

Article

Detailed assessment of changes to sector and financial accounts, balance of payments and quarterly GDP: 1997 to 2018

Indicative impacts of improvements to the balance of payments, international investment position and sector accounts estimates, being introduced when the UK National Accounts are published on 30 September 2020.

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1 . Main changes

- On average from 1997 to 2018, the UK's net borrowing or lending position has changed by 0.2% of gross domestic product (GDP), primarily driven by revisions to the financial corporations and households sectors.
- In 2018, the UK's net lending or borrowing position was driven by upward revisions to households' lending position of 0.3% of GDP.
- The household saving ratio in 2018 was revised upwards by 0.5 percentage points, which reflects households' recent improved financial position.
- Private non-financial corporations and financial corporations are the two sectors that have seen their balance sheets most impacted by the Blue Book 2020 improvements in recent periods specifically through changes in pensions data.
- Indicative average annual revisions to the UK's current account between 1997 and 2018 are equivalent to negative 0.1% of GDP.
- The indicative average annual revision to gross national income (GNI) between the years 1997 to 2018 will be 0.1%.

2 . Overview of methodological improvements to the Blue Book and Pink Book 2020

This article is part of a series describing [changes to national accounts](#), detailing the improvements made to the UK National Accounts, to ensure that the accounts continue to provide the best possible framework for analysing the UK economy and for comparing it with those of other countries.

It details estimates of the indicative impact of changes that will be implemented for UK National Accounts, the Blue Book 2020 and UK Balance of Payments, the Pink Book 2020. This covers the period 1997 to 2018 and will be consistent with the Quarterly national accounts (QNA), which will be published on 30 September 2020.

The figures presented in this article are indicative estimates while the final quality assurance is being undertaken. Indicative impacts have been given for the non-financial accounts, financial balance sheets and the household saving ratio. The article also discusses the impact of the changes to the national accounts on our balance of payments statistics and brief details of the revisions to the gross domestic product (GDP) quarterly path as a result of the changes presented in Blue Book 2020.

Impact of the improvements

The series of improvements in Blue Book 2020 includes an improvement in the estimation of professional fees as part of the transfer costs in the recording of gross fixed capital formation. There are also improved estimates of financial intermediation services indirectly measured (FISIM), which lead to a higher quality estimate of the supply and use of financial services.

All of the Blue Book 2020 improvements have caused on average a downward revision of 0.2 percentage points to the saving ratio. However, the saving ratio follows the same underlying trend throughout its full time series, with a decline in the ratio from 2015 before a recovery in 2018.

The net borrowing of total UK sectors in the non-financial account was revised up by an average of £1 billion a year following several methodological improvements, meaning that the UK borrowed more from the rest of the world sector than previously estimated. The UK continues to be a net borrower in every year from 1997. In 2018, all domestic sectors are net borrowers other than the household sector.

In the non-financial account, financial corporations and non-profit institutions serving households saw their average net lending or borrowing impacted the most following Blue Book 2020 changes. In earlier periods, revisions had a minimal impact on all sectors' non-financial account. Revisions such as changes to pension data had a larger impact to the sector and financial accounts in later periods, with corporations, households and local government being the sectors most affected.

The changes to the UK current account are mostly caused by improvements in the measurement of trade statistics. The average annual revisions between 1997 and 2018 is negative £1.0 billion, which is equivalent to 0.1 as a percentage of gross domestic product (GDP).

The indicative average annual revision to gross national income (GNI) between the years 1997 and 2018 is 0.1%. Turning to quarterly GDP, the impact of these methodological improvements is minimal. The average quarter-on-quarter real GDP growth at Blue Book 2020 is unchanged to two decimal places over the period from Quarter 2 (Apr to June) 1997 to Quarter 4 (Oct to Dec) 2018.

More detail on the impact of the improvements to the different sectors of the national accounts appears in the following sections.

3 . Methodology improvements impacting sector and financial accounts

This section discusses the methodological improvements undertaken in Blue Book 2020 that affect the sector and financial accounts. Some of these changes were first described in [the impact of Blue Book 2020 changes article on current price and volume estimates of gross domestic product](#) on 20 July 2020.

Other improvements affecting sector and financial accounts only are also included in the sub-sections that follow.

Revisions throughout the published time series are mainly because of implementing the improvements described in this article. Indicatively, revisions between 1997 and 2015 (the closed period) will be exclusively from methods changes. The years 2016 to 2018 are fully open for revisions to incorporate new data from sources.

As shown in Table 1a Blue Book 2020 methodological improvements have had large impacts on the financial balance sheets of private non-financial corporations (PNFC) and financial corporations. Revisions to PNFC loans and pensions data changes discussed in this section have mainly contributed to the large movements in the balance sheets of these two sectors. Large financial balance sheet movements are also seen in the household and rest of the world sectors. The household sector revisions are caused by updated pensions data with the rest of the world sector impacted by the non-monetary gold change and foreign direct investment benchmarking, both of which are discussed in Section 6.

Blue Book methodological improvements had a small impact on all sectors' non-financial account, as seen in Table 1b in [Section 10: Indicative average revision to the UK sector's non-financial account](#).

The most significant improvements to sector and financial accounts statistics and balance of payment statistics follow.

Professional fees

Gross fixed capital formation (GFCF) refers to the acquisition less disposals of fixed assets and includes the costs of ownership transfer of those assets. In Blue Book 2020, we have reviewed how we estimate the professional fees element of transfer costs, particularly those that relate to the purchase and sale of residential and non-residential buildings. The sector most affected by improvements to the estimation of professional fees is private non-financial corporations.

More detail on revisions to professional fees can be found in [the impact of Blue Book 2020 changes article on current price and volume estimates of gross domestic product](#).

Financial intermediation services indirectly measured

Financial intermediaries explicitly charge commissions and fees to their customers but there is also an implicit charge on these financial services, which reflects the interest margin. Financial intermediaries generally pay lower rates of interest to those that lend them money and charge higher rates of interest to those who borrow from them. Financial intermediation services indirectly measured (FISIM) is then calculated as the difference between these effective rates of interest payable and receivable, and a "reference" rate of interest, which is a proxy of the pure cost of borrowing funds.

There have been revisions to how we estimate FISIM. More detail on revisions to financial intermediation services indirectly measured can be found in [the impact of Blue Book 2020 changes article on current price and volume estimates of gross domestic product](#).

Sectors affected by revisions to financial intermediation services indirectly measured: Financial corporations, private non-financial corporations and households

GFCF

Having identified that our GFCF estimates did not previously cover higher education institutions, we are benchmarking our GFCF estimates for Standard Industrial Classification (SIC) 85 - Education to those of ONS's Annual Business Survey (ABS). This is because the ABS has greater coverage and brings treatment of SIC 85 in line with other industries where we benchmark GFCF data to ABS, to provide increased coverage. The impact of this change will be seen on the non-profit institutions serving households (NPISH) sector.

Trade including disbursements

We have continued to develop UK trade statistics as set out in the trade development plan, and we will be introducing further improvements as part of the Blue Book and Pink Book 2020, which are detailed in Section 6 Summary of methodology improvements impacting balance of payments statistics, rest of the world sector and international investment position statistics.

Freight

Freight services covers the transportation of objects rather than people. All freight costs up to the customs frontier are shown as incurred by the exporter, and all freight costs beyond the customs frontier are shown as incurred by the importer.

In addition to freight on exports and imports, freight transport services may relate to goods where there is no change of ownership, such as goods sent for storage or processing and migrants' personal effects. We are including revised estimates of road, rail and air freight:

- road freight - new data sources for the number of journeys and lorry costs have replaced outdated sources with new data; the new method also has the addition of cabotage, the transport of goods or passengers between two places in the same country by a transport operator from another country and cross trades to exports of freight services for the first time
- rail freight - updated tonnage information for the Eurotunnel, and Northern Ireland and Republic of Ireland border along with updated cross-border freight rates has allowed us to revise these estimates
- air freight - data from the Civil Aviation Authority have been added so that existing financial data received from airports and airlines can be grossed up in a more representative way, which will better reflect fluctuations in the industry

Cross-border Travel

The majority of UK travel is collected via the International Passenger Survey (IPS) via air and seaports around Great Britain and Northern Ireland. However, no form of surveying takes place over the land border between Northern Ireland and the Republic of Ireland, therefore “pseudo estimates” are currently used to compensate for this. The pseudo estimates have been re-calculated using data from the Northern Ireland Statistics and Research Agency’s (NISRA’s) Northern Ireland Passenger Survey (NIPS) and Continuous Household Survey (CHS), and Central Statistics Office’s (CSO’s) Household Travel Survey (HTS).

In addition to these changes trade in services has also been revised through the annual reconciliation of the three approaches to gross domestic product (GDP): income, output and expenditure, enabling a single estimate of GDP to be determined through the production of supply and use tables.

Non-monetary gold

Further improvements to the collection of non-monetary gold have been introduced building on previous work to improve its measurement, the data changes made impact on the financial account and international investment position. The impact of this change will be seen within the financial corporations and rest of the world sector.

Foreign direct investment benchmarking

The balance of payments uses data from the quarterly and annual foreign direct investment (FDI) surveys. In the short-term, the quarterly survey is used within the balance of payments, before later being revised when the more comprehensive annual survey data become available, known as the FDI benchmark process. This benchmark process is an annual reconciliation between the quarterly and annual surveys used in the production of FDI data.

PNFC loans

In Blue Book 2017, the new Financial Services Survey measure of securities dealers’ (SDs’) loans 2017 initially assigned these loans to the private non-financial corporations (PNFCs) sector within the national accounts.

Following engagement with the SDs team and an interrogation of the relevant survey question(s), we have concluded this is lending to the financial corporations sector, specifically other financial intermediaries (OFIs). This has been reallocated in Blue Book 2020. The impact of this change will be seen in the financial corporations and PNFC sectors.

PSF alignment

Data published in the UK public sector finances (PSF) are not fully consistent with the core UK National Accounts. The differences between the outputs have existed for many years and are the result of different revisions policies in the UK National Accounts and the PSF, the former being revised less frequently because of the added complexity and integrated nature of the UK National Accounts, which need to balance across all sectors of the economy and not just the public sector.

While ensuring that the PSF reflects the most up-to-date picture of government finances, we regularly compare this with the national accounts and seek to improve alignment where possible. On 30 September 2019 we published analysis that highlights [the largest sources of differences between the PSF and national accounts measurement of net borrowing](#). These tables will be updated following the publication of quarterly national accounts, published on 30 September, to show the differences existing between that dataset and public sector finances published on 25 September.

The impact of this change will be seen in all sectors apart from local government and NPISH.

“Other changes not elsewhere classified” including open period pension data changes

In this article, there are several other improvements that have not been individually identified. A more complete list of changes were described in [the impact of Blue Book 2020 changes article on current price and volume estimates of gross domestic product](#) on 20 July 2020.

The main revisions we see in the latter periods come from pension data changes. These replace a mixture of forecasts and imputations from 2016 onwards. Detailed pension data revisions are explored in [Section 9: Detailed pension data revisions](#).

Sectors most affected by the pensions change: private non-financial corporations, financial corporations, households, local government.

In the latter periods, updated data sources can be the cause of revisions that outweigh individual methodological improvements that have also been implemented. This can lead to larger revisions in the “open” period and in some instances, a reversal in the direction of the overall revision.

Table 1 shows a selection of updated data sources impacting upon the “Other changes not elsewhere classified” category from 2016 onwards.

Table 1: Selected updated data sources for the Blue Book “open period”

Selected updated data sources for the Blue Book “open period”

Source	Primary Affected Sector (s)	Affected Transaction(s)	Affected Account
HMRC Pay as you earn (PAYE) data	Households	Wages and Salaries (D11)	Non-Financial Account
HMRC Self-Assessment data	Households	Mixed Income (B3g)	Non-Financial Account
Annual Business Survey retail sales estimates	Households	Household Final Consumption Expenditure (P3)	Non-Financial Account
ONS estimates of Financial Intermediation Services Indirectly Measured (FISIM)	Households	Household Final Consumption Expenditure (P3)	Non-Financial Account
Corporation tax accruals	Financial corporations and private non-financial corporations	Other accounts receivable /payable excluding trade credits and advances (F89)	Financial Account
Markit iBoxx, Bloomberg	Rest of the world, financial corporations, private non-financial corporations	Medium- and long-term bonds issued by UK MFIs and other residents (F32N56)	Financial Account and Non-Financial Account
Foreign direct investment (FDI) benchmark data	Rest of the world, private non-financial corporations, financial corporations, households, NPISH	Loans (F4) and Equity (F5)	Financial account and Non-Financial Account
Wealth and assets survey	Private non-financial corporations, financial corporations, household, rest of the world, NPISH	Rest of the world shares and other equity (F519N92)	Financial account

Source: Office for National Statistics

4 . Indicative impact on the institutional sector and financial accounts

Estimates of the impact on net lending or borrowing by sector

Figure 1a shows the indicative Blue Book 2020 estimates of sectoral net lending or borrowing positions as a percentage of gross domestic product (GDP). We expect that there will be some revisions to the net lending and borrowing positions in this year’s Blue Book, although these revisions are modest overall as reflected in the underlying trend over this period being largely the same.

Within the UK, the household lending position in 2018 will be revised up slightly, increasing to 0.6% of GDP. However, the trend in recent years of households running down the financial position is still maintained, with a slight improvement in 2018. The increased lending position of households reflects households’ improved financial position because of revisions to income and household financial consumption expenditure. Within the UK, this is offset by indicative revisions to private non-financial corporations, which now sees a greater increase in its net borrowing in 2018 reflecting downward revisions driven by disbursements (see [Section 8: Indicative estimates to net lending or net borrowing by sector charts](#)).

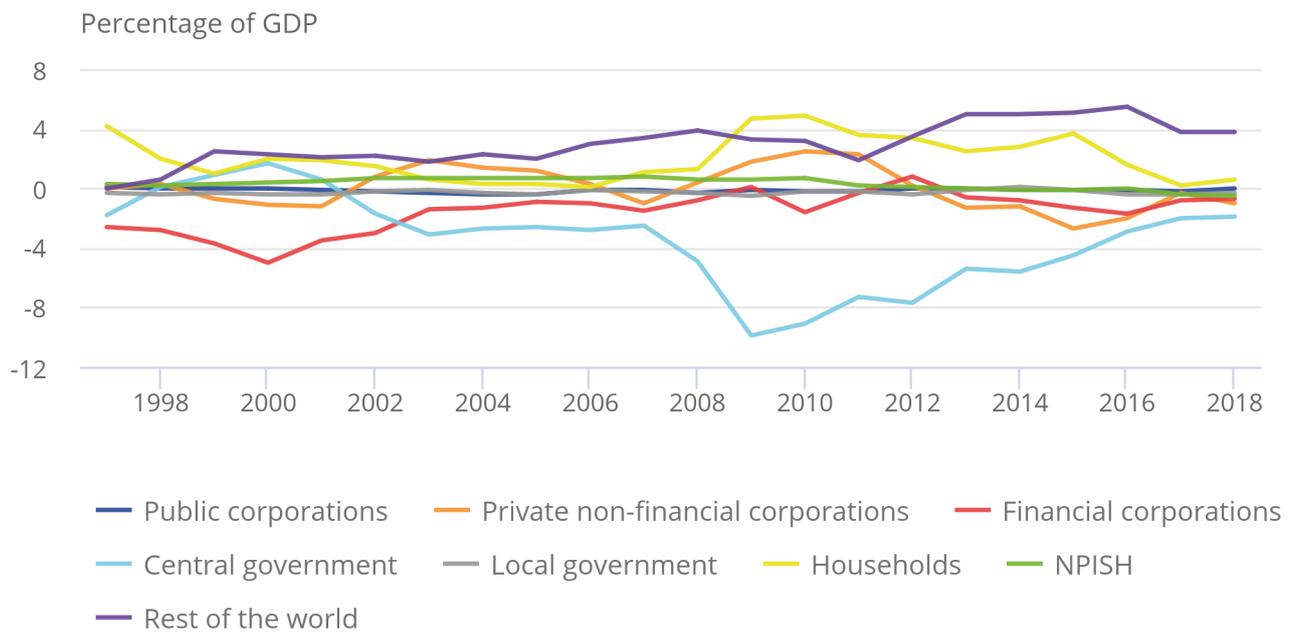
Figure 1a also captures that there has been an underlying improvement in the borrowing position of central government.

Figure 1a: In 2018, the rest of the world continues to be a net lender to the UK at 4% of gross domestic product

Indicative Blue Book 2020 net lending or borrowing positions as a percentage of gross domestic product, UK, 1997 to 2018

Figure 1a: In 2018, the rest of the world continues to be a net lender to the UK at 4% of gross domestic product

Indicative Blue Book 2020 net lending or borrowing positions as a percentage of gross domestic product, UK, 1997 to 2018



Source: Office for National Statistics

Figure 1b shows the expected revisions to the net lending/borrowing position of the institutional sectors over the period 1997 to 2018. This shows that the size of the revisions to these financial positions is expected to be relatively small with no sizeable impact on the underlying trends. The increase in the lending position of the UK in 2018 is driven by the upward revisions to households' net lending position, offset by an increase in NPISH's borrowing position reflecting upward revisions to expenditure on gross fixed capital formation by higher education institutions.

