EDITORIAL

The Advent Calendar of National Statistics

Writing at a time of year when, faced by an Advent Calendar, reminds one of the similar gradual sequential revelation of the detail which is being unveiled under the **Grand Plan of National Statistics**. A continuous flow of appearances by official statisticians at meetings and conferences (some reported in this edition), as well as a flurry of invitations to respond to consultation papers on three-year plans on each of the new **'themes'**, is evidence of the accelerating wooing of the user community and a positive effort being made to implement the extension of transparency and accountability.

To pick up on a topic raised in the **BSUG NEWS No.14** editorial - the scope of **National Statistics**, it is encouraging to discover (from a recent **ONS** submission to the Treasury Sub-Committee) that it is intended to amplify the difficult-to-interpret schedule published as Annex A of the **Framework for National Statistics**, a list which shows a mixture of specific statistical publications and series and general descriptions such as **"all outputs"** or **"those statistics previously published as GSS statistics"**. Work is in hand to compile an explicit list of individual series (as defined on **StatBase**) which are **within scope**, together with exploration of the possibility of producing a second comprehensive list of statistics which are **not in scope**. Such clarity will be most welcome in providing the same hymn sheet for all, - and a valuable starting point for the **Statistical Commission's** consideration of this issue. An added bonus of such lists will be the gathering together in one place of the nature and extent of just what series are available. How far the net will be cast - government departments, agencies, local authorities, quangos, regulators, nationalised industries…. remains to emerge. **One step at a time then, and patience may be rewarded.**

WILL USERS' NEEDS BE *MET* ?

Review by ULRIC SPENCER, BSUG

Last year the birth of **National Statistics** gave the **Statistics Users' Council** annual conference in November the opportunity to set the theme of **Meeting the Needs of Users.** Fortuitously, it was the three who featured in **BSUG NEWS 14's** front cover photo who were the openers. **Len Cook** unveiled his vision for UK statistics, **Sir John Kingman** in his first public statement laying out his initial stall for the **Statistics Commission**, said it was determined to **"get it right"**, for example, by avoiding **"rent-a-quote"**; he added that its only power was the power of embarrassment. **Ian Maclean**, in a passionate presentation from a user

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perspective, offered a 15-point agenda of developments for the transition from official to national statistics, among which were: hold a **National Statistics Week**, develop a form-filling burden balance sheet, debate the right home for **National Statistics.**

Melanie Johnson (**Financial Secretary to the Treasury**), in a very upbeat address (particularly when compared with those of some ministers in previous administrations who had spoken at the Council's conferences in earlier years), reiterated the government's determination to have a statistical system

that would meet users' needs and reminded the audience that £35 million of new money was being made available for this purpose.

Jon McGinty (ONS) recapitulated the sequence of events stemming from the Labour Party's manifesto commitment to **"create a truly independent national statistical service."** The Green Paper **Statistics, a Matter of Trust** (1998), the White Paper **Building Trust in Statistics** (1999) and the **Framework for National Statistics** (2000) were the milestones along the way and it was up to all concerned to implement the plans and **"to prove that National Statistics marked the start of a new era for official statistics."** It was helpful to know that a **Statistics Concordat** had been published in October 2000 covering the devolved administrations to ensure harmonisation. **John Kidgell (ONS)** focused on the introduction of a twelve-theme structure for **National Statistics**, each the responsibility of a **Theme Working Group (TWG)** charged with strategic planning, a three-year work programme, an annual stewardship report, user and provider consultation to ensure their needs received consideration and identifying gaps in outputs. These new committees replaced many old **GSS** committees

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but there were still two over-arching committees for **Economic** and **Social** statistics as well as arrangements to deal with cross-cutting topics such as **Social Exclusion and Sustainable Development**. The **TWG** draft plans began to appear in **July 2000** with user consultation set for **September/October**, followed by their consolidation into a **National Statistics** plan with costs going to ministers and the **Statistics Commission** in **February 2001**. It was expected that users would receive feedback on the consultation.

Deana Leadbeater (Health Statistics Users' Group) took stock of the situation on health statistics and reviewed progress in this area since the **White Paper**. Her concerns were mainly about their quality and accessibility, and also the narrow definition of National Statistics which had initially been applied to them. However, she conceded that it was too early to have seen any action resulting from the introduction of the new arrangements. **John Martyn** (University of Surrey, Roehampton) after referring to his **Statswatch** analysis of media treatment of statistics and a report on it commissioned for the **RSS**, cited a recent **MORI** survey's ratings for 'trust-worthiness'. On a 'trust/don't trust' question, civil servants were rated 47% and 40%, ministers 21% and 72% and journalists received 15% and 78%; disturbing, he thought. He hoped to see a rebranding of statistics, for which repackaging and product benefits were essential, and to be supported by a **Statistics Standards Authority**.

Some discussants in this session were critical of the theme structure, which appeared to reflect departmental interests, and were disappointingly unsectoral.

Susan Linacre (ONS) provided a clear, unequivocal statement of what constituted quality, a topic that had received development attention during the '90s. Defining it as 'fitness for purpose', she described its dimensions: relevance, timeliness, coherence, accuracy, interpretability, accessibility

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and usability. However, there were inherent tensions between these dimensions. A **Quality Strategy** would provide quality enhancement and a capability to achieve quality in the **GSS**. **Martin Weale** in reporting on some of the technical material prepared for the Average Earnings Reviews (1998/9), asked "**Why are users still waiting for implementation of the recommendation that estimated variances, and standard deviations should be made available to users?**" As it required the application of more time and effort to achieve this, he was rewarded with the answer that publication of such figures was expected to begin in **February 2001**.

Valerie Evans (Gender Statistics Users' Group) concentrated on aspects of women in education and training. Her audience (about 25% of whom were female) were passionately regaled with a selection of arresting snapshot figures; the audience temperature did not noticeably rise. No doubt this user group would ensure that not only will there be adequate provision of relevant data but that the behaviour patterns they revealed would be influenced towards development of a less discriminatory culture. **Alex Scharaskin** (National Audit Office) described a number of examples of how the **NAO**, which reported to Parliament, used statistical information, in particular in relation to Value for Money studies, both in using existing official statistics and by collecting its own data.

