

Sector financing: 1981

This note briefly reviews some of the main financial transactions between the principal sectors of the economy during 1981 and provides a full set of the Bank's flow of funds tables. These include transactions by individual groups of 'other financial institutions' and a breakdown by type of security of transactions by the various sectors in the equity and debenture markets.

Introduction

The figures for 1981 were affected in two ways by the Civil Service pay dispute. Their quality suffers from the absence of trade figures for the second and third quarters, which permits only a rough calculation of the overseas sector deficit; and, within the public sector, the central government figures are less reliable than usual. The substance of the figures has been affected by disruptions to the flow of taxes; the private sector is estimated to have owed (net) some £3 billion of taxes at the end of the year.

Judging by what happened in the first and fourth quarters, the balance of payments surplus for the year will have been around £8 billion. Adopting this estimate, and recognising that many of the figures are provisional, particularly those derived from the national income and balance of payments accounts, the sectoral picture that emerges for 1981 is as summarised in Tables A and B. It shows a continuing very big surplus in the personal sector, largely matching the public and overseas sector deficits.

Public sector

The public sector deficit in 1981 was again large, although substantially less than in 1980. The fall was more than accounted for by the virtual elimination of the local authorities' deficit, which had been nearly £2½ billion in 1980. The deficit of the public corporations was also substantially reduced—by over £1 billion. These movements reflected a contraction of investment programmes, sales of council houses, economies in current expenditure, and actions to raise income. Retrenchment in the public sector was even more substantial if allowance is made for inflation. Large amounts of finance were provided by a run-down of the official reserves and by sales of gilt-edged stocks and national savings, while the Treasury bill market contracted (Table D). A particular feature of the figures is the big increase in transactions by the Issue Department of the Bank of England in commercial bills, whereby the authorities relieved the pressures of overfunding (see page 201). In fact, the authorities bought around £2½ billion (net) of commercial bills in the first quarter, sold as much in the second, and increased their holdings by another similar amount in the fourth quarter.

Table A
Sector surpluses and deficits as measured by national income statistics

£ billions	Public sector	Financial institutions	Industrial and commercial companies	Personal sector	Overseas sector	Residual error
1979	-8.1	-0.2	-2.7	+12.5	+0.9	-2.4
1980	-9.6	-0.8	-1.6	+17.7	-3.1	-2.6
1981	-7.5	-3.1	+1.2	+16.2	-8 (a)	-1.2 (a)

(a) Rough estimate.

Table B
Total identified financial transactions

£ billions	Public sector	Financial institutions	Industrial and commercial companies	Personal sector	Overseas sector
1979	-8.7	-0.9	-4.0	+13.1	+0.5
1980	-11.0	+0.4	-3.1	+16.3	-2.6
1981	-7.2	+1.1	-2.1	+13.6	-5.4

Industrial and commercial companies

Some difficulties and dangers inherent in the analysis by sector of the flow of funds are well illustrated by the estimates for industrial and commercial companies. In the corresponding review a year ago⁽¹⁾ the financial deficits thrown up by the national income accounts, and the totals of identified financial transactions, indicated an industrial and commercial company deficit in 1979 of £4 billion or more, and a somewhat smaller one of about £2½ billion in 1980, with 'unidentifieds' of around £½ billion in each year. As may be seen by comparing the figures in Table A and Table B, the measured deficits have been reduced substantially, and the 'unidentifieds' between these approaches have now grown to between £1¼-3¼ billion for each year because of substantial revisions to the national income statistics. Revisions to many items have contributed to the net changes. The provisional figures for 1981—a surplus according to national income sources and a deficit according to identified financial transactions (leaving over £3 billion unidentified)—must be regarded with caution. They are summarised in Table C and set out more fully in Table L. The difficult economic position of the sector is examined in the article on profitability and company finance on page 243, and is also discussed in the economic

(1) June 1981 *Bulletin*, page 210.

commentary, page 190. In broad, profitability continued to be poor, and companies' net liquidity improved, largely because of a further fall in fixed investment and stockbuilding, and substantial shedding of labour. Gross liquidity improved quite sharply, but was accompanied by continued heavy borrowing. Rights issues in the equity market were also used to boost company finances.

Table C
Borrowing requirement of industrial and commercial companies

£ billions

	1979	1980	1981
Saving(a)	+12.8	+10.2	+11.7
Capital transfers	+ 0.3	+ 0.4	+ 0.6
Gross domestic fixed-capital formation (-)	-13.7	-15.6	-15.1
Physical increase in stocks (-)	- 2.1	+ 3.4	+ 4.0
Financial deficit (-)	- 2.7	- 1.6	+ 1.2
less:			
Net unremitted profits	+ 1.0	+ 1.3	+ 0.5
UK trade investments and mergers	- 1.0	- 1.0	- 0.9
Long-term investment abroad	- 4.4	- 2.6	- 3.6
Identified trade credit	- 0.5	- 1.0	- 0.7
Tax balances and accruals adjustments	+ 2.6	+ 1.0	+ 2.2
Unidentified	- 1.3	- 1.5	- 3.3
Net borrowing requirement (-)	- 6.3	- 5.4	- 4.6
Financed by:			
Borrowing and equity finance	+ 7.0	+ 9.9	+11.0
Decrease in liquid assets (+)	- 0.7	- 4.5	- 6.4
(a) Excluding stock appreciation of:	+ 7.0	+ 5.0	+ 4.2

Personal sector

The personal sector continued in massive surplus in 1981, though here too the figures for previous years have been revised. The latest figures are set out in Table M and they are discussed further in the economic commentary (page 189); but these are also subject to revision. Besides their saving from income, persons' chief source of funds was, as usual, borrowing for house purchase, which grew on

a greater scale than for several years. The banks made a major inroad into the mortgage market, which had previously been dominated by the building societies: the banks provided one quarter of mortgage funds in 1981, and the societies only two thirds compared with over three quarters in 1980. Persons continued to be net sellers in the equity and debenture markets (see also Table P). Their use of funds largely followed a familiar pattern and increases in their claims on life insurance and pension funds accounted for the largest share; building society deposits accounted for a share little more than half as big, while bank deposits grew comparatively little. National savings rose sharply, reflecting the Government's increasing reliance on the personal savings market to fund its borrowing requirement, and gilt-edged stocks were in high demand as well.

The monetary sector and other financial institutions

The adoption of an enlarged 'monetary sector' in place of the previous 'banking sector' will entail a number of changes in the statistics—see the article on money and banking figures in the December 1981 *Bulletin* (page 531). As explained there, the extended sector was introduced from the end of 1981, and figures for the period up to then are based on the old definition of the banking sector. The annual figures presented here are not therefore affected; but the new sector title is used in some places for consistency with tables produced elsewhere and because of the inclusion of some figures for the first quarter of this year, particularly in Tables G and H. The terms 'bank lending' and 'bank deposits' are being retained and refer to lending by, and deposits with, the monetary sector.

An analysis—not presented elsewhere—of transactions in 1981 by the individual institutional groups within the 'other financial institutions' sector is provided in Table J.

Notes on definitions and seasonal adjustment

Introduction

The complete set of financial transactions tables and accompanying notes appear in the *Bulletin* only in this annual article each June. The quarterly matrix (corresponding to Table E), together with data on transactions by the public, personal, and industrial and commercial company sectors (Tables F, M and L) are published regularly in the statistical annex, while data for other sectors (albeit mostly not seasonally adjusted and classified somewhat differently) are given regularly in the CSO's *Financial Statistics*.

Further notes on the accounts, including information on sources, are provided annually in the *Financial Statistics Explanatory Handbook*.

Definitions

Central government

Government departments, bodies and accounts (including Northern Ireland government departments), national insurance and other social security funds, the Exchange Equalisation Account, and the Issue Department of the Bank of England.

Local authorities

Public authorities and bodies making returns under the Local Government Acts.

Public corporations

Public enterprises having a substantial degree of independence, including the nationalised industries, other public corporations and their UK subsidiaries (except for those of the National Enterprise Board), government trading funds and companies which are publicly owned and controlled.

Overseas sector

Non-residents as defined for the balance of payments estimates.

Personal sector

Individuals, unincorporated businesses, and private non-profit-making bodies.

Industrial and commercial companies

All corporate bodies other than public enterprises, monetary sector institutions and other financial institutions.

Monetary sector

As in Table 6 in the statistical annex. From the beginning of 1982 this sector (previously called the 'banking sector') was enlarged to include all recognised banks, licensed deposit-taking institutions and certain other institutions, eg the trustee savings banks. (See the article on page 531 of the December 1981 *Bulletin*.) The general term 'banks' is still used for statistics for the sector, so 'bank deposits' or 'bank lending' cover transactions by all monetary sector institutions.

Other financial institutions

Trustee savings banks (up to the end of 1981, when they became monetary sector institutions—the ordinary department was treated as a central government account until the end of September 1979); National Savings Bank investment account (until the end of 1980, when it became a central government account); certain finance houses and other consumer credit grantors (those licensed to take deposits became monetary sector institutions from the beginning of 1982); building societies; investment trusts; unit trusts; property unit trusts; insurance companies; pension funds; special finance agencies; the Crown Agents (until the end of 1979, when they were reconstituted as two public corporations); the Central Trustee Savings Bank (until the end of 1981, when it became a monetary sector institution); and, from the beginning of 1982, other miscellaneous institutions—those banking institutions in the Channel Islands and Isle of Man which are not in the monetary sector, gold dealers not in the monetary sector, and certain institutions which lend abroad but do not take deposits from the public.

