

Gross value added of the South East with industrial analysis

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Regional and Sub-regional GVA – South East Summary

Summary

- The 2007 Regional and 2006 Sub-regional Gross Value Added (GVA) data were released on 12 December 2008 by the Office for National Statistics. This latest release includes revisions to earlier years and also provides analysis by broad industry sector.

Regional GVA - 2007

- GVA estimates for 2007 show that the South East contributed £176,300m to the UK economy on a workplace basis. This was more than 14 per cent of the UK total.
- The contribution of the South East was second only to that of London and together the two regions accounted for over one-third of the UK total of £1,217bn¹ in 2007.
- In the South East, nominal growth in GVA was £10.3bn between 2006 and 2007, more than a 6 per cent increase and a little above the national growth rate.
- GVA per head of population in the South East was £21,200 in 2007, 6 per cent above the UK average of £20,000. The annual increase equated to 5.3 per cent (£20,200 in 2006) similar to the UK increase (£18,900 in 2006). GVA growth in the South East is slightly off-set by an estimated increase in population of over 70,000.

Comparisons with Other Regions (2006 to 2007)

- Total GVA increased most in London at 6.7 per cent, followed by Northern Ireland and the South East at 6.2 per cent increases each compared to estimates relating to 2006. The lowest rates of increase were in Wales and the North East (5.1 and 5.2 per cent respectively).
- London also had the highest annual increase in GVA per head (6.1 per cent), compared to the lowest growth rate of 4.6 per cent in Wales.
- Regions maintained their relative positions as measured by the indexed GVA per head. The South East with a value of 106 and London with 166 were the only regions to have an average GVA per head above that of the UK (UK=100) in 2007. The gap between London and the other regions has widened on this measure, mainly due to changes in how FISIM² is presented. The divergence is not so large if GVA on a residence basis is used.

Sub-regional GVA (2005 to 2006)

- On a work-place basis GVA in the South East grew by 4.9 per cent between 2005 and 2006; within the region the highest growth rate was in Hampshire at 5.7 per cent and the lowest in Brighton and Hove and Milton Keynes with around 4.2 per cent each.
- Only the NUTS3 areas of Hampshire and Medway had growth rates above the UK average (5.7 and 5.3 per cent respectively in 2006), although the range in South East growth rates has narrowed from 2005 when the limits were 2.1 to 4.7 per cent.
- Average GVA per head for the UK increased from £18,100 to £18,900 (4.7 per cent) between 2005 and 2006, using workplace-based estimates of GVA. NUTS3 areas in the South East with per capita growth rates above the UK average were Medway (5.3 per cent), Hampshire (5.1 per cent) and East Sussex (4.8 per cent). The lowest growth rate for GVA per head was Milton Keynes at 2.6 per cent.
- GVA per head remained relatively low, at around two-thirds of the UK average, in the Isle of Wight and Medway with indices of 66 and 69 respectively in 2006; whereas indices were highest in the South East in Berkshire (152) and Milton Keynes (149). These figures are influenced by commuting patterns within the region and into London, as the numerator (GVA) reflects economic activity on a workplace basis, and the denominator, population, is on a residence basis.

¹ Excluding statistical discrepancy and Extra-Region (off-shore contribution to GVA that cannot be assigned to any region).

² See *Notes and definitions* section at the end of this brief.

Headline¹ Workplace based Gross Value Added^{2,3} (GVA) at current basic prices by region 1996-2007

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 ⁴	Percentage Change 2006 to 2007
Total GVA (£ million)													
United Kingdom	698,410	739,524	781,986	822,774	864,285	907,594	957,094	1,015,008	1,068,574	1,115,121	1,177,232	1,247,721	5.99
North East	24,588	25,601	26,654	27,450	28,345	29,705	31,199	33,116	34,946	36,389	38,254	40,231	5.17
North West	71,354	74,944	78,860	82,256	85,196	89,333	93,627	98,804	103,630	107,375	112,955	119,667	5.94
Yorkshire & the Humber	51,872	54,810	57,625	59,721	61,892	65,080	68,713	72,831	76,535	79,091	82,864	87,393	5.47
East Midlands	44,797	47,419	49,762	51,554	53,423	56,471	59,754	63,780	67,375	69,887	73,528	77,864	5.90
West Midlands	56,899	60,336	63,585	66,015	68,325	71,474	74,644	78,380	81,564	83,913	87,491	92,356	5.56
East of England	58,330	61,933	65,898	69,082	72,041	75,966	80,321	85,865	91,109	95,039	100,303	106,753	6.43
London	126,204	136,402	147,464	158,363	165,969	174,909	187,152	199,688	210,914	221,564	234,990	250,732	6.70
South East	94,059	101,186	109,467	116,826	122,985	130,411	137,307	145,509	152,706	158,274	166,003	176,291	6.20
South West	52,168	55,556	58,885	61,995	64,798	68,602	72,627	77,394	81,572	84,681	89,090	94,215	5.75
England	580,270	618,187	658,200	693,262	722,973	761,950	805,342	855,366	900,353	936,213	985,477	1,045,501	6.09
Wales	27,599	28,760	29,835	30,835	32,011	33,624	35,348	37,350	39,149	40,443	42,193	44,333	5.07
Scotland	58,711	61,483	63,997	66,161	68,312	71,271	75,172	79,853	84,335	88,085	93,361	98,520	5.53
Northern Ireland	15,566	16,476	17,547	18,406	19,244	20,195	21,246	22,564	24,109	25,180	26,787	28,445	6.19
United Kingdom less Extra-Regio ⁵ & statistical discrepancy	682,147	724,906	769,579	808,664	842,540	887,040	937,109	995,133	1,047,945	1,089,921	1,147,819	1,216,799	6.01
Extra-Regio ⁵	16,264	14,619	12,407	14,110	21,745	20,554	19,985	19,876	20,629	25,201	29,417	30,092	2.29
Statistical discrepancy (income adjusted)	-	-	-	-	-	-	-	-	-	-	-	834	
GVA per head (£)													
United Kingdom	12,008	12,682	13,373	14,020	14,677	15,353	16,133	17,043	17,855	18,512	19,430	20,463	5.32
North East	9,543	9,969	10,408	10,763	11,144	11,694	12,278	13,030	13,747	14,272	14,968	15,688	4.81
North West	10,478	11,030	11,610	12,145	12,576	13,190	13,813	14,529	15,196	15,699	16,482	17,433	5.77
Yorkshire & the Humber	10,455	11,056	11,623	12,049	12,482	13,077	13,737	14,486	15,114	15,485	16,114	16,880	4.75
East Midlands	10,905	11,508	12,041	12,415	12,817	13,479	14,154	14,992	15,700	16,149	16,848	17,698	5.05
West Midlands	10,811	11,466	12,062	12,522	12,966	13,535	14,097	14,756	15,312	15,683	16,303	17,161	5.26
East of England	11,147	11,759	12,429	12,940	13,403	14,067	14,785	15,684	16,532	17,084	17,890	18,857	5.41
London	18,095	19,445	20,871	22,137	22,934	23,887	25,423	27,116	28,544	29,716	31,280	33,179	6.07
South East	12,058	12,885	13,876	14,686	15,391	16,254	17,063	17,993	18,794	19,338	20,152	21,218	5.29
South West	10,884	11,509	12,143	12,701	13,178	13,878	14,603	15,464	16,180	16,647	17,386	18,195	4.65
England	11,960	12,703	13,482	14,139	14,685	15,409	16,220	17,153	17,967	18,551	19,413	20,463	5.41
Wales	9,546	9,935	10,290	10,631	11,012	11,554	12,107	12,742	13,287	13,693	14,226	14,877	4.58
Scotland	11,530	12,095	12,605	13,044	13,493	14,073	14,871	15,789	16,607	17,289	18,246	19,152	4.97
Northern Ireland	9,367	9,858	10,459	10,963	11,435	11,954	12,523	13,252	14,096	14,602	15,381	16,170	5.13
United Kingdom less Extra-Regio ⁵	11,728	12,431	13,161	13,780	14,308	15,006	15,797	16,709	17,511	18,093	18,945	19,956	5.34
GVA per head indices (UK less Extra-Regio = 100)													
United Kingdom	100	100	100	100	100	100	100	100	100	100	100	100	
North East	81	80	79	78	78	78	78	78	79	79	79	79	
North West	89	89	88	88	88	88	87	87	87	87	87	87	
Yorkshire & the Humber	89	89	88	87	87	87	87	87	86	86	85	85	
East Midlands	93	93	91	90	90	90	90	90	90	89	89	89	
West Midlands	92	92	92	91	91	90	89	88	87	87	86	86	
East of England	95	95	94	94	94	94	94	94	94	94	94	94	
London	154	156	159	161	160	159	161	162	163	164	165	166	
South East	103	104	105	107	108	108	108	108	107	107	106	106	
South West	93	93	92	92	92	92	92	93	92	92	92	91	
England	102	102	102	103	103	103	103	103	103	103	102	103	
Wales	81	80	78	77	77	77	77	76	76	76	75	75	
Scotland	98	97	96	95	94	94	94	94	95	96	96	96	
Northern Ireland	80	79	79	80	80	80	79	79	80	81	81	81	

1 The headline regional GVA series for this publication have been calculated using a five-period moving average.

2 Estimates of workplace based GVA allocate income to the region in which commuters work.

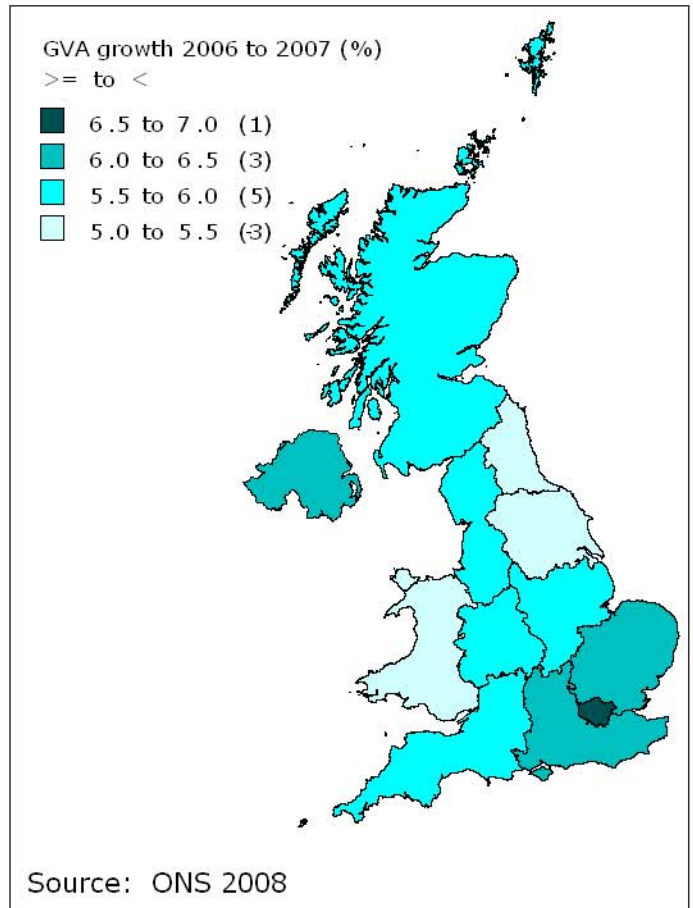
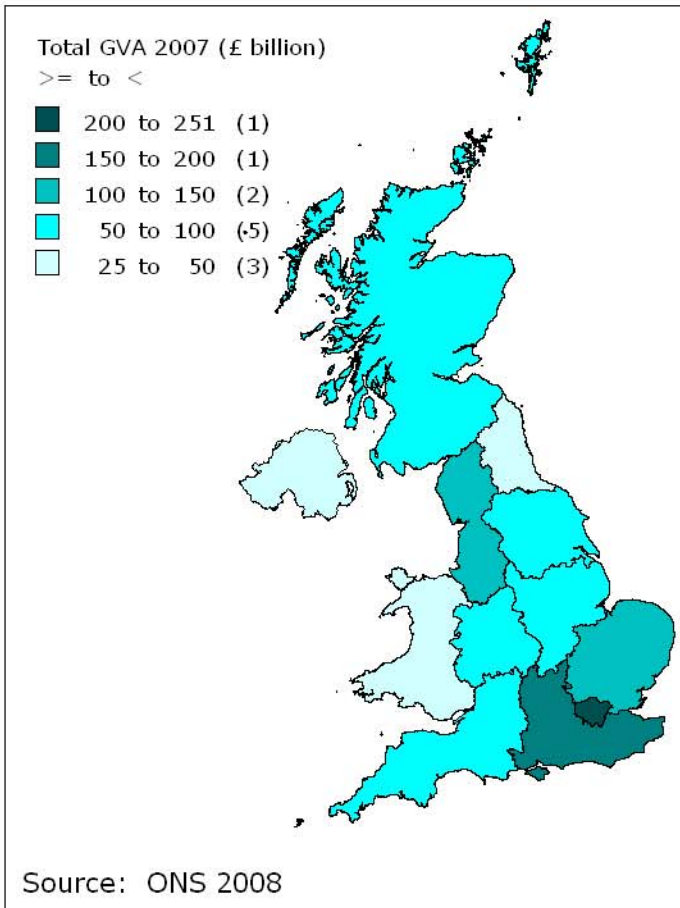
3 Components may not sum to totals as a result of rounding.

4 Provisional

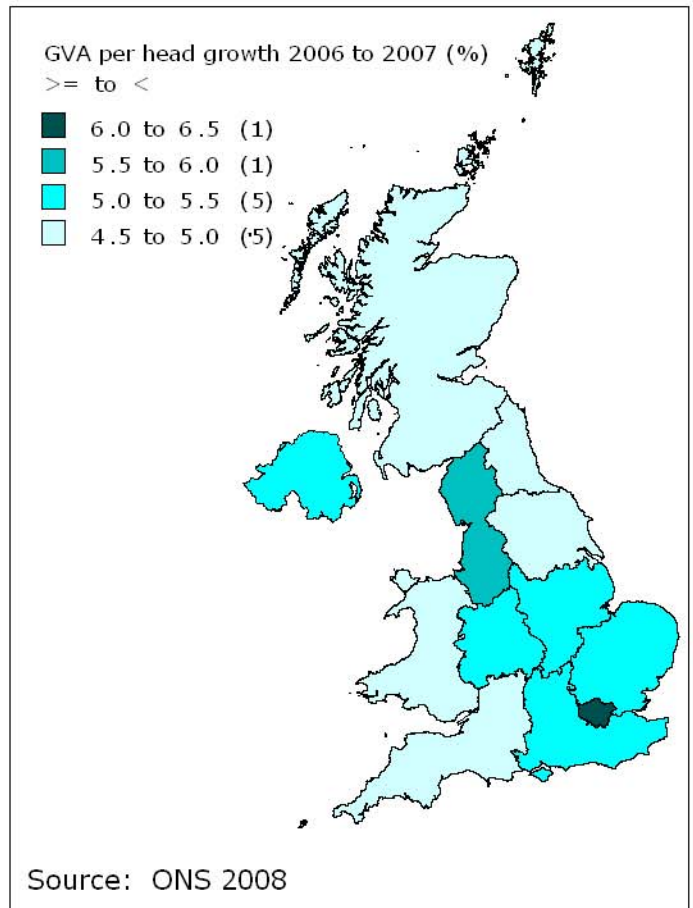
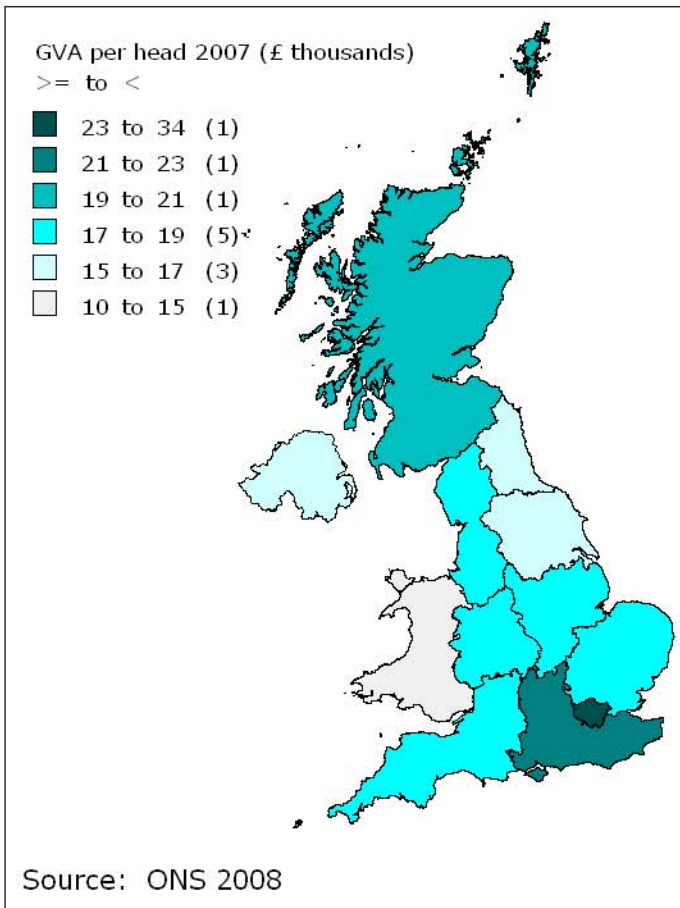
5 The GVA for Extra-Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

