Office for National Statistics

Compendium

The industrial analyses

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

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1 . The industrial analysis

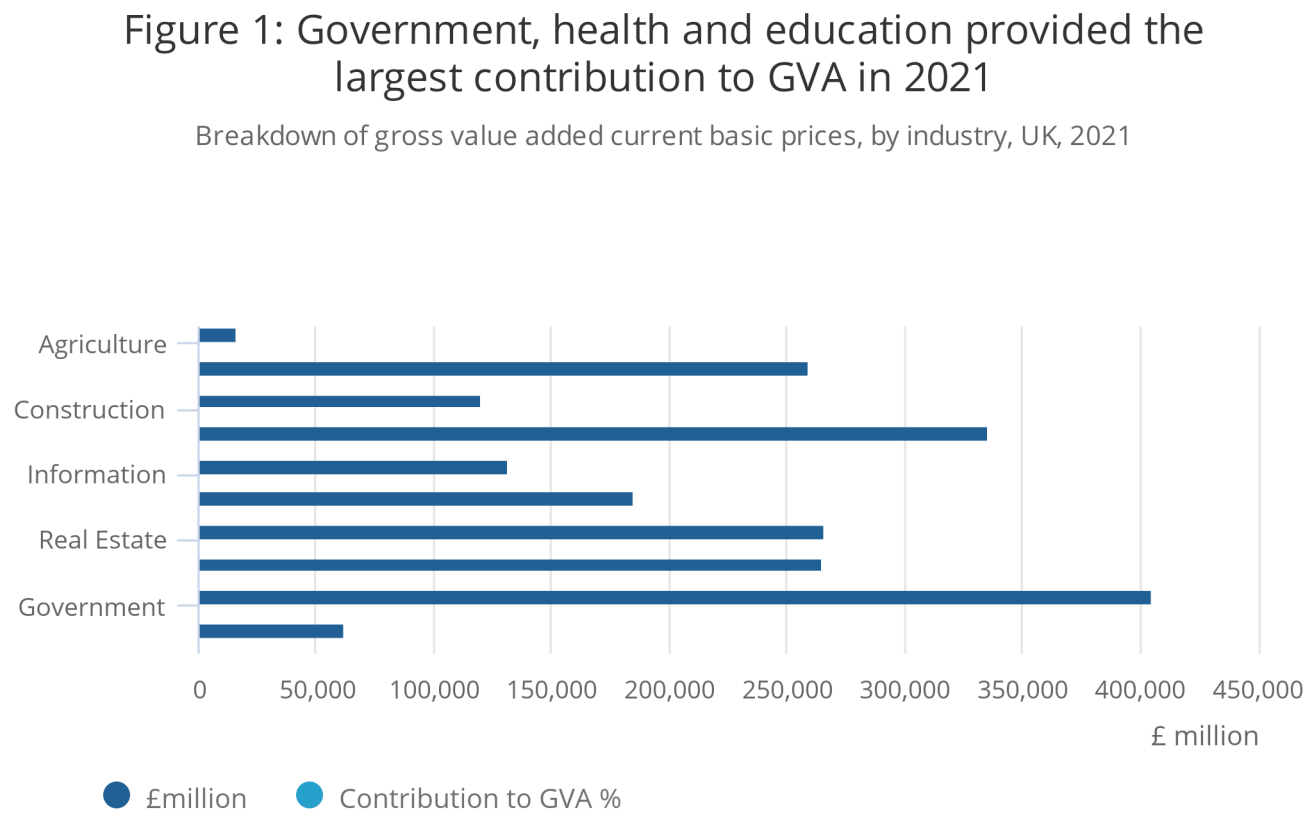
Analysis of the 10 broad industrial groups shows that in 2021, the government, health and education industries provided the largest contribution to gross value added (GVA) at current basic prices. These industries contributed 19.8% to the total GVA of £2,047 billion, with a value of £405 billion.

Of the remainder:

- distribution, transport, hotels and restaurants industries contributed 16.4%
- real estate industries contributed 13.0%
- professional, scientific and support industries contributed 12.9%
- production industries contributed 12.7%

Figure 1: Government, health and education provided the largest contribution to GVA in 2021

