

Compendium

Chapter 13: UK environmental accounts



Release date: 31 October 2014

Next release: To be announced

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1. UK environmental accounts

Environmental Accounts are:

- 'satellite accounts' to the main National Accounts
- compiled in accordance with the System of Integrated Environmental and Economic Accounting (SEEA), which closely follows the United Nations System of National Accounts (SNA)

Environmental Accounts measure:

- · the impact of the economy on the environment
- how the environment contributes to the economy by using the accounting framework and concepts of the national accounts

Environmental Accounts are used to:

- · inform sustainable development policy
- · model impacts of fiscal or monetary measures
- evaluate the environmental impacts of different sectors of the economy

Environmental Accounts data:

- are mostly provided in units of physical measurement (mass or volume)
- can be provided in monetary units, where this is the most relevant or only data available

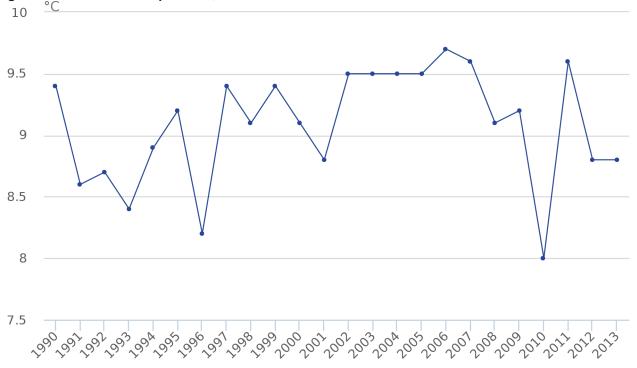
The United Kingdom National Accounts: The Blue Book 2014 separates environmental accounts into three categories:

- · natural capital accounts
- · physical flow accounts
- monetary accounts

2. Changes in key environmental and economic measures 2011-2012

A number of factors contribute to annual changes observed in the measures that are reported in the Environmental Accounts. Average temperature is one such factor which influences the data. Figure 13.1 shows how mean air temperature has varied between 1990 and 2013. The UK was cooler in 2012 compared with 2011, with average air temperature in the UK 0.9C lower.

Figure 13.1 Mean Air Temperature, 1990 to 2013



Source: Met Office

Total energy consumption increased by 1.2% from 2011 to 2012, contrary to the declining trend since 2005. Energy consumption, particularly by households, is closely related to air temperature (<u>DECC 2013a</u>). The increase observed in 2012 was mainly driven by the cooler weather compared to that experienced in 2011 (<u>DECC 2013b</u>). Similarly, the 2.2% increase in greenhouse gas emissions observed between 2011 and 2012 is likely to be partly due to the declining air temperature.

Economic growth also has an impact upon many of the accounts. The UK grew by 0.7% in 2012, compared to 1.6% in 2011. The slower economic growth reported in 2012 will have influenced many of the statistics reported in the account.

The UK Physical Trade Balance, calculated by subtracting the weight of exports from the weight of imports, remained positive for 2012. This means more materials and products were imported than exported. This measure declined during the economic downturn in 2008, 2009 and 2010, but peaked in 2012 at 129.9 million tonnes. The widening gap between physical imports and exports suggests the UK is becoming more reliant on the production of materials in other countries.

The relationship between the economy and the environment are further explored in <u>Tables 13.1 – 13.5 (164 Kb Excel sheet)</u>. More detail can be found in <u>UK Environmental Accounts</u>, 2014.

3. Tables

Chapter 13 tables (138 Kb Pdf)

4. Background notes

1. Since the release of UK Environmental Accounts 2013, a number of changes have been made to the Material Flows data sources and methodology. This is to bring the account in line with European regulation requirements. The changes are detailed in Improvements to UK Environmental Accounts. The impacts of these improvements on estimates are reported in UK Environmental Accounts, 2014.

2. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority