

Statistical bulletin

Index of Services, UK: March 2015

Monthly movements in output for the services industries: distribution, hotels and restaurants; transport, storage and communication; business services and finance; and government and other services.



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Notice

29 November 2016

Following a quality review, a processing error has been identified in the compilation of the estimates for the rail transport industry (49.1-2), which affects the period Quarter 1 1997 to Quarter 2 2016. In line with the National Accounts revision policy, this error will be corrected in the Index of Services and Quarterly National Accounts due for publication on 23rd December 2016 for data from Quarter 1 2015 and in the Blue Book 2017 consistent releases for data prior to this period. The average impact over this period on quarter-on-quarter Index of Services and GDP growth is 0.00%. This processing error does not impact quarter on quarter growth into Quarter 3 2016.

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1 . Main points

- The Index of Services is estimated to have increased by 2.8% in March 2015 compared with March 2014. All of the 4 main components of the services industries increased in the most recent month compared with the same month a year ago
- The largest contributions came from: business services and finance, which contributed 1.2 percentage points to total growth; and distribution, hotels and restaurants, which contributed 0.7 percentage points to total growth
- The latest Index of Services estimates show that output increased by 0.1% between February 2015 and March 2015, following an increase of 0.3% between January 2015 and February 2015
- The Index of Services increased by 0.4% in Quarter 1 (Jan to Mar) 2015 compared with Quarter 4 (Oct to Dec) 2014. This figure was revised down 0.1 percentage points from the estimate of 0.5% used in the Gross Domestic Product Preliminary Estimate (GDP), published on 28 April 2015. This figure is consistent with the Second Estimate of GDP, published on 28 May 2015
- The figures within this release are estimates and are on a seasonally adjusted basis. The earliest period open for revision in this release is January 2015

2 . Understanding the Index of Services (IoS)

About the IoS

The monthly IoS provides a timely indicator of growth in the output of the services industries. The IoS is an important economic indicator and shares exactly the same industry coverage as the corresponding quarterly series within UK [gross domestic product](#) (GDP). The primary purpose of the IoS is to produce a short-term measure of the output of the services industries within the UK economy and show the monthly movements in the gross value added (GVA) of the service industries ([2007 Standard Industrial Classification](#) (SIC 2007) sections G to T).

The 4 main components of the services industries are:

- distribution, hotels and restaurants
- transport, storage and communication
- business services and finance
- government and other services

The IoS is the largest contributor to the output approach to the measurement of GDP, accounting for 78.4% of UK GDP as at 2011.

All data in this bulletin are seasonally adjusted estimates and have had the effect of price changes removed (in other words, the data are deflated). Further information on some of the main concepts (including seasonal adjustment and deflation) underlying the estimates can be found in background note 11.

The quality of the IoS

The IoS is published around 8 weeks after the end of the reference month. There is no simple way of measuring the accuracy of the IoS, that is, the extent to which the estimate measures the underlying “true” value of the output growth (of the services industries) in the UK for a particular period. All estimates, by definition, are subject to statistical uncertainty and for many well-established statistics the Office for National Statistics (ONS) measures and publishes the sampling error associated with the estimate, using this as an indicator of accuracy. However, as IoS is constructed from a wide variety of data sources, some of which are not based on random samples, we don't publish a measure of the sampling error associated with the IoS.

Reliability is one dimension of measuring accuracy, using evidence from analyses of revisions to assess the closeness of early estimates to subsequent estimated values. Revisions are an inevitable consequence of the trade-off between timeliness and accuracy. Figures for the most recent months are provisional and subject to revision in light of:

- late responses to surveys and administrative sources
- forecasts being replaced by actual data
- revisions to seasonal adjustment factors, which are re-estimated every month and reviewed annually

Revisions to the IoS are typically small (around 0.1 to 0.2 percentage points), with the frequency of upward and downward revisions broadly equal. More information on the most recent revisions analysis can be found in the component analysis section and in background note 16.

It should be noted that care should be taken when using the month-on-month growth rates, due to their volatility (background note 10).

Further information on the quality of the IoS is available in the [Quality of the IoS \(29 Kb Pdf\)](#) report on the [Index of Services Methods](#) web page on our website. It should be noted that as part of the IoS [industry review](#) process, we are continually working on methodological changes to improve the accuracy of the IoS.

3 . Main information

Table 1: Index of Services main information, March 2015

	Index number (2011=100)	Most recent month on a year earlier	Most recent 3 months on a year earlier	Percentage change	
				Most recent month on previous month	Most recent 3 months on previous 3 months
UK					
Index of Services	109.1	2.8	3.0	0.1	0.4

Source: Office for National Statistics

The Index of Services (IoS) measures the quantity of output from all UK services industries, which account for more than three-quarters of the [output approach to the measurement of gross domestic product](#). Index values are presently referenced to 2011 so that the average for 2011 is equal to 100. Therefore, an index value of 110 would indicate that output is 10% higher than the average for 2011.

