

# Statistical Appendix

## Historical data and projections for the UK economy

This Appendix presents historical data based on information available up to the end of February 1981, together with the results of four projections for 1981 onwards based on the CEPG model of the UK.\* The tables show:

A1 — A4	Historical series for 1963-80
A5 and A6	A base projection for 1981-85
A7 and A8	A projection for 1981-85 with pre-budget fiscal policy
A9 and A10	A projection for 1981-85 with reflation from 1981
A11 and A12	A projection for 1981-85 with devaluation from 1981

Each projection illustrates the effects of pursuing a different set of fiscal and exchange rate policies on the same set of external assumptions. These common assumptions are as follows:-

(% increase over previous year)

	1981	1982	1983	1984	1985
<i>Volume index</i>					
Growth of UK manufacturing export markets	3	7	7	7	7

*Prices denominated in weighted-average foreign currency*

World exports of manufactures	7	7	7	7	7
UK imports of oil	7	7	10	10	10
UK imports of basic materials	5	6	7	7	7
UK imports of food from non-EEC countries	6	6	7	7	7
Basic CAP prices	8	7	7	7	7

### Policy assumptions

#### Base projection

Public current expenditure on goods and services grows by 0.5% in 1981 and is then constant in real terms. Public sector investment is cut by 15% in volume terms between 1980 and 1985. The real tax burden increases, as announced in the budget,

and the nominal exchange rate index remains unchanged at an annual average level of 98 (1975=100). No targets are specified for either the PSBR or the balance of payments.

#### Pre-budget fiscal policy

Public expenditure plans and tax rates are those in force or envisaged before the budget. Tax rates are fully indexed for the effects of inflation from 1981 onwards. The nominal exchange rate falls by 8% per annum.

#### Reflation

Fiscal policy is relaxed to expand business output by 1% in 1982, 2% in 1983 and 1984 and 3% in 1985, in order to stabilise unemployment at 2½ million. The nominal exchange rate falls by 8% per annum.

#### Devaluation

Sterling is devalued from 1981 onwards in order to restore export competitiveness to its 1975 level by 1984 (which requires depreciations of between 10% and 17% per annum between 1981 and 1985). Fiscal policy maintains an identical current account balance to that of the pre-budget projection.

### Notes and definitions

The series presented here generally conform with official statistics but employ certain additional concepts not found in the national income accounts. In particular, production is classified into 'North Sea', 'public services' and 'other domestic output', and private disposable income is divided between 'wages and salaries', 'welfare benefits' and 'other private income' (the last item includes private rents and income from self-employment as well as company profits, interest, etc.).

Most series are presented in terms of 1975 purchasing power. Series 'at 1975 domestic purchasing power' represent money values divided by the domestic expenditure deflator. Series 'at 1975 export purchasing power' represent money values divided by the deflator for exports of goods and services excluding fuels.

### Expenditure, output and income

Expenditures on GDP at 1975 market prices correspond exactly with Blue Book definitions, except for stockbuilding which includes the

\*A full account of the current version of the model will be available in May 1981 in a revised edition of the technical manual (*Technical Manual on the CEPG Model of the UK*, by K. J. Coutts, T. F. Cripps and M. K. Anyadike-Danes, seventh edition) from the Department of Applied Economics, Sidgwick Avenue, Cambridge, CB3 9DE, UK, price £4.50.

residual error between compromise and expenditure estimates of GDP. National income is defined as money domestic expenditure plus the current balance of payments, divided by the domestic expenditure deflator. The difference between national income and GDP at constant market prices therefore consists of net income from abroad plus the effect of changes in the domestic expenditure deflator relative to the GDP deflator (the terms of trade effect).

### Employment and unemployment

Employment is defined as employees in employment, including HM forces, and unemployment as the annual average of monthly figures for UK wholly unemployed, excluding school leavers and adult students.

### Financial balances

The private sector surplus includes the residual error between compromise and income estimates of GDP and, together with the public sector deficit, is measured before private sector payments of capital taxes.

### Costs and prices

Money wage settlements are derived from CEPG's index of settlements. The real value of settlements is the real value of wage rates at the date of settlement. Earnings series refer to the whole economy. The weighted exchange rate is a weighted index of nominal rates for sterling in terms of other currencies (derived from the recently re-weighted and rebased effective exchange rate index produced by the Bank of England and published in *Economic Trends*). Export competitiveness is defined as UK business costs, adjusted for sales taxes on exports, relative

to the world price of manufactured exports, measured in common currency.

### Public sector accounts

Indirect taxes are shown net of subsidies; direct tax includes income tax, corporation tax and national insurance contributions. Tax revenues associated with the North Sea — corporation tax on North Sea profits, Petroleum Revenue Tax, Supplementary Petroleum Duty and royalties — are shown as a separate series. Public sector property income comprises gross trading income after stock appreciation, rent (including the imputed charge for consumption of non-trading capital), dividends and interest. Expenditure on goods and services includes consumption, fixed investment and stockbuilding. Grants comprise current and capital grants to the private sector and current transfers abroad (including contributions to the EEC budget).

