

Statistical bulletin

# Quarterly sector accounts, UK: October to December 2020

Detailed estimates of quarterly sector accounts that can be found in the UK Economic Accounts (UKEA).



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# 1 . Main points

- The household saving ratio increased to 16.1% in Quarter 4 (Oct to Dec) 2020, an increase from a revised 14.3% in Quarter 3 (July to Sept) 2020.
- In 2020, the household saving ratio also rose sharply, reaching a record high of 16.3%, compared to 6.8% in 2019.
- The households net lending position continued to increase to £38.9 billion, a £2.9 billion rise from Quarter 3; this equates to 7.1% of gross domestic product (GDP) in Quarter 4 compared with 6.7% in Quarter 3.
- In 2020, households' net lending position reached a record high of 8.3% of GDP. Increasing to £175.2 billion from £21.4 billion in 2019.
- Non-financial corporations switched from a net lending position in Quarter 3 to a net borrowing position in Quarter 4; this was driven by a £12.8 billion rise in gross capital formation, in line with evidence of stockpiling in preparation for the end of the UK's transition period with the EU.
- In 2020, non-financial corporations switched from a net borrowing position to a small lending position as businesses reacted to the uncertainty of the pandemic by reducing their gross capital formation.
- General government saw a decrease in its net borrowing position to £59.7 billion in Quarter 4 which equates to 11.0% of GDP compared to 12.9% in Quarter 3.
- Over the year 2020, General government experienced a record net borrowing position of 12.4% of GDP; contributors to the increased level of net borrowing include a decrease in taxes on production and imports, and an increase in the payment of subsidies and an increased level of expenditure on health-related items.
- The rest of the world saw an increase of £11.9bn in their net lending position in Quarter 4 to £27.1 billion compared with net lending of £15.2bn in Quarter 3; the rest of the world net lending position equates to 5.0% of GDP in Quarter 4 and 2.8% of GDP in Quarter 3.

## 2 . Quarterly sector accounts data

[Quarterly sector accounts time series](#)

Dataset | Released 31 March 2021

Quarterly aggregate economic indicators and summary estimates for private non-financial corporations and households' sectors of the UK economy, and revisions.

[UK Economic Accounts](#)

Dataset | Released 31 March 2021

Quarterly estimates of national product, income and expenditure, sector accounts and balance of payments.

[UK Economic Accounts: main aggregates](#)

Dataset | Released 31 March 2021

Quarterly national accounts aggregates, per capita data, including gross domestic product by income and expenditure, gross value added, gross fixed capital formation, change in inventories, gross operating surplus and revisions.

[UK Economic Accounts: total economy](#)

Dataset | Released 31 March 2021

Distribution and use of income account and capital account, financial account and balance sheet quarterly data for the UK total economy.

[UK Economic Accounts: flow of funds](#)

Dataset | Released 31 March 2021

Quarterly flow of funds, financial account and balance sheet data for the UK economy by institutional sector.

[UK Economic Accounts: institutional sector – general government](#)

Dataset | Released 31 March 2021

Distribution and use of income account and capital account, financial account and balance sheet quarterly data for general government.

[UK Economic Accounts: institutional sector – households and non-profit institutions serving households](#)

Dataset | Released 31 March 2021

Distribution and use of income account and capital account, financial account and balance sheet quarterly data for households and non-profit institutions serving households. Includes the Experimental Statistics on the impact of removing "imputed" transactions from real household disposable income and the saving ratio to better represent the economic experience of UK households.

[UK Economic Accounts: financial and non financial corporations sector](#)

Dataset | Released 31 March 2021

Income account, capital account and balance sheet data for financial and non-financial corporations and their sub sectors.

[UK Economic Accounts: institutional sector – rest of the world](#)

Dataset | Released 31 March 2021

Distribution and use of income account and capital account, financial account and balance sheet quarterly data for the rest of the world.

[UK Economic Accounts: balance of payments – current account](#)

Dataset | Released 31 March 2021

Quarterly transactions in trade in goods and services, primary, secondary and investment income, transactions with EU and non-EU countries and capital account.