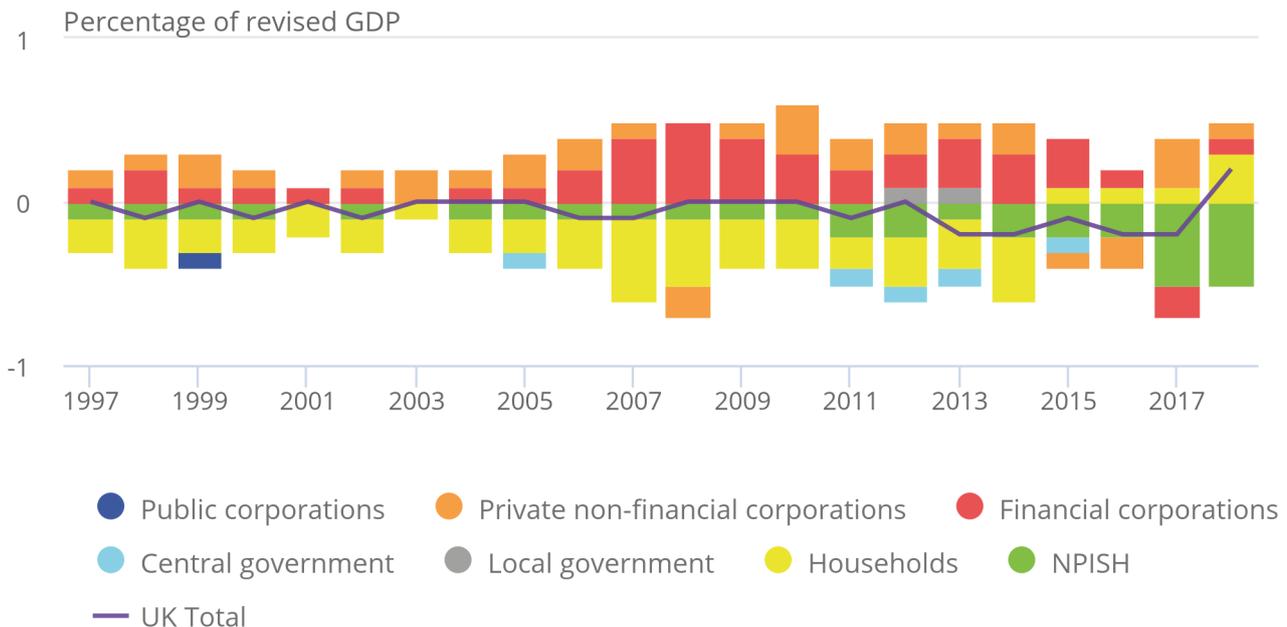
Figure 1b shows that the main revisions have been to households and financial corporations over the 1997 and 2018 period. The mean revision to households has been negative 0.2% of GDP – that is, the indicative Blue Book estimates show that it has become slightly less of a net lender over the entire period – while the mean revision to financial corporations has been 0.2% of GDP. (The rest of the world is covered later in this article.)

Figure 1b: Upward revisions to households had the largest impact on the UK's overall net lending or borrowing position as a percentage of gross domestic product in 2018

Indicative revisions to net lending or borrowing positions as a percentage of gross domestic product, UK, 1997 to 2018

Figure 1b: Upward revisions to households had the largest impact on the UK's overall net lending or borrowing position as a percentage of gross domestic product in 2018

Indicative revisions to net lending or borrowing positions as a percentage of gross domestic product, UK, 1997 to 2018



Source: Office for National Statistics

Figure 2 shows the indicative 2018 estimates of the financial balance positions in Blue Book 2020, comparing those with previously published estimates. These revisions reflect the cumulative revisions to financial flows as well as those that reflect revaluations and other changes in volume.

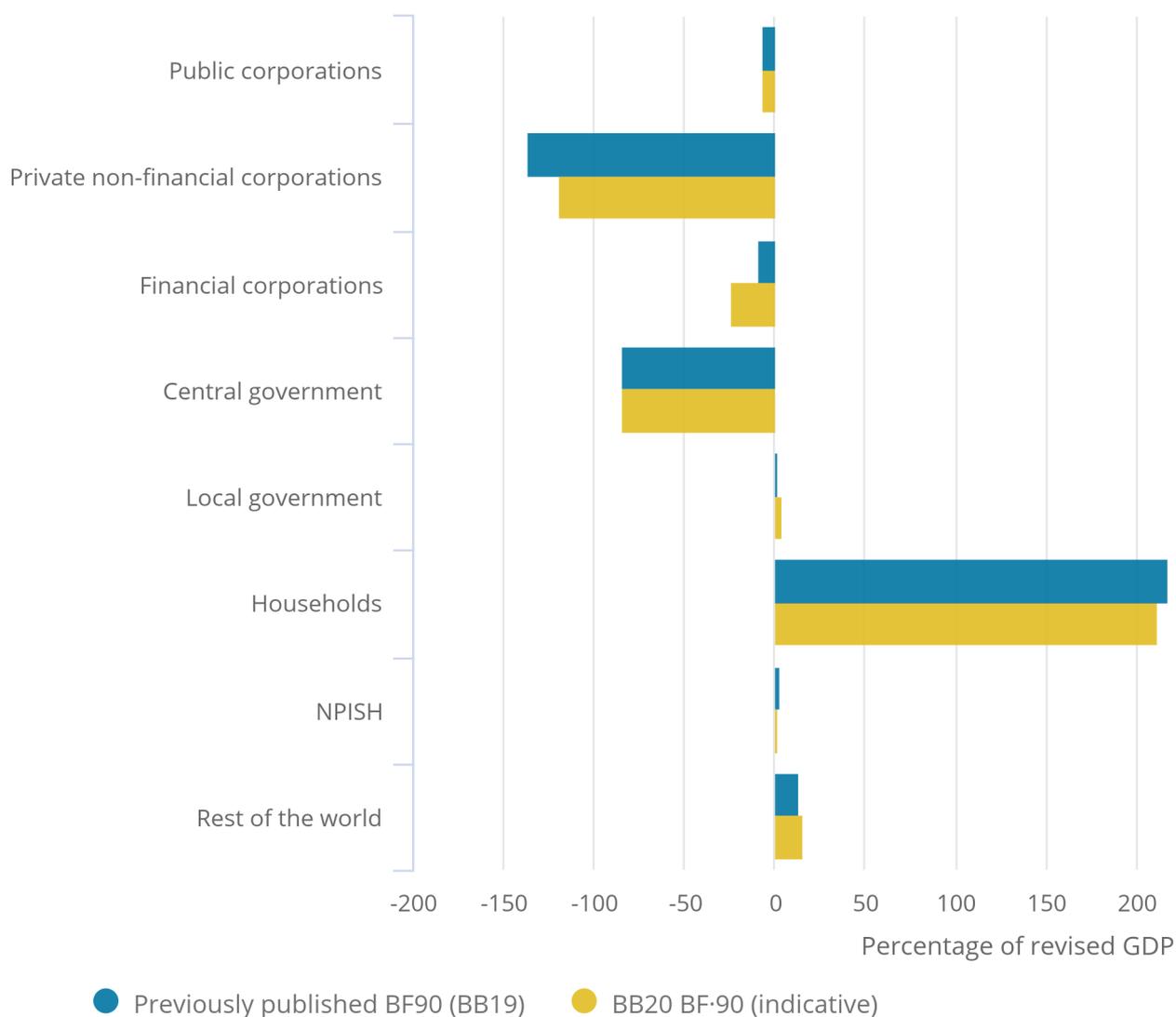
The main impacts are expected to be to the balance sheet positions of households, private non-financial corporations and central government.

Figure 2: Blue Book 2020 and Blue Book 2019 changes have sizeable impacts to the balance sheet positions of households, private non-financial corporations and central government

Indicative Blue Book 2020 and Blue Book 2019 net financial worth as a percentage of revised gross domestic product, UK, 2018

Figure 2: Blue Book 2020 and Blue Book 2019 changes have sizeable impacts to the balance sheet positions of households, private non-financial corporations and central government

Indicative Blue Book 2020 and Blue Book 2019 net financial worth as a percentage of revised gross domestic product, UK, 2018



Source: Office for National Statistics

Table 1a sets out the indicative nominal average impact of the changes in financial balance sheets for 1997 to 2018, with revised figures for the UK National Accounts, that will be implemented in Blue Book 2020 and the UK Quarterly national accounts, which will be published on 30 September 2020. They also show the indicative impact as a percentage of revised gross domestic product (GDP).

[Section 8: Indicative estimates to net lending or net borrowing by sector charts](#) gives greater detail on the revisions shown in Tables 1a

Table 1a: Latest indicative average impact of the changes to the net lending or net borrowing for the financial net worth from the UK sector's balance sheets, UK, 1997 to 2018

Average impact of the changes 1997 to 2018

Total Impact upon financial net worth from the balance sheets (BF.90)

Sector	£billion		% of GDP		% of GDP	% of GDP
	Methodological changes	Data revisions separate to methodological changes	Indicative average revision to financial net worth (BF.90)	Indicative average revision to financial net worth (BF.90)	Largest downward revision to net lending (+) or borrowing (B.9N)	Largest upward revision to net lending (+) or borrowing (B.9N)
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0
Private non-financial corporations	122.3	11.9	134.2	8.6	6.1	16.6
Financial corporations	-134.6	10.8	-123.8	-7.9	-14.4	-4.8
Central government	0.0	0.6	0.6	0.0	-0.1	0.3
Local government	0.0	7.4	7.4	0.4	0.0	2.7
Households	0.0	-35.3	-35.3	-2.0	-7.0	-0.2
Non-profit institutions serving households (NPISH)	0.0	-0.7	-0.7	0.0	-0.3	0.0
Rest of the world	12.3	5.3	17.6	1.0	0.1	3.9

Source: Office for National Statistics

5 . Indicative impact on the household saving ratio

Figure 3 shows the indicative revisions of the household saving ratio between previously published data and Blue Book 2020 from 1997 to 2018.

This shows that the underlying trend is largely unchanged, particularly around the time of the financial crisis and the years that follow. The average revision to the saving ratio was negative 0.2 percentage points, driven by several methodological improvements. However, the main reasons for the larger revisions in 2017 and 2018 are revisions in wages and salaries and mixed income from new HM Revenue and Customs (HMRC) data and household final consumption expenditure.

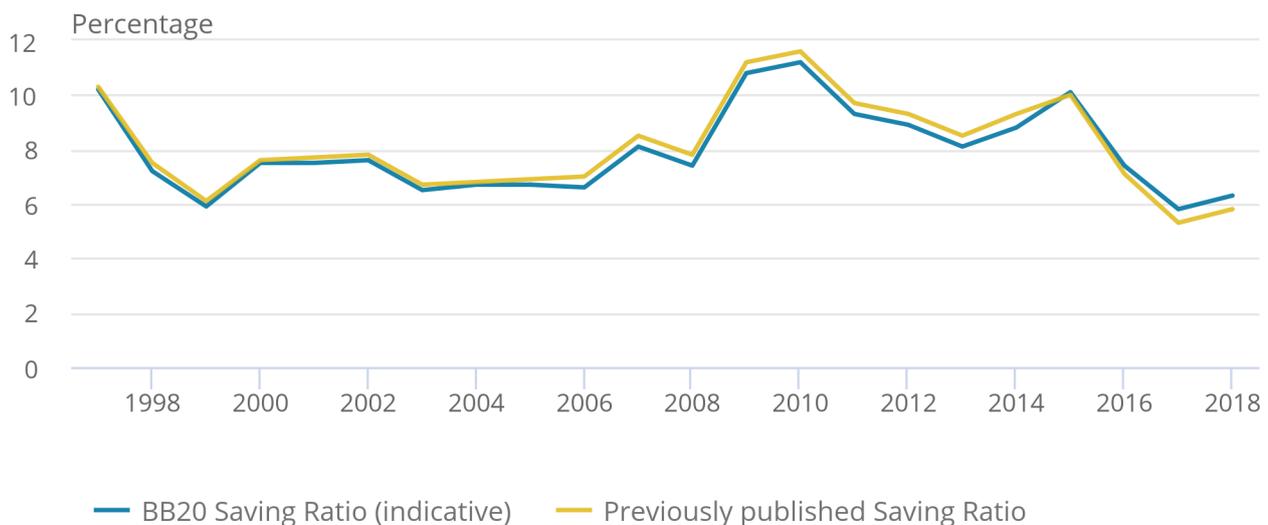
Revisions to household final consumption expenditure come from a variety of sources. These include new estimates of retail sales from the Annual Business Survey and estimates of financial intermediation services indirectly measured (FISIM) consumed by households.

Figure 3: Despite the saving ratio being on an upward trend of late, the average saving ratio has been revised downwards by an average of 0.2%

Household saving ratio, UK, 1997 to 2018

Figure 3: Despite the saving ratio being on an upward trend of late, the average saving ratio has been revised downwards by an average of 0.2%

Household saving ratio, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. B.9N = net lending or borrowing position from the non-financial account.
2. PSF = Public sector finance alignment.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec - not elsewhere classified.

6 . Methodology improvements impacting balance of payments, rest of the world sector and international investment position statistics

The standards set out in the European System of Accounts 2010 (ESA 2010) and the Balance of Payments and International Investment Position Manual sixth edition (BPM6) are harmonised. The UK balance of payments and rest of the world sector in the national accounts is comparable and consistent.

This section discusses the methodological improvements undertaken in 2020 that affect our balance of payments and international investment position statistics, including the impact on gross national income (GNI). Some of these changes were first described in the [Impact of Blue Book 2020 changes on current price and volume estimates of gross domestic product \(GDP\)](#) on 20 July 2020.

Table 2a provides an indicative impact that changes will have on the main components of the current account as a percentage of GDP.

Table 2a: Summary of indicative revisions as a percentage of GDP between currently published data and indicative data (consistent with Pink Book 2020), UK, Percentage of gross domestic product, 1997 to 2018

	1997 - 2018			2018	
	Largest downward revision	Average revision	Largest upward revision	Previously Published Value	Pink Book Indicative Value
Trade Balance	-0.2	-0.1	0.2	-1.4	-1.2
Primary Income Balance	0.0	0.0	0.1	-1.3	-1.3
Secondary Income Balance	0.0	0.0	0.0	-1.2	-1.2
Current Account Balance	-0.3	-0.1	0.2	-3.9	-3.7

Source: Office for National Statistics - Balance of Payments

Table 2b provides an indicative impact that changes will have on the balance of payments and international investment position (IIP), because of the scale of revision changes, presented in billions of British pounds.

Table 2b: Summary of indicative revisions on annual data between currently published data and indicative Pink Book 2020 data, UK, £ billions, 1997 to 2018

	1997 – 2018				2018		
	Largest downward revision	Largest upward revision	Average annual revision	Average absolute annual revision	Previously published value	Indicative value in Pink Book	Revision ¹
Trade balance	-4.8	4.3	-0.9	1.4	-29.8	-25.5	4.3
Primary income balance	-0.9	0.0	-0.1	0.1	-27.5	-27.9	-0.3
Secondary income balance	-0.2	0.1	0.0	0.0	-25.6	-25.5	0.1
Current account balance	-5.7	4.0	-1.0	1.5	-82.9	-78.9	4.0
Financial account balance	-9.8	11.2	-0.2	2.9	-83.2	-85.0	-1.8
Net International Investment Position	-80.3	n/a ²	-17.6	17.6	-275.1	-323.7	-48.6

Source: Office for National Statistics - Balance of Payments

Notes

1. Components may not add because of rounding differences.
2. Indicates no upward revision.

Indicative impact of changes on the current account

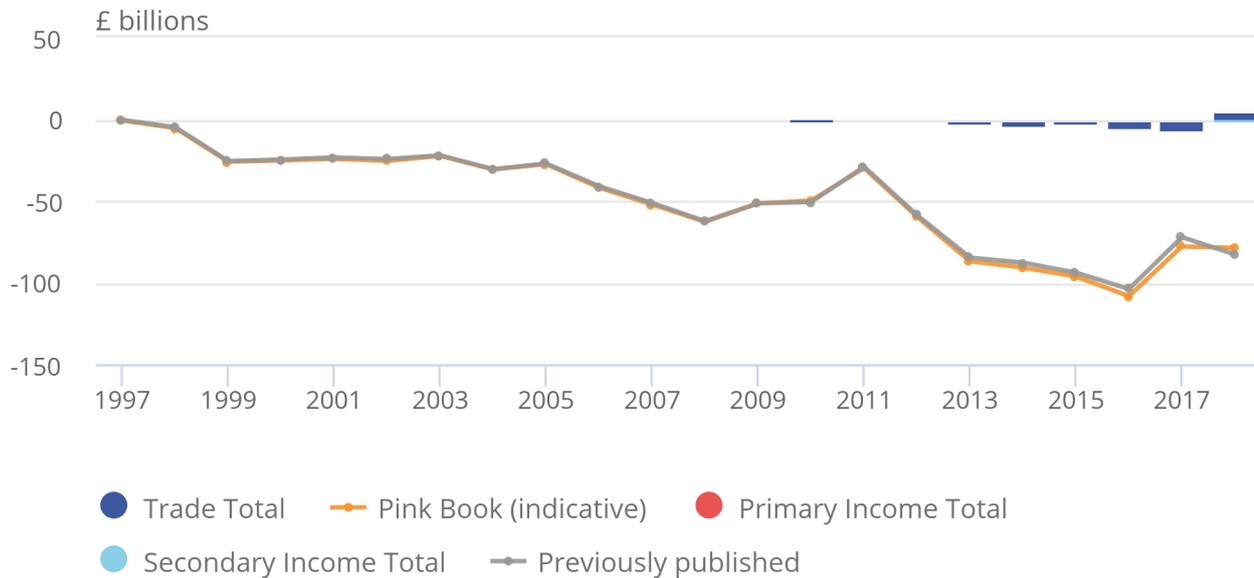
Figure 4 shows the comparatively small revisions to the current account balance. Most of the revisions reflect improvements to how we record trade. For most of the period, there have been small downward revisions to the trade balance. However, there has been an upward revision in 2018: a £2.5 revision in trade in goods and a £1.8 billion revision in trade in services, with a total trade revision of £4.3 billion.