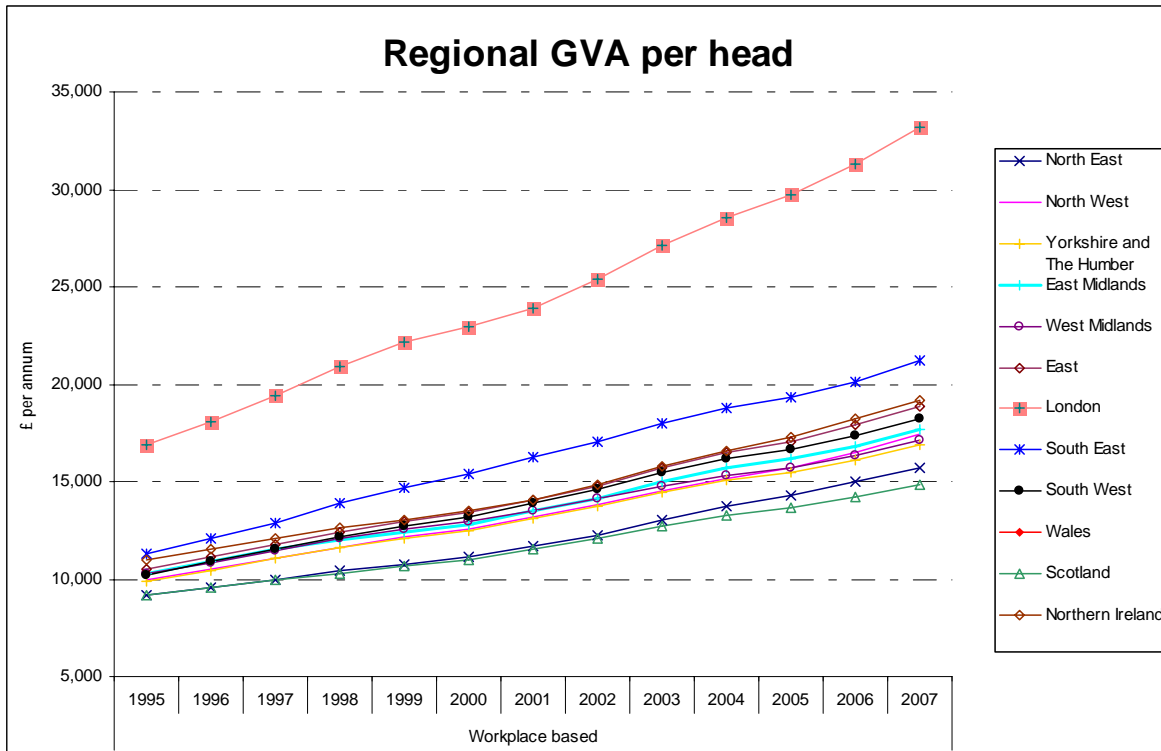
Source: Office for National Statistics

Total GVA



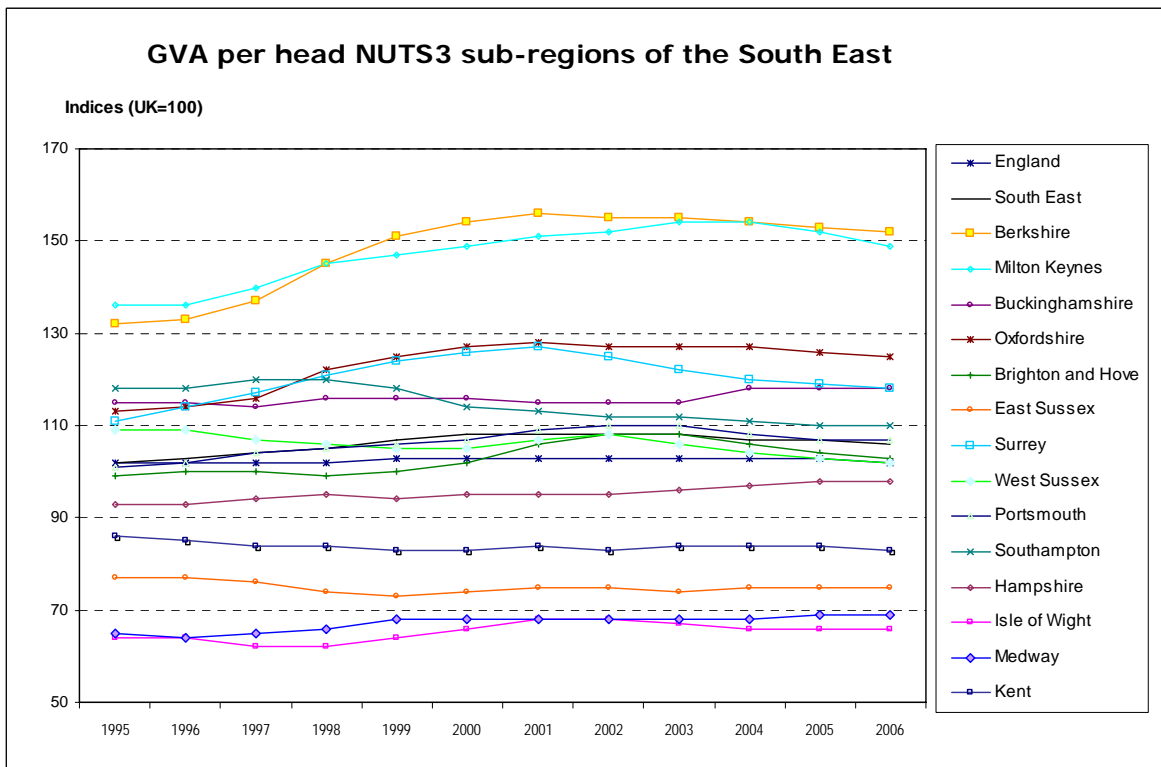
GVA per head





Data for regions (NUTS1) are workplace based

Source: Office for National Statistics



Source: Office for National Statistics

Headline¹ Gross Value Added (GVA)^{2,3} by NUTS3 area at current basic prices by region

£ million

NUTS Level 1											
NUTS Level 2											
NUTS Level 3	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
UNITED KINGDOM	698,410	739,524	781,986	822,774	864,285	907,594	957,094	1,015,008	1,068,574	1,115,121	1,177,232
England	580,270	618,187	658,200	693,262	722,973	761,950	805,342	855,366	900,353	936,213	985,477
South East	94,059	101,186	109,467	116,826	122,985	130,411	137,307	145,509	152,706	158,274	166,003
Berkshire, Buckinghamshire and Oxfordshire	29,597	32,258	35,841	38,816	41,143	43,537	45,732	48,681	51,258	53,233	55,705
Berkshire	12,294	13,545	15,223	16,633	17,682	18,745	19,615	20,756	21,650	22,439	23,541
Milton Keynes	3,141	3,466	3,863	4,200	4,484	4,827	5,167	5,585	5,888	6,098	6,354
Buckinghamshire CC	6,298	6,676	7,193	7,581	7,930	8,276	8,659	9,258	9,932	10,392	10,890
Oxfordshire	7,864	8,571	9,562	10,403	11,047	11,688	12,291	13,082	13,788	14,303	14,920
Surrey, East and West Sussex	30,208	32,490	34,795	37,137	39,217	41,720	43,841	45,898	47,569	48,862	51,192
Brighton and Hove	2,854	3,052	3,220	3,429	3,648	3,960	4,236	4,481	4,603	4,702	4,897
East Sussex CC	4,338	4,557	4,718	4,921	5,178	5,513	5,838	6,208	6,601	6,863	7,207
Surrey	13,747	15,053	16,534	17,997	19,086	20,125	20,892	21,721	22,434	23,073	24,211
West Sussex	9,268	9,829	10,324	10,790	11,305	12,123	12,875	13,488	13,931	14,224	14,877
Hampshire and Isle of Wight	19,439	20,821	22,305	23,427	24,427	25,915	27,419	29,217	30,829	32,198	33,952
Portsmouth	2,274	2,447	2,621	2,745	2,884	3,088	3,293	3,492	3,637	3,777	3,963
Southampton	2,954	3,193	3,397	3,517	3,554	3,708	3,916	4,171	4,350	4,525	4,756
Hampshire CC	13,266	14,195	15,231	16,022	16,743	17,759	18,771	20,048	21,264	22,250	23,506
Isle of Wight	944	986	1,056	1,142	1,247	1,360	1,439	1,506	1,578	1,646	1,728
Kent	14,815	15,618	16,526	17,447	18,198	19,238	20,314	21,713	23,050	23,981	25,155
Medway	1,823	1,951	2,127	2,297	2,418	2,550	2,678	2,845	3,000	3,141	3,308
Kent CC	12,993	13,667	14,399	15,150	15,780	16,688	17,636	18,869	20,050	20,840	21,847
GVA per head (£)											
UNITED KINGDOM	12,008	12,682	13,373	14,020	14,677	15,353	16,133	17,043	17,855	18,512	19,430
England	11,960	12,703	13,482	14,139	14,685	15,409	16,220	17,153	17,967	18,551	19,413
South East	12,058	12,885	13,876	14,686	15,391	16,254	17,063	17,993	18,794	19,338	20,152
Berkshire, Buckinghamshire and Oxfordshire	14,506	15,680	17,334	18,633	19,641	20,708	21,722	23,014	24,126	24,832	25,789
Berkshire	15,633	17,084	19,130	20,875	22,084	23,336	24,483	25,905	26,985	27,761	28,853
Milton Keynes	15,971	17,360	19,044	20,322	21,372	22,695	24,039	25,755	26,918	27,545	28,268
Buckinghamshire CC	13,435	14,169	15,238	15,930	16,618	17,273	18,108	19,297	20,631	21,434	22,345
Oxfordshire	13,364	14,440	16,016	17,229	18,196	19,247	20,113	21,188	22,162	22,734	23,608
Surrey, East and West Sussex	12,172	12,984	13,847	14,608	15,381	16,308	17,108	17,842	18,421	18,816	19,586
Brighton and Hove	11,771	12,469	13,046	13,826	14,662	15,842	16,998	18,028	18,584	18,833	19,477
East Sussex CC	9,036	9,452	9,728	10,055	10,531	11,179	11,771	12,430	13,130	13,583	14,238
Surrey	13,335	14,490	15,895	17,047	18,056	18,983	19,701	20,400	21,009	21,458	22,309
West Sussex	12,728	13,345	13,935	14,403	15,028	16,057	17,009	17,754	18,233	18,555	19,301
Hampshire and Isle of Wight	11,175	11,910	12,700	13,261	13,778	14,543	15,324	16,245	17,077	17,698	18,559
Portsmouth	12,002	12,918	13,859	14,620	15,355	16,424	17,438	18,339	18,938	19,375	20,178
Southampton	13,875	14,944	15,761	16,279	16,356	16,889	17,701	18,714	19,417	19,951	20,800
Hampshire CC	10,960	11,656	12,454	12,997	13,542	14,305	15,076	16,036	16,975	17,664	18,568
Isle of Wight	7,451	7,745	8,214	8,782	9,484	10,230	10,732	11,151	11,559	11,938	12,474
Kent	9,627	10,106	10,648	11,162	11,568	12,169	12,779	13,566	14,290	14,759	15,389
Medway	7,554	8,050	8,668	9,325	9,731	10,212	10,676	11,300	11,919	12,479	13,145
Kent CC	10,012	10,488	11,019	11,506	11,912	12,536	13,173	13,988	14,729	15,177	15,797
GVA per head Indices (UK less Extra Regio = 100)											
UNITED KINGDOM	100	100	100	100	100	100	100	100	100	100	100
England	102	102	102	103	103	103	103	103	103	103	102
South East	103	104	105	107	108	108	108	108	107	107	106
Berkshire, Buckinghamshire and Oxfordshire	124	126	132	135	137	138	138	138	138	137	136
Berkshire	133	137	145	151	154	156	155	155	154	153	152
Milton Keynes	136	140	145	147	149	151	152	154	154	152	149
Buckinghamshire CC	115	114	116	116	116	115	115	115	118	118	118
Oxfordshire	114	116	122	125	127	128	127	127	127	126	125
Surrey, East and West Sussex	104	104	105	106	107	109	108	107	105	104	103
Brighton and Hove	100	100	99	100	102	106	108	108	106	104	103
East Sussex CC	77	76	74	73	74	75	75	74	75	75	75
Surrey	114	117	121	124	126	127	125	122	120	119	118
West Sussex	109	107	106	105	105	107	108	106	104	103	102
Hampshire and Isle of Wight	95	96	97	96	96	97	97	97	98	98	98
Portsmouth	102	104	105	106	107	109	110	110	108	107	107
Southampton	118	120	120	118	114	113	112	112	111	110	110
Hampshire CC	93	94	95	94	95	95	95	96	97	98	98
Isle of Wight	64	62	62	64	66	68	68	67	66	66	66
Kent	82	81	81	81	81	81	81	81	82	82	81
Medway	64	65	66	68	68	68	68	68	68	69	69
Kent CC	85	84	84	83	83	84	83	84	84	84	83

1 The headline GVA series for this publication have been calculated using a five-period moving average.

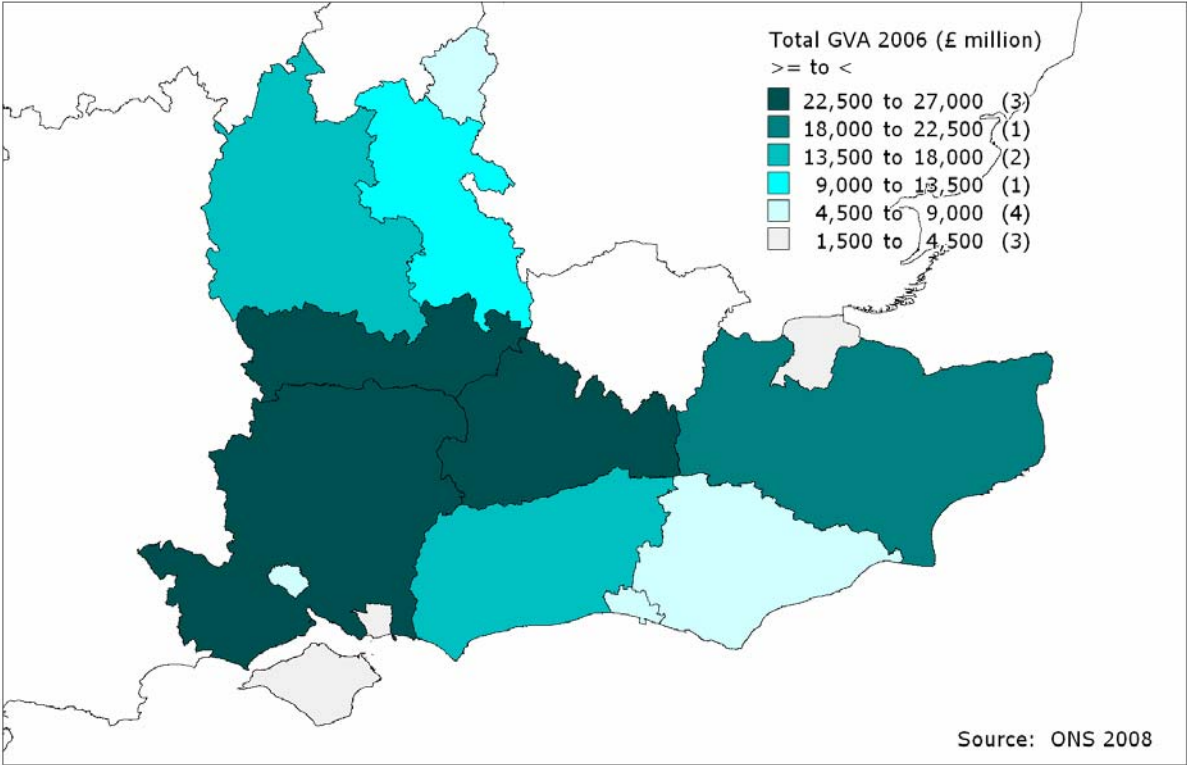
2 Estimates of workplace based GVA allocate income to the region in which commuters work.

3 Components may not sum to totals as a result of rounding.

4 The GVA for Extra-Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions.

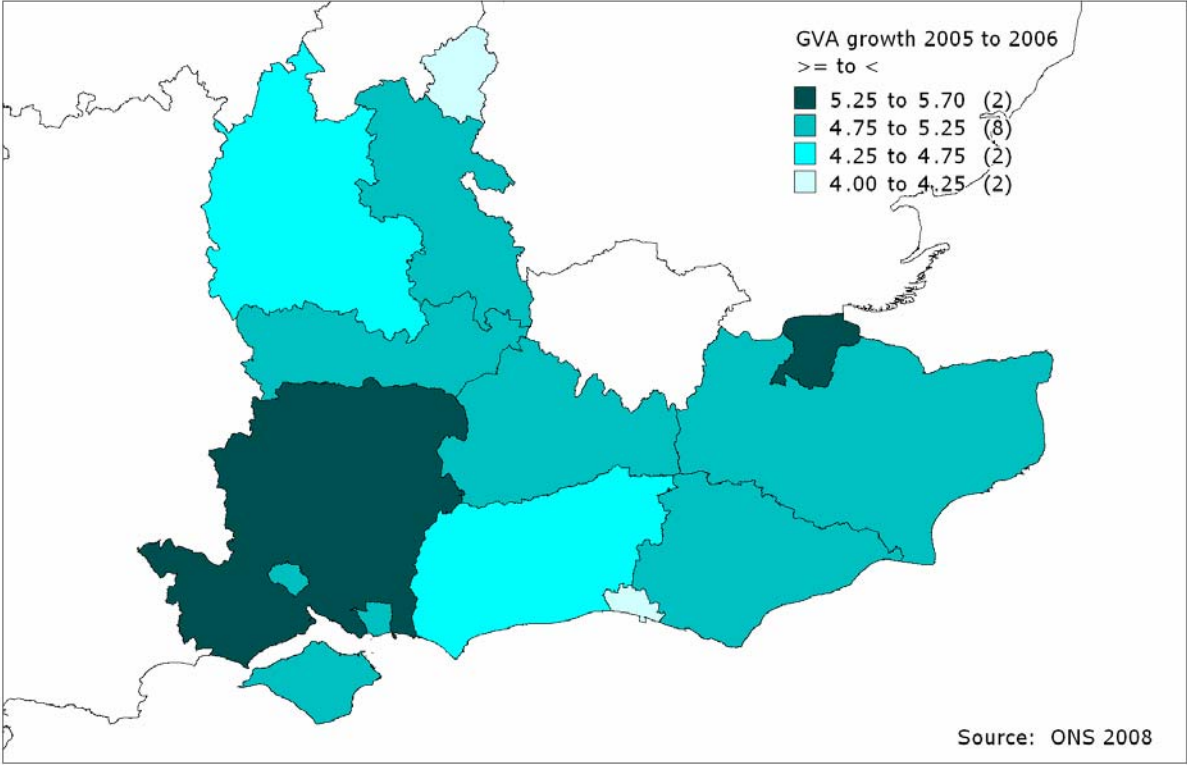
Source: Office for National Statistics

Headline GVA (workplace) for NUTS3 areas of the South East, 2006 £m



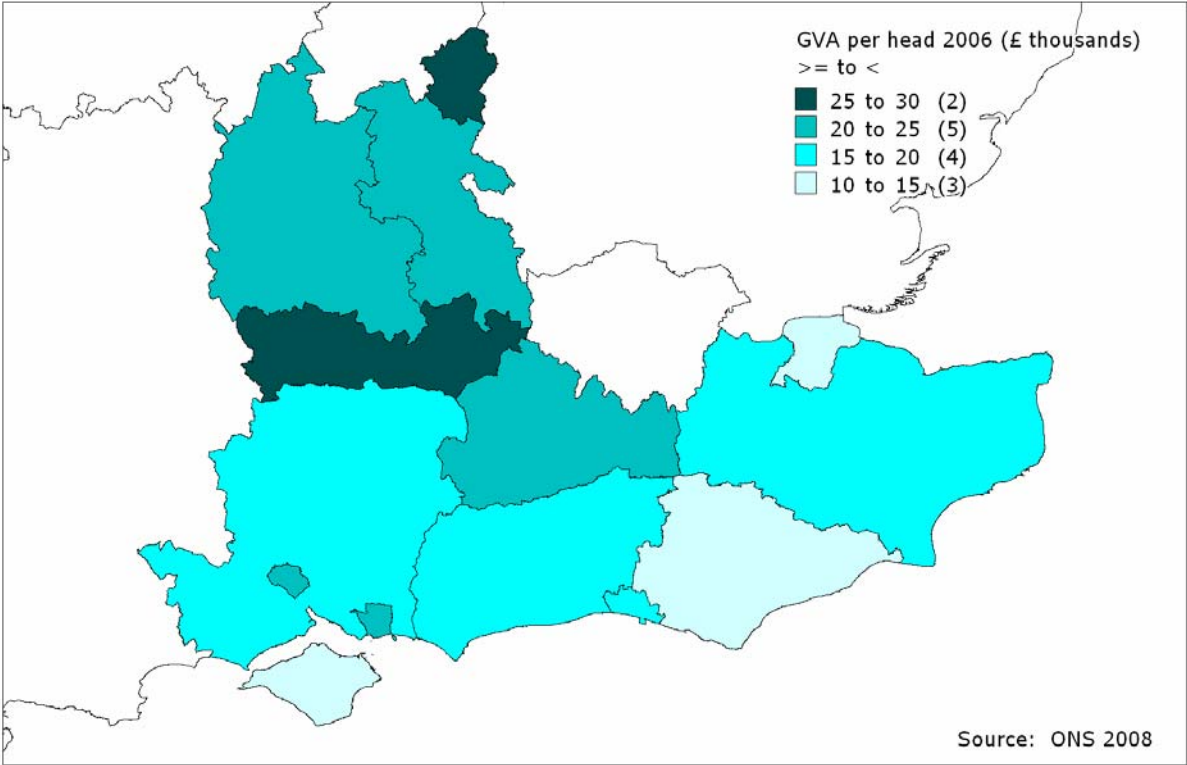
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Percentage change in headline GVA for NUTS3 areas, 2005 to 2006



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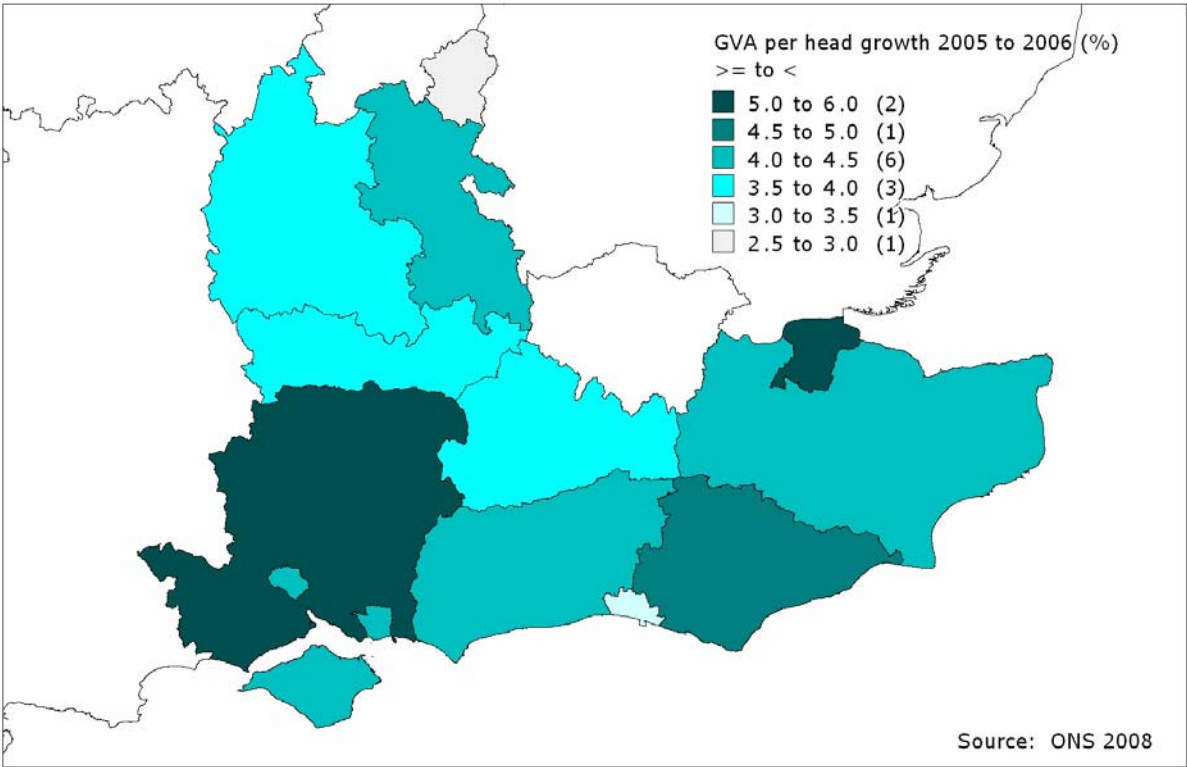
Headline GVA per head of population¹ £ per annum, 2006



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1 Estimates of workplace based GVA allocate income to where people work, whereas the denominator (population) is on a residence basis.