### Balance of payments

Exports and imports of goods and services are shown in money terms divided by the deflator for non-fuel exports. They therefore include terms-of-trade or relative price effects vis-à-vis non-fuel exports. 'Other imports' comprise food, basic materials and services. Net income from abroad includes interest, profits, dividends and transfers. Net long-term capital comprises private direct investment, 'oil and miscellaneous' investment and official long-term capital transactions.

### North Sea account

This account shows the allocation of revenue from sales of North Sea oil and gas between operating costs, tax revenue to the UK government and post-tax profits to UK and foreign companies.

Table A.1 Historical Series 1963-1971

## Expenditure, output, employment and prices

	1963	1964	1965	1966	1967	1968	1969	1970	1971
Expenditure, output and income (£billion, at 1975 market prices)									
Consumers' expenditure	49.7	51.3	52.1	53.2	54.4	56.0	56.3	57.8	59.7
Public consumption	16.9	17.2	17.6	18.1	19.1	19.2	18.8	19.1	19.7
Private fixed investment	7.3	8.5	8.9	8.7	9.1	9.8	10.4	10.7	11.1
Public fixed investment	6.0	7.0	7.4	7.9	9.0	9.0	8.6	8.8	8.6
Stockbuilding	0.7	2.2	1.7	1.1	0.5	1.0	1.6	1.4	-0.0
Exports of goods & servs	14.4	14.9	15.7	16.4	16.5	18.6	20.4	21.5	23.0
Imports of goods & servs	16.6	18.4	18.5	19.0	20.4	22.0	22.6	23.8	25.0
Gross domestic product	78.3	82.6	84.8	86.3	88.3	91.6	93.5	95.4	97.0
public services	11.0	11.1	11.2	11.9	11.8	12.0	11.9	12.2	12.6
North Sea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
other domestic output	67.3	71.5	73.5	74.4	76.5	79.7	81.5	83.2	84.4
Net income from abroad	0.7	0.6	0.6	0.5	0.4	0.3	0.6	0.7	0.5
Terms of trade effect	1.8	1.9	2.1	2.4	2.8	2.6	2.6	3.1	3.4
National income	80.9	85.2	87.6	89.2	91.6	94.5	96.6	99.3	101.0
Employment and unemployment (millions)									
Public services	3.5	3.6	3.6	3.9	3.8	3.9	3.9	4.1	4.2
Business employment	19.4	19.7	19.9	19.8	19.4	19.1	19.1	18.8	18.2
Total employment	22.9	23.2	23.5	23.7	23.2	23.0	23.0	22.8	22.5
Unemployment	0.5	0.4	0.3	0.4	0.5	0.6	0.6	0.6	0.8
Financial balances (£billion, at 1975 domestic purchasing power)									
Private sector surplus	3.3	2.3	2.5	3.0	3.4	2.5	1.3	1.5	3.6
Public sector deficit	3.0	3.2	2.7	2.7	4.1	3.1	0.4	0.0	1.7
Current bal of payments	0.3	-0.9	-0.1	0.3	-0.7	-0.5	1.0	1.5	1.9
Costs and prices (% increase over previous year)									
Real wage settlement	0.2	3.1	-1.2	-3.6	1.3	-1.0	-2.4	5.6	5.1
Money wage settlement	2.6	6.7	5.1	1.9	5.2	4.6	4.1	13.1	13.9
Average money earnings	4.9	7.0	6.8	6.4	6.2	7.8	7.2	12.9	11.3
Consumer prices	1.9	3.5	4.9	4.0	2.6	4.7	5.7	5.9	8.4
Post-tax real earnings	3.3	2.8	-0.4	1.1	2.8	1.3	0.4	5.2	2.5
(Indices, 1975=100)									
Weighted exchange rate	150.9	150.5	150.8	150.8	147.1	129.0	129.5	128.2	127.9
Export competitiveness	102.8	104.4	105.1	107.6	106.8	98.1	100.9	102.9	107.6