Helena Rafalowska (**ONS**, where she was responsible for Communications), described a wide range of initiatives designed to understand users better and

to design services around their needs. 'I' words were her targets: Internet with its improved access, individuality of users, interactivity with them, the imagination to meet their future needs and integration such as the **National Statistics** website. **Richard Webber (Experian)**, a pioneer of geo-demographic data systems, drew attention to the value which could be added to official data by restructuring and dissemination. Though applications of geomarketing had largely been applied in the private sector, he suggested that government could use them too eg in policy formulation.

John Pullinger (ONS) discussed the positive intention to use administrative statistics more and integrate them with other statistics. One such project was to establish small area **Neighbourhood Statistics. Guy Zacharias** (STATEC, Luxembourg) began with a description of the official statistical service in a smaller EU Member State. He then compared this with **National Statistics** and gave his critique as a user of its website - like the curate's egg really. No doubt its webmaster will have read his comments with interest. **Watch that space.**

Copies of the conference papers may be obtained from **Imac Research, Lancaster House, More Lane, Esher, Surrey KT10 8AP Tel: 01372 463121, price £25.**

NATIONAL ACCOUNTS USER GROUP

There is a regular meeting once a quarter where the latest **national accounts** and **balance of payments data** released that day are presented to the group. There is an opportunity for questions and also a buffet lunch. The next of these meetings will be on **26th March**.

Occasionally we have a meeting to discuss other topical issues in **national accounts**. The next of these is planned for **2 March** where the topics including information concerning our next annual publication **BLUE BOOK 2001**.

If you would like to be put on the mailing list or want more information, we would be pleased to help.

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Treasury Sub-Committee revisits National Statistics
Hearing held on 16 November 2000

Following the Sub-Committee's first inquiry on **National Statistics in 1998** (Report 1998-99 HC43-I) the Government's reply (1998-99, HC267) and further oral evidence it had taken on 1 March 2000 (Report 1999-2000 HC293), a number of organisations, which had submitted evidence for the original inquiry, were invited to contribute again to the Sub-Committee's consideration of the new arrangements for **National Statistics** announced in the June 2000 **Framework for National Statistics**.

Those giving oral evidence on 16 November were **Sir John Kingman** supported by **Gill Eastabrook**, (Statistics Commission), **Melanie Johnson**, **Financial Secretary to the Treasury**, and **Len Cook** (National Statistician).

The Sub-Committee's questions ranged widely. The **Statistics Commission** was quizzed on details of its timetable, its role and scope, how it would set about its tasks, and the adequacy of its budget. **Sir John** emphasised that its only role was to advise and comment; it could comment on the misuse of statistics but this was not its prime concern. Despite the Treasury's repeated insistence that the **RPI's** scope and definition remained the responsi-bility of the **Chancellor of the Exchequer**, **Sir John** indicated that the **Commission** could give it attention. He also underlined the importance of measuring public confidence in official statistics, a subject included in discussions with **Mr Cook**, and admitted that there was so far little for users to see from the Commission's initial activities.

Some of the questions to **Miss Johnson** (and her answers) included: The lack of clarity on the scope of **National Statistics** (a full index would be pro-duced) and the criteria for inclusion (Departmental decisions). When would the **Code of Practice** be avail-able? (not yet known). When would the Framework be updated? (no date fixed but could be in 5 years). What material differences were there between the responsibilities of **Mr Cook** and **Dr Holt**, his predecessor? (the Framework, the scope, the **Commission**, greater engage-ment with users, wider perception of quality assessment). Which were the more important users - government or external? (there was a balance and more dialogue was needed). What about business interest? (large firms were bigger producers and bigger users, **SMEs** presented more difficulties - the **BSUG** represented more users via trade association membership). Could providers be sent aggregated data relevant to their sector? (could happen). Were Jobcentre-based job vacancy statistics robust? (best estimate of what is important but difficult to measure, needed a new look).

In the adjournment debate in the House the day after the hearing, one of the Sub-Committee's members, **Mr Edward Davey** raised the question of the use of hedonic pricing methods, as adopted in the **US**, for measuring quality improvements in products and their effect in lowering reported inflation rates, with consequent anomalies in making international comparisons of inflation (reported in the **Short-Term Output Indicators Review**). **Miss Johnson** responded that research on this matter was proceeding both in the **UK** and **Europe** and the size of the effect of the different approaches was as yet speculation.

The Treasury Committee's 2nd Report, 2000-01, HC 137 including its con-clusions and recommendations, oral evidence and written submissions, was published on 17 January 2001 and is available from **The Stationery Office**, **£12.50** or

www.publications.parliament.uk/pa/cm200001/cmselect/cmtreasy/137/13702.htm

ONS SECTOR LIAISON

ONS SECTOR LIAISON	SECTOR LIAISON CONTACTS	
• Agriculture; Forestry and Fishing	Chris Daffin	01633 813131
• Chemicals; Rubber & Plastic and Misc. Machinery	David Freeman	01633 812029
• Computer Services	Debra Prestwood	01633 812201
• Construction	Wendy Fader	01633 812019
• Electricity; Gas; Water & Sewage	Robin Youll	01928 792726
• Financial Services	Phil Lewis	01633 812357
• Food; Drink & Tobacco	Andrew Allen	01633 812584
• Health & Education	Mike Prestwood	01633 813289
• Hotels & Restaurants; Land, Water, Air & Aux. Transport	Nicholas Palmer	01633 813493
• Local Authorities	James Partington	01928 794197
• Metals & Recycling	Derek Bird	01928 792614
• Mining; Quarrying and Extraction of Oil & Gas	Mark Williams	01633 812319
• Motor Vehicles & Transport Equipment	Ian Richardson	01633 812610
• Office Machinery; Computers; Radio; TV	Louise Morris	01633 812359
• Other Business Activities	Andy Milne	01633 812322
• Other Services	Andrew Walton	01633 812945
• Post & Telecommunications	Louise Morris	01633 812359
• Public Administration & Defence (excl. Local Authorities)	Ian Richardson	01633 812610
• Real Estate; Renting of Machinery	Martyn Vaughan	01633 812563
• Research & Development	Rob Hay	01633 813063
• Sale, Maintenance & Repair of Motor Vehicles	Andrew Walton	01633 812945
• Textiles; Apparel & Leather; Luggage & Handbags	Margaret Lane	01633 812072
• Wholesale & Retail	Sam Brown	01633 812600
• Wood; Furniture; Paper & Publishing	Philip Gooding	01633 812793