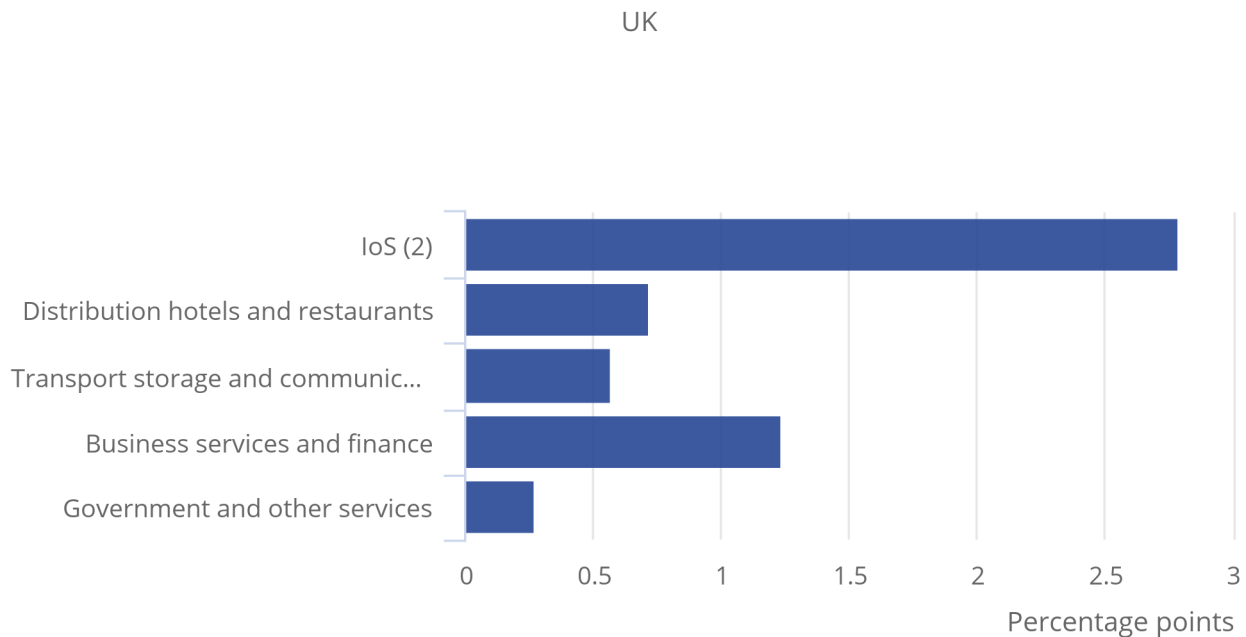
As seen in Figure 1, the IoS increased by 2.8% in March 2015 compared with March 2014. In order of their contribution to growth (see reference table IOS1): business services and finance increased by 3.1%; distribution, hotels and restaurants increased by 3.9%; transport, storage and communication increased by 4.4%; and government and other services increased by 0.9%.

Further detail on these movements can be found in the component analysis section.

Figure 1: IoS contributions (1) to the month-on-month a year ago percentage change, March 2015

UK

Figure 1: IoS contributions (1) to the month-on-month a year ago percentage change, March 2015



Source: Office for National Statistics

Notes:

1. Individual contributions may not sum to the total due to rounding
2. Percentage change

Between February 2015 and March 2015, as seen in Figure 2, the IoS increased by 0.1%. Out of the 4 main components of the services industries 2 increased in the most recent month compared with the previous month. In order of their contribution to growth (see reference table IOS1): business services and finance increased by 0.5%; and distribution, hotels and restaurants increased by 0.1%. Government and other services remained flat at 0.0% but made a slight upwards contribution, due to unrounded data being slightly positive. In contrast, transport, storage and communication decreased by 0.9%.

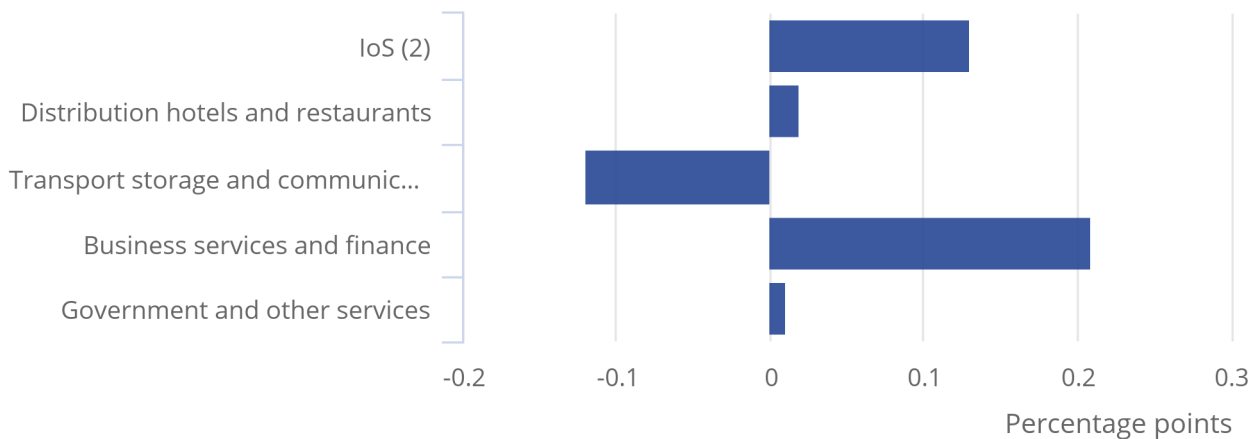
More detail on individual components can be found in the IOSCOMP tables in the data section of this bulletin. The tables also provide information on the growth for the 3 months ending in March 2015 compared with the previous 3 months and compared with the 3 months ending March 2014.