Lines 1–4⁽¹⁾

As defined in the national income and expenditure accounts.

Line 5

The sum of the financial surpluses/deficits for all sectors equals the residual error in the national accounts. For the overseas sector, the entry is the counterpart of the UK balance of payments on current account.

Line 6

Changes in Bank of England notes (treated as liabilities of the central government), in banks' liabilities on account of issues of Scottish and Northern Irish notes, and in coin (treated as liabilities of the central government), other than changes in notes and coin held by the Banking Department.

Lines 7 and 8

The entries for Treasury bills under industrial and commercial companies are residuals and include any changes in personal and unidentified overseas holdings. Likewise, the entries for government securities under persons are residuals and include unidentified changes in holdings by industrial and commercial companies—see footnote (c) to Table L—and by overseas residents.

Line 9

Defined as in Table 7 in the statistical annex.

Line 10

Certificates of tax deposit, tax reserve certificates and tax deposit accounts.

Line 11

See footnote (c) to Table 7 in the statistical annex.

Line 12

Northern Ireland government securities, Ulster savings certificates and Ulster development bonds (including accrued interest outstanding), and advances from banks (including trustee savings banks). Northern Ireland borrowing from the European Investment Bank is in line 16.

Line 13

Entries here represent differences between the sterling originally obtained by local authorities and public corporations through foreign currency borrowings under the exchange cover scheme and the cost to the reserves of repayments at current market rates, which are treated as reductions in central government liabilities to local authorities and public corporations.

Line 14

Ways and means advances by the National Coal Board and (up to the fourth quarter of 1980) the National Savings Bank investment account, repayments by the Fund for Banks for Savings to the trustee savings banks, and deposits by the British Gas Corporation with the National Loans Fund.

Line 15

Market transactions in commercial bills by the Issue Department of the Bank of England are treated as increases or decreases in central government claims on industrial and commercial companies (matched by reductions or increases in banks' claims on these companies).

Line 16

Foreign currency borrowing by the central government from banks in the United Kingdom or from overseas under eurodollar facilities and from central monetary institutions abroad (including foreign currency deposits), transactions in British government foreign currency bonds, drawings from the IMF, and borrowing by the Northern Ireland Government from the European Investment Bank under the exchange cover scheme.

Line 17

All transactions with overseas which finance the central government borrowing requirement and which are not included elsewhere. This line includes sterling borrowing from governments or central monetary institutions with a sterling counterpart invested in Treasury bills, changes in IMF holdings of non-interest-bearing notes (other than those arising from drawings or subscriptions), allocations of special drawing rights and part of 'official short-term transactions' in the balance of payments.

(1) Line numbers refer only to Tables D and E.

Line 18

The sterling equivalent of changes in the gold and convertible currencies and special drawing rights held in the Exchange Equalisation Account, together with changes in the UK reserve position in the IMF.

Line 19

Borrowing from the central government largely comprises loans from the Public Works Loan Board but also includes transactions in local authority debt by the Issue Department of the Bank of England and by the National Insurance Fund. Temporary borrowing is money originally borrowed for less than twelve months, but includes all bills and bank overdrafts. Sterling securities comprise local authority listed stocks and bonds. Returns from monetary sector institutions do not provide a breakdown of market loans between temporary debt and other; figures for their transactions in temporary debt are from local authority returns and are thus suspect, for they may include transactions by the institutions acting as agents. Figures for industrial and commercial companies exclude any transactions in sterling securities. Transactions by the personal sector are residuals.

Line 20

Figures for the central government include public corporations' payments for the redemption of government-guaranteed stocks as well as central government lending to public corporations.

Public sector borrowing requirement

Lines 6 to 20 are transactions financing the public sector borrowing requirement, so their total is equal to the PSBR.

Line 21

Changes in sterling sight and time deposits and in foreign currency deposits of UK and overseas residents. The entries for the monetary sector and industrial and commercial companies have been adjusted by deducting 60% of the change in sterling net debit transit items. Transactions in certificates of deposit and other negotiable paper issued by monetary sector institutions are included here.

Line 22

This covers shares, deposits, and receipts of SAYE by building societies, and represents receipts by the societies, together with interest credited, less withdrawals.

Line 23

Deposits with finance houses and other consumer credit companies (except deposits from banks, which are in line 24), with savings banks (the National Savings Bank investment account until the end of 1980, the ordinary department of the trustee savings banks from the fourth quarter of 1979 and the new department up to the end of 1981) and with the Central Trustee Savings Bank (up to the end of 1981).

Line 24

Advances and overdrafts, market loans and transactions in commercial bills; excludes ways and means advances (by the Banking Department, line 11), loans for house purchase (included in line 27), lending to the Northern Ireland Government (line 12), to local authorities (line 19), and to public corporations (line 20). Recorded advances to industrial and commercial companies are adjusted by adding 40% of the change in sterling net debit transit items (see also line 21).

Line 25

Changes in hire purchase and certain other forms of credit granted by department stores, durable goods retailers, general mail-order houses and other general stores. The figures exclude what are probably large amounts of unpaid bills (trade credit) and credit extended by other types of retailer. The figures for the public sector relate to credit granted by gas and electricity showrooms.

Line 26

Public corporations' trade credit includes amounts owing on unpaid gas and electricity accounts and telephone bills. Import and export credit comprises suppliers' trade credit and advance and progress payments on exports and imports and that part of export credit extended by UK banks which is refinanced by the central government, the trustee savings banks and the Central Trustee Savings Bank. No estimates are available for other kinds of trade credit.

Line 27

New loans less repayments by building societies, by local authorities for house purchase and improvements, by the central government to housing associations, by insurance companies and pension funds, and by monetary sector institutions (including trustee savings banks).

Line 28

Net lending by the central government to building societies, industrial and commercial companies, persons, overseas governments and international lending bodies. It also includes net lending by public corporations to the private sector (other than for house purchase).

Line 29

Includes instalment credit and other loans and advances by finance houses and other consumer credit companies, loans made to their parent organisation by private sector superannuation funds, and loans by insurance companies and special finance agencies. Loans by public corporation and local authority pension funds to their parent bodies are in lines 20 and 19.

Line 30

Net sales of units to persons by authorised unit trusts.

Line 31

All transactions in UK securities, including capital issues and inward direct investment in the form of securities. The figures for the personal sector are residuals, obtained as the difference between total capital issues and aggregate transactions by all other sectors. They are therefore subject to a wide margin of error.

Line 32

All transactions in overseas securities, including UK direct investment abroad in the form of securities. The figures for the personal sector are residuals and are thus subject to considerable error.

Line 33

In the national accounts, the net income of life insurance and pension funds is treated as belonging to the policy holders and contributors, and is therefore included in personal saving, whereas the funds themselves are classified as financial institutions. The net income is thus attributed to the personal sector, and is matched by entries in this line, representing increases in net claims on the funds by policy holders and contributors. There are also entries for net personal claims on the central government in respect of increases in funds under certain public sector schemes which are contributory, but where separate funds are not maintained.

Line 34

Transactions in domestic instruments not included elsewhere. For the public sector this comprises advance receipts for oil by the British National Oil Corporation. For financial institutions the entries include amounts due to and from stockbrokers, borrowing by finance houses (except in the form of deposits), property unit trust units sold to charities, and assets and liabilities not separately identified in the reporting forms. Transactions in shares in retail co-operative societies between persons and companies are also included.

Line 35

Private direct investment abroad (other than in the form of securities—line 32), and oil and miscellaneous investment as in the balance of payments (less identified transactions in securities), less public corporations' investment abroad (line 37).

Line 36

Private direct investment in the United Kingdom (other than in the form of securities—line 31), and oil and miscellaneous investment in the United Kingdom as in the balance of payments, less UK oil company issues (also line 31).

Line 37

Miscellaneous transactions in the balance of payments which are not allocated elsewhere; comprising part of 'other official long-term capital (net)' and 'other official short-term transactions' in the balance of payments, net lending and investment abroad by public corporations, various short-term transactions overseas by other financial institutions, and discrepancies between figures from balance of payments and other sources (entered under industrial and commercial companies).

Line 38

The differences between the figures entered in the national income accounts on an accruals basis (such as local authority rates, various royalties and taxes, subsidies and other public sector receipts and expenditure, and interest flows) and the corresponding cash payments.

Line 39

The sum of lines 6 to 38.

Line 40

One estimate of gross domestic product is obtained by adding estimated factor incomes; another is obtained by adding expenditures on goods and services. Although in concept these estimates are identical, the sources for these calculations are different, and the totals differ by what is called the residual error. In the national accounts a balance is struck for each sector between current income plus capital transfers received and current plus capital expenditure; this is the financial surplus or deficit. Transfer items net out over all sectors, so the sum of the financial surpluses and deficits in line 5 is equal to the residual error. The corresponding totals of transactions in financial assets and liabilities for each sector are entered in line 39, where they sum to zero, because the entries for each of the constituent lines (6 to 38) have been made to sum to zero. (The entries in each line frequently stem from a common source—when two sources are available and provide different figures for the same sector, the one considered to be the best source is used, and one sector is sometimes used for a residual entry.) The differences between the financial surplus or deficit for each sector and its identified financial transactions are named 'unidentified transactions'. The net total of the unidentifieds for all sectors equals the residual error. The unidentified transactions may arise from errors and omissions either in income and expenditures or in financial transactions, and include the results of misallocations by sector.