BSUG

A VISION FOR NATIONAL STATISTICS

Report by **Ulric Spencer** of **BSUG** meeting at **ONS** on **25 September 2000**

Members heard four speakers from **ONS.**

Len Cook, the **National Statistician**, outlined his vision for **National Statistics** drawing an analogy with the elements of a house. There were three prongs - the **ONS's** focused capabilities, the changing world of official statistics statistical infrastructure, and global networks.

The fundamental pillars consisted of:

Trust, based on improvements in methods, the influence of the **Statistics Commission**, objectivity, improvements to the web-site, improvements in access to records from administrative sources protected by confidentiality. Tax data are used by most other countries more than the UK.

Integration eg regional and local information.

Relevance, such as fitness for use, consultation. Statisticians themselves should have a view on future statistical needs. The first review of monthly statistical indicators has been completed and should become generally available.

Experts. Required quality assurance, good quality of recruitment and development training.

Performance, including prompt delivery.

The framework for **National Statistics** embraced the **Framework Document**, the **National Statistician**, the **Statistics Commission**, the statistical infrastructure, organisation underpinned by a **Code of Practice**. The desirability of statistical legislation was also voiced.

Furthermore, the framework for integrating information needs was influenced by global, national and cultural shifts, the social and economic capital base, and the impact on progress and well-being.

In closing, Len issued an invitation to users to talk to him.

Paul Dunn described the **CLAMOUR** project (**Cl**assifications **M**odelling **a**nd **U**tilities **R**esearch). This was a collaboration stemming from the **European Community 5th Framework Agreement** designed to improve the classification of businesses. Five countries were leading the work - Denmark, Finland, France, Netherlands and the UK.

The areas of research were:

Understanding user needs. (by November 2000) User categories are being surveyed to identify current usefulness and future needs. Care had to be taken to protect those who need consistent information over time. Any changes must take into account the burdens on information suppliers.

Foundation work (by December 2000) examined the fundamental building blocks of classification. The three strands to this work were the construction of a model of the structure and activities of business; applications of the model for classification systems; and for statistical units. It was designed to permit more flexible classes, and had many applications within government.

Results of the **user needs** work will feed into the **foundation** work by informing those responsible of the applicability of **NACE** and how business structures and activities should be described.

Linguistics (by November 2001). To improve the speed and quality of information classification, linguistic methods and tools will be developed which are able to recognise the exact, or at least the best, meaning of descriptions. Existing tools are often deficient in the recognition of text written in free language. It is intended to produce an algorithm for use in national coding systems.

Future tools and systems (by November 2001). Results of the earlier work will then help those who are developing new products and services.

A key element is the development of an electronic questionnaire using **BLAISE**, which will be extensively tested in at least three countries.

Harry Duff outlined work in progress to improve the **House Price Index**, which was required by the **Bank of England**, as a priority, and the **Treasury**. The 6 month study in the second half of 2000 sought to establish if improvements were feasible, and if so, how, on what timescale and what they would cost.

The **Working Group** for the project included representatives from **ONS**, **DETR**, **Bank of England**, **Treasury** and **Land Registry**.

Existing sources for house prices were:

DETR: currently a 5% sample of mortgage lenders' transactions, plans were to increase this to 100%; covered UK, all mortgages, excluded cash transactions (about 20% of the total), was detailed and timely.

Land Registry: covered only England & Wales, included all transactions; was not detailed or timely.

Halifax Bank: }
Nationwide: } covered all UK, only each organisation's own transactions, were very detailed and very timely. To further speed reporting, Nationwide cut-off was **the 25th** of the month. It was using ACORN house-type classification.

User needs were for monthly data, timeliness (needed for **RPI**), accuracy and detail by region, house type. Other issues under examination included mix-adjustment - its comparability over time, its importance and how it was calculated; the distinction between mortgage and cash transactions; and information on the size of dwellings.

The options for government were the **DETR** 5% sample, the **Land Registry** or, the probable outcome, a mixture of the two using **DETR** for mortgage

transactions and **Land Registry** for cash transactions.

The use of **ACORN** was being explored.

The development was likely to be effected in 2001 or 2002. A decision will need to be taken on whether preparation of the Index lands up with **DETR** or **ONS**.

Andy Milne from **Customer Co-ordination Branch** talked about a development programme relating to **Regional statistics** which was in train between April 2000 and March 2001. Based on an investigation of the needs of customers, both in government and outside, the programme should lead to creation of new series or improvements to existing ones relating to, for example: At **ONS**: an **Index of Production for Wales**, better service sector data for Northern Ireland and Wales, a boost to the **Annual Business Inquiry 2000**,

a regional stratification survey and Regional Accounts.

For **DETR** and **DTI** (Government Offices for the Regions): Better employment statistics for wards, regional **GDP** at **NUTS3** level, inter-Census population estimates below local authority level, low level earnings. Also, but having lower priority, economic indicators and compatible areas.

For the **Bank of England**: more data to supplement those supplied by its regional agents. There were no plans at present for regional **RPIs** but efforts to improve the national bias were in hand.

Better regional data meant better **National Accounts**.

Suggestions from the **National Assembly for Wales** for improvements included:

a top-up sample for the Annual

Business Inquiry (ABI); the **Index of Production**; Productivity; Exports, **Index of Services (IoS)**; Retail Sales Index; Structure of Retailing; **GDP** to return to a regular publication time-table; and an **IDBR** top-up for the **ABI**.