Figure 4: Most of the revisions reflect improvements in how trade figures are recorded

Indicative current account balance revisions breakdown, UK, 1997 to 2018

Figure 4: Most of the revisions reflect improvements in how trade figures are recorded

Indicative current account balance revisions breakdown, UK, 1997 to 2018



Source: Office for National Statistics - Balance of Payments

Financial account net revisions

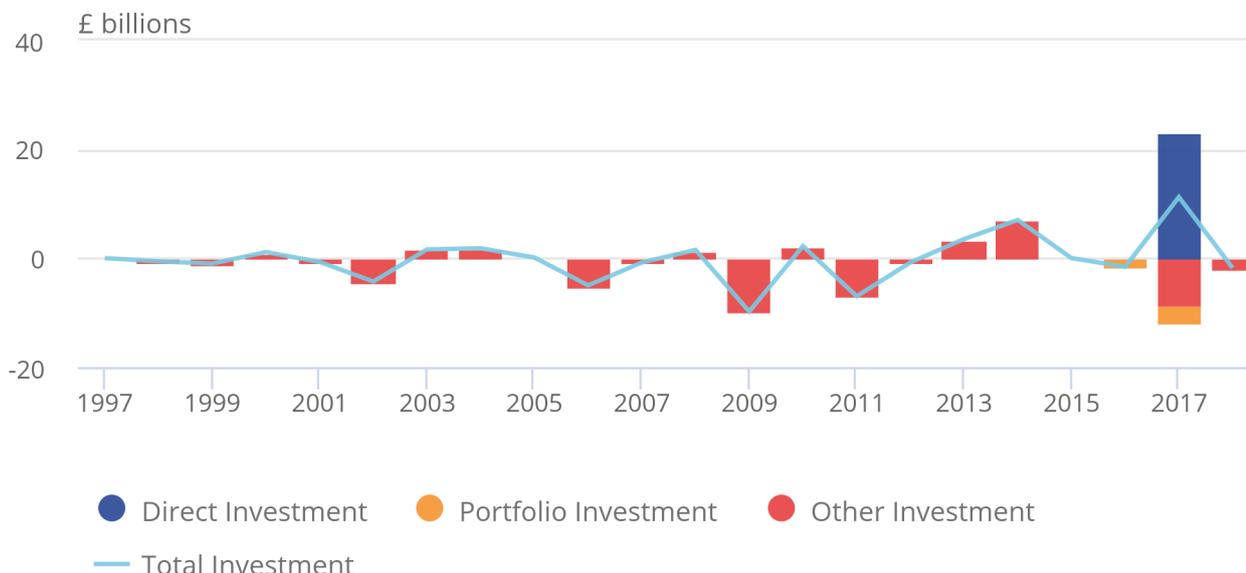
Figure 5 shows the provisional net financial account revisions from 1997 to 2018 that are mostly because of non-monetary gold improvements within other investment. The upward revision to direct investment in 2017 is because of the reconciliation between the quarterly and annual foreign direct investment (FDI) surveys. The downward revisions in 2017 are because of updated data from the Wealth and Assets Survey and the adoption of a new revaluation index as set out in Table 1.

Figure 5: Provisional net financial account revisions are mostly due to non-monetary gold improvements within other investment

Indicative financial account balance revisions breakdown, UK, 1997 to 2018

Figure 5: Provisional net financial account revisions are mostly due to non-monetary gold improvements within other investment

Indicative financial account balance revisions breakdown, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. Total includes reserve assets and financial derivatives.

Net international investment position revisions

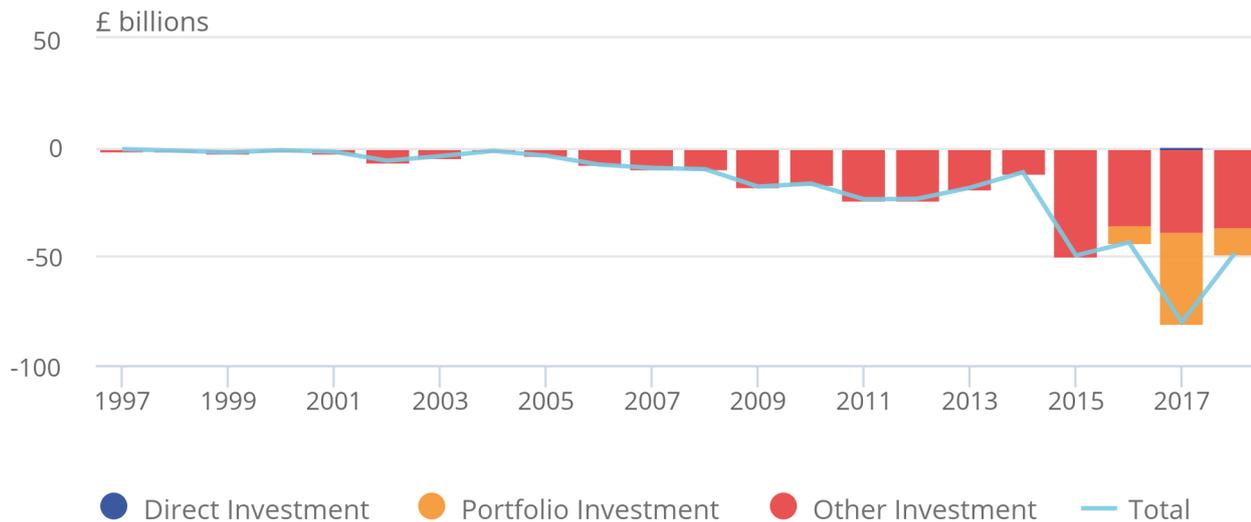
Figure 6 shows the provisional impact on the net IIP from 1997 to 2018. Revisions to the net IIP are consistent with those impacts seen in the financial account highlighting the integration of the accounting framework. These are because of updated data from the Wealth and Assets Survey, the adoption of the new Markit iBoxx valuation index and changes to non-monetary gold. This had led to a higher net liability position, with the indicative estimate for the net IIP in 2018 as £323.7 billion, equivalent to 15.1% of GDP.

Figure 6: Revisions are consistent with those impacts seen in the financial account highlighting the integration of the accounting framework

Indicative international investment position balance revisions breakdown, UK, 1997 to 2018

Figure 6: Revisions are consistent with those impacts seen in the financial account highlighting the integration of the accounting framework

Indicative international investment position balance revisions breakdown, UK, 1997 to 2018



Source: Office for National Statistics - Balance of Payments

Notes:

1. Total includes reserve assets and financial derivatives.

Further detail on the list changes to Pink Book 2020 can be seen in [Section 11: Pink Book 2020 revisions](#)

Gross national income

The transition of GDP to gross national income (GNI) is obtained by adding the difference between compensation of employees and property income¹ received from and paid to the rest of the world. Compensation of employees is the remuneration paid by an employer to employee for work done; property income is primarily the earnings from financial investments and assets, such as interest, dividends and repatriated profits.

Estimates of GNI form the basis of calculating part of the contributions to the European Union (EU) budget by member states and the UK.

In our [Impact of Blue Book 2020 changes on current price and volume estimates of gross domestic product](#) article of 20 July 2020, we outlined the impact on GDP. By adding the revisions to GDP and total primary income, we can state that the indicative average annual revision to GNI between 1997 and 2018 will be negative 0.1% (see Table 3 for the breakdown of the revisions).

Table 3: Impact of Blue Book 2020 changes on current price UK gross national income (GNI) estimates for inclusion in the September 2020 UK National Accounts update, UK, £ Billions unless stated otherwise, 1997 to 2018

	Blue Book 2019 and Q1 2020 QNA nominal GNI	Total primary income balance revisions	Total nominal GDP revision	Near final Blue Book 2020 nominal GNI	Percentage (%) change in the level of current price GNI
1997	953.2	0.0	-0.5	952.6	-0.1
1998	1006.4	0.0	0.9	1007.2	0.1
1999	1036.5	0.0	-0.1	1036.3	0.0
2000	1099.8	0.0	0.2	1100.0	0.0
2001	1147.7	0.0	-1.1	1146.6	-0.1
2002	1206.0	0.0	-2.9	1203.0	-0.2
2003	1273.5	0.0	-1.3	1272.2	-0.1
2004	1333.9	0.0	-2.7	1331.2	-0.2
2005	1415.1	0.0	-3.2	1411.9	-0.2
2006	1476.4	0.0	-4.2	1472.2	-0.3
2007	1542.5	0.0	-3.7	1538.8	-0.2
2008	1575.2	0.0	-0.7	1574.5	0.0
2009	1536.0	0.0	1.0	1537.0	0.1
2010	1603.1	0.0	4.1	1607.2	0.3
2011	1666.4	0.0	0.4	1666.7	0.0
2012	1694.5	0.0	-0.6	1694.0	0.0
2013	1745.8	0.0	-1.8	1744.0	-0.1
2014	1823.9	0.0	1.0	1825.0	0.1
2015	1873.0	-0.4	2.7	1875.3	0.1
2016	1947.5	-0.5	-0.8	1946.3	-0.1
2017	2047.0	-1.0	-2.9	2043.1	-0.2
2018	2116.8	-0.4	-2.5	2113.9	-0.1

Source: Office for National Statistics - Balance of Payments

Notes for: Methodology improvements impacting balance of payments, rest of the world sector and IIP statistics

1. Also known as primary or investment income.

7 . Revisions to GDP quarterly path

As a result of the upcoming changes to the estimates of annual gross domestic product (GDP), outlined in [Impact of Blue Book 2020 changes on current price and volume estimates of gross domestic product](#), the GDP quarterly path will also be revised. The quarterly path revisions to current price and real GDP are shown in Annex E and Annex F of the associated [annexes](#).

The impact of these quarterly revisions is minimal. The average quarter-on-quarter real GDP growth at Blue Book 2020 is unchanged to two decimal places over the period from Quarter 2 (Apr to June) 1997 to Quarter 4 (Oct to Dec) 2018. Over the same period, the mean absolute revision to quarter-on-quarter real GDP growth is 0.02 percentage points. The peak-to-trough fall in real GDP of the 2008 to 2009 economic downturn has been slightly revised from negative 6.0% to negative 5.9%. It is still the case that we estimate that the level of GDP returned to its pre-economic downturn levels in Quarter 2 2013.

8 . Indicative estimates to net lending or net borrowing by sector charts

Understanding and using the charts

In some instances, the Blue Book 2020 impacts on the sector and financial accounts are very small and difficult to see at first glance. To aid this there is a data table accompanying each chart with the indicative impact in £ billion.

Note that not all sectors' indicative impacts have been included as there were no revisions or very small revisions. However, indicative impacts of sectors that are not included in this section are available upon request.

For most of the time series, changes to borrowing or net lending position and the financial net worth has been driven by pension data revisions, which is categorised as "other changes not elsewhere classified".

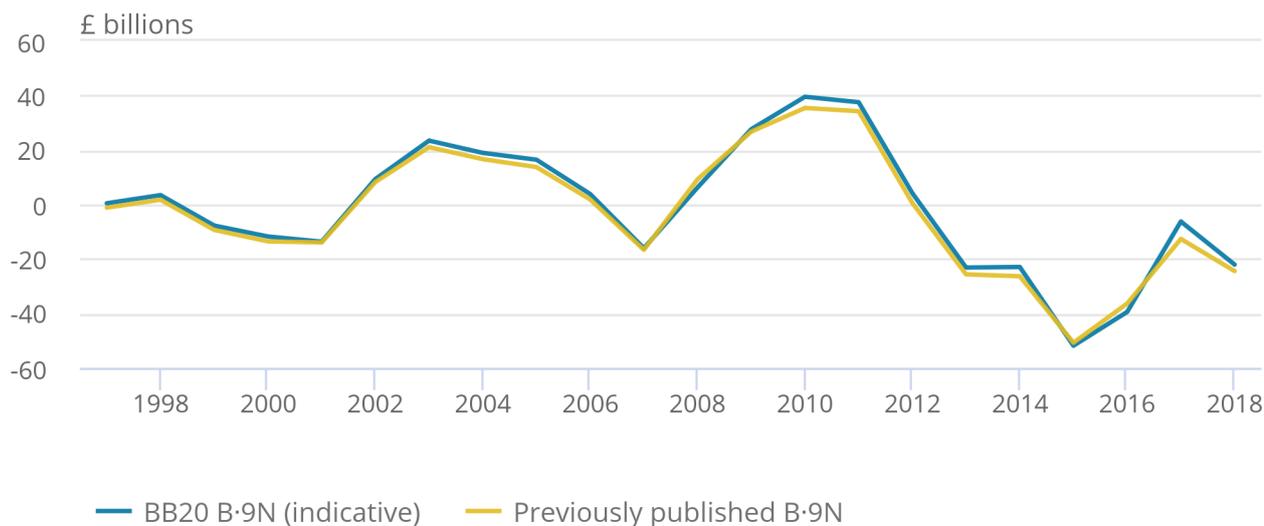
Private non-financial corporations

Figure 7a: The average revision to private non-financial corporations' net lending or net borrowing is positive £1.7 billion

Private non-financial corporations' net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 7a: The average revision to private non-financial corporations' net lending or net borrowing is positive £1.7 billion

Private non-financial corporations' net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

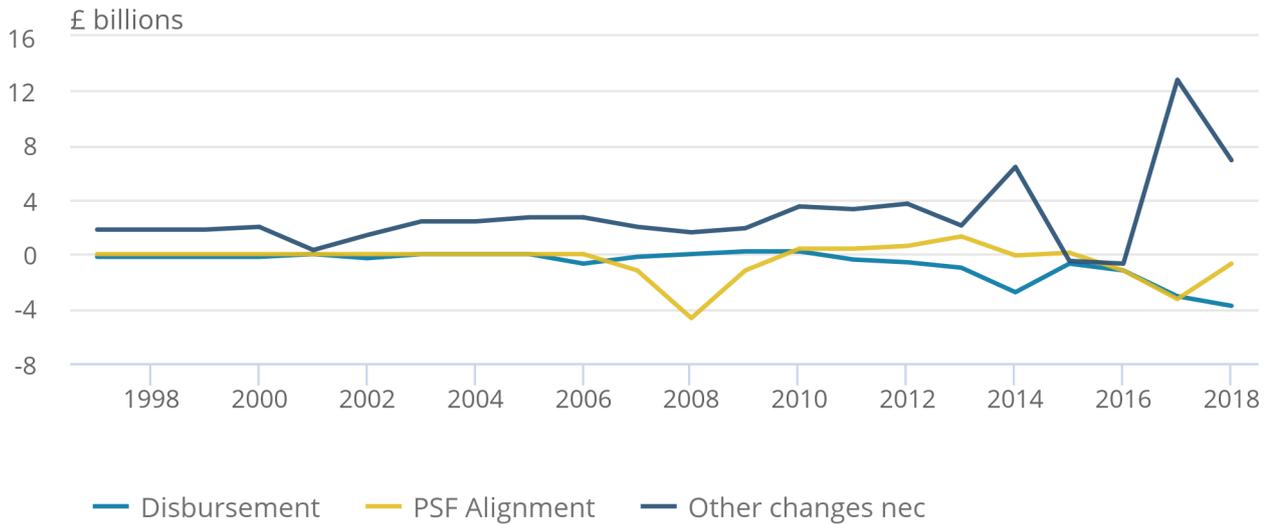
1. B.9N = net lending or borrowing position from the non-financial account.
2. Households and non-profit institutions serving households.
3. Other changes includes public sector alignment, listed shares improvement, and other changes not elsewhere classified.

Figure 7b: The largest driver to private non-financial corporations' upward revision are other changes not elsewhere classified

Private non-financial corporations' net lending or net borrowing from the non-financial account, by change, UK, 1997 to 2018

Figure 7b: The largest driver to private non-financial corporations' upward revision are other changes not elsewhere classified

Private non-financial corporations' net lending or net borrowing from the non-financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

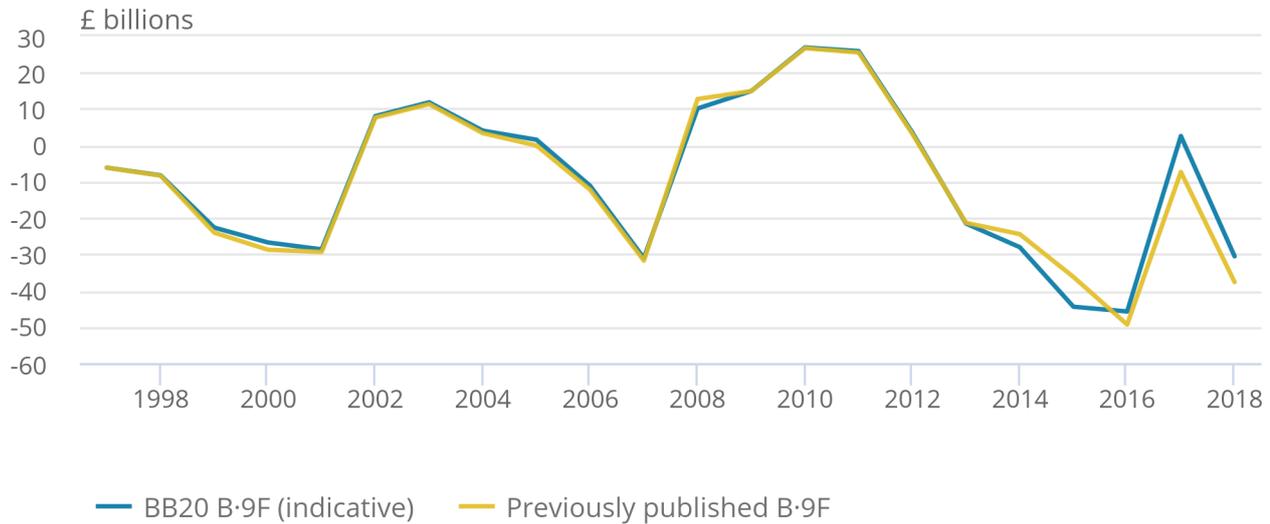
1. nec = not elsewhere classified.