Breakdown of gross value added current basic prices, by industry, UK, 2021



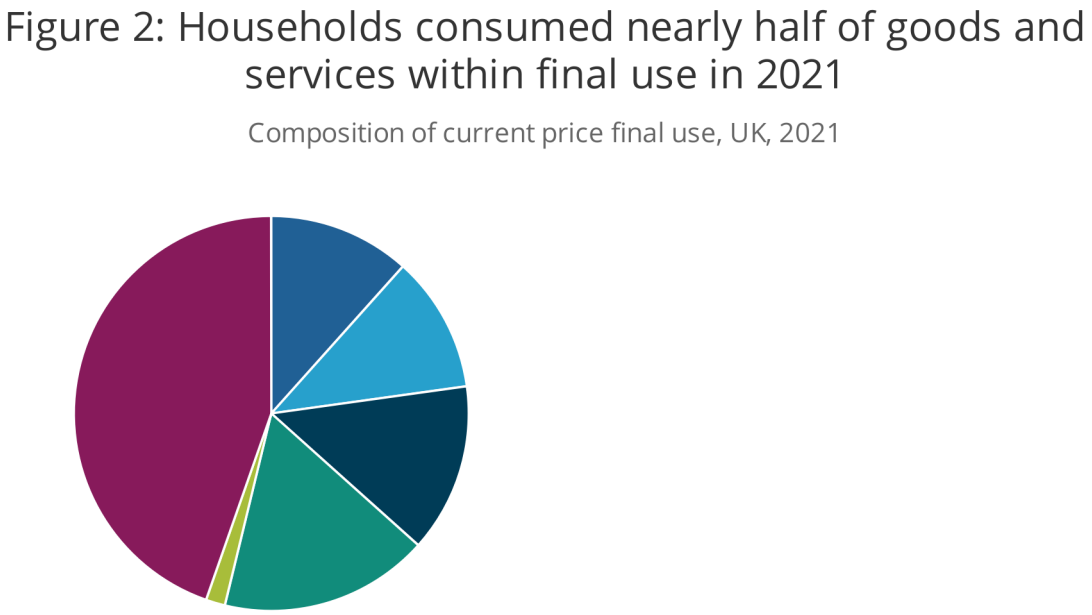
Source: Blue Book 2023 from the Office for National Statistics

In 2021, of all goods and services within final demand:

- households consumed 44.6%
- government, both central and local, consumed 17.2%
- non-profit institutions serving households (NPISH) consumed 1.6%
- gross capital formation, by all sectors of the economy, consumed 13.8%
- 11.2% were exported goods and 11.6% were exported services

Figure 2: Households consumed nearly half of goods and services within final use in 2021