Possible priorities were: **Timeliness of Regional GDP**; **Regional IoS**; quarterly **GDP**; employment needs; extension of **ABI**; and constant price regional data.

Other issues for consideration were: Regional geographies from bottom-up; concern about disclosiveness; ensure that regular funding would be available; ability to produce time series; fear of unofficial estimates; costs; if a spending review yields nothing, who pays?; compliance costs; and raising customer expectations without fulfilling them.

BSUG was invited to take the opportunity to feed ideas into the project.

BUSINESS SURVEYS -
A New Acquaintance and some Old Friends
Report by **Ulric Spencer** of **BSUG** meeting of **7 December 2000**

Marketers have usually found involvement with new product development to be more exciting than looking after longer-established brands. So it was particularly mouth-watering to hear at greater length from **Debra Prestwood (ONS)**, using several back-breaking years of experience with **PRODCOM**, about the pioneering work she was leading into the uncharted territory of **SERVCOM**, the measurement and tracking of service sector 'products' in a manner similar to **PRODCOM**, which had been briefly flagged-up in **BSUG NEWS No.14 'NEWS from ONS'**. Sparked off by the PIU report on e-commerce (featured in **BSUG NEWS No.12** in **'News from DTI'**), a need for improved Input-Output analyses and growing interest by **Eurostat**, though there was as yet no EC Regulation covering this area, it was decided to mount a 2-year feasibility study starting in April 2000. A pilot study of 2000 firms in the computer services sector would start in January 2001 with results expected in July 2001. In April it was hoped to start tackling additional industries, with telecommunications possibly next. An interim report was scheduled for September 2001 with final report expected in February/March 2002.

The purpose of this work was to improve the extent and detail of service sector statistics, to improve the classifications in the **Inter-Departmental Business Register (IDBR)**, since **NACE** had become outdated, hence the selection of Division 72 as a starter. The results would also feed into **National Accounts** preparation and the **Corporate Services Price Index (CSPI)**(see this issue page 15). Furthermore, Eurostat had initiated similar pilot surveys in 10 or 11 Member States.

Issues which needed illumination included: the definitions of specific services, in consultation with the relevant industry trade associations, the level of detail which was feasible and which was likely to be less than in **PRODCOM**, testing the quality of firms' classifications on the **IDBR** by comparison with industry records, and the investigation of potential compliance costs (which for **PRODCOM** are estimated at over £2 million). Work has been carried out on these topics for the computer services sector resulting in a list of around 10 categories for the pilot. If the feasibility study is successful, a similar process will have to be implemented for other sectors. Any

future roll-out of **SERVCOM** across the services sector is likely therefore to be gradual.

Envisaged future work would be to analyse and present the data obtained, explore classifications for other industries, estimate the compliance costs, consult on the perceived success of the enquiry and decide in late 2001/early 2002 on launching a **SERVCOM**-type survey. A future **SERVCOM** would also, of course, depend on the availability of funding. It was recognised that because of the dominance of small firms in the industry selected for the pilot study (there are 124,000 small firms on the **IDBR** out of a total 129,000), population estimates would be difficult and thus quality assurance would be important.

David Freeman (ONS), who had taken over responsibility for **PRODCOM** from **Debra** last March, gave a progress report. He said that delays in publication of results were gradually being reduced; 1998 quarterly results had suffered delays of 13-22 months for the periods to which they related but the 2001 planned programme for 2000 results were aimed at reducing

this to 5 months. The same principle applied to the cycles for industries reporting annually.

He gave some of the outcomes of a Triennial Review of PRODCOM, due to be published in March 2001. The previous one had been conducted in 1996, since when there had been a new sample design, four industries had moved from quarterly to annual reporting, some new products had been added and a validation library had been completed.

The **Review** had entailed sending out forms to providers - 1800 on compliance (response had been 44%), 500 on survey design (response 38%), and 100 to users (response 32%) - as well as holding meetings with some of those involved inside and outside government. Completion time for the PRODCOM questionnaire averaged at 95 minutes and the compliance costs were estimated at £2$\frac{1}{4}$ million. Data on volumes presented the greatest difficulties; and (surprise, surprise) most contributors were unaware of the aggregated results [nor, one could safely surmise, were they (being **'bean-counters'**) at all interested in them].

Users' gripes were that: the results were too late to be useful; there was too much suppression, including that of some trade data; there was no measure of data quality; and there were inconsistencies with other **National Statistics** series.

What options were there for change? No changes were envisaged for the list of industries reporting quarterly; extend data collection via the Internet; drop the employment question; improve access to data for contributors; systematise the process for recording problems with volume units; provision of annualised totals for **'quarterly'** industries; provision of

quality measures; review the procedures on disclosure permissiveness; publish all trade data, even if this revealed discrepancies eg trade higher than total sales; and cross-checking with other ONS surveys.

Planned future actions were: availability of information on sampling errors, sample sizes and validation procedures; publication of volumes for individual industries (5-digit level) instead of multi-industry volumes which had to await data for the last industry to arrive; more use of electronic media for data transfer and more co-ordination with HMCE. A European methodology seminar in March 2000 had discussed: improving data quality, by sharing best practice, and improving access to user feedback; clarifying the Regulation in terms of coverage and units; and improving dissemination. From the floor, users reiterated their disquiet about the ongoing obsession with the **'burdens'** of data provision, but the official line was that this was of great concern and importance to the government. Perhaps the **'league tables'** of compliance costs expressed as national totals need to be presented on a **'per firm'** basis to put the scale in perspective.

Deborah Horn (ONS) presented illustrated results of investigations into the levels and composition of **Trade in Services.** With a user target market of government departments, international organisations, City analysts, media, trade associations, academics and businesses, the patterns revealed appeared to contain some surprises. The framework used for this study was the **IMF Balance of Payments Manual**, 5th edition, 1993, implemented in 1998, as well as the **SNA 1993** and **ESA 1995**.

Using a variety of sources, yielded a number of charts depicting: compar-

isons of share of exports and imports of services and goods; trade by country of source and destination; trade by service sector; and the effects of the travel element on the balance of trade. Some of these are shown below.

