestic output and imports.

3. There are two main conceptual problems involved in the measurement of import penetration: the definition of the "potential market", and the valuation and classification of output and trade on a consistent basis. Neither problem can be solved unequivocally, but it is important to set out and analyse the relative merits and pitfalls of the alternative methods and this is done in the following two sections. The conclusions we draw are then translated into simple algebraic expressions for import penetration, both for individual sectors and for the whole economy. There is then a short section on the data and the mechanics of constructing our chosen indices, spelling out our assumptions about the way the basic parameters change through time. The paper finishes with a section which presents and discusses the resulting figures, comparing them with other measures and considering briefly what conclusions can and cannot be drawn from them.

*I am grateful for comments from colleagues in the Bank of England, the Department of Trade and Industry, the Central Statistical Office and the Treasury. As usual, the views expressed here are my own and do not necessarily represent those of H.M. Treasury.

Defining the Potential Market for UK Output

4. One possible measure of import penetration is the ratio of imports to total final expenditure, which comprises domestic expenditure and exports or, equivalently, UK output plus imports. The inclusion of exports in the measure of market size can be justified on the grounds that scope exists for substitution between imports and UK output in the market for intermediate inputs used in the production of exports. For example, export demand for British cars generates domestic demand for car components (engines, headlamps etc), which can in turn be produced either at home or abroad. It could be argued that this element of demand should be included in our definition of the "potential market".

5. However, the level of exports is an element of realised (ex post) demand and is therefore inappropriate for inclusion in a measure of potential (ex ante) market size. Home demand, in contrast, is likely to be relatively little affected by factors which determine both the domestic output/imports split and the level of exports, eg competitiveness.¹ In principle, we could guess at the volume of exports consistent with the maximum attainable share of world trade and include that in the measure of market size, though the resulting figures for import penetration may be more difficult to interpret².

6. Instead, the market is defined here as domestic demand, ie it excludes exports from the denominator altogether, and in this sense is consistent with most other published measures. However, this has one further implication which is not generally followed through; namely that if the market for intermediate goods used in the production of exports is to be excluded, so also should be the imports which service that market. To continue our example, we would want to exclude from the numerator imported components used to produce British cars which are destined for export. The import content of exports, both direct (re-exports) and indirect (imported inputs), was therefore subtracted from total imports in the numerator and denominator.

¹ Strictly speaking this is an assumption, since changes in the terms of trade will affect real incomes and, thereby, home demand. The argument is that the real income effects of a change in the terms of trade are small relative to the expenditure-switching effects.

² It has been argued (J.J. Hughes and A.P. Thirlwall "Trends and Cycles in Import Penetration in the UK": Oxford Bulletin of Econ. and Stats. 1977, vol. 39 p.304) that the exclusion of exports from the denominator makes the measure of import penetration sensitive to movements in exports even when output and imports are unchanged. Our view is that this does not mean that domestic demand is a misleading measure of market size, but rather it brings out the need to look at import and export performance together (see p.13 below).

7. A measure of import penetration used at one time by the Bank of England (see BEQB September and December 1982) also excluded part of stockbuilding from the denominator - specifically, manufacturers' stocks of finished goods and work-in-progress. This was done on the assumption that these categories would necessarily have zero direct import content. However, the numerator - total imports of manufactures - included imported manufactures used as inputs to the domestic manufacturing sector. Consistency requires that the measure of market size should allow for the indirect import content of manufacturers' stocks of finished goods and work-in-progress, which will not generally be zero. It is, in any case, possible that the direct import content is also non-zero; for example, if a multinational imports finished goods from a foreign subsidiary and initially adds them to its own stocks. For these reasons, no adjustment for stockbuilding was made to the measure of market size used here.

8. Finally, care must be taken not to overstate the size of the market by double-counting intermediate imports when output and trade are measured in gross terms (ie including bought-in inputs). Thus if gross output of manufactures is included in the denominator, imports of manufactures used as inputs to domestic manufacturing are already accounted for and should not be included a second time in total manufactured imports.³

Valuation and Classification

9. The addition of output and imports in the measure of market size raises the question of consistent valuation. National accounts data for GDP, and contributions to it by individual industries, are compiled in terms of value-added or "net output". The volume of imports and exports, on the other hand, is measured in terms of sales or "gross output". It follows that import penetration ratios (IPRs) should either use output on a "gross-output-equivalent" basis, or convert imports and exports to "net-output-equivalents". The first method is the most commonly used, and involves multiplying net output in the denominator by a gross/net ratio calculated from input-output tables for a particular year (the last published figures relate to 1979).

10. There are, however, major problems with the measurement of gross output which arise from the fact that the gross output of one firm, industry or sector (as measured, say, by total sales) will necessarily include the gross output of other firms, industries or sectors in the form of intermediate inputs. Thus, any summation across firms, industries or sectors will generally involve some element of double-counting.

³ These inputs are not the subject of "intra-industry" transactions, and therefore their treatment differs from that of domestic inputs, as outlined in the following section.

11. The concept of gross output is therefore inherently ambiguous, since it depends on the extent to which intra-firm, intra-industry or intra-sector transactions are excluded. Consider a large input-requirements matrix such as the 99 industry-by-industry flow matrix presented as Table D in the 1979 Input-Output tables. The sum of the gross outputs excluding intra-industry transactions for the 99 industries gives one figure for total gross output. However, if the matrix were "shrunk", by aggregation across industries, to form, say, a four-sector economy, exclusion of intra-sector transactions (since there are fewer sectors) would lead to a different figure for total gross output. In general, gross output defined on this basis will depend on the level of aggregation.⁴

12. It was for this reason that we chose here to define gross output to include all intra-industry and intra-sector transactions registered in the available input-output tables. Although this means that gross output is invariant for any matrix derived from a given set of tables, it will still depend on the definition of the establishment used when compiling those tables from raw data.

13. In principle, the concept of net output avoids these problems. By definition, the value-added by one establishment cannot incorporate that of another, and so summation across establishments will not involve double-counting. On this basis, the concept of net output would be clearly preferable to that of gross output. In practice, however, we exchange one measurement problem for another - the problem of valuation of imports.

14. There are three aspects to this problem. Firstly, we have no practical way of calculating the average net/gross ratio for foreign producers as a whole. Assuming net/gross ratios vary from country to country, the average net/gross ratio for UK imports would depend not only on the commodity - composition of imports but also on their geographical source. Even if consistent data were available, the computational problems would be considerable.

15. Secondly, it can be argued that, in any case, it is not the actual net/gross ratio abroad which is the relevant concept when measuring the extent to which domestic net output is displaced by imports. Consider import penetration for the economy as a whole, and therefore the valuation of total imports (ie from all sectors of "the foreign economy"). One unit of imported foreign production will displace $(1-x)$ units of net domestic output and x units of imported inputs, where x is the average ratio of imported inputs to gross output in the domestic economy.⁵ However, the parameter x is largely free to vary between 0 and 1,

⁴ Total gross output will fall as the level of aggregation increases.

⁵ Note that we are not attempting here to allow for second-round macro-economic effects; there is a one-for-one relationship between increased imports and domestic output displaced. We also ignore the indirect domestic output content of imports.

according to economic factors (eg price or non-price competitiveness). Suppose, in a one-sector economy, the UK imports one extra car, worth £5,000. For given demand, this implies one less car produced domestically. If all raw materials, components and other inputs to domestic car production are themselves wholly domestically produced (x is zero), then clearly £5,000 of domestic net output will have been displaced. If, on the other hand, say, the tyres used on British cars are imported (x is non-zero) the effect of the additional imported car on total import penetration will automatically be smaller since, *ceteris paribus*, imports of tyres will fall as imports of cars rise. Thus any increase in total imports will potentially displace an equivalent volume of UK net output⁶; to the extent that x is non-zero, there will be an offsetting effect on the total volume of imports (as fewer intermediate imports are required). Hence the net/gross ratio assumed for total imports is unity.

16. When measuring import penetration in a particular sector (eg manufacturing), the reasoning is the same but the conclusion slightly different. In this case an increase in imports of, say, manufactures will not displace an equal volume of net output in domestic manufacturing to the extent that some of gross manufacturing output is value-added in the non-manufacturing sector.⁷ The net output of the foreign manufacturing sector is therefore defined as gross output less intermediate inputs of non-manufactures (domestic and foreign), where the proportion of the latter in gross output is assumed to be the same as in the UK economy. Thus, the net/gross ratio for manufactured imports will be less than unity but greater than that for domestic manufacturing, where net output is defined to exclude all intermediate inputs.

17. The third aspect of the import valuation problem arises from the fact that it is still necessary to decide on a figure for gross output when calculating the appropriate sectoral net/gross ratios. It follows that if gross output is not uniquely defined, neither are net/gross ratios, and it is in this sense that the problem is shifted from the valuation of domestic output (when using gross-output-equivalents) to the valuation of imports (when using net-output-equivalents).

⁶ The assumption here is that there exist domestic substitutes for all imports to intermediate demand. In practice, of course, this will not always be the case.

⁷ The assumption throughout is that "technological coefficients" are unchanged through time, ie the same inputs are used in the same proportions. All that changes is the source of supply of those inputs. The concepts of "import content" and "non-manufacturing content" should not be confused.

18. In addition to the valuation problem, the use of output and trade data together also raises the question of consistent classification. Output data is currently based on the 1980 Standard Industrial Classification (SIC), while trade data conforms to the Standard International Trade Classification (SITC). Differences between the two, for example in their respective definitions of the manufacturing sector, are significant. We have adopted the SIC throughout, using "conversion factors" calculated from Overseas Trade Statistics in 1979, to create series for imports and exports on an SIC basis.⁸

Formal Definitions

19. The formulation of logically consistent measures of import penetration requires explicit recognition of the links between final and intermediate demands, and between the various sectors of the economy. A rigorous statement of the conclusions arrived at in previous sections therefore requires the use of matrix algebra, and this is set out in Annex I. It is possible, however, to convey the essence of these fairly complex expressions in less precise but perhaps more digestible scalar form.

20. Consider first the definitions of import penetration for the economy as a whole. When output is valued in gross terms, the import penetration ratio can be expressed as:

$$(1) \quad RWG = \frac{M - M_x}{Q - M_t + M - X} \quad \text{WHOLE-ECONOMY GROSS}$$

where M = total imports
 X = total exports
 Q = total gross output
 M_x = import content of total exports
 M_t = import content of total domestic output

21. The numerator represents total imports, less the import content of exports. The latter includes both re-exports and intermediate inputs used in all stages of the production of exports. In the denominator, the market is defined as the sum of domestic gross output (less its import content, which is included in M) and total imports minus total exports. Note that, because exports are measured in gross terms, deducting X from the denominator implicitly removes the import content of exports, making numerator and denominator consistent.

⁸See Annex II

22. When both output and trade are valued in net terms, the expression looks slightly different:

$$(2) \quad RWN = \frac{M - M_x}{Y - \beta X + M - M_x}$$

where Y = total net output (= βQ)

β = net/gross ratio for total output

The numerator is unchanged, since the assumed net/gross ratio for imports is unity. In the denominator, with exports valued in net terms, it is necessary to deduct the import content of exports explicitly. However, gross exports are the sum of value-added domestically and total import content:

$$(3) \quad X = \beta X + M_x$$

So;

$$(4) \quad RWN = \frac{M - M_x}{Y + M - X} \quad \text{WHOLE-ECONOMY NET}$$

Note that if gross output were defined to exclude intra-sector transactions, net output would be equal to gross output less its import content and expressions (4) and (1) would be equivalent. This is explained further in paragraph 26 below.

23. For the constituent sectors of the economy, the expressions are analogous, but slightly more complicated:

$$(5) \quad R_jG = \frac{M^j - M_x^j}{Q^j - M_t^j + M^j - C_x^j} \quad \text{jth SECTOR GROSS}$$

$$(6) \quad R_jN = \frac{\alpha^j (M^j - M_x^j)}{y^j + \alpha^i (M^j - M_x^j) - \beta^j C_x^j} \quad \text{jth SECTOR NET}$$

where M^j = total imports of j

M_x^j = imports of j in total exports

- Q^j = total gross output of j
 M_t^j = imports of j in total output
 C_x^j = domestic output of j in total exports
 α^j = foreign net/gross ratio for the jth sector
 β^j = domestic net/gross ratio for the jth sector
 Y^j = net output of j ($= \beta^j Q^j$)

As before, the intention is to measure imports as a proportion of home demand, excluding both the domestic and foreign output content of exports.⁹

Data and Computation

24. As well as import penetration ratios for the whole economy, we report below separate estimates for the manufacturing and non-manufacturing sectors. For all data on trade and output, Treasury model variables were used as the starting point. The index of net manufacturing output used on the Treasury model conforms to the SIC (1980) definition and so, with appropriate scaling, could be used directly. For whole economy net output, the average estimate of GDP at factor cost (1980 prices) is used. The trade data on the model, however, has to be made consistent with the SIC definition of manufacturing, using "conversion factors" (see Annex II). This was done in preference to using Commodity Flow accounts trade data, mainly because it means that figures for import penetration can be readily computed from Treasury forecasts or simulations. For the current price series, it was necessary to construct a price index (deflator) for net manufacturing output. This was done using an average of the producer price index (PPI), which applies only to domestic sales, and the average value index (AVI) for exports of manufactures, weighted by the proportions of domestic sales and exports respectively in gross output. The result is only an approximation to the true deflator, partly because the PPI is base-weighted rather than current-weighted, and partly because we have assumed that price indices for gross output and net output are the same. The current price series in Table 1 are therefore less accurately measured than their constant price counterparts.

25. The parameters used in the calculations are derived primarily from Tables B and C of the 1979 Input-Output Tables, aggregated from 99x99 to 2x2 industry level. The program used to generate the figures for import penetration uses the matrix algebra expressions (8),

⁹ the apparent asymmetry between the whole economy import penetration ratios and their sectoral counterparts arises from (a) the fact that we exclude not the total (net or gross) output content of exports of j, but the "j content" of total exports, and that (b) the denominator of (6) cannot be simplified, using an expression like (3), to make it compare directly with the whole-economy version.

(10), (14) and (15) in Annex I. The net-gross ratios (V_D) are assumed to be constant (see footnote 7, p.5) at the average of 1974 and 1979 values, from Input-Output Tables¹⁰. However, each input-requirement coefficient (in A_D and A_I) is adjusted, for each observation, by the proportionate change in the relevant IPR in the previous period. The base period is 1979 Q1. This is a way of allowing the split between domestic and foreign sources of inputs to production to change over time, as import penetration of the total market (final and intermediate) changes.

Interpreting and Comparing the Figures

26. Table 1 presents annual average figures for import penetration calculated using the procedures outlined above. One obvious feature is that the net IPRs are very much larger than their gross counterparts, both for the whole economy and for individual sectors. Furthermore, a crude calculation based on national accounts data¹¹ suggests that import penetration for the whole economy, according to our definitions, was around 23 per cent in 1980. Intuitively, this figure should be the same whether we use net-output-equivalents or gross-output-equivalents. The reason why the figures for gross import penetration appear "low" is that double-counting of intra-sectoral flows inflates gross output, and thereby the measure of potential market size. Since this double-counting is removed in the net measure, the 1980 figure for net import penetration corresponds quite closely to that implied by the national accounts. In principle, we could make some adjustment to the numerator in the gross measure to allow for intra-industry transactions associated with the production of imports. This has not been done here. The scale of the series for net IPRs is therefore probably more meaningful than that for their gross counterparts.

27. A second, less obvious feature is that there is no simple way of weighting together the IPRs for the individual sectors to arrive at the appropriate whole economy figure. The problems arise because of the "partial" nature of the sectoral measures. For example, in the gross measure, total demand for manufactures includes gross domestic output of manufactures and imports of manufactures used by the non-manufacturing sector. Similarly, demand for non-manufactures includes domestic output plus non-manufactured imports used by producers of manufactures. Total demand in the whole economy measure, however, excludes these "cross-sector" terms since intermediate demand for one sector's

¹⁰ the net-gross ratio in manufacturing rose between the two years. It is assumed that this reflects the tendency for value-added (notably profits) to fall as a proportion of gross output when output is falling. Since 1974 and 1979 coincided with opposite points on the cycle, the "long-run" net-gross ratios are taken to lie between the values recorded for these years.

¹¹ 1983 Blue Book. Table 1.1. Assuming the total import content of exports is 20%.

Table 1

IMPORT PENETRATION: ANNUAL AVERAGE %

GROSS	Whole Economy		Manufacturing		Non-Manufacturing (including oil and services)	
	Constant Prices	Current Prices	Constant Prices	Current Prices	Constant Prices	Current Prices
1970	12.8	12.4	14.2	15.4	11.1	8.8
1971	13.4	12.1	15.0	15.3	11.6	8.9
1972	13.9	12.1	16.3	16.3	11.6	8.1
1973	14.2	14.1	17.1	19.6	11.4	9.0
1974	14.6	17.5	18.1	22.1	11.3	12.6
1975	13.8	15.0	18.5	20.9	10.1	10.1
1976	14.1	16.3	19.5	22.7	9.8	10.8
1977	13.8	16.5	20.4	23.3	8.8	10.2
1978	14.1	15.6	21.8	23.8	8.4	8.8
1979	14.8	16.0	23.8	25.2	8.5	8.7
1980	15.0	15.0	26.2	26.2	7.9	7.9
1981	14.9	14.6	27.5	26.3	7.4	7.7
1982	15.1	14.9	28.8	27.4	7.1	7.6

NET	Whole Economy		Manufacturing		Non-Manufacturing (including oil and services)	
	Constant Prices	Current Prices	Constant Prices	Current Prices	Constant Prices	Current Prices
1970	21.3	21.3	25.6	27.4	14.1	11.6
1971	21.9	20.8	26.6	27.1	14.7	11.7
1972	22.8	20.5	28.5	28.6	14.7	10.7
1973	23.2	23.3	29.7	33.0	14.4	11.7
1974	23.8	28.1	31.2	36.5	14.3	16.2
1975	22.5	24.2	31.6	34.9	12.9	13.1
1976	22.7	25.9	32.9	37.2	12.6	13.9
1977	22.4	26.5	34.1	38.0	11.4	13.2
1978	22.7	25.1	36.0	38.5	10.8	11.4
1979	23.8	25.6	38.4	40.2	11.0	11.4
1980	23.7	23.7	41.5	41.5	10.4	10.4
1981	23.4	23.0	43.0	41.7	9.8	10.2
1982	23.6	23.4	44.5	42.9	9.4	10.0

output by another is already accounted for in total domestic output (see footnote 3, p.3). This is set out more fully in Annex I, where the formal result is obtained that sectoral IPRs should be weighted together by share of sectoral in total demand ("market size"), where all demands are measured in foreign-gross-output-equivalents. The appropriate weights obviously change over time as the composition of output changes.

28. The IPRs have been calculated using both constant and current price data, and it is clear from Table 1 that movements in import penetration over time are heavily influenced by which set of prices is used. With import penetration defined essentially as imports over home sales, a current-price measure will rise faster than a constant-price one when import

prices are rising faster than domestic prices generally (where the latter includes import prices). This phenomenon is exhibited, for example, in the figures for manufacturing (net or gross); the current-price measure rises faster with the fall in the sterling effective exchange rate from 1971 to 1976, and rises slower than the constant-price measure during the 1977-1980 appreciation¹². For the economist, both measures are of interest. The constant price measure, abstracting as it does from movements due purely to relative price changes, might be more relevant when considering the impact of trade on output and employment. The current price measure, on the other hand, is a better indicator of effects on national income since it incorporates changes in the terms of trade as well as in the volume of trade and output.