Table A.2 Historical Series 1963-1971

## Public sector accounts, balance of payments and North Sea

	1963	1964	1965	1966	1967	1968	1969	1970	1971
Public sector accounts (£billion, at 1975 domestic purchasing power)									
Net indirect taxes	9.1	10.0	10.6	11.3	11.8	12.8	14.2	14.4	13.7
Direct tax & NI contribs	12.3	12.8	14.0	14.8	16.3	17.3	17.9	19.3	18.9
North Sea tax revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property income	4.3	4.5	4.7	4.8	5.1	5.6	5.8	5.6	5.6
Total receipts	25.7	27.2	29.3	30.9	33.3	35.8	37.9	39.3	38.2
Exp on goods & services	19.1	20.5	21.3	22.6	24.9	24.9	24.0	25.1	25.9
Grants	6.3	6.5	7.2	7.4	8.6	9.8	10.1	10.1	10.2
Debt interest	3.4	3.4	3.5	3.6	3.9	4.1	4.2	4.1	3.9
Total outlays	28.7	30.4	32.0	33.6	37.4	38.8	38.3	39.3	39.9
Financial deficit	3.0	3.2	2.7	2.7	4.1	3.1	0.4	0.0	1.7
Borrowing requirement	2.2	2.5	2.9	2.2	4.2	2.8	-0.9	-0.0	2.5
Balance of payments (£billion, at 1975 export purchasing power)									
Non-fuel exports	13.9	14.5	15.1	15.8	15.9	17.9	19.7	20.7	22.1
Exports of fuels	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Imports:									
fuels	1.0	1.1	1.1	1.1	1.2	1.2	1.4	1.3	1.7
finished manufactures	1.6	2.0	2.3	2.3	2.9	3.6	3.6	3.9	4.4
semi-finished mfs	2.4	3.0	2.8	3.2	3.3	4.1	4.3	4.2	4.0
other imports	9.4	10.1	9.9	9.7	9.7	10.0	10.4	10.9	11.1
Net income from abroad	0.7	0.6	0.6	0.5	0.3	0.3	0.6	0.7	0.5
Current balance	0.3	-0.8	-0.1	0.2	-0.6	-0.5	0.9	1.4	1.9
Net long-term capital	-0.6	-0.8	-0.8	-0.6	-0.6	-0.4	-0.8	-0.9	-1.0
Basic balance	-0.3	-1.7	-0.9	-0.3	-1.2	-0.8	0.1	0.5	0.8
North Sea account (£billion, at 1975 export purchasing power)									
Value of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Operating costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UK tax revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UK post-tax profits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Post-tax profits abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table A.3 Historical Series 1972-1980

## Expenditure, output, employment and prices

	1972	1973	1974	1975	1976	1977	1978	1979	1980
Expenditure, output and income (£billion, at 1975 market prices)									
Consumers' expenditure	63.3	66.3	64.9	64.4	64.6	64.2	68.1	70.8	71.7
Public consumption	20.5	21.5	21.8	23.1	23.6	23.3	23.9	24.3	24.6
Private fixed investment	11.8	12.3	11.6	11.5	11.8	12.4	13.8	13.8	13.4
Public fixed investment	8.0	8.9	9.0	8.9	8.8	7.7	7.0	6.7	6.5
Stockbuilding	0.8	2.9	1.1	-2.3	-1.2	0.2	-0.1	1.1	-2.8
Exports of goods & servs	23.2	25.9	27.7	27.0	29.5	31.5	32.0	32.9	33.1
Imports of goods & servs	27.6	30.9	31.2	29.0	30.2	30.6	31.8	35.2	34.1
Gross domestic product	99.9	106.9	104.8	103.6	107.0	108.8	112.9	114.4	112.3
public services	13.0	13.5	13.7	14.8	15.1	15.0	14.9	14.9	14.8
North Sea	0.1	0.1	0.2	0.2	0.6	1.6	2.2	3.2	3.1
other domestic output	86.8	93.2	90.9	88.7	91.2	92.1	95.7	96.3	94.4
Net income from abroad	0.5	1.2	1.3	0.3	0.5	-0.8	-0.9	-1.1	-1.4
Terms of trade effect	4.2	2.2	-1.9	0.0	-0.7	-0.3	1.1	2.5	3.6
National income	104.6	110.3	104.1	103.9	106.7	107.7	113.1	115.7	114.5
Employment and unemployment (millions)									
Public services	4.4	4.5	4.6	5.0	5.2	5.2	5.2	5.2	5.2
Business employment	18.1	18.5	18.6	18.1	17.7	17.8	17.8	17.9	17.5
Total employment	22.5	23.0	23.1	23.0	22.9	22.9	23.0	23.1	22.7
Unemployment	0.9	0.6	0.6	0.9	1.3	1.4	1.4	1.3	1.6
Financial balances (£billion, at 1975 domestic purchasing power)									
Private sector surplus	4.1	3.9	2.9	6.9	7.1	5.0	6.8	4.8	7.7
Public sector deficit	3.8	5.5	7.1	8.6	8.1	5.2	6.3	5.9	6.5
Current bal of payments	0.3	-1.6	-4.2	-1.7	-1.0	-0.2	0.4	-1.0	1.2
Costs and prices (% increase over previous year)									
Real wage settlement	4.6	0.8	-1.8	4.4	-2.4	-4.8	2.8	5.8	2.4
Money wage settlement	11.2	9.6	15.8	32.4	16.9	8.9	11.3	16.9	17.3
Average money earnings	13.0	13.1	20.6	29.0	14.7	10.0	13.9	15.9	20.0
Consumer prices	6.6	8.6	17.3	23.6	15.6	15.1	8.6	12.9	15.0
Post-tax real earnings	7.0	3.1	0.2	0.2	-2.1	-3.1	6.7	3.9	3.9
(Indices, 1975=100)									
Weighted exchange rate	123.3	111.8	108.3	100.0	84.7	80.4	81.6	87.8	96.4
Export competitiveness	109.1	100.7	96.2	100.0	94.4	95.5	100.0	108.4	119.9