Data on this trade are widely published, including a 1st Release, **Economic Trends**, Pink Book, Blue Book, **Annual Abstract of Statistics**, **UK Trade in Services** (all from ONS). All published data can also be found on the ONS website - **www.statistics.gov.uk**.

Planned future developments included: new filter questions on the ABI; efforts in conjunction with the EU to improve estimates of **'freight & insurance'**; greater geographical detail; investigation of links with trade in goods (eg services allied to export of new machinery); a new OECD manual.

Darren Tucker (ONS), deputising for **Andrew Walton**, gave a résumé of the timetable for results from the latest round of the **Annual Business Inquiry (ABI)**.

In August 2000 a **First Release of ABI2** revised data for 1998 and Sector Reviews for the Distribution and Service industries were published. 1998 data for Production and Construction were available but as yet unpublished as work to link ACOP/ACOC data to ABI levels to provide a full ABI back series was being completed. It was hoped that 1998 regional results would be available early in the New Year.

1999 ABI2 was continuing on track. A First Release of provisional results was published on 20 December 2000. Publication of full results would be in Summer 2001; though their format was still under discussion, it was unlikely to be in paper form.

Trends - exports

UK exports of Goods and Services

Trends - imports

UK imports of Goods and Services
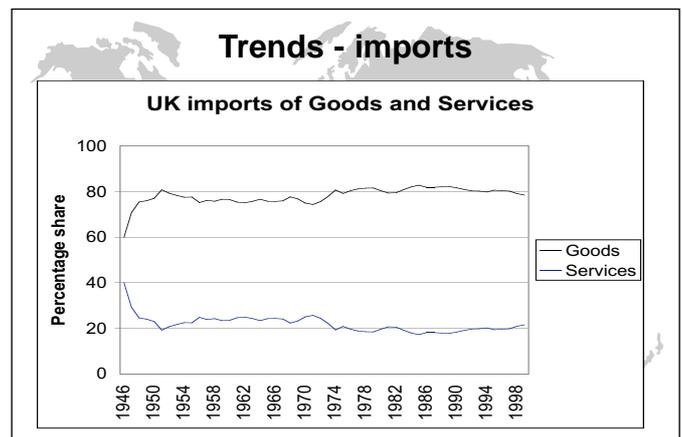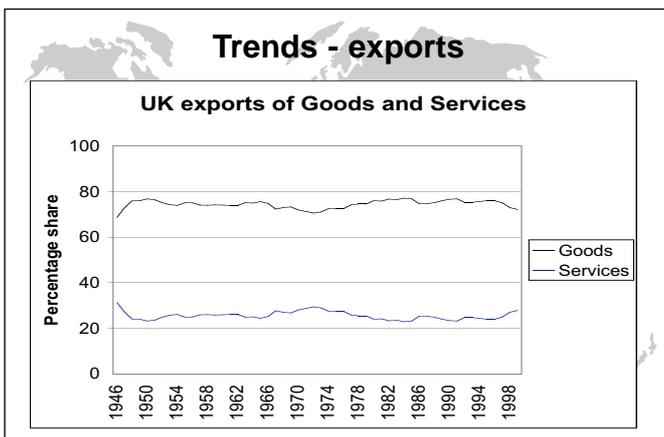
HOW THE ROAD HAULAGE ASSOCIATION USES STATISTICS

By **Chrys Rampley,** *Manager, Infrastructure, Environment & Business Affairs, Road Haulage Association*

CHRYS RAMPLEY

The Road Haulage Association (RHA) is the primary trade association representing the hire-or-reward sector of the road transport industry, that is, those whose primary business is the transport of goods (or other items) for other people. The Association was formed in 1945 to look after the interests of haulage contractors in various areas of the country, in effect, amalgamating local organisations that had been established. There are now some 10,000 companies in membership varying from major companies with over 5,000 vehicles down to owner-drivers.

The road haulage industry plays a pivotal role in the UK economy carrying some 81% of all domestic freight. In 1999 this amounted to:

- 991 million tonnes carried in hire-or-reward vehicles
- 576 million tonnes carried in own account operators' vehicles
- a total of 1.567 billion tonnes moved by road transport
- 149 billion tonne-kilometres on road transport
- an average length of haul of 50km for rigid vehicles, 136km for articulated lorries and 95km as an overall average.

There are around 112,000 holders of operating licences, some for own-account transport and others for the provision of hire-or-reward services.

Between them they operate some 421,000 goods vehicles of over 3.5 tonnes gross weight. It is worth noting that twenty years ago approximately 500,000 vehicles carried a smaller volume of traffic reflecting the very considerable efficiency gains that the industry has made. The industry employs about 500,000 drivers together with a similar number of ancillary staff in warehouses, workshops and offices.

Moreover the industry makes a major contribution to the exchequer through **Vehicle Excise Duty (VED)**, fuel duty, Operators' Licence fees as well as **Value Added Tax (VAT)**, income tax paid by employers, corporation tax and council tax on premises.

Modern-day lifestyles are heavily dependent on the ready availability of plentiful cheap and efficient freight transport. Without it retailers would not be able to offer the range of produce that they do throughout the year at acceptable prices (items that previously would have been available only on a seasonal basis) and manufacturers' costs would be higher, leading either to more expensive goods for the consumer or to the loss of business to competition from abroad. But this vital contribution is rarely fully recognised by the general public who still call for Government to take measures to get lorries off the roads.

As a result, a key area of activity for the RHA is educating both Government and members of the public about the role of the industry and protecting the interests of members with regard to future legislation and policy making. This is a key area of **RHA** work in which statistics prove their worth.

In recent years the **RHA** has been campaigning for a more-level playing field for hauliers in terms of the levels of taxation they face in comparison to their European counterparts (who are free to operate in this country). In order to present a comprehensive and well-argued case to Government, the **RHA** commissioned the **Centre for Economics and Business Research**

(CEBR) to examine the impact on the UK economy of the difference in fuel duty between the UK and the rest of Europe.