29. Presenting figures for the whole economy alongside those for manufacturing and other industries separately brings out the diverse trends in import penetration across sectors. For the economy as a whole, import penetration has been broadly flat in constant prices since the mid-1970s, after a small rise between 1970 and 1974. From Table 1 it is clear that this is the net result of a rising trend in manufacturing and a falling trend in the rest of the economy. The latter was evident even before the advent of North Sea oil in 1977-78, but has become more pronounced as net imports of crude oil have fallen. This, in turn, has been accompanied by faster growth in import penetration for manufactures since 1977. Note that these trends are rather less marked in the current price series, reflecting the tendency for volume and relative price movements to offset each other. For non-manufacturing, the current price series is strongly affected by high commodity prices (oil and non-oil) in the mid-1970s. Figures for non-oil non-manufacturing, ie mainly services and basic materials, using a crude measure not reported here, suggest that import penetration over the 1970s and early 1980s in these industries has been broadly flat in constant prices and declining slightly in current prices.

30. The Department of Trade and Industry regularly publish figures for import penetration in manufacturing, and sub-categories thereof (though not for other sectors of the economy). Table 2 compares their figures with those computed using the procedures outlined above. Both series measure imports as a percentage of home demand for SIC manufacturing in gross terms, and both are in current prices. However, the DTI series shown here is based on the 1968 SIC definition of manufacturing, since a full run of figures on the revised definition has not yet been published.

¹² Between 1971 Q4 and 1976 Q4, finished manufacturers' import prices (UVIs) rose on average by 20 per cent pa, compared with 15 per cent pa growth in the GDP deflator. The corresponding figures for the period 1976 Q4 to 1980 Q4 are 5 per cent pa and 14 per cent pa respectively. Changes in the composition of imports will also effect the relative paths of the two series.

Table 2

IMPORT PENETRATION IN MANUFACTURING

	HMT (gross) ¹³	DTI ¹⁴
1971	15.4	17.1
1972	15.3	18.2
1973	16.3	21.4
1974	19.6	23.3
1975	22.1	21.9
1976	20.9	23.0
1977	22.7	23.9
1978	23.3	24.7
1979	23.8	25.7
1980	25.2	25.3
1981	26.2	27.4
1982	26.3	28.4

31. The two series will move differently if only because, as explained in paragraph 24, we have had to use an approximation to the deflator for gross output. However, the difference in the levels of the two series can be seen by comparing the 1980 figures (when the current price/constant price distinction is inoperative). The small discrepancy of 0.1 percentage points can be ascribed to (a) the inclusion of the import content of exports in the numerator of the DTI series and its exclusion from the HMT series, (b) the double-counting of intermediate imports in the denominator of the DTI measure,¹⁵ and (c) the differences in the definition of the manufacturing sector.

32. The Bank of England's published figures (cf paragraph 7 above) for constant price import penetration in manufacturing are very much higher than those proposed here, for two reasons. Firstly, as with the DTI measure, the Bank's formula excludes the import content of exports in the denominator (implicitly, by subtracting gross exports) but not in the numerator. Secondly, the Bank adopt a different definition of gross output to that used

¹³ Corresponds to expression (5) above. The figures are taken from the current price series in Table 1.

¹⁴ Ratio 1, published in British Business prior to November 1983 (since then published figures have been on an SIC (80) basis). The main difference in classification is that the SIC(80) excludes mineral oil refining and solid fuel production from "manufacturing".

¹⁵ These two features will have an offsetting effect on the size of the DTI ratio: hence the small discrepancy.

here; namely they exclude manufactured inputs to manufacturing ("intra-sector" transactions) on the grounds that these would otherwise be double-counted. As we argued above, there is no definition of gross output which is both invariant to the level of aggregation and avoids double-counting, and the Bank's definition is therefore a defensible one. However it does mean that the resulting measure of market size will be considerably smaller (for manufacturing, intra-industry transactions¹⁶ amounted to about one third of gross output in 1979), and the import penetration ratio larger.¹⁷

33. Aside from the problems of comparing different measures of import penetration, there is a more fundamental issue; namely, how figures for import penetration (on whatever measure) should be interpreted. On its own, import penetration can be seen as one characteristic of the structure of an economy (in the same way as, say, the proportion of the workforce employed in agriculture or services). But more usually import penetration is interpreted as being an indicator of trade performance in particular and of the "state of health" of the economy in general.

34. It is here that special care should be taken to consider other relevant economic factors. The contribution of international trade to domestic output and employment is represented, for given domestic demand, by the trade balance, which clearly depends as much on movements in exports as on the success of import-competing industries. For an individual sector, even a deteriorating trade balance need not be cause for concern if it reflects a shift in comparative advantage and is offset by an improving balance in other sectors. Furthermore, a higher level of trade (for a given balance) will tend to raise the level of both domestic demand and productive potential (through efficiency gains in consumption and production) and so lead to higher output and employment. These points demonstrate the need to consider import and export performance jointly, for all sectors of the economy. In addition, reference should be made to the cyclical position of the UK economy relative to that of the rest of the world. A deteriorating trade balance is often associated with the start of a recovery phase in which the initial effect of increased demand is to raise imports, and possibly to divert production towards the domestic market which would otherwise have been exported. Similarly, an improving balance may be as much the product of a recession as of improving trade performance.

¹⁶ ie as recorded in the input-output tables for "manufacturing industry" as a whole. At the SIC industry level, intra-industry transactions are excluded when compiling the tables.

¹⁷ The Bank measure excludes from the denominator the total import content of manufactured exports, while our measure excludes the manufactured import content of total exports. It is not clear "a priori" whether this will tend to exaggerate the size of the potential market, on our definition, or underestimate it.

35. It is also important to assess movements in the volume of trade alongside changes in the terms of trade. Consider a hypothetical economy with a floating exchange rate and no capital flows. In this case, an improved "trade performance" (e.g. better non-price competitiveness) will be reflected not in a higher trade balance, which must always be zero in value terms, but in better terms of trade. Indeed, since better terms of trade imply poorer price-competitiveness, the volume balance will be worse in equilibrium, though possibly at a higher level of trade. In general, an improvement in the terms of trade is one route through which international trade contributes to higher real incomes at home.

36. These points can be illustrated by reference to Table 3, which shows figures for the ratio of imports to home demand (TFE less exports) and the ratio of exports to output¹⁸ for the whole economy excluding oil. Note that the constant (1980) price ratio is similar to the whole economy net measure defined in paragraph 22. The main differences are that the import content of exports is not excluded from the figures below and, of course, that the earlier figures include oil.

Table 3

STATISTICS FOR THE WHOLE ECONOMY LESS OIL

	Imports/Domestic Expenditure		Exports/Output	
	1980 Prices	Current Prices	1980 Prices	Current Prices
1970	15.8	20.4	20.4	22.2
1971	16.3	19.8	21.3	22.2
1972	18.0	20.1	21.0	21.2
1973	19.2	23.5	22.0	23.0
1974	20.3	27.3	24.1	26.8
1975	19.8	24.1	23.8	25.1
1976	20.4	25.7	24.9	27.5
1977	21.6	27.2	26.1	29.3
1978	21.8	25.8	25.5	27.8
1979	23.9	26.3	25.4	26.9
1980	24.4	24.4	26.2	26.2
1981	24.3	23.3	25.4	24.6
1982	24.7	23.7	25.0	24.1

Over the period 1970 to 1976, ie before North Sea Oil made a significant impact on the UK economy, the ratio of imports to domestic demand rose from 15.8% to 20.4% at constant prices. We can note firstly that, over the same period, the constant price export-output ratio for the non-oil economy also rose and by almost exactly the same amount (4.5 points,

¹⁸ TFE less imports. This is similar to the DTI exports/sales ratio (British Business; Ratio 3), except that here intermediate transactions are excluded

IMPORT PENETRATION AND EXPORT-OUTPUT RATIOS (%)

WHOLE ECONOMY EXCLUDING OIL

CHART 1

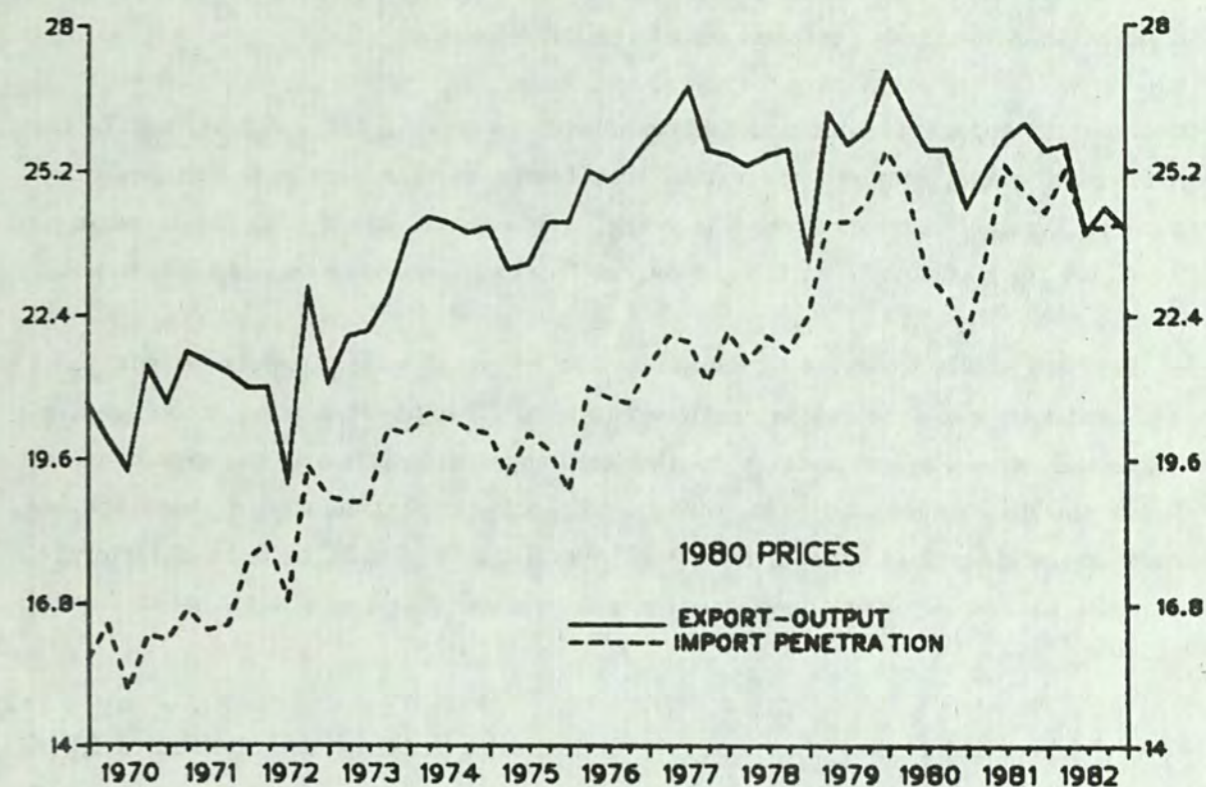
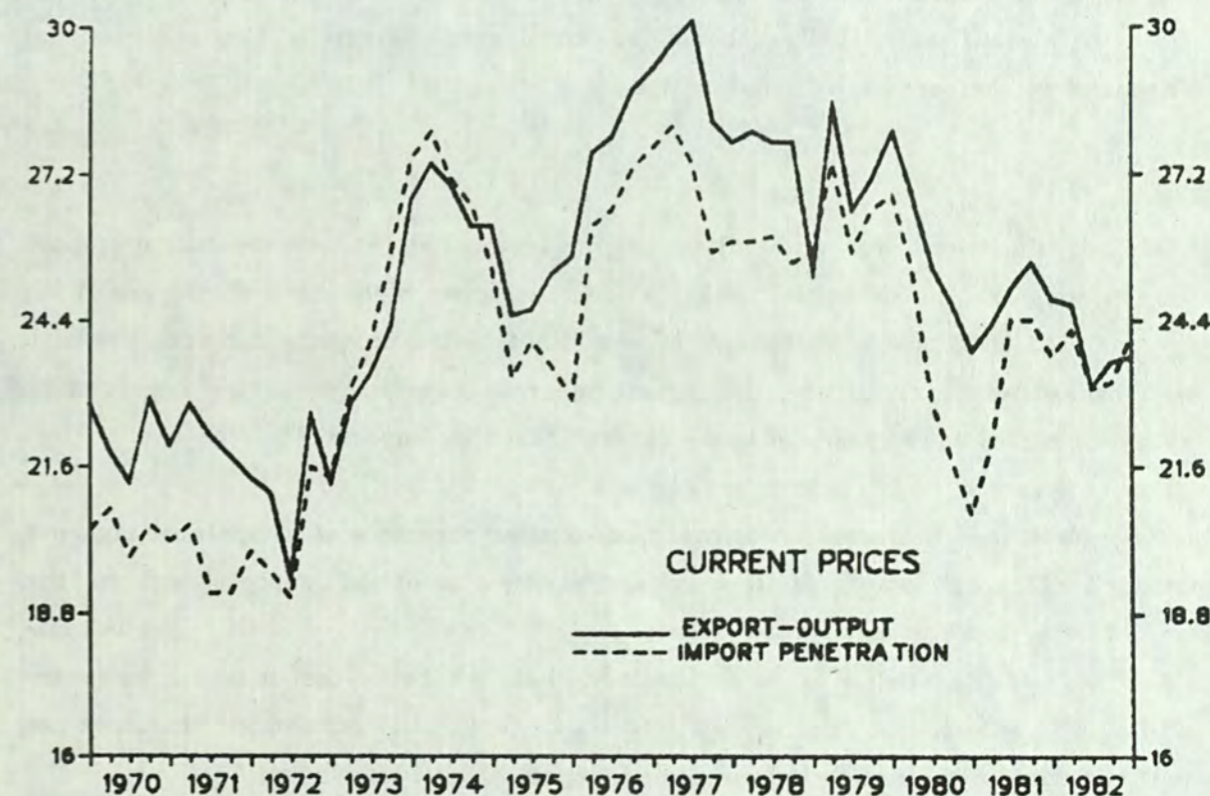


CHART 2



compared to 4.6 for import penetration). This suggests that the rise in import penetration over this period should be interpreted as a sign of increasing "openness" (consistent with a trend towards greater international specialisation, and perhaps affected by EC entry) rather than a deterioration in the trade performance of the UK economy.

37. Secondly, it is apparent from a comparison with figures in Table 2 that, within the non-oil sector as a whole, import penetration rose faster in manufacturing than in other non-oil industries (mainly services) over this period. This is consistent with the trend in an advanced economy for a structural shift in resources from secondary to tertiary industries.

38. From 1977 to 1982, however, growth in the constant price export-output ratio flattened off, while import penetration continued to rise. This phenomenon can be seen, at least partly, as the natural offset under a floating exchange rate regime to the growth in net trade in oil; as the oil balance improves, the non-oil balance (particularly in those sectors most exposed to international competition, e.g. manufacturing) will tend to deteriorate. The offset would necessarily have been greater still without the large outflow of capital during 1978-1982.

39. Finally, charts 1 and 2 show that since 1972 (i.e. after sterling was allowed to float) while import penetration has tended to rise faster than the export-output ratio at constant prices, movements in the terms of trade have been such that the current-price measures have not diverged - even during the 1973 commodity price boom. Hence the adverse effect of the non-oil trade balance on employment in the non-oil sector of the UK economy, through the 1970's and early 1980's, should be considered alongside the real income ("welfare") gains from better non-oil terms of trade.

Conclusion

40. The aim of this work was to analyse the problems involved in measuring import penetration, which are considerable, and to decide upon measures which are both informative and logically consistent (though we would not claim, uniquely correct). As with most other measures currently in use, the import penetration ratios presented here can be interpreted as estimates of the share of home demand taken by imports.

41. Where we hope they represent an advance on existing measures is in the more rigorous determination of "market size", in the consistent treatment of exports and in the comparison of the more usual gross measures with ones derived using net-output-equivalents. This notwithstanding, it is emphasized that, whatever the basis for different measures, import penetration describes only one facet of economic structure or development and may be misleading unless viewed as part of a wider picture.

Annex I

MATRIX ALGEBRA

All domestic output goes to intermediate demand, final domestic demand or exports;

$$(1) \quad q = A_D q + f_D + f_x$$

Imports go either to intermediate demand or to final demand;

$$(2) \quad p = A_I q + f_I$$

From which it follows that

$$(3) \quad q = (I - A_D)^{-1} (f_D + f_x)$$

$$(4) \quad p = A_I (I - A_D)^{-1} (f_D + f_x) + f_I$$

where $q = (N \times 1)$ vector of gross outputs

$f_D = (N \times 1)$ vector of final domestic demands

$f_x = (N \times 1)$ vector of export demands

$p = (N \times 1)$ vector of total imports

$f_I = (N \times 1)$ vector of final demand for imports

and $A_D = (N \times N)$ matrix of coefficients a_{ij}^D , where a_{ij}^D is the input of domestic output of i used to produce one unit of domestic output of j

$A_I = (N \times N)$ matrix of coefficients a_{ij}^I , where a_{ij}^I is the input of imports of i used to produce one unit of domestic output of j .

$(I - A_D)^{-1} = \text{"Leontief inverse"}$

Where N is the number of industries or sectors in the economy.

For the whole-economy IPRs, the numerator of both gross and net measure is total imports less the import content (direct and indirect) of exports. This is given by;

$$(5) \quad p - A_I (I - A_D)^{-1} f_x$$

The denominator of the gross measure is gross output less the direct and indirect domestic content of exports plus total imports, less those used to produce exports and those already included in gross output;

$$(6) \quad q - (I - A_D)^{-1} f_x + P - A_I (I - A_D)^{-1} (f_D + f_x)$$

which, from (3) and (4), is equivalent to;

$$(7) \quad (I - A_D)^{-1} f_D + f_I$$

Thus;

$$(8) \quad \text{RWG} = \frac{i \cdot [P - A_I (I - A_D)^{-1} f_x]}{i \cdot [(I - A_D)^{-1} f_D + f_I]}$$

where i is a $(1 \times N)$ unit vector.