Percentage change in headline GVA per head, 2005 to 2006



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Residence based regional GVA - 2007

- GVA estimates for 2007 show that the South East contributed an additional £11bn to the UK economy when measured on a residence basis; this equated to £188bn, over 15.5 per cent of the UK total.
- London continued to contribute the largest share almost 18.9 per cent of the UK total economy of £1,217bn¹ in 2007.
- The nominal growth in GVA in the South East was £10.8bn between 2006 and 2007, more than a 6 per cent increase and slightly above the national growth rate. Highest growth was in London at 7.1 per cent, followed by Northern Ireland at 6.2 per cent, slightly above that for the South East.
- GVA per head of resident population in the South East was £22,600 in 2007, 13 per cent above the UK average of £20,000. The annual increase equated to 5.2 per cent (£21,500 in 2006) slightly below the UK increase of 5.3 per cent (£18,900 in 2006). GVA growth in the South East is slightly off-set by an estimated increase in population of over 70,000.
- London also had the highest annual increase in GVA per head (6.5 per cent), compared to the lowest growth rate of 4.6 per cent in Wales.
- Using residence based estimates of GVA, three regions had GVA per head indices above the average for the UK (UK=100) in 2007 - London (152), the South East (113) and the East (103).

Regional Gross value added (GVA)^{1, 2}

	Total GVA 2007 (£m)	Percentage change on 2006	Total GVA per head 2007 (£)	Percentage change of GVA per head on 2006	GVA per head index 2007 (UK=100)
North East	40,231	5.17	15,688	4.81	79
North West	119,667	5.94	17,433	5.77	87
Yorkshire and The Humber	87,390	5.47	16,880	4.76	85
East Midlands	77,864	5.90	17,698	5.04	89
West Midlands	92,356	5.56	17,161	5.26	86
East of England	116,186	5.79	20,524	4.77	103
London	229,619	7.13	30,385	6.50	152
South East	187,971	6.11	22,624	5.21	113
South West	94,215	5.75	18,195	4.65	91
England	1,045,501	6.09	20,463	5.41	103
Wales	44,333	5.07	14,877	4.57	75
Scotland	98,521	5.53	19,152	4.97	96
Northern Ireland	28,445	6.19	16,170	5.13	81
United Kingdom	1,216,799	6.01	19,956	5.34	100

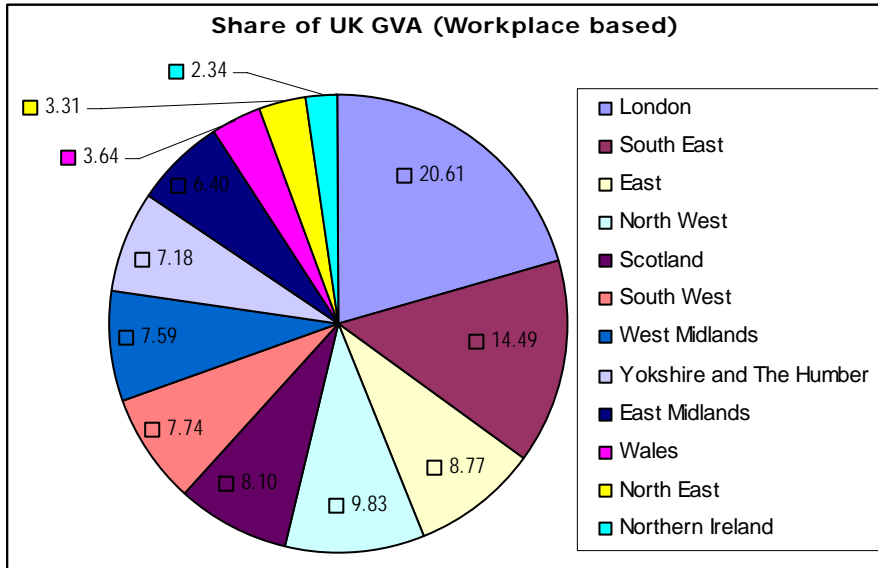
1 GVA at current basic prices on residence basis

2 Figures may not sum due to rounding.

3 Estimates for 2007 are provisional.

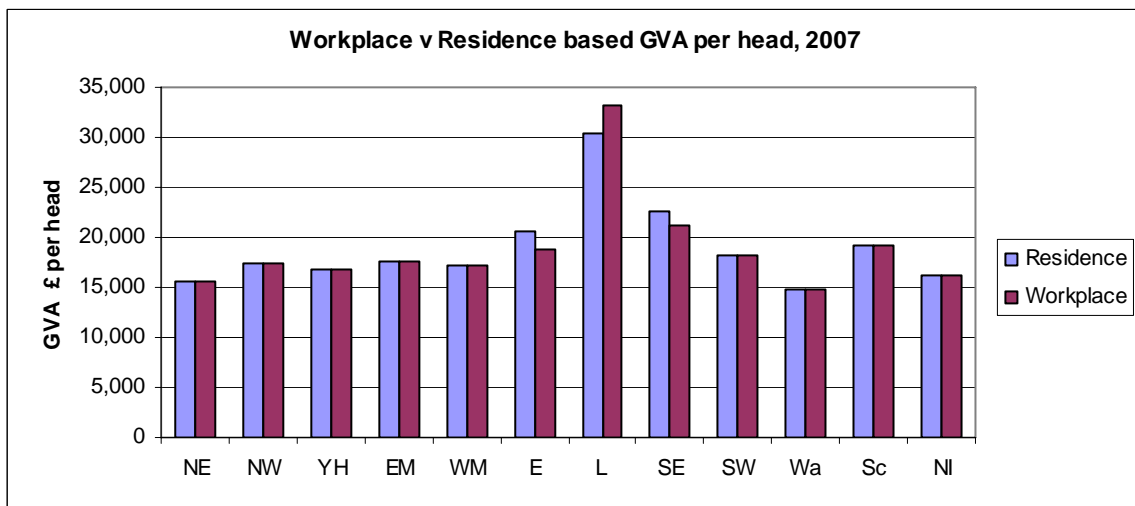
4 Excluding statistical discrepancy and Extra-regio.

Source: Office for National Statistics

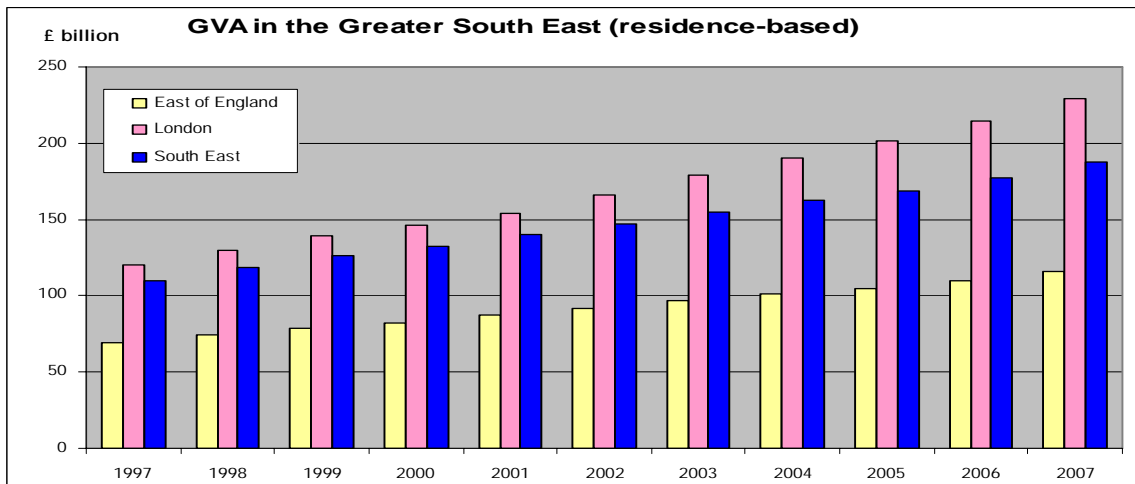


Source: Office for National Statistics

Two versions of GVA, workplace and residence based, are calculated for the three regions where cross-regional commuting has a significant effect; these are London, the East and the South East. Collectively these regions are known as the Greater South East.



Source: Office for National Statistics



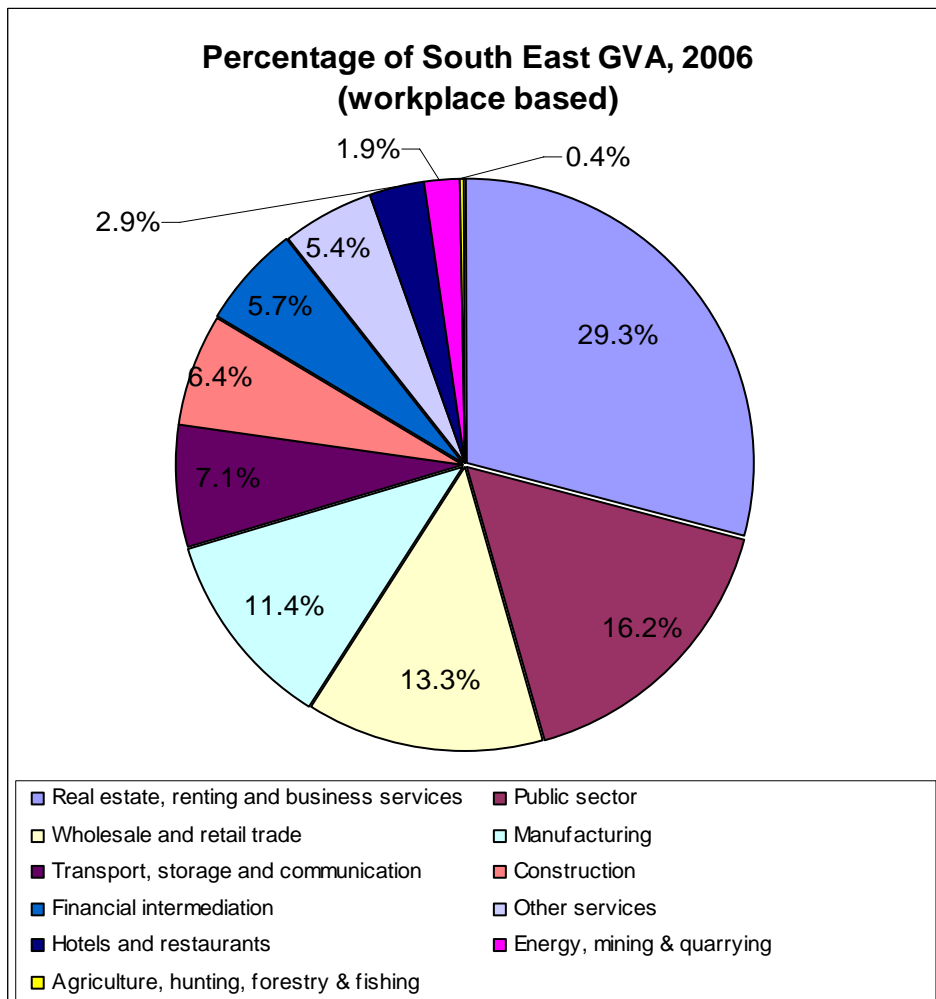
Source: Office for National Statistics

GVA by industry sector

GVA for NUTS1 regions has been estimated for 31 different industries. Real estate and business services contribute by far the largest proportion of the GVA in the South East, in excess of 29 per cent in 2006. On a workplace basis the GVA for the South East was estimated to be £166bn in 2006, £11bn less than the estimate of GVA for the South East on a residence basis. Workplace based GVA allocates earnings of individuals to areas where they work as opposed to where they are resident. All estimates for NUTS 2 and NUTS 3 areas are provided on a workplace basis and this basis is used throughout the remainder of the report.

It is currently assumed that the regions of London, the East of England and the South East are the only regions where net commuting has a significant impact on regional GVA. The proportions of regional GVA derived from various industrial sectors on a workplace basis was broadly similar to those on a residence basis in the South East.

Public sector activity comprises three main areas – education, health, defence and public administration each accounting for between 4 and 6 per cent of the regional total. Wholesaling and retailing contributed 13 per cent, less than half of the real estate and business services total. Transport and communications sector contributed a further 7 per cent. Financial services and construction are also key sectors in the South East each accounting for around 6 per cent of the total GVA in 2006.



Source: Office for National Statistics

In 2006, real estate and business services contributed almost 30 per cent of the GVA of the South East, totalling £48.6bn. This sector showed the greatest increase in current price terms, increasing it's share of the region's GVA by more than 6 percentage points between 1996 and 2006.

The value of GVA derived from real estate and business services and the construction sectors has more than doubled in the ten years between 1996 and 2006. Similar levels of expansion were also shown by some parts of the public sector and other services. Relative to the UK average, GVA from real estate and business services in the South East increased by an additional 6 percentage points with other services increasing by 25 percentage points more than the UK average.

Headline¹ Gross Value Added^{2,3} (GVA) by industry groups, workplace based at current basic prices

	£ million										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 ⁵
South East											
Agriculture, hunting, forestry & fishing	1,229	1,046	914	867	789	785	836	899	920	707	690
Mining and quarrying of energy producing materials	26	134	115	107	109	110	94	79	97	129	158
Other mining and quarrying	301	159	150	155	156	155	134	149	187	214	213
Manufacturing	16,448	17,405	18,116	18,542	18,559	18,646	18,157	18,085	18,468	18,541	18,966
Electricity, gas and water supply	2,439	2,246	2,168	2,060	2,036	2,127	2,392	2,615	2,653	2,586	2,839
Construction	5,042	5,480	5,903	6,304	6,772	7,525	8,117	8,780	9,374	9,846	10,602
Wholesale and retail trade (including motor trade)	12,184	13,488	15,086	16,470	17,247	18,347	18,789	19,731	20,694	21,200	22,059
Hotels and restaurants	2,388	2,643	2,968	3,267	3,508	3,690	3,927	4,160	4,377	4,493	4,736
Transport, storage and communication	7,530	7,945	8,763	9,262	10,013	10,276	10,665	11,129	11,531	11,627	11,774
Financial intermediation	5,457	5,834	5,472	5,834	5,435	5,762	7,355	7,988	8,083	8,292	9,434
Real estate, renting and business activities	21,674	24,482	28,410	31,440	34,528	37,616	39,564	42,514	44,878	46,559	48,575
Public administration and defence ⁴	4,890	4,824	4,777	4,904	5,015	5,093	5,174	5,429	5,803	6,295	6,618
Education	5,033	5,313	5,578	5,902	6,315	6,856	7,416	7,924	8,494	9,220	9,820
Health and social work	5,564	5,803	6,108	6,358	6,752	7,277	7,982	8,792	9,354	9,979	10,524
Other services	3,854	4,383	4,938	5,357	5,751	6,145	6,705	7,236	7,791	8,586	8,997
Total	94,059	101,186	109,467	116,826	122,985	130,411	137,307	145,509	152,706	158,274	166,003
UK excluding Extra-Region											
Agriculture, hunting, forestry & fishing	11,822	10,008	9,222	9,022	8,533	8,333	9,007	9,807	10,601	7,420	7,870
Mining and quarrying of energy producing materials	2,601	2,494	2,286	2,059	1,996	1,874	1,663	1,457	1,659	2,080	2,403
Other mining and quarrying	1,587	1,682	1,627	1,702	1,783	1,749	1,468	1,521	1,841	2,080	2,112
Manufacturing	143,957	150,248	152,045	151,159	150,008	149,224	146,309	144,845	147,261	148,592	153,156
Electricity, gas and water supply	15,987	15,788	15,793	15,702	15,797	15,660	16,051	16,405	16,672	16,667	18,871
Construction	34,977	37,303	39,695	42,238	45,625	50,527	54,683	59,521	63,955	68,019	73,993
Wholesale and retail trade (including motor trade)	79,095	85,543	93,094	99,510	103,411	110,250	113,776	120,520	127,409	130,951	136,072
Hotels and restaurants	17,876	19,798	22,215	24,144	25,606	26,928	28,637	30,119	31,289	31,972	33,764
Transport, storage and communication	53,333	56,636	62,267	64,962	69,202	70,503	73,065	76,587	79,827	80,508	81,026
Financial intermediation	46,135	48,941	46,376	48,546	44,990	48,201	63,369	71,529	75,043	79,356	91,012
Real estate, renting and business activities	125,691	139,256	158,945	173,329	188,359	204,042	214,848	232,205	247,047	259,334	273,645
Public administration and defence ⁴	38,909	38,943	38,658	39,984	41,747	43,968	46,331	49,894	53,825	58,403	61,305
Education	36,942	39,064	41,718	44,914	48,112	51,674	55,099	58,328	61,814	66,186	69,344
Health and social work	43,762	45,925	48,682	51,577	55,280	59,547	64,492	70,594	74,418	78,497	81,884
Other services	29,474	33,275	36,963	39,821	42,083	44,561	48,311	51,804	55,282	59,853	61,369
Total	682,147	724,906	769,579	808,664	842,540	887,040	937,109	995,133	1,047,945	1,089,921	1,147,819

¹ The headline regional GVA series for this publication have been calculated using a five-period moving average.