Figure 8a: The average revision to private non-financial corporations' net lending or net borrowing is positive £0.7 billion

Private non-financial corporations' net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 8a: The average revision to private non-financial corporations' net lending or net borrowing is positive £0.7 billion

Private non-financial corporations' net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

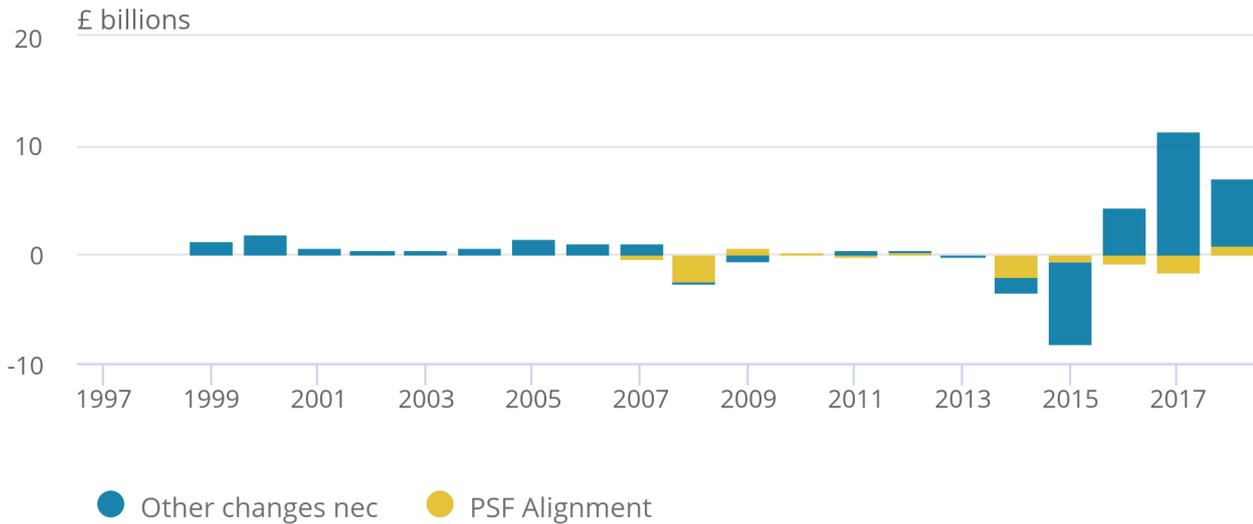
1. B.9F = net lending or borrowing position from the financial account.

Figure 8b: The largest driver to private non-financial corporations' upward revisions in recent years are other changes not elsewhere classified

Private non-financial corporations' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018

Figure 8b: The largest driver to private non-financial corporations' upward revisions in recent years are other changes not elsewhere classified

Private non-financial corporations' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

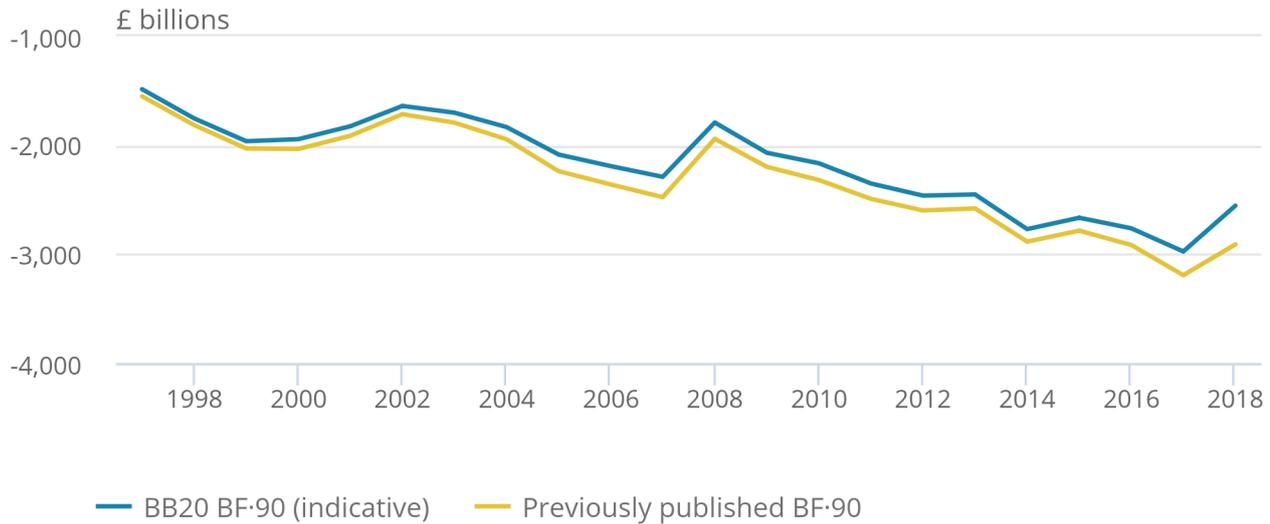
1. B.9F = net lending or borrowing position from the financial account.
2. nec = not elsewhere classified.

Figure 9a: The average revision to private non-financial corporations' net financial worth is positive £134.2 billion

Private non-financial corporations' net financial worth, UK, 1997 to 2018

Figure 9a: The average revision to private non-financial corporations' net financial worth is positive £134.2 billion

Private non-financial corporations' net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

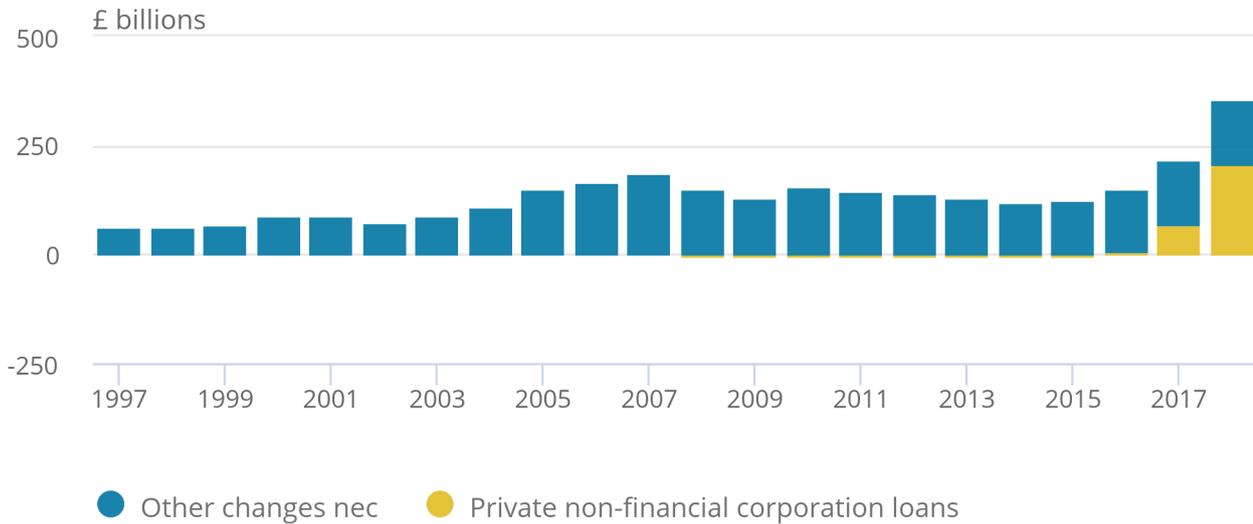
1. BF.90 = Financial net worth.

Figure 9b: The large upward revision to private non-financial corporations' net financial worth is driven by other changes nec (mainly pensions) and private non-financial corporations' loans

Private non-financial corporations' net financial worth, by change, UK, 1997 to 2018

Figure 9b: The large upward revision to private non-financial corporations' net financial worth is driven by other changes nec (mainly pensions) and private non-financial corporations' loans

Private non-financial corporations' net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. nec = not elsewhere classified.

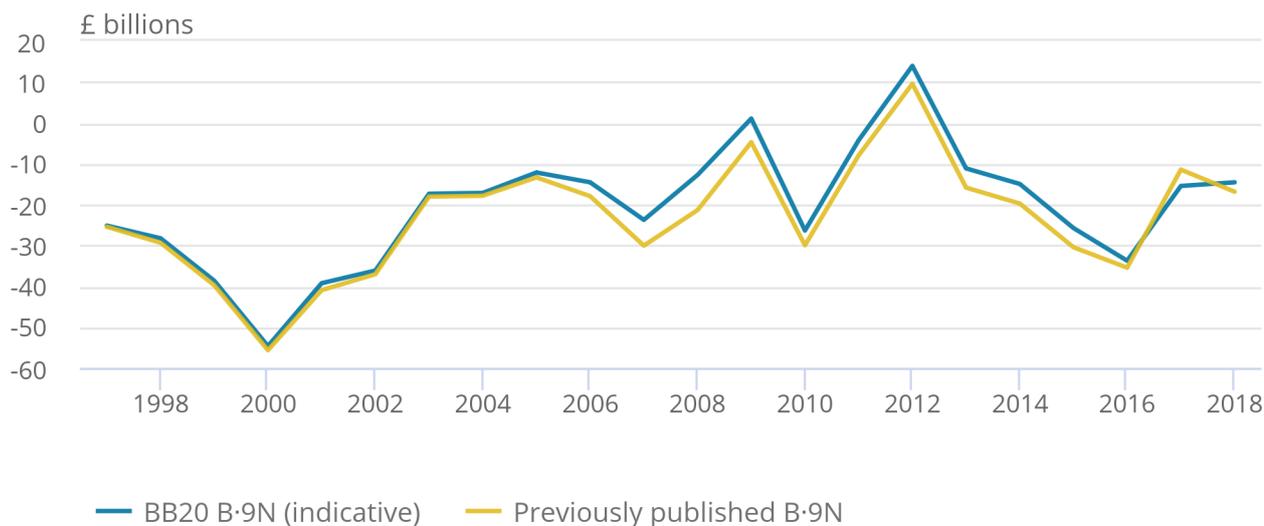
Financial corporations

Figure 10a: The average revision to financial corporations' net lending or net borrowing is positive £2.7 billion

Financial corporations' net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 10a: The average revision to financial corporations' net lending or net borrowing is positive £2.7 billion

Financial corporations' net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

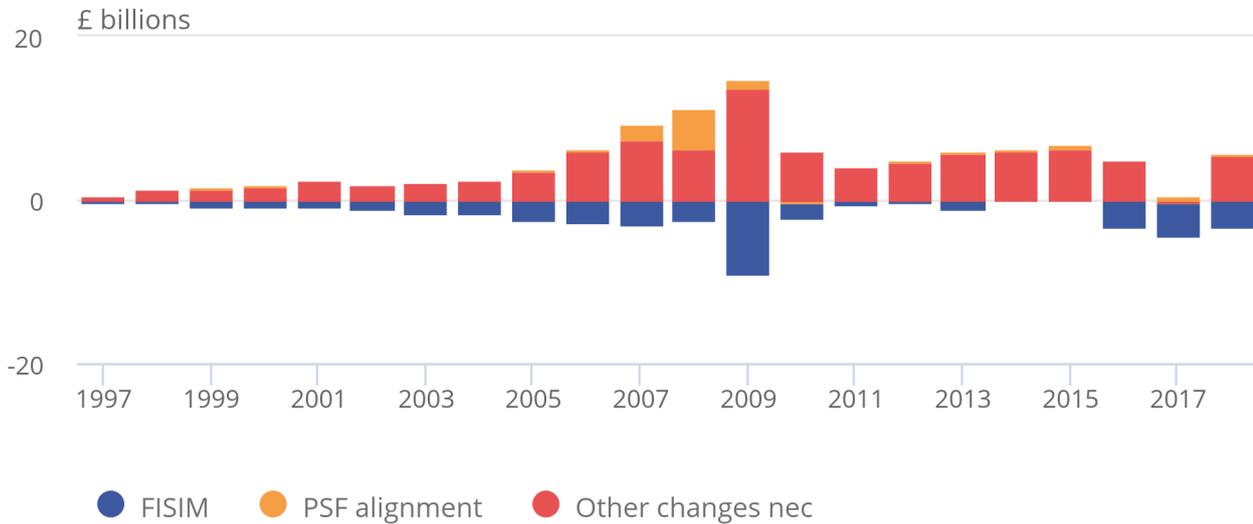
1. B.9N = net lending or borrowing position from the non-financial account.
2. Public sector finance alignment.
3. Other changes includes listed shares improvement and other changes not elsewhere classified.

Figure 10b: The largest revision to financial corporations' net lending or net borrowing is from other changes not elsewhere classified (mainly pensions)

Financial corporations' net lending or net borrowing from the non- financial account, by change, UK, 1997 to 2018

Figure 10b: The largest revision to financial corporations' net lending or net borrowing is from other changes not elsewhere classified (mainly pensions)

Financial corporations' net lending or net borrowing from the non- financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

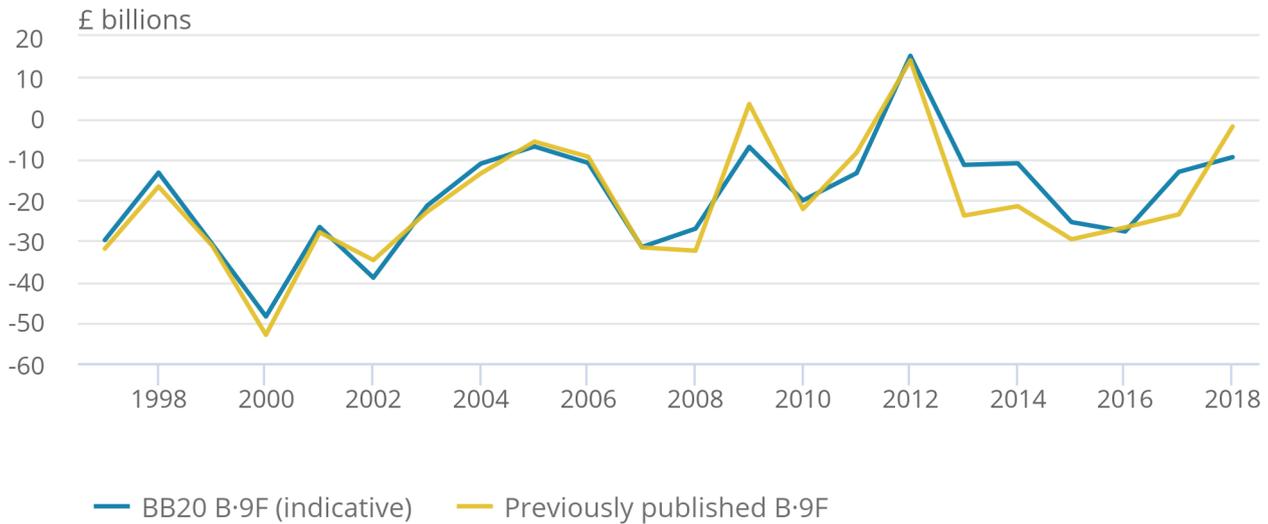
1. B.9F = net lending or borrowing position from the financial account.
2. Households and non-profit institutions serving households.
3. nec = not elsewhere classified.

Figure 11a: The average revision to financial corporations' net lending or net borrowing is positive £1.4 billion

Financial corporations' net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 11a: The average revision to financial corporations' net lending or net borrowing is positive £1.4 billion

Financial corporations' net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. B.9F = net lending or borrowing position from the financial account.
2. Households and non-profit institutions serving households.

Figure 11b: The average upward revision to financial corporations' net lending or borrowing is driven by other changes not elsewhere classified (mainly pensions)

Financial corporations' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018

Figure 11b: The average upward revision to financial corporations' net lending or borrowing is driven by other changes not elsewhere classified (mainly pensions)

Financial corporations' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

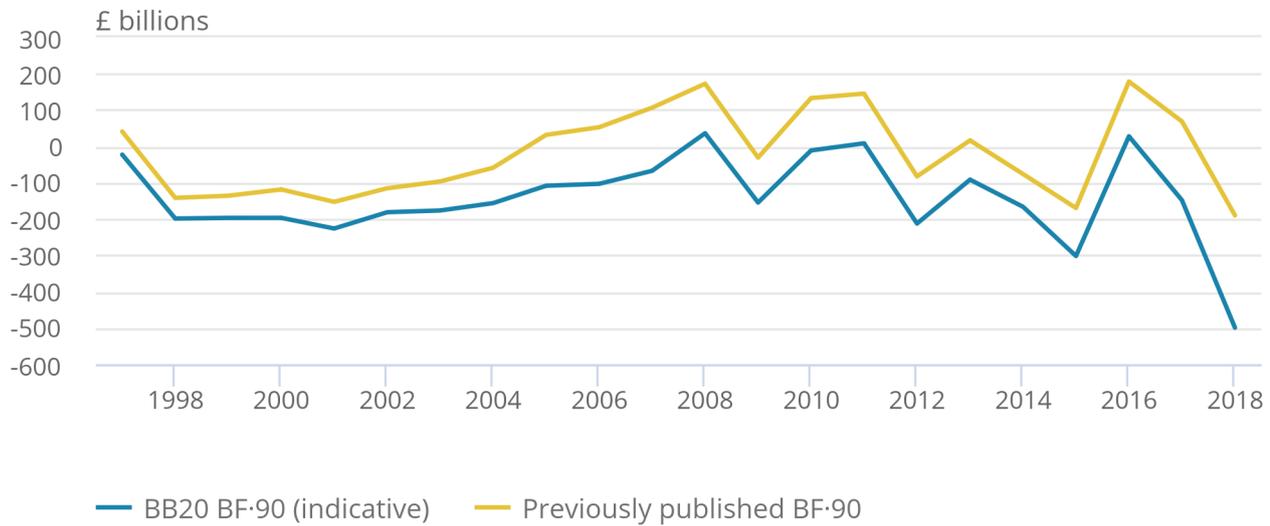
1. B.9N = net lending or borrowing position from the non-financial account.
2. Public sector finance alignment.
3. Other changes includes pensions.
4. nec = not elsewhere classified.

