

Article

# Proposed changes to be implemented in Blue Book and Pink Book: 2025

Planned scope and content of the UK National Accounts, the Blue Book, and UK Balance of Payments, the Pink Book, 2025 editions.

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# 1 . Overview

Every year the Office for National Statistics (ONS) updates the sources and methods for the UK National Accounts and publishes the latest estimates (including revisions to past periods) in the annual [UK National Accounts, the Blue Book](#) publication. A regular part of these updates is the comprehensive data confrontation through the annual supply and use balancing framework. This brings together detailed data on the three approaches (production, income, and expenditure) to measuring gross domestic product (GDP), balancing them by product, as well as updating the volume series.

In the UK, the national accounts and balance of payments are fully integrated and coherent and therefore a parallel process is followed for balance of payments. The annual balance of payments publication, known as [the Pink Book](#), is published at the same time as the Blue Book and includes detailed balance of payments statistics such as geographical breakdowns of the current account and international investment position. These show the transactions between UK residents and the rest of the world.

This article is part of a series describing the proposed approach for implementation of changes to the UK National Accounts and balance of payments, which are being made in Blue Book 2025 and Pink Book 2025, to ensure that they continue to provide the best possible framework for analysing the UK economy and for international comparison.

The Blue Book and Pink Book are to be published on 31 October 2025. However, the regular quarterly releases, which are consistent with the Blue Book and Pink Book, for the [GDP quarterly national accounts](#), [Quarterly sector accounts](#) and [Balance of payments](#) will be published on 30 September 2025.

We will publish further details on the proposed approach and expected impacts in a series of articles in the lead-up to the Blue Book and Pink Book publications.

## 2 . Approach to Blue Book and Pink Book 2025

This section outlines some of the proposed main methodological improvements to be implemented as part of the continued transformation of the UK National Accounts, in the Blue Book and Pink Book 2025.

### Globalisation

For the 2023 annual national accounts we introduced new [globalisation estimates](#) for a small number of multi-national enterprises (MNE) for the first time, building upon the work of our large case unit. In the 2025 annual national accounts we will develop the approach further through analysis of the pharmaceuticals sector, the first in a series of industry reviews where we believe globalisation is most impactful.

Our work on globalisation allows us to better measure trade in goods in terms of economic ownership, in contrast to the primary data source which currently measures physical movement across the UK boundary. The use of economic ownership principles better aligns with international guidance. This means that, for example in some cases, we will identify the trade of UK-owned businesses that do not cross the UK boundary and similarly foreign-owned businesses that operate in the UK.

It also allows us to consider complex business models and their appropriate industrial classification, which will involve the movement of some MNEs from the services sector to the manufacturing sector. These updated estimates for the pharmaceuticals industry will be introduced as part of the Blue Book 2025 changes, further improving the quality of the sectorial data.

The impact of globalisation across all industries will only become evident as this challenging conceptual approach is expanded upon through long-term improvements from both new data sources and industry reviews.

## Annual Survey of Goods and Services

The UK economy has a large proportion of activity in the service sector, but historically, readily available data has been limited for the detailed product level. Separately, for the manufacturing sector, the Office for National Statistics (ONS) uses the well-established [UK Manufacturers' Sales by Product \(PRODCOM\) survey](#). To significantly improve the understanding of the service sector at a highly disaggregated product level, the ONS developed a comprehensive survey of services industries, the Annual Survey of Goods and Services (ASGS). This is a survey sent to around 40,000 businesses classified to the UK economies service sector, which began in 2017 following a successful pilot survey.

The ASGS data is used to allocate industry level output, derived primarily from the Annual Business Survey (ABS) to individual products. This important quality improvement replaces product patterns derived from previous Servcom data, which were partially aligned to early iterations of the ASGS during implementation of double deflation.

The ASGS data are now fully integrated in the national accounts production process. They are available from 2017 to 2023 and will be back cast to 2006. The lead time to fully integrate ASGS data has been necessary to provide an appropriate level of quality assurance of this detailed data. This has been especially important in relation to the coronavirus (COVID-19) pandemic period survey data for 2019 to 2021.

There is no impact on current price industry level unbalanced output (and therefore no impact on unbalanced gross domestic product (GDP)). However, the improved understanding of output of service products will influence supply-use balancing decisions and may therefore have some limited effect on current price (nominal) GDP. In addition, any re-evaluation of product levels in current price terms will inevitably create volume impacts since annual deflation methods are based on products rather than industries. Some impact on real GDP (chain volume measures) is therefore expected.

## Non-financial assets

### Gross fixed capital formation

In 2025, we will implement several significant changes to our non-financial estimates. These include updates to enhance the accuracy and reliability of gross fixed capital formation (GFCF).

For GFCF, estimation will move towards a more granular, bottom-up approach for processing GFCF data, focusing on lower-level industries, sectors, and assets. Additionally, the sectorisation of non-profit institutions serving households (NPISH) is being refined to reflect the more detailed data from the ABS. Revised data for the central government (CG) and local government (LG) sectors will also enable more accurate asset level estimates.

We will also improve our methodology for estimating transfer costs and other buildings and structures, in particular, improving the lower-level estimates.

These changes are all designed to provide more accurate and robust estimates, ensuring our data meets the highest standards of reliability and relevance.