The denominator of the net measure is the net-output - equivalent of total output less the direct and indirect domestic output content of exports plus all imports not going directly or indirectly into exports;

$$(9) \quad \bar{V}_D [q - (I - A_D)^{-1} f_x] + P - A_I (I - A_D)^{-1} f_x$$

where \bar{V}_D is an $(N \times N)$ matrix with domestic net/gross ratios on the diagonal and zeros elsewhere. (V_D is a $1 \times N$ vector of the diagonal elements of \bar{V}_D)

Thus;

$$(10) \quad \text{RWN} = \frac{i \cdot [P - A_I (I - A_D)^{-1} f_x]}{V_D [q - (I - A_D)^{-1} f_x] + i \cdot [P - A_I (I - A_D)^{-1} f_x]}$$

For the sectoral IPRs, the numerators are simple analogues of the whole-economy numerators (except that the net/gross ratio for imports is now less than unity). So, from imports of commodity j we subtract intermediate imports of j used in the production of all exports;

$$(11) \quad p^j - [A_I^{ji} \dots \text{all } i] (I - A_D)^{-1} f_x$$

The denominator of the gross measure is equal to domestic output of j less that going to export, plus all imports not destined for export or already included in gross domestic output of j . The latter comprises imports to final demand and imported inputs of j used in all sectors other than j . Thus;

$$(12) \quad q^j - B^j f_x + f_I^j + [A_I^{ji} \dots \text{all } i \neq j] c^j f_D$$

The terms $[A_I^{ji} \dots \text{all } i]$ and $[A_I^{ji} \dots \text{all } i \neq j]$ are row vectors, the first being the entire j th row of the A_I matrix and the second being all elements in that row other than that on the diagonal. B^j is the j th row vector of $(I - A_D)^{-1}$ and C^j is an $(N-1) \times N$ matrix made up of all the rows of $(I - A_D)^{-1}$ other than the j th, so that:

$$\begin{bmatrix} -B^j \\ C^j \end{bmatrix} \equiv (I - A_D)^{-1}$$

For the net measure, all intermediate imports for the domestic market are included explicitly, since domestic output is measured in net terms and so does not include its own import content. The denominator of the net sectoral IPR is therefore;

$$(13) \quad v_D^j [q^j - B^j f_x] + v_I^j [p^j - [A_I^{ji} \dots \text{all } i] (I - A_D)^{-1} f_x]$$

and;

$$(14) \quad \text{RjG} = \frac{p^j - [A_I^{ji} \dots \text{all } i] (I - A_D)^{-1} f_x}{q^j - B^j f_x + f_I^j + [A_I^{ji} \dots \text{all } i \neq j] c^j f_D}$$

$$(15) \quad \text{RjN} = \frac{v_I^j [p^j - [A_I^{ji} \dots \text{all } i] (I - A_D)^{-1} f_x]}{v_D^j [q^j - B^j f_x] + v_I^j [p^j - [A_I^{ji} \dots \text{all } i] (I - A_D)^{-1} f_x]}$$

where V_D^j and V_I^j are the net/gross ratios in the j sector, at home and abroad respectively.

The Formal Relationship between Whole-Economy and Sectoral IPRs

Consider the gross measures first. It is clear from expressions (8) and (14) that the numerators in the sectoral IPRs will sum to the numerator in the whole economy measure. This does not follow for the denominators only because of the last, "cross effect", term $[A_I^j \dots \text{all } i \neq j]$. Since all terms are defined on a gross output basis, the imports represented by $[A_I^j \dots \text{all } i \neq j]$ are accounted for by the term $q^j - B^j f_x$ in the aggregate measure, and therefore disappear as separate terms. For a two-sector economy, the whole-economy IPR can be expressed as a weighted average of sectoral IPR's;

$$(16) \quad \frac{x}{y} \equiv \frac{y_1}{y} \cdot \frac{x_1}{y_1} + \frac{y_2}{y} \cdot \frac{x_2}{y_2}$$

where $x = x_1 + x_2$
but $y < y_1 + y_2$

This last inequality, which states that the sum of demands for each sector's output exceeds total demand for all output (when demand is in gross terms), implies that the set of weights for obtaining the whole-economy IPR from sectoral IPRs sum to more than unity.

The same is true of the net measures, but the "cross effects" problem appears not in the aggregation of components of domestic demand but in the valuation of imports. For the whole-economy, the net/gross ratio applied to imports is unity, since the whole of gross imports can be seen as displacing domestic value-added. But for each individual category of imports, we include only that part which displaces value-added in the particular sector to which the measure implies. Since the sectoral net/gross ratios for foreign production are all less than unity, it follows that no set of weights summing to one could produce an average whole-economy net-gross ratio of unity.

set of appropriate weights can be constructed as follows. For the whole economy, total net output displaced by imports is (nationally) equal to imports for the domestic market - say, x . We can express x as;

$$(17) \quad x = \sum_{i=1}^n \sum_{j=1}^n x_{ij}$$

where x_{ij} is net output of j displaced by imports of i , and there are n sectors in the economy.

$$\text{When } i=j, \quad x_{ii} = V_I^j \left[P^i - [A_I^{ii} \dots \text{all } i] \right] (I-A_D)^{-1} f_x$$

It follows that, for each i ;

$$(18) \quad \sum_{j \neq i} x_{ij} = (1 - V_I^i) \left[P^i - [A_I^{ii} \dots \text{all } i] \right] (I-A_D)^{-1} f_x$$

$$(19) \Rightarrow \sum_{j \neq i} x_{ij} = \frac{(1 - V_I^i)}{V_I^i} \cdot x_{ii} \quad \text{for each } i$$

We can express the whole-economy IPR as;

$$(20) \quad \frac{x}{y} = \sum_{i=1}^n \left\{ \frac{y_i}{y} \frac{x_{ii}}{y_i} + \sum_{j \neq i} \frac{x_{ij}}{y} \right\}$$

where $\frac{x_{ii}}{y_i}$ is the i th sectoral IPR.

Substituting for $\sum_{j \neq i} x_{ij}$ from (19) gives;

$$(21) \quad \frac{x}{y} = \sum_{i=1}^n \left[\frac{y_i}{y} \cdot \left(1 + \frac{1 - V_I^i}{V_I^i} \right) \cdot \frac{x_{ii}}{y_i} \right]$$

$$(22) \Rightarrow \frac{x}{y} = \sum_{i=1}^n \frac{y_i}{V_I^i y} \cdot \frac{x_{ii}}{y_i}$$

The weight to attach to the *i*th sectoral IPR is therefore y_i/V_i^i , where y_i is the size of the domestic market for *i* and y is the size of the total domestic market.

Intuitively, we convert our measure of the domestic market for the *i*th sector to foreign gross-output-equivalents so as to make it compatible with y , the whole-economy term. A set of weights can then be constructed, as for the gross measures, by taking the share of demand for each sector's output in demand for all output.

Annex II

TRADE ON AN SIC BASIS: THE DERIVATION OF CONVERSION FACTORS

To construct measures of import penetration for manufacturing and non-manufacturing, we need to define link equations which can generate data for exports and imports on an SIC basis, using SITC categories. This involves estimating parameters ("conversion factors") which represent the approximate proportion of each SITC category which would be classified as "manufactures" or "non-manufactures" in the SIC (1980).

When this procedure was done for the SIC (1968), for an earlier version of this paper, it was found that the conversion factors were fairly stable over time, with the exception of fuel. Since fuel has been taken out of "manufacturing" in the new SIC, it was assumed that a new set of conversion factors, computed from the 1979 Overseas Trade Statistics, could be applied to all periods.

The problems involved in reconciling the SIC and SITC definitions, particularly of manufactures, are considerable. It is often unclear, for example, at what stage in its processing an agricultural product ceases to be a "food" or "basic material" and becomes a "manufacture", on each classification. A further problem arises because of the treatment of trade in services in the Input-Output tables; in the balance of payments, all goods and services purchases by foreigners while in the UK are treated as exports of services, but in the Input-Output tables the purchase of a UK-produced manufacture by a foreign tourist is (correctly) included under "exports of manufactures". Similarly, purchases of fuel by UK shipping operators in foreign ports are treated as imports of fuel in the Input-Output tables, but imports of "shipping services" in the balance of payments accounts.

The reconciliation decided upon here is as follows;

Agriculture, Forestry: and Fishing (rows 1-2)	(a) Divisions 00, 025, 041-045 0541-0545, 057	1473
	(b) Division 121	279
	(c) Divisions 22, 29	396
	(d) Services	10
	(e) Misc. Section 0	<u>297</u>
		2455

<u>Fuels</u> (rows 3-9)	(a) Misc. Section 5-9	362
	(b) Section 3	5407
	(c) Services	1284
	(d) error	-3
		<hr/>
		7050
<u>Manufacturing</u> (rows 10-87)	(a) Section 0 n.e.s	3431
	(b) Section 1 less Division 121	479
	(c) Sections 2 and 4 less Divisions 22, 29	3204
	(d) Sections 5-9 n.e.s.	29009
	(e) Services	1036
		<hr/>
		36962

Services (rows 88-99): all services n.e.s.

The row numbers refer to rows in the 1979 Input-Output tables, trade divisions are defined in the 1978 Overseas Trade Classification, and the numbers refer to import values (BOP basis) in 1979. From these numbers the proportions of each major SITC category of imports in 1979 attributable to SIC manufacturing and non-manufacturing, respectively, were calculated. Similar calculations were done for exports, using the same SIC/SITC reconciliation. These conversion factors are set out below:

IMPORTS	SITC Sections				
	0+1	2+4	5-9	3	Services (BOP)
AFF*	0.3144	0.0947	0	0	0.0001
Manufacturing	0.5994	0.7665	0.9463	0	0.0991
Fuels	0	0	0.0119	0.9351	0.1233
Services	0	0	0	0	0.7775

EXPORTS	SITC Sections			
	0+1 + 2+4	5-9	3	Services (BOP)
AFF*	0.1606	0	0	0.0001
Manufacturing	0.8330	0.9627	0	0.0422
Fuels	0	0.0403	1.0	0
Services	0	0	0	0.9577

Note that, since we are expressing SIC imports of goods "free-on-board" to SITC imports of goods including carriage insurance and freight, the first four columns in the imports table do not sum to one. Overall, of course, total imports of goods and services will be the same on either classification.

*Agriculture, Forestry and Fishing.

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CENTRAL STATISTICAL OFFICE
BALANCE OF PAYMENTS

UNITED KINGDOM BALANCE OF PAYMENTS
IN THE FIRST QUARTER 1984
ADDENDUM (limited circulation)

The attached tables on the UK balance of payments up to the first quarter of 1984 will be published in June. Tables A to J will be published with the CSO Press Release on 7 June; the Appendix Tables will be published in the June issue of "Economic Trends".

Any enquiries about these figures should be made to 01-233 7063.

Central Statistical Office
5 June 1984

NIGEL LOUTH

SUMMARY BALANCE OF PAYMENTS

TABLE A

£ million

	1981	1982	1983	1983					1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	
				Seasonally adjusted					
Visible trade (balance)	+3652	+2384	-500	+203	-460	-248	+5	-59	
Invisibles (balance):									
Services	+4249	+3874	+4328	+1106	+1276	+1029	+917	+1068	
Interest, profits and dividends	+1317	+1625	+1363	+424	-21	+585	+375	+269	
Transfers	-1967	-2109	-2267	-144	-884	-538	-701	-440	
Total	+3599	+3390	+3424	+1386	+371	+1076	+591	+897	
Current balance	+7251	+5774	+2924	+1589	-89	+828	+596	+838	
				Not seasonally adjusted					
Current balance	+7251	+5774	+2924	+1156	-467	+932	+1303	+378	
Investment and other capital transactions	-7351	-3356	-3863	-1425	+742	+1037	-4217	-649	
Allocation of SDRs	+158	-	-	-	-	-	-	-	
Official financing:									
Official reserves (drawings on, +; additions to, -)	+2419	+1421	+603	+652	-145	-33	+129	+77	
Other official financing	-1732	-137	+213	-36	+13	+38	+198	+113	
Balancing item	-745	-3702	+123	-347	-143	-1974	+2587	+81	

A

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CURRENT ACCOUNT
Seasonally adjusted

£ million

TABLE B

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Credits								
Exports of goods	50977	55565	60658	14819	14752	14862	16225	16853
of which:								
oil	9107	10686	12526	3106	2960	2960	3500	3654
non-oil	41870	44879	48132	11713	11792	11902	12725	13199
Invisibles	29709	31824	34216	8698	8196	8596	8726	9001
Total	80686	87389	94874	23517	22948	23458	24951	25854
Debits								
Imports of goods	47325	53181	61158	14616	15212	15110	16220	16912
of which:								
oil	5996	6130	5524	1305	1404	1439	1376	1339
non-oil	41329	47051	55634	13311	13808	13671	14844	15573
Invisibles	26110	28434	30792	7312	7825	7520	8135	8104
Total	73435	81615	91950	21928	23037	22630	24355	25016
Balances								
Visible trade	+3652	+2384	-500	+203	-460	-248	+5	-59
of which:								
oil	+3111	+4556	+7002	+1801	+1556	+1521	+2124	+2315
non-oil	+541	-2172	-7502	-1598	-2016	-1769	-2119	-2374
Invisibles	+3599	+3390	+3424	+1386	+371	+1076	+591	+897
of which:								
Private sector and public corporations: services and I.P.D.	+6760	+7101	+7654	+1966	+1749	+2128	+1811	+1855
Current balance	+7251	+5774	+2924	+1589	-89	+828	+596	+838

B

CONFIDENTIAL UNTIL PUBLICATION

SERVICES
Seasonally adjusted

Table C

£ million

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Credits								
Private sector(1)								
Sea transport: Dry cargo	2155	2156	1956	501	483	479	493	513
Sea transport: Tankers	1629	1407	1219	269	287	326	337	288
Civil aviation	2359	2471	2665	654	672	665	674	697
Travel	2970	3168	3655	865	935	915	940	1005
Financial services	1971	2145	2590	714	676	622	578	662
Other services	5348	5818	6422	1562	1624	1577	1659	1656
Total	16432	17165	18507	4565	4677	4584	4681	4821
General government	439	437	488	135	136	114	103	124
Total credits	16871	17602	18995	4700	4813	4698	4784	4945
Debits								
Private sector(1)								
Sea transport: Dry cargo	2593	2772	3030	735	735	729	831	870
Sea transport: Tankers	1351	1133	945	260	210	229	246	239
Civil aviation	1922	2080	2237	539	561	567	570	580
Travel	3271	3640	4054	985	975	1048	1046	1074
Other services	2520	2865	3099	738	740	773	848	783
Total	11657	12490	13365	3257	3221	3346	3541	3546
General government	965	1238	1302	337	316	323	326	331
Total debits	12622	13728	14667	3594	3537	3669	3867	3877
Balance								
Private sector(1)								
Sea transport: Dry cargo	-438	-616	-1074	-234	-252	-250	-338	-357
Sea transport: Tankers	+278	+274	+274	+9	+77	+97	+91	+49
Civil aviation	+437	+391	+428	+115	+111	+98	+104	+117
Travel	-301	-472	-399	-120	-40	-133	-106	-69
Financial services	+1971	+2145	+2590	+714	+676	+622	+578	+662
Other services	+2828	+2953	+3323	+824	+884	+804	+811	+873
Total	+4775	+4675	+5142	+1308	+1456	+1238	+1140	+1275
General government	-526	-801	-814	-202	-180	-209	-223	-207
Total	+4249	+3874	+4328	+1106	+1276	+1029	+917	+1068

1. Including public corporations.

CONFIDENTIAL UNTIL PUBLICATION

INTEREST, PROFITS AND DIVIDENDS
Seasonally adjusted

£ million

Table D

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Credits								
Earnings on -								
Direct investment (1)	3555	3113	3560	764	895	1035	866	698
Portfolio investment	940	1580	2609	572	624	670	743	803
Sterling lending by UK banks and export credit	1343	1648	1869	495	462	463	449	509
Interest on UK banks' borrowing and lending in foreign currencies (balance)	1010	1454	513	126	186	32	169	72
Interest on bank deposits and lending overseas	627	635	567	144	130	148	145	145
Other (including oil companies)	2778	2642	2812	716	507	817	772	890
Total credits	10253	11071	11930	2817	2804	3165	3144	3117
of which:								
Private sector and public corporations	9305	10255	11309	2626	2673	3017	2993	2959
General government	948	816	621	191	131	148	151	158
Debits								
Earnings on -								
Direct investment (1)	1964	2152	2660	642	765	714	539	754
Foreign oil companies' investment in UK	2776	2621	3045	549	841	611	1044	824
Portfolio investment	969	1042	1118	268	274	293	283	289
Foreign currency borrowing by general government (2)	489	402	428	92	110	118	108	109
External sterling liabilities	1899	2253	2385	612	604	605	564	642
Other	839	976	931	230	231	239	231	230
Total debits	8936	9446	10567	2393	2825	2580	2769	2848
of which:								
Private sector and public corporations	7320	7829	8797	1968	2380	2127	2322	2379
General government	1616	1617	1770	425	445	453	447	469
Balance								
Total balance	+1317	+1625	+1363	+424	-21	+585	+375	+269
of which:								
Private sector and public corporations	+1985	+2426	+2512	+658	+293	+890	+671	+580
General government	-668	-801	-1149	-234	-314	-305	-296	-311

1. Earnings on direct investment exclude the earnings of oil companies.
2. Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

CONFIDENTIAL UNTIL PUBLICATION

TRANSFERS
Seasonally adjusted

Table E

£ million

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Credits								
Private	927	994	1070	261	266	270	273	275
General government								
EC institutions:								
Budget refunds	693	1019	807	568	-	21	218	-
Other	965	1138	1414	352	313	442	307	664
Total(1)	1658	2157	2221	920	313	463	525	664
Total credits	2585	3151	3291	1181	579	733	798	939
Debits								
Private	1205	1262	1323	323	329	333	338	339
General government								
Bilateral aid	587	496	573	176	151	134	112	81
Contributions to EC	2188	2878	2999	655	790	642	912	777
Contributions and subscriptions to other international organisations	285	324	340	84	118	85	53	101
Pensions, benefits and other transfers	287	300	323	87	75	77	84	81
Total	3347	3998	4235	1002	1134	938	1161	1040
Total debits	4552	5260	5558	1325	1463	1271	1499	1379
Balance								
Total balance	-1967	-2109	-2267	-144	-884	-538	-701	-440
of which:								
Private	-278	-268	-253	-62	-63	-63	-65	-64
General government								
with EC institutions	-530	-721	-778	+265	-477	-179	-387	-113
Other general government	-1159	-1120	-1236	-347	-344	-296	-249	-263

1. Components and totals are rounded independently.

E

CONFIDENTIAL UNTIL PUBLICATION

VOLUME AND UNIT VALUE INDICES

1980=100

Table F

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Seasonally adjusted								
<u>Volume indices (1)</u>								
Exports of goods	99.2	101.5	102.3	102.3	100.3	99.3	107.4	109.5
Exports of goods less oil	96.3	96.9	95.5	95.9	93.9	93.1	99.1	101.0
Exports of services	94.3	92.1	92.8	92.5	95.3	91.7	91.5	93.7
Exports of goods and services	98.0	99.1	99.9	99.8	99.1	97.4	103.4	105.5
Imports of goods	96.1	100.7	107.6	104.5	106.6	106.6	112.7	113.2
Imports of goods less oil	98.4	105.0	114.1	111.2	112.4	112.6	120.2	121.4
Imports of services	98.4	98.5	96.0	93.4	94.1	96.3	100.0	97.5
Imports of goods and services	97.5	100.2	105.3	102.3	104.1	104.5	110.2	110.1
Not seasonally adjusted								
<u>Unit value indices</u>								
Exports of goods	108.8	116.7	126.6	123.6	125.6	127.9	129.2	132.6
Exports of goods less oil	106.5	114.4	124.5	121.0	123.8	126.2	127.2	130.5
Imports of goods	108.1	117.9	128.6	126.3	128.1	128.9	131.0	136.1
Imports of goods less oil	105.0	113.9	125.6	122.4	125.5	126.2	128.2	133.0
Terms of trade(2):								
All goods	100.7	99.0	98.4	97.9	98.1	99.2	98.6	97.4
Goods less oil	101.4	100.4	99.2	98.8	98.6	100.0	99.2	98.1
Seasonally adjusted								
<u>Implied price indices</u>								
Exports of services	113.4	121.2	129.8	128.7	127.9	129.9	132.5	133.6
Imports of services	111.4	121.0	132.7	133.5	130.5	132.4	134.3	138.1

1. The problems of producing these estimates and the methods employed are described on page 27 of 'United Kingdom Balance of Payments 1983 Edition'.
2. Export unit value index as a percentage of the import unit value index.