Table A.4 Historical Series 1972-1980

## Public sector accounts, balance of payments and North Sea

	1972	1973	1974	1975	1976	1977	1978	1979	1980
Public sector accounts (£billion, at 1975 domestic purchasing power)									
Net indirect taxes	13.2	12.9	10.5	10.4	11.3	12.8	13.5	15.7	16.7
Direct tax & NI contribs	18.6	19.5	21.9	23.5	23.7	22.9	22.7	22.0	22.1
North Sea tax revenue	0.0	0.0	0.0	0.0	0.1	0.2	0.4	0.9	1.6
Property income	5.7	6.4	6.5	6.2	7.2	7.3	7.4	6.8	6.4
Total receipts	37.6	38.8	38.9	40.2	42.3	43.2	44.0	45.4	46.8
Exp on goods & services	26.5	28.5	29.7	32.4	32.4	29.6	29.9	30.3	31.7
Grants	11.0	11.4	11.3	11.6	12.7	13.3	14.8	15.1	15.6
Debt interest	3.9	4.4	5.0	4.8	5.3	5.5	5.6	5.9	6.0
Total outlays	41.4	44.3	46.0	48.8	50.4	48.4	50.3	51.3	53.2
Financial deficit	3.8	5.5	7.1	8.6	8.1	5.2	6.3	5.9	6.5
Borrowing requirement	3.3	6.2	8.0	10.5	7.9	4.6	5.8	7.7	6.5
Balance of payments (£billion, at 1975 export purchasing power)									
Non-fuel exports	22.4	25.0	26.9	26.3	28.6	30.2	30.4	30.7	30.9
Exports of fuels	0.4	0.5	0.9	0.7	1.0	1.4	1.5	2.5	3.3
Imports:									
fuels	1.6	2.0	5.0	3.9	4.4	3.6	3.0	3.3	3.5
finished manufactures	5.6	7.4	7.5	7.3	7.7	8.5	9.2	10.5	9.7
semi-finished mfs	4.3	5.6	6.9	5.4	5.9	6.2	6.4	7.2	6.9
other imports	11.4	13.4	13.7	12.4	12.9	12.7	11.9	12.1	11.3
Net income from abroad	0.5	1.2	1.2	0.3	0.5	-0.8	-0.9	-1.1	-1.5
Current balance	0.3	-1.6	-4.1	-1.7	-0.9	-0.2	0.4	-1.0	1.2
Net long-term capital	-0.9	-2.2	-1.3	-0.0	-0.5	0.2	-1.1	-2.4	-1.6
Basic balance	-0.7	-3.8	-5.4	-1.7	-1.5	-0.0	-0.7	-3.4	-0.4
North Sea account (£billion, at 1975 export purchasing power)									
Value of sales	0.2	0.2	0.2	0.2	0.8	1.9	2.2	3.8	5.1
Operating costs	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.3
UK tax revenue	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.9	1.6
UK post-tax profits	0.1	0.1	0.1	0.2	0.6	1.1	1.2	1.8	1.8
Post-tax profits abroad	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.8	1.3