### Changes in inventories

Improvements have focused on the use of more appropriate deflators to be used to distinguish between inventory levels at a point in time and changes in inventories between periods, more accurate calculation of stock holding periods and the inclusion of revised data in line with the [National Accounts Revision Policy](#).

## Research and development

Following the [transformation of the Business Enterprise Research and Development \(BERD\) survey](#), we published an [experimental statistic showing the potential impact on gross fixed capital formation for 2022](#). For Blue Book 2025, a full time series of this data will be included in the National Accounts alongside revisions to other components, such as output and intermediate consumption.

In addition, a new source for calculating the higher education estimates of research and development has been used for the first time and will be included in Blue Book 2025 estimates.

## Deflators

A number of deflator improvements will be made in Blue Book 2025. These include:

- replacing selected import and export price indices with unit value indices based on HM Revenue and Customs (HMRC) data for basic commodities, including natural gas, crude oil, refined fuels and metals
- improving the construction deflator for non-housing repair and maintenance activities
- using an updated research and development deflator for the GFCF transaction
- standardising our approach for calculating annual deflators to better reflect aggregate price change at times when both prices and the amount of activity change a lot, such as during the coronavirus pandemic
- making several other regular updates where updated source data are now available

There are also improvements being made to our general government health and education data which will lead to revisions in the implied deflators calculated from these.

## Non-market improvements

Non-market education volumes and deflators will be revised following a package of improvements to update these measures. The new data better reflect the volume output of academies, using separate cost weights to differentiate the contributions from primary, secondary, special and alternative provision academies. The updated series also account for the expansion of pre-primary education across the UK, including to 2-year-olds in England, and increased provision of government-funded free childcare in England. Along with additional updates to some components of further education and expenditure data used for cost weighting, these changes will result in revisions to implied deflators throughout the period back to 1997.

We will be improving our defence deflator with the most recent data from the Ministry of Defence.

Improvements will be made to our healthcare output annual benchmark, most notably to dental and ophthalmic services, where the coverage and granularity of activities is being expanded. The granularity of quarterly dental activity is also being improved. We are also reviewing the coverage of preventive healthcare services within our annual benchmark, expanding the coverage of individual services provided by local authorities.

## Capital stock

Methods improvements are being applied to capital stock estimates of "Other buildings and structures", reflecting updated data sources and leading to better calculation and breakdown of asset lives.

In response to user feedback about the value of de-trunked roads and the funding for their upkeep transferred to local authorities, improvements are being made to align estimates of de-trunked road values between GFCF and capital stocks production systems.

## Local government

For Blue Book 2025 we will make improvements to the process for producing statistics covering the local government subsector, which has enabled the inclusion of revised data in line with the National Accounts Revision Policy.

## Trade

For Blue Book 2025, improvements will be seen across a range of products within both trade in goods and services because of new data sources and improved methods. Within trade in goods, these include new estimates for exports and imports of smuggled alcohol and exports and imports of precious metals. Within trade in services, these include new estimates for imports of audio-visual services, and additional exports of education-related travel services continuing the [improvements made in 2023](#).

In addition, deflator improvements will be introduced across both trade in goods and trade in services to improve our chained volume measure (CVM) estimates.

## Household income and LFS reweighting

For Blue Book 2025 we will take on reweighted Labour Force Survey (LFS) data to incorporate more recent population data on the size and composition of the UK population, based on 2022 mid-year estimates. See our [Impact of reweighting on Labour Force Survey key indicators: December 2024 article](#) for more information.

## Non-money market investment funds

We will increase the coverage of our non-money market investment funds (NMMFs) statistics. Improved surveys and reporting guidelines were implemented in 2024 and are supplemented by commercial, investment industry and regulatory data sources. UK private equity funds' assets are included in NMMFs balance sheets and financial accounts for the first time.

## Money market investment funds

We will enhance our coverage of our money market funds (MMF) statistics. This data will enable the completion of international data templates, including those related to the International Monetary Fund (IMF) Special Data Dissemination Standard Plus (SDDS Plus), and improved monitoring of the MMF sector in the UK economy.

## Household final consumption expenditure

For Blue Book 2025, improvements will be made across a number of products within household final consumption expenditure (HHFCE) because of new data sources and enhanced methods. These include improved estimates for expenditure on audio-visual streaming services and smuggled alcohol.

This article outlines the substantial changes. There will, of course, be a lot of other changes as well, which we will detail in the impact article to be published later in the year.

## 3 . Communication

To keep you informed on all changes to the national accounts, we will adopt a similar approach to that taken in previous Blue Books and Pink Books, publishing a series of more detailed articles in the lead up to their publication that highlight the impacts of the main improvements. Methodological articles to support the data changes will be published alongside the articles, where applicable.

## 4 . Related links

[UK National Accounts, The Blue Book: 2024](#)

Compendium | Released 31 October 2024

National accounts statistics including national and sector accounts, industrial analyses and environmental accounts.

[UK Balance of Payments, The Pink Book: 2024](#)

Bulletin | Released 31 October 2024

Balances between inward and outward transactions, providing a net flow of transactions between UK residents and the rest of the world and reports on how that flow is funded.

## 5 . Cite this article

Office for National Statistics (ONS), released 4 February 2025, ONS website, article, [Proposed changes to be implemented in Blue Book and Pink Book: 2025](#)