F

CONFIDENTIAL UNTIL PUBLICATION

INVESTMENT AND OTHER CAPITAL TRANSACTIONS(1)
Not seasonally adjusted

Table G

£ million

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Overseas investment in:-								
UK public sector	+188	+320	+695	+46	+379	+280	-10	+249
of which:-								
British government stocks(2)	+201	+495	+709	+52	+382	+282	-7	+257
UK private sector	+3270	+3096	+4983	+915	+2010	+1531	+527	+1034
UK private investment overseas	-10669	-10777	-10864	-3011	-2537	-2530	-2786	-4437
Official long-term capital	-336	-337	-562	-229	-216	-18	-99	-126
Import credit(3)	+122	-224	+12	-5	+43	-59	+33	+13
Export credit(3)	-969	-1165	-1457	-399	-470	-280	-308	-316
Foreign currency borrowing or lending abroad by UK banks	+1462	+4271	+1167	+568	+257	+1321	-979	+2639
Exchange reserves in sterling								
British government stocks(4)	+267	-52	+194	+103	+271	-66	-114	+93
Banking and money market liabilities(4)	-118	+438	+714	+451	-262	+470	+55	+345
Other banking and money market liabilities in sterling	+2607	+4134	+3225	+1063	+630	+376	+1156	+1286
External sterling lending by UK banks(5)	-2954	-3299	-1369	-939	+279	-32	-677	-1466
Other external borrowing or lending(6)*	-322	-11	-52	+686	+220	-14	-944	+153
Other transactions	+101	+250	-549	-674	+138	+58	-71	-116
Total investment and other capital transactions*	-7351	-3356	-3863	-1425	+742	+1037	-4217	-649
*of which:								
Certain UK private sector transactions with banks overseas(7)	+21	-462	-1407	+442	-380	-173	-1296	..

1. Assets: increase-/decrease+. Liabilities: increase+/decrease-. Excluding official financing

2. Investment by non-residents other than overseas monetary authorities

3. Excluding trade credit between 'related' firms

4. Transactions of overseas monetary authorities only

5. Excluding credit for UK exports

6. From the first quarter of 1982 includes the transactions of UK financial institutions previously included under other headings. The figure shown for the latest quarter is deficient as no estimate is included for the series shown at the foot of the table and defined in footnote 7

7. Deposits with and borrowing from banks in the reporting area covered by the BIS: not available for the most recent quarter

CONFIDENTIAL UNTIL PUBLICATION

OFFICIAL FINANCING
Not seasonally adjusted

£ million

Table H

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Official financing transactions(1)								
Net transactions with:								
IMF	-145	-163	-36	-36	-	-	-	-
Foreign currency borrowing:								
By HM Government(2)	-1234	-	-	-	-	-	-	-
By public bodies under exchange cover scheme	-353	+26	+249	-	+13	+38	+198	+113
Official reserves(drawings on,+ additions to,-)	+2419	+1421	+603	+652	-145	-33	+129	+77
Total official financing	+687	+1284	+816	+616	-132	+5	+327	+190
Official financing liabilities & official reserves								
(End of period levels)(3)								
Borrowing from:								
IMF	200	36	-	-	-	-	-	-
Other foreign currency borrowing:								
By HM Government	183	216	241	236	228	234	241	243
By public bodies under exchange cover scheme	3998	4612	5397	5026	4866	5040	5397	5441
Total official financing liabilities	4381	4864	5638	5262	5094	5274	5638	5684
Official reserves	12217	10508	12271	11702	11541	11975	12271	-11619

1. Valued in sterling at market-related rates of exchange.

2. Drawings on (+) repayments of (-) euro-dollar facilities arranged with UK clearing banks and a 350 million dollar bond issue in New York.

3. Gold holdings, Special Drawing Rights and non-dollar currencies have been revalued at March of each year since 1979. Before revaluation, the level of official reserves was £10,996 million at end-March 1983 and £12,298 million at end-March 1984. The level of total official financing liabilities, before revaluation, was £5,271 million at end-March 1983 and £5,800 million at end-March 1984.

H

CONFIDENTIAL UNTIL PUBLICATION

INWARD AND OUTWARD INVESTMENT(1)
Not seasonally adjusted

£ million

Table 1

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
<u>Overseas investment in UK</u>								
Direct(2):								
Unremitted profits(3)	+638	+760	+1369	+443	+486	+459	-19	+553
Other	+360	+316	+1111	+94	+419	+306	+292	+80
Investment by oil companies	+1882	+1770	+1473	+133	+630	+611	+99	+281
Portfolio								
Public sector	+188	+320	+695	+46	+379	+280	-10	+249
Private sector	+320	+130	+945	+210	+465	+125	+145	+100
Miscellaneous investment	+70	+120	+85	+35	+10	+30	+10	+20
Total	+3458	+3416	+5678	+961	+2389	+1811	+517	+1283
<u>UK private investment</u>								
<u>overseas</u>								
Direct(2):								
Unremitted profits(3)	-2031	-1661	-2081	-408	-561	-761	-351	-370
Other	-3121	-868	-416	-339	+208	+33	-318	-470
Investment by oil companies and miscellaneous investment	-1417	-1968	-2217	-624	-364	-612	-617	-607
Portfolio	-4100	-6280	-6150	-1640	-1820	-1190	-1500	-2990
Total	-10669	-10777	-10864	-3011	-2537	-2530	-2786	-4437

1. Net of disinvestment. Assets: increase-/decrease+. Liabilities: increase+/decrease-.

2. Overseas direct investment in the UK excludes the transactions of oil companies. UK direct investment overseas excludes the transactions of oil companies but includes investment by a number of public corporations.

3. Excluding unremitted profits of branches.

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THE UK CONTINENTAL SHELF OIL AND GAS (1)
Not seasonally adjusted

TABLE J

	1981	1982	1983	1983				1984
				1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr
Volume of sales								
Gas (billion cubic metres)	35.5	35.5	37.7	13.4	7.9	4.6	11.8	15.1
Oil (million tonnes)(2)	89.6	101.9	115.0	28.0	27.0	29.1	30.9	31.8
Value of sales								
	£ million							
Gas	844	957	1110	370	243	159	338	468
Oil	12340	14431	17037	4252	3818	4305	4662	4785
Identifiable balance								
of payments entries								
	£ million							
Imports of goods(3)	-377	-451	-440	-118	-107	-126	-89	-58
Imports less exports of services	-553	-676	-629	-143	-142	-155	-189	-132
IPD due abroad(4)	-2355	-2623	-2943	-725	-713	-595	-910	-864
Overseas investment in UKCS etc.(5)	+1638	+1040	+572	+265	+181	+423	-297	+74

- No attempt has been made to measure the impact of UK Continental Shelf oil and gas on the balance of payments accounts. The problems involved are described briefly in Chapter 9 of "United Kingdom Balance of Payments 1983 Edition" (the "Pink Book").
- Including condensates and petroleum gases.
- Identified direct imports of goods for use on UKCS.
- Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf; and rough estimates of interest paid on foreign currency borrowing from UK banks in respect of the UKCS.
- Overseas investment for use on the UK Continental Shelf (including profits of UK subsidiaries of foreign companies retained in the United Kingdom); foreign currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

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APPENDIX

UNITED KINGDOM BALANCE OF PAYMENTS

SUMMARY

TABLE 1

£ million												
Seasonally adjusted						Not seasonally adjusted						
	Visible trade (balance)	Invisibles (balance)				Current balance	Current balance	Capital transfers	Investment and other capital transactions	Allocation of SDRs and gold subscription to IMF	Official financing	Balancing item
		Services	I.P.D.	Transfers	Total							
1972	-748	+701	+538	-268	+971	+223	+223	-	-673	+124	+1 141	-815
1973	-2 586	+786	+1 257	-436	+1 607	-979	-979	-59	+178	-	+771	+89
1974	-5 351	+1 075	+1 415	-417	+2 073	-3 278	-3 278	-75	+1 602	-	+1 646	+105
1975	-3 333	+1 515	+773	-468	+1 820	-1 513	-1 513	-	+154	-	+1 465	-106
1976	-3 929	+2 503	+1 365	-775	+3 093	-836	-836	-	-2 975	-	+3 628	+183
1977	-2 284	+3 338	+116	-1 116	+2 338	+54	+54	-	+4 166	-	-7 361	+3 141
1978	-1 542	+3 816	+661	-1 777	+2 700	+1 158	+1 158	-	-4 263	-	+1 126	+1 979
1979	-3 449	+4 071	+1 090	-2 265	+2 896	-553	-553	-	+1 835	+195	-1 905	+428
1980	+1 513	+4 267	-66	-2 079	+2 122	+3 635	+3 635	-	-1 455	+180	-1 372	-988
1981	+3 852	+4 249	+1 317	-1 867	+3 599	+7 251	+7 251	-	-7 351	+158	+687	-745
1982	+2 384	+3 874	+1 625	-2 109	+3 390	+5 774	+5 774	-	-3 356	-	+1 284	-3 702
1983	-500	+4 328	+1 363	-2 267	+3 424	+2 924	+2 924	-	-3 863	-	+816	+123
1975 1	-944	+369	+201	-73	+497	-447	-642	-	+103	-	+326	+213
2	-713	+380	+142	-146	+376	-337	-353	-	+101	-	+572	-320
3	-1 030	+365	+180	-112	+433	-597	-467	-	+264	-	+213	-10
4	-646	+401	+250	-137	+514	-132	-51	-	-314	-	+354	+11
1976 1	-524	+581	+294	-194	+681	+157	-111	-	-543	-	+678	-24
2	-1 048	+561	+350	-167	+744	-304	-342	-	-1 734	-	+1 955	+121
3	-1 227	+674	+369	-188	+855	-372	-151	-	-861	-	+861	-52
4	-1 130	+687	+352	-226	+813	-317	-232	-	-40	-	+134	+138
1977 1	-933	+751	+123	-245	+629	-304	-628	-	+1 620	-	-1 913	+921
2	-917	+842	-11	-279	+552	-365	-454	-	+14	-	-908	+1 348
3	-166	+866	-11	-321	+534	+368	+701	-	+1 254	-	-2 608	+653
4	-268	+879	+15	-271	+623	+355	+435	-	+1 278	-	-1 932	+219
1978 1	-562	+914	+72	-531	+455	-107	-408	-	-153	-	-173	+734
2	-159	+845	+237	-388	+694	+535	+335	-	-2 203	-	+1 494	+374
3	-557	+1 027	+185	-462	+750	+193	+604	-	-454	-	-210	+60
4	-264	+1 030	+167	-396	+801	+537	+627	-	-1 453	-	+15	+811
1979 1	-1 433	+1 013	+411	-506	+918	-515	-883	-	+460	+195	-879	+1 107
2	-479	+954	+100	-503	+551	+72	-138	-	+738	-	-758	+158
3	-723	+1 056	+425	-610	+871	+148	+568	-	+123	-	-297	-394
4	-814	+1 048	+154	-646	+556	-258	-100	-	+514	-	+29	-443
1980 1	-404	+1 101	-54	-486	+561	+157	-211	-	-501	+180	-689	+1 221
2	-247	+1 067	-134	-618	+315	+68	-123	-	+371	-	-246	-2
3	+889	+1 015	+5	-604	+416	+1 305	+1 553	-	+192	-	-279	-1 466
4	+1 275	+1 084	+117	-371	+830	+2 105	+2 416	-	-1 517	-	-158	-741
1981 1	+1 814	+1 129	+266	-130	+1 265	+3 079	+2 703	-	-3 911	+158	-319	+1 369
2	+1 333	+1 080	+394	-700	+774	+2 107	+1 788	-	-2 001	-	+165	+48
3	+90	+1 014	+322	-783	+553	+643	+837	-	-1 164	-	+709	-382
4	+415	+1 026	+335	-354	+1 007	+1 422	+1 823	-	-275	-	+132	-1 780
1982 1	+471	+1 096	+103	+70	+1 269	+1 740	+1 278	-	-130	-	+31	-1 179
2	+211	+1 052	+423	-867	+608	+819	+423	-	+189	-	+661	-1 273
3	+588	+807	+462	-739	+530	+1 118	+1 263	-	-1 006	-	-247	-10
4	+1 114	+919	+637	-573	+983	+2 097	+2 810	-	-2 409	-	+839	-1 240
1983 1	+203	+1 106	+424	-144	+1 386	+1 589	+1 156	-	-1 425	-	+616	-347
2	-460	+1 276	-21	-884	+371	-89	-467	-	+742	-	-132	-143
3	-248	+1 029	+585	-538	+1 076	+828	+932	-	+1 037	-	+5	-1 974
4	+5	+917	+375	-701	+591	+596	+1 303	-	-4 217	-	+327	+2 587
1984 1	-59	+1 068	+269	-440	+897	+838	+378	-	-649	-	+190	+81

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VISIBLE TRADE IN THE BALANCE OF PAYMENTS

TABLE 2

£ million											
	Not seasonally adjusted		Seasonally adjusted								
	Total goods		Total goods			Of which: Oil			Non-oil		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance
1972	9 437	10 185	9 437	10 185	-748	222	888	-666	9 215	9 297	-82
1973	11 937	14 523	11 937	14 523	-2 586	344	1 285	-941	11 593	13 238	-1 645
1974	16 394	21 745	16 394	21 745	-5 351	710	4 067	-3 357	15 684	17 678	-1 994
1975	19 330	22 663	19 330	22 663	-3 333	734	3 791	-3 057	18 596	18 872	-276
1976	25 191	29 120	25 191	29 120	-3 929	1 172	5 119	-3 947	24 019	24 001	+18
1977	31 728	34 012	31 728	34 012	-2 284	1 979	4 750	-2 771	29 749	29 262	+487
1978	35 063	36 605	35 063	36 605	-1 542	2 235	4 219	-1 984	32 828	32 386	+442
1979	40 687	44 136	40 687	44 136	-3 449	4 158	4 889	-731	36 529	39 247	-2 718
1980	47 422	45 909	47 422	45 909	+1 513	6 133	5 818	+315	41 289	40 091	+1 198
1981	50 977	47 325	50 977	47 325	+3 652	9 107	5 996	+3 111	41 870	41 329	+541
1982	55 585	53 181	55 585	53 181	+2 384	10 686	6 130	+4 556	44 879	47 051	-2 172
1983	60 658	61 158	60 658	61 158	-500	12 526	5 524	+7 002	48 132	55 634	-7 502
1975 1	4 493	5 543	4 658	5 602	-944	183	931	-748	4 475	4 671	-196
2	4 822	5 537	4 594	5 307	-713	161	841	-680	4 433	4 466	-33
3	4 644	5 639	4 806	5 836	-1 030	188	978	-790	4 030	4 858	-240
4	5 371	5 944	5 272	5 918	-646	202	1 041	-839	5 070	4 877	-193
1976 1	5 665	6 323	5 599	6 123	-524	228	1 148	-920	5 371	4 975	+396
2	6 252	7 292	6 164	7 212	-1 048	265	1 250	-985	5 899	5 962	-63
3	6 153	7 336	6 400	7 627	-1 227	304	1 362	-1 058	6 096	6 265	-169
4	7 121	8 169	7 028	8 158	-1 130	375	1 359	-984	6 653	6 799	-146
1977 1	7 484	8 572	7 437	8 370	-933	471	1 240	-769	6 966	7 130	-164
2	7 998	8 905	7 914	8 831	-917	515	1 289	-774	7 399	7 542	-143
3	8 131	8 268	8 354	8 520	-166	564	1 153	-589	7 790	7 367	+423
4	8 115	8 267	8 023	8 291	-268	429	1 068	-639	7 594	7 223	+371
1978 1	8 198	8 920	8 282	8 844	-562	485	1 096	-611	7 797	7 748	+49
2	9 125	9 315	8 790	8 949	-159	554	966	-412	8 236	7 983	+253
3	8 502	8 978	8 854	9 411	-557	613	1 115	-502	8 241	8 296	-55
4	9 238	9 392	9 137	9 401	-264	583	1 042	-459	8 554	8 359	+195
1979 1	8 444	10 095	8 313	9 746	-1 433	757	964	-207	7 556	8 782	-1 226
2	10 813	11 370	10 759	11 238	-479	946	1 167	-221	9 813	10 071	-258
3	10 091	10 680	10 497	11 220	-723	1 162	1 326	-164	9 335	9 894	-559
4	11 339	11 991	11 118	11 932	-814	1 293	1 432	-139	9 825	10 500	-675
1980 1	12 013	12 636	11 998	12 402	-404	1 425	1 519	-94	10 573	10 883	-310
2	11 915	12 183	11 916	12 163	-247	1 511	1 545	-34	10 405	10 618	-213
3	11 430	10 534	11 694	10 805	+889	1 558	1 378	+180	10 136	9 427	+709
4	12 064	10 556	11 814	10 539	+1 275	1 639	1 376	+263	10 175	9 163	+1 012
1981 1	11 755	10 214	11 868	10 054	+1 814	2 068	1 284	+784	9 800	8 770	+1 030
2	12 295	11 109	12 289	10 956	+1 333	2 235	1 323	+912	10 054	9 633	+421
3	12 786	12 682	13 157	13 067	+90	2 426	1 696	+730	10 731	11 371	-640
4	14 141	13 320	13 663	13 248	+415	2 378	1 693	+685	11 285	11 555	-270
1982 1	13 342	13 266	13 519	13 048	+471	2 375	1 654	+721	11 144	11 394	-250
2	13 802	13 772	13 878	13 667	+211	2 435	1 536	+899	11 443	12 131	-688
3	13 473	12 826	13 688	13 100	+588	2 846	1 563	+1 283	10 842	11 537	-695
4	14 948	13 315	14 480	13 366	+1 114	3 030	1 377	+1 653	11 450	11 989	-539
1983 1	14 686	14 862	14 819	14 616	+203	3 106	1 305	+1 801	11 713	13 311	-1 598
2	14 731	15 421	14 752	15 212	-460	2 960	1 404	+1 556	11 792	13 808	-2 016
3	14 664	14 846	14 862	15 110	-248	2 960	1 439	+1 521	11 902	13 671	-1 769
4	16 577	16 029	16 225	16 220	+5	3 500	1 376	+2 124	12 725	14 844	-2 119
1984 1	16 845	17 286	16 853	16 912	-59	3 654	1 339	+2 315	13 199	15 573	-2 374

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VOLUME AND UNIT VALUE INDICES

