

ONS Plans for the 1999 and 2000 Blue and Pink Books

Anna Brueton
National Accounts Division
Office for National Statistics

E-mail: info@statistics.gov.uk

National Statistics customer enquiry line: +44 (0)845 601 3034

Overview

This article describes ONS plans for the 1999 and 2000 *Blue Book* and *Pink Book* and related publications and datasets.

Background

Last year saw the most substantial changes to national accounts since their inception in the 1940s, including the introduction of the European System of Accounts 1995 (ESA95) and the fifth edition of the *Balance of Payments Manual* (BPM5). Although the major part of the ESA95 programme is complete, including the framework, new terminology and new concepts, some quite substantial parts remain to be implemented. The Eurostat timetable for the remainder of ESA95 extends to 2005, though the UK has delivered much of this ahead of schedule, in order to minimise the disruption for users and to maintain the previous coverage of the accounts as far as possible.

The completion of the ESA95 programme includes the filling of some gaps in the national accounts data set as compared with what was previously published, and some new developments. Examples of the gaps to be filled: the financial accounts before 1987, capital stock and non-financial balance sheets. The latter two were excluded because development work was still in progress; articles in *Economic Trends* in November 1998 and March 1999 give details and preliminary figures.

Major new developments for the future include the provision of annual constant price supply and use tables, which form part of the additional ESA95 developments up to 2005, and a programme over the same period to harmonise estimates at constant prices.

In planning the work to fill in gaps in the data set, and implement new developments, the ONS has also to consider its internal requirements. Following last year's extensive *Blue Book* exercise

there has been a pressing need to consolidate the new systems developed to compile ESA95 estimates, and also to ensure that systems which were not Year 2000 compliant were replaced. In this context, and taking into account the later publication date for the 1998 *Blue Book* and *Pink Book*, there was little scope for including major developments in the 1999 annual round.

Revisions policy

In order to allow a breathing space for this process of consolidation, we have planned for minimal revisions in the 1999 *Blue Book* and *Pink Book*, to be followed by a more open policy in 2000, in which changes which affect historic series can be more readily implemented. For this year's *Blue Book*, revisions will be restricted to 1997 and 1998 (though the quarterly path may change in 1996). For the 2000 *Blue Book*, more extensive revisions to earlier periods will be considered, though it is too soon to say what areas will be affected.

New in 1999

The formats of the 1999 *Blue Book* and *Pink Book* were substantially changed in 1998 to reflect the adoption of the new European System of Accounts and the *Balance of Payments Manual*. The format of the accounts in the *Blue Book* is unchanged, but some additional material will be included. The most important of these are two new chapters. Chapter 11 focuses on the European Union, and includes data provided to the EU for budgetary purposes, transactions with EU institutions and UK debt and deficit statistics. Chapter 12, on Environmental Accounts, updates the information published in *UK Environmental Accounts 1998* and presents two new tables: use of energy by industrial sector; and production and stocks of radioactive waste. The geographical breakdown of the current account will be restored as Chapter 9 of the *Pink Book*. Details of all changes to the 1999 *Blue Book* and *Pink Book* are given in the box below.

Issues for the 1999 *Blue Book*

The accompanying article "Experimental Constant price Input-Output Supply-Use Balances: An approach to improving the quality of the national accounts" discusses how the development of constant price supply and use tables has identified inconsistencies in the distribution of value-added at the industry level for the period 1994-1996 in the current data set. These concerns cannot be fully resolved in time for the 1999 *Blue Book*. As a result we are not yet in a position to rebalance the supply and use tables for this period, and will therefore not revise them for this year's *Blue Book*.

As the quality of estimates of levels of value-added by industry in 1996 is lower than usual, the quality of the industry detail of estimates of growth by industry in this year's *Blue Book* is also poorer.

Changes to 1999 publications

Changes to publications, including new analyses, are outlined below.

Blue Book

Former Table 1.3 now included in new Chapter 11; Tables 1.4 – 1.8.9 re-numbered.

Former Table 1.7S now included as Table 10.1 in Chapter 10, Supplementary government tables.

Former Table 1.8.0 no longer included.

Tables 1.7.1 – 1.7.9 (old Tables 1.8.1 – 1.8.9) The 3-year analysis provided for the 1998 *Blue Book* was very lengthy; subsequent editions will give 1 year (1997) only; other years available on request.

Former Table 5.4 Now included as Table 10.2 in Chapter 10, Supplementary government tables.

Table 6.1.4S **new** Social benefits and social contributions.