² Estimates of regional GVA in this table are on a workplace basis

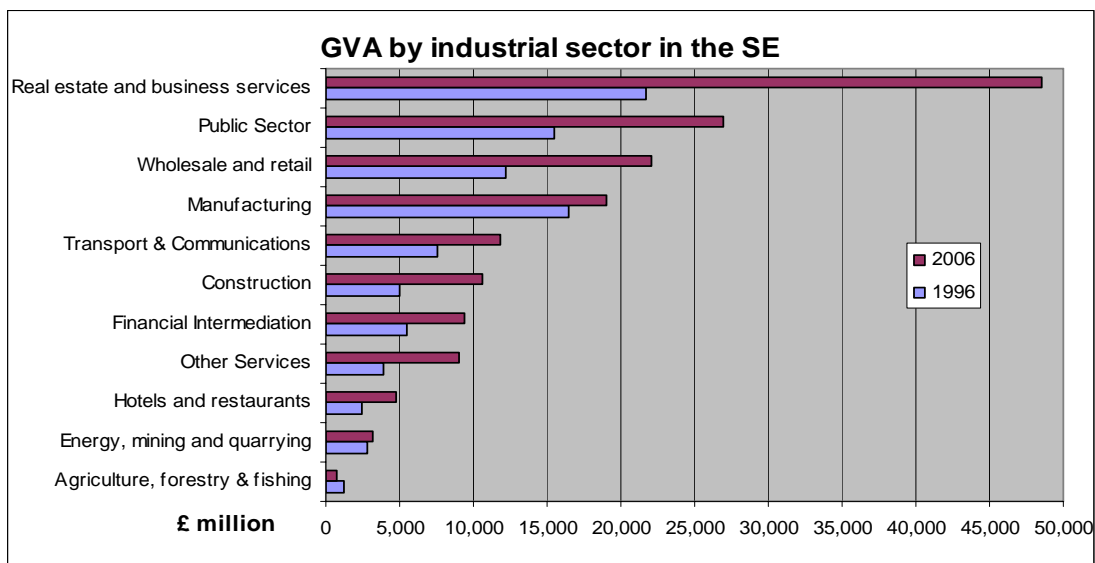
³ Components may not sum due to rounding.

⁴ Public administration, national defence and compulsory social security.

⁵ Provisional

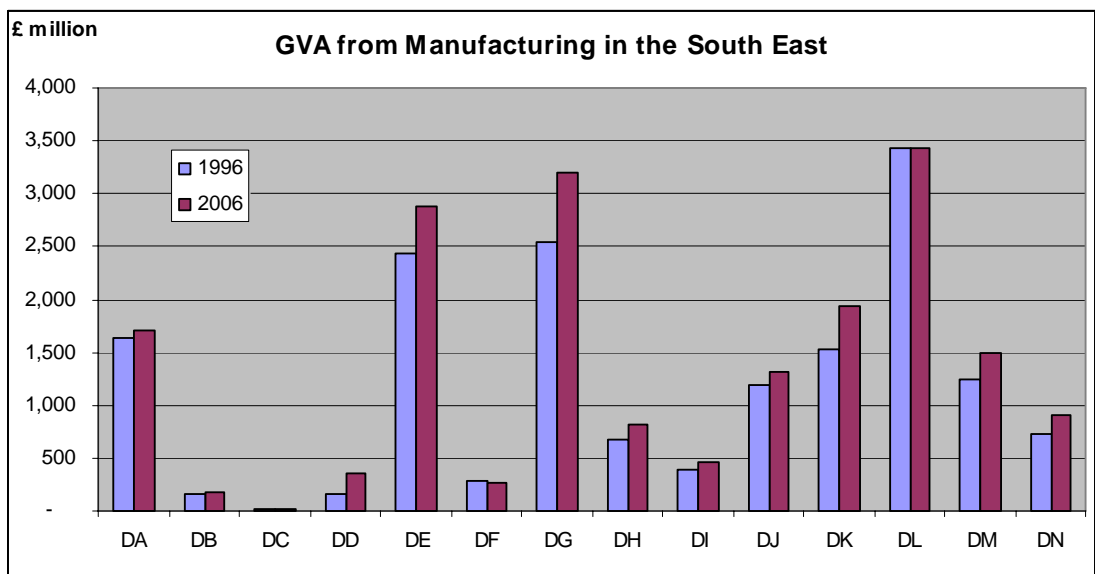
Source: Office for National Statistics

The South East contributed 17.8 per cent of the UK's total GVA from real estate and business services in 2006 and also nearly one-sixth of the UK's GVA from the wholesaling and retailing sector (16.2 per cent).



Source: Office for National Statistics

In the South East the proportion of GVA derived from manufacturing declined by 5 percentage points between 1996 and 2006, although the value in current price terms increased slightly, from £16bn to almost £19bn over the same period. Within the manufacturing sector some sub-sectors performed better than others, with chemicals and man-made fibres (DG) showing the largest increase of £667m. GVA from wood and wood products (DD) doubled, but remained one of the smallest contributors to regional GVA at less than £361m in 2006.



Industry key

- | | | | |
|----|--|----|--|
| DA | Food products, beverages & tobacco | DH | Rubber and plastic products |
| DB | Textiles & textile products | DI | Other non-metallic mineral products |
| DC | Leather & leather products | DJ | Metal and fabricated metal products |
| DD | Wood & wood products | DK | Machinery & equipment not elsewhere classified |
| DE | Pulp & paper products | DI | Electrical and optical equipment |
| DF | Coke, refined petroleum and nuclear fuels | DM | Transport equipment |
| DG | Chemicals, chemical products & man-made fibres | DN | Manufacturing not elsewhere classified |

Source: Office for National Statistics

GVA of NUTS 2 regions

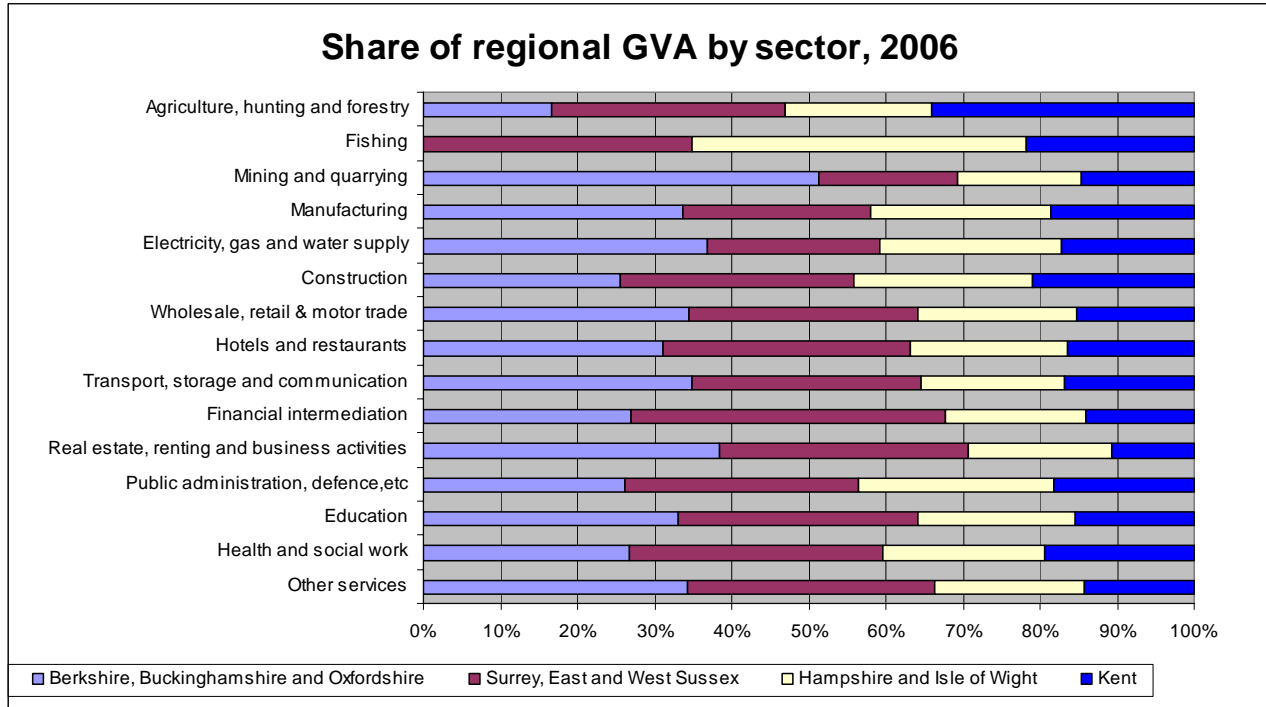
The South East is divided into four NUTS 2 regions:

- Berkshire, Buckinghamshire and Oxfordshire
- Surrey, East and West Sussex
- Hampshire and Isle of Wight
- Kent

The first two of these areas each contribute higher proportions to the national GVA (4.7 and 4.4 per cent respectively) than any other NUTS 2 regions outside London.

These NUTS 2 regions of the South East range from having 1.6 million people in Kent to 2.6 million in Surrey and Sussex. There were over 5 million people of working age (16 to 64 for males and 16 to 59 for females) in the South East in 2006. In Berkshire, Buckinghamshire and Oxfordshire almost 64 per cent of the population were of working age, whereas in Surrey and Sussex this was as low as 60 per cent in 2006, compared to a national average of 62 per cent.

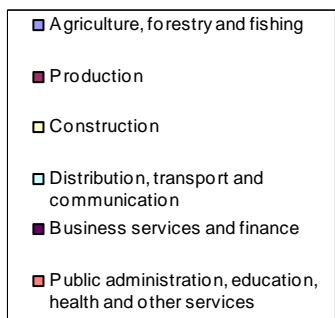
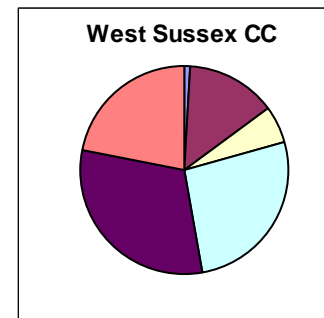
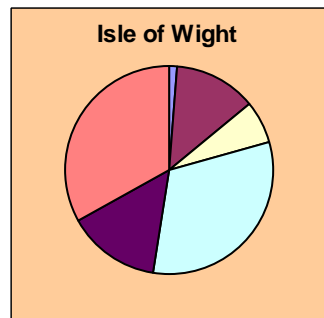
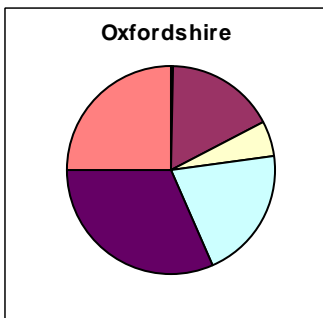
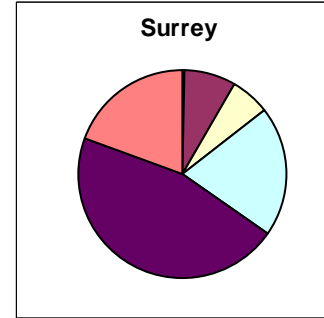
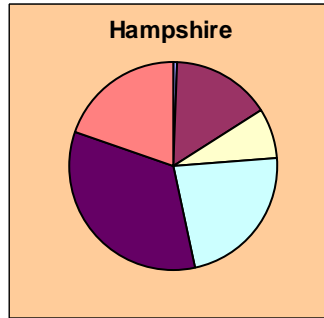
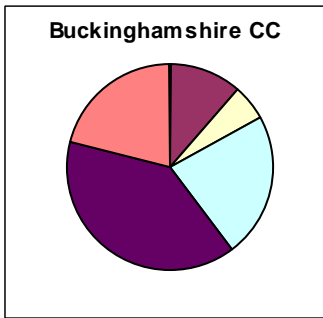
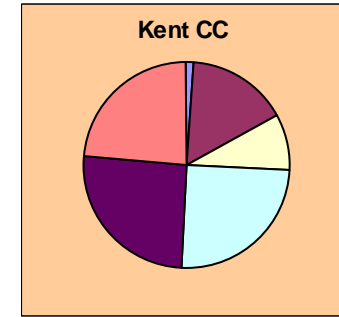
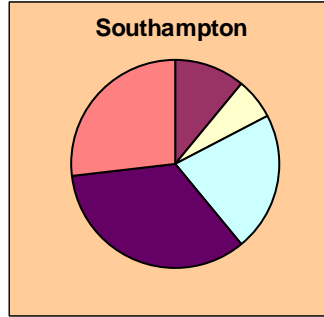
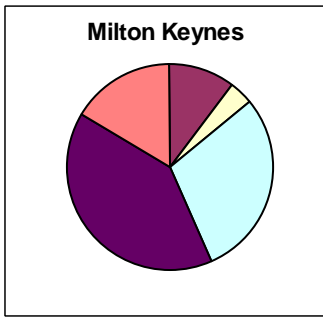
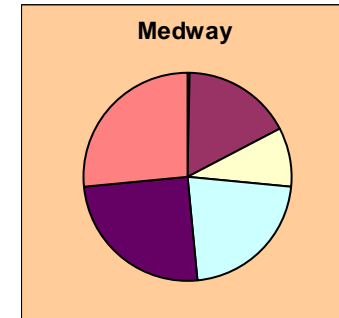
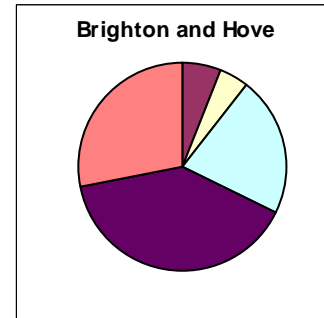
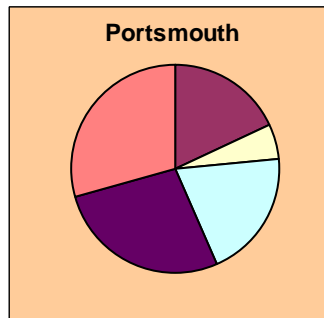
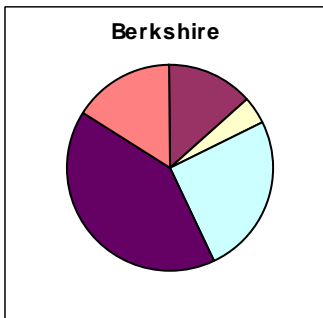
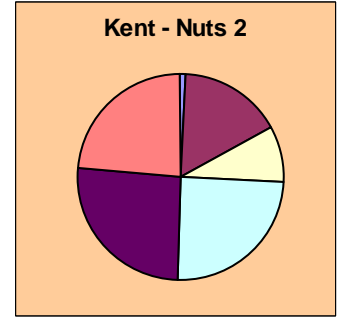
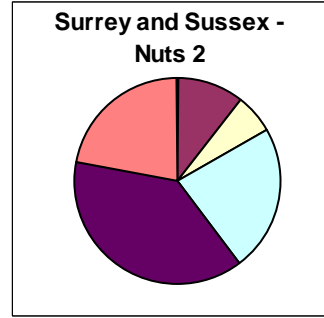
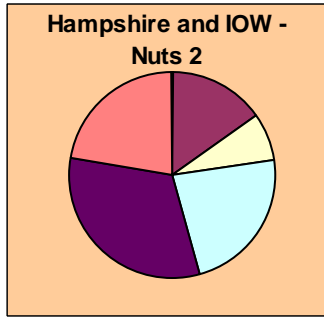
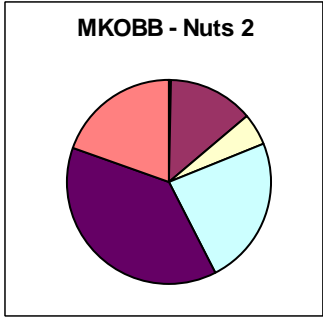
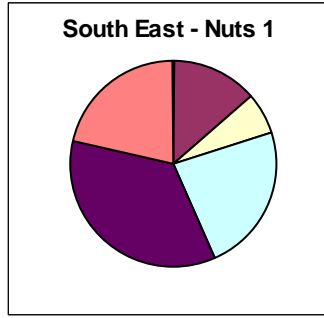
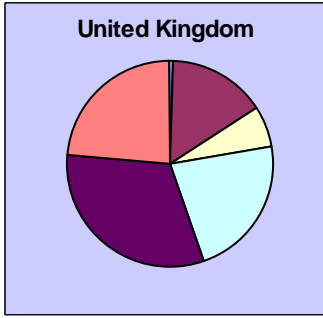
Surrey and Sussex contributed 41 per cent of the South East's GVA derived from financial intermediation and almost one-third of the total from hotels and restaurants. Around one-third of the region's GVA from the agricultural sector originated in Kent with over half of mining and quarrying GVA in the South East attributable to Berkshire, Buckinghamshire and Oxfordshire. Real estate and business services in Surrey, Sussex, Berkshire, Buckinghamshire and Oxfordshire contributed over 70 per cent of the region's GVA from this sector and these two NUTS 2 regions also accounted for two-thirds of the GVA from wholesaling and retailing.



Source: Office for National Statistics

NUTS 2 regions within the South East combine areas with very different local economies which can mask wide disparities. Therefore examining the NUTS 3 areas for the South East is more appropriate.

NUTS 2 and NUTS 3 industry shares for the South East and United Kingdom



NUTS 3 summary for the South East

Within the South East, Kent contributed around one-third of the GVA from agriculture, forestry and fishing, with Hampshire and West Sussex together contributing a further third. Each of these areas showed a decline of more than 40 per cent in the output from agricultural activities in the ten years between 1996 and 2006.

Hampshire contributed the largest share (16.6 per cent) of GVA from production (including manufacturing), with Kent and Berkshire adding a further 15.9 and 14.3 per cent respectively. Although changes³ in this sector was rather mixed over the ten year time frame, GVA in Oxfordshire increased by 57 per cent and this area now contributes 11 per cent of the region's total from this sector.

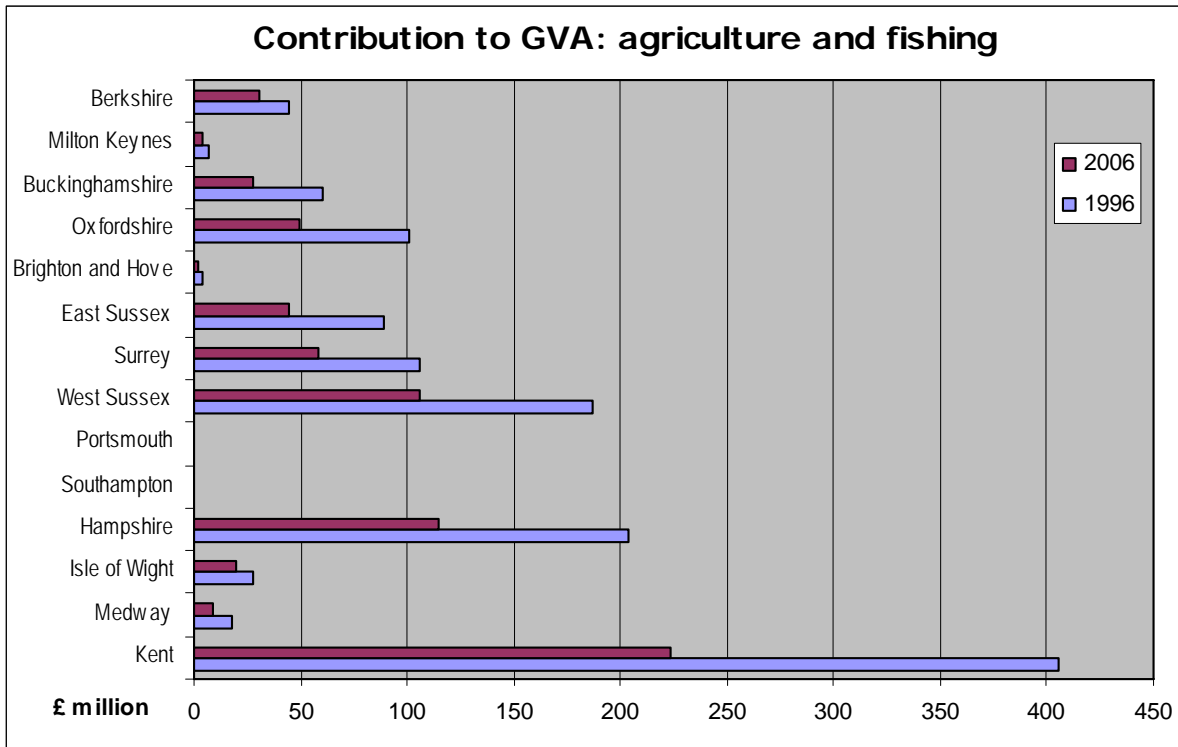
Construction contributed over £10bn to the South East economy in 2006, more than double the amount in 1996. Kent, Hampshire and Surrey were the main contributors with 17.9, 17.4 and 14.4 per cent respectively of the regional total in 2006.