Table A.5 Base Projection

## Expenditure, output, employment and prices

	1980	1981	1982	1983	1984	1985
Expenditure, output and income (£billion, at 1975 market prices)						
Consumers' expenditure	71.7	71.6	71.3	71.2	72.2	73.1
Public consumption	24.6	24.7	24.6	24.6	24.6	24.6
Private fixed investment	13.4	11.8	10.4	9.8	9.4	9.3
Public fixed investment	6.5	6.2	6.0	5.9	5.7	5.5
Stockbuilding	-2.8	-2.0	-1.7	-0.4	-0.1	-0.4
Exports of goods & servs	33.1	31.7	31.5	31.4	31.5	31.7
Imports of goods & servs	34.1	35.6	36.8	38.8	40.8	42.5
Gross domestic product	112.3	108.5	105.4	103.6	102.4	101.3
public services	14.8	14.9	14.8	14.7	14.7	14.6
North Sea	3.1	3.5	3.9	4.0	4.2	4.5
other domestic output	94.4	90.1	86.7	84.9	83.5	82.2
Net income from abroad	-1.4	-0.7	-0.7	-0.6	-0.8	-1.0
Terms of trade effect	3.6	5.3	6.2	7.3	8.2	9.0
National income	114.5	113.1	110.9	110.3	109.9	109.4
Employment and unemployment (millions)						
Public services	5.2	5.2	5.2	5.2	5.1	5.1
Business employment	17.5	17.0	16.6	16.3	16.0	15.7
Total employment	22.7	22.2	21.8	21.5	21.1	20.8
Unemployment	1.6	2.6	3.2	3.6	3.9	4.3
Financial balances (£billion, at 1975 domestic purchasing power)						
Private sector surplus	7.7	5.6	5.4	5.2	4.9	4.2
Public sector deficit	6.5	4.8	5.1	6.0	6.8	7.0
Current bal of payments	1.2	0.8	0.2	-0.8	-1.9	-2.8
Costs and prices (% increase over previous year)						
Real wage settlement	2.4	-4.6	-0.2	0.2	0.3	0.1
Money wage settlement	17.3	10.8	13.3	10.6	9.6	8.9
Average money earnings	20.0	15.0	13.0	14.5	13.2	10.8
Consumer prices	15.0	13.7	11.3	9.8	9.2	8.7
Post-tax real earnings	3.9	-1.2	0.4	4.4	3.7	1.9
(Indices, 1975=100)						
Weighted exchange rate	96.4	98.0	98.0	98.0	98.0	98.0
Export competitiveness	119.9	127.3	131.1	134.1	136.4	138.1

Table A.6 Base Projection

Public sector accounts, balance of payments and North Sea

	1980	1981	1982	1983	1984	1985
Public sector accounts (£billion, at 1975 domestic purchasing power)						
Net indirect taxes	16.7	17.2	17.3	17.2	17.3	17.4
Direct tax & NI contribs	22.1	22.8	22.9	22.9	22.9	22.8
North Sea tax revenue	1.6	2.9	2.9	3.2	3.4	3.7
Property income	6.4	6.1	5.7	5.4	5.2	5.1
Total receipts	46.8	48.9	48.8	48.7	48.7	49.0
Exp on goods & services	31.7	31.4	31.5	32.5	33.3	33.5
Grants	15.6	16.6	17.3	17.5	17.6	18.0
Debt interest	6.0	5.7	5.1	4.7	4.5	4.6
Total outlays	53.2	53.8	54.0	54.7	55.5	56.0
Financial deficit	6.5	4.8	5.1	6.0	6.8	7.0
Borrowing requirement	6.5	4.8	5.1	5.9	6.7	7.0
Balance of payments (£billion, at 1975 export purchasing power)						
Non-fuel exports	30.9	29.3	28.8	28.6	28.5	28.7
Exports of fuels	3.3	3.5	3.8	4.1	4.3	4.4
Imports:						
fuels	3.5	2.6	2.0	1.8	1.8	1.9
finished manufactures	9.7	10.6	11.4	12.2	13.1	13.8
semi-finished mfs	6.9	6.8	7.2	7.8	8.3	8.6
other imports	11.3	11.1	10.9	11.0	11.0	11.0
Net income from abroad	-1.5	-0.8	-0.7	-0.7	-0.9	-1.2
Current balance	1.2	0.9	0.3	-0.9	-2.2	-3.4
Net long-term capital	-1.6	-2.0	-2.3	-2.2	-1.9	-1.5
Basic balance	-0.4	-1.1	-2.0	-3.1	-4.1	-4.8
North Sea account (£billion, at 1975 export purchasing power)						
Value of sales	5.1	5.6	6.1	6.5	6.9	7.5
Operating costs	0.3	0.4	0.4	0.5	0.5	0.5
UK tax revenue	1.6	3.2	3.3	3.7	4.0	4.5
UK post-tax profits	1.8	1.2	1.4	1.2	1.4	1.5
Post-tax profits abroad	1.3	0.9	1.0	1.1	1.0	1.0



