

**House of Commons Public Administration Select Committee (PASC) enquiry
into statistics for the economy and the public finances
Call for evidence**

**Submission by Ruth Lea, Economic Adviser, Arbuthnot Banking Group, in a
personal capacity, 6 February 2015.**

May I take the three questions in turn.

1. Are these the right areas for improvement, within the broad topic of statistics for the economy and public finances? Are there any which are missing?

May I make the following short points:

- I am broadly content that the main areas for improvement have been identified. And I welcome John Pullinger's emphasis on data relating to the economy, business and finance. Perhaps, for example, the "wellbeing data" can be dropped.
 - I agree the Budget Red Book could benefit from cross-references to historical data. The specific shortcomings relating to the Red Book can be seen in the wider context of the general difficulties of accessing long-run data.
 - I do not believe that the analysis of non-official economic indicators (such as the CBI's, or the Markit PMIs) should be an ONS priority. There are plenty of City scribblers who do this already.
 - I wholly endorse quality improvements to the data and would agree that statistical resources should be shifted from, e.g., the manufacturing sector to the services sector to reflect the changing economy.
 - Putting aside the compilation problems associated with output and labour market data, I don't regard the "productivity puzzle" as primarily a statistical matter. It was/is probably more to do with the behaviour of the labour market in the recession and its aftermath.
2. Which are the top three areas for improvement? What needs to be in place to make improvement happen?

I shall concentrate on just one point, which relates to ease of access to data. The website, I find, is not especially user-friendly and it can be very difficult, if not impossible, to find consistent, long-run series. Of course, I appreciate definitions can change. But even with straightforward data it is more difficult than it should be to extract long-run series.

For example, take the balance of trade in goods (code BOKI, picked up from the monthly trade press release):

- If you use the search facility for BOKI, this gives you a wide choice of items to click on.
- Clicking on the first "dataset" item down, bypassing the ephemeral stuff, gives a page on which you then click on "select series from this dataset".
- You then get an array of tables with which you may or not be familiar. Instinct tells you to click on table A01, which may seem obvious if you are very familiar with the table, but otherwise may not be.
- And then you find the long-run series for BOKI.

Now this may appear to be nit-picking, but what seems to be needed is the sort of statistical interactive database that the Bank has for interest and exchange rates. Another database that is easy to navigate, and very logical, is the IMF's World Economic Outlook (which doesn't need codes). I am aware that the ONS has a vast array of data, but it would be enormously helpful to have a system whereby data can either be accessed directly (as with the Bank's interactive database) or more logically (as with the IMF).

Access gets much more difficult when dealing with disaggregated data. Take for example trade in, say, financial services, the EU/non-EU split. Pink Books since 2006 have provided this. But they only carry two years data. PB2014 therefore carried 2012 and 2013 (tables 9.10 and 9.11), but it is dangerous to try and compile a time series from previous Pink Books because of data revisions (which can be dramatic). In order to get earlier figures for a project I contacted the ONS and eventually received data for 2007-2011 (though somewhere in the ONS there should be data going back to 2004, but leave that on one side). But it really shouldn't be so difficult to get the EU/non-EU split for financial services!

A related user-problem concerns reconciling similar data from different official sources. For example, one that defeats all but the most intrepid relates to the UK's official transactions with the EU. Suffice to say, the Pink Book figures (table 9.9) are different from the Treasury's table 3.A in "European Union Finances 2013: statement on the 2013 EU Budget & measures to counter fraud & financial management." An easy to access explanation is elusive, or at least I haven't found it yet. So I contacted the ONS and, sadly, received a very inadequate response. Surely there should be a standard response (with reconciliations). If it exists I'd be delighted to see it.

3. What would excellent statistics for the economy and public finance look like?

I am broadly content with the ONS's output and, as a member of the GSS for several years, I broadly understand the problems associated with data compilation. Of course, methodological improvements should be made as already identified. But the key problem for me is ease of access to data for the economy and the public finances and back-up explanations.