The composite sector of transport, distribution and communications; hotels and restaurants; wholesaling and retailing contributed £38.6bn or almost one-quarter of the GVA of the South East. Wholesaling and retailing account for around 55 to 60 per cent of the sector, with 25 to 30 per cent from transport and distribution. Percentage increase in this sector of 74 per cent compared with 1996 was not as strong as the financial, construction or public sectors in this area. Berkshire contributed 15 per cent of the regional total for the transport and communications sector, with Hampshire and Kent a little over one percentage point each below this.

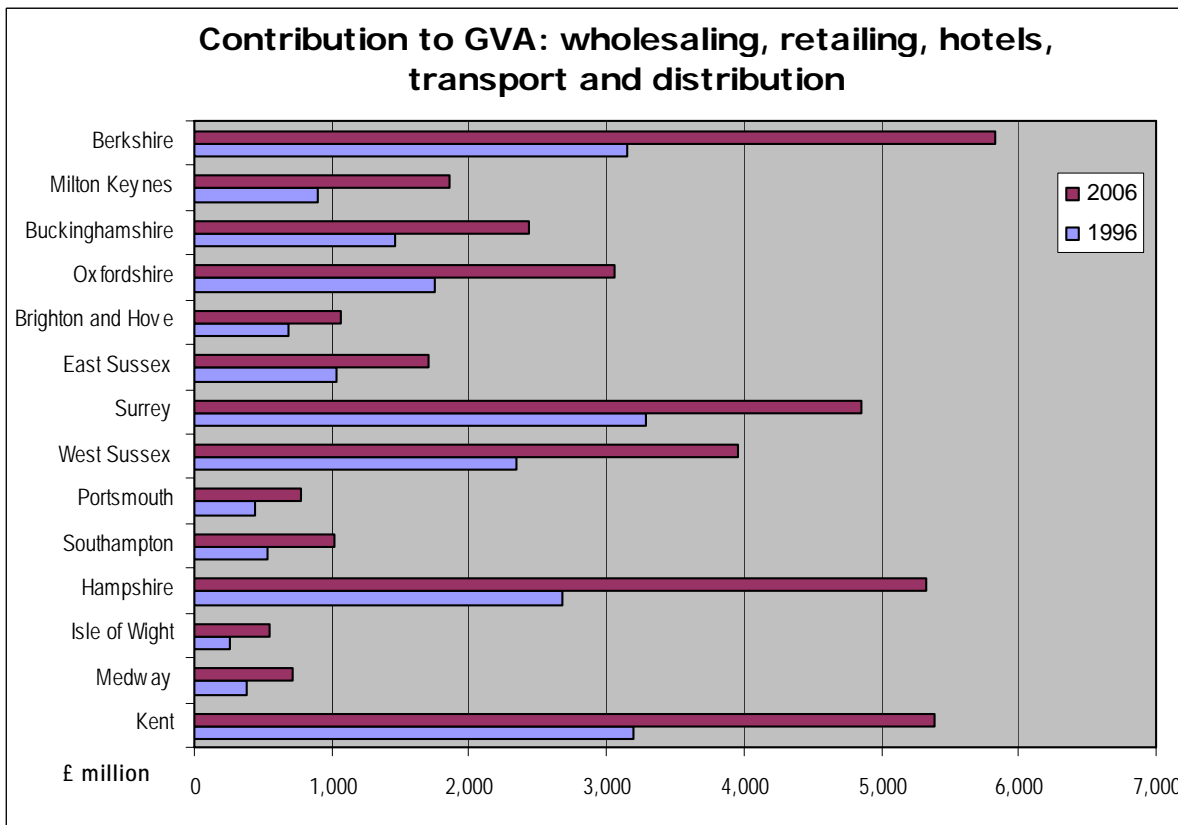
A major sector for the South East is financial and business services (including real estate) which accounted for over one-third - £58bn - of the total GVA of the region in 2006. Activity in Surrey contributed almost one-fifth of this total with a further 30 per cent being generated by Berkshire and Hampshire together.

GVA from the Public administration and defence, education, health and other services was concentrated in the large counties with Kent, Hampshire and Surrey each contributing 13 to 14 per cent of the sector total.

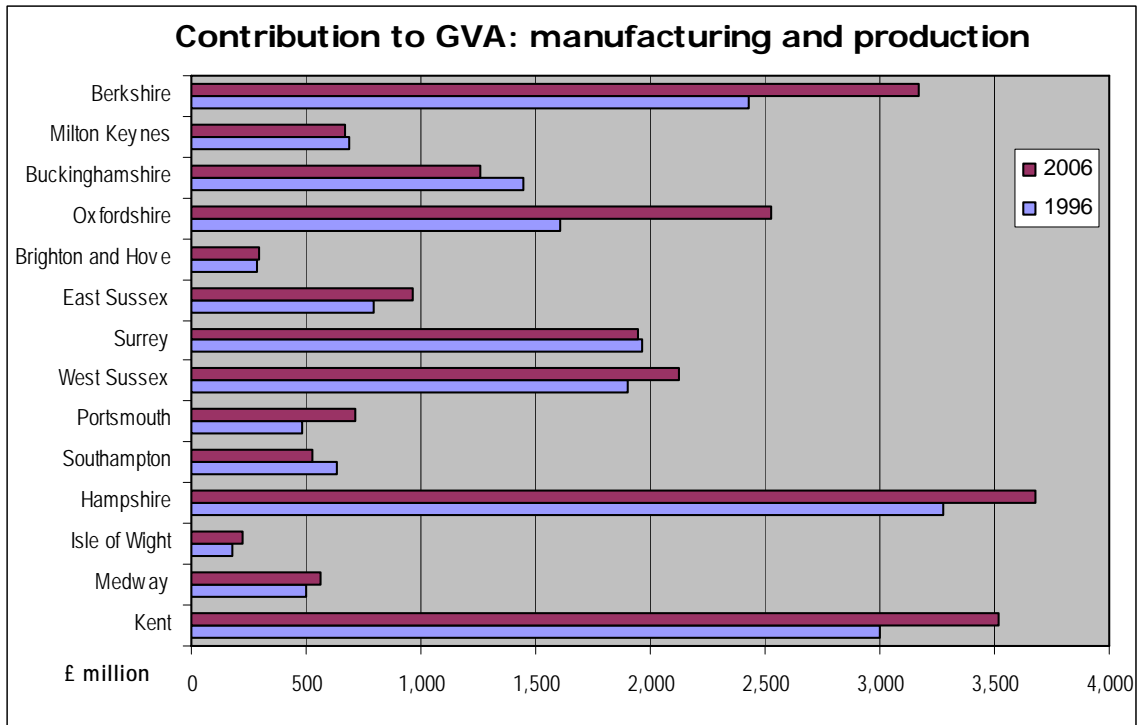
³ Any changes quoted in this document are valued at current prices and therefore take no account of changes due to inflation.



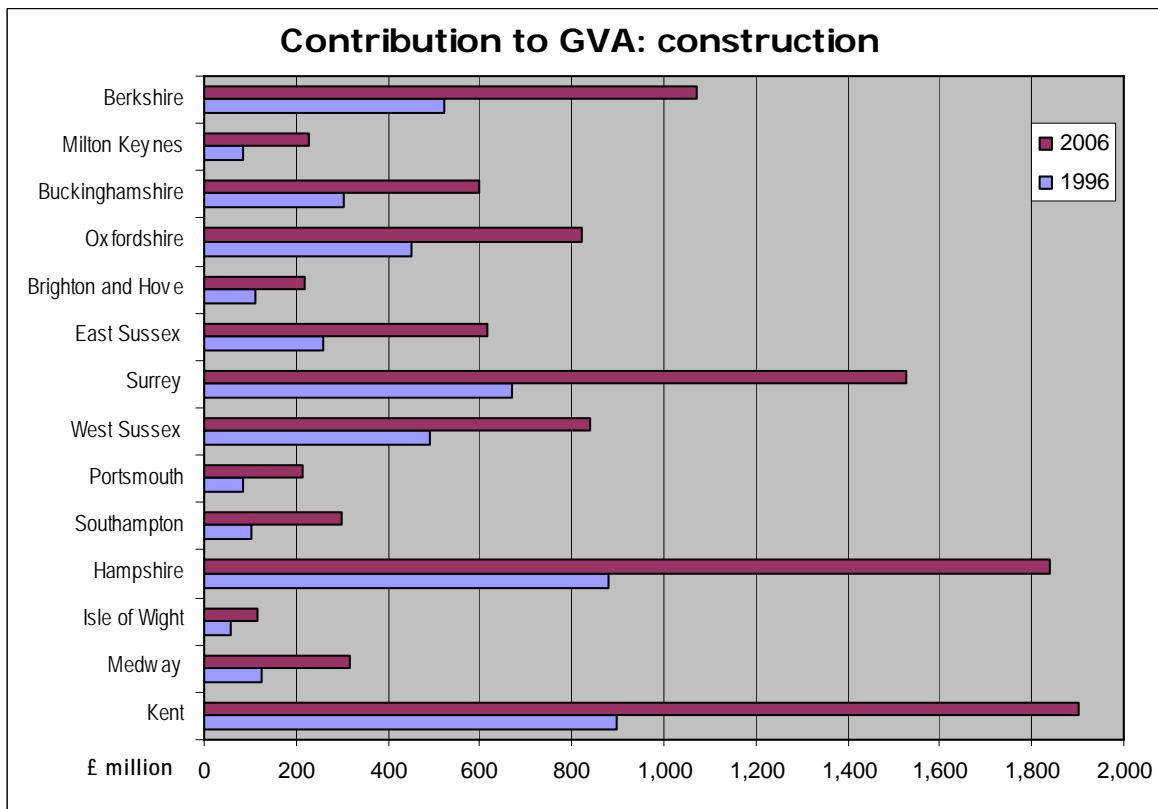
Source: Office for National Statistics



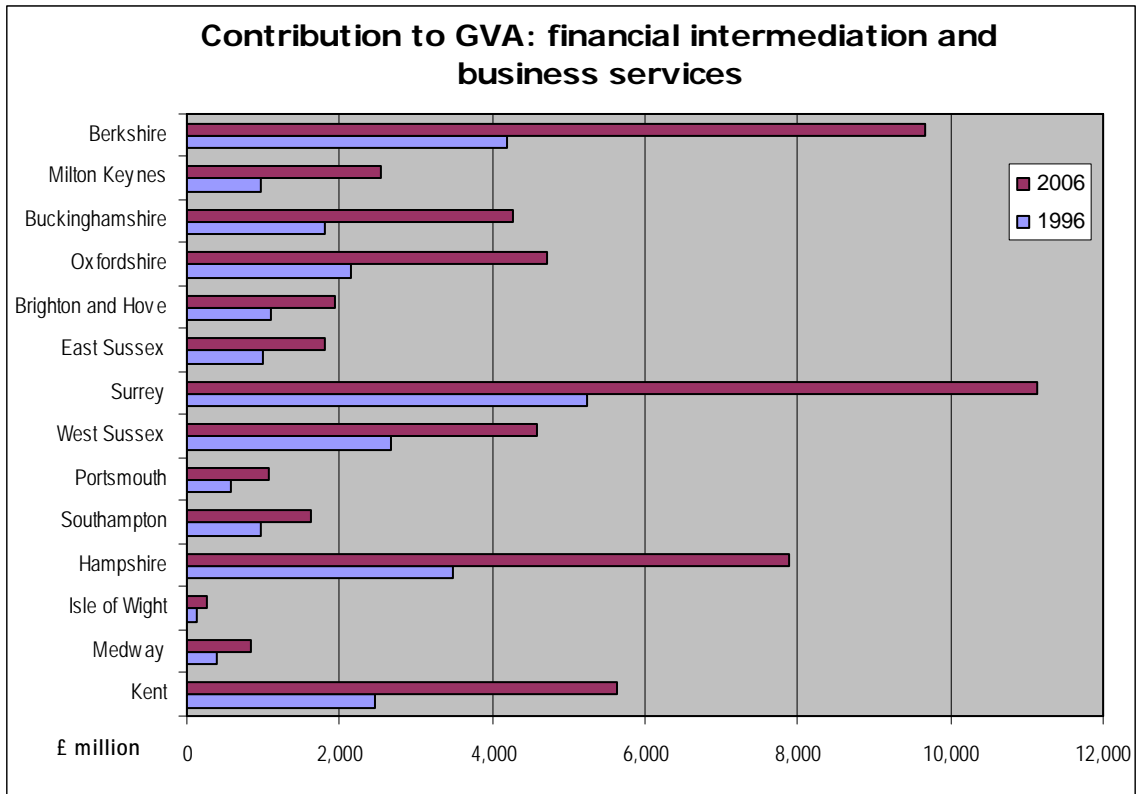
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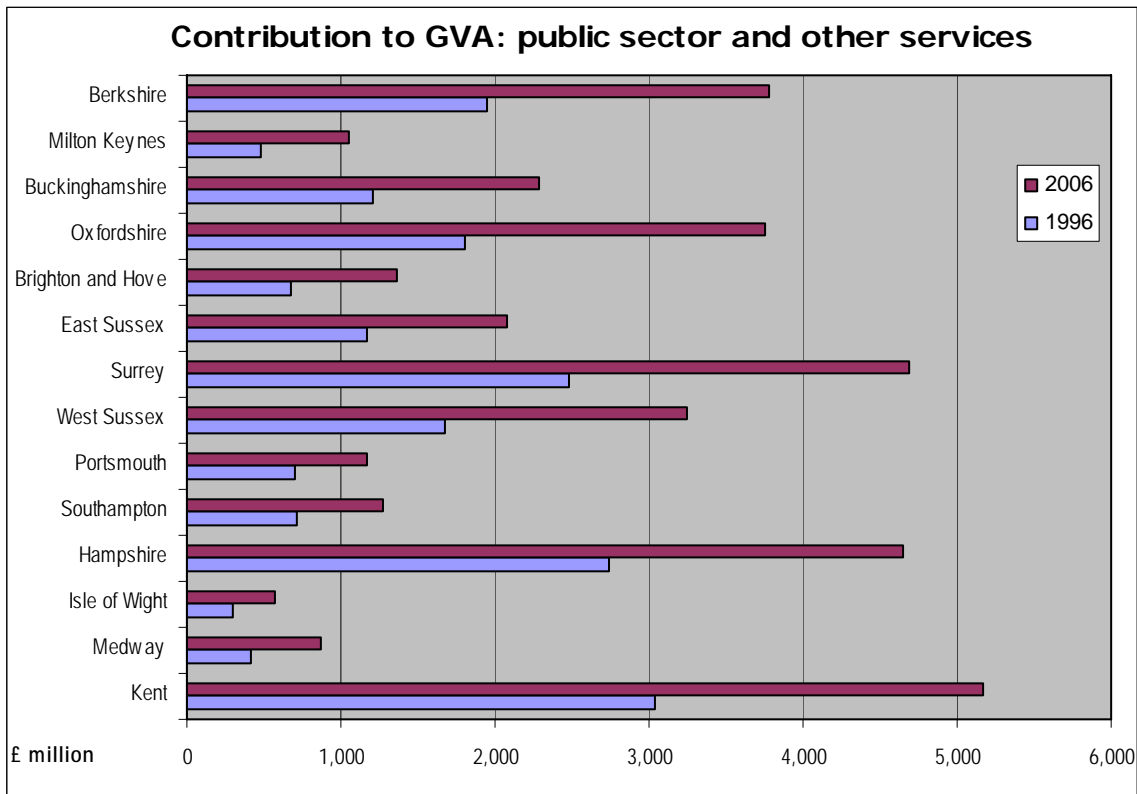
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Source: Office for National Statistics

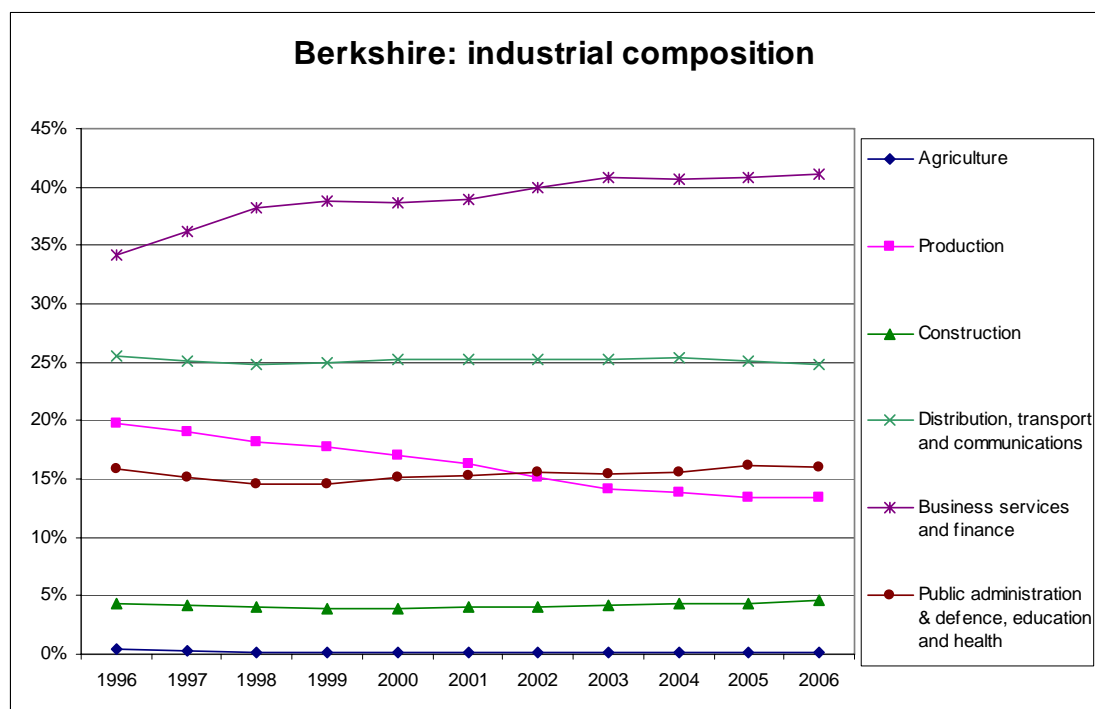


Source: Office for National Statistics



Source: Office for National Statistics

Berkshire



- Business services and finance accounted for over 41 per cent of the GVA in Berkshire in 2006, totalling £9.7bn. This has increased from about one-third in 1996 and is by far the largest contributor to the economy of Berkshire
- Distribution, transport and communications contributed a further £5.8bn in 2006. Although this industry group's share of the local economy has remained around 25 per cent between 1996 and 2006.
- Production industries (includes manufacturing) remain an important sector in Berkshire contributing more than £3bn to the local economy in 2006; the increase has been at a slower rate than other sectors in the area. As a result, these industries' share of GVA has fallen from 20 per cent to 13 per cent in the ten years 1996 to 2006.