TABLE 3

1980=100														
Visible trade											Services			
Seasonally adjusted						Not seasonally adjusted					Seasonally adjusted			
Volume indices				Unit value indices						Volume indices		Implied price indices		
Exports		Imports		Exports		Imports		Terms of trade		Exports of services	Imports of services	Exports of services	Imports of services	
Total goods	non-oil goods	Total goods	non-oil goods	Total goods	non-oil goods	Total goods	non-oil goods	Total goods	non-oil goods					
1972	66.5	70.5	80.6	68.2	28.9	31.0	27.2	31.9	106.3	97.2	80.2	83.9	33.9	37.1
1973	75.6	80.3	91.9	78.0	32.6	34.6	34.8	40.6	93.7	85.2	86.2	89.0	38.9	44.0
1974	81.0	86.8	92.7	80.0	41.5	43.3	50.9	53.4	81.5	81.1	92.8	91.1	45.9	53.9
1975	77.8	83.5	84.7	75.5	50.9	53.2	58.0	60.7	87.6	87.7	93.6	90.3	53.3	61.0
1976	85.4	91.2	89.7	80.7	60.8	63.5	70.9	72.7	85.7	87.4	99.8	88.7	65.1	76.0
1977	92.1	97.0	91.3	85.2	72.0	75.2	82.1	84.5	87.7	89.0	102.9	87.5	73.3	85.0
1978	94.5	98.2	95.5	90.4	79.1	83.1	85.2	89.5	92.7	92.8	102.8	88.1	78.4	87.8
1979	99.1	98.7	105.7	103.0	87.6	90.7	90.9	94.2	96.4	96.3	103.1	96.3	88.9	93.8
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	99.2	96.3	96.1	98.4	108.8	106.5	108.1	105.0	100.7	101.4	94.3	98.4	113.4	111.4
1982	101.5	96.9	100.7	105.0	116.7	114.4	117.9	113.9	99.0	100.4	92.1	98.5	121.2	121.0
1983	102.3	95.5	107.6	114.1	126.6	124.5	128.6	125.6	98.4	99.2	92.8	96.0	129.8	132.7
1975 1	78.8	84.5	86.6	77.1	48.4	50.6	56.0	58.7	86.4	86.3	96.9	92.2	49.2	56.9
2	75.8	81.6	81.6	73.0	49.6	51.9	56.4	59.3	87.9	87.6	92.5	88.8	52.4	59.9
3	76.1	81.6	86.7	77.0	51.7	54.1	58.5	61.3	88.4	88.3	91.3	89.3	54.8	62.7
4	80.4	86.3	83.9	74.9	53.7	56.2	61.3	63.4	87.7	88.7	93.5	90.7	56.6	64.6
1976 1	82.5	88.5	83.5	74.3	55.9	58.5	64.1	65.6	87.3	89.1	96.2	86.8	60.3	68.4
2	86.3	92.4	91.6	82.4	58.9	61.5	69.0	70.7	85.3	87.0	96.9	88.4	64.5	74.9
3	85.0	90.7	92.0	82.7	62.4	65.2	72.7	74.4	85.8	87.6	102.1	89.2	66.5	78.1
4	87.9	93.4	91.7	83.2	66.1	69.0	78.0	80.1	84.8	86.1	104.1	90.4	69.2	82.7
1977 1	89.8	94.6	91.3	84.5	68.8	71.8	79.9	81.9	86.2	87.7	100.7	86.2	71.4	84.1
2	92.5	97.3	94.9	88.2	71.5	74.6	82.0	84.2	87.1	88.6	101.4	85.2	73.6	85.7
3	95.5	100.1	90.6	84.9	73.3	76.5	83.3	85.7	88.0	89.3	105.1	89.2	74.1	85.9
4	90.5	95.8	88.3	83.1	74.4	77.7	83.2	86.1	89.3	90.3	104.5	89.5	73.9	84.1
1978 1	91.7	96.4	96.6	90.5	77.3	81.1	82.9	87.0	93.2	93.3	103.8	88.5	75.0	84.6
2	96.0	100.4	92.9	89.5	77.9	81.7	84.8	88.9	91.9	91.8	99.3	88.3	78.8	88.3
3	94.8	97.1	97.6	92.0	79.8	84.0	85.8	90.1	93.1	93.1	104.7	88.5	79.2	88.1
4	95.5	98.7	95.1	89.9	81.2	85.7	87.5	92.2	92.8	93.0	103.2	87.1	80.7	90.0
1979 1	85.0	84.5	97.1	93.8	83.9	88.0	88.9	93.5	94.3	94.1	102.2	93.1	84.7	89.6
2	106.8	107.6	108.9	106.5	86.0	89.7	89.5	93.2	96.1	96.2	103.4	96.4	86.2	92.4
3	101.7	100.3	106.0	105.1	88.7	91.5	90.2	93.0	98.3	98.4	104.0	97.0	89.8	94.1
4	102.8	102.4	108.9	106.7	91.9	93.7	95.1	97.2	96.6	96.3	102.9	98.5	95.0	99.0
1980 1	105.4	105.7	110.2	109.8	96.2	97.1	98.2	99.0	97.9	98.0	103.2	100.8	97.6	99.0
2	100.1	100.5	105.1	105.2	100.2	100.0	100.3	100.1	99.9	99.9	100.5	100.5	99.9	100.1
3	96.5	96.5	93.7	93.8	101.9	101.5	100.3	100.2	101.7	101.3	99.0	99.9	100.0	100.5
4	98.0	97.3	90.9	91.1	101.6	101.4	101.2	100.7	100.4	100.7	97.3	98.8	102.6	100.4
1981 1	96.5	92.7	87.2	88.6	104.0	102.9	101.6	99.8	102.4	103.1	94.5	97.1	108.2	103.9
2	97.8	94.7	91.9	94.5	107.1	104.7	105.2	102.3	101.8	102.4	93.5	98.2	112.9	109.2
3	100.7	97.7	104.3	106.6	110.7	107.9	110.3	106.7	100.4	101.1	94.4	98.6	115.8	116.1
4	102.0	100.0	101.1	104.0	113.6	110.4	115.3	111.4	98.5	99.1	94.6	99.5	116.7	116.2
1982 1	100.7	98.2	100.4	103.8	114.7	112.2	115.2	111.1	99.6	101.0	95.2	98.4	117.3	116.9
2	103.2	99.3	104.0	108.1	114.8	113.2	116.7	113.5	98.3	99.8	94.2	99.1	120.5	120.1
3	98.9	92.9	98.8	102.6	117.7	115.4	118.3	114.3	99.4	101.0	89.1	99.0	121.8	122.0
4	103.1	97.2	99.5	105.4	119.6	116.7	121.4	116.7	98.5	100.0	89.8	97.5	125.0	125.0
1983 1	102.3	95.9	104.5	111.2	123.6	121.0	126.3	122.4	97.9	98.8	92.5	93.4	128.7	133.5
2	100.3	93.9	106.6	112.4	125.6	123.8	128.1	125.5	98.1	98.6	95.3	94.1	127.9	130.5
3	99.3	93.1	106.6	112.6	127.9	126.2	128.9	126.2	99.2	100.0	91.7	96.3	129.9	132.4
4	107.4	99.1	112.7	120.2	129.2	127.2	131.0	128.2	98.6	99.2	91.5	100.0	132.5	134.3
1984 1	109.5	101.0	113.2	121.4	132.6	130.5	136.1	133.0	97.4	98.1	93.7	97.5	133.6	136.1

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INVISIBLES: SUMMARY

TABLE 4

£ million														
Seasonally adjusted												Not seasonally adjusted		
Invisible credits				Invisible debits				Invisible balance				Total invisibles		
								of which:						
								Private sector and PC: services and IPD				Gen. govt. trans- actions and private trans- fers		
Services	IPD	Trans- fers	Total	Services	IPD	Trans- fers	Total	Total	Total	Total	Credits	Debits	Balance	
1972	4 288	1 748	264	6 300	3 587	1 210	532	5 329	+971	+1 732	-761	6 300	5 329	+971
1973	5 296	2 823	387	8 506	4 510	1 566	823	6 899	+1 607	+2 651	-1 044	8 506	6 899	+1 607
1974	6 728	3 286	489	10 503	5 653	1 871	906	8 430	+2 073	+3 361	-1 288	10 503	8 430	+2 073
1975	7 857	2 841	759	11 457	6 342	2 068	1 227	9 637	+1 820	+3 372	-1 552	11 457	9 637	+1 820
1976	10 278	3 971	790	15 039	7 775	2 606	1 585	11 946	+3 093	+5 168	-2 075	15 039	11 946	+3 093
1977	11 903	4 032	912	16 847	8 565	3 916	2 028	14 509	+2 338	+4 874	-2 536	16 847	14 509	+2 338
1978	12 722	5 195	1 213	19 130	8 906	4 534	2 990	16 430	+2 700	+5 739	-3 039	19 130	16 430	+2 700
1979	14 476	8 005	1 351	23 832	10 405	6 915	3 616	20 936	+2 896	+6 443	-3 547	23 832	20 936	+2 896
1980	15 787	8 382	1 778	25 947	11 520	8 448	3 857	23 825	+2 122	+5 440	-3 318	25 947	23 825	+2 122
1981	16 871	10 253	2 585	29 709	12 622	8 936	4 552	26 110	+3 599	+6 760	-3 161	29 709	26 110	+3 599
1982	17 602	11 071	3 151	31 824	13 728	9 446	5 260	28 434	+3 390	+7 101	-3 711	31 824	28 434	+3 390
1983	18 995	11 930	3 291	34 216	14 667	10 567	5 558	30 792	+3 424	+7 654	-4 230	34 216	30 792	+3 424
1975 1	1 881	733	197	2 811	1 512	532	270	2 314	+497	+820	-323	2 614	2 206	+408
2	1 913	675	173	2 761	1 533	533	319	2 385	+376	+772	-396	2 753	2 391	+362
3	1 976	674	195	2 845	1 611	494	307	2 412	+433	+847	-414	3 086	2 558	+528
4	2 067	759	194	3 040	1 686	509	331	2 526	+514	+933	-419	3 004	2 482	+522
1976 1	2 290	929	175	3 394	1 709	635	369	2 713	+681	+1 162	-481	3 142	2 595	+547
2	2 468	945	209	3 622	1 907	595	376	2 878	+744	+1 235	-491	3 592	2 894	+698
3	2 680	1 033	196	3 909	2 006	664	384	3 054	+855	+1 362	-507	4 252	3 220	+1 032
4	2 840	1 064	210	4 114	2 153	712	436	3 301	+813	+1 409	-596	4 053	3 237	+816
1977 1	2 839	1 019	229	4 087	2 088	896	474	3 458	+629	+1 259	-630	3 749	3 289	+460
2	2 945	1 001	212	4 158	2 103	1 012	491	3 606	+552	+1 208	-656	4 104	3 651	+453
3	3 072	999	220	4 291	2 206	1 010	541	3 757	+534	+1 200	-666	4 753	3 915	+838
4	3 047	1 013	251	4 311	2 168	998	522	3 688	+623	+1 207	-584	4 241	3 654	+587
1978 1	3 070	1 128	265	4 463	2 156	1 056	796	4 008	+455	+1 315	-860	4 137	3 823	+314
2	3 090	1 296	283	4 669	2 245	1 059	671	3 975	+694	+1 401	-707	4 565	4 040	+525
3	3 274	1 355	318	4 947	2 247	1 170	780	4 197	+750	+1 539	-789	5 455	4 375	+1 080
4	3 288	1 416	347	5 051	2 258	1 249	743	4 250	+801	+1 484	-683	4 973	4 192	+781
1979 1	3 417	1 813	316	5 546	2 404	1 402	822	4 628	+918	+1 724	-806	5 191	4 423	+768
2	3 518	1 821	335	5 674	2 564	1 721	838	5 123	+551	+1 399	-848	5 589	5 170	+419
3	3 686	2 222	344	6 252	2 630	1 797	954	5 381	+871	+1 783	-912	6 780	5 623	+1 157
4	3 855	2 149	356	6 360	2 807	1 995	1 002	5 804	+556	+1 537	-981	6 272	5 720	+552
1980 1	3 977	2 168	428	6 573	2 876	2 222	914	6 012	+561	+1 303	-742	6 131	5 719	+412
2	3 964	2 198	391	6 553	2 897	2 332	1 009	6 238	+315	+1 292	-977	6 450	6 305	+145
3	3 906	1 877	411	6 194	2 891	1 872	1 015	5 778	+416	+1 320	-904	6 815	6 158	+657
4	3 940	2 139	548	6 627	2 856	2 022	919	5 797	+830	+1 525	-695	6 551	5 643	+908
1981 1	4 035	2 281	1 005	7 321	2 906	2 015	1 135	6 056	+1 265	+1 615	-350	6 898	5 738	+1 162
2	4 166	2 357	380	6 903	3 086	1 963	1 080	6 129	+774	+1 808	-1 034	6 797	6 195	+602
3	4 311	2 597	478	7 386	3 297	2 275	1 261	6 833	+553	+1 626	-1 073	8 020	7 287	+733
4	4 359	3 018	722	8 099	3 333	2 683	1 076	7 092	+1 007	+1 711	-704	7 994	6 892	+1 102
1982 1	4 409	2 415	1 353	8 177	3 313	2 312	1 283	6 908	+1 269	+1 513	-244	7 708	6 506	+1 202
2	4 480	2 797	441	7 718	3 428	2 374	1 308	7 110	+608	+1 892	-1 284	7 645	7 252	+393
3	4 284	2 779	613	7 676	3 477	2 317	1 352	7 146	+530	+1 693	-1 163	8 300	7 682	+618
4	4 429	3 080	744	8 253	3 510	2 443	1 317	7 270	+983	+2 003	-1 020	8 171	6 994	+1 177
1983 1	4 700	2 817	1 181	8 698	3 594	2 393	1 325	7 312	+1 386	+1 966	-580	8 212	6 880	+1 332
2	4 813	2 804	579	8 196	3 537	2 825	1 463	7 825	+371	+1 749	-1 378	8 129	7 906	+223
3	4 698	3 165	733	8 596	3 869	2 580	1 271	7 520	+1 076	+2 128	-1 052	9 256	8 142	+1 114
4	4 784	3 144	796	8 726	3 867	2 769	1 499	8 135	+591	+1 811	-1 220	8 619	7 864	+755
1984 1	4 945	3 117	939	9 001	3 877	2 848	1 379	8 104	+897	+1 855	-958	8 488	7 669	+819

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SERVICES: CREDITS

TABLE 5

£ million													
Private sector and public corporations								General government					
Sea transport								EC institutions		Other		Total services credits	
Dry cargo	Tankers	Total	Civil aviation	Travel	Financial services	Other services	Total			Total			
1974	1 408	1 257	2 665	625	898	785	1 645	6 618	21	89	110	6 728	
1975	1 520	1 131	2 651	780	1 218	1 025	2 044	7 718	34	105	139	7 857	
1976	1 870	1 363	3 233	1 049	1 768	1 303	2 710	10 063	46	169	215	10 278	
1977	2 094	1 339	3 433	1 203	2 352	1 391	3 283	11 862	78	163	241	11 903	
1978	1 934	1 215	3 149	1 455	2 507	1 539	3 754	12 404	94	224	318	12 722	
1979	2 038	1 766	3 804	1 755	2 797	1 588	4 202	14 146	115	215	330	14 476	
1980	2 200	1 616	3 816	2 210	2 961	1 601	4 818	15 406	112	269	381	15 787	
1981	2 155	1 629	3 784	2 359	2 970	1 971	5 348	16 432	122	317	439	16 871	
1982	2 156	1 407	3 563	2 471	3 168	2 145	5 818	17 165	150	287	437	17 602	
1983	1 956	1 219	3 175	2 665	3 655	2 590	6 422	18 507	148	340	488	18 995	
Unadjusted													
1979	1	457	392	849	303	412	397	1 025	2 986	30	68	98	3 084
	2	519	427	946	385	637	377	988	3 333	24	36	60	3 393
	3	532	445	977	564	1 088	417	1 118	4 164	30	51	81	4 245
	4	530	502	1 032	503	660	397	1 071	3 663	31	60	91	3 754
1980	1	523	464	987	395	516	388	1 180	3 466	31	76	107	3 573
	2	574	393	967	510	715	403	1 130	3 725	31	50	81	3 806
	3	584	369	953	710	1 122	382	1 277	4 444	31	81	112	4 556
	4	519	390	909	595	608	428	1 231	3 771	19	62	81	3 852
1981	1	471	431	902	476	466	452	1 231	3 527	37	91	128	3 655
	2	540	414	954	556	677	475	1 265	3 927	25	45	70	3 997
	3	589	412	1 001	725	1 150	503	1 484	4 863	21	93	114	4 977
	4	555	372	927	602	677	541	1 368	4 115	39	88	127	4 242
1982	1	527	335	862	483	515	556	1 444	3 860	41	103	144	4 004
	2	575	372	947	563	793	529	1 395	4 227	36	56	94	4 321
	3	565	334	899	770	1 188	493	1 525	4 875	38	39	77	4 952
	4	489	366	855	655	672	567	1 454	4 203	35	87	122	4 325
1983	1	471	276	747	525	580	714	1 562	4 128	37	122	159	4 287
	2	491	283	774	629	900	685	1 564	4 552	32	74	106	4 658
	3	516	317	833	823	1 380	605	1 654	5 295	51	69	120	5 415
	4	478	343	821	688	795	586	1 642	4 532	28	75	103	4 635
1984	1	482	296	778	560	670	663	1 656	4 327	41	98	139	4 466
Seasonally adjusted													
1979	1	483	387	870	379	651	406	1 029	3 335	30	52	82	3 417
	2	506	436	942	403	695	370	1 032	3 442	24	52	76	3 518
	3	508	454	962	461	707	424	1 051	3 605	30	51	81	3 686
	4	541	489	1 030	512	744	388	1 090	3 764	31	60	91	3 855
1980	1	555	454	1 009	497	800	391	1 189	3 886	31	60	91	3 977
	2	560	401	961	544	764	398	1 196	3 863	31	70	101	3 964
	3	553	380	933	576	718	391	1 179	3 797	31	78	109	3 906
	4	532	381	913	593	679	421	1 254	3 860	19	61	80	3 940
1981	1	500	419	919	593	715	453	1 245	3 925	37	73	110	4 035
	2	529	422	951	593	725	467	1 339	4 075	25	66	91	4 166
	3	555	424	979	582	752	516	1 372	4 201	21	89	110	4 311
	4	571	364	935	591	778	535	1 392	4 231	39	89	128	4 359
1982	1	561	326	887	601	786	557	1 453	4 284	41	84	125	4 409
	2	563	378	941	605	839	520	1 458	4 363	36	81	117	4 480
	3	529	343	872	621	774	508	1 434	4 209	38	37	75	4 284
	4	503	360	863	644	789	560	1 473	4 309	35	85	120	4 429
1983	1	501	269	770	654	865	714	1 562	4 565	37	98	135	4 700
	2	483	287	770	672	935	676	1 624	4 677	32	104	136	4 813
	3	479	326	805	665	915	622	1 577	4 584	51	63	114	4 698
	4	493	337	830	674	940	578	1 659	4 681	28	75	103	4 784
1984	1	513	288	801	697	1 005	662	1 656	4 821	41	83	124	4 945

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SERVICES: DEBITS AND BALANCE

TABLE 5 (continued)