Tables SUP1 – SUP5 Renumbered Tables 9.1 – 9.5 within Chapter 9, Supplementary gross fixed capital formation tables.

Table SUP6 Renumbered Table 10.3 within Chapter 10, Supplementary government tables.

Table SUP7 Now included as Table 11.2 within new Chapter 11.

Table 10.4 **new** Public sector expenditure and key fiscal balances.

Part 4(iii)

Chapter 11 **new** **European Union:** includes data provided to the EU for budgetary purposes; transactions with EU institutions; UK debt and deficit statistics

Part 5

Chapter 12 **new** **Environmental accounts:** updates the information published in UK Environmental Accounts 1998 and presents two new tables: use of energy by industrial sector; and production and stocks of radioactive waste

Pink Book

Chapter 9 restoration of geographical breakdown of current account.

Input-Output Supply and Use Balances Balances for 1997 only.

In view of the limited changes to the 1999 accounts, we do not intend to publish a revised *National Accounts Concepts, Sources and Methods* in 1999.

Issues for *Blue Book* 2000

Review of methodology

Starting with the 2000 *Blue Book*, we will be introducing a more rigorous process to ensure that new methodology is subject to fuller review before it is adopted. Changes will be assessed by peer group review, with the aim of ensuring that the methods used are robust and justified, and any impact on series elsewhere in the accounts is fully explored prior to implementation. This new procedure is part of our aim to continuously improve the quality of the accounts.

Further ESA95 requirements

The main requirements in 2000 are for more detailed industry analyses. These include:

- gross fixed capital formation by industry, at current and constant prices; output, intermediate consumption, gross value added and capital consumption by industry (effectively an extension of *Blue*

Book Table 2.2 to include the most recent full year and years before 1989).

In addition we intend to improve non-financial balance sheets – with particular emphasis on the public sector – and carry forward development work on capital stock estimates, which will provide improved figures for consumption of fixed capital.

Measurement of General Government Output

There is a continuing project to measure the output of areas of general government directly, rather than assume that it equals constant price expenditure (see Caplan (1997)). The earlier work is being refined and extended for the 2000 *Blue Book*.

Ahead of the Eurostat timetable, we plan to begin the introduction of annual constant price supply and use tables as a means to provide more coherent constant price estimates. This new methodology is described in more detail in the accompanying article 'Experimental Constant Price Input-Output Supply Use Balances'.

Publications in 2000

The scale of changes in the 2000 *Blue Book* suggests that there will be a need to make available details of new methodologies through a revised version of *National Accounts Concepts Sources and Methods*. Consultation with users about whether they would prefer a completely new edition, or a package of amendments – possibly as downloadable files via the Internet – suggest that the latter would be more appropriate.

An article giving more detail of the changes to the 2000 *Blue Book* will be published early next year.

Beyond BB 2000

As explained earlier, much of the national accounts development programme is driven by ESA95 requirements. The developments after 2000 are mainly focussed in two areas:

- regional accounts;
- derived input-output tables and associated analyses (five-yearly only).

In addition, a number of related developments will improve constant price estimates. Over the period to 2005 we will be contributing to the harmonisation of constant price estimates across EU member states by improving deflation methodology. We plan to improve the comparability of UK estimates of growth by introducing chain-linked

estimates of GDP and its components by 2002. A summary of changes is given in the box below.

National Accounts Developments Beyond 2000

Requirement	Date
Regional accounts:	2001
● Industry by region (17 industries x 37 areas - NUTS2)	
● Industry by region (3 industries x 133 areas -NUTS3)	
● household accounts by region (NUTS2)	
Non-financial accounts:	2001
● complete data for 1980-1989	
Supply and use tables at constant prices	2000-02
Symmetric input-output tables for domestic output and imports	2002
5-yearly tables cross-classified by industry (data for 2000)	
Chain-linked estimates of constant price GDP and its components	2002-03
5-yearly cross-classification by industry (year 2000):	2003
● production accounts by industry (60 industries) and sector (31 industries x 3 products) (current and constant prices)	
● capital formation by industry and product (31 industries x 3 product groups)	
● fixed assets by industry and product (31 industries x 3 product groups)	
Improved methods for deflation of constant price estimates	
2000-2005	
Financial intermediation services indirectly measured	implementation date not yet determined
Treatment of monetary gold	by 2005

Timing of annual publications

Recent developments have tended to lengthen the time needed to produce the *Blue Book* and *Pink Book* datasets, as most of the processes involved are sequential. In particular the need to provide sector production accounts has added several weeks to the process. Further ESA developments planned over the next five years will add extra processes to the critical path for data preparation. There is little scope for starting earlier, because it is not generally possible to bring forward data delivery, at least not without affecting quality. It is therefore unavoidable that publication date will be later than was the case before the introduction of ESA95.