Table A.7 Pre-Budget Fiscal Policy

## Expenditure, output, employment and prices

	1980	1981	1982	1983	1984	1985
Expenditure, output and income (£billion, at 1975 market prices)						
Consumers' expenditure	71.7	72.0	71.1	70.3	70.4	70.5
Public consumption	24.6	24.7	24.6	24.6	24.6	24.6
Private fixed investment	13.4	11.9	10.8	10.4	10.1	10.0
Public fixed investment	6.5	6.2	6.0	5.9	5.7	5.5
Stockbuilding	-2.8	-1.7	-1.0	-0.0	0.1	-0.2
Exports of goods & servs	33.1	31.9	32.3	33.2	34.3	35.5
Imports of goods & servs	34.1	35.6	36.3	37.5	38.6	39.8
Gross domestic product	112.3	109.4	107.6	106.9	106.5	106.1
public services	14.8	14.9	14.8	14.7	14.7	14.6
North Sea	3.1	3.5	3.9	4.0	4.2	4.5
other domestic output	94.4	91.0	88.9	88.1	87.6	87.0
Net income from abroad	-1.4	-0.7	-0.9	-1.1	-1.3	-1.4
Terms of trade effect	3.6	4.9	4.6	4.6	4.6	4.7
National income	114.5	113.6	111.3	110.4	109.9	109.4
Employment and unemployment (millions)						
Public services	5.2	5.2	5.2	5.2	5.1	5.1
Business employment	17.5	17.0	16.7	16.5	16.2	16.0
Total employment	22.7	22.2	21.9	21.6	21.3	21.1
Unemployment	1.6	2.5	3.1	3.4	3.7	4.0
Financial balances (£billion, at 1975 domestic purchasing power)						
Private sector surplus	7.7	5.9	5.6	5.6	6.0	6.0
Public sector deficit	6.5	5.4	5.8	6.3	7.0	7.1
Current bal of payments	1.2	0.5	-0.3	-0.7	-1.0	-1.1
Costs and prices (% increase over previous year)						
Real wage settlement	2.4	-4.1	0.9	0.9	0.7	0.4
Money wage settlement	17.3	9.9	15.1	15.4	16.2	16.7
Average money earnings	20.0	14.7	14.4	18.8	19.6	18.4
Consumer prices	15.0	13.5	13.5	14.5	15.6	16.4
Post-tax real earnings	3.9	0.2	0.4	3.7	3.4	1.7
(Indices, 1975=100)						
Weighted exchange rate	96.4	95.0	87.4	80.4	74.0	68.0
Export competitiveness	119.9	123.8	120.0	117.9	116.8	116.6

Table A.8 Pre-Budget Fiscal Policy

## Public sector accounts, balance of payments and North Sea

	1980	1981	1982	1983	1984	1985
Public sector accounts (£billion, at 1975 domestic purchasing power)						
Net indirect taxes	16.7	17.1	17.0	16.9	16.8	16.8
Direct tax & NI contribs	22.1	22.1	21.8	21.8	21.7	21.6
North Sea tax revenue	1.6	3.0	3.2	3.7	4.0	4.5
Property income	6.4	6.2	5.9	5.6	5.5	5.3
Total receipts	46.8	48.3	47.9	48.0	48.0	48.3
Exp on goods & services	31.7	31.5	31.4	32.3	33.1	33.1
Grants	15.6	16.6	17.0	16.8	16.7	16.8
Debt interest	6.0	5.7	5.3	5.2	5.2	5.4
Total outlays	53.2	53.7	53.7	54.3	55.0	55.4
Financial deficit	6.5	5.4	5.8	6.3	7.0	7.1
Borrowing requirement	6.5	5.4	5.8	6.3	7.0	7.1
Balance of payments (£billion, at 1975 export purchasing power)						
Non-fuel exports	30.9	29.5	29.7	30.4	31.4	32.5
Exports of fuels	3.3	3.5	4.1	4.6	4.9	5.1
Imports:						
fuels	3.5	2.8	2.4	2.2	2.4	2.6
finished manufactures	9.7	10.8	11.7	12.5	13.3	14.0
semi-finished mfs	6.9	7.0	7.7	8.3	8.8	9.0
other imports	11.3	11.2	11.3	11.5	11.5	11.6
Net income from abroad	-1.5	-0.8	-1.0	-1.2	-1.5	-1.6
Current balance	1.2	0.6	-0.3	-0.8	-1.1	-1.2
Net long-term capital	-1.6	-2.0	-2.1	-1.8	-1.4	-1.1
Basic balance	-0.4	-1.4	-2.4	-2.6	-2.5	-2.3
North Sea account (£billion, at 1975 export purchasing power)						
Value of sales	5.1	5.7	6.5	7.1	7.8	8.5
Operating costs	0.3	0.4	0.4	0.5	0.5	0.5
UK tax revenue	1.6	3.2	3.5	4.1	4.6	5.2
UK post-tax profits	1.8	1.2	1.5	1.3	1.6	1.7
Post-tax profits abroad	1.3	0.9	1.1	1.2	1.2	1.1