Figure 2: IoS contributions (1) to the month-on-month percentage change, March 2015

UK

Figure 2: IoS contributions (1) to the month-on-month percentage change, March 2015

UK



Source: Office for National Statistics

Notes:

1. Individual contributions may not sum to the total due to rounding
2. Percentage change

4 . Economic background

Total services grew by 3.0% between Quarter 1 (Jan to Mar) 2014 and Quarter 1 2015, and by 0.4% between Quarter 4 (Oct to Dec) 2014 and Quarter 1 2015. This is compared with growth rates of 2.4% and 0.3% for the economy as a whole.

Historically, the services industries have grown at a faster rate than all other headline industries. While GDP has grown at an average compound annual rate of 2.0% since 1997, services has grown at an average compound annual rate of 2.8% (more information can be found in [Quarterly National Accounts](#), Quarter 4 2014). This has led to a continuing re-orientation of the economy towards services, despite productivity in the services industries rising more slowly than in the production industries (and manufacturing in particular) since 1997 (more information can be found in [Labour Productivity](#), Quarter 4 2014). The higher output growth, therefore, reflects the increasing share of the labour force employed in services, which has grown from 73% to 79% between 1997 and 2014 ([Labour Market Statistics](#), May 2015, reference table EMP13).

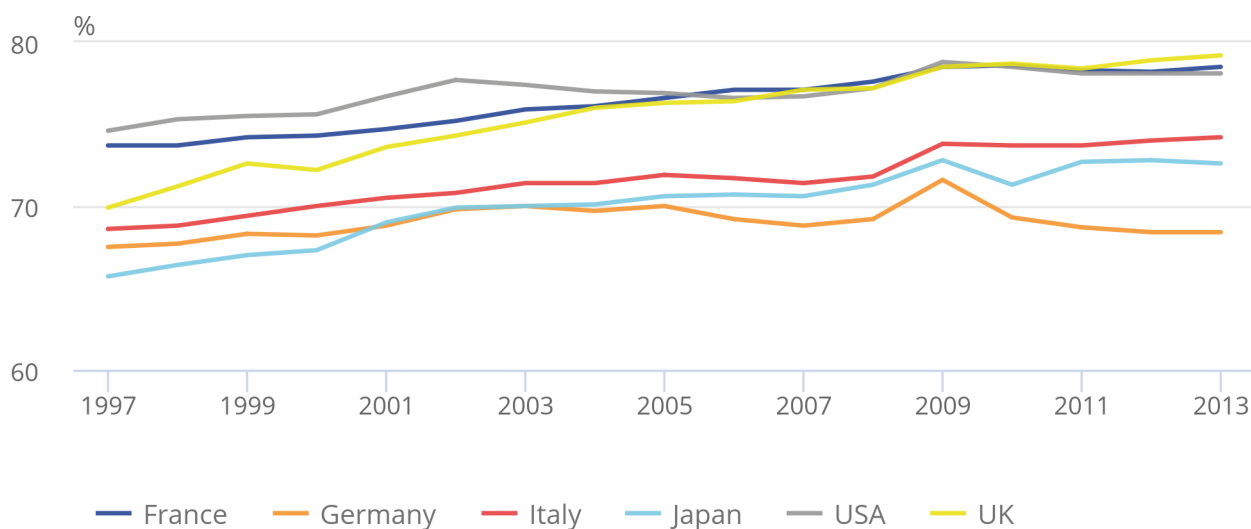
Figure 3 shows the share of gross value added accounted for by services in the UK and in other G7 economies (more information on data for France, Germany, Italy Japan and the USA can be found on the [Organisation for Economic Co-operation and Development \(OECD\) website](#)). In 1997 the share of gross value added accounted for by services in the UK was just under 70%, around the middle of the range relative to the other G7 economies. By 2013 its share had risen to almost 80%, therefore the UK economy has become the most reliant on services among the G7 countries considered.

Figure 3: Services as a percentage of total gross value added in comparable economies to the UK

1997 to 2013

Figure 3: Services as a percentage of total gross value added in comparable economies to the UK

1997 to 2013



Source: Office for National Statistics, Organisation for Economic Co-operation and Development

In addition to strong long-run growth, the services industries were also less affected by the downturn in 2008 than other industries such as production and construction, and subsequently recovered more quickly. The services industries are mainly responsible for the recovery of the economy as a whole, being the only industry grouping to have surpassed its pre-downturn peak.

We have looked at the growth rates of the different industry groupings since 1997 in previous releases of the [Index of Services](#).

5 . GDP impact and components

With a weight of 78.4%, the services industries are the largest industrial grouping in the output approach to measuring GDP. The releases for the short-term economic indicators that feed directly into the output approach to measuring GDP include a table detailing growth in the 4 main industrial groupings (Table 2). This will aid understanding of the relationship between the individual short-term releases and GDP output.