The **CEBR's** work required the use of numerous sets of statistics: most obviously the rates of duty imposed on diesel in each EU state and the rates of VAT payable. But in order to calculate how the UK haulage industry would be affected (over time) by the Government's fiscal policies, the model also required statistics on the distribution of lengths of journeys between UK ports and ultimate UK destination (e.g. 3.2% are journeys of less than 100km, 33% are between 100 and 150kms) and the number of people employed by the UK transport (and associated) industry.

Once the case was produced, other sets of figures collected by Government – most notably the numbers of foreign-registered vehicles entering the UK compared with the numbers of UK-registered vehicles, and how these figures have changed over recent years – have provided further evidence for our arguments. Use of official Government statistics to support lobbying has significant advantages, as the figures themselves do not come into question. And for the **RHA** they have at least brought some relief - this year's pre-Budget statement promised the first reduction in fuel duty on diesel since the fuel duty escalator was introduced in 1993.

The use of statistics for lobbying and policy making are however, only part of the story. The **RHA** also does a certain amount of data collection itself in order to provide services for its members. The first of these areas is the weekly fuel price survey which, as the title suggests, looks at costs of fuel around the country each week and is published so that members can ensure that they are getting the best deal possible from their supplier.

The second more detailed exercise conducted by the **RHA** is the **Annual Price Movement Survey**. This survey looks at all elements of road haulage

costs including: fuel and lubricants; tyres; repairs and maintenance; drivers' costs; road tax; vehicle depreciation; vehicle insurance; management and administration costs; operational overheads and finance charges; across the full range of haulage businesses (from general haulage to waste vehicles and tippers) with a view to establishing how each element has changed in the past year. The figures are then used to calculate how overall costs for the average haulier have changed since the previous survey. The results are published annually and give **RHA** members the information they need to negotiate rate changes with their customers.

The Annual Price Movement Survey is also acquired by the **Inland Revenue**, **MAFF** and is used by **DFF International** in the production of their **Goods Vehicle Operating Costs** booklet.

In addition to the statistics used for lobbying and policy making, the **RHA** has an even greater need for reliable statistics to combat the ever-increasing number of vehicles and loads being stolen by criminals engaged in organised crime. **Home Office** crime statistics continually fail to identify such traits. The **Essex Police National Lorry Load Desk** produces statistics that identify trends, composite and accurate figures taken over wide areas, from which meaningful deductions and conclusions can be drawn. The **RHA** strongly believe that there is a need for this holistic approach in order to have any meaningful chance of tackling organised crime. The **Home** Office has recently published a report **Review of Crime Statistics: an invitation to comment on the report's conclusions.** One of the objections raised by the **RHA** was to the recommendation **"that the value of stolen goods no longer be recorded"**. The simplistic removal of such data would have a detrimental effect upon all crime statistics. The recording of a value is a vital requirement when many **KPIs** are drawn up. Industry sectors need to have an indication of the impact crime has on it. The removal of such an indicator would lead to a distortion and manipulation of crime recording in its most basic form. The **RHA** is pleased to hear that the **Home Office** is now setting up a small group of experts to discuss all the comments received and then recommend the way forward.

EFFORTS TO MEASURE THE HARD-TO-MEASURE

Report by **Ulric Spencer** of meeting of **25 October 2000** organised by the Official Statistics Section

Bill Cave (ONS) spoke about international trade agreements and a new framework for measuring international trade in services. He outlined features of the new draft **Manual on Statistics of International Trade in Services** which had previously been covered in the **IMF Balance of Payments Manual**. It had been prepared by a task force convened by **OECD** from various international organisations + consultants and subjected to world-wide consultation. The treatment was clearer, more detailed and comprehensive. Measuring trade in services had difficulties which stemmed from their being harder to define, a lack of trans-frontier, documented consignment, a need for concepts to be understandable to the data providers and according with business record-keeping, whilst minimising burdens on businesses.

With the growing importance of service activities, the **Manual** was designed to support international trade agreements and monitor them. There was a need to improve precision of measurement, achieve better international comparability, obtain more detail by type of service and the direction of trade, as well as to better understand how such trade takes place. The scope of the **Manual** was to broaden **'trade in services'** to reflect **GATS** to include resident/non-resident balance of payments trade, foreign affiliate trade and other trade delivered by foreign individuals.

Services were not separate entities that could be owned or traded separately from production. They were produced to order and changed the condition of the consumer but there were some in-between entities (eg digital products) which were classifiable to goods or services according to the medium of delivery.

The **GATS** definition had four modes: cross-border, consumption abroad, commercial presence and presence of natural persons. The approach was described in more detail, and 'next

steps' were stated to be: submission to the UN Statistical Commission in November 2000; if approved, publication (in 2001) would follow, with implementation discussion with **OECD** member countries to start in December. Decisions were required on which agencies would collect what. Though some data could be obtained immediately, most needed time for development.

The **Manual and Service Trade** statistics were available from **www.oecd/std/tradhome.htm**.

Paul Schreyer (OECD) discussed measurement and international comparisons of output and productivity. Countries varied in their treatment of measuring **ICT**, particularly on computer prices. Assessment was complicated by differences in use, origin and index number methodology. Why hard-to-measure? Representativeness of the sample and comparability of items were problems; also how much change was real or in quality? One approach was to use hedonic deflators.

The changes affected measurement of the volumes of investment growth and output, hence of productivity. It was more difficult to measure the effects on **GDP**, on intermediate or final consumption, and it depended in part on whether it was fed by domestic production or imports. Actual figures varied by country. There was a choice in compiling price indices of fixed price or chained weights, and growth rates were affected by the selection of a base year. Variations depended on the industry under consideration but net effects were less clear and were not independent of which index number framework applied.

Work was in progress to produce an **OECD** handbook on hedonic deflators (assisted by **Jack Triplett**); there were **CPI** and **PPP** manuals and an international exchange of price indicators. **NSIs** involved in the work included **US**, **Canada** and **Germany**; **UK** and **France**

had projects on hedonic deflators.