Berkshire GVA by Industry, 1996-2006

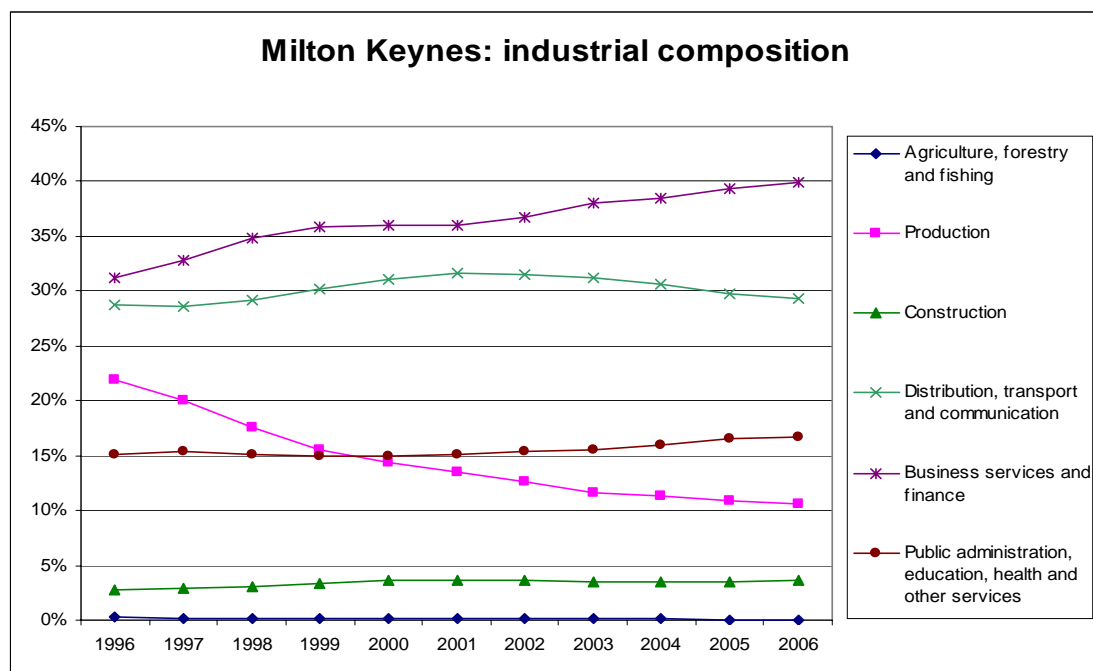
£ million

Berkshire	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	44	37	32	30	28	29	33	38	40	31	30
Production	2,426	2,582	2,768	2,946	3,012	3,055	2,961	2,936	2,985	3,026	3,174
Construction	524	571	606	646	678	748	792	856	922	986	1,071
Distribution, transport and communication	3,146	3,395	3,787	4,144	4,463	4,745	4,955	5,246	5,511	5,638	5,825
Business services and finance	4,202	4,904	5,808	6,443	6,833	7,309	7,828	8,475	8,818	9,149	9,661
Public administration, education, health and other services	1,951	2,055	2,222	2,423	2,669	2,859	3,045	3,205	3,375	3,610	3,778
Total GVA	12,294	13,545	15,223	16,633	17,682	18,745	19,615	20,756	21,650	22,439	23,541

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Milton Keynes



- Business services and finance accounted for about 40 per cent of the GVA in Milton Keynes in 2006, equivalent to £2.5bn. The value of the sector has increased more than 150 per cent since 1996 when business services and finance contributed 31 per cent of the Milton Keynes total.
- Distribution, transport and communications contributed the second largest amount to the area's GVA at almost £1.9bn in 2006, which had remained fairly constant proportion of around 30 per throughout the period of 1996 to 2006.
- The share of production industries has declined over the decade from 23 per cent in 1996 to 11 per cent in 2006, although there has been little change in terms of value at current prices.
- GVA of the public administration, defence, education, health and other services sector has more than doubled over the ten year period to just over £1bn in 2006. The proportion of Milton Keynes' GVA from this sector has increased slightly from 15 to 17 per cent between 1996 and 2006.

Milton Keynes GVA by Industry, 1996-2006

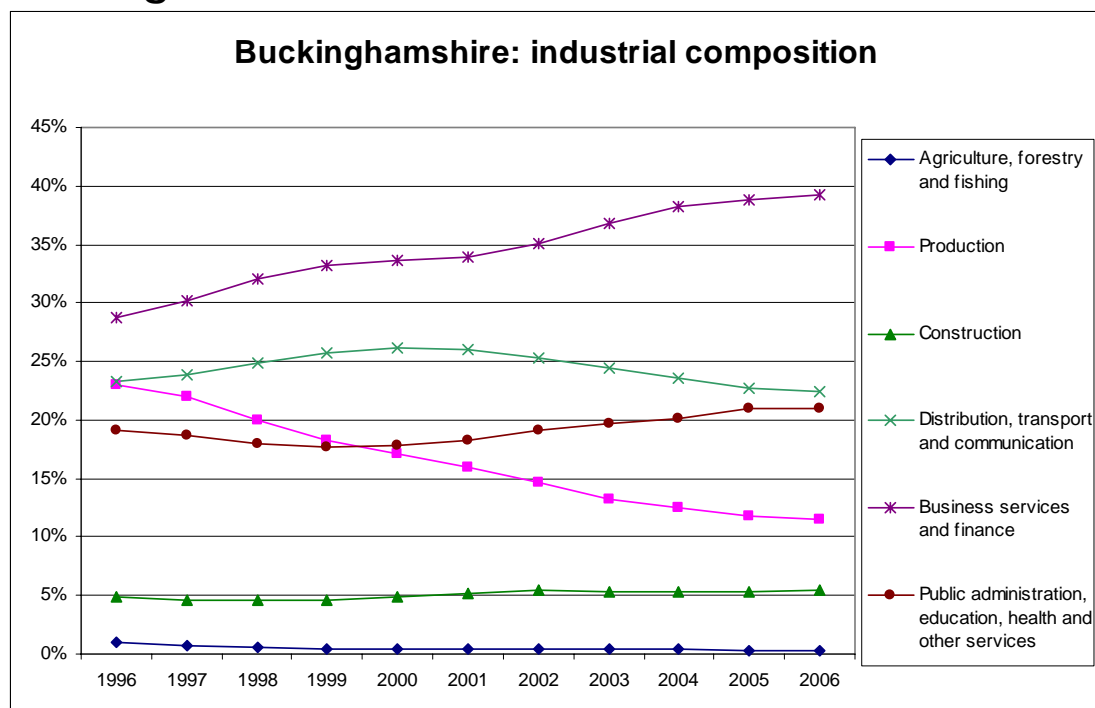
£ million

Milton Keynes	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	7	6	5	4	4	4	5	5	6	4	4
Production	688	696	681	653	643	652	652	653	667	660	670
Construction	86	101	120	141	160	179	187	195	203	212	226
Distribution, transport and communication	904	993	1,129	1,265	1,394	1,529	1,631	1,741	1,805	1,819	1,859
Business services and finance	981	1,138	1,345	1,508	1,613	1,738	1,894	2,121	2,268	2,395	2,536
Public administration, education, health and other services	475	533	584	628	671	726	798	870	939	1,010	1,058
Total GVA	3,141	3,466	3,863	4,200	4,484	4,827	5,167	5,585	5,888	6,098	6,354

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Buckinghamshire



- Business services and finance accounted for nearly two-fifths of the GVA in Buckinghamshire in 2006, totalling £4.3bn. This share has increased by ten percentage points since 1996. GVA from business services and finance has more than doubled over the ten year period, almost twice the rate of increase of overall GVA in Buckinghamshire.
- Distribution, transport and communications contributed a further 22 per cent of the region's GVA, £2.4bn in 2006. Public administration and defence, education, health and other services were the next largest contributor to the economy and accounted for a further fifth of the total.
- The value of production industries declined by 13 per cent points in the ten years to 2006 and the proportion of the region's GVA from this source halved during this period.
- The value of construction almost doubled between 1996 and 2006, although the contribution of this sector remains at 5 per cent.

Buckinghamshire GVA by Industry, 1996-2006

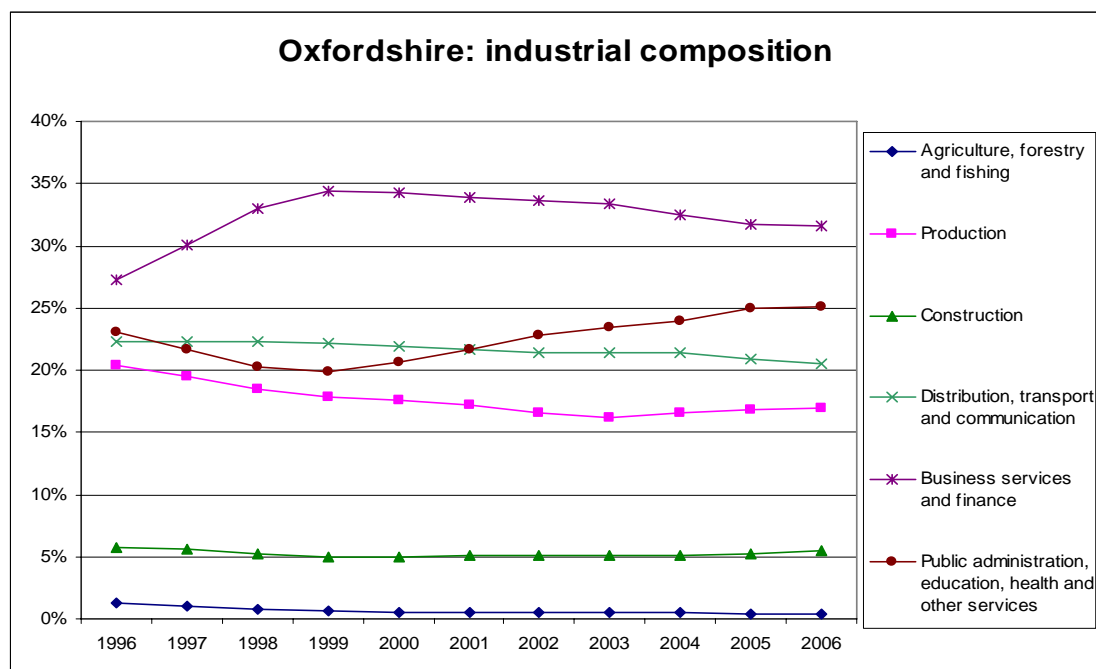
£ million

Buckinghamshire	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	61	49	41	37	34	35	37	39	39	29	28
Production	1,450	1,466	1,440	1,384	1,352	1,326	1,275	1,223	1,236	1,225	1,255
Construction	305	312	327	348	386	434	472	499	526	552	596
Distribution, transport and communication	1,468	1,593	1,792	1,956	2,070	2,155	2,192	2,269	2,340	2,366	2,441
Business services and finance	1,807	2,011	2,304	2,519	2,673	2,810	3,032	3,403	3,796	4,040	4,281
Public administration, education, health and other services	1,208	1,245	1,290	1,337	1,416	1,516	1,651	1,824	1,994	2,180	2,289
Total GVA	6,298	6,676	7,193	7,581	7,930	8,276	8,659	9,258	9,932	10,392	10,890

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Oxfordshire



- Business services and finance contributed 32 per cent of Oxfordshire's total GVA. As with most other parts of the South East, this was the most dominant sector although there has been a slight reduction in share during the last three years.
- Distribution, transport and communications contributed a little over £3bn to the Oxfordshire economy, slightly above one-fifth of the total in 2006.
- GVA from production industries, which includes manufacturing, has increased by 57 per cent in current price terms in Oxfordshire between 1996 and 2006 and still contributes 17 per cent of the overall total of the NUTS 3 region. The production sector appears to have performed relatively better in Oxfordshire than elsewhere in the South East, although there was a reduction in share of the overall GVA by 4 percentage points.
- Public administration, education, health and other services contributed the second highest proportion of Oxfordshire's GVA of around 25 per cent in 2006. This follows a slight dip in share during the late 1990s, but a steady increase since 2000.

Oxfordshire GVA by Industry, 1996-2006

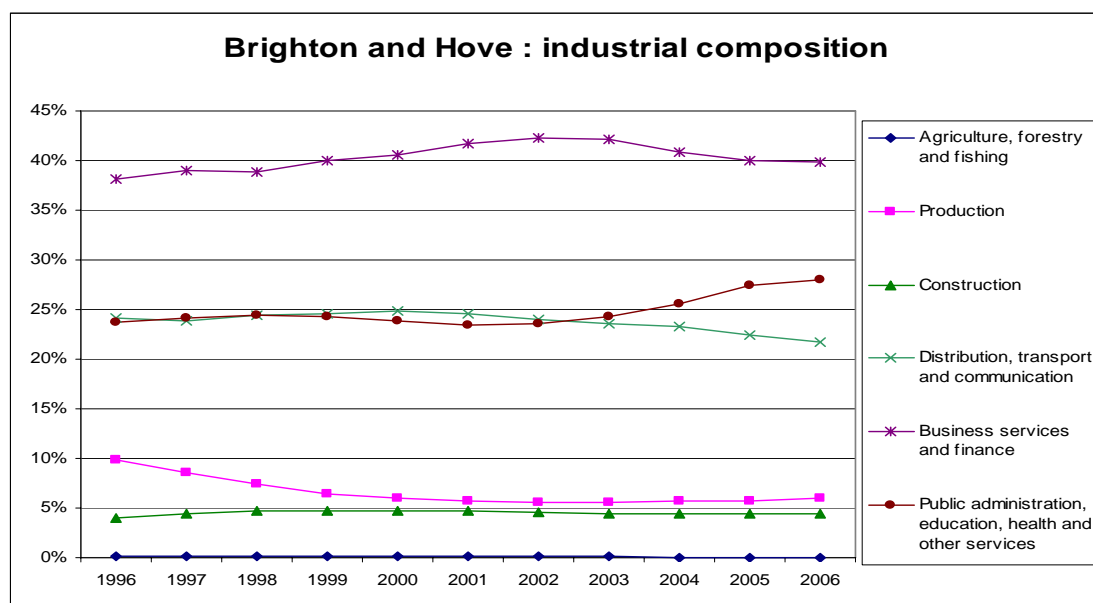
£ million

Oxfordshire	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	101	82	70	64	59	58	63	67	67	51	49
Production	1,606	1,671	1,768	1,859	1,938	2,008	2,042	2,124	2,286	2,396	2,523
Construction	451	481	499	521	551	596	624	664	709	752	819
Distribution, transport and communication	1,757	1,910	2,133	2,307	2,423	2,530	2,630	2,801	2,943	2,990	3,064
Business services and finance	2,140	2,573	3,157	3,579	3,791	3,967	4,131	4,359	4,479	4,541	4,717
Public administration, education, health and other services	1,809	1,853	1,936	2,072	2,286	2,529	2,802	3,066	3,304	3,572	3,748
Total GVA	7,864	8,571	9,562	10,403	11,047	11,688	12,291	13,082	13,788	14,303	14,920

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Brighton and Hove



- Business services and finance accounted for 40 per cent of Brighton and Hove's total GVA in 2006, 5 percentage points higher than average for the South East.
- Public administration, education, health and other services contributed nearly £1.4bn to the economy of Brighton and Hove, equating to about 28 per cent of GVA in 2006.
- Production industries in Brighton and Hove have a substantially smaller share of the area's GVA (6 per cent in 2006) than is the average for the South East which is 14 per cent overall.
- The construction industry accounts for 4 per cent of GVA, slightly less than the regional average of 6 per cent.
- Distribution, transport and communication had a 22 per cent share of Brighton and Hove's GVA in 2006, a slight decrease of 2 percentage points compared with 1996.
- Agriculture, forestry and fishing make up less than 1 thousandth of Brighton and Hove's total GVA for 2006.

Brighton and Hove GVA by Industry, 1996-2006

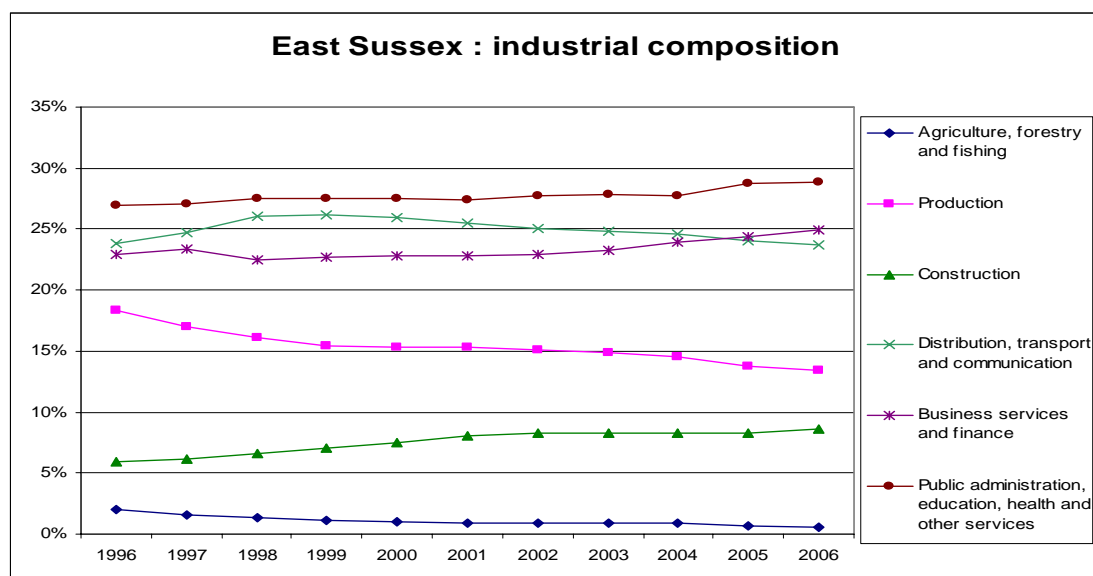
£million

Brighton and Hove	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	4	4	3	3	3	3	3	4	3	2	2
Production	282	261	240	221	217	224	235	250	265	271	297
Construction	113	134	150	161	170	185	192	196	202	205	218
Distribution, transport and communication	687	728	788	842	906	971	1,014	1,055	1,072	1,056	1,062
Business services and finance	1,089	1,190	1,252	1,371	1,481	1,649	1,792	1,887	1,884	1,878	1,949
Public administration, education, health and other services	679	736	787	830	871	927	1,000	1,089	1,177	1,289	1,369
Total GVA	2,854	3,052	3,220	3,429	3,648	3,960	4,236	4,481	4,603	4,702	4,897

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

East Sussex



- The share of East Sussex's GVA attributable to the construction industry has increased by 3 percentage points from 6 per cent to 9 per cent since 1996. The construction industry accounts for a higher share of East Sussex's GVA than the average for the South East, of 6 per cent in 2006.
- In common with the rest of the South East, production industries in East Sussex have accounted for a declining share of GVA. Since 1996 the share attributable to production industries has fallen by 5 percentage points from 18 to 13 per cent.
- Public administration, defence, education, health and other services together accounted for the largest proportion of East Sussex's GVA throughout the period 1996 to 2006; increasing from 27 to 29 per cent of the total.
- Agriculture, forestry and fishing in East Sussex had a decreasing share of GVA over the period 1996 to 2006, falling from 2 per cent to slightly more than half a per cent.
- Business services and finance increased their share of GVA from 23 to 25 per cent; in 2006 this sector contributed nearly £1.8bn to East Sussex's economy.