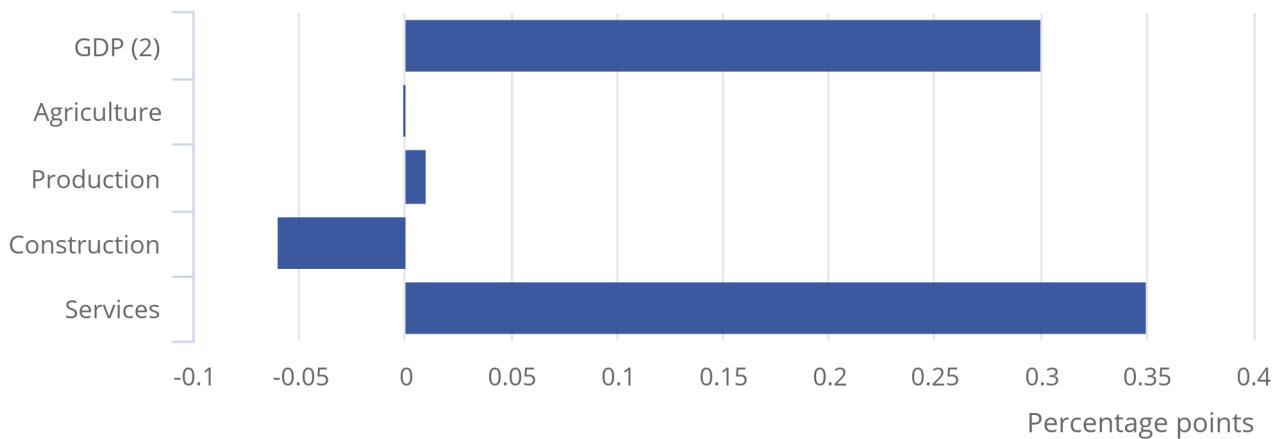
In Quarter 1 (Jan to Mar) 2015 GDP was estimated to have increased by 0.3% compared with the previous quarter. The contribution an industry grouping makes to the GDP quarterly growth is dependent on the quarterly change in that industry grouping and its weight within the output approach to measuring GDP.

Figure 4: GDP contribution (1) to the quarter-on-quarter percentage change, Quarter 1 (Jan to Mar) 2015

UK

Figure 4: GDP contribution (1) to the quarter-on-quarter percentage change, Quarter 1 (Jan to Mar) 2015

UK



Source: Office for National Statistics

Notes:

1. Contributions are to output gross value added and therefore may not sum to the percentage change in GDP. More information on the difference between the 2 measures can be found in the Short Guide to National Accounts
2. Percentage change to 1 decimal place

Monthly estimates are produced for each industrial grouping except agriculture. The March 2015 estimates for [index of production](#) and [output in the construction industry](#) were published on 12 May 2015 and 15 May 2015 respectively. [The Second Estimate of GDP](#) for Quarter 1 (Jan to Mar) 2015 was published on 28 May 2015, alongside this bulletin.

Table 2: GDP output component table Quarter 1 (Jan to Mar) 2015, chained volume measure, seasonally adjusted

UK

Publication	% of GDP	Release date	Period of GDP	Percentage change	
				Most recent quarter on a year earlier	Most recent quarter on previous quarter
Index of Production	14.6	12 May	Q1 ² 2015	0.6	0.1
			Q4 ³ 2014	1.0	0.2
Construction output	6.4	15 May	Q1 2015	-0.3	-1.1
			Q4 2014	4.5	-2.2
Index of Services	78.4	28 May	Q1 2015	3.0	0.4
			Q4 2014	3.4	0.9
Retail Sales ¹		23 Apr	Q1 2015	5.2	0.9
			Q4 2014	4.9	2.2
Agriculture	0.6		Q1 2015	0.9	-0.2
			Q4 2014	1.6	0.4

Source: Office for National Statistics

Notes:

1. Data are presented as at 23 April 2015 due to timing of the availability of data
2. Q1 is Quarter 1 (Jan to Mar)
3. Q4 is Quarter 4 (Oct to Dec)

6 . Component analysis

Table 3: Growth rates and contributions (1) to the Index of Services, March 2015

UK

Description	% of Services	Month on a year earlier Volume (SA) ² (%)	Contribution to services (% points)	Percentage change	
				Month-on-month growth Volume (SA) (%)	Contribution to services (% points)
Total services industries	100	2.8	2.8	0.1	0.1
Distribution, hotels and restaurants	18	3.9	0.7	0.1	0.0
Transport, storage and communication	13	4.4	0.6	-0.9	-0.1
Business services and finance	39	3.1	1.2	0.5	0.2
Government and other services	30	0.9	0.3	0.0	0.0

Source: Office for National Statistics

Notes:

1. Individual contributions may not sum to the total due to rounding
2. SA = seasonally adjusted

Distribution, hotels and restaurants

The index of distribution, hotels and restaurants increased by 3.9% in March 2015 compared with March 2014, following an increase of 4.9% in February 2015 compared with the same month a year earlier. The main contributors to the increase were: retail trade, except of motor vehicles and motorcycles, which rose by 4.1%; wholesale and retail trade and repair of motor vehicles and motorcycles, which rose by 6.4%; and accommodation, which rose by 16.0%.

Transport, storage and communication

The index of transport, storage and communication increased by 4.4% in March 2015 compared with March 2014, following an increase of 5.5% in February 2015 compared with the same month a year earlier. The main contributors to the increase were: computer programming, consultancy and related activities, which rose by 6.6%; land transport, which rose by 6.1%; and publishing audiovisual and broadcasting activities, which rose by 5.5%.

Business services and finance

The index of business services and finance increased by 3.1% in March 2015 compared with March 2014, following an increase of 3.2% in February 2015 compared with the same month a year earlier. The main contributors to the increase were: other professional service activities, which rose by 5.6%; administrative and support services activities, which rose by 6.0%; and real estate activities, which rose by 1.8%.

Government and other services

The index of government and other services increased by 0.9% in March 2015 compared with March 2014, following an increase of 1.0% in February 2015 compared with the same month a year earlier. The main contributors to the increase were: human health and social work activities, which rose by 2.1%; and other service activities, which rose by 5.0%.

