

Compendium

An introduction to the UK National Accounts

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

Contact:
Blue Book Coordination team
blue.book.coordination@ons.gov.
uk
+44 1633 456103

Release date:
30 October 2026

Next release:
To be announced

Table of contents

1. [Overview of the Blue Book](#)
2. [Overview of the UK National Accounts and sector accounts](#)
3. [Summary of changes](#)
4. [The basic accounting framework](#)
5. [Table numbering system](#)
6. [The purpose of an account](#)
7. [The integrated economic accounts](#)
8. [The goods and services account \(Account 0\)](#)
9. [Current accounts: the production and distribution of income accounts](#)
10. [Satellite accounts](#)
11. [Production included in economic activity](#)
12. [Prices used to value the products of economic activity](#)
13. [Gross domestic product: the concept of net and gross](#)
14. [Symbols used](#)
15. [Cite this chapter](#)

1 . Overview of the Blue Book

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

Content of Blue Book 2026

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

Chapter 1

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

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

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

Chapter 2

[Chapter 2](#) includes:

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

Chapters 3 to 7

[Chapter 3](#), [Chapter 4](#), [Chapter 5](#), [Chapter 6](#) and [Chapter 7](#) provide:

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

Chapters 8 to 11

[Chapter 8](#), [Chapter 9](#), [Chapter 10](#) and [Chapter 11](#) cover additional analysis and include:

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

Chapter 12

[Chapter 12](#) covers the UK Environmental Economy.

Chapter 13

[Chapter 13](#) covers flow of funds.

2 . Overview of the UK National Accounts and sector accounts

Accounts and sector accounts

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

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

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

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

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

An introduction to sector accounts

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

Institutional sectors

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

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

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

Types of transactions

There are three main types of transactions.

Transactions in products

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

Distributive transactions

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

Financial transactions

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

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

3 . Summary of changes

For Blue Book and Pink Book 2026, we have made a number of methodological and data changes to the full time series. These affect both current price and volume series. Improvements include:

- a redevelopment of the systems and methods used to estimate low pay, statutory sick pay, and redundancy pay; plus, changes to the Rent a Room scheme, and private actual and imputed rentals in the household sectors
- full integration of the Annual Survey of Goods and Services data
- a review of the energy industry and its associated products
- updates and improvements to our deflators and fixed based weights
- improvement to the treatment of transfer fees and costs within gross fixed capital formation (GFCF) estimates
- improvements to the local government subsector relating to the treatment of Scottish Integration Joint Boards

We have published information about these improvements, and their associated data impacts in our [Proposed changes to be implemented in Blue Book and Pink Book: 2026 article](#), [Blue Book 2026: industry impact analysis article](#), and [Blue Book 2026: impact on GDP and main components article](#).

Household income and expenditure

We have improved and updated our low pay estimates for individuals earning below the personal allowance for the taxable pay threshold. We have also processed stored revisions going back to 2009, which were led by improvements to deflation methodology, instigated by the Department for Work and Pensions.

We have refined our processing of data from the Rent a Room scheme, which represents income generated by the letting of furnished accommodation in an already occupied home. This has allowed us to more accurately reflect the self-assessment data for 2017 onwards, supplied to us by HM Revenue and Customs, and what we draw from the Wealth and Assets Survey, to improve the quality of our mixed income outputs.

Transactions for statutory sick pay and redundancy payments have been reallocated to reflect their correct economic classification, and to align with international standards. They will now be treated as employers' actual non-pension contributions, having previously been treated as employers' imputed non-pension contributions.

We have made improvements to the way we measure private actual and imputed rentals within household final consumption expenditure. This change includes the use of hedonic-modelled rental prices, improved deflators, and other refinements to existing sources and methods.

Annual Survey of Goods and Services

Annual Survey of Goods and Services (ASGS) data are now fully integrated in the national accounts production process. The survey data are available from 2017 to 2024 and are backcast to 2006.

The ASGS itself does not change our starting estimate of the total output of industries in the non-financial business economy, as this comes from the Annual Business Survey. However, the improved understanding of the range of service products that those industries produced led us to re-evaluate how we reconciled data in our supply and use framework.

The ASGS has had some effect on current price (nominal) gross domestic product (GDP). In addition, some impact on real GDP (chained volume measures), as annual double deflation methods are based on products rather than industries.

A review of sources of data on the economic demand for products where ASGS data suggested significant change to the level of supply in the economy, therefore, our 2026 data release includes a full range of data, following a substantial and detailed quality assurance process.

Review of energy industries and products

The combination of rapid price changes, business insolvencies and government interventions has led to challenges in reconciling data covering the energy sector over recent years, particularly in the electricity and gas industries. We have reviewed our data sources and how we compile these to obtain our estimates of gross value added for the energy industries, with particular focus on changes since 2019.

In order to ensure the UK National Accounts remain comparable with the national accounts of other European economies, we have also included an estimate of own account electricity generated by households. This development allocates a value to electricity generated by households through solar panels, whether this is supplied to the energy grid or consumed directly by the household.

A market production element (P11) is valued by reference to prices received by households on the Feed-in Tariff and Smart Export Guarantee schemes, and an output for own final use element (P12) is valued by an appropriate basic price approach.

The output for own final use creates a corresponding new value for household final consumption and gross operating surplus, raising the level of GDP by a modest amount.

While the values involved are small in comparison with total electricity generation and use, this method future-proofs the UK National Accounts for any further growth in own account electricity generation. The method was designed in close cooperation with and using data supplied by the Department for Energy Security and Net Zero (DESNZ).