Figure 12a: The average revision to financial corporations' net financial worth is negative £123.8 billion

Financial corporations' net financial worth, UK, 1997 to 2018

Figure 12a: The average revision to financial corporations' net financial worth is negative £123.8 billion

Financial corporations' net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

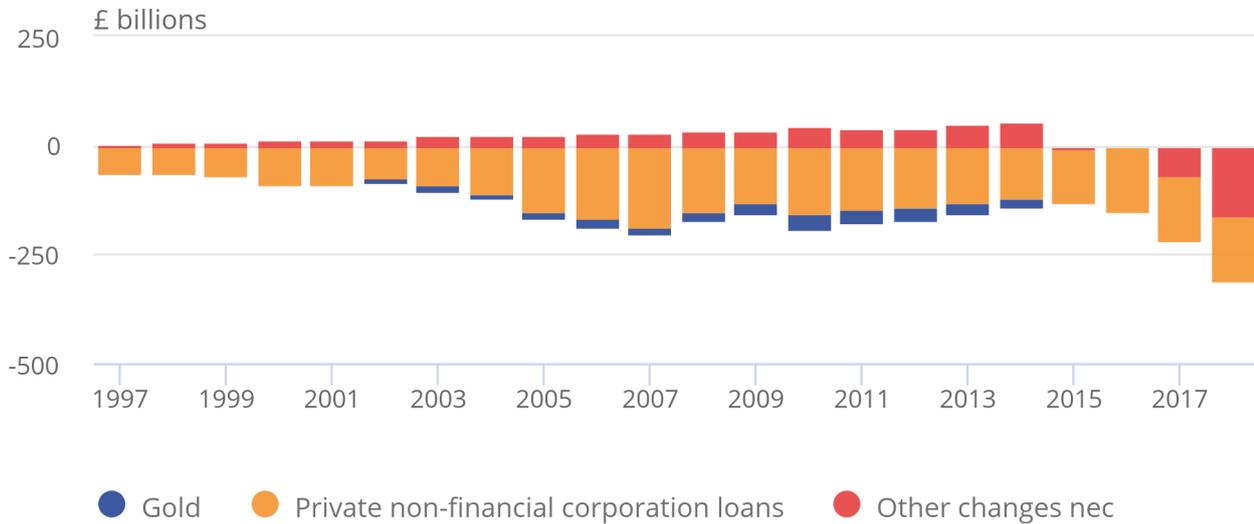
1. BF.90 = Financial net worth.
2. HH/NPISH = Households and non-profit institutions serving households.

Figure 12b: The large downward revision to financial corporations' net financial worth is driven by other changes not elsewhere classified (mainly pensions) and private non-financial corporations' loans

Financial corporations' net financial worth, by change, UK, 1997 to 2018

Figure 12b: The large downward revision to financial corporations' net financial worth is driven by other changes not elsewhere classified (mainly pensions) and private non-financial corporations' loans

Financial corporations' net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. BF.90 = Financial net worth.
2. HH/NPISH = Households and non-profit institutions serving households.
3. nec = not elsewhere classified

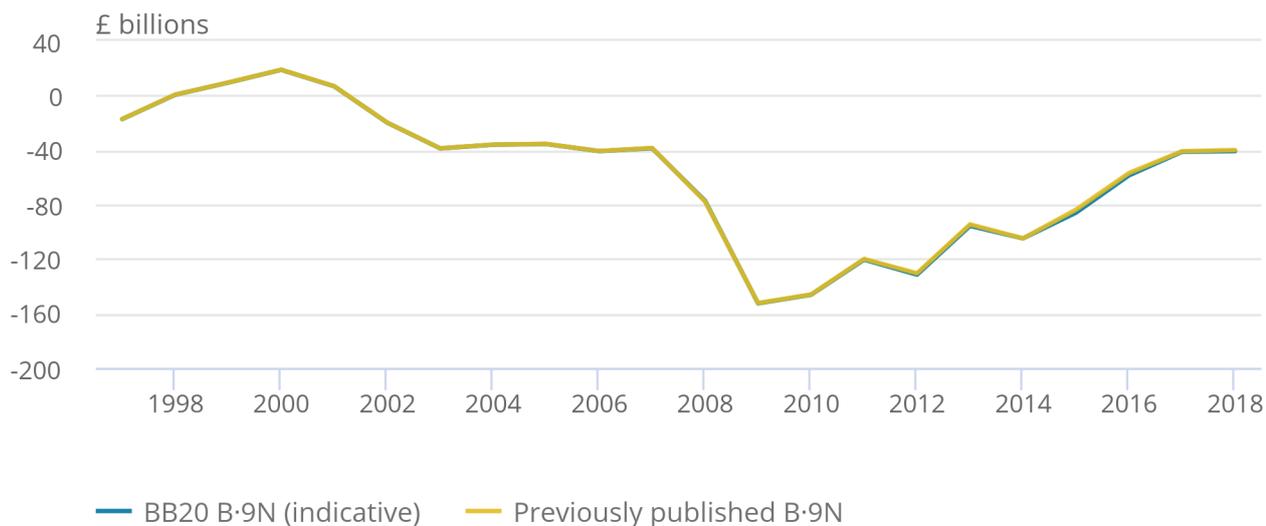
Central government

Figure 13a: The average revision to central government net lending or net borrowing is negative £0.4 billion

Central government net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 13a: The average revision to central government net lending or net borrowing is negative £0.4 billion

Central government net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

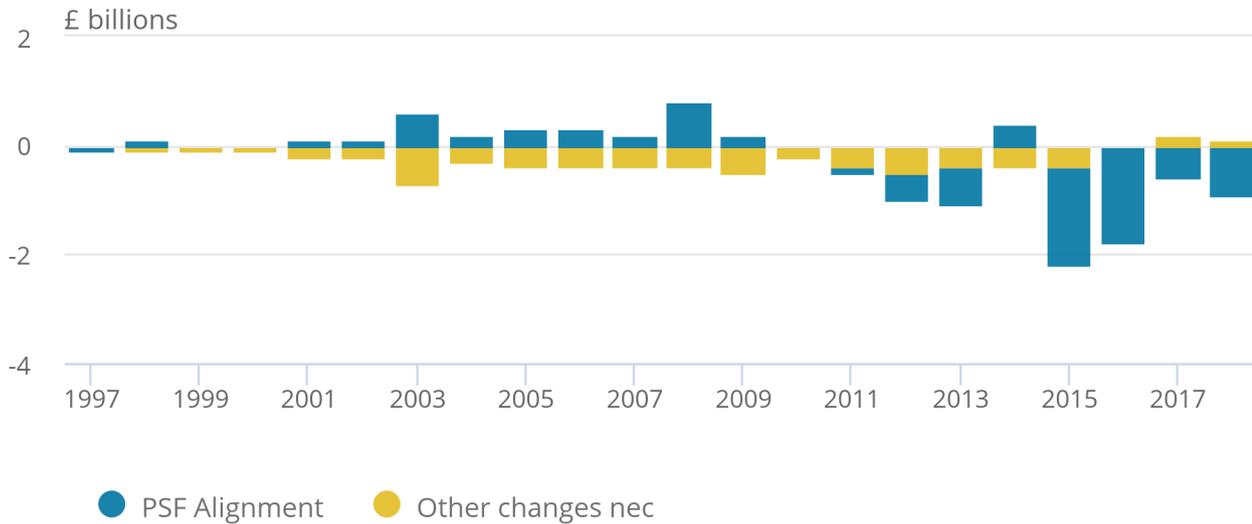
1. B.9N = net lending or borrowing position from the non-financial account.
2. Public sector finance alignment.
3. nec = not elsewhere classified.

Figure 13b: The revision to central government net lending or net borrowing is driven by public sector finances alignment

Central government net lending or borrowing from the non-financial account by change, UK, 1997 to 2018

Figure 13b: The revision to central government net lending or net borrowing is driven by public sector finances alignment

Central government net lending or borrowing from the non-financial account by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

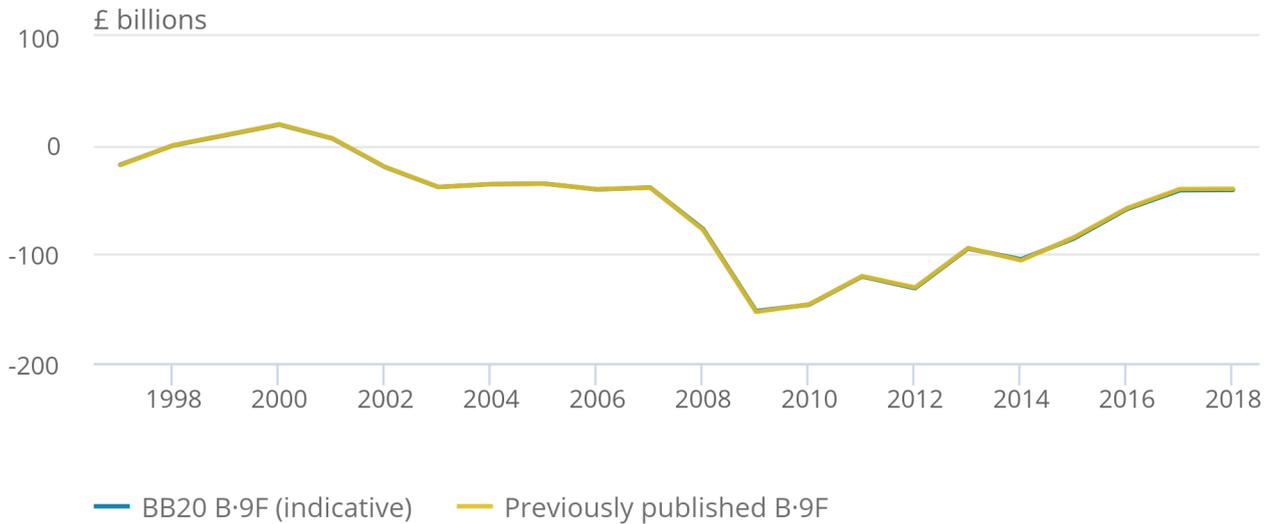
1. B.9N = net lending or borrowing position from the non-financial account.
2. Public sector finance alignment.
3. nec = not elsewhere classified.

Figure 14a: The average revision to central government net lending or net borrowing is negative £0.2 billion

Central government net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 14a: The average revision to central government net lending or net borrowing is negative £0.2 billion

Central government net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

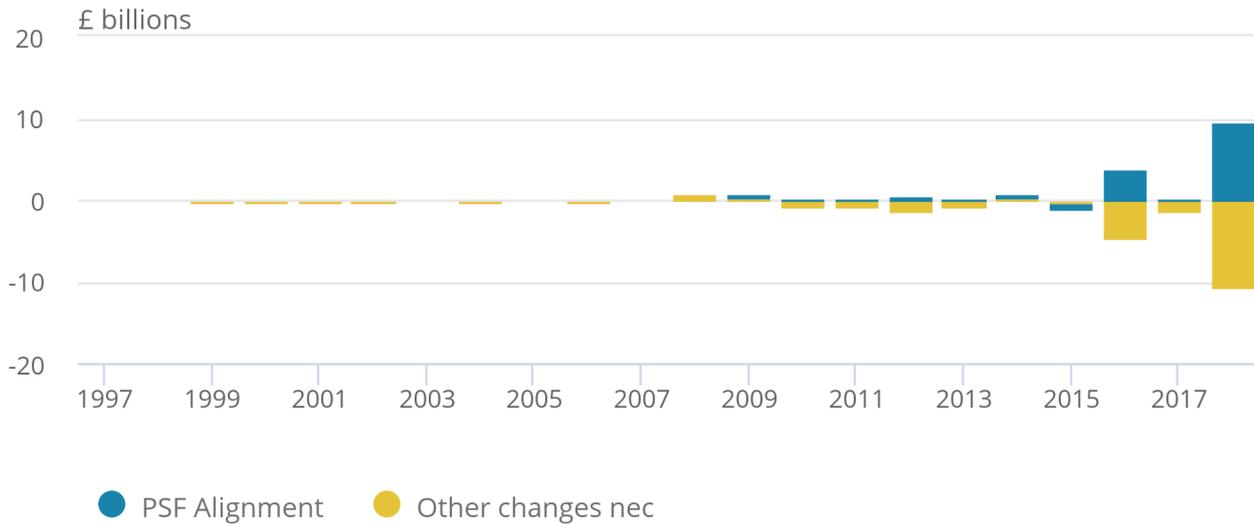
1. B.9F = net lending or borrowing position from the financial account.
2. PSF = Public sector finance.
3. nec - not elsewhere classified.

Figure 14b: The revision to central government net lending or borrowing is driven by other changes not elsewhere classified and public sector finances alignment

Central government net lending or borrowing from the financial account by change, UK, 1997 to 2018

Figure 14b: The revision to central government net lending or borrowing is driven by other changes not elsewhere classified and public sector finances alignment

Central government net lending or borrowing from the financial account by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

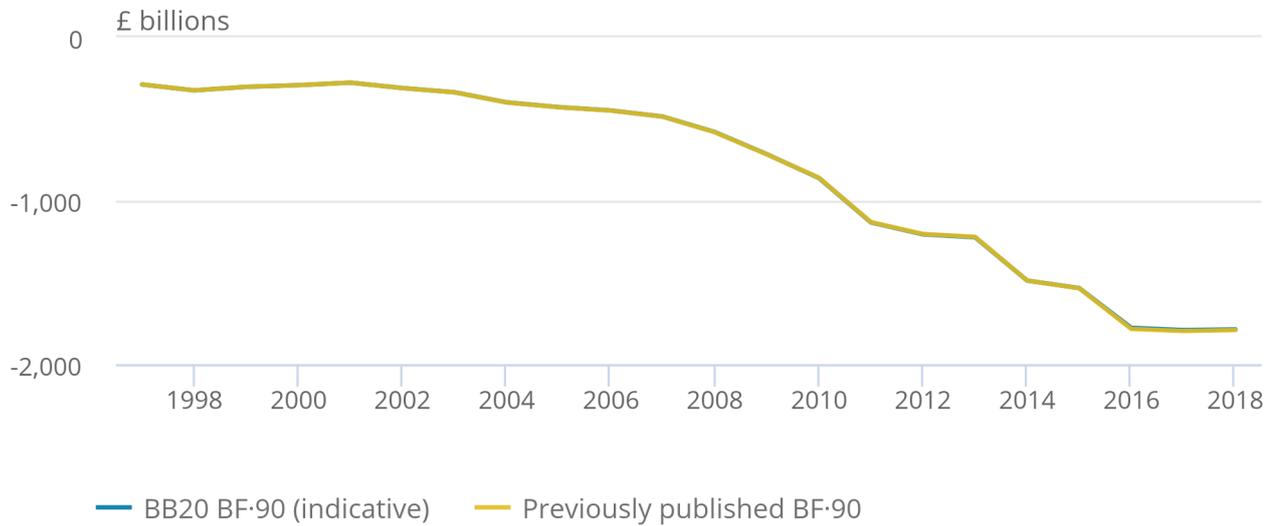
1. B.9F = net lending or borrowing position from the financial account.
2. PSF = Public sector finance.
3. nec = not elsewhere classified.

Figure 15a: The average revision to central government net financial worth is positive £0.6 billion

Central government net financial worth, UK, 1997 to 2018

Figure 15a: The average revision to central government net financial worth is positive £0.6 billion

Central government net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

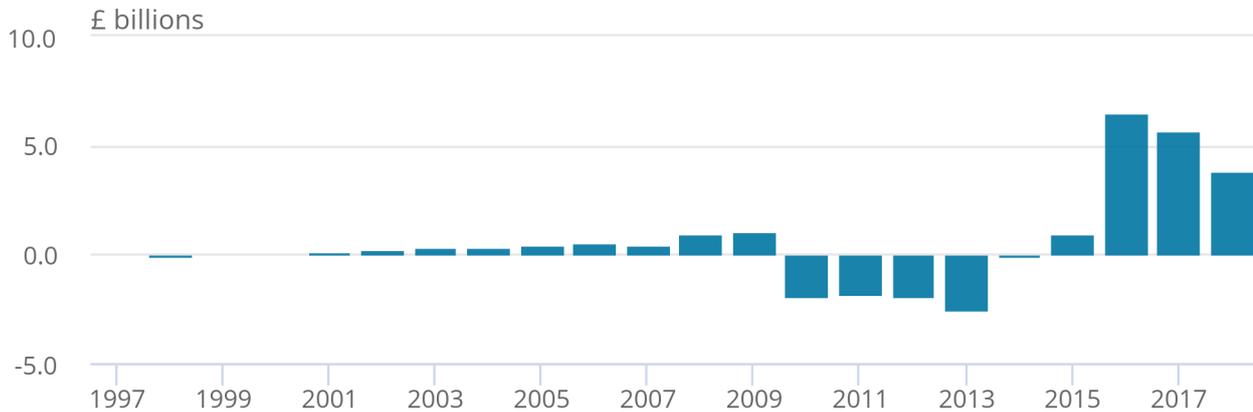
1. BF.90 = Financial net worth.
2. PSF = Public sector finance.

Figure 15b: The revision to central government net financial worth is driven by other changes not elsewhere classified

Financial corporations' net financial worth, by change, UK, 1997 to 2018

Figure 15b: The revision to central government net financial worth is driven by other changes not elsewhere classified

Financial corporations' net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. BF.90 = Financial net worth.
2. PSF = Public sector finance.
3. nec = not elsewhere classified.