Revisions

The Index of Services (IoS) follows the [National Accounts Revisions policy \(43.3 Kb Pdf\)](#). Revisions are caused by a number of factors including, but not limited to:

- revisions to source data due to late responses
- actual data replacing forecast data
- revisions to seasonal factors that are re-estimated every period

More information on IoS revisions is available on the [Index of Services Methods](#) page.

We produce revisions triangles of services growth to provide users with one indication of the reliability of this main indicator. Statistical tests are performed on the average revision to test if it is statistically significantly different to 0. Further information can be found in background note 16.

In this release of data, the earliest period open to revision is January 2015. The growth rate for February 2015 compared with the same month a year earlier was unrevised from the previous estimate of 3.2%, and the month-on-month growth rate for February 2015 compared with January 2015 (0.3%) was also unrevised.

Further detail on the revisions to the IoS components can be found in the RIOS1 tables in the [data section](#) of this publication.

7 . Industry spotlight: accommodation services

According to the UK Standard Industrial Classification 2007 (SIC2007), accommodation services (industry 55) primarily covers firms providing short stay accommodation, such as hotels or holiday homes. Together, these services accounted for 76% of the industry's output in 2014. The industry also captures some longer-term accommodation, such as student halls or workers' hostels, but these constitute a smaller part of the industry.

Accommodation services activities are included under the distribution, hotels and restaurants industry grouping within services, along with the food and beverage service activities industry, which was examined in [last month's IoS release](#). Along with food and beverage services, the accommodation services industry has seen lower growth, in volume terms, relative to the entire services industry since 1990, but has retained its share of total services output of 1.1% in current price terms, due to higher inflation.

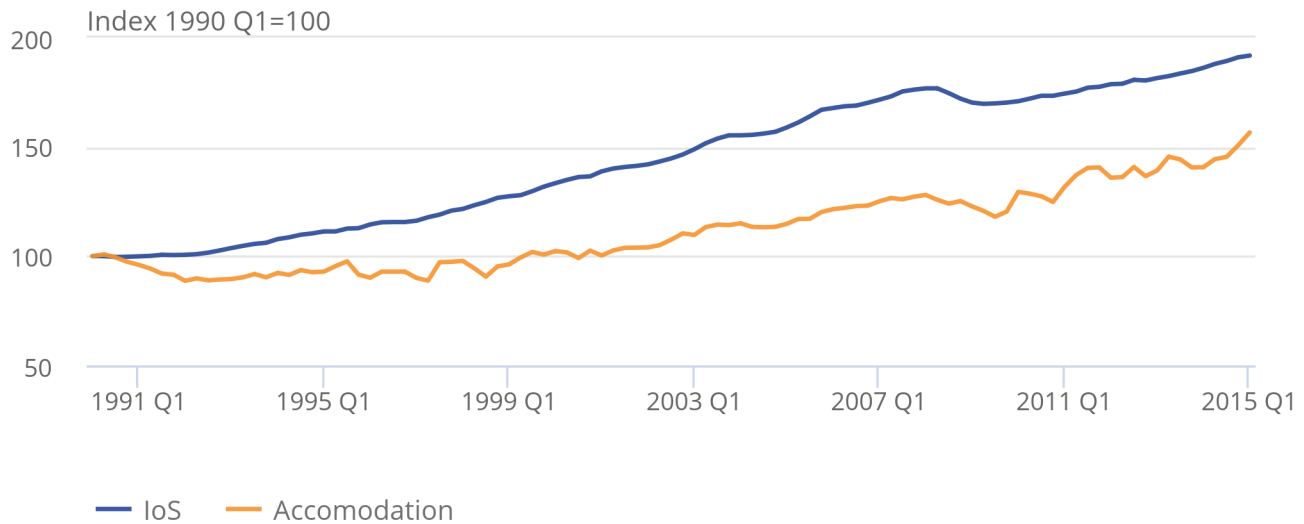
However, in recent years performance has improved; while the entire services industries have grown by approximately 12% between Quarter 1 (Jan to Mar) 2010 and Quarter 1 2015, the accommodation services industry has grown by approximately 21% over the same period. This is perhaps surprising given the economic climate over this period and the discretionary nature of spending on hotels and vacations.

