

Compendium

Secondary income



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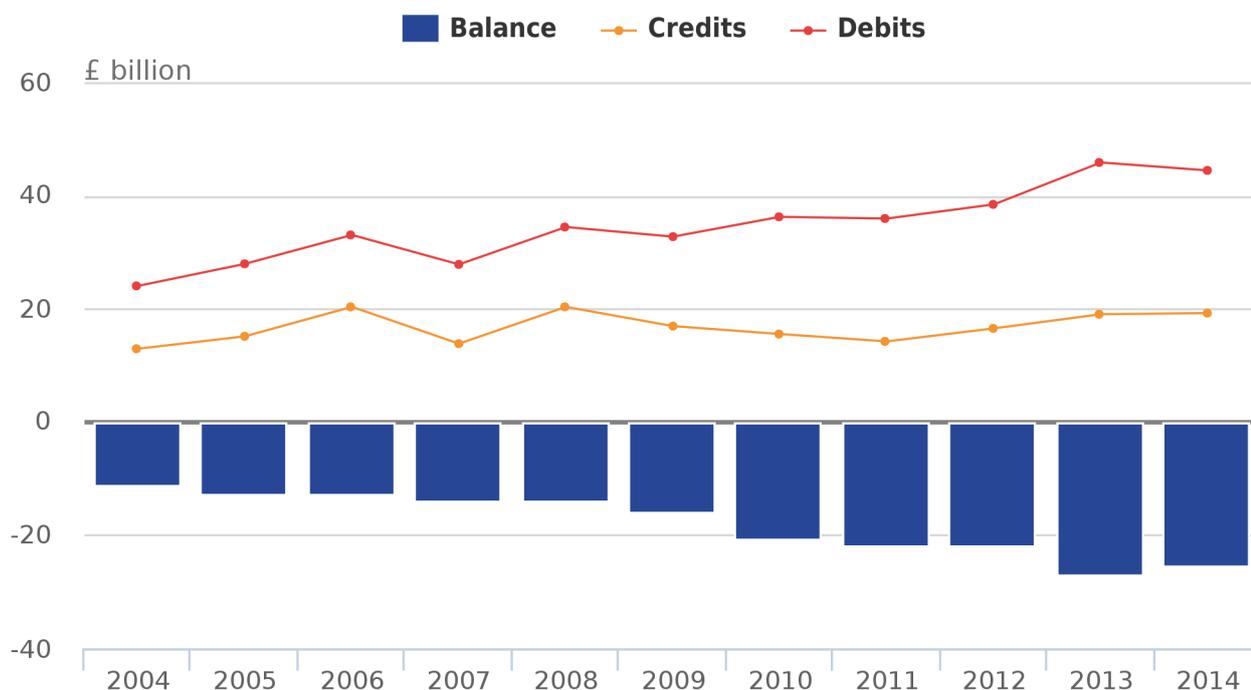
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1 . Secondary income

The secondary income account represents the provision (or receipt) of an economic value by one party without directly receiving (or providing) a counterpart item of economic value. In plain terms this is a transaction representing “something for nothing”. Transfers can be in the form of money or of goods or services provided without the expectation of payment.

Figure 5.1: UK secondary income, 2004 to 2014



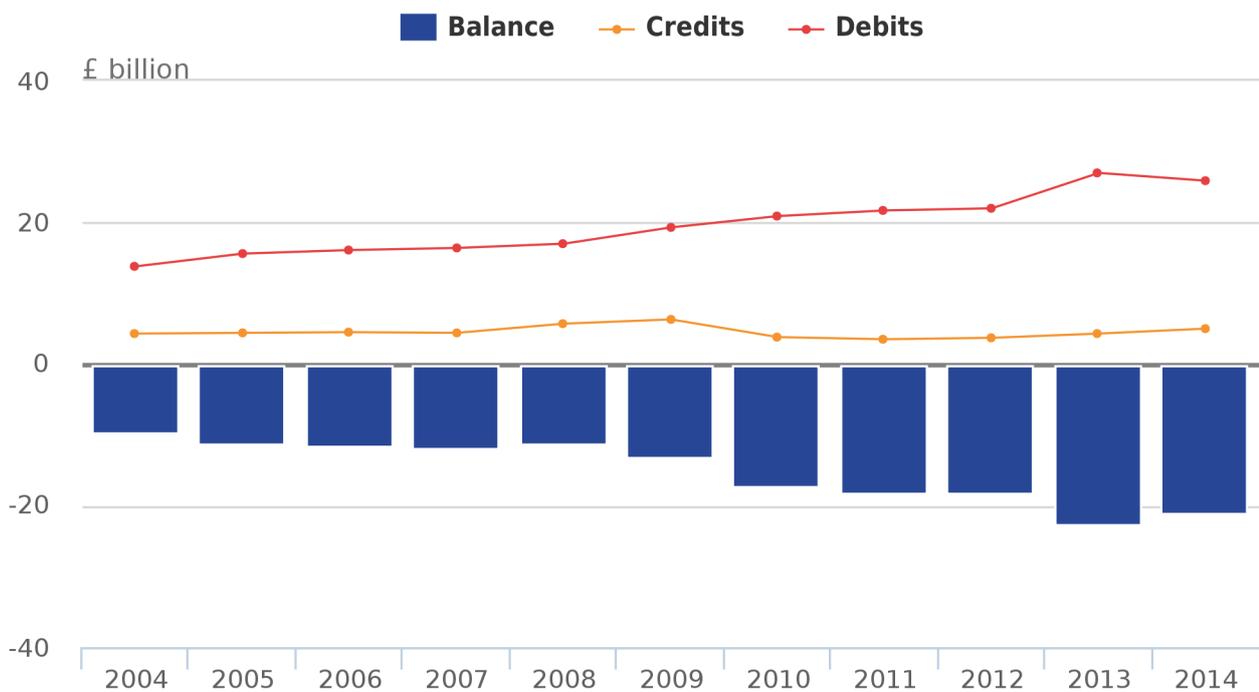
Source: Office for National Statistics

The deficit on the secondary income balance narrowed by £1.6 billion, from £26.8 billion in 2013 to £25.2 billion in 2014. Credits increased by £0.2 billion, from £19.0 billion in 2013 to £19.2 billion in 2014. While debits decreased by £1.4 billion, from £45.8 billion in 2013 to £44.4 billion in 2014.

