

1/17
2.C.F.Prime Minister⁽²⁾

Treasury have updated the figures for the contribution of oil and gas.

The 1984 figures are

- (i) oil and gas as % of GDP "about 6%"
- (ii) oil and gas as % of revenue "about 8½%"
- (iii) oil (rough exports) as % of exports of goods and services "about 16½%"

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

AT
26/2

26 February 1985

Andrew Turnbull Esq
10 Downing Street
LONDON SW1

Dear Andrew,

You asked about figures which the Prime Minister could use for North Sea oil and gas as a percentage of (i) GDP, (ii) Government revenue and (iii) exports (both goods and goods and services).

North Sea oil and gas as a percentage of GDP should be described as "about 6 per cent". I attach a note by Mr Walton of EB explaining this.

The figure of 8½ per cent for North Sea oil and gas as a percentage of Government revenue is correct for 1984/85, as forecast in the Autumn Statement.

The 21 per cent figure you mentioned relates only to oil, not oil and gas, as a proportion of total visible exports in 1984. The 1984 proportion of oil in exports of goods and services based on the Autumn Statement forecast is 16.5 per cent.

Yours sincerely,

P WYNN OWEN
Assistant Private Secretary

FROM: D WALTON

DATE: 15 FEBRUARY 1985

MR FOLGER

cc PPS/Chancellor
 PS/FST
 Sir Peter Middleton
 Sir Terence Burns
 Mr Cassell
 Mr Monck
 Mr Battishill
 Mr Burgner
 Mr Evans
 Mr Allen
 Mr Davies
 Mr Culpin
 Mr Griffiths
 Mr Mowl
 Mr Robson
 Mr Hacche
 Ms Leahy
 Mr Page
 Mr Pickering o.a.
 Mr Pratt
 Mr Vernon
 Mr Webb
 Miss Deyes
 Mr T Jones - CSO
 Mr N Coote - CSO
 HE/17
 Mr Turnbull

NORTH SEA OIL AND GAS AS A PROPORTION OF GDP

1. In response to a query from No 10, I have checked the figures for this in conjunction with DEn. The position in rounded terms is:

	percentage points of GDP		
	oil	gas	oil and gas
1983 (cf T3.7 of 1984 (Blue Book))	5½	½	6
1984 (estimate)	6	½	6½

2. The implicit all purpose formulation is thus that oil and gas account for "about 6 per cent" of GDP. This needs to be used from now on in place of the erroneous "about 5" formulation. The latter seems to have crept into briefing at the end of last month - not from EB - though perhaps we were remiss in not checking it!

David Walton

D WALTON

26 FEB 1985

11 12 1
9 2
8 3
7 4