Money stock

In the matrix:

the change in M_1 = line 6 (persons and industrial and commercial companies) plus line 21.1 (persons, other financial institutions and industrial and commercial companies);

the change in sterling M_3 = the change in M_1 plus lines 21.1 and 21.2 (public sector) plus line 21.2 (persons, other financial institutions and industrial and commercial companies);

the change in total M_3 = the change in sterling M_3 plus line 21.3 (public sector, other financial institutions, persons, and industrial and commercial companies).

Seasonal adjustments

The adjustments allow for purely seasonal movements and certain other factors, taking full account of the data up to the end of 1980.

Purely seasonal adjustments

For each item which displays seasonality, preliminary seasonal adjustments are obtained which sum to zero over the four quarters in each calendar year. Consistent adjustments are then estimated by a system of balancing under which, in any quarter, the sum of the adjustments for all sectors in any line entry is zero, and the sum of the adjustments for all line entries in any sector is zero.

Other adjustments

These are made to certain series (such as notes and coin) in order to remove recurrent variations not adequately measured by moving-average seasonal adjustments (for example, the half-yearly crediting of interest on some bank deposits), distortions due to the calendar (such as the effect of the particular days of the week on which a quarter begins and ends, and of the proximity of Easter to the last working day in March), and distortions due to tax changes. Unlike the purely seasonal adjustments, the other adjustments may not add up to zero over a calendar year.

Table D
Financial transactions: annual matrix 1980

£ millions

Line	Central government	Local authorities	Public corporations	Public sector	Monetary sector	Other financial institutions	Industrial and commercial companies	Personal sector	Overseas sector(a)	Residual error
Capital account										
Saving	1	- 1,557	+1,318	+4,098	+ 3,859	+4,296	+15,199	+24,680	- 3,058	
Taxes on capital and capital transfers	2	- 1,106	+ 100	+ 550	- 456	- 202	+ 383	+ 275	-	
less:										
Gross fixed-capital formation at home	3	- 1,682	-3,809	-6,842	-12,333	-4,999	-15,644	- 6,995		
Increase in value of stocks and work in progress	4	- 300		- 424	- 724	+ 51	- 1,488	- 232		
Financial surplus +/deficit	5	- 4,645	-2,391	-2,618	- 9,654	- 854	- 1,550	+17,728	- 3,058	-2,612
Changes in financial assets and liabilities										
<i>Assets: increase+ /decrease-</i>										
<i>Liabilities: increase- /decrease+</i>										
Notes and coin	6	- 406			- 406	- 318	+ 361	+ 363		
Market Treasury bills	7	- 324		- 31	- 355	+ 430	+ 16		- 126	
British government securities	8	-10,692	+ 4	+ 16	-10,672	+ 1,528	+ 133	+ 1,905	+ 1,516	
National savings	9	- 1,378			- 1,378			+ 1,378		
Tax instruments	10	- 266			- 266	- 18	+ 330	- 3		
Net government indebtedness to Banking Department	11	+ 864			+ 864	- 864				
Northern Ireland central government debt	12	- 6			- 6	+ 10		- 4		
Government liabilities under exchange cover scheme	13	- 7	- 8	+ 15						
Other non-marketable government debt	14	+ 1		+ 150	+ 151	- 151				
Issue Department's transactions in commercial bills	15	+ 403			+ 403		- 403			
Government foreign currency debt	16	+ 769			+ 769	- 543			- 226	
Other government overseas financing	17	- 121			- 121				+ 121	
Official reserves	18	+ 291			+ 291				- 291	
Local authority debt:										
Temporary	19.1	- 262	- 167	- 65	- 494	+ 98	- 50	+ 42	+ 4	
Foreign currency	19.2		+ 47		+ 47	- 25			- 22	
Other listed securities	19.3	+ 8	+ 140	- 2	+ 146	+ 141		- 222	+ 19	
Other long-term	19.4	+ 1,229	-3,035	+ 12	- 1,794	+ 1,468	+ 6	+ 68	+ 5	
Public corporation debt:										
Foreign currency	20.1			+ 429	+ 429	- 154			+ 275	
Other	20.2	+ 3,327	+ 8	-3,232	+ 103	- 101		+ 10	+ 129	
Deposits with banks:										
Sterling sight	21.1	+ 233	+ 15	- 5	+ 243	- 676	- 278	+ 711	- 27	
Sterling time	21.2	+ 14	+ 35	+ 46	+ 95	-12,516	+ 1,342	+ 5,530	+ 3,029	
Foreign currency	21.3	+ 43	- 1	+ 7	+ 49	-31,805	+ 261	+ 367	+30,357	
Deposits with building societies	22						- 7,140	- 22	+ 7,175	- 13
Deposits with other financial institutions	23						- 809	- 1	+ 807	+ 3
Bank lending (excluding public sector):										
Foreign currency	24.1					+31,426	+ 107	- 1,229	- 151	-30,153
Sterling	24.2					+11,892	- 739	- 5,616	- 2,774	- 2,763
Credit extended by retailers	25			- 3	- 3			+ 75	- 72	
Identified trade credit:										
Public corporations (domestic)	26.1			- 699	- 699			+ 573	+ 126	
Import and export	26.2	- 499		- 62	- 561		+ 250	+ 394		- 83
Loans for house purchase:										
Building societies	27.1						+ 5,722		- 5,722	
Other	27.2		+ 461	+ 247	+ 708	+ 490	+ 469		- 1,667	
Other public sector lending	28	+ 14	+ 9	- 146	- 123		+ 11	+ 119	+ 4	- 11
Other lending by financial institutions	29						+ 811	- 374	- 437	
Unit trust units	30						+ 9		- 9	
UK company securities	31	+ 56		+ 150	+ 206	- 241	- 885	- 2,319	+ 866	
Overseas securities	32					+ 906	+ 2,453	- 516	- 4,561	
Life assurance and pension funds	33	- 313			- 313		-11,045	+11,358		
Miscellaneous domestic instruments	34					+ 9	+ 198	+ 82		
Direct and other investment abroad	35					+ 240	+ 179	+ 2,037		- 2,456
Overseas direct and other investment in United Kingdom	36					- 103	- 14	- 3,189		+ 3,306
Miscellaneous overseas instruments	37	+ 184		+ 118	+ 302		+ 16	+ 672		- 958
Accruals adjustment	38	+ 2,223	- 542	- 248	+ 1,433	- 20	- 731	+ 279		
Identified financial transactions	39	- 4,615	-3,034	-3,303	-10,952	+ 1,254	- 896	- 3,085	+16,289	- 2,610
Unidentified transactions	40	- 30	+ 643	+ 685	+ 1,298	-1,212	+ 1,535	+ 1,439	- 448	-2,612

— nil or less than £½ million.

(a) It has not been possible to incorporate in this table the revised balance of payments estimates which were released in June.