We intend to publish the revised quarterly national accounts consistent

with the *1999 Blue Book* on 29th July, following a June publication which covers GDP only, with data revisions only to the first quarter of 1999. The *Blue Book* and *Pink Book* electronic data sets will be released on the same day. The *Blue Book* and *Pink Book* will appear in August 1999. Publication in 2000 will be somewhat later, to accommodate the extra analyses required that year, and the longer-run revisions planned.

This later timetable is not ideal. We plan to review the annual production cycle to see if there is scope for efficiencies.

We welcome the views of national accounts users on any of the issues raised in this article. Contact names are given below.

	Contact	E-mail
1999 <i>Blue Book</i>	Jon Beadle	jon.beadle@ons.gov.uk
Constant price input output supply and use tables and output discrepancy	Nadim Ahmad	nadim.ahmad@ons.gov.uk
Input-Output supply and use tables at current prices	Sanjiv Mahajan	sanjiv.mahajan@ons.gov.uk
National accounts developments 2000 and beyond	Anna Brueton	anna.brueton@ons.gov.uk

output in the National Accounts”, *Economic Trends* no. 531, February 1998, pp29-35. The Stationery Office.

Caplan D: “Measuring the output of non-market services”, *Economic Trends* no. 539, October 1998, pp45-49. The Stationery Office.

References

Brueton A: “Forthcoming changes to the national accounts”, *Economic Trends* no. 538, August 1998. The Stationery Office.

West P: “Improving the non-finance balance sheets” and “Developing the public sector balance sheets” *Economic Trends* no. 541, November 1998. The Stationery Office.

West P: “The capital stock of the United Kingdom – some new developments in coverage and methodology”, *Economic Trends* no. 544. March 1999. The Stationery Office.

Neuburger H and Caplan D: “The measurement of real public sector

This book explores the interpersonal variables within children's lives, from family to community groups to gender, that impact how they learn to engage with, interpret, and respond to sexualized media messages and provides strategies for making children powerful, active media critics, consumers, and creators. It provides a bridge between current research and issues that parents and professionals face everyday. In this eye-opening book, experienced child psychologist Jennifer W. Shewmaker contends that the manner in which a child is raised influences how they respond to media messages, particularly. Possible reasons for the gendered distribution of being targets are discussed from a doing-gender perspective. The annual United Kingdom National Accounts (The Blue Book) records and describes economic activity in the United Kingdom and as such is used by government, banks, academics and industries to formulate the economic and social policies and monitor the economic progress of the United Kingdom. It also allows international comparisons to be made. The Blue Book is published by the UK Office for National Statistics alongside the United Kingdom Balance of Payments "The Pink Book. The Treachery of the Blue Books or Treason of the Blue Books (Welsh: Brad y Llyfrau Gleision) was the publication in 1847 of the three-volume Reports of the Commissioners of Enquiry into the State of Education in Wales, which caused uproar in Wales for disparaging the Welsh; being particularly scathing in its view of the Welsh language, nonconformity and the morality of the Welsh people in general. The term Brad y Llyfrau Gleision (treachery or conspiracy of the Blue Books) was coined by the author. The Blue Fairy Book was the first volume in the series and so it contains some of the best known tales, taken from a variety of sources: not only from Grimm, but exciting adventures by Charles Perrault and Madame d'Aulnoy, The Arabian Nights, and other stories from popular traditions. Here in one attractive paperbound volume--with enlarged print--are Sleeping Beauty, Rumpelstiltskin, Beauty and the Beast, Hansel and Gretel, Puss in Boots, Trusty John, Jack the Giantkiller, Goldilocks, and many other favorites that have become an indispensable part of our cultural heritage. London: The Stationery Office. The Blue Book. 2000. Navigate through this document by using Bookmarks, Thumbnails, or Links from the Contents listing below. Quarterly estimates of the main components of the National Accounts for the last few years are published in National Statistics First Releases and, in more detail with commentary, in UK Economic Accounts. Long run quarterly and annual estimates consistent with the Blue Book are published in the Economic Trends Annual Supplement. The latest estimates are also given in summary form in the Monthly Digest of Statistics and the quarterly income, capital and financial accounts for each sector are published regularly in Financial Statistics.