[UK Economic Accounts: balance of payments - financial account](#)

Dataset | Released 31 March 2021

Quarterly transactions associated with changes of ownership of the UK's foreign financial assets and liabilities, including direct, portfolio and other investment, sector analysis and government reserve assets.

[UK Economic Accounts: balance of payments – international investment position](#)

Dataset | Released 31 March 2021

Quarterly end-of-period balance sheet levels of UK external assets and liabilities, including direct, portfolio and other investment, sector analysis and government reserve assets.

## 3 . Glossary

### Seasonal adjustment

All figures given in this bulletin are adjusted for seasonality, unless the financial accounts are under discussion or otherwise stated. Seasonal adjustment removes seasonal or calendar effects from data to enable more meaningful comparisons over time.

### Current price

Current price series are expressed in terms of the prices during the time period being estimated. These describe the prices recorded at the time of production or consumption and include the effect of price inflation over time.

### Chained volume measures

Chained volume series (also known as real terms) have had the effects of inflation removed.

### Gross disposable household income (GDHI) and real household disposable income (RHDI)

Gross disposable household income (GDHI) is the estimate of the total amount of income that households have available to either spend, save or invest including income received from wages (and the self-employed), social benefits, pensions and net property income (that is, earnings from interest on savings and dividends from shares) less taxes on income and wealth.

Adjusting GDHI to remove the effects of inflation gives real household disposable income (RHDI). This is a measure of the real purchasing power of households' income, in terms of the physical quantity of goods and services they would be able to purchase if prices remained constant over time.

### The households' saving ratio explained

The saving ratio estimates the amount of money households have available to save as a percentage of their gross disposable income plus pension accumulations.

### Net lending or borrowing

The net lending of a sector represents the surplus resources that a sector makes available to other sectors; net borrowing represents their financing of a deficit from other sectors.

Net lending means a sector has money left over after its spending and investment in a given period, whereas net borrowing means it has spent and invested more than it received and has a need for financing, which may be covered by borrowing, issuing shares or bonds, or by drawing on reserves.

## 4 . Measuring the data

## Revisions within this release

This bulletin includes new data for the latest available quarter, Quarter 4 (Oct to Dec) 2020 and revisions to data from the start of a time series to Quarter 1 (Jan to Mar) 2020.

This bulletin follows the [National Accounts Revisions Policy](#).

## Understanding the sector and financial accounts

This release presents analysis on UK aggregate data for the main economic indicators and summary estimates from the institutional sectors of the UK economy that are presented in the [UK Economic Accounts \(UKEA\) dataset](#):

- public corporations
- private non-financial corporations
- financial corporations
- households
- non-profit institutions serving households (NPISH)
- central government
- local government
- rest of the world

This release uses data from the UKEA and provides detailed estimates of national product, income and expenditure, UK sector, non-financial and financial accounts, and UK Balance of Payments. These accounts are the underlying data that produce a single estimate of Gross Domestic Product (GDP) using income, production and expenditure data.

## Quality and Methodology Information report

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [Quarterly sector accounts QMI](#).

## 5 . Related links

### [GDP quarterly national accounts](#)

Publication | Released 31 March 2021

Revised quarterly estimate of gross domestic product (GDP) for the UK. Uses additional data to provide a more precise indication of economic growth than the first estimate.

### [GDP first quarterly estimate](#)

Publication | Released 12 February 2021

First quarterly estimate of gross domestic product (GDP). Contains current and constant price data on the value of goods and services to indicate the economic performance of the UK.

### [Balance of payments](#)

Publication | Released 31 March 2021

A measure of cross-border transactions between the UK and rest of the world. Includes trade, income, capital transfers and foreign assets and liabilities.

### [Flow of funds](#)

Article | Released 7 November 2019

Aid for users to visualise the from-whom-to-whom estimates by using Sankey diagrams and heatmaps to show the counterparty relationships between institutional sectors.

### [Alternative measure of households' saving ratio \(experimental\)](#)

Article | Released 8 October 2018

Experimental Statistics on the impact of removing "imputed" transactions from real household disposable income and the saving ratio to better represent the economic experience of UK households.