£ million														
Debits									Balance of services					
Private sector and public corporations														
See transport						Other services								
Dry cargo	Tankers	Total	Civil aviation	Travel	Assoc-iated with UK Cont. Shelf	Other	Total	General government	Total services debits	Private sector and public corporations	General government	Total		
1974	1 339	1 437	2 776	540	703	212	793	5 024	629	5 653	+1 594	-519	+1 075	
1975	1 296	1 266	2 562	675	917	490	989	5 633	709	6 342	+2 085	-570	+1 515	
1976	1 638	1 517	3 155	840	1 068	665	1 180	6 908	867	7 775	+3 155	-652	+2 503	
1977	1 865	1 480	3 345	984	1 186	725	1 385	7 625	940	8 565	+4 037	-699	+3 338	
1978	1 927	1 235	3 162	1 176	1 549	568	1 465	7 920	986	8 906	+4 484	-668	+3 816	
1979	2 195	1 482	3 677	1 467	2 109	467	1 613	9 333	1 072	10 405	+4 813	-742	+4 071	
1980	2 428	1 247	3 675	1 815	2 738	514	1 764	10 506	1 014	11 520	+4 900	-633	+4 267	
1981	2 593	1 351	3 944	1 922	3 271	615	1 905	11 657	965	12 622	+4 775	-526	+4 249	
1982	2 772	1 133	3 905	2 080	3 640	753	2 112	12 490	1 238	13 728	+4 675	-801	+3 874	
1983	3 030	945	3 975	2 237	4 054	695	2 404	13 365	1 302	14 667	+5 142	-814	+4 328	
Unadjusted														
1979	1	464	360	824	296	306	95	378	1 898	249	2 147	+1 088	-151	+937
	2	585	359	944	359	503	102	385	2 293	275	2 568	+1 040	-215	+825
	3	585	359	944	446	858	122	413	2 783	268	3 051	+1 381	-187	+1 194
	4	561	404	965	366	443	148	437	2 359	280	2 639	+1 304	-189	+1 115
1980	1	619	348	967	398	399	113	437	2 314	235	2 549	+1 152	-128	+1 024
	2	627	308	935	453	672	120	439	2 619	275	2 894	+1 106	-194	+912
	3	637	301	938	545	1 127	127	441	3 178	255	3 433	+1 266	-143	+1 123
	4	545	290	835	419	540	154	447	2 395	249	2 644	+1 376	-168	+1 208
1981	1	577	352	929	399	454	103	467	2 352	183	2 535	+1 175	-55	+1 120
	2	595	360	955	475	788	149	463	2 830	235	3 065	+1 097	-165	+932
	3	743	335	1 078	594	1 386	155	486	3 699	251	3 950	+1 164	-137	+1 027
	4	678	304	982	454	643	208	489	2 776	296	3 072	+1 339	-169	+1 170
1982	1	678	280	958	433	532	174	499	2 596	301	2 897	+1 264	-157	+1 107
	2	740	304	1 044	516	881	166	507	3 114	314	3 428	+1 113	-220	+893
	3	712	263	975	644	1 508	214	561	3 902	299	4 201	+973	-222	+751
	4	642	286	928	487	719	199	545	2 878	324	3 202	+1 325	-202	+1 123
1983	1	712	260	972	471	596	159	583	2 781	337	3 118	+1 347	-178	+1 169
	2	758	210	968	562	957	159	580	3 226	316	3 542	+1 326	-210	+1 116
	3	775	226	1 001	683	1 722	171	601	4 178	323	4 501	+1 117	-203	+914
	4	785	249	1 034	521	779	206	640	3 180	326	3 506	+1 352	-223	+1 129
1984	1	840	239	1 079	507	655	147	640	3 028	331	3 359	+1 299	-192	+1 107
Seasonally adjusted														
1979	1	481	363	844	339	477	121	374	2 155	249	2 404	+1 180	-167	+1 013
	2	569	360	929	359	509	106	386	2 289	275	2 564	+1 153	-199	+964
	3	583	362	925	375	536	112	414	2 362	268	2 630	+1 243	-187	+1 056
	4	582	397	979	394	587	128	439	2 527	280	2 807	+1 237	-189	+1 048
1980	1	643	351	994	451	623	140	433	2 641	235	2 876	+1 245	-144	+1 101
	2	611	308	919	452	687	125	439	2 622	275	2 897	+1 241	-174	+1 067
	3	606	302	908	458	710	117	443	2 636	255	2 891	+1 161	-146	+1 015
	4	568	286	854	454	718	132	449	2 607	249	2 856	+1 253	-169	+1 084
1981	1	599	354	953	456	727	124	463	2 723	183	2 906	+1 202	-73	+1 129
	2	581	359	940	475	814	159	463	2 851	235	3 086	+1 224	-144	+1 080
	3	702	338	1 040	496	872	150	488	3 046	251	3 297	+1 155	-141	+1 014
	4	711	300	1 011	495	858	182	491	3 037	296	3 333	+1 194	-168	+1 026
1982	1	701	280	981	496	866	174	495	3 012	301	3 313	+1 272	-176	+1 096
	2	723	304	1 027	515	899	166	507	3 114	314	3 428	+1 249	-197	+1 052
	3	670	266	936	537	929	214	562	3 178	299	3 477	+1 031	-224	+807
	4	678	283	961	532	946	199	548	3 186	324	3 510	+1 123	-204	+919
1983	1	735	260	995	539	985	159	579	3 257	337	3 594	+1 308	-202	+1 106
	2	735	210	945	561	975	159	581	3 221	316	3 537	+1 456	-180	+1 276
	3	729	229	958	567	1 048	171	602	3 346	323	3 669	+1 238	-209	+1 029
	4	831	246	1 077	570	1 046	206	642	3 541	326	3 867	+1 140	-223	+917
1984	1	870	239	1 109	580	1 074	147	636	3 546	331	3 877	+1 275	-207	+1 068

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INTEREST, PROFITS AND DIVIDENDS: CREDITS

TABLE 6

£ million									
Earnings on:									
	Direct investment (excluding oil companies)	Portfolio investment	Sterling lending by UK banks and export credit	Interest on UK borrowing and lending in foreign currencies (balance)	Interest on bank deposits and lending overseas	Other earnings (including oil companies)	Total credits	of which:	
								Private sector and public corporations	General government
1974	1 490	279	322	151	-	1 044	3 286	3 049	237
1975	1 591	271	365	138	-	476	2 841	2 575	266
1976	2 383	313	472	210	87	506	3 971	3 718	253
1977	2 293	328	460	107	102	742	4 032	3 648	384
1978	2 346	400	566	346	164	1 373	5 195	4 504	691
1979	2 843	540	741	-44	287	3 638	8 005	7 189	816
1980	2 924	740	970	352	446	2 950	8 382	7 439	943
1981	3 555	940	1 343	1 010	627	2 778	10 253	9 305	948
1982	3 113	1 580	1 648	1 454	635	2 642	11 071	10 255	816
1983	3 560	2 609	1 869	513	567	2 812	11 930	11 309	621
Unadjusted									
1979 1	658	113	181	36	61	752	1 801	1 624	177
2	675	124	178	6	62	825	1 870	1 665	205
3	781	146	177	3	71	1 020	2 198	1 991	207
4	729	157	205	-89	93	1 041	2 136	1 909	227
1980 1	807	167	216	-44	115	869	2 130	1 903	227
2	790	182	224	155	109	815	2 275	1 886	289
3	641	199	243	97	95	581	1 856	1 646	210
4	686	192	287	144	127	685	2 121	1 904	217
1981 1	837	193	289	108	133	682	2 242	2 035	207
2	926	204	287	282	150	600	2 449	2 146	303
3	874	253	345	273	179	654	2 578	2 337	241
4	918	290	422	347	165	842	2 984	2 787	197
1982 1	758	324	433	117	165	562	2 359	2 182	177
2	795	372	416	484	170	683	2 919	2 639	280
3	657	431	392	451	148	676	2 755	2 580	175
4	903	453	407	402	152	721	3 038	2 854	184
1983 1	748	558	497	126	144	674	2 747	2 600	147
2	947	619	459	186	130	583	2 924	2 718	206
3	1 024	691	451	32	148	787	3 133	3 014	119
4	841	741	462	169	145	768	3 126	2 977	149
1984 1	682	796	512	72	145	879	3 086	2 939	147
Seasonally adjusted									
1979 1	660	116	184	36	61	756	1 813	1 633	180
2	646	125	175	6	62	807	1 821	1 634	187
3	790	140	190	3	71	1 028	2 222	2 006	216
4	747	159	192	-89	93	1 047	2 149	1 916	233
1980 1	814	170	219	-44	115	894	2 168	1 916	252
2	759	183	221	155	109	771	2 198	1 953	245
3	645	191	256	97	95	593	1 877	1 655	222
4	706	196	274	144	127	692	2 139	1 915	224
1981 1	847	198	286	108	133	709	2 281	2 048	233
2	882	205	289	282	150	549	2 357	2 106	251
3	881	242	358	273	179	664	2 597	2 345	252
4	945	295	410	347	165	856	3 018	2 806	212
1982 1	767	330	431	117	165	605	2 415	2 195	220
2	754	376	418	484	170	596	2 797	2 605	192
3	661	417	404	451	148	698	2 779	2 582	197
4	931	457	395	402	152	743	3 080	2 873	207
1983 1	764	572	495	126	144	716	2 817	2 626	191
2	895	624	462	186	130	507	2 804	2 673	131
3	1 035	670	463	32	148	817	3 165	3 017	148
4	866	743	449	169	145	772	3 144	2 993	151
1984 1	698	803	509	72	145	890	3 117	2 959	158

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INTEREST, PROFITS AND DIVIDENDS: DEBITS AND BALANCE

TABLE 6 (continued)

£ million													
Earnings on													
	Direct investment (excluding oil companies)	Foreign oil companies' investment in UK	Portfolio investment	Foreign currency borrowing by general government ¹	Sterling liabilities	Other	Total debits	of which:		Balance of IPD			
								Private sector and public corporations	General government	Private sector and public corporations	General government	Total	
1974	622	27	252	139	623	208	1,871	1,282	589	+1,767	-352	+1,415	
1975	625	-23	307	259	651	249	2,068	1,288	780	+1,287	-514	+773	
1976	1,040	-76	385	368	567	322	2,606	1,706	901	+2,013	-648	+1,365	
1977	1,432	565	573	422	467	457	3,916	2,811	1,105	+837	-721	+116	
1978	1,526	703	671	522	496	616	4,534	3,249	1,285	+1,255	-594	+661	
1979	2,077	1,940	747	576	911	664	6,915	5,559	1,356	+1,630	-540	+1,090	
1980	1,873	2,965	894	518	1,527	671	8,448	6,899	1,549	+540	-606	-66	
1981	1,964	2,776	969	489	1,899	839	8,936	7,320	1,616	+1,985	-668	+1,317	
1982	2,152	2,621	1,042	402	2,253	976	9,446	7,829	1,617	+2,426	-801	+1,625	
1983	2,660	3,045	1,118	428	2,385	931	10,567	8,797	1,770	+2,512	-1,149	+1,363	
Unadjusted													
1979	1	405	361	140	130	154	136	1,326	1,044	282	+580	-105	+475
	2	556	493	197	169	196	202	1,813	1,426	387	+239	-182	+57
	3	382	626	193	107	230	131	1,669	1,369	300	+622	-93	+529
	4	734	460	217	170	331	195	2,107	1,720	387	+189	-160	+29
1980	1	515	814	199	108	326	152	2,114	1,787	327	+116	-100	+16
	2	575	822	280	177	367	237	2,458	1,952	506	+34	-217	-183
	3	321	644	223	93	379	108	1,768	1,423	345	+223	-135	+88
	4	462	685	192	140	455	174	2,108	1,737	371	+167	-154	+13
1981	1	386	653	222	81	426	143	1,911	1,572	339	+463	-132	+331
	2	423	489	272	191	449	287	2,111	1,575	536	+571	-233	+338
	3	546	599	253	98	459	181	2,136	1,772	364	+565	-123	+442
	4	609	1,035	222	119	565	228	2,778	2,401	377	+386	-180	+206
1982	1	591	611	258	52	490	184	2,185	1,867	319	+315	-142	+173
	2	568	587	284	139	592	390	2,560	2,030	530	+609	-250	+359
	3	476	609	271	63	587	184	2,190	1,827	363	+753	-188	+565
	4	517	814	229	148	584	218	2,510	2,105	405	+749	-221	+528
1983	1	629	549	280	79	578	166	2,281	1,885	396	+715	-249	+466
	2	761	841	283	132	604	333	2,954	2,435	519	+283	-313	-30
	3	681	611	305	90	571	176	2,434	2,030	404	+984	-285	+699
	4	589	1,044	250	127	632	256	2,898	2,447	451	+530	-302	+228
1984	1	738	824	306	94	607	209	2,778	2,290	488	+649	-341	+308
Seasonally adjusted													
1979	1	420	361	151	144	160	166	1,402	1,089	313	+544	-133	+411
	2	551	493	164	150	203	160	1,721	1,388	333	+246	-146	+100
	3	444	626	194	129	244	160	1,797	1,466	331	+540	-115	+425
	4	662	460	238	153	304	178	1,995	1,616	379	+300	-146	+154
1980	1	538	814	218	124	340	188	2,222	1,858	364	+58	-112	-54
	2	570	822	239	157	375	169	2,332	1,902	430	+51	-185	-134
	3	348	644	222	117	397	144	1,872	1,496	376	+159	-154	+5
	4	417	685	215	120	415	170	2,022	1,643	379	+272	-155	+117
1981	1	395	653	231	98	453	185	2,015	1,635	380	+413	-147	+266
	2	420	489	238	163	448	205	1,963	1,522	441	+584	-190	+394
	3	595	599	248	122	485	226	2,275	1,874	401	+471	-149	+322
	4	554	1,035	252	106	513	223	2,683	2,289	394	+517	-182	+335
1982	1	607	611	268	64	515	247	2,312	1,954	358	+241	-138	+103
	2	565	587	249	120	601	252	2,374	1,962	412	+643	-220	+423
	3	501	609	258	86	616	247	2,317	1,920	397	+662	-200	+462
	4	479	814	267	132	521	230	2,443	1,993	450	+880	-243	+637
1983	1	642	549	268	92	612	230	2,393	1,966	425	+658	-234	+424
	2	765	841	274	110	604	231	2,825	2,380	445	+293	-314	-21
	3	714	611	293	118	605	239	2,580	2,127	453	+890	-305	+585
	4	539	1,044	283	108	564	231	2,769	2,322	447	+671	-296	+375
1984	1	754	824	289	109	642	230	2,848	2,379	469	+580	-311	+269

1. Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

CONFIDENTIAL UNTIL PUBLICATION

TRANSFERS

TABLE 7

£ million														
Private sector				General government										
			Credits		Debits					Balance				
			EC institutions		Bilateral aid		Contributions and subscriptions to international orgs.		Pensions, benefits and other transfers		of which: with EC institutions		Balance of transfers	
Credits	Debits	Balance of private sector	Budget refunds	Other	Bilateral aid	EC	Other	Total debits	Total	Total	Total	Total		
1974	357	454	-97	-	132	105	186	90	71	452	-320	-54	-417	
1975	393	503	-110	-	366	148	350	143	83	724	-358	-16	-468	
1976	537	509	+28	-	253	279	474	192	111	1 056	-803	-221	-775	
1977	614	614	-	-	298	279	750	254	131	1 414	-1 116	-452	-1 116	
1978	774	848	-74	-	439	387	1 364	233	158	2 142	-1 703	-925	-1 777	
1979	801	1 008	-207	-	550	498	1 626	325	159	2 608	-2 058	-1 076	-2 265	
1980	820	1 076	-256	98	860	528	1 783	281	189	2 781	-1 823	-825	-2 079	
1981	927	1 205	-278	693	965	587	2 188	285	287	3 347	-1 689	-530	-1 967	
1982	994	1 262	-268	1 019	1 139	496	2 878	324	300	3 998	-1 841	-721	-2 109	
1983	1 070	1 323	-253	807	1 414	573	2 999	340	323	4 235	-2 014	-778	-2 267	
Unadjusted														
1979	1	202	224	-22	-	104	212	362	110	42	726	-622	-258	-644
	2	200	206	-8	-	126	63	386	98	34	581	-455	-260	-463
	3	194	279	-85	-	143	98	428	57	41	624	-481	-285	-566
	4	205	297	-92	-	177	125	450	60	42	677	-500	-273	-592
1980	1	201	267	-66	-	227	227	415	93	54	789	-562	-188	-628
	2	205	266	-61	-	164	75	483	83	46	687	-523	-319	-584
	3	206	266	-60	-	197	110	466	71	44	691	-494	-269	-554
	4	208	277	-69	98	272	116	419	34	45	614	-244	-49	-313
1981	1	227	295	-68	547	227	290	544	90	71	995	-221	+230	-289
	2	230	298	-68	-	121	68	507	88	58	721	-600	-386	-668
	3	233	303	-70	28	204	104	660	61	73	898	-666	-428	-736
	4	237	309	-72	118	413	125	477	46	85	733	-202	+54	-274
1982	1	241	311	-70	813	291	233	700	94	85	1 112	-8	+404	-78
	2	246	313	-67	9	150	59	723	102	67	951	-792	-564	-859
	3	251	317	-66	72	271	83	750	68	73	974	-632	-408	-698
	4	256	321	-65	125	427	121	705	60	75	961	-409	-153	-474
1983	1	261	323	-62	568	349	295	660	108	95	1 158	-241	+257	-303
	2	266	329	-63	-	282	80	791	139	71	1 081	-800	-510	-863
	3	270	333	-63	21	417	96	633	69	76	874	-436	-195	-499
	4	273	338	-65	218	366	102	915	24	81	1 122	-537	-330	-602
1984	1	275	339	-64	-	661	196	782	126	89	1 193	-532	-121	-596
Seasonally adjusted														
1979	1	202	224	-22	-	114	119	357	86	36	598	-484	-243	-506
	2	200	208	-8	-	135	118	393	82	37	630	-495	-258	-503
	3	194	279	-85	-	150	131	430	73	41	675	-525	-280	-610
	4	205	297	-92	-	151	130	446	84	45	705	-554	-295	-646
1980	1	201	267	-66	-	227	121	408	71	47	647	-420	-181	-486
	2	205	266	-61	-	186	139	486	68	50	743	-557	-300	-618
	3	206	266	-60	-	205	146	472	86	45	749	-544	-267	-604
	4	208	277	-69	98	242	122	417	56	47	642	-302	-77	-371
1981	1	227	295	-68	547	231	168	538	70	64	840	-62	+240	-130
	2	230	298	-68	-	150	141	508	72	61	782	-632	-358	-700
	3	233	303	-70	28	217	142	667	75	74	958	-713	-422	-783
	4	237	309	-72	118	367	136	475	68	88	767	-282	+10	-354
1982	1	241	311	-70	813	299	129	693	73	77	972	140	+419	70
	2	246	313	-67	9	186	121	721	82	71	995	-800	-526	-867
	3	251	317	-66	72	290	116	762	83	74	1 035	-673	-400	-739
	4	256	321	-65	125	363	130	702	86	78	996	-508	-214	-573
1983	1	261	323	-62	568	352	176	655	84	87	1 002	-82	+265	-144
	2	266	329	-63	-	313	151	790	118	75	1 134	-821	-477	-884
	3	270	333	-63	21	442	134	642	85	77	938	-475	-179	-538
	4	273	338	-65	218	307	112	912	53	84	1 161	-636	-387	-701
1984	1	275	339	-64	-	664	81	777	101	81	1 040	-376	-113	-440