Table D continued
Financial transactions: annual matrix 1981

£ millions

		Central government	Local authorities	Public corporations	Public sector	Monetary sector	Other financial institutions	Industrial and commercial companies	Personal sector	Overseas sector(a)	Residual error
Line											
Capital account											
Saving	1	- 2,963	+ 2,515	+ 5,419	+ 4,971	+ 3,369		+ 15,987	+ 23,816	..	
Taxes on capital and capital transfers	2	- 997	+ 56	+ 644	- 297	- 498		+ 588	+ 207	-	
less:											
Gross fixed-capital formation at home	3	- 1,753	- 2,629	- 7,037	- 11,419	- 5,997		- 15,096	- 7,666		
Increase in value of stocks and work in progress	4	- 156		- 563	- 719	+ 22		- 239	- 154		
Financial surplus +/deficit	5	- 5,869	- 58	- 1,537	- 7,464	- 3,104		+ 1,240	+ 16,203
Changes in financial assets and liabilities											
<i>Assets: increase+ /decrease- Liabilities: increase- /decrease+</i>											
Notes and coin	6	- 672			- 672	+ 70		+ 425	+ 177		-
Market Treasury bills	7	+ 1,242		- 27	+ 1,215	- 1,159	+ 37	+ 17		- 110	
British government securities	8	- 8,135	+ 6	+ 4	- 8,125	- 446	+ 6,415	- 238	+ 1,935	+ 459	
National savings	9	- 4,191	+ 1		- 4,190		+ 5		+ 4,185		
Tax instruments	10	- 71		+ 245	+ 174	- 24	+ 35	- 197	+ 12		
Net government indebtedness to											
Banking Department	11	+ 309			+ 309	- 309					
Northern Ireland central government debt	12	- 41			- 41	- 9			+ 50		
Government liabilities under exchange cover scheme	13	- 61	- 7	+ 68							
Other non-marketable government debt	14	+ 178			+ 178		- 178				
Issue Department's transactions in commercial bills	15	+ 2,559			+ 2,559			- 2,559			
Government foreign currency debt	16	+ 1,375			+ 1,375	- 1,002				- 373	
Other government overseas financing	17	- 84			- 84					+ 84	
Official reserves	18	- 2,419			- 2,419					+ 2,419	
Local authority debt:											
Temporary	19.1	- 168	- 779	+ 217	- 730	+ 401	- 341	- 68	+ 718	+ 20	
Foreign currency	19.2		+ 4		+ 4	+ 1				- 5	
Other listed securities	19.3	- 3	+ 179	+ 7	+ 183	- 73	- 75		- 35		
Other long-term	19.4	- 648	+ 202	+ 1	- 445	+ 1,543	- 62	- 2	- 1,038	+ 4	
Public corporation debt:											
Foreign currency	20.1			+ 330	+ 330	+ 202				- 532	
Other	20.2	+ 1,025	- 16	- 1,264	- 255	+ 295	- 30		- 3	- 7	
Deposits with banks:											
Sterling sight	21.1	- 146	+ 48	+ 45	- 53	- 2,810	+ 789	+ 934	+ 746	+ 394	
Sterling time	21.2	- 5	+ 55	+ 78	+ 128	- 8,555	+ 1,609	+ 2,164	+ 2,511	+ 2,143	
Foreign currency	21.3	- 19	+ 3	+ 38	+ 22	- 39,497	+ 6	+ 2,241	+ 340	+ 36,888	
Deposits with building societies	22						- 7,006	+ 60	+ 6,946		
Deposits with other financial institutions	23						- 292	+ 24	+ 274	- 6	
Bank lending (excluding public sector):											
Foreign currency	24.1					+ 39,272	+ 95	- 2,606	- 7	- 36,754	
Sterling	24.2					+ 9,338	- 637	- 1,912	- 3,652	- 3,137	
Credit extended by retailers	25			- 9	- 9			+ 17	- 8		
Identified trade credit:											
Public corporations (domestic)	26.1			- 150	- 150			+ 497	- 347		
Import and export	26.2	- 440		- 32	- 472			+ 187		+ 285	
Loans for house purchase:											
Building societies	27.1						+ 6,207		- 6,207		
Other	27.2		+ 250	+ 348	+ 598	+ 2,470	+ 421		- 3,489		
Other public sector lending	28	+ 822	+ 16	+ 17	+ 855		- 8	- 621	- 14	- 212	
Other lending by financial institutions	29						+ 922	- 550	- 372		
Unit trust units	30						- 82		+ 82		
UK company securities	31	+ 1,266		- 1,169	+ 97	- 198	+ 2,120	- 1,481	- 1,566	+ 1,028	
Overseas securities	32					+ 1,732	+ 2,749	+ 2,072	- 579	- 5,974	
Life assurance and pension funds	33	- 340			- 340		- 12,737		+ 13,077		
Miscellaneous domestic instruments	34						- 31	- 8	+ 39		
Direct and other investment abroad	35					+ 248	+ 137	+ 2,979		- 3,364	
Overseas direct and other investment in United Kingdom	36					- 71	- 21	- 2,314		+ 2,406	
Miscellaneous overseas instruments	37	- 258		+ 186	- 72		+ 132	+ 1,026		- 1,086	
Accruals adjustment	38	+ 3,773	- 738	- 169	+ 2,866	- 278	- 261	- 2,170	- 157		
Identified financial transactions	39	- 5,152	- 776	- 1,236	- 7,164	+ 1,141	- 82	- 2,083	+ 13,618	- 5,430	
Unidentified transactions	40	- 717	+ 718	- 301	- 300	- 4,163		+ 3,323	+ 2,585

- nil or less than £½ million.

(a) It has not been possible to incorporate in this table the revised balance of payments estimates which were released in June.

Table E
Financial transactions: 1981 Q4

£ millions; unadjusted

	Central government	Local authorities	Public corporations	Public sector	Monetary sector	Other financial institutions	Industrial and commercial companies	Personal sector	Overseas sector(a)	Residual error
Line										
Capital account										
Saving	1	+ 278	+ 795	+1,969	+3,042	+1,158	+4,290	+3,890	- 1,847	
Taxes on capital and capital transfers	2	- 184	+ 19	+ 185	+ 20	- 196	+ 134	+ 42	-	
less:										
Gross fixed-capital formation at home	3	- 517	- 440	-1,793	-2,750	-1,865	-3,960	-2,220		
Increase in value of stocks and work in progress	4	- 62		- 179	- 241	- 2	- 529	- 162		
Financial surplus + /deficit -	5	- 485	+ 374	+ 182	+ 71	- 905	- 65	+1,550	- 1,847	+1,196
Changes in financial assets and liabilities										
<i>Assets: increase + /decrease -</i>										
<i>Liabilities: increase - /decrease +</i>										
Notes and coin	6	- 841			- 841	+ 311		+ 141		-
Market Treasury bills	7	+ 667		+ 5	+ 672	- 488	+ 11	- 2		- 193
British government securities	8	-2,204			-2,204	- 223	+1,180	- 100	+ 966	+ 381
National savings	9	- 883			- 883		+ 6		+ 889	
Tax instruments	10	- 454		+ 98	- 356	- 7	+ 57	+ 300	+ 6	
Net government indebtedness to Banking Department	11	+ 287			+ 287	- 287				
Northern Ireland central government debt	12	- 22			- 22	- 10			+ 32	
Government liabilities under exchange cover scheme	13	+ 1	- 4	+ 3						
Other non-marketable government debt	14	+ 89			+ 89		- 89			
Issue Department's transactions in commercial bills	15	+2,585			+2,585		-2,585			
Government foreign currency debt	16	+ 39			+ 39					- 39
Other government overseas financing	17	+ 69			+ 69					- 69
Official reserves	18	- 123			- 123					+ 123
Local authority debt:										
Temporary	19.1	+ 159	- 421	+ 33	- 229	- 153	- 263	- 107	+ 733	+ 19
Foreign currency	19.2		+ 13		+ 13	- 1				- 12
Sterling securities	19.3		+ 30		+ 30	- 6	- 1		- 22	- 1
Other sterling debt	19.4	- 262	+ 683	- 6	+ 415	+ 310	- 65	- 5	- 656	+ 1
Public corporation debt:										
Foreign currency	20.1			- 65	- 65	+ 105				+ 40
Other	20.2	+ 455	+ 47	- 788	- 286	+ 291	- 6			+ 1
Deposits with banks:										
Sterling sight	21.1	+ 115	+ 29	+ 170	+ 314	- 672	+ 765	+ 458	- 804	- 61
Sterling time	21.2	- 4	+ 19	+ 19	+ 34	- 2,181	+ 945	+ 189	+ 760	+ 253
Foreign currency	21.3	+ 2	- 1	- 30	- 29	-11,597	- 581	+ 275	- 9	+11,941
Deposits with building societies	22						-1,568	+ 9	+1,560	- 1
Deposits with other financial institutions	23						- 1	+ 2	+ 5	- 6
Bank lending (excluding public sector):										
Foreign currency	24.1				+10,341	+ 713	-1,483	- 32	- 9,539	
Sterling	24.2				+ 2,111	- 153	- 697	- 573	- 688	
Credit extended by retailers	25			+ 14	+ 14		+ 150	- 164		
Identified trade credit:										
Public corporations (domestic)	26.1			+ 814	+ 814		- 297	- 517		
Import and export	26.2	- 70		- 8	- 78		+ 147			- 69
Loans for house purchase:										
Building societies	27.1						+1,273		-1,273	
Other	27.2		+ 149	+ 69	+ 218	+ 1,110	+ 84		-1,412	
Other public sector lending	28	+ 104	+ 4	+ 57	+ 165		- 4	- 147	- 7	- 7
Other lending by financial institutions	29						+ 227	- 142	- 85	
Unit trust units	30						+ 4		- 4	
UK company securities	31	+ 34		+ 17	+ 51	- 83	+ 496	- 440	- 281	+ 257
Overseas securities	32					+ 678	+ 631	+ 772	- 450	- 1,631
Life assurance and pension funds	33	- 95			- 95		-2,984		+3,079	
Miscellaneous domestic instruments	34						+ 202	- 100	- 102	
Direct and other investment abroad	35					+ 76	+ 31	+ 470		- 577
Overseas direct and other investment in United Kingdom	36					- 14	- 13	- 383		+ 410
Miscellaneous overseas instruments	37	+ 8		+ 53	+ 61		- 24	+ 214		- 251
Accruals adjustment	38	+ 336	- 986	- 8	- 658	- 34	- 370	+1,046	+ 16	
Identified financial transactions	39	- 8	- 438	+ 447	+ 1	- 423	+ 491	-2,067	+1,796	+ 202
Unidentified transactions	40	- 477	+ 812	- 265	+ 70	- 973	+2,002	- 246	- 2,049	+1,196

- nil or less than £½ million.

(a) It has not been possible to incorporate in this table the revised balance of payments estimates which were released in June.

