

Compendium

# Gross fixed capital formation supplementary tables

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

Contact:  
Alison McCrae  
[gcf@ons.gov.uk](mailto:gcf@ons.gov.uk)  
+44 (0) 1633 45 5250

Release date:  
30 October 2020

Next release:  
To be announced

## Table of contents

1. [Gross fixed capital formation supplementary tables](#)

# 1 . Gross fixed capital formation supplementary tables

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

Examples of capital expenditure include spending on:

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

In the Blue Book 2020, we have introduced several improvements to our GFCF estimates covering:

## Current price improvements to data sources:

Detailed explanations of some of these data and methodological improvements together with the resulting revisions for 1997 through to 2018 can be found in the [Impact of Blue Book 2020 changes on current price and volume estimates of gross domestic product](#) article, published 20 July 2020.

The largest change affecting the GFCF estimates is attributed to transfer costs estimates resulting from a change in how we measure the professional fees that relate to the purchase and sale of residential and non-residential buildings. The impact article describes the new methodology and how this differs to previous methods.

Further changes include:

- expanding our data sources for higher education, specifically universities
- updated research and development estimates
- the inclusion of fruit-bearing trees and bushes that are productive for more than a year in our agriculture estimates
- the inclusion of estimates for the amount of own account construction that is gross fixed capital formation

## Regular current price data source updates:

Incorporation of revised Annual Business Survey benchmarks for 2016 and 2017 and new data for 2018.

## **Chained volume measure (CVM) methodological improvements:**

We have implemented chain-linked business prices across the UK National Accounts in line with international best practice, and to improve consistency with other price indices such as the Consumer Price Index (CPI). This is a significant improvement to the weighting and linking of business inflation statistics. The [Chain-linking in business prices](#) article, published 20 July 2020, explains these changes in more detail.