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INVESTMENT AND OTHER CAPITAL TRANSACTIONS¹

TABLE 8

Not seasonally adjusted

£ million

	Overseas investment in		UK private investment overseas	Official long-term capital	Trade credit ²	Foreign currency borrowing or lending abroad by UK banks ³	Exchange reserves in sterling		Other external banking and money market liabilities in sterling ³	External sterling lending by UK banks ^{3,4}	Other external borrowing or lending ⁵	Other transactions	Total investment and other capital transactions
	UK public sector	UK private sector					British government stocks	Banking and money market liabilities, etc. ³					
1972	+113	+659	-1 402	-254	-211	+471	+85	+222	-91	-241	+146	-150	-673
1973	+156	+1 341	-1 760	-255	-203	+535	+74	+87	-7	+35	+339	-164	+178
1974	+180	+2 024	-1 148	-287	-722	-295	-124	+1 534	+148	+53	+351	-112	+1 602
1975	-13	+1 527	-1 367	-291	-518	+253	+7	-622	+549	+96	+316	+217	+154
1976	+179	+1 912	-2 269	-161	-992	-106	+12	-1 413	+256	-350	+121	-164	-2 975
1977	+1 432	+2 967	-2 334	-303	-355	-364	+6	-16	+1 481	+58	+813	+53	+4 166
1978	-97	+1 974	-4 604	-336	-630	-433	-113	-	+293	-504	+106	+81	-4 263
1979	+902	+3 381	-6 802	-401	-792	+1 623	+247	+509	+2 580	+205	+449	-66	+1 835
1980	+589	+4 619	-8 033	-91	-1 156	+2 054	+945	+317	+2 558	-2 500	-514	-243	-1 455
1981	+188	+3 270	-10 669	-336	-847	+1 462	+267	-118	+2 607	-2 954	-322	+101	-7 351
1982	+320	+3 096	-10 777	-337	-1 389	+4 271	-52	+438	+4 134	-3 299	-11	+250	-3 356
1983	+695	+4 983	-10 864	-562	-1 445	+1 167	+194	+714	+3 225	-1 369	-52	-549	-3 863
1975 1	+36	+305	-378	-72	-208	-62	+6	+222	+19	+46	+77	+112	+103
2	-3	+207	-528	-39	-177	+772	-7	-296	+286	-241	+54	+73	+101
3	-57	+580	-106	-30	+137	-15	-67	-313	+1	+35	+82	+19	+264
4	+11	+435	-353	-150	-270	-442	+75	-235	+243	+256	+103	+13	-314
1976 1	+1	+591	-598	-37	-355	+94	-10	-72	+6	-245	+147	-65	-543
2	+15	+377	-560	-18	-284	-86	-13	-908	-11	-223	+74	-97	-1 734
3	+61	+458	-547	-28	-35	-272	-19	-330	+212	-124	-29	-5	-658
4	+102	+486	-564	-78	-318	+158	+54	-103	+49	+242	-71	+3	-40
1977 1	+353	+927	-566	-23	-136	+419	-163	+345	+199	+166	+141	-42	+1 620
2	+443	+831	-772	-19	-60	-706	-4	-394	+350	-110	+381	+74	+14
3	+252	+727	-499	-30	+91	+187	+31	+43	+323	-23	+216	-64	+1 254
4	+384	+482	-497	-231	-250	+464	+142	-10	+609	+25	+75	+85	+1 278
1978 1	-55	+856	-884	-23	-169	+128	-33	+176	-62	-292	+160	+45	-153
2	-40	+322	-804	-8	-280	-931	-20	-211	-152	-65	+39	-52	-2 203
3	-21	+350	-1 185	-66	-126	+343	-34	+43	+159	-82	-15	+180	-454
4	+19	+446	-1 731	-239	-55	+27	-26	-8	+348	-65	-78	-92	-1 453
1979 1	+245	+330	-1 596	-78	-320	+1 002	-130	+268	+470	+103	+75	+91	+460
2	+78	+1 213	-1 462	-35	-244	+385	+5	+92	+358	+204	-28	+172	+738
3	+429	+924	-2 145	-66	+156	+671	+206	+194	+450	-101	-252	-343	+123
4	+150	+914	-1 599	-222	-384	-435	+166	-45	+1 302	-1	+654	+14	+514
1980 1	-18	+1 382	-2 105	+10	-325	+767	+45	+455	+256	-324	-448	-196	-501
2	+656	+901	-1 959	-13	-159	+230	+448	-94	+983	-563	+27	-86	+371
3	+55	+1 021	-1 712	-2	-403	+593	+437	-80	+824	-666	+151	-24	+192
4	-104	+1 315	-2 257	-86	-269	+464	+15	+36	+495	-945	-244	+63	-1 517
1981 1	+82	+416	-3 017	-128	-13	-435	-95	+187	+301	-1 230	+160	-139	-3 911
2	-156	+1 287	-2 453	-111	-161	-750	+152	+21	+902	-435	-699	+402	-2 001
3	-11	+776	-2 187	-5	-64	+58	+95	+49	+1 015	-799	-198	+107	-1 164
4	+273	+791	-3 012	-92	-609	+2 589	+115	-375	+389	-490	+415	-269	-275
1982 1	-58	+1 330	-2 841	-211	-111	+1 598	-167	+512	+1 119	-1 104	+140	-337	-130
2	-104	+838	-2 322	-14	-365	+541	+82	-294	+1 487	+200	+7	+133	+189
3	+223	+494	-2 516	-3	-437	+1 171	-228	+478	+1 035	-1 348	-11	+136	-1 006
4	+259	+434	-3 098	-109	-476	+961	+261	-258	+493	-1 047	-147	+318	-2 409
1983 1	+46	+915	-3 011	-229	-404	+568	+103	+451	+1 063	-939	+686	-674	-1 425
2	+379	+2 010	-2 537	-216	-427	+257	+271	-262	+630	+279	+220	+138	+742
3	+280	+1 531	-2 530	-18	-339	+1 321	-66	+470	+376	-32	-14	+58	+1 037
4	-10	+527	-2 786	-99	-275	-979	-114	+55	+1 156	-677	-944	-71	-4 217
1984 1	+249	+1 034	-4 437	-126	-303	+2 639	+93	+345	+1 286	-1 466	+153	-116	-649

1. UK Assets: increase/-decrease+. UK Liabilities: increase+/-decrease-. Excluding official financing.
2. Excluding trade credit between 'related' firms, after deducting advance and progress payments to suppliers. Coverage was reduced at end-1982, see Table 12 footnote 3. Net credit extended by UK merchants on third country trade is included within export credit.
3. Prior to 1982 includes transactions by 'other financial institutions', which are subsequently included within 'other external borrowing or lending'.
4. Excluding credit for UK exports.
5. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 3). The estimate included for the latest quarter excludes a substantial part of the private sector borrowing from and lending to banks etc., overseas.

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OVERSEAS INVESTMENT IN UNITED KINGDOM¹

TABLE 9

Not seasonally adjusted													
£ million													
Direct investment (excluding oil companies)				Portfolio investment									
Un-remitted profits	Other	Total	Investment by oil companies	Investment in UK company securities	British government stocks ²	British government foreign currency bonds	Local authorities securities	Net issues abroad ³		Total portfolio investment	Miscellaneous investment	Total overseas investment in UK	
								Public corporations	Local authorities				
1977	+837	+489	+1 326	+1 131	+421	+979	+395	+28	+30	-	+1 853	+89	+4 399
1978	+720	+541	+1 261	+666	+12	-3	-	+4	-93	-5	-85	+35	+1 877
1979	+1 226	+514	+1 740	+1 215	+351	+929	-	+41	-6	-62	+1 253	+75	+4 283
1980	+689	+1 852	+2 541	+1 714	+264	+571	-	+19	-1	-	+853	+100	+5 208
1981	+638	+360	+998	+1 882	+320	+201	-	-	-13	-	+508	+70	+3 458
1982	+760	+316	+1 076	+1 770	+130	+495	-115	-5	-55	-	+450	+120	+3 416
1983	+1 369	+1 111	+2 480	+1 473	+945	+709	-	-7	-7	-	+1 640	+85	+5 678
1981 1	+149	-372	-223	+579	+35	+89	-	+1	-8	-	+117	+25	+498
2	+141	+624	+765	+407	+100	-157	-	+2	-1	-	-56	+15	+1 131
3	+266	-249	+17	+634	+110	-6	-	-2	-3	-	+99	+15	+765
4	+82	+357	+439	+262	+75	+275	-	-1	-1	-	+348	+15	+1 064
1982 1	-385	+482	+867	+418	-10	-48	-	-6	-4	-	-68	+55	+1 272
2	-228	-69	+159	+674	-20	+11	-115	-	-	-	-124	+25	+734
3	-232	-108	+124	+365	-20	+222	-	+1	-	-	+203	+25	+717
4	-85	+11	-74	+313	+180	+310	-	-	-51	-	+439	+15	+693
1983 1	+443	+94	+537	+133	+210	+52	-	-	-6	-	+256	+35	+961
2	+486	+419	+905	+630	+465	+382	-	-2	-1	-	+844	+10	+2 389
3	+459	+306	+765	+611	+125	+282	-	-2	-	-	+405	+30	+1 811
4	-19	+292	+273	+99	+145	-7	-	-3	-	-	+135	+10	+517
1984 1	+553	+80	+633	+281	+100	+257	-	-2	-6	-	+349	+20	+1 283

1. UK Liabilities: increase+/decrease-.
2. Excluding investments by central monetary institutions and international organisations.
3. Excluding official financing.

UK PRIVATE INVESTMENT OVERSEAS¹

TABLE 10

Not seasonally adjusted							
£ million							
Direct investment (excluding oil companies)					Oil companies' and other miscellaneous investment	Portfolio investment	
Unremitted profits	Other	Total				Total	
1977	-1 292	-593	-1 885	-461	+12	-2 334	
1978	-1 259	-1 451	-2 710	-821	-1 073	-4 604	
1979	-1 622	-1 413	-3 035	-2 858	-909	-6 802	
1980	-1 634	-1 683	-3 317	-1 566	-3 150	-8 033	
1981	-2 031	-3 121	-5 152	-1 417	-4 100	-10 669	
1982	-1 661	-868	-2 529	-1 968	-6 280	-10 777	
1983	-2 081	-416	-2 497	-2 217	-6 150	-10 864	
1981 1	-559	-661	-1 220	-437	-1 360	-3 017	
2	-478	-584	-1 062	-411	-980	-2 453	
3	-572	-599	-1 171	-296	-720	-2 187	
4	-422	-1 277	-1 699	-273	-1 040	-3 012	
1982 1	-485	-330	-815	-396	-1 630	-2 841	
2	-423	-212	-635	-307	-1 380	-2 322	
3	-297	-266	-563	-493	-1 460	-2 516	
4	-456	-60	-516	-772	-1 810	-3 098	
1983 1	-408	-339	-747	-624	-1 640	-3 011	
2	-561	+208	-353	-364	-1 820	-2 537	
3	-761	+33	-728	-612	-1 190	-2 530	
4	-351	-318	-669	-617	-1 500	-2 786	
1984 1	-370	-470	-840	-607	-2 990	-4 437	

1. UK Assets: increase-/decrease+.

CONFIDENTIAL UNTIL PUBLICATION

OFFICIAL LONG-TERM CAPITAL¹

TABLE 11

Not seasonally adjusted							
£ million							
	Inter government loans				Other official long-term capital		Total official long-term capital
	Made by UK	Repaid to UK	Repaid by UK	Total	UK subscriptions, to IDA, etc.	Other	
1977	-44	+48	-68	-64	-212	-26	-303
1978	-71	+46	-65	-90	-225	-21	-336
1979	-81	+70	-116	-128	-259	-14	-401
1980	-61	+112	-57	-6	-53	-32	-91
1981	-76	+86	-73	-64	-222	-51	-336
1982	-49	+79	-87	-57	-244	-36	-337
1983	-76	+68	-97	-105	-427	-29	-562
1981 1	-34	+23	-	-11	-97	-21	-128
2	-15	+20	-6	-2	-98	-10	-111
3	-16	+18	-	+2	-	-7	-5
4	-11	+25	-67	-53	-27	-13	-92
1982 1	-20	+19	-	-2	-196	-13	-211
2	-12	+21	-8	+1	-9	-6	-14
3	-8	+17	-	+10	-4	-8	-3
4	-9	+22	-79	-66	-35	-9	-109
1983 1	-39	+19	-	-20	-196	-13	-229
2	-8	+17	-7	+1	-211	-5	-216
3	-25	+17	-	-8	-2	-8	-18
4	-4	+15	-90	-78	-18	-3	-99
1984 1	-10	+15	-	+5	-96	-35	-126

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.

IMPORT AND EXPORT CREDIT¹ (excluding credit between 'related' firms)

TABLE 12

Not seasonally adjusted											
£ million											
	Import credit						Export credit				
	Credit received by UK businesses						Identified long-term credit extended by UK banks	Suppliers' credit ^{3,4}	Other credit extended	Advance and progress payments ³	
Identified long-term ²	Other ²	Total	Advance and progress payments ³	Total	Total	Total				Total	
1977	+76	+130	+206	+74	+280	-601	-315	+13	+268	-635	-578
1978	-70	+163	+93	+199	+292	-625	-490	+58	+135	-922	-360
1979	-173	+364	+191	-127	+64	-440	-805	+89	+300	-856	+110
1980	+5	-211	-206	-48	-254	-808	-204	-77	+187	-902	-32
1981	-23	+76	+53	+69	+122	-720	-751	+137	+365	-969	+411
1982	-25	-107	-132	-92	-224	-1 335	-80	+245	+5	-1 165	-297
1983	-21	..	-21	+33	+12	-1 063	..	-394	..	-1 457	-632
1981 1	+13	-21	-8	-63	-71	+29	-205	+71	+163	+58	+334
2	-14	+20	+6	+62	+68	-303	-95	+114	+55	-229	+116
3	-5	+124	+119	+97	+216	-244	-130	-52	+146	-280	-64
4	-17	-47	-64	-27	-91	-202	-321	+4	+1	-518	+25
1982 1	-2	+26	+24	-65	-41	-237	+51	+12	+104	-70	-53
2	+5	-26	-21	-43	-64	-292	-14	+7	-2	-301	-41
3	-10	-65	-75	+60	-15	-308	-74	+24	-64	-422	-110
4	-18	-42	-60	-44	-104	-498	-43	+202	-33	-372	-93
1983 1	-	..	-	-5	-5	-329	..	-70	..	-399	-198
2	-16	..	-16	+59	+43	-342	..	-128	..	-470	-128
3	-33	..	-33	-26	-59	-225	..	-55	..	-280	-131
4	+28	..	+28	+5	+33	-167	..	-141	..	-308	-175
1984 1	+20	..	+20	-7	+13	-197	..	-119	..	-316	-159

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.

2. Credit on ships, commercial aircraft and North Sea installations.

3. Collection of information on trade credit received and extended by non-bank private sector companies ceased at end-1982. Export credit of the public sector previously included within suppliers' credit and advance and progress payments, is included indistinguishably in 'other credit extended' from 1983.

4. Includes net credit extended by UK merchants on third country trade.

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OTHER TRANSACTIONS¹

TABLE 13

Not seasonally adjusted										
£ million										
Other external borrowing or lending (net of repayments)						Other transactions				
Borrowing from banks etc. overseas by						Official assets and liabilities (net)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total	
Public corporations ²	Local authorities ²	Total public sector ²	UK private sector ²	Bank deposits and lending overseas ²	Total					
1977	+746	+4	+750	+318	-254	+813	+56	-3	-	+53
1978	+11	+11	+22	+710	-626	+106	+112	-45	+14	+81
1979	-18	+11	-7	+954	-497	+449	+161	-214	-13	-66
1980	-184	+11	-173	+442	-783	-514	-156	-87	-	-243
1981	-22	+4	-18	+564	-868	-322	+212	-111	-	+101
1982	-102	-3	-105	+714	-619	-11	+437	-187	-	+250
1983	-84	-3	-87	+370	-335	-52	-556	+7	-	-549
1981	-2	+1	-1	+179	-18	+180	-85	-54	-	-139
2	-2	+2	-	-291	-408	-699	+315	+87	-	+402
3	+13	+1	+14	+149	-361	-198	+74	+33	-	+107
4	-31	-	-31	+527	-81	+415	-92	-177	-	-269
1982	-29	-	-29	-702	+871	+140	-284	-53	-	-337
2	-52	-1	-53	-2	+63	+7	+249	-116	-	+133
3	-2	-	-2	+259	-268	-11	+118	+18	-	+136
4	-19	-2	-21	+1 159	-1 285	-147	+354	-36	-	+318
1983	-33	-	-33	+463	+256	+686	-614	-60	-	-674
2	-17	-1	-18	-308	+546	+220	+178	-40	-	+138
3	-3	-	-3	-137	+126	-14	+18	+40	-	+58
4	-31	-2	-33	+352	-1 263	-944	-138	+67	-	-71
1984	-4	-	-4	+69	+88	+153	-47	-69	-	-116

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.
2. Excluding net foreign currency borrowing under the exchange cover scheme which is included under 'official financing'.
3. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 3 to Table 8).
The estimate included for the latest quarter excludes a substantial part of private sector business with banks etc. overseas.

UK CONTINENTAL SHELF OIL AND GAS¹

TABLE 14

Not seasonally adjusted								
£ million								
Volume of sales		Value of sales		Identifiable balance of payments entries				
Gas (billion cubic metres)	Oil (million tonnes)	Gas	Oil	Import of goods	Imports less exports of services	I.P.D. due abroad ²	Overseas investment in UKCS etc ³	
1977	40.4	37.8	317	2 226	-531	-704	-550	+1 508
1978	38.5	53.1	432	2 805	-185	-543	-744	+791
1979	38.8	77.5	538	5 889	-171	-436	-1 368	+696
1980	36.4	79.3	648	8 851	-144	-475	-2 215	+841
1981	35.5	89.6	844	12 340	-377	-553	-2 355	+1 638
1982	35.5	101.9	957	14 431	-451	-676	-2 623	+1 040
1983	37.7	115.0	1 110	17 037	-440	-629	-2 943	+572
1981	12.3	22.0	258	2 821	-40	-89	-546	+452
2	7.1	21.8	163	3 042	-149	-134	-466	+341
3	4.3	22.3	123	3 134	-145	-139	-508	+611
4	11.8	23.5	300	3 343	-43	-191	-835	+234
1982	12.9	22.8	319	3 130	-38	-156	-603	+399
2	6.6	25.9	190	3 436	-92	-146	-503	-8
3	5.1	26.4	134	3 820	-184	-194	-606	+256
4	10.9	26.8	314	4 045	-137	-180	-911	+393
1983	13.4	28.0	370	4 252	-118	-143	-725	+265
2	7.9	27.0	243	3 818	-107	-142	-713	+181
3	4.6	29.1	159	4 305	-126	-155	-595	+423
4	11.8	30.9	338	4 662	-89	-189	-910	-297
1984	15.1	31.8	468	4 785	-58	-132	-864	+74

1. No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts. The problems involved are described briefly and the headings defined in Chapter 9 of the 'Pink Book'.
2. Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid on borrowing for the UKCS operations (see notes in 'Pink Book').
3. Includes investment from retained profits and borrowing for UKCS operations, trade credit etc (see notes in 'Pink Book').