Table E continued
Financial transactions: 1981 Q4
 £ millions: seasonally adjusted

Line	Central government	Local authorities	Public corporations	Public sector	Monetary sector	Other financial institutions	Industrial and commercial companies	Personal sector	Overseas sector(a)	Residual error
Capital account										
Saving	1	- 40	+791	+1,470	+2,221	+ 942	+3,826	+5,899	-1,470	
Taxes on capital and capital transfers	2	- 193	+ 27	+ 189	+ 23	- 197	+ 149	+ 25	-	
less:										
Gross fixed-capital formation at home	3	- 529	-448	-1,755	-2,732	-1,668	-3,820	-2,053		
Increase in value of stocks and work in progress	4	- 62		- 222	- 284	- 2	- 634	- 147		
Financial surplus + /deficit	5	- 824	+370	- 318	- 772	- 925	- 479	+3,724	-1,470	- 78
Changes in financial assets and liabilities										
Notes and coin	6	- 317			- 317	+ 307		+ 5	+ 5	-
Market Treasury bills	7	+ 725		+ 5	+ 730	- 656	+ 11	+ 108		- 193
British government securities	8	-2,204			-2,204	- 223	+1,180	- 100	+ 966	+ 381
National savings	9	- 917			- 917		- 6		+ 923	
Tax instruments	10	- 219		+ 98	- 121	- 7	+ 57	+ 65	+ 6	
Net government indebtedness to										
Banking Department	11	+ 401			+ 401	- 401				
Northern Ireland central government debt	12	- 23			- 23	- 9			+ 32	
Government liabilities under exchange cover scheme	13	+ 1	- 4	+ 3						
Other non-marketable government debt	14	+ 44			+ 44		- 44			
Issue Department's transactions in commercial bills	15	+2,585			+2,585			-2,585		
Government foreign currency debt	16	+ 3			+ 3					- 3
Other government overseas financing	17	+ 69			+ 69					- 69
Official reserves	18	- 70			- 70					+ 70
Local authority debt	19	- 253	+ 11	+ 27	- 215	+ 318	- 61	- 112	+ 63	+ 7
Public corporation debt:	20	+ 455	+ 47	- 724	- 222	+ 305	- 44			- 39
Domestic deposits with banks:										
Sterling sight	21.1	- 22	- 25	+ 170	+ 123	- 245	+ 463	+ 87	- 428	
Sterling time	21.2	- 4	+ 19	+ 13	+ 28	-1,514	+ 972	+ 82	+ 432	
Foreign currency	21.3	+ 2	- 1	- 30	- 29	+ 429	- 597	+ 242	- 45	
Bank's net external transactions	21.4(b)					-2,249				+2,249
Deposits with building societies	22						-1,381	+ 9	+1,373	- 1
Deposits with other financial institutions	23						- 31	+ 10	+ 27	- 6
Bank lending (domestic, excluding public sector):										
Foreign currency	24.1					+ 921	+ 615	-1,483	- 53	
Sterling	24.2					+1,454	- 224	- 515	- 715	
Credit extended by retailers	25			+ 9	+ 9			+ 47	- 56	
Identified trade credit:										
Public corporations (domestic)	26.1			+ 265	+ 265			- 140	- 125	
Import and export	26.2	- 70		- 8	- 78			+ 135		- 57
Loans for house purchase:										
Building societies	27.1						+1,242		-1,242	
Other	27.2		+149	+ 69	+ 218	+1,100	+ 84		-1,402	
Other public sector lending	28	+ 105	+ 4	+ 57	+ 166		- 4	- 147	- 7	- 8
Other lending by financial institutions	29						+ 270	- 173	- 97	
Unit trust units	30						+ 4		- 4	
UK company securities	31	+ 34		+ 17	+ 51	- 83	+ 496	- 440	- 281	+ 257
Overseas securities	32					+ 678	+ 631	+ 772	- 450	-1,631
Life assurance and pension funds	33	- 95			- 95		-3,017		+3,112	
Miscellaneous domestic instruments	34						+ 181	- 92	- 89	
Direct and other investment abroad	35					+ 76	+ 31	+ 470		- 577
Overseas direct and other investment in United Kingdom	36					- 14	- 13	- 383		+ 410
Miscellaneous overseas instruments	37	+ 8		+ 53	+ 61		- 24	+ 174		- 211
Accruals adjustment	38	- 495	- 96	- 16	- 607	- 212	- 126	+ 950	- 5	
Identified financial transactions	39	- 257	+104	+ 8	- 145	- 25	+ 665	-3,014	+1,940	+ 579
Unidentified transactions	40	- 567	+266	- 326	- 627	-1,565	+2,535	+1,784	-2,049	- 78

- nil or less than £½ million.

(a) It has not been possible to incorporate in this table the revised balance of payments estimates which were released in June.

(b) Overseas deposits less lending, excluding banks' transactions in overseas securities.

Table F
Public sector

£ millions; seasonally adjusted

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Saving	+4,229	+2,578	+3,586	+3,859	+4,971	+445	+1,018	+1,020	+924	+806	+2,221	
Capital transfers (net)	-193	-602	-322	-456	-297	-188	-76	-133	-129	-58	+23	
Capital expenditure	-9,962	-10,100	-11,381	-13,057	-12,138	-3,356	-3,397	-3,253	-3,065	-2,804	-3,016	
Financial surplus +/deficit -	-5,926	-8,124	-8,117	-9,654	-7,464	-3,099	-2,455	-2,366	-2,270	-2,056	-772	
<i>Assets: increase + /decrease -</i>												
<i>Liabilities: increase - /decrease +</i>												
Lending	+435	+89	+696	+585	+1,453	+180	+168	+161	+680	+228	+384	
Purchases of securities	-437	+459	+143	+206	+97	+2	+41	-1	+61	-14	+51	
Retail and trade credit	+97	+418	+562	-1,263	+631	+26	+109	-1,119	+370	-78	+196	
Accruals adjustment	+117	+730	+3,107	+1,433	+2,866	+243	+491	+17	+3,095	+395	+607	
Liquid assets	+414	-59	+156	+387	+97	+132	+268	+81	-15	-91	+122	+141
Miscellaneous transactions	-279	-272	-506	-11	-412	-21	-137	-145	-115	-118	-34	
Financial transactions requiring financing (+)	+347	+529	+3,846	+1,337	+3,470	+562	+940	-1,040	+4,076	+322	+112	
Unidentified	-280	-321	+601	+1,298	-300	+488	+596	-39	-263	+629	-627	
Borrowing requirement (-)(a)	-5,993	-8,332	-12,564	-12,289	-10,634	-4,149	-3,991	-1,287	-6,083	-3,007	-257	+787
Financed by (borrowing +):†												
Central government:												
External transactions	-7,130	+1,396	-252	+994	+2,479	+569	-213	-138	+1,256	+1,175	+186	-70
Notes and coin with the public	+985	+1,205	+797	+724	+602	+144	+375	-13	+26	+331	+10	+178
Bank borrowing(b)	+1,844	-427	+115	+225	-2,879	-556	+1,445	+90	-2,472	+799	-989	-82
Other domestic transactions(c)	+8,770	+6,197	+9,770	+9,213	+9,938	+3,849	+2,393	+1,483	+6,511	+1,353	+532	-1,078
	+4,469	+8,371	+10,430	+11,156	+10,140	+4,006	+4,000	+1,422	+5,321	+3,658	-261	-1,052
Local authorities:												
External finance	-78	+28	-42	+6	+19	+39	-12	+18	+9	-15	+7	+8
Bank borrowing(b)	+365	+423	+708	+1,682	+1,872	+623	+349	+474	+994	+86	+318	-183
Other domestic transactions(d)	-104	+208	+1,095	+94	-833	-434	-260	-342	-469	-55	+33	-1
	+183	+659	+1,761	+1,782	+1,058	+228	+77	+150	+534	+16	+358	-176
Public corporations:												
External finance	+1,076	-41	+237	-146	-539	-5	-33	-80	-292	-128	-39	+47
Bank borrowing(b)	+169	-287	+131	-255	+497	-149	-75	-8	+603	-403	+305	+88
Other domestic transactions(d)(e)	+96	-370	+5	-248	-522	+69	+22	-197	-83	-136	-106	+306
	+1,341	-698	+373	-649	-564	-85	-86	-285	+228	-667	+160	+441

†of which, net borrowing (+) in foreign currencies, including unguaranteed borrowing:(f)

Central government:												
Direct from overseas	+142	+169	-	-86	-232	-57	-29	-	-177	-55	-	-
Bank borrowing(b)	+729	+22	-	-543	-1,002	-423	-120	-	-765	-237	-	-
Payments under the exchange cover scheme(g)	-17	-99	-148	+7	+61	+2	+32	+31	+29	+2	-1	-9
Other	-	-	-	-	-	-	-	-	-	-	-	-
Local authorities:												
Direct from overseas	+23	-4	-63	-22	-5	-36	+19	+2	+8	-3	-12	+1
Bank borrowing(b)	-3	-145	-210	-25	+2	-	-	+2	-	+1	-1	-
Receipts from central government under the exchange cover scheme(g)	-	+38	+28	+8	+7	-	-	-	+2	+1	+4	-
Public corporations:												
Direct from overseas	+1,008	-114	+245	-275	-532	-20	-54	-76	-292	-124	-40	+47
Bank borrowing(b)	-44	-291	-375	-154	+202	+19	-38	+75	+4	+18	+105	-16
Receipts from central government under the exchange cover scheme(g)	+17	+61	+120	-15	-68	-2	-32	-31	-31	-3	-3	+9

- nil or less than £½ million.