Composition of current price final use, UK, 2021

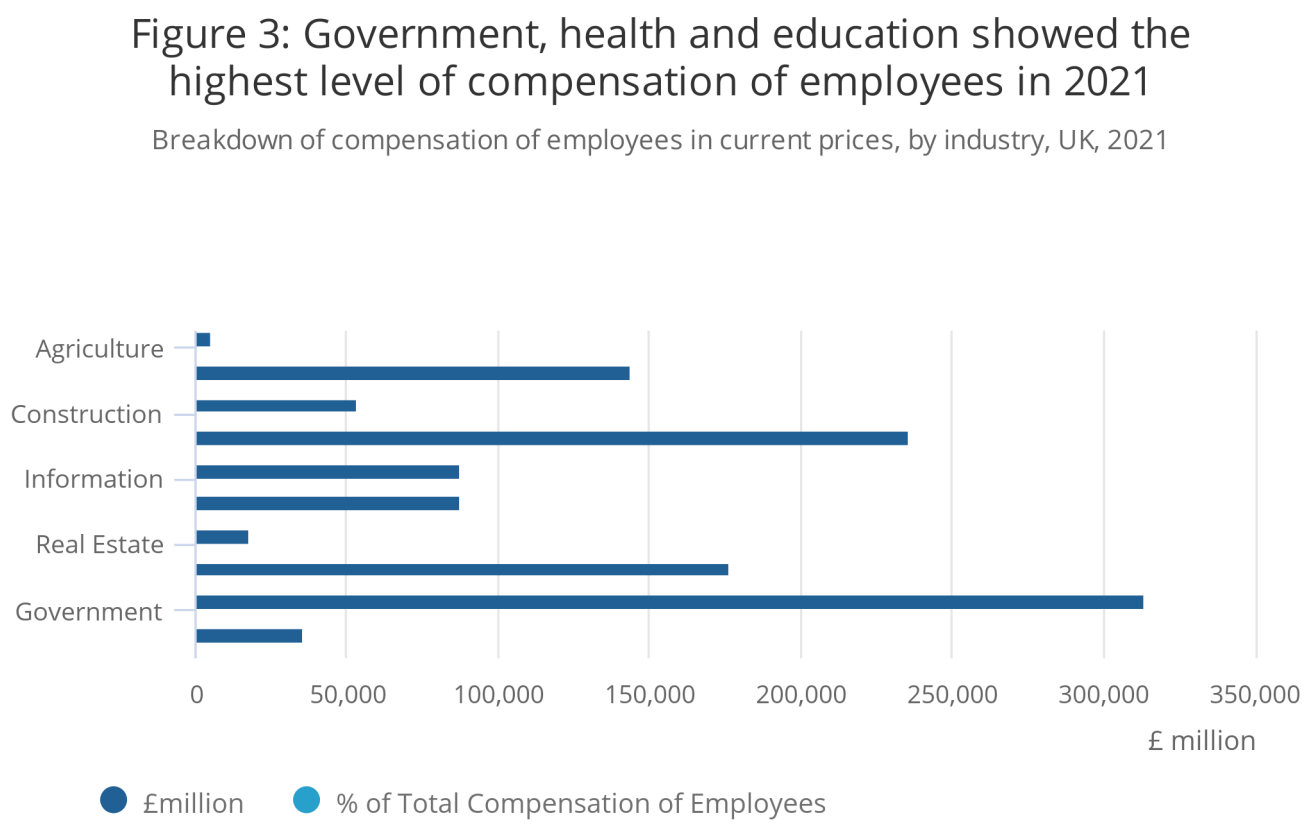


Source: Blue Book 2023 from the Office for National Statistics

The government, health and education industries showed the highest level of compensation of employees in 2021 at £313.6 billion (27.1%). The second-largest industry groupings, in terms of their contribution to total compensation of employees, were the distribution, transport, and hotels and restaurants industries at £235.7 billion (20.4%).

Figure 3: Government, health and education showed the highest level of compensation of employees in 2021

Breakdown of compensation of employees in current prices, by industry, UK, 2021



Source: Blue Book 2023 from the Office for National Statistics

2 . Input-output supply and use tables

The annual estimates included in UK National Accounts, The Blue Book: 2023 edition, incorporate the results of annual inquiries that become available in the first part of the year. To reassess these estimates, supply and use tables (SUTs) are prepared using all the available information on inputs, outputs, gross value added, income and expenditure. To produce consolidated sector and financial accounts requires preparation of “top-to-bottom” sector and sub-sector accounts to identify discrepancies in the estimates relating to each sector.

The latest annual SUTs provide estimates for the years 1997 to 2021. Data for 2021 are balanced for the first time. Data for 2019 and 2020 have been fully re-balanced. Data from 1997 to 2018 have been revised to incorporate changes required under new international standards and guidelines, as well as to make sure the data are comparable and meet user needs.

Table 2.1a: Summary supply and use tables 2018

Table 2.1b: Summary supply and use tables 2019

Table 2.1c: Summary supply and use tables 2020

Table 2.1d: Summary supply and use tables 2021

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

3 . Current price analysis

The analyses of gross value added (GVA) and other variables by industry, shown in Worksheets 2.1, 2.1A and 2.2 in the accompanying dataset (XLSX, 3.3MB), reflect estimates based on Standard Industrial Classification 2007 (SIC 2007). These worksheets are based on current price data reconciled through the input-output supply and use framework from 1997 to 2021.

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

4 . Chained volume indices (2019=100) analyses

Worksheet 2.3 in the accompanying dataset (XLSX, 3.3MB) shows chained volume estimates of gross value added (GVA) at basic prices by industry. These GVA measures are based on appropriately deflated data that have been reconciled through the supply and use tables (SUTs) framework for the years 1997 to 2021.

These industry-level estimates from within the SUTs framework are much richer than those that currently feed into the industry short-term volume estimates. This not only reflects that the annual estimates are based on a wider range of annual surveys and administrative information, but that they are also measuring the correct concept of GVA, rather than turnover as a proxy indicator. Monthly and quarterly industry data in Blue Book 2023 are benchmarked to these annual volume estimates up to 2021.

Data from after the supply use balanced years (2022 onwards) are derived from the movements in the short-term measures of output (Index of Production, Index of Services, and so on).

5 . Workforce jobs by industry

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

Worksheet 2.4 in the accompanying dataset (XLSX, 3.3MB) breaks down WFJ into 10 broad industry groupings on Standard Industrial Classification 2007 (SIC 2007).

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

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

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

6 . Gross value added (GVA)

The UK National Accounts provide a comprehensive industry breakdown of gross value added (GVA), with activities grouped into 10 broad sections in accordance with Standard Industrial Classification 2007 (SIC 2007). This also includes supplementary information for the different components that make up GVA for each industry. Under the income approach, GVA is split into compensation of employees (CoE), taxes less subsidies, gross operating surplus (GOS) and mixed income. Estimates of each industry's intermediate consumption and total output are also published, with the difference between the two equalling GVA.

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

7 . Cite this chapter

Office for National Statistics (ONS), released 31 October 2023, ONS website, compendium chapter, The industrial analyses, UK National Accounts, The Blue Book: 2023