UK trade

As part of our methods changes for Blue Book 2025, we implemented improvements to the way we record trade in precious metals. We removed double counting of some precious metals bars and included previously under-recorded non-monetary gold that is not in bar form. We continued to monitor trends and make improvements to our methods for recording trade in precious metals, and in spring 2026, we identified and removed further double counting for periods across 2024 and 2025. In this release, we have removed this additional double counting across our full time series, resulting in revisions to 2023 and earlier.

We have also taken on latest available data.

For trade in goods, we have received updated 2024 data to inform our measurement of globalisation and multinational enterprises (MNEs). This replaces the imputed data previously used for 2024 estimates and mainly affects chemicals, building on the pharmaceutical industry review implemented in Blue Book 2025.

For trade in services, data from the 2024 Annual International Trade in Services (ITIS) survey have been incorporated for the first time.

Deflators

We have made several deflator changes to improve our estimates.

As part of the Blue Book 2025, we incorporated corrected chain-linking methods for the Producer Price Indices (PPI), Import Price Indices (IPI), Export Price Indices (EPI), and Service Producer Price Indices (SPPI). We have made a further update to the Blue Book 2026 to include updated weights for these business price indices. Updated weights have already been used in our monthly and quarterly GDP estimates from 2024 onwards.

This brings the national accounts data fully in line with our [monthly business price bulletins](#).

We have also made updates to:

- the fixed based weights used in the calculation of some output deflators from 2022 onwards
- the quality adjustment applied to the output and exports computer hardware deflator, to improve the monthly path for changes in quality
- plant, labour and materials weights used in our construction output deflator for the periods from 2018 onwards

Gross fixed capital formation

We have implemented important updates to improve the accuracy and relevance of our non-financial asset estimates, including refined methodologies and more up-to-date data sources.

These include:

- updated methods for estimating costs associated with the transfer of ownership of non-financial assets, otherwise known as transfer costs, to ensure we reflect real market activity and international best practice; this includes those for Land Registry fees and fees associated with the transfer of a football player but not the transfer fee
- revised Annual Survey of Hours and Earnings (ASHE) data for 2024, used to calculate labour costs in our sum-of-costs approach for calculating own-account software estimates
- updating artistic originals from 2018 onwards to incorporate improved data sources, strengthening coverage and reliability

We have also refined the bottom-level industry profile for estimates of research and development gross fixed capital formation. These changes do not affect top-level aggregates.

Local government

We have implemented a methodological improvement to remove the effects of Scottish Integration Joint Boards from the calculation of intermediate consumption (P.2). This now aligns with the recording of the equivalent bodies in England and Wales.

Integration Joint Boards (IJBs) were established in Scotland following the introduction of the Public Bodies (Joint Working) (Scotland) Act 2014. Their purpose is to bring together the 32 Scottish councils and 14 territorial NHS boards into partnerships to integrate how social care and community healthcare services are provided.

Our main source for Scottish local government intermediate consumption is the Scottish Government's Local Government Finance Statistics publication. Between the financial year ending (FYE) 2019 and FYE 2020, there was a change in how IJBs were recorded in this publication.

This change has resulted in our estimates of Scottish local government intermediate consumption being artificially increased from FYE 2020 onwards. There is no impact on this series for periods before FYE 2020.

This methodological change will bring the UK National Accounts in line with our Public sector finance publications, which implemented this improvement, as explained in our [Economic statistics classifications and developments in public sector finances: August 2025 article](#).

Public sector finances

While no complex classification decisions requiring additional work have been identified for inclusion in this year's Blue Book dataset, a number of smaller changes have been implemented. Many decisions about whether an organisation is classified within or outside the public sector for economic statistics are implemented as part of regular updates by the relevant government departments. The resulting data are then incorporated automatically into the public sector finances and national accounts through our regular data deliveries. As a result, the effects of these decisions are both small and not always separately identifiable.

The most up-to-date information relating to public sector classifications can be found on the ONS website:

[Public sector classification guide and forward work plan - Office for National Statistics](#)

4 . The basic accounting framework

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

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

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

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

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

5 . Table numbering system

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

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

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

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

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

6 . The purpose of an account

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

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

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

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

7 . The integrated economic accounts

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

- goods and services accounts
- current accounts
- accumulation accounts

balance sheets

8 . The goods and services account (Account 0)

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

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

The production account (Account I)

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

The distribution and use of income account (Account II)

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

The distribution of income comprises four subaccounts:

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

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

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

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

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

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

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

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

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

The use of income account (Account II.4)

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

The accumulation accounts (Account III)

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

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

The capital account (Account III.1)

The capital account is presented in two parts.

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

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

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

The financial account (Account III.2)

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

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

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

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

This account is further subdivided into:

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

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

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

The balance sheet (Account IV)

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

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

Net worth equals changes in assets less changes in liabilities.

The rest of the world account (Account V)

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

10 . Satellite accounts

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

See [Environmental economy](#) for further information.

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

Economic territory and residence of economic interest

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

UK economic territory

The UK economic territory includes:

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

ESA 2010 economic territory

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

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

Centre of economic interest

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

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

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

Residency

Resident units are:

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

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

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

11 . Production included in economic activity

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

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

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

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

The following fall outside the production boundary:

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

12 . Prices used to value the products of economic activity

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

Basic prices

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

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

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

Producers' prices

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

Purchasers' or market prices

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

The rest of the world: national and domestic

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

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

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

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

GDP
plus
net property income
equals
GNI.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GDP
minus
consumption of fixed capital
equals
net domestic product.

14 . Symbols used

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

.. denotes not available

-- denotes nil or less than £500,000

£ billion denotes £1,000 million

15 . Cite this chapter

Office for National Statistics (ONS), released 30 October 2026, ONS website, compendium chapter, [Introduction to the UK National Accounts, UK National Accounts, The Blue Book: 2026](#)