Andrew Wyckhoff (OECD) described recent work, its problems and successes, by public statistical agencies, including **OECD**, on statistics on information and communication technologies like e-commerce. Projects included the demography of enterprises (churning), biotechnology, measuring globalisation, and the information society.

The definition of **ICT** embraced, inter alia, manufacture, and wholesaling/leasing of **ICT** goods, provision of telecommunications services; wire and cable was included but retailing excluded. Efforts to track the demand side depended on surveys of business and household use, eg tracking the penetration of PCs and Internet use. Measurement of e-commerce required definitions of **'content'**; a **'narrow'** definition might be just the Internet, a **'broad'** one extended this to computer-mediated networks.

Measuring the **ICT** sector could be further explored at :

www.oecd.org/dsti/sti/it/prod/ measuring_ict.htm

Points raised by subsequent discussants included: outlet substitution effects on price indices; effects/discontinuities resulting from the introduction of ESA95; how significant did e-commerce have to be to become important in **GDP**; failure by analysts to provide answers or information would not prevent markets from taking action anyway; the effects of varying interpretation on the size of the **Output Gap**; the importance of adopting a harmonised approach rather than countries **'doing their own thing'**.

Mr Schreyer, in responding, pointed out that the project work was expensive and some **NSIs** could not afford to be involved. He was sceptical about the use of exchange rate effects. He believed that frequent and comprehensive price collection yielded results close to the hedonic method.

BSUG Website http://home.btclick.com/bsug

The Business Statistics Users Group has set up a trial website. This gives information covering the history of the group, Its aims and objectives. Other sections cover committee member names and contact details and information about the next meeting which can be booked on-line through the website.

WHY NOT TRY IT AND SEE WHAT YOU THINK?

It can be accessed at: **http://home.btclick.com/bsug** and all comments and suggestions are welcome.

QUALITY IMPROVEMENT IN OFFICIAL STATISTICS

Report by **Ulric Spencer** of meeting held on 2 November, 2000 organised by the
Quality Improvement Section & Official Statistics Section

BSUG members will be interested in topics addressed by speakers at this meeting. In addition to **Susan Linacre**, the new **ONS** Director of Methodology and Quality, who also participated in the Statistics Users' Council Conference reported on page 2 of this issue, two **ONS** colleagues spoke about the results of specific projects. **Keith Hayes (ONS)** outlined the process involved in completing the first National Statistics Quality Review - the Review of Short-term Output Indicators **(STOIR)**, published in October 2000 (available in hard copy and at **www.statistics.gov.uk/theme/economy/quality reviews**) and summarised the main conclusions from the review. The indicators reviewed were the monthly **Index of Production (IoP)**, **GDP** output quarterly estimates and the new experimental monthly **Index of Services**. The aims of the review were to establish whether: users' needs were being met, best practice was being applied, and they were founded on good data.

The work fell into 11 subject areas: how the indicators met users' needs; the conceptual basis for the indicators and underlying assumptions; conducting case studies of the current methodology (industries selected were: **Other Organic Base Chemicals**, **Security Services** and **Electricity**); assessing deflation methodology and sources; investigating how and why data filtering adjustments are made to smooth erratic data movements; assessing sales data adjustments for movements in inventories to reflect movements in output; reviewing the use of balancing adjustments from national accounts to reconcile short-term output indicators with **GDP**; investigate **IoP** sampling error estimate calculations and assessing how previous work on quality indicators could be extended; reviewing how new data sources are incorporated in the indicators and examining the process for reacting to changes in the economy; validation based on figures from VAT returns and external sources; and reviewing previous work on the adequacy of sample sizes and response rates in surveys feeding the output indicators.

The long document (nearly 200 pages), which in places was very technical, aimed to be very open and forward-looking. Its main findings confirmed the validity of much existing methodology, and supported and reinforced the existing development programme. Five main recommendations for change were: complete integration with national accounts; ensure greater consistency of approaches and methods; users' focus on measuring movement over time should be pursued better; data filtering processes should be more structured and formalised; and there should be better co-ordination of the development of new surveys. These recommendations were accepted in principle, were being given priority in the planning process, and detailed action plans were being prepared.

Pam Davies (ONS) spoke on Reporting on Quality in Business Surveys. **"What is quality?"** she asked. It depended on fitness for use of the statistical data, on users' needs; it was multi-dimensional but there were conflicts such as accuracy vs timeliness.

The European framework defined six components: relevance of the concepts, accuracy of the estimates, timeliness and punctuality of dissemination, accessibility and clarity, coherence, including comparability, and completeness.

Accuracy embraced: sampling error, and non-sampling error, which included error derived from the sampling frame, measurement, processing, non-response and the model's assumptions.

Quality measurement was far from straightforward. It required knowledge of user needs, had several dimensions, was made up from many different indicators and measures. There were many potential impacts on quality but no comprehensive measures, but tools for measuring needed to be available and used.

In reporting quality, views of a range of users needed to be considered, different users may need different information and this should be provided in ways that best met users' needs.

Recent research, funded by **Eurostat**, with support from Statistics Sweden and the University of Southampton, had three aims: to develop detailed description of methods for assessing survey quality; to apply the methods to selected business surveys to evaluate their quality, and; to create guidelines for producing business survey quality reports. Recommendations emanating from the research were: that quality indicators should be produced for every survey; where they are clearly defined, such measures should be produced periodically, and: there should be a rolling programme to evaluate the overall survey quality, covering some topics each year.

Four publicly available, generalised, variance estimation packages were evaluated (**GES, CLAN, STATA, SUDAAB**). It was concluded that all four were satisfactory for expansion estimation, but only the first two for regression estimation.

It was proposed to introduce the tools and methods which emerged from the study, applying them to structural and short-period surveys both in the **UK** and **Sweden**, relating to annual surveys and monthly indices of manufacturing production. The structure of model quality reports would consist of a summary of the quality assessment, the model quality report itself and a description of the survey. Only a small number of the techniques recommended could be used in practice, because of limitations in time and available information. The aim was to balance easy-to-apply methods with evaluation of the most important quality components.