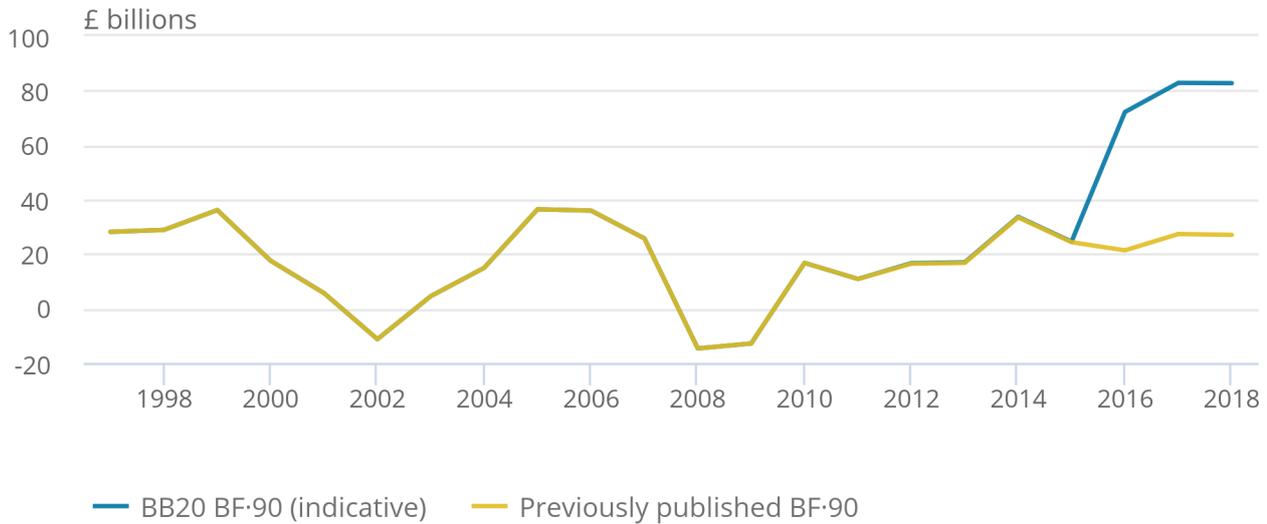
Local government

Figure 16a: The average revision to local government net financial worth is positive £7.4 billion

Local government net financial worth, UK, 1997 to 2018

Figure 16a: The average revision to local government net financial worth is positive £7.4 billion

Local government net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

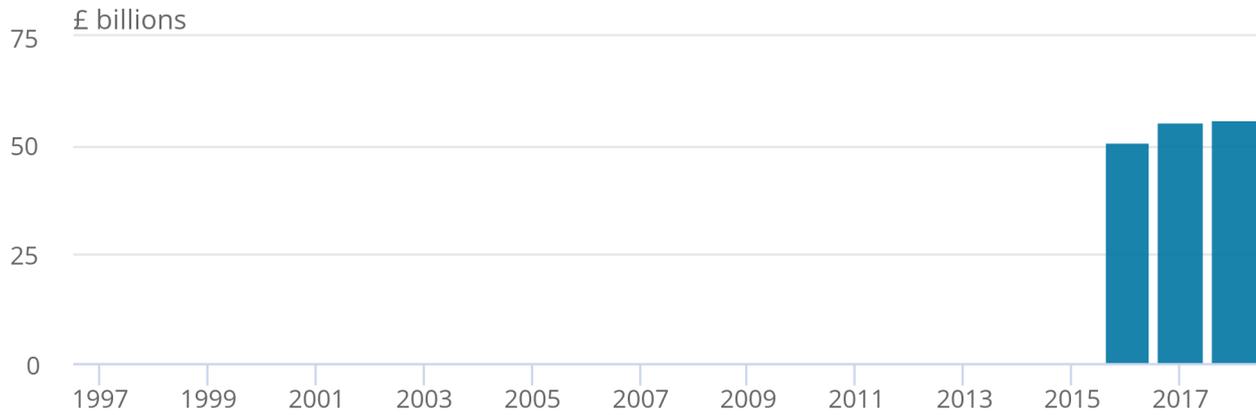
1. BF.90 = Financial net worth.

Figure 16b: The large upward revisions to local government net financial worth are driven by other changes not elsewhere classified (mainly pensions)

Local government net financial worth, by change, UK, 1997 to 2018

Figure 16b: The large upward revisions to local government net financial worth are driven by other changes not elsewhere classified (mainly pensions)

Local government net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. nec = not elsewhere classified.

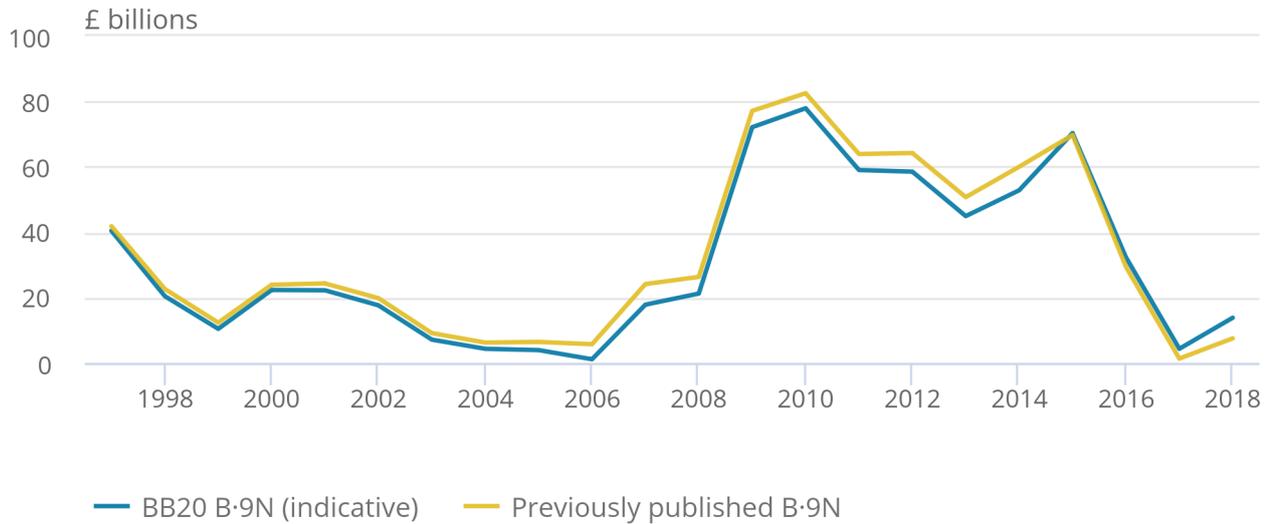
Households

Figure 17a: The average revision to household net lending or borrowing is a negative £2.5 billion

Households' net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 17a: The average revision to household net lending or borrowing is a negative £2.5 billion

Households' net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

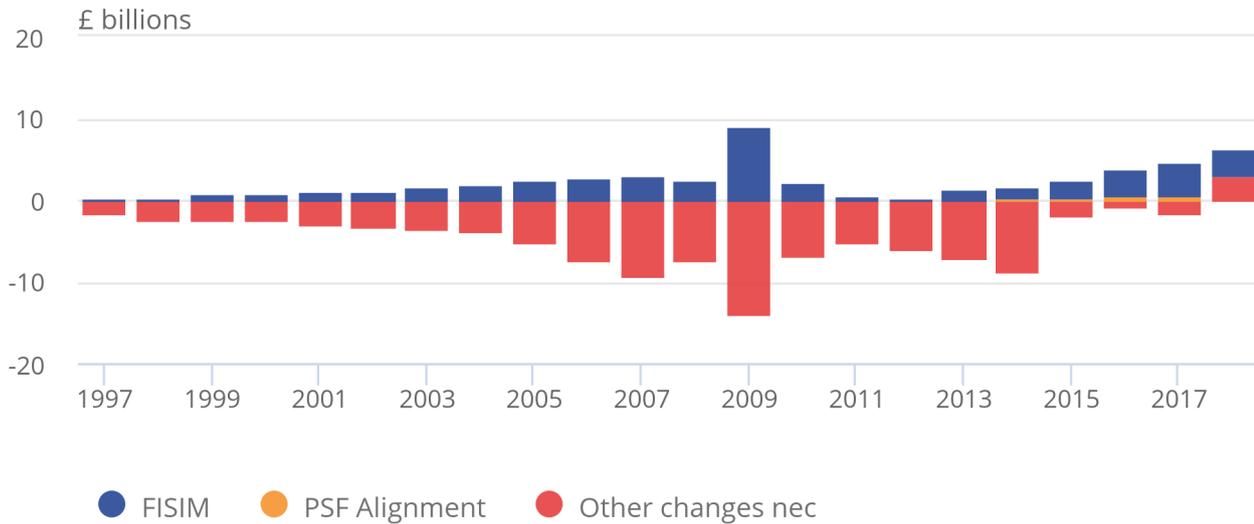
1. B.9N = net lending or borrowing position from the non-financial account.
2. PSF = Public sector finance alignment.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec - not elsewhere classified.

Figure 17b: The downward revision to households' net lending or borrowing from the non-financial account are driven by financial services indirectly measured and other changes nec (mainly pensions)

Households' net lending or borrowing from the non-financial account, by change, UK, 1997 to 2018

Figure 17b: The downward revision to households' net lending or borrowing from the non-financial account are driven by financial services indirectly measured and other changes nec (mainly pensions)

Households' net lending or borrowing from the non-financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

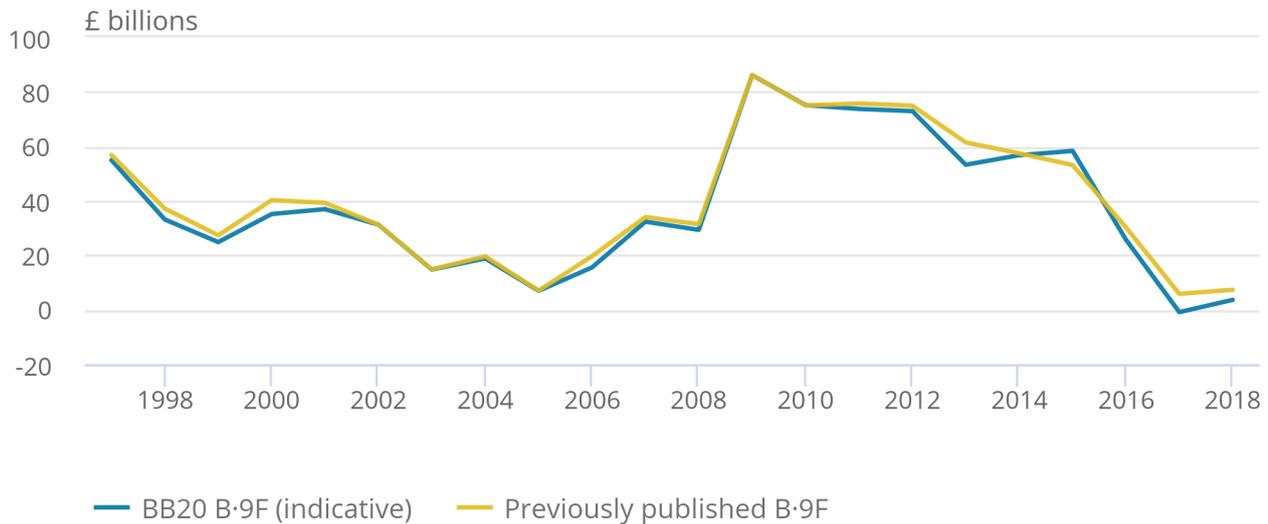
1. B.9N = net lending or borrowing position from the non-financial account.
2. PSF = Public sector finance alignment.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec = not elsewhere classified.

Figure 18a: The average revision to household net lending or borrowing is negative £2.1 billion

Households' net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 18a: The average revision to household net lending or borrowing is negative £2.1 billion

Households' net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

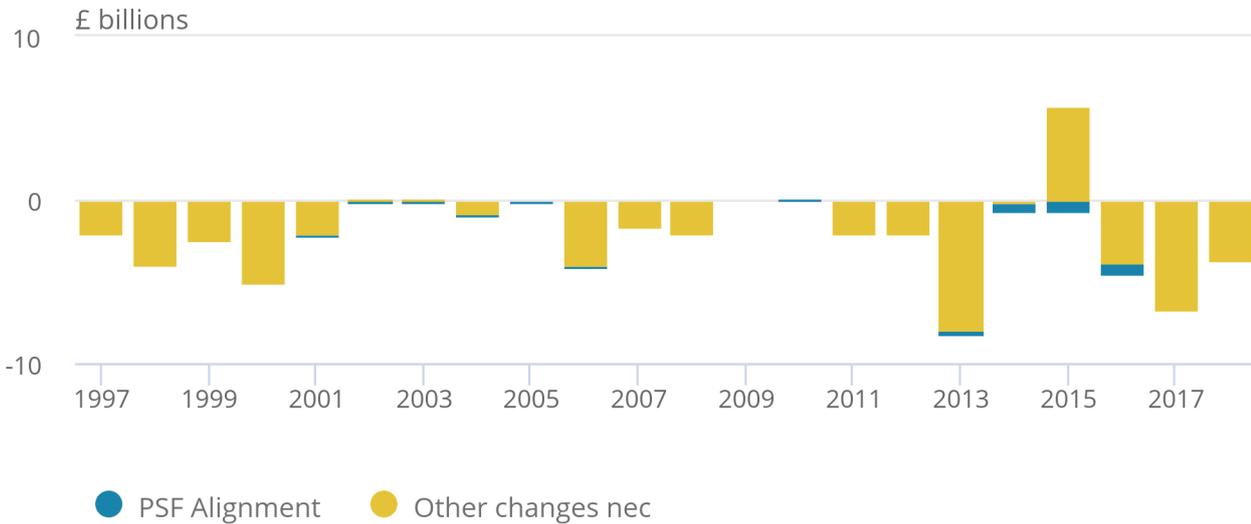
1. B.9F = net lending or borrowing position from the financial account.
2. PSF = Public sector finance.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec - not elsewhere classified.

Figure 18b: The changes to households' net lending or borrowing from the financial account are driven by revisions to other changes not elsewhere classified (mainly pensions)

Households' net lending or borrowing from the financial account, by change, UK, 1997 to 2018

Figure 18b: The changes to households' net lending or borrowing from the financial account are driven by revisions to other changes not elsewhere classified (mainly pensions)

Households' net lending or borrowing from the financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

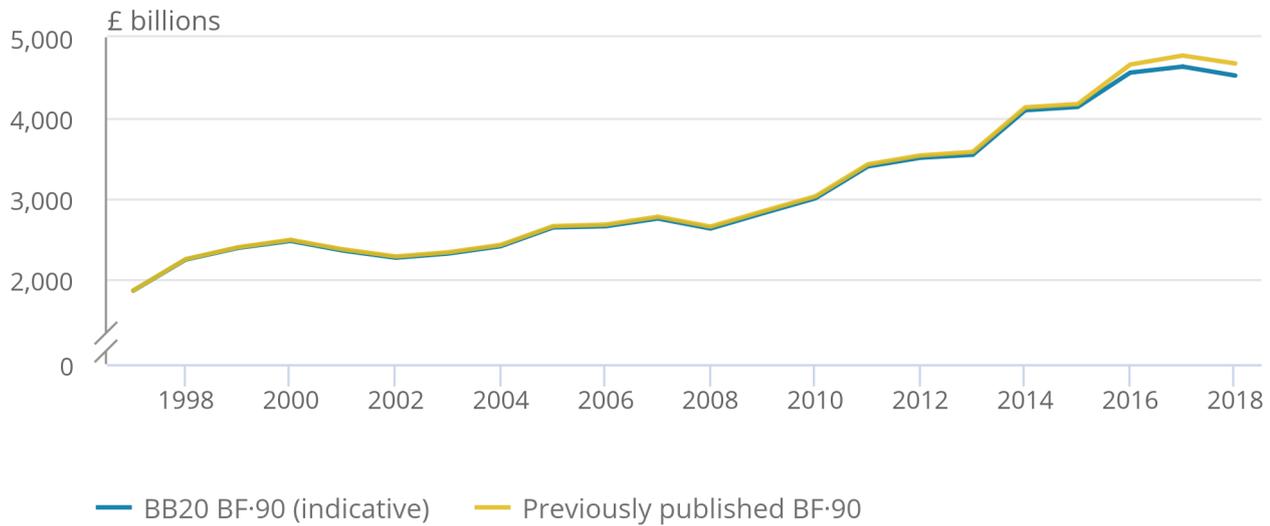
1. nec = not elsewhere classified

Figure 19a: The average revision to households net financial worth is negative £35.3 billion

Households' net financial worth, UK, 1997 to 2018

Figure 19a: The average revision to households net financial worth is negative £35.3 billion

Households' net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

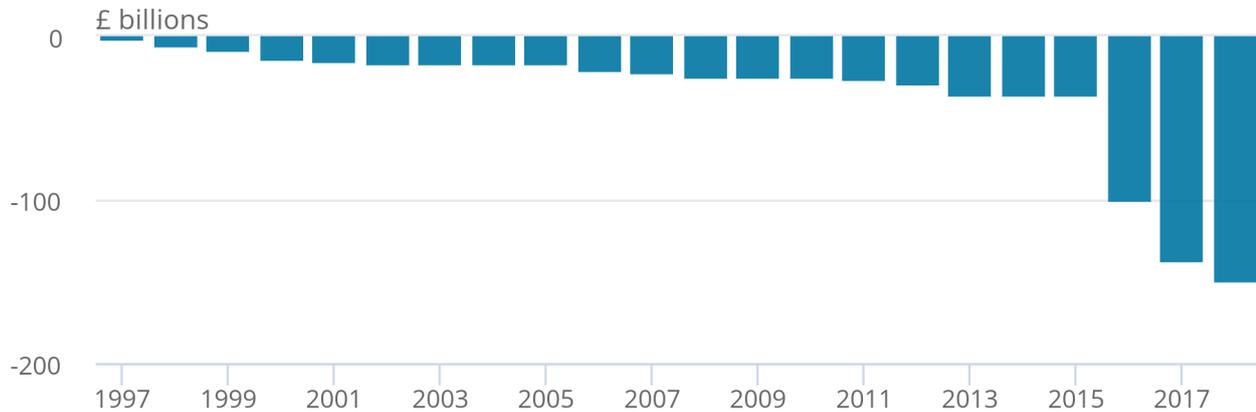
1. BF.90 = Financial net worth.
2. PSF = Public sector finance.
3. HH/NPISH = Households and non-profit institutions serving households.