East Sussex GVA by Industry, 1996-2006

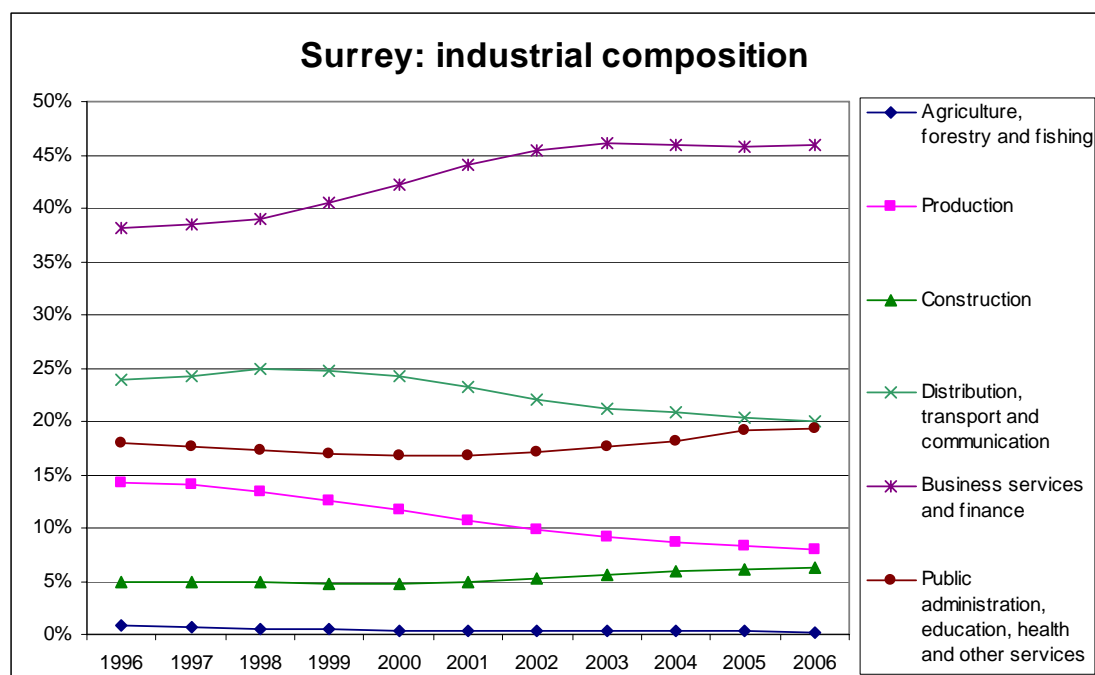
£ million

East Sussex	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	89	73	62	57	50	50	54	58	60	45	44
Production	797	774	759	762	791	843	880	920	960	947	966
Construction	257	282	312	347	389	443	481	513	546	571	618
Distribution, transport and communication	1,032	1,128	1,230	1,286	1,342	1,407	1,464	1,544	1,624	1,653	1,705
Business services and finance	994	1,066	1,058	1,115	1,182	1,256	1,340	1,442	1,581	1,673	1,796
Public administration, education, health and other services	1,169	1,235	1,297	1,354	1,424	1,513	1,619	1,731	1,831	1,974	2,079
Total GVA	4,338	4,557	4,718	4,921	5,178	5,513	5,838	6,208	6,601	6,863	7,207

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Surrey



- Business services and finance accounted for 46 per cent of the GVA generated in Surrey in 2006, an increase of 8 percentage points from 1996. In 2006, this totalled £11.1bn the highest of any NUTS 3 area outside central London.
- Distribution, transport and communications contributed a further 20 per cent of the GVA - £4.9bn in 2006. This proportion had declined slightly since 1996 when this sector accounted for around 24 per cent of Surrey's GVA.
- The third most important sector in Surrey was public administration and defence, education and health which contributed another 19 per cent of the area's GVA, approximately the same proportion as for the previous ten years.
- GVA from the production sector, including manufacturing, was very similar in cash terms in 2006 compared with 1996. Although estimates had risen slightly in the latter part of the 1990s, small declines since 2000 have resulted in this sector's share reducing over the last ten years from 14 to 8 per cent.

Surrey GVA by Industry, 1996-2006

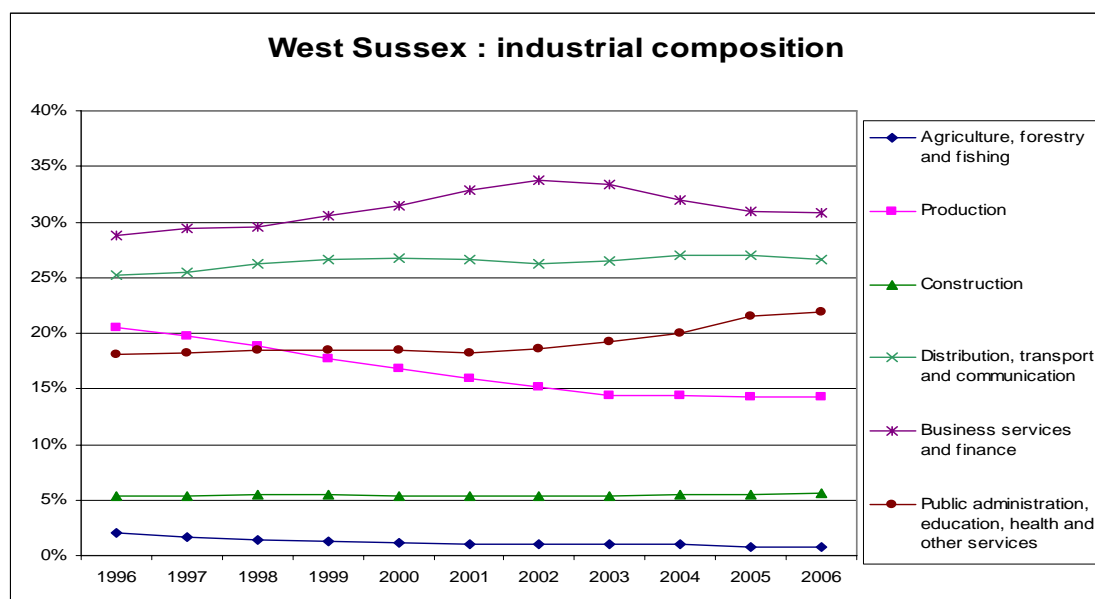
£ million

Surrey	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	106	91	83	83	76	73	75	79	80	61	58
Production	1,964	2,107	2,222	2,268	2,220	2,165	2,056	1,976	1,943	1,898	1,942
Construction	670	748	808	840	890	987	1,105	1,233	1,341	1,412	1,525
Distribution, transport and communication	3,283	3,649	4,123	4,453	4,637	4,659	4,587	4,607	4,685	4,712	4,854
Business services and finance	5,246	5,801	6,437	7,305	8,058	8,864	9,494	10,005	10,317	10,568	11,141
Public administration, education, health and other services	2,479	2,658	2,860	3,048	3,205	3,377	3,574	3,822	4,068	4,422	4,691
Total GVA	13,747	15,053	16,534	17,997	19,086	20,125	20,892	21,721	22,434	23,073	24,211

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

West Sussex



- Business services and finance's share of GVA in West Sussex has fallen in recent years from a high of 34 per cent in 2002 to 31 per cent in 2006. Despite this, business services and finance accounted for the largest share of West Sussex's GVA, worth about £4.6bn in 2006.
- Public administration, education, health and other services accounted for a larger share of West Sussex's GVA in 2006 than in 1996, increasing by 4 percentage points to 22 per cent.
- As has happened in the rest of the South East, production industries share of GVA has diminished substantially over the past 10 years; in 1996 the sector accounted for 21 per cent of GVA in West Sussex but, by 2006 this had fallen to 14 per cent.
- The construction industry in West Sussex has maintained a 5 to 6 per cent contribution to GVA over the period 1996 to 2006. This is in line with national and South East averages of 6 per cent.
- Agriculture, forestry and fishing are responsible for a decreasing share of West Sussex's GVA, in 1996 it accounted for nearly 2 per cent and in 2006 less than 1 per cent.

West Sussex GVA by Industry, 1996-2006

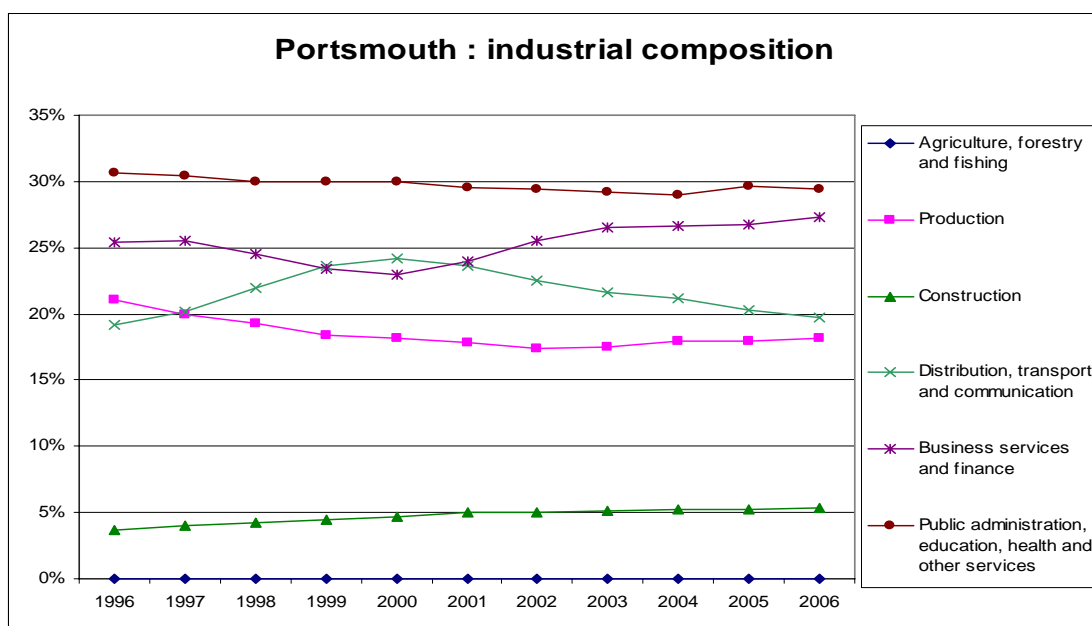
£ million

West Sussex	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	187	157	140	135	124	125	132	141	143	109	106
Production	1,906	1,943	1,943	1,915	1,907	1,932	1,952	1,950	2,012	2,023	2,127
Construction	491	531	570	589	610	652	690	728	766	788	838
Distribution, transport and communication	2,338	2,508	2,712	2,867	3,027	3,223	3,376	3,581	3,757	3,833	3,958
Business services and finance	2,667	2,896	3,055	3,296	3,551	3,977	4,339	4,496	4,460	4,411	4,596
Public administration, education, health and other services	1,680	1,793	1,903	1,986	2,085	2,214	2,387	2,592	2,793	3,061	3,253
Total GVA	9,268	9,829	10,324	10,790	11,305	12,123	12,875	13,488	13,931	14,224	14,877

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Portsmouth



- Public administration, defence, education, health and other services accounted for the largest share of Portsmouth's GVA (29 per cent in 2006); a higher proportion than was typical for the South East as a whole where this sector accounted for 22 per cent of GVA. This high proportion could be attributable to significant concentrations of naval activity.
- Following a decline in the period 1996 to 2000 business services and finance increased their share of GVA from 23 per cent to 27 per cent between 2000 and 2006.
- Production industries in Portsmouth accounted for 18 per cent of GVA in 2006, 5 percentage points higher than the contribution of this sector across the whole of the South East.
- Following increases in current price terms in the late 1990s, distribution, transport and communication accounted for nearly 25 per cent of Portsmouth's GVA in 2000, but by 2006 this share had fallen to less than 20 per cent.
- Construction slightly increased its proportion of GVA by 1 percentage point over the ten year period to reach 5 per cent in 2006.

Portsmouth GVA by Industry, 1996-2006

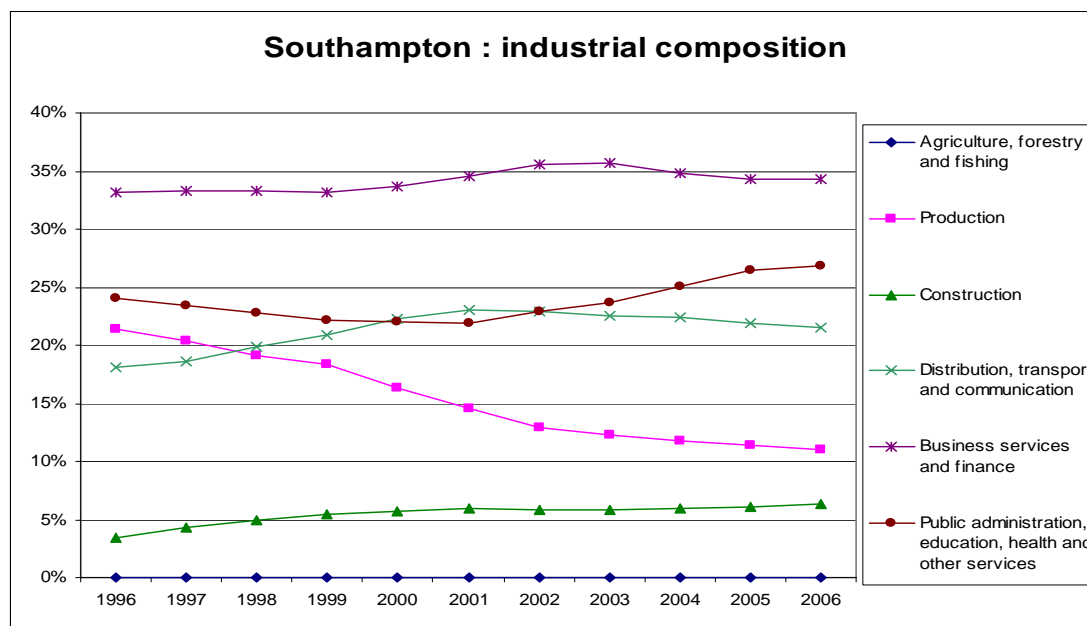
£ million

Portsmouth	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	0	0	0	0	0	0	1	1	1	1	1
Production	478	487	504	505	523	549	574	611	652	680	718
Construction	85	98	112	124	136	154	167	180	191	200	213
Distribution, transport and communication	436	493	576	648	699	730	742	757	770	767	783
Business services and finance	579	623	642	644	663	741	839	925	968	1,012	1,082
Public administration, education, health and other services	697	745	786	824	863	914	971	1,019	1,056	1,118	1,165
Total GVA	2,274	2,447	2,621	2,745	2,884	3,088	3,293	3,492	3,637	3,777	3,963

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Southampton



- In 2006 Business services and finance contributed over £1.6bn, more than any other sector, to Southampton's GVA.
- Production industries (includes manufacturing) accounted for over 21 per cent of Southampton's GVA in 1996 but this fell to 11 per cent in 2006, 2 percentage points below the South East average (13 per cent).
- Public administration, education, health and other services were responsible for 27 per cent of GVA in Southampton in 2006, 5 percentage points higher than the average for the South East.
- Distribution, transport and communications accounted for a slightly smaller share of Southampton's GVA (almost 22 per cent) than was typical of other sub-regions within the South East (23 per cent). This sector's share has declined slightly since 2001.
- Over the period 1996 to 2006, the construction industry in Southampton increased its share of GVA from 3 per cent to 6 per cent.
- Agriculture, forestry and fishing accounted for less than 0.1 per cent of GVA in 2006.

Southampton GVA by Industry, 1996-2006

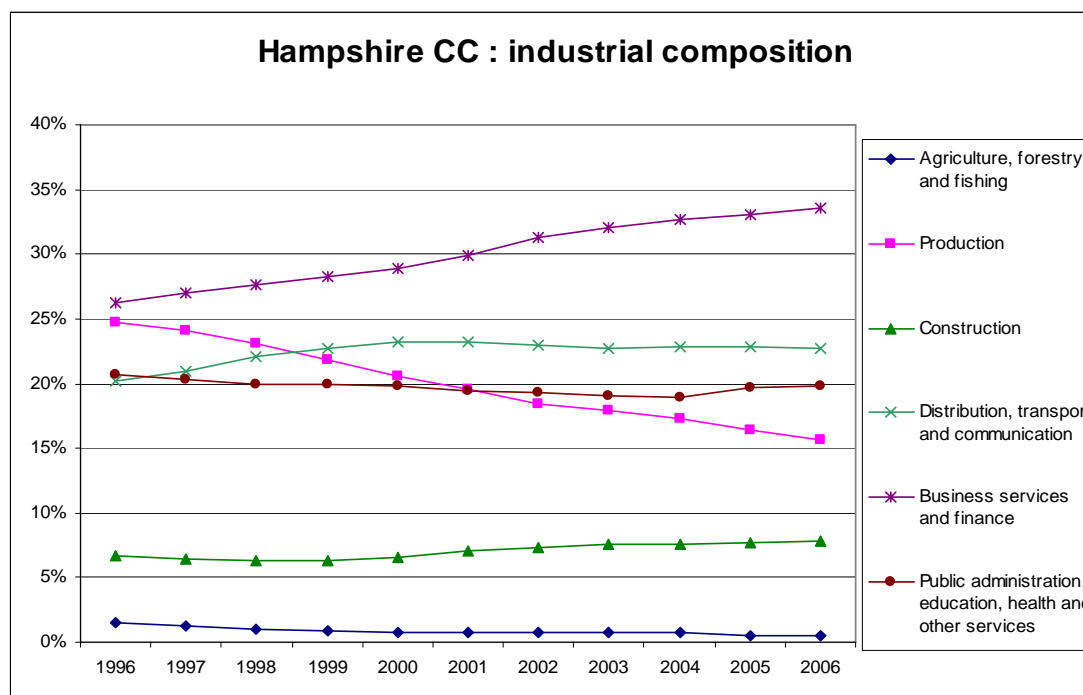
£ million

Southampton	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	0	0	0	0	0	0	0	0	0	1	1
Production	631	649	651	646	580	541	504	511	512	513	525
Construction	101	137	168	190	204	219	227	241	259	276	300
Distribution, transport and communication	533	596	674	735	793	853	897	941	976	990	1,023
Business services and finance	981	1,064	1,131	1,167	1,195	1,283	1,393	1,489	1,514	1,551	1,632
Public administration, education, health and other services	709	748	773	779	782	812	895	989	1,088	1,195	1,275
Total GVA	2,954	3,193	3,397	3,517	3,554	3,708	3,916	4,171	4,350	4,525	4,756

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Hampshire



- Business services and finance have increased their share of GVA from 26 per cent to 34 per cent in the period 1996 to 2006; across the South East, the share from business services and finance grew from 28 per cent to 35 per cent over the same period.
- Production industries accounted for a substantially smaller share of GVA in 2006 (16 per cent) than in 1996 (25 per cent), mirroring the trend across the rest of the South East.
- Public administration, education, health and other services maintained a 20 per cent share of GVA over the last ten years.
- In common with the rest of the South East, Agriculture, forestry and fishing accounted for the smallest share of the area's GVA (less than 1 per cent in 2006).
- The share of GVA from the construction industry has increased by 2 percentage points from 6 per cent to 8 per cent since 1996. The construction industry in the South East accounts for 6 per cent of GVA.