Table A.9 Reflation

Expenditure, output, employment and prices

	1980	1981	1982	1983	1984	1985
Expenditure, output and income (£billion, at 1975 market prices)						
Consumers' expenditure	71.7	72.5	73.4	74.8	77.2	79.8
Public consumption	24.6	25.4	27.6	28.7	29.6	31.5
Private fixed investment	13.4	12.0	11.4	11.6	12.0	12.6
Public fixed investment	6.5	6.4	6.8	6.8	6.8	7.1
Stockbuilding	-2.8	-1.3	0.2	1.4	0.9	1.1
Exports of goods & servs	33.1	31.9	32.4	33.5	35.0	36.5
Imports of goods & servs	34.1	36.1	38.5	40.8	42.6	45.5
Gross domestic product	112.3	110.8	113.4	116.1	118.8	123.1
public services	14.8	15.3	16.6	17.2	17.6	18.7
North Sea	3.1	3.5	3.9	4.0	4.2	4.5
other domestic output	94.4	91.9	92.9	94.9	96.9	99.9
Net income from abroad	-1.4	-0.7	-1.1	-1.7	-2.3	-3.0
Terms of trade effect	3.6	4.9	4.8	4.7	4.5	4.4
National income	114.5	115.0	117.0	119.1	120.9	124.5
Employment and unemployment (millions)						
Public services	5.2	5.4	5.8	6.0	6.2	6.5
Business employment	17.5	17.0	16.7	16.4	16.2	16.0
Total employment	22.7	22.4	22.5	22.4	22.4	22.6
Unemployment	1.6	2.4	2.4	2.5	2.6	2.6
Financial balances (£billion, at 1975 domestic purchasing power)						
Private sector surplus	7.7	6.3	6.6	6.0	6.2	6.1
Public sector deficit	6.5	6.2	8.9	10.3	11.7	13.7
Current bal of payments	1.2	0.1	-2.4	-4.3	-5.5	-7.6
Costs and prices (% increase over previous year)						
Real wage settlement	2.4	-3.9	1.6	1.4	1.2	1.3
Money wage settlement	17.3	9.0	12.1	12.4	13.9	14.1
Average money earnings	20.0	14.4	13.2	16.8	17.9	17.0
Consumer prices	15.0	13.1	12.0	12.6	13.9	14.5
Post-tax real earnings	3.9	1.3	3.5	5.0	4.4	4.0
(Indices, 1975=100)						
Weighted exchange rate	96.4	95.0	87.4	80.4	74.0	68.0
Export competitiveness	119.9	123.5	118.5	114.7	112.1	110.3

Table A.10 Reflation

Public sector accounts, balance of payments and North Sea

	1980	1981	1982	1983	1984	1985
Public sector accounts (£billion, at 1975 domestic purchasing power)						
Net indirect taxes	16.7	17.3	17.9	18.3	18.7	19.5
Direct tax & NI contribs	22.1	21.7	20.3	19.9	19.6	18.9
North Sea tax revenue	1.6	3.0	3.3	3.8	4.2	4.8
Property income	6.4	6.3	6.5	6.7	6.9	7.2
Total receipts	46.8	48.3	48.0	48.8	49.4	50.5
Exp on goods & services	31.7	32.4	35.2	37.4	39.4	42.0
Grants	15.6	16.5	16.5	16.2	16.0	15.8
Debt interest	6.0	5.6	5.3	5.4	5.8	6.4
Total outlays	53.2	54.5	56.9	59.0	61.2	64.2
Financial deficit	6.5	6.2	8.9	10.3	11.7	13.7
Borrowing requirement	6.5	6.2	8.9	10.2	11.7	13.7
Balance of payments (£billion, at 1975 export purchasing power)						
Non-fuel exports	30.9	29.5	29.8	30.7	32.0	33.6
Exports of fuels	3.3	3.5	4.1	4.6	5.0	5.3
Imports:						
fuels	3.5	2.8	2.7	2.8	3.2	3.8
finished manufactures	9.7	10.9	12.5	14.0	15.3	16.9
semi-finished mfs	6.9	7.1	8.3	9.3	9.8	10.6
other imports	11.3	11.3	11.7	12.1	12.4	12.8
Net income from abroad	-1.5	-0.8	-1.2	-1.8	-2.6	-3.4
Current balance	1.2	0.1	-2.6	-4.7	-6.2	-8.6
Net long-term capital	-1.6	-2.0	-2.0	-1.2	-0.1	1.1
Basic balance	-0.4	-1.9	-4.6	-5.9	-6.3	-7.5
North Sea account (£billion, at 1975 export purchasing power)						
Value of sales	5.1	5.7	6.6	7.2	8.0	8.8
Operating costs	0.3	0.4	0.4	0.4	0.5	0.5
UK tax revenue	1.6	3.2	3.6	4.2	4.7	5.4
UK post-tax profits	1.8	1.2	1.5	1.4	1.7	1.8
Post-tax profits abroad	1.3	0.9	1.1	1.2	1.2	1.2