Figure 19b: The downward revision to households net financial worth is driven by large revisions to changes not elsewhere classified (mainly pensions)

Households' net financial worth by change, UK, 1997 to 2018

Figure 19b: The downward revision to households net financial worth is driven by large revisions to changes not elsewhere classified (mainly pensions)

Households' net financial worth by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. BF.90 = Financial net worth.
2. PSF = Public sector finance.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec = not elsewhere classified.

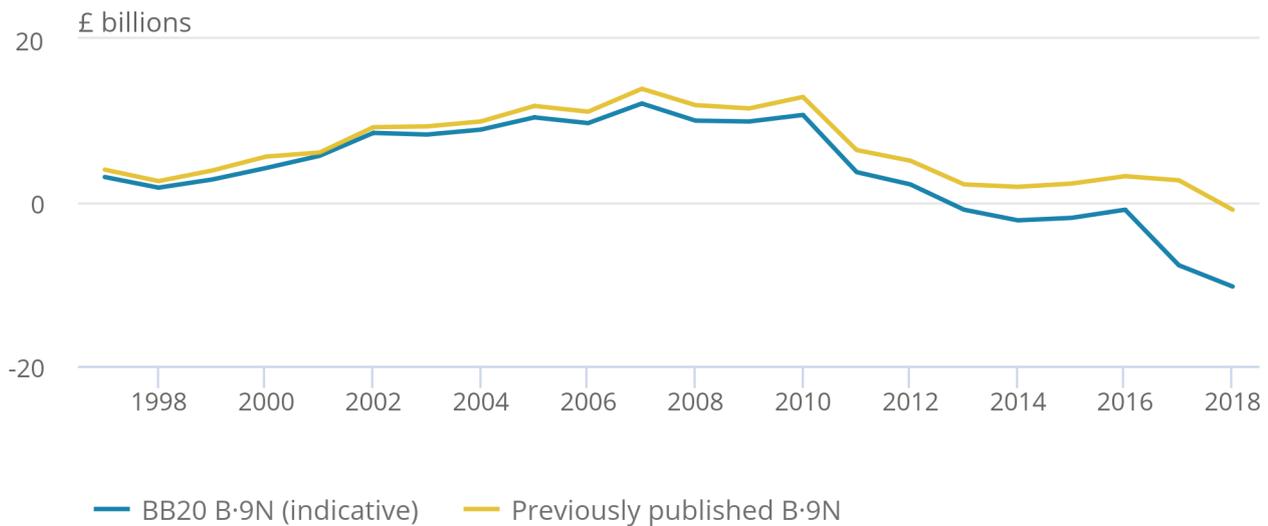
Non-profit institutions serving households (NPISH)

Figure 20a: The average revision to non-profit institutions serving households net lending or borrowing is negative £2.7 billion

Non-profit institutions serving households net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 20a: The average revision to non-profit institutions serving households net lending or borrowing is negative £2.7 billion

Non-profit institutions serving households net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

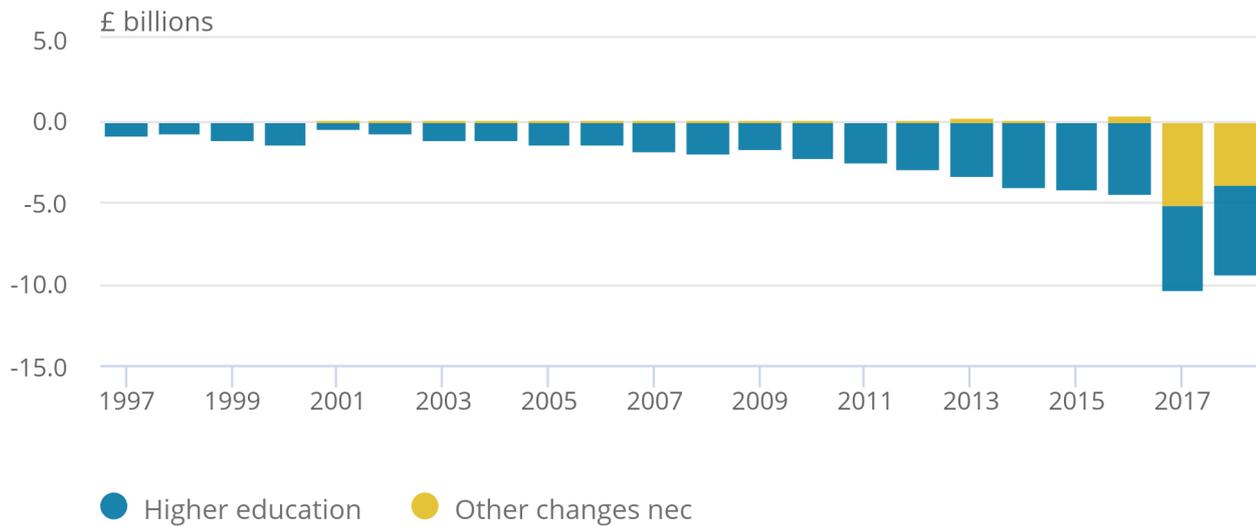
1. B.9N = net lending or borrowing position from the non-financial account.
2. HH/NPISH = Households and non-profit institutions serving households
3. nec - not elsewhere classified.

Figure 20b: The average revision to non-profit institutions serving households net lending or net borrowing is driven by higher education

Non-profit institutions serving households' net lending or net borrowing from the non-financial account, by change, UK, 1997 to 2018

Figure 20b: The average revision to non-profit institutions serving households net lending or net borrowing is driven by higher education

Non-profit institutions serving households' net lending or net borrowing from the non-financial account, by change, UK, 1997 to 2018



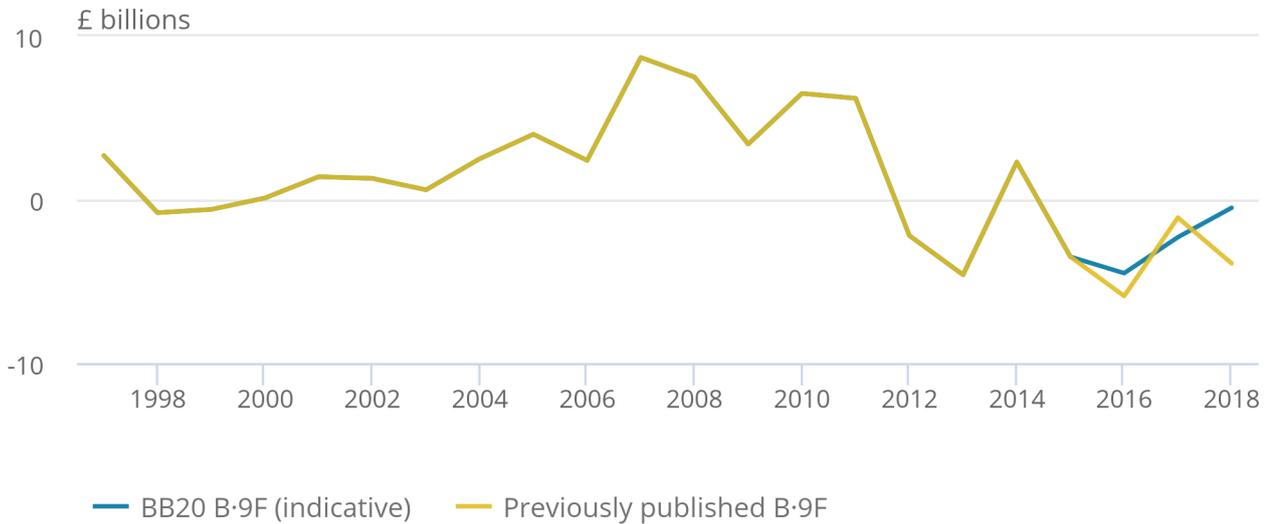
Source: Office for National Statistics

Figure 21a: The average revision to non-profit institutions serving households net lending or net borrowing is a positive £0.2 billion

Non-profit institutions serving households' net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 21a: The average revision to non-profit institutions serving households net lending or net borrowing is a positive £0.2 billion

Non-profit institutions serving households' net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

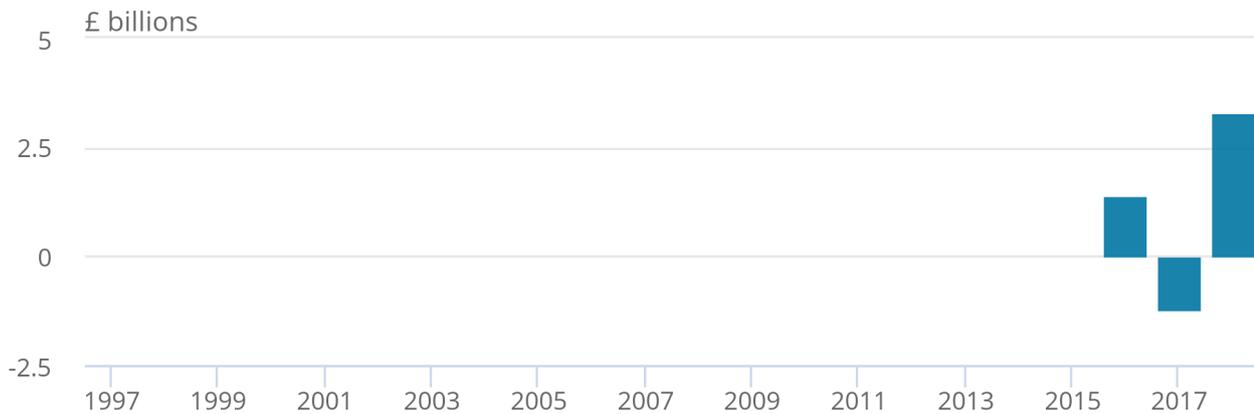
1. B.9F = net lending or borrowing position from the financial account.
2. HH/NPISH = Housheolds and non-profit institutions serving households.

Figure 21b: The upward revision to non-profit institutions serving households is driven by revisions to other changes not elsewhere classified

Non-profit institutions serving households' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018

Figure 21b: The upward revision to non-profit institutions serving households is driven by revisions to other changes not elsewhere classified

Non-profit institutions serving households' net lending or net borrowing from the financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

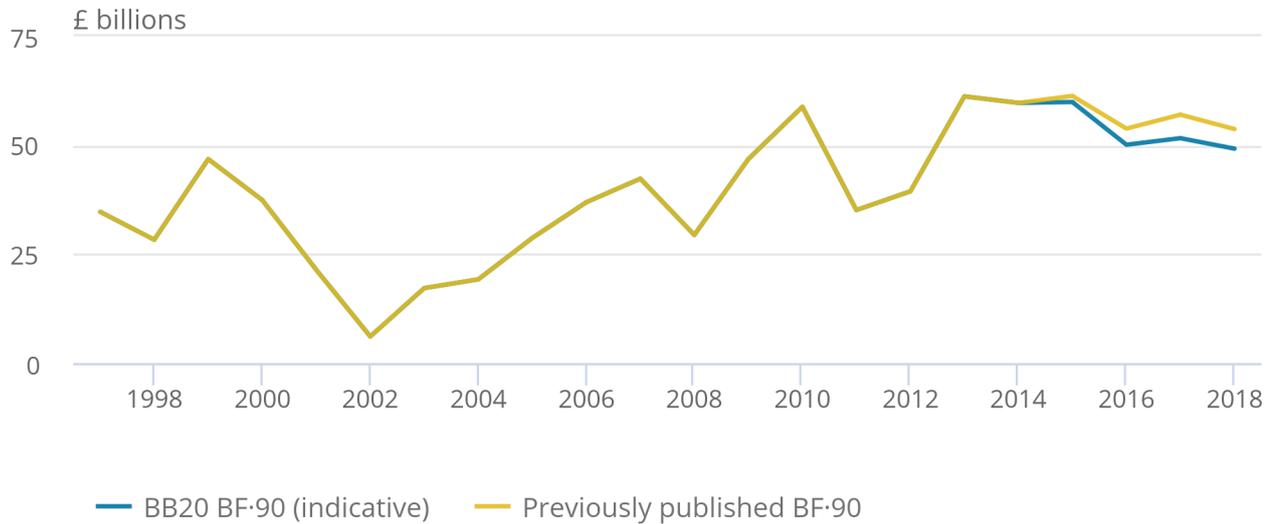
1. nec = not elsewhere classified.

Figure 22a: The average revision to non-profit institutions serving households net financial worth is negative £0.7 billion

Non-profit institutions serving households' net financial worth, UK, 1997 to 2018

Figure 22a: The average revision to non-profit institutions serving households net financial worth is negative £0.7 billion

Non-profit institutions serving households' net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

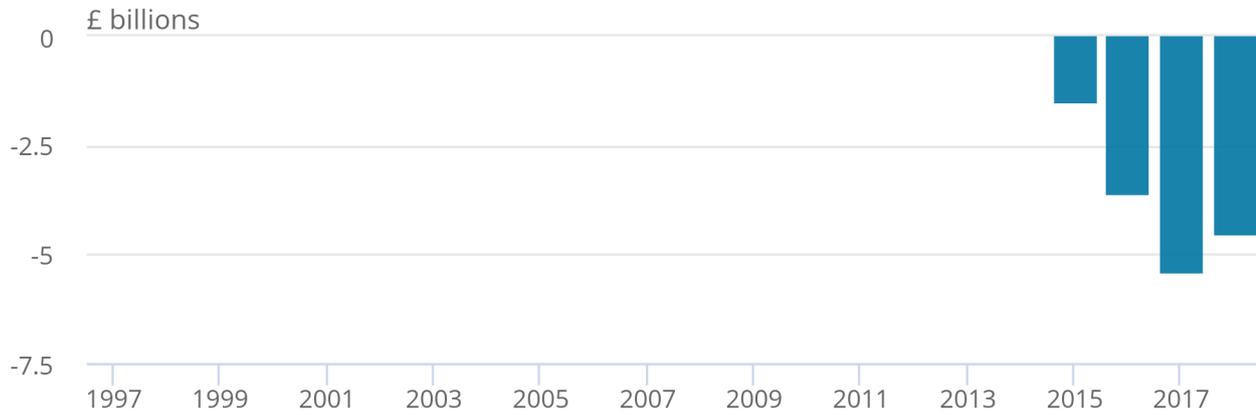
1. BF.90 = Financial net worth.
2. HH/NPISH = Households and non-profit institutions serving households.

Figure 22b: The downward revision to non-profit institutions serving households is driven by revisions to changes not elsewhere classified

Non-profit institutions serving households' net financial worth, by change, UK, 1997 to 2018

Figure 22b: The downward revision to non-profit institutions serving households is driven by revisions to changes not elsewhere classified

Non-profit institutions serving households' net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. nec = not elsewhere classified

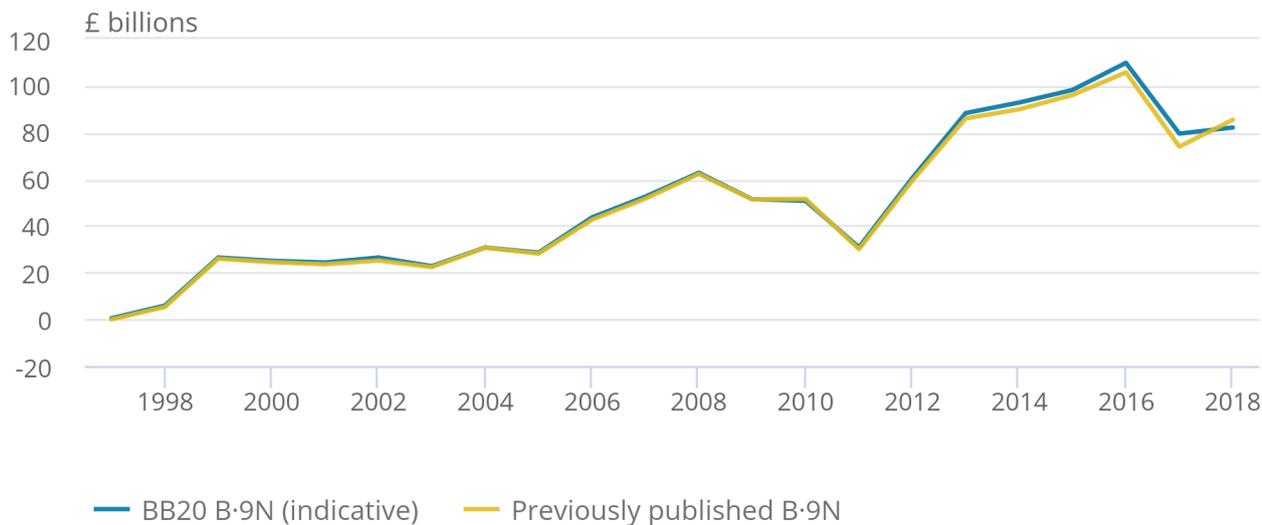
Rest of the world

Figure 23a: The average revision to rest of the world net lending or net borrowing is positive £1 billion

Rest of the world net lending or net borrowing from the non-financial account, UK, 1997 to 2018

Figure 23a: The average revision to rest of the world net lending or net borrowing is positive £1 billion

Rest of the world net lending or net borrowing from the non-financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

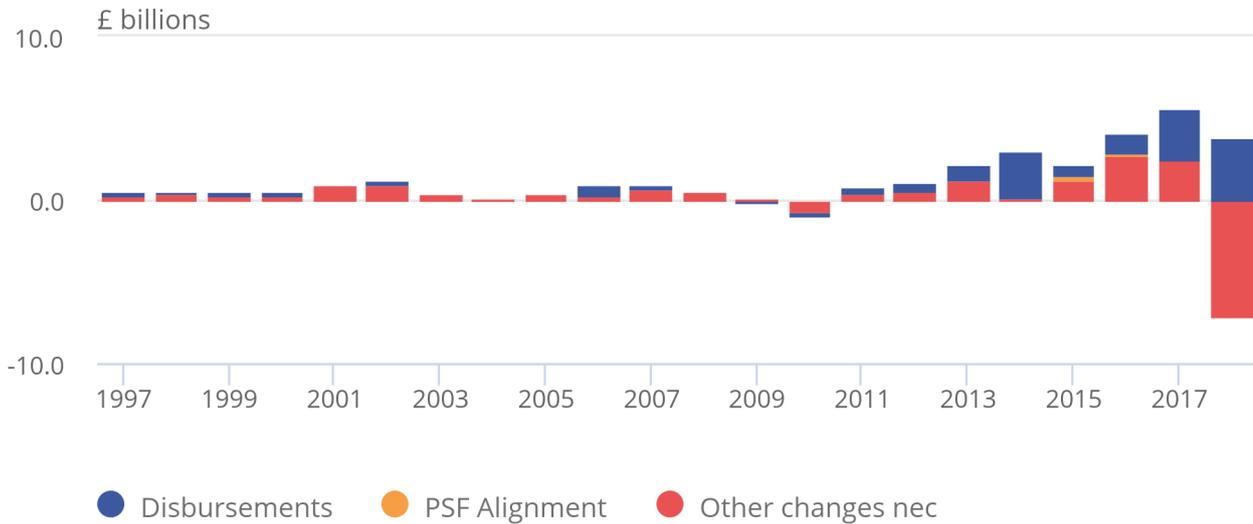
1. B.9N = net lending or borrowing position from the non-financial account.
2. HH/NPISH = Households and non-profit institutions serving households.
3. nec - not elsewhere classified.