Figure 5: Index of Services and accommodation

UK, 1990 to 2015

Figure 5: Index of Services and accommodation

UK, 1990 to 2015



Source: Office for National Statistics

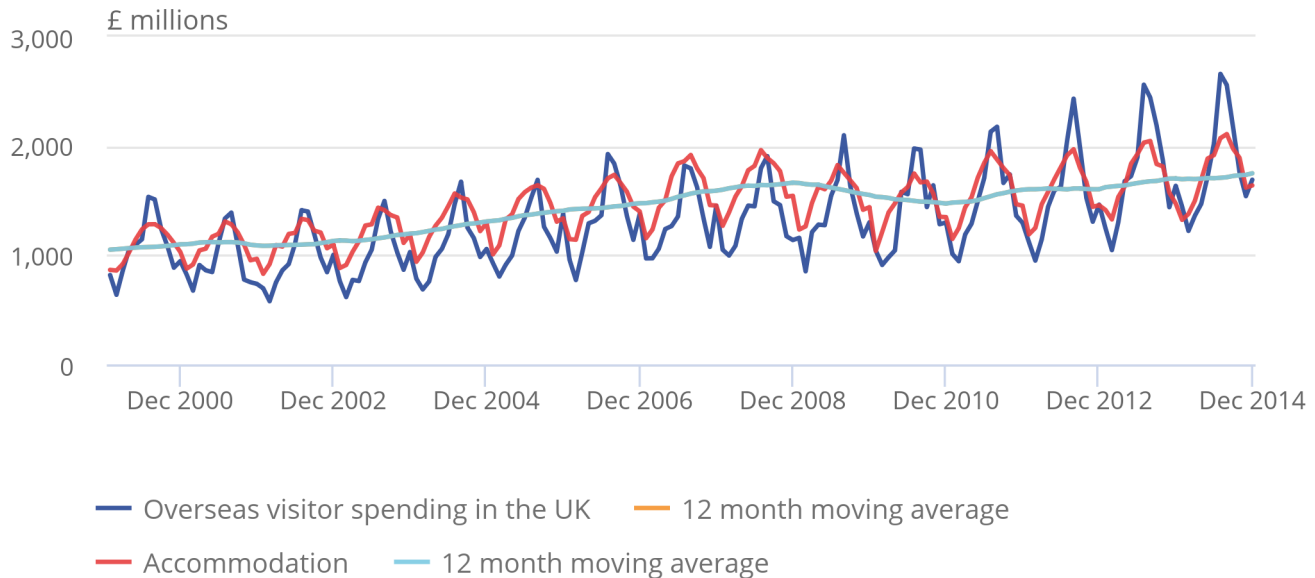
One possible reason for this growth is that this industry has benefitted more from overseas visits over this period. Following 2008 there was a large depreciation of sterling, which, all else being equal, would have made visits to the UK relatively cheaper for overseas visitors. Figure 5 shows the relationship between the two series (more information can be found in [Overseas Travel and Tourism](#)).

Figure 6: Earnings for overseas visitors to the UK and output in the accommodation industry, non seasonally adjusted

UK, 2000 to 2014

Figure 6: Earnings for overseas visitors to the UK and output in the accommodation industry, non seasonally adjusted

UK, 2000 to 2014



Source: Office for National Statistics

Figure 6 also shows that output in the industry is highly seasonal, as people are more likely to travel and book holidays in the summer period. This seasonal pattern closely matches that of expenditure by overseas visitors in the UK.

8. Background notes

1. What's new

To improve availability of monthly services data, additional lower level series will be published at 9:30am alongside every monthly IoS release from 30 June. Data will be available at approximately the 2 digit level of the UK Standard Industrial Classification on a seasonally adjusted chained volume measure basis.

Following the recent assessment by the UK Statistics Authority covering short-term economic output indicators, the Index of Services (IoS) has been re-designated as a National Statistic. A [letter of confirmation](#) was published on 26 March 2015 and is available on the [assessment reports](#) web page on our website (report number 278).

2. Continuous improvement of GDP: sources, methods and communication

The [GDP Output Improvement Report](#), published on 30 September 2014, provides a detailed update of the implementation of improvements for Blue Book 2014, progress on industry reviews and wider cross-cutting improvements, a comprehensive timetable for the industry review project, an update of industry quality

ratings and progress on experimental statistics. It also features sections on deflation and annual coherence adjustments to improve the understanding and transparency of the methods involved in producing Index of Production (IoP), IoS, and GDP(O).

[Assessment reports](#) by the UK Statistics Authority are available on our website for the output approach to measuring GDP and the short-term indicators that feed into it. Furthermore, the priorities for national accounts production and development over a 5 year period (financial year ending 2014 to financial year ending 2018) are highlighted in the [National Accounts and Related Statistics Work Plan](#) and an independent review of the UK's national accounts and balance of payments has been produced as part of ONS's programme of [National Statistics Quality Reviews \(NSQRs\)](#).

3. What do you think?

As a user of our statistics we would welcome your feedback on this publication. If you would like to get in touch please contact us via email: ios.enquiries@ons.gsi.gov.uk.

4. A review of the experimental statistics status for 9 IoS industries

The IoS has been designated as National Statistics by the UK Statistics Authority, although a number of components are experimental. In August 2012 the article [Index of Services - Industry Reviews \(249.1 Kb Pdf\)](#) was published, highlighting the industries that are classed as experimental and the work that is ongoing to remove the experimental label.

Section 5 of the GDP Output Improvement Report outlines plans to review the removal of experimental statistics status for the following industries:

- SIC07 industry 60 - programming and broadcasting
- SIC07 industry 62 - computer programming
- SIC07 industry 63 - information service activities
- SIC07 industry 68.3 - real estate activities (fee or contract basis)
- SIC07 industry 77 - rental and leasing activities
- SIC07 industry 81 - services to buildings and landscape
- SIC07 industry 86 - human health
- SIC07 industry 94 - activities of membership organisations
- SIC07 industry 97 - activities of households as employers of domestic personnel

Appendix 8 of the report outlines the data sources and methods in use for each industry at Blue Book 2014. The removal of the experimental statistics label and subsequent replacement as National Statistics is a process that follows from adherence to the Code of Practice for Official Statistics. This means that an industry may have a quality rating of C but would still be classified as National Statistics due to the extent to which it follows the principles and protocols that surround the Code of Practice. Users are invited to respond to the review through stoi.development@ons.gsi.gov.uk.

5. Special events

ONS maintains a list of candidate special events in the [Special Events Calendar](#). As explained in ONS's [Special Events policy](#), it is not possible to separate the effects of special events from other changes in the series.