2 . General government transfers

General government transfers include taxes and social contributions received from non-resident workers and businesses; secondary income with international organisations (for example, EU Institutions); bilateral aid; social security payments abroad; military grants; and miscellaneous transfers.

Figure 5.2: UK transfers by general government, 2004 to 2014



Source: Office for National Statistics

The deficit on the general government transfers balance narrowed by £1.8 billion, from £22.7 billion in 2013, to £20.9 billion in 2014. This was mainly due to other secondary income recording a decrease of £1.9 billion, from a deficit of £20.8 billion, to £18.9 billion in 2014.

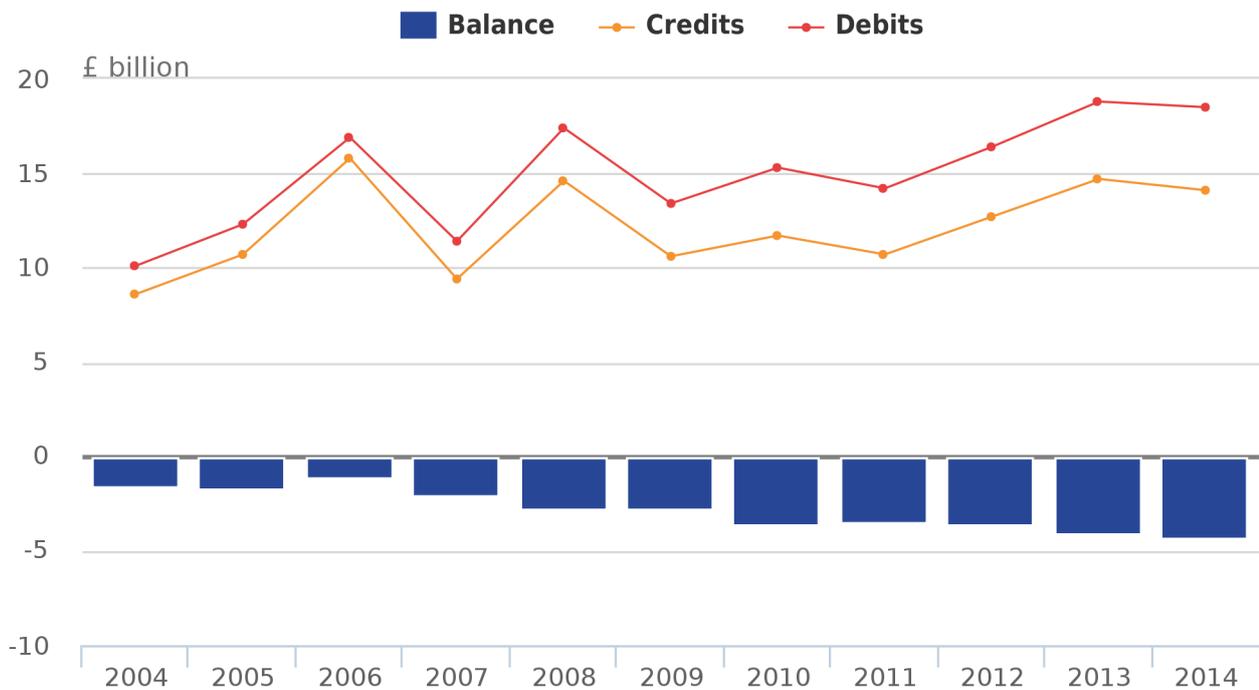
In 2014, credits were £0.7 billion higher than in 2013, at £5.0 billion, with the increase mainly in general government EU institutions: abatement of £0.7 billion.

In 2014, debits were £1.1 billion lower than in 2013, at £25.9 billion, with decreases mainly in general government EU institutions GNI: own resource including VAT and general government bilateral aid for technical cooperation of £1.4 billion and £0.8 billion respectively. Partially offsetting this was an increase in general government EU institutions GNI: adjustments including VAT of £1.1 billion.

3 . Other sector transfers

Non-government transfers include those EU transfers where the UK Government simply acts as the agent for the final beneficiary (for example, social receipts). Other sectors' transfers also include taxes on income and wealth, paid by UK workers and outward direct investors, to foreign governments; insurance premiums and claims; and other transfers (workers' remittances, and other private transfers such as gifts).

Figure 5.3: UK transfers by other sectors, 2004 to 2014



Source: Office for National Statistics

The deficit on the other sectors transfers balance widened by £0.2 billion, from £4.1 billion in 2013 to £4.3 billion in 2014. This was mainly due to the deficit on other secondary income increasing by £0.2 billion, from £3.8 billion in 2013 to £4.0 billion in 2014.

In 2014, credits were £0.5 billion lower than in 2013, at £14.1 billion, with the decrease mainly in non-life insurance claims of £0.3 billion.

In 2014, debits were £0.3 billion lower than in 2013, at £18.5 billion, with the main decrease in net non-life insurance premiums of £0.3 billion.