- (a) Financial surplus/deficit, less financial transactions requiring financing, less unidentified.
 (b) From Q1 1982 data relate to the 'monetary sector'.
 (c) Other domestic borrowing, less net acquisitions of local authority debt and commercial bills and receipts from public corporations for the redemption of government-guaranteed stocks. Includes payments to local authorities and public corporations under the exchange cover scheme.
 (d) Includes receipts from the central government under the exchange cover scheme.
 (e) Includes payments to the central government for the redemption of government-guaranteed stocks.
 (f) British Nuclear Fuels, a private sector body, borrowed foreign currency from the European Investment Bank under the exchange cover scheme, but this is excluded from the financing of the PSBR. The amounts are: 1979 Q1 £3 million; 1980 Q2 £4 million; 1980 Q4 £40 million; 1981 Q1 £17 million.
 (g) Repayments of foreign currency borrowing under the exchange cover scheme are recorded at current market rates, as are the corresponding transactions in the official reserves. The differences from the sterling actually paid (at the original borrowing rates) by the local authorities and public corporations are entered as receipts from the central government.

Table G
Monetary sector^(a)

£ millions: *seasonally adjusted*
Assets: increase + / decrease -
Liabilities: increase - / decrease +

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Domestic assets												
Public sector	+2,378	- 291	+ 954	+ 1,652	- 510	- 82	+1,719	+ 556	- 875	+ 482	- 366	- 177
Private sector:												
Sterling lending	+3,468	+4,800	+ 8,542	+ 9,619	+ 8,671	+3,187	+1,316	- 332	+3,471	+2,730	+2,554	+2,946
Foreign currency lending	+1,208	+ 994	+ 889	+ 1,273	+ 2,518	+ 247	- 98	+ 566	- 186	+1,217	+ 921	+ 536
Sterling securities(b)	+ 92	- 96	- 4	+ 114	+ 278	+ 42	+ 51	+ 30	+ 104	+ 21	+ 123	+ 249
Foreign currency securities(b)	+ 9	+ 41	+ 35	+ 47	+ 72	+ 4	+ 21	+ 17	+ 16	+ 17	+ 22	- 38
	+7,155	+5,448	+10,416	+12,705	+11,029	+3,398	+3,009	+ 837	+2,530	+4,467	+3,254	+3,516
Domestic deposit liabilities(c)												
Sterling sight	-3,395	-2,640	- 1,766	- 703	- 2,416	+ 274	- 840	-1,217	- 970	+ 16	- 245	- 853
Sterling time	+ 203	-2,782	- 4,052	- 9,487	- 6,412	-3,049	-2,076	+ 73	-2,059	-2,981	-1,514	- 755
Foreign currency	- 776	- 865	- 814	- 1,448	- 2,609	- 452	- 462	-1,395	- 361	-1,282	+ 429	- 209
	-3,968	-6,287	- 6,632	-11,638	-11,437	-3,227	-3,378	-2,539	-3,390	-4,247	-1,330	-1,817
Net external claims	-2,645	+1,971	- 3,109	+ 703	+ 2,446	+ 213	+ 731	+2,044	+1,427	+ 470	-1,495	+ 73
Capital issues, accruals, etc.	- 330	- 483	- 470	- 516	- 897	- 147	- 126	- 156	- 188	- 89	- 454	+ 70
Net financial transactions(b)	+ 212	+ 649	+ 205	+ 1,254	+ 1,141	+ 237	+ 236	+ 186	+ 379	+ 601	- 25	+1,842

(a) From Q1 1982 data relate to the 'monetary sector'.

(b) Excluding securities issued by banks in the United Kingdom.

(c) The treatment of funds oversubscribed in the offer for sale of shares in British Petroleum Limited in 1977 is described in the additional notes to Table 6 of the statistical annex.

Table H
Financial institutions other than banks^(a)

£ millions: *seasonally adjusted*

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Financial liabilities (increase -)												
Building society shares and deposits	- 6,099	- 4,819	- 5,765	- 7,140	- 7,006	-1,978	-2,051	-1,983	-1,938	-1,704	-1,381	
Other deposits	- 564	- 317	- 660	- 809	- 292	- 167	- 243	- 38	- 100	- 123	- 31	
Foreign currency borrowing	- 305	- 452	- 126	+ 107	+ 95	- 96	- 61	- 232	+ 132	- 420	+ 615	-409
Sterling bank borrowing(b)	- 111	- 630	-1,225	- 739	- 637	- 131	- 25	- 207	- 175	- 31	- 224	- 41
Unit trust units	- 25	- 117	+ 37	+ 9	- 82	+ 7	- 26	- 45	- 21	- 20	+ 4	
Capital issues	- 138	- 83	- 90	- 83	- 274	+ 9	- 58	- 131	- 109	- 17	- 17	+ 2
Life assurance and pension funds	- 6,175	- 7,595	- 9,979	-11,045	-12,737	-3,027	-2,889	-3,186	-3,263	-3,271	-3,017	
Other	- 73	- 372	- 635	- 874	- 432	- 219	- 122	+ 214	- 236	- 337	- 73	
	-13,490	-14,385	-18,443	-20,574	-21,365	-5,602	-5,475	-5,608	-5,710	-5,923	-4,124	
Financial assets (increase +)												
Notes and coin	-	-	-	-	-	-	-	-	-	-	-	-
Bank deposits(b)	+ 839	+ 1,255	- 19	+ 1,630	+ 2,404	+ 506	+ 389	+ 119	+ 163	+1,284	+ 838	+360
Local authority temporary debt	+ 129	+ 111	+ 791	+ 400	- 341	+ 101	- 134	- 378	- 16	+ 48	+ 5	-183
Other short-term assets(c)	+ 422	- 180	+ 382	- 149	+ 137	- 126	+ 121	- 79	+ 77	- 40	+ 179	
Government securities	+ 4,704	+ 4,769	+ 6,645	+ 5,590	+ 6,415	+2,221	+ 875	+2,399	+1,677	+1,159	+1,180	
Local authority securities	+ 71	- 31	- 27	- 84	- 75	+ 17	- 68	- 144	+ 15	+ 55	- 1	
UK company securities	+ 1,850	+ 1,632	+ 1,970	+ 2,456	+ 2,394	+ 664	+ 976	+ 466	+ 535	+ 880	+ 513	
Overseas securities	+ 156	+ 594	+ 630	+ 2,453	+ 2,749	+ 656	+ 789	+ 793	+ 829	+ 496	+ 631	
Loans for house purchase	+ 4,220	+ 5,286	+ 5,635	+ 6,191	+ 6,628	+1,570	+1,815	+1,732	+1,965	+1,605	+1,326	
Long-term lending to local authorities	+ 709	- 340	- 109	+ 247	- 62	- 73	+ 64	- 10	+ 37	- 24	- 65	
Other	+ 673	+ 909	+ 1,477	+ 944	+ 1,034	+ 83	+ 284	+ 245	+ 404	+ 202	+ 183	
	+13,773	+14,005	+17,375	+19,678	+21,283	+5,619	+5,111	+5,143	+5,686	+5,665	+4,789	
Net financial transactions	+ 283	- 380	- 1,068	- 896	- 82	+ 17	- 364	- 465	- 24	- 258	+ 665	

(a) With the introduction of the monetary sector, the composition of the other financial institutions has altered (see notes and definitions).

(b) From Q1 1982 data relate to the 'monetary sector'.

(c) Includes tax instruments and Treasury bills.

Table J
Financial institutions other than banks: detail by institutional group, 1981

£ millions

	Total	Insurance companies	Pension funds and property unit trusts	Building societies	Finance houses	Savings banks' investment accounts	Investment and unit trusts	Others and unallocated
Increase in financial liabilities (-)								
Inflow to life assurance and pension funds	-12,737	-12,737						
Deposits	-7,298	-54		-7,006	-17	-313		+92
Capital issues	-274	-194			-3		-61	-16
Sales of units	-608		-155(a)				-453	
Bank borrowing	-542	-77	+30		-195		+9	-309
Other borrowing	-432	-41	+5	-39	-5		+31	-383
	-21,891	-13,223		-7,045	-220	-313	-474	-616
Increase in financial assets (+)								
Bank deposits, notes and coin	+2,404	+559	+139	+562	+5	-287	+101	+1,325
Deposits with other financial institutions		+55	-29			+42	+6	-74
Local authority temporary debt	-341	-65	-12	-234		-10	-8	-12
Treasury bills and tax instruments	+72	+3		+36		-2		+35
Government securities	+6,415	+2,944	+2,007	+1,211		+265	+46	+58(b)
UK company securities:								
Ordinary shares	+2,299	+997	+1,809				-201	-306(b)
Fixed-interest	+95	+47	+40			-1	+22	-13(b)
Overseas securities:								
Ordinary shares	+2,338	+680	+1,444				+398	-184(b)
Fixed-interest	+411	+255	+88			+4	+83	-19(b)
Investment in units	+526	+349	+185(a)				-1	-7
Loans for house purchase	+6,628	+236	+3	+6,207		+182		
Long-term lending to local authorities	-137	+26	-4	+24		-178		-5(b)
Other lending	+1,099	+379	+622	+5	+240	-60	+16	-103
	+21,809	+6,465	+6,292	+7,811	+245	-45	+462	+579
Net identified financial transactions	-82	-466	+766	+25	-358	-12	-37	

Note: Differences from Table H arise through the inclusion here of intra-sector transactions (mainly involving deposits, and property and other unit trust units) netted out when the sector is considered as a whole.