Hampshire GVA by Industry, 1996-2006

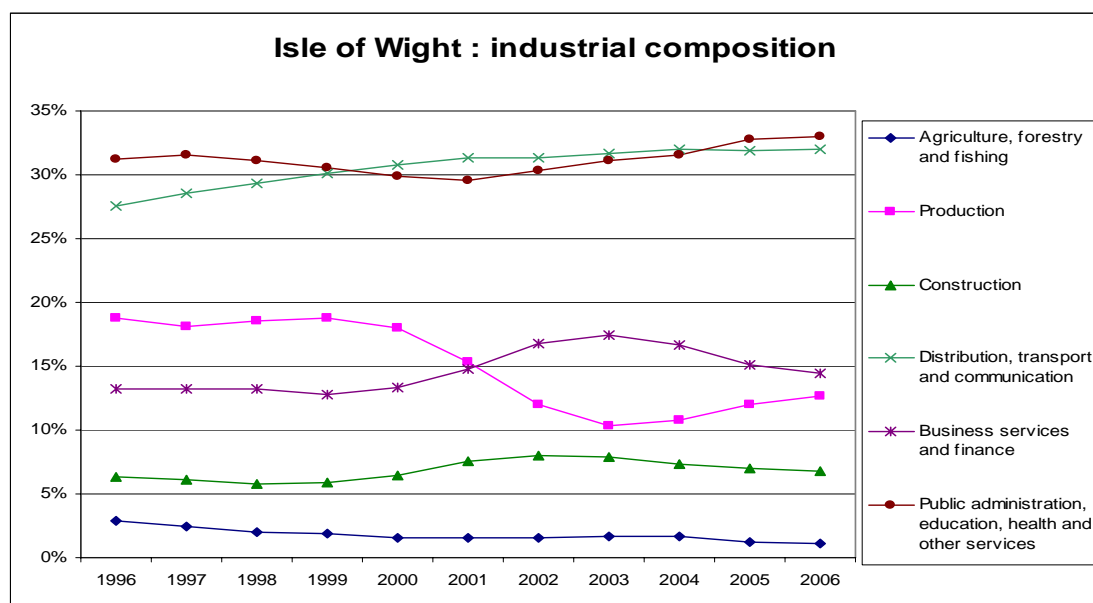
£ million

Hampshire	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	204	172	151	144	131	130	138	150	153	119	115
Production	3,277	3,418	3,512	3,508	3,448	3,465	3,449	3,591	3,664	3,643	3,682
Construction	880	911	952	1,011	1,107	1,255	1,369	1,507	1,612	1,700	1,840
Distribution, transport and communication	2,681	2,974	3,356	3,649	3,893	4,130	4,300	4,558	4,862	5,071	5,333
Business services and finance	3,486	3,833	4,215	4,523	4,839	5,317	5,885	6,434	6,938	7,342	7,890
Public administration, education, health and other services	2,738	2,885	3,045	3,187	3,325	3,461	3,630	3,809	4,036	4,375	4,647
Total GVA	13,266	14,195	15,231	16,022	16,743	17,759	18,771	20,048	21,264	22,250	23,506

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Isle of Wight



- Since 1996 the proportion of the Isle of Wight's GVA derived from distribution, transport and communication increased by 5 percentage points from 28 per cent to 32 per cent, the third highest proportion of any UK NUTS 3 region after Thurrock (39 per cent) and Outer London West and Northwest (34 per cent).
- Public administration accounted for 33 per cent of the Isle of Wight's GVA, the largest single sector for this area. This is the highest proportion for any NUTS 3 area within the South East and the 10th highest of any in the UK.
- The share of GVA from business services and finance decreased from 17 per cent to 14 per cent in the years 2003 to 2006 following a rise of nearly 5 percentage points from 1999. This contrasts with trends across the South East where business services and finance maintained an average 35 per cent share of each area's GVA.
- In 2006 agriculture accounted for 1 per cent of GVA, the highest proportion of any NUTS 3 region within the South East. Over the period 1996 to 2006 the proportion of GVA attributable to agriculture fell from 3 per cent to 1 per cent.
- Contrary to trends in the rest of the South East, production industries on the Isle of Wight have increased their share of GVA since 2003, from 10 to 13 per cent. Despite the increase in recent years, production accounts for a smaller share of GVA today (13 per cent) than in 1996 (19 per cent).

Isle of Wight GVA by Industry, 1996-2006

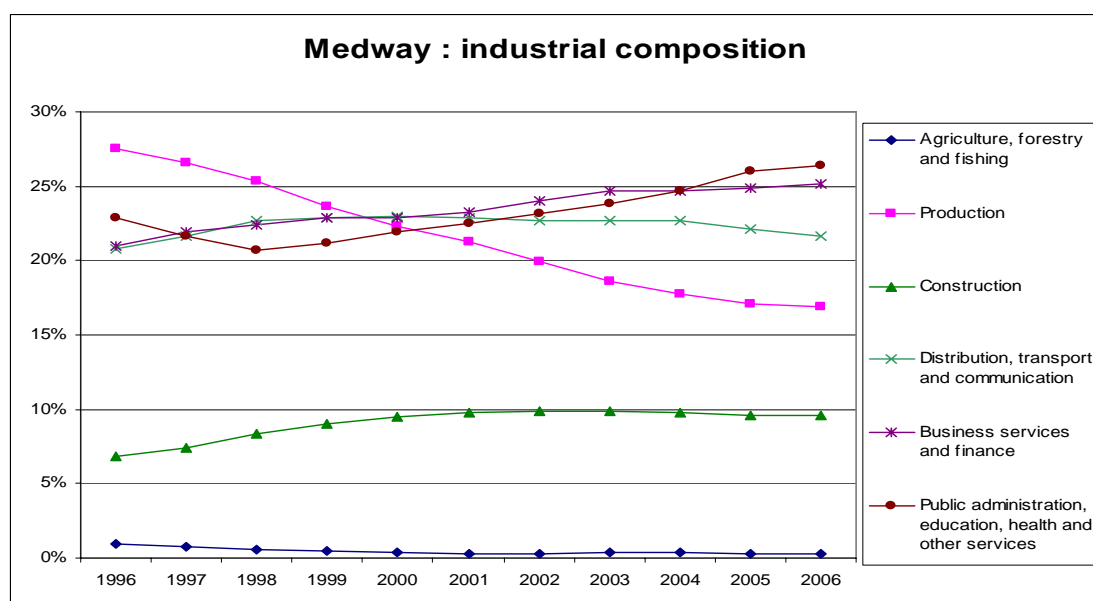
£ million

Isle of Wight	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	28	24	22	21	20	21	23	25	26	20	19
Production	177	179	196	214	225	208	172	155	170	197	219
Construction	60	61	61	68	80	102	114	118	116	115	117
Distribution, transport and communication	261	281	310	344	383	426	452	477	505	525	552
Business services and finance	125	130	139	146	167	201	241	263	263	250	250
Public administration, education, health and other services	294	311	329	349	372	402	436	469	498	540	571
Total GVA	944	986	1,056	1,142	1,247	1,360	1,439	1,506	1,578	1,646	1,728

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Medway



- Public administration, education, health and other services was the largest sector in Medway contributing to GVA in 2006 and accounted for 26 per cent. In 1996 the production sector contributed the largest share of GVA of any NUTS 3 area within the South East.
- Since 1996, the proportion of Medway's GVA accounted for by production has declined by 11 percentage points, from 28 per cent to 17 per cent. In spite of this production industries account for a greater proportion of GVA in Medway than they do in the South East as a whole.
- The contribution of business services and finance to the economy of Medway has increased from 21 per cent to 25 per cent since 1996, and was worth £833 million in 2006.
- Distribution, transport and communication accounted for 22 per cent of Medway's GVA in 2006.
- The share of the construction industry has increased by 4 percentage points since 1996; in 2006 the construction accounted for nearly 10 per cent of Medway's GVA, substantially more than the regional average of 6 per cent.
- Agriculture, forestry and fishing accounted for a very small proportion of Medway's GVA (less than 1 per cent).

Medway GVA by Industry, 1996-2006

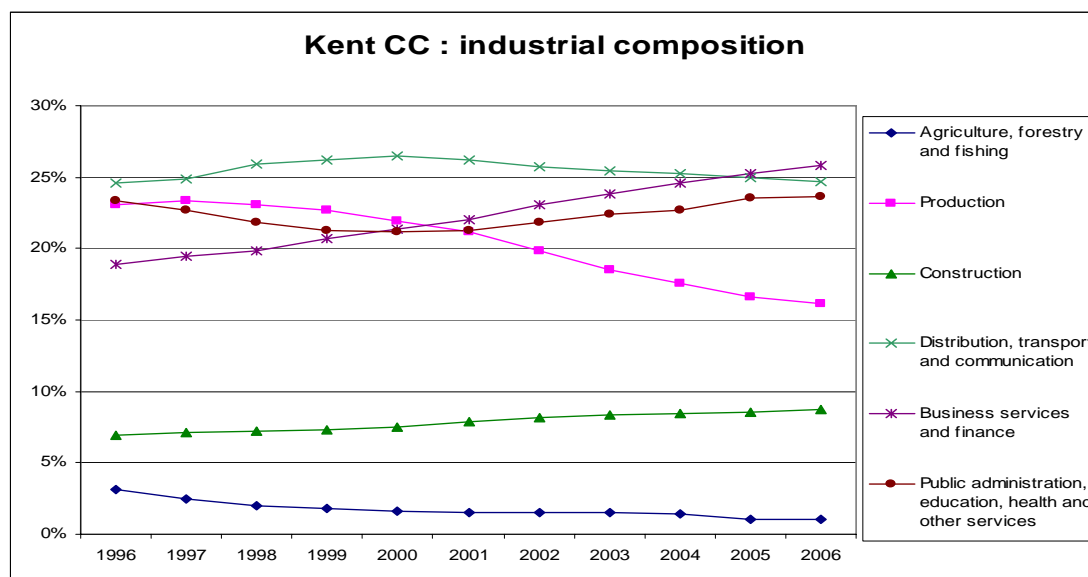
£ million

Medway	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	18	14	11	10	8	8	9	9	10	8	9
Production	502	519	539	542	540	542	533	530	532	537	560
Construction	125	145	178	207	228	251	265	280	294	301	318
Distribution, transport and communication	379	423	482	526	556	583	609	647	682	695	717
Business services and finance	382	428	476	525	554	592	643	701	741	781	833
Public administration, education, health and other services	417	422	440	486	531	575	620	677	741	817	872
Total GVA	1,823	1,951	2,127	2,297	2,418	2,550	2,678	2,845	3,000	3,141	3,308

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Kent



- The share of GVA in Kent attributable to business services and finance has increased from 19 per cent in 1996 to 26 per cent in 2006, making this sector the largest contributor to the economy of Kent. Despite this increase, Kent derived a lower proportion of GVA from business services and finance than the rest of the South East or the UK overall (35 and 32 per cent respectively).
- Since 1996 GVA created by production industries (including manufacturing) has increased at a slower rate than the overall GVA of Kent. As a result this sector's share of GVA has fallen from 23 per cent to 16 per cent in 2006.
- In 2006 agriculture, forestry and fishing contributed £224 million to the economy of Kent. Although this equates to 1 per cent of Kent's GVA it makes up nearly one-third of the South East's GVA from this sector.
- Public administration, education, health and other services make up 24 per cent of the economy of Kent, a slightly higher proportion than the average for the South East.
- Since 1996 the construction industry has made up an increasing proportion of Kent's GVA, rising from 6 per cent to 9 per cent in 2006; this compares to an average of 6 per cent across the South East as a whole.

Kent GVA by Industry, 1996-2006

£ million

Kent	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, forestry and fishing	405	338	293	278	251	249	263	282	292	226	224
Production	3,003	3,191	3,328	3,438	3,466	3,528	3,492	3,499	3,520	3,456	3,518
Construction	897	970	1,040	1,111	1,182	1,319	1,432	1,569	1,687	1,777	1,902
Distribution, transport and communication	3,196	3,405	3,726	3,974	4,182	4,373	4,532	4,797	5,072	5,205	5,393
Business services and finance	2,455	2,658	2,861	3,132	3,365	3,676	4,068	4,502	4,935	5,261	5,645
Public administration, education, health and other services	3,036	3,105	3,151	3,217	3,334	3,544	3,850	4,220	4,544	4,915	5,165
Total GVA	12,993	13,667	14,399	15,150	15,780	16,688	17,636	18,869	20,050	20,840	21,847

Source: Office for National Statistics

All above data for NUTS 3 areas are on a workplace basis

Revisions

There have been two significant methodological changes since the last publication of GVA by industry in 2006: -

- i) the incorporation of an improved method for estimating investment in own-account software, implemented in 2007 (see previous briefing)
- ii) the introduction this year of the new treatment of financial intermediation services indirectly measured (FISIM).

This new treatment includes the allocation of part of FISIM to final demand (mainly households) and the balance of FISIM has been allocated across industries, which has the effect of reducing GVA for individual industries but increasing total GVA.

The change in the treatment of FISIM was introduced in the UK National Accounts Blue Book 2008. An article 'Overview of UK National Accounts and Balance of Payments: Blue Book and Pink Book 2008' by Ross Meader and Geoff Tily was released in *Economic and Labour Market Review*, Vol.2 No.10, October 2008 to accompany the new estimates and explains in detail the methodological changes and results:

<http://www.statistics.gov.uk/cci/article.asp?ID=2055>

Changes to the way in which FISIM is allocated have resulted in some relatively large revisions in some NUTS 3 areas within the South East, particularly in Surrey and Berkshire, although the overall change in the South East was £-788m.

£ million

Revisions to headline¹ GVA since published in December 2007											
NUTS 3 areas	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Berkshire	-93	-155	-301	-445	-502	-528	-548	-537	-612	-1,011	-1,192
Milton Keynes	50	68	97	140	207	252	274	272	279	172	135
Buckinghamshire	13	16	-0	-82	-134	-167	-177	-139	-77	-41	-48
Oxfordshire	83	173	316	429	532	565	530	477	428	303	288
Brighton and Hove	119	188	301	390	457	463	478	514	543	469	400
East Sussex	-84	-28	82	172	264	369	448	515	573	623	641
Surrey	-63	-145	-340	-476	-457	-486	-720	-1,020	-1,299	-1,615	-1,803
West Sussex	260	301	327	285	297	340	487	696	885	922	882
Portsmouth	-6	2	11	5	12	10	9	23	34	-4	3
Southampton	87	115	148	169	203	192	176	125	90	-11	-14
Hampshire	80	101	90	50	71	65	45	48	18	-120	-186
Isle of Wight	56	60	70	75	84	98	120	130	118	100	94
Medway	11	11	12	12	44	63	84	110	147	160	180
Kent	103	133	144	122	144	149	118	96	84	-28	-168

¹ Workplace based estimates of GVA.
Source: Office for National Statistics

In addition to the above methodological changes, the years 2004 to 2006 have been balanced through UK Supply & Use Tables using new IT systems and processes. As a result of the implementation of these changes, the estimates published in 2006 cannot be compared directly to those contained in the current release.

Key published tables

Sheet	Key
NUTS 1	http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS1.xls
1:1	Headline Gross Value Added (GVA) at current basic prices by region ✓
1:2	Headline Gross Value Added (GVA) by component of income at current basic prices by region
1:3	Headline Gross Value Added (GVA) by industry groups, current basic prices by region ✓
1:4	Headline Workplace based Gross Value Added (GVA) at current basic prices by region ✓✓
1:5	Gross Value Added (GVA) at current basic prices by region
1:6	Gross Value Added (GVA) by component of income at current basic prices by region
1:7	Gross Value Added (GVA) by industry groups, current basic prices by region
1:8	Workplace based Gross Value Added _{1,2} (GVA) at current basic prices by region
NUTS 2	http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS2.xls
2:1	Headline Gross Value Added (GVA) by NUTS2 area at current basic prices by region ✓✓
2:2	Headline Gross Value Added (GVA) per head by NUTS2 area at current basic prices by region ✓
2:3	region ✓
2:4	Headline Compensation of Employees (COE) by NUTS2 area at current basic prices by region
2:5	region ✓✓
2:6	Headline Compensation of Employees (COE) by NUTS2 area and 15 industries at current basic prices by region
2:7	Gross Value Added (GVA) by NUTS2 area at current basic prices by region
2:8	Gross Value Added (GVA) per head by NUTS2 area at current basic prices by region
2:9	Gross Value Added (GVA) per head indices by NUTS2 area at current basic prices by region
2:10	Compensation of Employees (COE) by NUTS2 area at current basic prices by region
2:11	Gross Value Added (GVA) by NUTS2 area and 15 industries at current basic prices by region
2:12	region
NUTS 3	http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS3.xls
3:1	Headline Gross Value Added (GVA) by NUTS3 area at current basic prices by region ✓✓
3:2	Headline Gross Value Added (GVA) per head by NUTS3 area at current basic prices by region ✓
3:3	Headline Gross Value Added (GVA) per head indices by NUTS3 area at current basic prices by region ✓
3:4	region ✓✓
3:5	Unadjusted (constrained to headline NUTS2) Gross Value Added (GVA) by NUTS3 area at current basic prices by region
3:6	Unadjusted (constrained to headline NUTS2) Gross Value Added (GVA) per head by NUTS3 area at current basic prices by region
3:7	Unadjusted (constrained to headline NUTS2) Gross Value Added (GVA) per head indices by NUTS3 area at current basic prices by region
3:8	Unadjusted (constrained to headline NUTS2) Gross Value Added (GVA) by NUTS3 area and 6 industries at current basic prices by region
3:9	Unadjusted (constrained to unadjusted NUTS2) Gross Value Added (GVA) by NUTS3 area at current basic prices by region
3:10	Unadjusted (constrained to unadjusted NUTS2) Gross Value Added (GVA) per head by NUTS3 area at current basic prices by region
3:11	Unadjusted (constrained to unadjusted NUTS2) Gross Value Added (GVA) per head indices by NUTS3 area at current basic prices by region
3:12	Unadjusted (constrained to unadjusted NUTS2) Gross Value Added (GVA) by NUTS3 area and 6 industries at current basic prices by region

✓✓ Key tables for general use

Notes and definitions

Definition of Gross Value Added

Gross Value Added (GVA) represents the incomes generated by economic activity within the UK economy. GVA data presented in the Regional Accounts uses the income approach or GVA(I) and comprises:

- compensation of employees (wages and salaries, national insurance contributions, pension contributions, redundancy payments etc);
- gross operating surplus (self-employment income, gross trading profits of partnerships and corporations, gross trading surplus of public corporations, rental income etc).

A full definition of GVA(I) can be found in the UK National Accounts (Blue Book). Estimates are at current basic prices and do not allow for inflation or differences in regional price levels. The headline GVA series have been calculated using a 5-year moving average to remove some volatility. The unadjusted series are also provided on the ONS website.

Extra- Regio

Extra Regio is offshore economic activity and the contribution of UK embassies abroad and UK forces stationed overseas, which cannot be allocated to specific regions.

Geographical Units & NUTS Levels

The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the European Union. There are three levels of NUTS in the UK:

NUTS1: 12 areas – nine Government Office Regions in England, plus Wales, Scotland and Northern Ireland.

NUTS2: 37 areas – mainly groups of counties and unitary authorities; can be referred to as sub-regions

NUTS3: 133 areas – principally individual counties and unitary authorities; also known as local areas.

Industry Breakdowns of GVA

Estimates of regional GVA by industry have been reinstated in the Regional GVA release of 12 December 2008, following their suspension in December 2007. Estimates are shown for the years 1995 to 2006 for 31 industries at NUTS1, for 17 industries at NUTS2 and for an expanded six industries (previously three) at NUTS3.

Productivity Measures

When making comparisons between regions, especially at lower geographical levels, GVA per head can be distorted by the effects of demographic differences and commuting. Therefore the measure of regional and sub regional productivity preferred by ONS is GVA per job or per hour worked. See Dey-Chowdhury, S; Penny, D; Walker, M; Wosnitza, B (2008); Regional economic indicators, *Economic and Labour Market Review*, Vol.2 No.1, February 2008.

www.statistics.gov.uk/CCI/article.asp?ID=1945

For further guidance on the uses of regional GVA please see the ONS Productivity Handbook:

www.statistics.gov.uk/about/data/guides/productivity/ch11.asp

National Statistics

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

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Sources

The data can be found at the ONS website via

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14650>

Further details regarding the Regional GVA First Release can be obtained from:

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Data released include:

- a First Release document highlighting some of the most important information <http://www.statistics.gov.uk/pdfdir/gva1208.pdf>
- PDF file with further tables containing regional GVA, Compensation of Employees, Operating Surplus/Mixed Income, Residence and Workplace based GVA and industry breakdowns can be found: http://www.statistics.gov.uk/downloads/theme_economy/NUTS1-2-3.pdf
- Excel spreadsheet of Regional GVA at NUTS 1 (Government Office Region) http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS1.xls
- Excel Spreadsheet of Regional GVA at NUTS 2 level http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS2.xls
- Excel Spreadsheet of Regional GVA at NUTS 3 level http://www.statistics.gov.uk/downloads/theme_economy/PROGRESS_NUTS3.xls

An overview of Regional Accounts can be found


<http://www.statistics.gov.uk/CCI/nugget.asp?ID=182>

An overview of gross value added (GVA) can be found

<http://www.statistics.gov.uk/CCI/nugget.asp?ID=254>

A Summary Quality Report for regional GVA describes the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them. Further details:

www.statistics.gov.uk/about_ns/economicstatistics_qualityreports.asp



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