6. Understanding the data

Short guide to the Index of Services

The Index of Services shows the monthly movements in the gross value added (GVA) of the service industries (2007 Standard Industrial Classification (SIC 2007) sections G to T). These industries account for around 78% of gross domestic product (GDP) in 2011. The index is estimated using the same data

sources and national accounts methodology as the quarterly estimate of services industries' gross value added within the output approach to measuring GDP (GDP (O)). These consist of the distribution, hotels and restaurant industries (SIC 2007 sections G and I); transport, storage and communication (sections H and J); business services and finance (sections K to N); and government and other services (sections O to T).

7. International comparison

International comparison with the IoS is difficult, as most comparable economies don't produce equivalent estimates. [Eurostat turnover in services](#) estimates are not comparable with the IoS, as they exclude the wholesale and retail trade; furthermore, most of the estimates are only available quarterly. The [USA](#) also produces services output estimates, but only on a quarterly basis, with a 4 month lag time. [Japan](#) has a direct equivalent of the IoS, but the estimates are not seasonally adjusted. The closest equivalent estimates are from [Canada](#), which produces a monthly output estimate of GDP with a breakdown by industry (including an aggregate for services). There are also comparable quarterly estimates from [Sweden](#) and [Ireland](#).

8. Short guide to national accounts

The national accounts provide an integrated description of all economic activity within the economic territory of the UK, including activity involving both domestic units (that is, individuals and institutions resident in the UK) and external units (those resident in other countries). In addition to being comprehensive, the accounts are fully integrated and internally consistent. More information can be found in [UK national accounts: a short guide \(105.5 Kb Pdf\)](#).

9. How our statistics explain the economy

The IoS is mentioned in a video summary which highlights [14 ways ONS statistics help you understand the economy](#). The video summary, along with an [interactive version](#) of the video, was released on our website on 27 June 2014 alongside Quarterly National Accounts for Quarter 1 (Jan to Mar) 2014.

10. Interpreting the data

Some monthly data are volatile. When looking at growth rates, the headline IoS figures focus on the percentage change between the most recent month-on-a-year earlier and the most recent 3 months-on-a-year earlier.

The monthly Index of Services statistical bulletin is usually published on the same days as the Gross Domestic Product Preliminary Estimate statistical bulletin, the Second Estimate of Gross Domestic Product statistical bulletin or the Quarterly National Accounts statistical bulletin.

The data for the IoS in this statistical bulletin are generally consistent with [the Second Estimate of GDP](#) for Quarter 1 (Jan to Mar) 2015, published on 28 May 2015. However, rounding can sometimes cause differences between the 3-monthly growth rates presented in this release, compared with the quarterly growth rates presented in the Second Estimate of GDP. Data for the retail industry are broadly comparable with the [Retail Sales release](#), published on 23 April 2015, but as the 2 series operate under different revisions policies, there can be timing differences in the updating of the 2 series. Also, adjustments to the data within the IoS release are sometimes made at the time of the Blue Book to improve the coherence of the 3 approaches to measuring GDP. Therefore, inconsistencies between the 2 series are not unusual, but tend to be small. There are also conceptual and coverage differences between retail sales and retail output which can lead to apparent inconsistencies.

11. Definitions and explanations

Definitions found within the main statistical bulletin are listed:

Index number

An index number is a number which indicates the change in magnitude relative to the magnitude at a specified point, the latter usually taken as 100. For example, the level of services for March 2015 is given in Table 1 as 109.1. This means that services output was 9.1% higher than the average in the reference period, which is currently 2011.

Seasonal adjustment

The index numbers in this statistical bulletin are all seasonally adjusted. This aids interpretation by removing annually recurring fluctuations, for example, due to holidays or other regular seasonal patterns. Unadjusted data are also available.

Seasonal adjustment removes regular variation from a time series. Regular variation includes effects due to month lengths, different activity near particular events, such as shopping activity before Christmas, and regular holidays such as the May bank holiday.

Some features of the calendar are not regular each year, but are predictable if we have enough data, for example, the number of certain days of the week in a month may have an effect, or the impact of the timing of Easter. As Easter changes between March and April, we can estimate its effect on time series and allocate it between March and April depending on where Easter falls. Estimates of the effect of the day of the week and Easter are used respectively to make trading day and Easter adjustments prior to seasonal adjustment.

X-13-ARIMA-SEATS is the current seasonal adjustment software used for the IoS.

Value (current price)

Economic transactions involve the production of goods and the sale of goods and services (commodities). The monetary value (or current price) of these transactions is a product of the quantity produced or sold and the unit price. In a particular period, the total (aggregate) value of all transactions taking place in the economy is simply the sum of the individual transaction values in that period. The current price is sometimes referred to as the “nominal” price.

Volume (constant price)

When it comes to comparing the difference in aggregate values between 2 time periods, the observed movement is generally a combination of changes in quantity and changes in price. In a lot of cases, the interest of users of economic data lies in understanding the degree to which economic growth is being driven by changes in quantities (that is, physical volumes of production and consumption). It is standard practice to present many economic statistics as volume series (showing changes in the level of the series that have not been affected by changes in price) and such series are referred to as “at constant prices” or “real” prices.

Deflation

The process of removing price changes from a value series and converting to a volume series is known as deflation. All index numbers presented in this bulletin are volume measures and have had the effect of price changes removed.

Chained volume measures

The indices in this bulletin are presented as “chained volume” measures, meaning that successive volume estimates have been linked (or chained) together. Annual chain-linking was introduced in 2003 and is considered preferable to producing standard volume series, as chained volume measures more accurately reflect volume changes over time. More information on chain-linking can be found in the [Tuke and Reed \(2001\) \(92.8 Kb Pdf\)](#) article, and a paper on chain-linking weights in the output approach to measuring GDP can be found on the [Methods and Sources](#) page.