— nil or less than £½ million.

(a) Pension funds bought £155 million of property unit trust units.

(b) These figures include adjustments for the cost of transactions (the institutions generally record sales net of costs, and purchases including costs). The amounts are £58 million for government stocks, £300 million for UK ordinary shares, £18 million for UK fixed-interest securities, £185 million for overseas ordinary shares, £17 million for overseas fixed-interest securities and £2 million for long-term lending to local authorities.

Table K
All financial institutions

£ millions; seasonally adjusted

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Saving	+2,406	+2,044	+3,687	+4,296	+3,369	+1,095	+777	+874	+738	+815	+942	
Taxes on capital	-140	-67	-175	-202	-498	-64	-62	-20	-62	-219	-197	
less gross fixed-capital formation	-2,202	-3,105	-3,769	-4,999	-5,997	-1,229	-1,431	-1,309	-1,547	-1,473	-1,668	
less stocks	+22	+13	+27	+51	+22	-22	+3	-1	-2	+27	-2	
Financial surplus +/deficit -	+86	-1,115	-230	-854	-3,104	-220	-713	-456	-873	-850	-925	
Net identified financial transactions:												
Banks(a)	+212	+649	+205	+1,254	+1,141	+237	+236	+186	+379	+601	-25	+1,842
Other financial institutions	+283	-380	-1,068	-896	-82	+17	-364	-465	-24	-258	+665	
Total	+495	+269	-863	+358	+1,059	+254	-128	-279	+355	+343	+640	
Unidentified	-409	-1,384	+633	-1,212	-4,163	-474	-585	-177	-1,228	-1,193	-1,565	

(a) From Q1 1982 data relate to the 'monetary sector'.

Table L
Industrial and commercial companies

£ millions; seasonally adjusted

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Saving	+15,426	+17,646	+19,795	+15,199	+15,987	+3,133	+3,022	+3,812	+3,890	+4,459	+3,826	
Capital transfers (net)	+ 251	+ 370	+ 320	+ 383	+ 588	+ 127	+ 145	+ 113	+ 142	+ 184	+ 149	
Gross fixed-capital formation	- 9,690	-11,872	-13,706	-15,644	-15,096	-3,931	-4,050	-3,724	-3,816	-3,736	-3,820	
Increase in value of stocks	- 5,501	- 4,164	- 9,116	- 1,488	- 239	+ 214	+1,327	+ 669	+ 419	- 693	- 634	
Financial surplus + /deficit -	+ 486	+ 1,980	- 2,707	- 1,550	+ 1,240	- 457	+ 444	+ 870	+ 635	+ 214	- 479	
less Unremitted profits (net)	+ 65	- 38	+ 1,006	+ 1,319	+ 481	+ 376	+ 108	+ 59	- 103	+ 295	+ 230	
Adjusted financial surplus + /deficit -	+ 551	+ 1,942	- 1,701	- 231	+ 1,721	- 81	+ 552	+ 929	+ 532	+ 509	- 249	
<i>Assets: increase + /decrease -</i>												
<i>Liabilities: increase - /decrease +</i>												
Retail credit granted	+ 109	+ 150	+ 233	+ 75	+ 17	+ 11	+ 6	+ 27	- 27	- 30	+ 47	
Net identified trade credit	- 4	+ 507	+ 227	+ 967	+ 684	- 42	- 183	+ 921	- 230	- 2	- 5	
Trade investments, mergers, etc. at home	+ 1,041	+ 774	+ 1,056	+ 907	+ 840	+ 424	+ 138	+ 221	+ 139	+ 178	+ 302	+ 205
Long-term investment abroad	+ 896	+ 2,102	+ 4,393	+ 2,659	+ 3,597	+ 291	+ 633	+ 842	+ 886	+ 986	+ 881	
Import deposits												
Accruals adjustments	- 58	- 707	- 2,579	- 961	- 2,170	- 173	- 303	- 212	- 2,640	- 270	+ 950	
Financial transactions requiring financing	+ 1,984	+ 2,826	+ 3,330	+ 3,647	+ 2,968	+ 511	+ 291	+ 1,799	- 1,872	+ 862	+ 2,175	
Unidentified	- 229	+ 783	+ 1,260	+ 1,535	+ 3,323	- 318	+ 1,010	- 633	+ 1,017	+ 209	+ 2,535	
Net borrowing requirement(-)(a)	- 1,204	- 1,667	- 6,291	- 5,413	- 4,570	- 274	- 749	- 237	+ 1,387	- 562	- 4,959	
Financing												
Bank borrowing(b)	+ 3,014	+ 2,939	+ 4,907	+ 6,845	+ 4,518	+ 2,153	+ 486	- 1,279	+ 1,689	+ 1,862	+ 1,998	+ 834
Other borrowing(c)	+ 119	+ 149	+ 821	+ 495	+ 3,762	- 533	+ 445	+ 2,429	- 2,047	+ 404	+ 2,976	
Capital issues	+ 544	+ 683	+ 798	+ 1,277	+ 1,675	+ 374	+ 437	+ 208	+ 345	+ 546	+ 576	+ 152
Overseas investment inflow	+ 1,189	+ 744	+ 469	+ 1,289	+ 1,023	+ 53	+ 828	- 34	+ 879	+ 220	- 42	
Notes and coin	- 498	- 608	- 265	- 361	- 425	- 72	- 187	+ 6	- 13	- 165	- 5	- 89
Bank deposits:(b)												
Sterling sight	- 1,091	- 585	- 232	+ 278	- 934	+ 69	- 111	- 317	- 554	+ 24	- 87	- 69
Sterling time	- 466	- 863	+ 252	- 2,520	- 2,164	- 992	- 720	+ 132	- 1,077	- 1,198	- 82	- 41
Foreign currency	- 543	- 475	- 317	- 771	- 2,241	- 249	- 209	- 1,016	- 178	- 805	- 242	- 321
Other liquid assets(d)	- 545	- 328	- 369	- 406	+ 402	- 538	- 637	+ 166	+ 160	+ 120	+ 15	
Other domestic assets(e)	- 23	- 105	- 9	- 41	- 22	+ 29	- 8	- 23	- 9	- 16	+ 26	
Miscellaneous overseas instruments	- 496	+ 116	+ 236	- 672	- 1,024	- 20	+ 425	- 35	- 582	- 430	- 174	
Total	+ 1,204	+ 1,667	+ 6,291	+ 5,413	+ 4,570	+ 274	+ 749	+ 237	- 1,387	+ 562	+ 4,959	

(a) Adjusted financial surplus/deficit, less financial transactions requiring financing, less unidentified.

(b) From Q1 1982 data relate to the 'monetary sector'.

(c) Includes transactions in commercial bills by the Issue Department of the Bank of England.

(d) Tax instruments, Treasury bills, British government stocks, local authority temporary debt. The figures for government stocks relate only to transactions by those large companies covered by the Department of Industry's survey of company liquidity.

(e) Includes deposits with other financial institutions and long-term local authority debt.