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OFFICIAL FINANCING¹

TABLE 15

£ million												
Net transactions with International Monetary Fund ²					Foreign currency borrowing:							
					by public bodies under exchange cover scheme ⁴							
					Local authorities and public corporations		Other public bodies ³				Drawings on (+); additions to (-) official reserves	Total official financing
UK drawings	UK re-purchases	Other net drawings	Total	by HM Government ²	Borrowing	Repayments	(net)	Total	Total			
1977	+1 525	-412	-	+1 113	+871	+296	-53	-	+243	-9 588	-7 361	
1978	-	-948	-68	-1 016	+191	+672	-1 050	-	-378	+2 329	+1 126	
1979	-	-596	-	-596	-	+1 026	-1 295	+19	-250	-1 059	-1 905	
1980	-	-140	-	-140	-629	+538	-894	+44	-312	-291	-1 372	
1981	-	-145	-	-145	-1 234	+426	-800	+21	-353	+2 419	+687	
1982	-	-163	-	-163	-	+303	-327	+50	+26	+1 421	+1 284	
1983	-	-36	-	-36	-	+596	-368	+19	+249	+603	+816	
1981	1	-	-33	-33	-	+183	-171	+21	+33	-319	-319	
	2	-	-35	-35	-942	+79	-385	-	-306	+1 448	+165	
	3	-	-38	-38	-292	+25	-153	-	-128	+1 167	+709	
	4	-	-39	-39	-	+139	-91	-	+48	+123	+132	
1982	1	-	-38	-38	-	+117	-59	-	+58	+11	+31	
	2	-	-60	-60	-	+110	-88	-	+22	+699	+661	
	3	-	-32	-32	-	+66	-43	+50	+73	-288	-247	
	4	-	-33	-33	-	+10	-137	-	-127	+999	+839	
1983	1	-	-36	-36	-	+127	-127	-	-	+652	+616	
	2	-	-	-	-	+61	-49	-	+13	-145	-132	
	3	-	-	-	-	+159	-121	-	+38	-33	+5	
	4	-	-	-	-	+249	-71	+19	+198	+129	+327	
1984	1	-	-	-	-	+187	-94	+20	+113	+77	+190	

1. Valued in sterling at market related rates of exchange.
2. Excludes transactions which affect the UK reserve position in the IMF (included within official reserves). Includes UK drawings on the oil facility; also drawings (-) and repurchases (+) in sterling by other countries.
3. Drawings on (+) and repayments of (-) two euro-dollar facilities of \$2,500 million and \$1,500 million for HM Government together with a \$350 million bond issue in New York.
4. Comprises loans from the European Investment Bank to the Northern Ireland Central Government and to British Nuclear Fuels Ltd.

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EXTERNAL LIABILITIES AND CLAIMS OF UK MONETARY SECTOR(1) IN FOREIGN CURRENCIES

TABLE 16

£ billion													
End of period													
	Country analysis						Analysis by type of customer						
	Total	EC countries	Other Western Europe	North America	Other developed countries	Eastern Europe	Oil exporting countries	Off-shore banking centres	Other developing countries	Unallocated	Central monetary institutions	Other banks	Other
UK liabilities													
1978	104.6	23.6	20.3	15.0	2.4	1.2	15.0	14.0	10.7	2.5	20.5	64.4	19.6
1979	127.1	26.5	22.6	20.0	3.8	2.0	20.8	15.6	11.8	4.0	28.0	71.6	27.5
1980	145.3	29.7	24.6	20.8	7.3	1.7	25.0	20.4	11.0	4.9	24.9	87.8	32.7
1981	220.1	40.7	34.6	41.1	11.6	1.6	34.8	30.4	13.9	11.3	28.5	134.7	56.8
1982	278.9	47.0	41.0	72.6	11.0	2.6	34.9	39.1	15.7	15.0	28.1	174.8	76.0
1981													
1	162.9	33.9	24.5	24.5	9.7	1.1	28.6	23.0	11.6	5.9	26.5	98.5	38.0
2	189.3	37.2	29.7	30.9	10.0	1.1	32.7	26.8	13.2	7.7	28.7	113.4	47.2
3	214.5	40.2	32.7	39.4	12.8	1.4	36.9	30.0	13.7	7.3	29.9	128.5	56.1
4	220.1	40.7	34.6	41.1	11.6	1.5	34.8	30.4	13.9	11.3	28.5	134.7	56.8
1982													
1	241.9	43.8	38.0	50.6	13.4	1.8	36.3	30.8	14.6	12.6	29.2	148.0	64.7
2	244.8	41.6	38.3	59.8	9.6	1.8	33.8	31.7	14.9	13.5	28.2	148.5	68.1
3	265.5	42.9	40.1	69.4	10.8	1.9	35.4	37.0	14.6	13.3	30.8	163.2	71.7
4	278.9	47.0	41.0	72.6	11.0	2.6	34.9	39.0	15.7	15.0	28.1	174.7	76.0
1983													
1	313.4	51.5	48.5	84.3	13.5	3.2	36.4	45.7	17.2	13.0	30.0	199.0	84.4
2	301.2	48.7	46.4	82.3	10.7	3.0	34.1	46.8	17.8	11.3	27.8	189.8	83.5
3	317.1	51.9	49.5	85.6	13.9	2.7	35.4	48.4	18.4	11.4	30.6	201.1	85.4
4	330.6	57.0	51.6	87.8	14.8	3.1	34.6	47.6	19.8	14.2	30.6	209.1	90.9
1984													
1	345.6	58.1	54.2	91.2	16.6	3.6	35.6	51.0	21.6	13.8	30.2	220.2	95.2
UK claims													
1978	99.4	30.9	11.7	7.3	8.7	5.3	7.0	18.2	10.0	0.2	3.6	69.7	26.1
1979	121.4	34.3	14.0	13.0	10.6	5.9	8.1	22.2	12.9	0.4	1.7	90.1	29.5
1980	139.5	38.6	17.3	12.5	16.2	6.0	8.5	23.5	16.5	0.5	1.5	103.0	35.0
1981	213.7	59.3	23.3	23.8	23.8	7.4	11.8	35.3	25.6	3.4	2.1	151.8	59.8
1982	266.6	75.6	28.1	40.3	26.2	7.5	14.1	40.3	29.1	5.4	2.5	187.6	76.5
1981													
1	157.2	45.5	17.3	15.5	18.4	6.2	8.4	26.7	18.9	0.5	1.9	116.2	39.1
2	184.3	51.6	20.4	18.8	19.9	7.0	10.2	33.0	22.8	0.5	1.7	135.9	46.7
3	209.5	57.6	22.8	22.7	24.2	7.6	11.7	36.6	25.6	0.5	2.7	149.1	57.8
4	213.6	59.3	23.3	23.8	23.8	7.4	11.8	35.3	25.6	3.3	2.1	151.8	59.8
1982													
1	233.5	65.2	24.8	28.6	27.2	7.5	12.6	36.7	27.6	3.2	2.3	167.1	64.0
2	235.7	65.9	26.0	33.6	23.0	7.6	13.2	35.3	27.5	3.6	3.2	166.2	66.3
3	254.7	70.2	26.6	39.8	24.6	7.3	14.8	39.6	27.7	4.1	2.2	182.0	70.4
4	266.6	75.6	28.1	40.3	26.2	7.6	14.1	40.3	29.1	5.3	2.5	187.6	76.5
1983													
1	299.2	88.2	30.2	44.9	31.4	7.7	15.5	42.9	32.4	5.9	4.5	208.7	86.0
2	286.9	82.1	28.9	43.2	29.5	7.1	14.8	43.8	31.5	6.0	4.8	199.1	83.0
3	300.8	83.6	28.9	47.3	34.0	7.1	15.9	46.4	31.5	6.2	6.1	208.6	86.1
4	314.2	86.6	29.9	50.9	33.6	7.4	18.1	48.7	32.8	6.4	6.3	219.4	88.5
1984													
1	326.7	87.7	29.9	57.2	38.1	7.4	18.7	48.6	33.6	5.5	7.0	228.5	91.2
Net liabilities													
1978	5.2	-7.4	8.5	7.6	-6.3	-4.1	7.9	-4.1	0.7	2.3	17.0	-5.3	-6.5
1979	5.8	-7.8	8.6	6.9	-6.8	-3.9	12.7	-6.6	-1.1	3.6	26.2	-18.5	-2.0
1980	5.8	-8.9	7.2	8.3	-8.9	-4.3	16.5	-3.1	-5.6	4.5	23.4	-15.2	-2.3
1981	6.4	-18.6	11.4	17.3	-12.2	-5.9	23.1	-4.9	-11.7	8.0	26.4	-17.1	-3.0
1982	12.3	-28.6	12.9	32.3	-15.2	-4.9	20.8	-1.2	-13.4	9.7	25.6	-12.8	-0.5
1981													
1	5.7	-11.7	7.3	9.1	-8.6	-5.1	20.2	-3.6	-7.3	5.5	24.6	-17.8	-1.1
2	4.9	-14.4	9.3	12.1	-9.8	-5.9	22.5	-6.2	-9.6	7.1	27.0	-22.5	0.4
3	4.9	-17.3	9.9	16.6	-11.5	-6.2	25.2	-6.7	-11.9	6.7	27.3	-20.6	-1.7
4	6.4	-18.6	11.4	17.4	-12.2	-5.9	23.0	-4.9	-11.7	8.0	26.4	-17.0	-2.9
1982													
1	8.4	-21.4	13.3	21.9	-13.7	-5.7	23.7	-5.9	-13.1	9.4	26.8	-19.1	0.7
2	9.1	-24.4	12.2	26.2	-13.5	-5.8	20.6	-3.6	-12.6	9.9	25.0	-17.7	1.8
3	10.9	-27.2	13.5	29.6	-13.8	-5.4	20.6	-2.6	-13.0	9.2	28.5	-18.9	1.2
4	12.3	-28.6	12.9	32.2	-15.2	-4.9	20.8	-1.2	-13.4	9.7	25.6	-12.8	-0.4
1983													
1	14.2	-36.6	18.3	39.4	-17.9	-4.5	20.9	2.7	-15.1	7.2	25.6	-9.8	-1.6
2	14.3	-33.4	17.5	39.2	-18.7	-4.2	19.4	3.0	-13.8	5.2	23.1	-9.2	0.4
3	16.2	-31.7	20.6	38.3	-20.1	-4.4	19.4	2.0	-13.1	5.2	24.5	-7.6	-0.7
4	16.3	-29.6	21.7	37.0	-18.8	-4.2	16.5	-1.1	-12.9	7.8	24.2	-10.3	2.4
1984													
1	18.9	-29.7	24.3	34.0	-21.5	-3.8	16.9	2.4	-12.0	8.4	23.3	-8.3	4.0

1. Including liabilities and claims of certain other financial institutions; also liabilities incurred by UK banks in respect of borrowing by public bodies under the exchange cover scheme and by HM Government and UK banks' claims in respect of export credit in foreign currencies. Because of these coverage differences and also valuation effects, these figures are not fully comparable with with corresponding transactions of UK banks shown in Table 8. Coverage changes at the end of 1979 and 1981 are described in the 'Financial Statistics Explanatory Handbook'; they are also described, and geographical regions defined, in the Pink Book.

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INTERNATIONAL LIABILITIES AND CLAIMS IN STERLING: GEOGRAPHICAL ANALYSIS¹

TABLE 17

£ million										
End of period										
	EC countries	Other developed countries	Eastern Europe	Off-shore banking centres	Oil exporting countries	Other developing countries	International organisations	Unallocated	Total	of which Overseas banks ²
Exchange reserves held by overseas monetary authorities										
1977	174		234		1 360	334	720	30	2 852	
1978	171		213		1 006	325	898	20	2 633	
1979	153		307		1 205	506	1 102	47	3 320	
1980	158		508		2 238	588	1 108	69	4 669	
1981	216		351		2 471	481	1 143	93	4 755	
1982	214		587		2 654	459	1 456	191	5 561	
1982 1	240		280		2 421	603	1 393	163	5 100	
2	187		345		2 335	477	1 402	142	4 888	
3	200		588		2 295	462	1 388	205	5 138	
4	214		587		2 654	459	1 456	191	5 561	
1983 1	245		650		2 636	698	1 714	69	6 212	
2	261		681		2 794	612	1 844	29	6 221	
3	311		858		2 774	722	1 900	60	6 625	
4	320		930		2 749	651	1 936	20	6 606	
1984 1	272		1 118		2 753	768	2 104	30	7 045	
Banking and money market liabilities to holders other than OMA's										
1977	1 310	1 252	59	411	747	1 180		6	4 965	1 877
1978	1 265	1 335	68	351	984	1 246		9	5 258	1 696
1979	1 781	2 076	93	708	1 588	1 583		9	7 838	2 740
1980	2 425	2 708	114	1 081	1 998	1 957		26	10 309	4 176
1981	3 453	3 369	116	1 506	2 281	2 289		467	13 461	6 036
1982	4 403	4 536	141	2 134	2 973	2 824		619	17 630	8 544
1982 1	3 621	3 723	88	1 705	2 492	2 542		418	14 589	6 405
2	4 003	4 006	113	1 904	2 824	2 754		485	16 089	7 364
3	4 120	4 550	102	2 054	2 896	2 844		565	17 131	7 824
4	4 403	4 536	141	2 134	2 973	2 824		619	17 630	8 544
1983 1	4 937	5 016	140	2 319	3 272	3 087		338	19 109	9 158
2	5 301	5 401	170	2 402	3 177	2 874		413	19 738	9 560
3	5 221	5 676	106	2 760	3 160	2 805		384	20 112	9 604
4	5 618	6 236	148	2 642	3 274	2 893		538	21 349	10 137
1984 1	5 995	6 803	154	2 900	3 344	2 924		530	22 650	10 996
Claims of UK banks³										
1977	1 052	1 811	560	329	1 083	1 558	-	9	6 402	678
1978	1 281	1 958	689	422	1 216	1 692	-	14	7 272	740
1979	992	1 856	752	480	1 097	1 760	1	22	6 960	710
1980	2 454	2 443	840	824	1 111	1 748	33	27	9 480	2 828
1981	3 232	3 481	949	1 135	912	2 184	120	365	12 378	4 109
1982	3 865	4 776	1 002	1 389	1 125	2 619	270	909	15 955	4 448
1982 1	3 577	3 829	1 022	1 194	891	2 348	126	539	13 526	4 215
2	3 087	3 944	986	1 261	916	2 390	164	611	13 359	3 700
3	3 791	4 213	980	1 339	1 017	2 442	229	812	14 823	4 101
4	3 865	4 776	1 002	1 389	1 125	2 619	270	909	15 955	4 448
1983 1	4 539	5 346	1 027	1 533	1 322	2 931	277	339	17 314	4 700
2	4 297	5 171	1 040	1 566	1 519	2 857	279	371	17 100	4 546
3	4 131	5 224	1 010	1 799	1 497	2 866	288	455	17 270	4 209
4	4 511	5 614	1 039	1 797	1 561	2 847	311	526	18 206	4 453
1984 1	5 333	6 177	1 080	1 961	1 689	2 867	333	427	19 867	5 201

- Coverage changes at the end of 1981 are described, and geographical regions defined, in the Pink Book.
- In the liabilities section this comprises deposits placed with banks in the UK by banks abroad on their own account; also deposits from banks' trustee accounts, which may originate from non-banks: certificates of deposit are excluded. In the claims section this comprises only claims on banks' (other than OMA's) abroad in respect of loans, advances and balances; bills and acceptances are excluded.
- Loans, advances and balances, and bills, many of which represent export credit including those which have been refinanced (see Table 12), and acceptances.

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EXTERNAL STERLING LIABILITIES' ANALYSIS BY COMPONENT

TABLE 18

£ million										
End of period										
Exchange reserves in sterling held by overseas monetary authorities(OMAs)							Banking and money market liabilities to holders other than OMAS			
Banking and money market liabilities										
External deposits with:										
British government stocks	Banks and other institutions	Local authorities	Treasury bills	Total	Non-interest bearing notes	Total exchange reserves	External deposits with banks and other institutions	Treasury bills	Total	
1977	1 322	852	29	334	1 215	315	2 852	4 945	20	4 965
1978	1 103	601	44	431	1 076	454	2 633	5 253	5	5 258
1979	1 281	871	17	512	1 400	639	3 320	7 771	67	7 838
1980	2 348	1 272	22	436	1 730	591	4 669	10 292	17	10 309
1981	2 555	1 159	42	326	1 527	673	4 755	13 442	19	13 461
1982	2 923	1 480	25	424	1 929	709	5 561	17 577	53	17 630
1983	3 157	2 348	9	395	2 752	697	6 606	21 214	135	21 349
1982 1	2 388	1 503	30	363	1 896	816	5 100	14 559	30	14 589
2	2 470	1 303	32	331	1 666	752	4 888	16 059	30	16 089
3	2 242	1 544	28	582	2 154	742	5 138	17 079	52	17 131
4	2 923	1 480	25	424	1 929	709	5 561	17 577	53	17 630
1983 1	3 026	1 814	50	464	2 328	858	6 212	19 017	92	19 109
2	3 297	1 711	23	363	2 097	827	6 221	19 631	107	19 738
3	3 231	2 128	13	504	2 645	749	6 625	19 976	136	20 112
4	3 157	2 348	9	395	2 752	697	6 606	21 214	135	21 349
1984 1	3 251	2 570	23	433	3 026	768	7 045	22 483	167	22 650

1. These figures are not fully comparable with the corresponding transactions shown in Table 8. Also there are coverage changes at end-1981. See further notes in the Pink Book.

OFFICIAL FINANCING LIABILITIES AND OFFICIAL RESERVES^{1 2}

TABLE 19

End of period										
£ million					\$ million				£ million	
Official financing liabilities					Official reserves					
Other foreign currency borrowing										
IMF	By HM government	By public bodies under exch. cover scheme	Total official financing liabilities	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF	Total	Total	
1977	2 100	2 085	5 219	9 404	938	604	19 015	-	20 557	10 715
1978	1 055	2 131	4 579	7 765	964	500	14 230	-	15 694	7 689
1979	471	1 955	4 129	6 555	3 259	1 245	18 034	-	22 538	10 129
1980	294	1 191	3 525	5 010	6 987	560	18 621	1 308	27 476	11 487
1981	200	183	3 998	4 381	7 334	1 043	13 457	1 513	23 347	12 217
1982	36	216	4 612	4 864	4 562	1 233	9 634	1 568	16 997	10 508
1983	-	241	5 397	5 638	5 914	695	9 040	2 168	17 817	12 271
1982 1	156	196	4 207	4 559	4 546	1 042	11 949	1 432	18 969	10 637
2	99	201	4 327	4 627	4 571	902	10 741	1 489	17 703	10 157
3	68	206	4 527	4 801	4 561	979	11 257	1 502	18 299	10 798
4	36	216	4 612	4 864	4 562	1 233	9 634	1 568	16 997	10 508
1983 1	-	236	5 026	5 262	5 914	1 106	8 560	1 757	17 337	11 702
2	-	228	4 866	5 094	5 914	1 104	8 962	1 731	17 711	11 541
3	-	234	5 040	5 274	5 914	1 201	9 077	1 710	17 902	11 975
4	-	241	5 397	5 638	5 914	695	9 040	2 168	17 817	12 271
1984 1	-	243	5 441	5 684	5 473	696	8 465	2 115	16 749	11 619

1. Data are denominated or expressed in dollars and converted to sterling at end-period middle market rates. Therefore data cannot be reconciled with the figures of transactions in Table 15.
2. From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. These revisions, and the basis of valuing earlier figures, are described in detail and the effects quantified in 'Financial Statistics Explanatory Handbook'. Definitions of the rates used for valuation and of the various headings above are also given in the Pink Book notes.