Gross domestic product (GDP)

The total value of production activity in the economic territory. It is the balancing item on the production

account for the whole economy. Domestic product can be measured gross or net of consumption of fixed capital (or depreciation). It is presented in the accounts at market (or purchasers') prices. A further distinction is that it can be at current prices or chained volume measures.

12. Methods

[Index of Services methodology](#) can be found on our website.

13. Composition of the data

The IoS uses a wide variety of different data, from many sources, which are produced on either an annual, quarterly or monthly basis.

Some of the indicators are derived using current price turnover deflated by a suitable price index. This includes data from the monthly business survey (MBS): an ONS short-term survey on different parts of the economy. It is one of the main data sources used in the compilation of the IoS.

More information on monthly business survey data can be found within the [Economic and Labour Market Review release \(2.65 Mb Pdf\)](#).

Other sources use direct volume measures that don't need to be deflated, such as Civil Aviation Authority data for air transport. Other proxies, such as employment numbers, are also used. This is the case with Public Sector Employment and Workforce Jobs data.

Where monthly data are not available (for example, when data are delivered quarterly or annually), monthly estimates are derived by forecasting data. This is done using the X-13-ARIMA-SEATS forecasting method and interpolating a monthly path using a cubic spline.

An X-13-ARIMA-SEATS forecast is also used where actual data at industry level are not available for the latest period (a lower proportion of actual data are available for the latest month). When the forecast is replaced by actual data, this may lead to revisions to the published data.

The IoS adheres to the [Government Statistical Service Disclosure Control Policy \(337 Kb Word document\)](#). More information can be found in the [Quality and Methodology Information \(QMI\) \(207.3 Kb Pdf\)](#) report.

14. Response rates

Approximately 42% of the IoS estimates are based on data collected via the ONS monthly business survey (MBS). In addition, approximately 7% of the IoS estimates are collected via ONS's Retail Sales Inquiry (RSI). The remainder is based on data received from other ONS sources and external data sources. The MBS and RSI response rates for data included in this publication are presented for the current months and the 3 months prior in Table 4. The response rates for the historical periods are updated to reflect the current level of response, incorporating data from late returns. There are 2 response rates included; the first is a percentage of the sampled turnover returned and the other is a percentage of the amount of questionnaire forms returned.

Table 4: Survey response rates, March 2015

UK, 2014 to 2015

Period	Response rate (%)			
	December 2014	January 2015	February 2015	March 2015
Monthly Business Survey (Services)				
Turnover	97.3	94.8	95.6	89.3
Questionnaire	85.8	85.1	82.8	73.9
Retail Sales Inquiry				
Turnover	98.2	98.6	96.7	93.5
Questionnaire	76.7	76.4	74.3	60.9

Source: Office for National Statistics

15. Basic quality information

Some general information on the quality of the Index of Services (IoS) can be found in the “Understanding the Index of Services” section in the main part of this statistical bulletin.

Additionally, a [Quality and Methodology Information \(QMI\)](#) report for the IoS was published on 11 February 2015. The report pulls together qualitative information on the 5 Eurostat criteria of quality (relevance, accuracy, timeliness and punctuality, accessibility and clarity, and comparability and coherence) and provides a summary of the methods used to compile the IoS output, describing the strengths and limitations of the estimates produced.

Further quality information, including details of the quality adjustments process for IoS, was published on 31 October 2014 and can be found on the [Index of Services Methods](#) page on our website.

16. National accounts revisions policy

Main documentation explaining the national accounts [revisions policy \(43.3 Kb Pdf\)](#) is available.

17. Revisions triangles

SIC 2007 revisions triangles are contained in a zip folder. This folder can be found within the data section of this bulletin.

Revisions to data provide one indication of the reliability of main indicators. A statistical test has been applied to the average revision to find out if it is statistically significantly different from 0. An average revision close to 0 is desirable as it suggests that revisions are not predictable in any one direction. The result of the test is that the average revision is not statistically significantly different from 0.

Table 5 presents a summary of the differences published between March 2009 and March 2014 and the estimates published 12 months later.

Table 5: Revisions between first publication and estimates 12 months later

UK

	Value in latest period	Average over the last 60 months	Average over the last 60 months without regard to sign (average absolute revision)	Percentage change
Index of Services 3 month on 3 month growth rate	0.4	-0.06		0.18
Index of Services 1 month on 1 month growth rate	0.1	-0.03		0.18

Source: Office for National Statistics

18. Publication policy

Details of the policy governing the release of new data are available from the media relations office. There is also a [Pre Release Access List](#) of those given pre-publication access to the contents of this release. Due to the timing of the Monetary Policy Committee meeting, the Bank of England has been granted 41 hour pre-release access by the National Statistician, instead of the usual 24 hours pre release.

19. Accessing data

The data presented in the tables of this statistical bulletin are also available to download from the data section of this publication. A complete run of data is available as a [time series dataset](#) on our website.

We provide an analysis of past revisions in the IoS and other statistical bulletins; more information can be found in [Revisions information in ONS First Releases \(244.6 Kb Pdf\)](#).

20. Following ONS

You can follow ONS on [Twitter](#) and [Facebook](#).

21. Code of Practice for Official Statistics

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

The UK Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs
- are well explained and readily accessible
- are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

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