Figure 23b: The upward revision to rest of world net lending or borrowing are driven by other changes not elsewhere classified (mainly pensions) and disbursement

Rest of the world net lending or borrowing from the non-financial account, by change, UK, 1997 to 2018

Figure 23b: The upward revision to rest of world net lending or borrowing are driven by other changes not elsewhere classified (mainly pensions) and disbursement

Rest of the world net lending or borrowing from the non-financial account, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

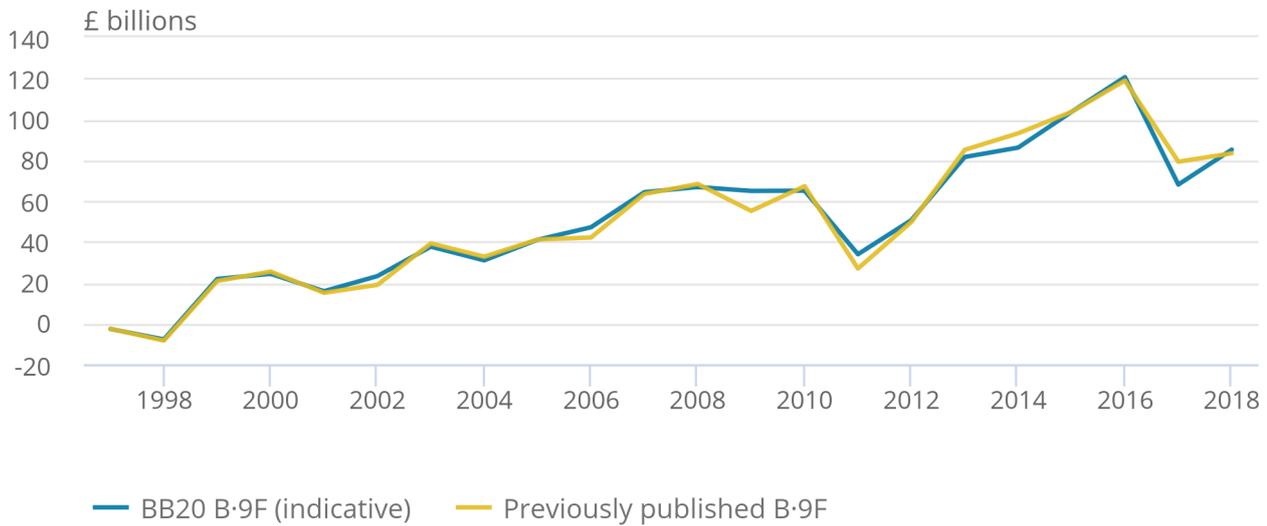
1. B.9N = net lending or borrowing position from the non-financial account.
2. HH/NPISH = Households and non-profit institutions saving households.
3. nec = not elsewhere classified

Figure 24a: The average revision to rest of the world net lending or net borrowing is positive £0.2 billion

Rest of the world net lending or net borrowing from the financial account, UK, 1997 to 2018

Figure 24a: The average revision to rest of the world net lending or net borrowing is positive £0.2 billion

Rest of the world net lending or net borrowing from the financial account, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

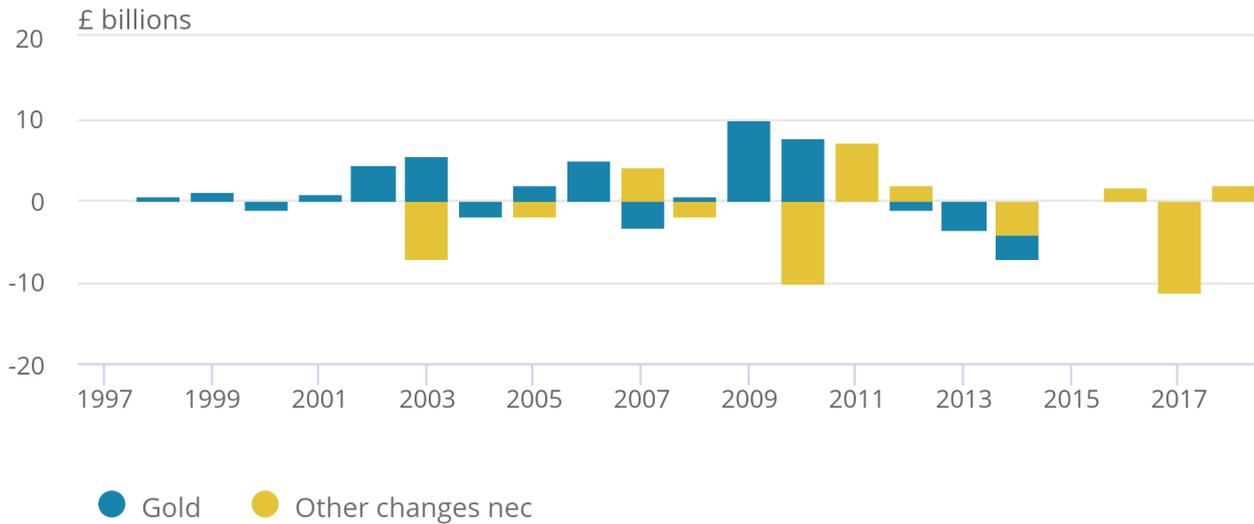
1. B.9F = net lending or borrowing position from the financial account.
2. HH/NPISH = Households and non-profit institutions serving households.

Figure 24b: The changes to rest of the world net lending or net borrowing has been driven by other changes not elsewhere classified (mainly pensions)

Rest of the world net lending or borrowing from the financial account by change, UK, 1997 to 2018

Figure 24b: The changes to rest of the world net lending or net borrowing has been driven by other changes not elsewhere classified (mainly pensions)

Rest of the world net lending or borrowing from the financial account by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

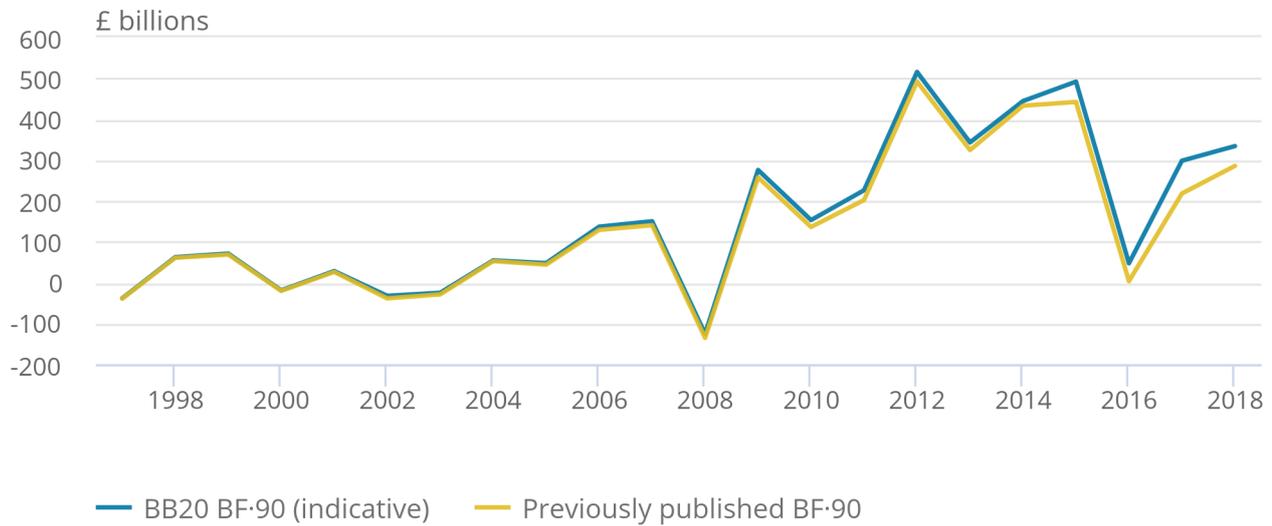
1. B.9F = net lending or borrowing position from the financial account.
2. HH/NPISH = Housheolds and non-profit institutions serving households.
3. nec = not elsewhere classified.

Figure 25a: The average revision to rest of the world net financial worth is positive £17.6 billion

Rest of the world net financial worth, UK, 1997 to 2018

Figure 25a: The average revision to rest of the world net financial worth is positive £17.6 billion

Rest of the world net financial worth, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

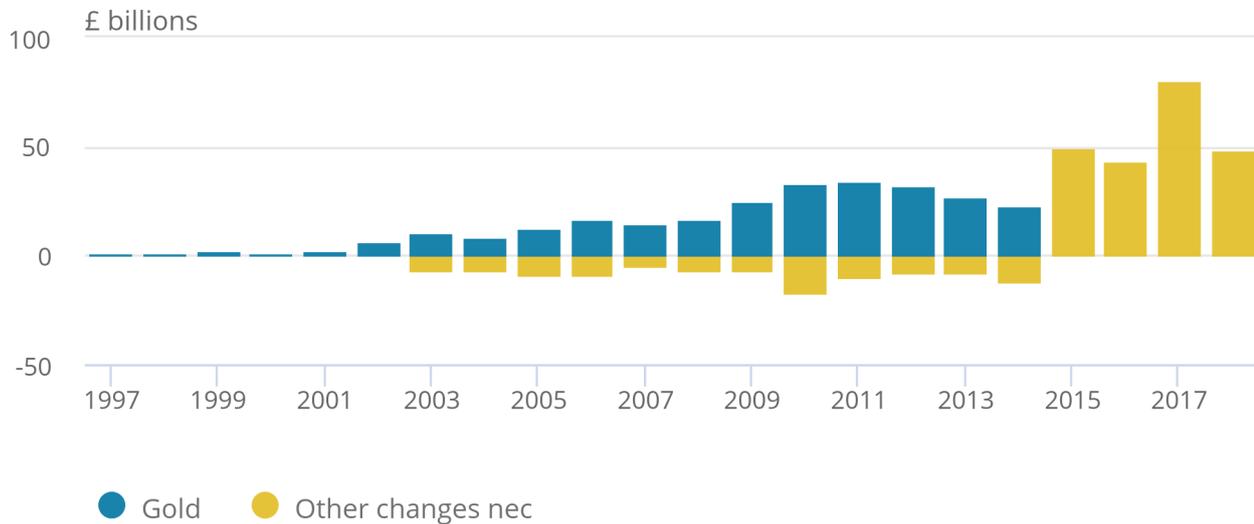
1. BF.90 = Financial net worth.
2. PSF = Public sector finance.
3. HH/NPISH = Households and non-profit institutions serving households.

Figure 25b: The change to rest of the world net financial worth is driven by earlier revisions to gold

Rest of the world net financial worth, by change, UK, 1997 to 2018

Figure 25b: The change to rest of the world net financial worth is driven by earlier revisions to gold

Rest of the world net financial worth, by change, UK, 1997 to 2018



Source: Office for National Statistics

Notes:

1. BF.90 = Financial net worth.
2. PSF = Public sector finance.
3. HH/NPISH = Households and non-profit institutions serving households.
4. nec = not elsewhere classified

9 . Detailed pension data revisions

Revisions to AF6M: Pension schemes

This transaction combines the pension entitlements of households held in both private and public sector pension schemes and also represents the value of the deficit of these pension schemes. This is calculated as the liabilities of pension funds minus their assets.

For private sector pension schemes, the calculation to produce an annual, end-year estimate of private sector employees' defined benefit pension entitlements is based on updated data on the full buyout (FBO) liabilities reported in the Pension Protection Fund (PPF) Purple Book. This is now consistent with the latest Purple Book, which has figures as at 31 March 2019.

The Office for National Statistics (ONS) has also used administrative data from the Pensions Regulator, first used in Blue Book 2018, to update the estimate of private sector employees' defined contribution pension entitlements.

For public sector pension schemes, public sector employees' pension entitlements have been updated for 2016 to 2018 using the latest administrative data, including information from the 2016 triennial valuation of the Local Government Pension Scheme (LGPS) and results from ONS pensions surveys.

Additionally, the ONS has updated total pension scheme net assets for the private and public sectors. The update for the private sector is based on data from the ONS's new Financial Survey of Pension Schemes replacing forecasts from 2018 onwards. For the public sector, the source of revision is a mixture of the latest administrative and survey data relating to the sector replacing a forecast for 2017 onwards.

Revisions to D.8: Adjustment for change in pension entitlements

There have been revisions to the public sector elements of the following transactions:

- Employers' actual social contributions (D611)
- Employers' imputed social contributions (D612)
- Households' actual social contributions (D.613)
- Households' social contribution supplements (D.614)
- Social insurance scheme charges (D.61SC)
- Social insurance benefits paid (D.622)

These components are used to calculate D.8 (Adjustment for change in pension entitlements). The updates can be summarised as follows.

Local government schemes

Taken on LGPS triennial valuation numbers for 2016 and administrative data updates for 2016 to 2018.

Central government schemes

New estimates for employer and household pension contributions using new or updated source data.

Private sector and public sector schemes

Households' contribution supplements has been revised downwards. The calculation for private sector schemes uses AF63 pension entitlements, multiplied by the 15-year gilt yield. The calculation for public sector schemes multiplies AF63 by the Eurostat-mandated stable discount rate of 5%. For both sectors the downward revisions are mainly because of the result of lower pension entitlement figures.

10 . Indicative average revision to the UK sector's non-financial account

Table 1b: Latest indicative average impact of the changes to the net lending or net borrowing for the UK sector's non-financial account, UK, 1997 to 2018

Average impact of the changes 1997 to 2018

Total Impact upon net lending/ borrowing from the non-financial account (B.9N)

Sector	£billion		% of GDP			
	Methodological changes	Data revisions separate to methodological changes	Indicative average revision to net lending (+) or borrowing (B.9N)	Indicative average revision to net lending (+) or borrowing (B.9N)	Largest downward revision to net lending (+) or borrowing (B.9N)	Largest upward revision to net lending (+) or borrowing (B.9N)
Public corporations	0	0	0	0	0	0
Private non-financial corporations	-1.1	2.8	1.7	0.1	-0.2	0.3
Financial corporations	-1.6	4.3	2.7	0.2	-0.2	0.5
Central government	-0.1	-0.3	-0.4	0	-0.1	0
Local government	0	0	0	0	0	0
Households	2.1	-4.6	-2.5	-0.2	-0.4	0.3
Non-profit institutions serving households (NPISH)	-2.4	-0.3	-2.7	-0.2	-0.5	0
Rest of the world	0.7	0.3	1	0.1	-0.2	0.3

Source: Office for National Statistics

11 . Pink Book 2020 revisions

Changes to Pink Book 2020 tables

There are two changes taking place to the tables in the Pink Book 2020. Table 4 lists the changes that will affect Pink Book 2020 tables.

Table 4: Changes to Pink Book 2020 tables

Chapter	Table Number	Table Name	CDID	Description of Change
(03) Trade in Services	3.2	Transport	FJAX	Exports (credits): Removal of the breakdown to disbursements
			HBWB	
			FJOL	Title changed to 'Disbursements in the UK' from 'Total other'
			FJBU	Imports (debits): Removal of the breakdown to disbursements
			FJBW	
			FJPZ	Title changed to 'Disbursements abroad' from 'Total other'
			FJVF	Balances: Removal of the breakdown to disbursements
	FJVG			
	FJVI			
			FJRT	Title changed to 'Disbursements' from 'Other'
			FJRX	
(03) Trade in Services	3.5	Financial services	CDFI	Export (credits): Removal of the breakdown to security dealers
			QZCM	

Source: Office for National Statistics - Balance of Payments

12 . Related links

[Impact of Blue Book 2020 changes on current price and volume estimates of gross domestic product](#)

Article | Released 20 July 2020

Methodological and data improvements that impact on current price and chained volume measure of GDP for the period 1997 to 2018.

[Latest developments and changes to be implemented in Blue Book and Pink Book 2020](#)

Article | Released 3 February 2020

Planned scope and content of the UK National Accounts, the Blue Book and UK Balance of Payments, the Pink Book 2020 editions.