Table M
Personal sector£ millions; *seasonally adjusted*

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Saving	+10,417	+14,679	+19,786	+24,680	+23,816	+6,655	+6,652	+6,172	+5,718	+6,027	+5,899	
Capital transfers (net)	+ 82	+ 299	+ 177	+ 275	+ 207	+ 125	- 7	+ 40	+ 49	+ 93	+ 25	
Capital expenditure	- 5,220	- 5,887	- 7,421	- 7,227	- 7,820	-1,796	-1,586	-1,700	-1,536	-2,384	-2,200	
Financial surplus + /deficit -	+ 5,279	+ 9,091	+12,542	+17,728	+16,203	+4,984	+5,059	+4,512	+4,231	+3,736	+3,724	
<i>Assets: increase + /decrease -</i>												
<i>Liabilities: increase - /decrease +</i>												
Borrowing												
For house purchase	- 4,362	- 5,530	- 6,592	- 7,389	- 9,696	-1,816	-2,115	-2,136	-2,457	-2,459	-2,644	
Bank borrowing(a)(b)	- 1,126	- 1,503	- 2,583	- 2,925	- 3,659	- 925	- 526	- 790	-1,176	- 925	- 768	-1,204
Credit extended by retailers	- 125	- 191	- 250	- 72	- 8	- 7	- 8	- 21	+ 31	+ 38	- 56	
Other(c)	- 313	- 685	- 1,304	- 52	- 918	+ 81	- 196	- 36	- 500	+ 110	- 280	
	- 5,926	- 7,909	-10,729	-10,438	-14,281	-2,667	-2,845	-2,983	-4,102	-3,456	-3,748	
Financial assets												
Notes and coin	+ 487	+ 597	+ 532	+ 363	+ 177	+ 72	+ 188	- 7	+ 13	+ 166	+ 5	+ 89
Government securities	+ 718	+ 263	+ 1,929	+ 1,905	+ 1,935	+ 184	+ 588	+ 567	+ 449	- 47	+ 966	
National savings	+ 1,290	+ 1,525	+ 1,063	+ 1,378	+ 4,185	+ 233	+ 537	+1,139	+1,412	+ 711	+ 923	+1,249
Tax instruments	+ 7	+ 15	+ 29	- 3	+ 12	- 3	+ 2	- 4	+ 5	+ 5	+ 6	- 2
Local authority debt:												
Temporary	- 341	- 144	+ 286	+ 42	+ 718	+ 95	+ 59	- 40	+ 76	- 59	+ 741	- 63
Long-term	+ 322	- 4	- 228	- 154	- 1,073	- 265	- 69	+ 5	- 224	- 176	- 678	- 757
Bank deposits:(b)												
Sterling sight	+ 1,727	+ 1,638	+ 1,199	+ 711	+ 746	- 30	+ 463	+ 821	+ 511	- 158	- 428	+ 526
Sterling time	- 1,170	+ 1,518	+ 4,984	+ 5,530	+ 2,511	+1,350	+1,051	+ 219	+ 788	+1,080	+ 432	+ 408
Foreign currency	+ 5	+ 81	+ 203	+ 367	+ 340	+ 97	+ 167	+ 98	+ 134	+ 153	- 45	- 49
Deposits with building societies	+ 5,932	+ 4,849	+ 5,833	+ 7,175	+ 6,946	+1,978	+2,060	+1,963	+1,931	+1,679	+1,373	
Deposits with other financial institutions	+ 577	+ 592	+ 945	+ 807	+ 274	+ 201	+ 232	+ 56	+ 64	+ 127	+ 27	
Unit trust units	+ 25	+ 117	- 37	- 9	+ 82	- 7	+ 26	+ 45	+ 21	+ 20	- 4	
UK company securities	- 2,163	- 1,792	- 2,360	- 2,319	- 1,566	- 732	- 713	- 324	- 377	- 584	- 281	
Overseas securities	- 380	+ 245	- 925	- 516	- 579	+ 157	+ 3	+ 87	- 94	- 122	- 450	
Life assurance and pension funds	+ 6,423	+ 7,798	+10,221	+11,358	+13,077	+3,081	+3,092	+3,377	+3,256	+3,332	+3,112	
Other	+ 87	+ 64	+ 143	+ 92	+ 114	+ 7	+ 6	+ 66	- 21	+ 80	- 11	
	+13,546	+17,362	+23,817	+26,727	+27,899	+6,418	+7,692	+8,068	+7,944	+6,207	+5,688	
Total financial transactions	+ 7,620	+ 9,453	+13,088	+16,289	+13,618	+3,751	+4,847	+5,085	+3,842	+2,751	+1,940	
Unidentified	- 2,341	- 362	- 546	+ 1,439	+ 2,585	+1,233	+ 212	- 573	+ 389	+ 985	+1,784	

(a) Other than for house purchase.

(b) From Q1 1982 data relate to the 'monetary sector'.

(c) Includes accruals adjustments, instalment borrowing from finance houses and trade credit received from public corporations.

Table N
Overseas sector^(a)£ millions; *seasonally adjusted**Claims on UK: increase + /decrease -*
Liabilities to UK: increase - /decrease +

	1977	1978	1979	1980	1981	1980		1981				1982
						Q3	Q4	Q1	Q2	Q3	Q4	Q1
Financial surplus + /deficit -	+ 41	- 945	+ 936	-3,058	..	-939	-1,985	-3,009	-1,470	
UK private sector transactions												
Investments:												
Securities	+ 173	-1,797	-1,731	-3,695	-4,946	-934	-1,291	-1,466	-1,026	-1,080	-1,374	
Other(b)	+ 519	- 721	-1,361	+ 850	- 958	+137	+ 482	- 670	- 70	- 51	- 167	
Deposits, loans, etc.												
UK banks(c)(d)	+2,923	-1,693	+3,862	+ 443	- 466	- 3	- 347	-1,578	-1,094	- 43	+2,249	+747
Miscellaneous	- 313	- 237	- 488	-1,310	-1,349	-118	+ 98	- 122	- 749	- 383	- 292	
	+3,302	-4,448	+ 282	-3,712	-7,719	-918	-1,058	-3,836	-2,939	-1,557	+ 416	
UK public sector transactions												
Lending abroad(e)	- 225	- 250	- 270	- 11	- 212	+ 8	- 20	- 113	- 97	+ 6	- 8	
External finance:(f)												
Central government	-7,130	+1,396	- 252	+ 994	+2,479	+569	- 213	- 138	+1,256	+1,175	+ 186	- 70
Local authorities	- 78	+ 28	- 42	+ 6	+ 19	+ 39	- 12	+ 18	+ 9	- 15	+ 7	+ 8
Public corporations	+1,076	- 41	+ 237	- 146	- 539	- 5	- 33	- 80	- 292	- 128	- 39	+ 47
Miscellaneous	- 129	+ 199	+ 505	+ 259	+ 544	+ 28	+ 234	+ 167	+ 255	+ 105	+ 17	
	-6,486	+1,332	+ 178	+1,102	+2,291	+639	- 44	- 146	+1,131	+1,143	+ 163	
Unidentified	+3,225	+2,171	+ 476	- 448	..	-660	- 883	+ 973	-2,049	

(a) It has not been possible to include in this table the balance of payments estimates for the first quarter of 1981, and revisions to previous quarters, which were released early in June.

(b) Private long-term direct, oil and miscellaneous investment abroad (-) and overseas investment in the United Kingdom (+), excluding securities.

(c) Other than net purchases of securities. Includes foreign currency borrowing from abroad to finance lending to the UK public sector.

(d) From Q1 1982 data relate to the 'monetary sector'.

(e) These overseas transactions of the public sector increase its borrowing requirement.

(f) These overseas transactions of the public sector are among the items financing its borrowing requirement (see Table F).

Table P
UK company and overseas securities
 £ millions

	Capital issues(a) (issues -)				Other transactions(a)(b) (purchases + / sales -)					
	Overseas sector	Industrial and commercial companies	Banking sector	Other financial institutions	Public sector	Overseas sector	Personal sector	Industrial and commercial companies	Banking sector	Other financial institutions
UK ordinary shares		- 710	- 68	- 53	-437	+ 414	-1,949	+ 780	+ 66	+1,957
UK fixed-interest		+ 166	-168	- 85	+ 227	- 214	+ 146	+ 35		- 107
1977 Total		- 544	-236	-138	-437	+ 641	-2,163	+ 926	+ 101	+1,850
UK ordinary shares		- 797	-154	- 21	+459	+ 127	-1,696	+ 559	- 114	+1,637
UK fixed-interest		+ 114	-211	- 62	+ 142	- 96	+ 59	+ 59		- 5
1978 Total		- 683	-365	- 83	+459	+ 269	-1,792	+ 618	- 55	+1,632
UK ordinary shares		- 879	-150	- 1	+121	+ 294	-2,318	+ 969	- 17	+1,981
UK fixed-interest		+ 81	-220	- 89	+ 165	- 42	+ 68	+ 48		- 11
1979 Total		- 798	-370	- 90	+121	+ 459	-2,360	+1,037	+ 31	+1,970
UK ordinary shares		- 892	-251	- 40	+206	+ 834	-2,781	+ 347	+ 93	+2,484
UK fixed-interest		- 385	-151	- 43	+ 32	+ 462	+ 45	+ 68		- 28
1980 Total		-1,277	-402	- 83	+206	+ 866	-2,319	+ 392	+ 161	+2,456
UK ordinary shares		-1,622	-301	-251	+ 97	+ 954	-1,582	+ 153	+ 251	+2,301
UK fixed-interest		- 53	-247	- 23	+ 74	+ 16	+ 41	+ 99		+ 93
1981 Total		-1,675	-548	-274	+ 97	+1,028	-1,566	+ 194	+ 350	+2,394
Overseas ordinary shares		-				- 458	- 61	+ 422	+ 8	+ 89
Overseas fixed-interest		+ 42				- 10	- 303	+ 22	+ 182	+ 67
1977 Total		+ 42				- 468	- 364	+ 444	+ 190	+ 156
Overseas ordinary shares		-				-1,587	+ 275	+ 894	+ 64	+ 354
Overseas fixed-interest		+ 61				- 479	+ 13	+ 47	+ 118	+ 240
1978 Total		+ 61				-2,066	+ 288	+ 941	+ 182	+ 594
Overseas ordinary shares		- 1				-1,971	+ 196	+ 724	+ 474	+ 578
Overseas fixed-interest		+ 26				- 241	- 42	+ 38	+ 167	+ 52
1979 Total		+ 25				-2,212	+ 154	+ 762	+ 641	+ 630
Overseas ordinary shares		-				-3,775	+ 272	+1,034	+ 298	+2,171
Overseas fixed-interest		- 6				- 786	- 152	+ 54	+ 608	+ 282
1980 Total		- 6				-4,561	+ 120	+1,088	+ 906	+2,453
Overseas ordinary shares		-				-4,681	+ 533	+1,668	+ 143	+2,337
Overseas fixed-interest		-295				-1,293	- 501	+ 88	+1,589	+ 412
1981 Total		-295				-5,974	+ 32	+1,756	+1,732	+2,749

(a) The sum of capital issues and other transactions equals line 31 in Table D for UK securities and line 32 for overseas securities.

(b) The breakdown by type of security has been partly estimated and some of the figures are very rough, particularly those for the personal sector, which are residuals. See also footnote (b) to Table J.