Table A.11 Devaluation

## Expenditure, output, employment and prices

	1980	1981	1982	1983	1984	1985
Expenditure, output and income (£billion, at 1975 market prices)						
Consumers' expenditure	71.7	70.4	69.7	68.9	69.5	71.0
Public consumption	24.6	24.6	25.6	26.1	27.1	27.9
Private fixed investment	13.4	12.1	11.0	11.0	11.1	11.3
Public fixed investment	6.5	6.2	6.3	6.2	6.3	6.3
Stockbuilding	-2.8	-1.6	-0.3	1.0	1.0	1.0
Exports of goods & servs	33.1	32.4	33.5	35.2	37.4	39.6
Imports of goods & servs	34.1	34.6	35.6	36.7	37.8	39.8
Gross domestic product	112.3	109.5	110.2	111.6	114.5	117.3
public services	14.8	14.8	15.4	15.6	16.1	16.6
North Sea	3.1	3.5	3.9	4.0	4.2	4.5
other domestic output	94.4	91.1	90.9	92.0	94.2	96.3
Net income from abroad	-1.4	-0.8	-1.1	-1.3	-1.6	-1.8
Terms of trade effect	3.6	3.5	2.9	2.2	1.2	1.1
National income	114.5	112.2	112.1	112.5	114.1	116.6
Employment and unemployment (millions)						
Public services	5.2	5.2	5.4	5.5	5.6	5.8
Business employment	17.5	17.0	16.8	16.5	16.3	16.1
Total employment	22.7	22.2	22.2	22.0	21.9	21.9
Unemployment	1.6	2.6	2.8	3.0	3.0	3.1
Financial balances (£billion, at 1975 domestic purchasing power)						
Private sector surplus	7.7	6.0	6.6	6.9	8.2	8.6
Public sector deficit	6.5	5.5	6.9	7.6	9.0	9.5
Current bal of payments	1.2	0.5	-0.3	-0.7	-0.8	-0.9
Costs and prices (% increase over previous year)						
Real wage settlement	2.4	-3.2	1.5	1.6	1.8	0.8
Money wage settlement	17.3	13.8	18.3	20.0	22.8	22.4
Average money earnings	20.0	17.7	18.4	24.0	26.8	24.9
Consumer prices	15.0	17.1	17.2	19.5	22.6	22.7
Post-tax real earnings	3.9	-0.3	2.0	4.4	4.7	2.8
(Indices, 1975=100)						
Weighted exchange rate	96.4	86.5	75.2	64.0	53.0	46.2
Export competitiveness	119.9	116.2	110.5	105.1	100.0	100.0

Table A.12 Devaluation

## Public sector accounts, balance of payments and North Sea

	1980	1981	1982	1983	1984	1985
Public sector accounts (£billion, at 1975 domestic purchasing power)						
Net indirect taxes	16.7	16.8	17.0	17.0	17.1	17.6
Direct tax & NI contribs	22.1	21.9	21.1	20.9	20.4	20.0
North Sea tax revenue	1.6	3.2	3.5	4.2	4.7	5.3
Property income	6.4	6.0	6.0	5.9	6.0	6.3
Total receipts	46.8	48.0	47.6	47.9	48.1	49.2
Exp on goods & services	31.7	31.3	32.6	34.0	36.1	37.3
Grants	15.6	16.2	16.2	15.8	15.2	15.3
Debt interest	6.0	5.9	5.7	5.7	5.9	6.1
Total outlays	53.2	53.4	54.5	55.5	57.2	58.7
Financial deficit	6.5	5.5	6.9	7.6	9.0	9.5
Borrowing requirement	6.5	5.5	6.9	7.5	9.0	9.5
Balance of payments (£billion, at 1975 export purchasing power)						
Non-fuel exports	30.9	30.0	30.8	32.3	34.5	36.7
Exports of fuels	3.3	3.8	4.3	5.0	5.6	5.7
Imports:						
fuels	3.5	2.9	2.7	2.8	3.3	3.8
finished manufactures	9.7	10.7	11.8	12.8	13.8	14.8
semi-finished mfs	6.9	7.2	8.1	9.0	9.7	10.1
other imports	11.3	11.4	11.7	12.1	12.4	12.6
Net income from abroad	-1.5	-0.9	-1.2	-1.4	-1.8	-2.0
Current balance	1.2	0.5	-0.3	-0.7	-0.9	-0.9
Net long-term capital	-1.6	-1.9	-1.9	-1.5	-1.1	-0.8
Basic balance	-0.4	-1.3	-2.2	-2.3	-2.0	-1.8
North Sea account (£billion, at 1975 export purchasing power)						
Value of sales	5.1	6.1	7.0	7.8	8.8	9.6
Operating costs	0.3	0.4	0.4	0.4	0.4	0.5
UK tax revenue	1.6	3.4	3.8	4.6	5.2	5.9
UK post-tax profits	1.8	1.3	1.6	1.5	1.9	2.0
Post-tax profits abroad	1.3	1.0	1.2	1.3	1.3	1.3