Based on the experience gained during the research, it was concluded that: survey managers and methodologists should be involved in quality assessment work; tools need to be available and used, both to save resources and to ensure that a similar approach to assessment is applied to different surveys; availability of data is critical and this requires careful planning; and quality assessment should be incorporated in the results process.

The challenges to be faced were: consideration of users' information needs; engaging in dialogue with users to ensure mutual understanding of each others' perspective; considering the medium for disseminating information on quality; and developing systems and tools to enable the production of quality measures.

News from INTRASTAT

CHANGING THE HARMONISED SYSTEM AND THE COMBINED NOMENCLATURE

Report by **Ulric Spencer** of INTRASTAT meeting held on **8 November, 2000**

The proceedings kicked off with **Gill Eastabrook,** Chief Executive of the Statistics Commission, giving a brief description of its remit and preliminary thoughts of how it would act. With Commissioners contributing 20 days a year and a staff of four so far, **Gill** would currently be the main user contact.

In relation to users, the initial tasks were to determine how to meet their needs, and how to build links with three groups of them - expert users, government and the general public. Some of the suggestions which had been made included: a **'Grand Council'**, a survey of purchasers of **National Statistics** outputs, nominating a **'User Champion'**, use of the Commission's developing website, attendance at **User Group** meetings (such as this one), and funding **User Group** newsletters, using Parliament and the media as proxies for general users. Additional ideas would be welcomed.

She had also identified different roles to play in relation to producers (eg the **GSS**) and providers (eg survey respondents in industry), amongst whom there was some difficulty in identifying relevant individuals. The dichotomy of involvement between providers and users within companies was recognised.

Contact details are: Statistics Commission, 10 Great George Street, London SW1P 3AE.
Tel: 0207 273 8000;
e-mail: statscom@statscom.org.uk;
Website: www.statscom.org.uk

Changing the **Harmonised System** was the subject addressed by **Alan Froy**, **HMCE**, **Information Management Division (IMD)**. The 6-digit nomenclature devised by the **WCO** was periodically reviewed. Proposals were agreed by **WCO Committees** at which the **European Commission** was represented by one individual, advised by pre-co-ordination meetings at which each **Member State Customs authority** had one voice. Justification of a 4-digit

heading required a minimum trade of $100 million, that of a sub-heading $20 million but there is currently a proposal to increase this to $50 million. Existing headings falling below this could be deleted, with some exceptions eg armaments, endangered species.

The 102 paying full members voted, with around 90 other countries receiving documents: associates such as the **ICC, WTO, UN Statistical Office** also attended.

The next round was due for implementation in January 2007 with agreement required by Spring 2004 for which changes needed to be initiated by mid-2001. Particular emphasis would be on electronics eg computers. Routes for progressing proposals included: via European trade associations and the **European Commission**, or via the national government channel; trade associations outside the **EU** could also help.

Successful proposals take into account the level of trade, and the description wording. Data providers may not take too much care in classifying if it is too much trouble. The example of **"dolls representing human beings, which exclude Superman, Dr Who"** was cited.

Mr Froy had contact details for the **EC** and **UK** representatives and the Customs website. In the course of discussion, the desirability of being able to consult the website for details of changes was voiced. Asked if **INTRASTAT** members could be notified of **HS** heading proposals, **Mr Froy** said it could be organised.

[Subsequent to the meeting, two short briefing notes were supplied. The first from **Ian Belfield** stated that, as an initial step to address critical comments made at the meeting, **IMD** are putting the following information on the website **www.uktradeinfo.com** from early in 2001:

HS 2002 changes - Although changes

have largely been agreed, interested parties may still like to see how far-ranging these are in their industry sector, at least enabling any preparation requirements; HS 2007 changes - Brief details on how to contribute to the **'new round'** of proposals. It is also aimed to later include other documents that may have a bearing on the **Harmonised System, Combined Nomenclature** and other associated issues.

The second from **Penny Smith** was on the consultation procedures. Preliminary informal consultation had elicited the following **'focus'** list: Section XVI, Notes 3 & 4; Chapter 84, Note V; Headings 84.42, .43 & .71, 85.17, .19, .24, .25, .43, 87.02, .03 & .04, 90.09. Comments, proposals and expressions of interest should be sent to: **Frank Varey, Movement Unit (H&M Team) HM Customs & Excise, 6th Floor South, Portcullis House, 27 Victoria Avenue, Southend on Sea, Essex SS2 6AC.**
Tel: 01702 361787; Fax: 01702 361962
e-mail: frank.varey@hmce.gsi.gov.uk
The **HMCE** website is at www.hmce.gov.uk]

Jan Foltmar, European Commission, TAXUD, Section B5 (formerly **DG XXI, A1**) outlined the procedure for changing the **CN**. He was concerned with relations between the **Commission** and the **WCO**, the management of the **CN Regulation**, the classification of goods and ruling under which heading a product should be classed.

SLIM, which postulated Simplification (=reduction) had now been superseded by the term **'Modernisation'**. The new **CN Regulation** was smaller and would soon be available on a CD-ROM. The **TARIC** level was available on the Net.

The **Code of Conduct** (**Official Journal C150**, 30 May 2000) had as its objectives: to eliminate unwarranted growth in the number of codes,

impose better discipline, establish transparency in the process of introducing new codes or eliminating existing ones, recognising the diversity of interests. There was no maximum threshold for the number of codes.

There was a need to meet WTO/WCO requirements as well as those of EC policy and inclusion in a Community instrument.

Who can request changes? The Commission services, the Member States and FEBIs but not national federations. To whom should proposals for changes be sent? On statistical headings, Eurostat; on HS, DG, TAXUD. What should be the basis of a proposal? Be clear on the requirement, and the description should be clearly identifiable.

No decision had been made on a threshold but perhaps 20 million euros is an initial thought, though this could be based on potential rather than current levels.

It would be necessary to state the reasons for the requirement; confidentiality factors should be borne in mind. A working document would then be prepared to allow the proposal to be processed. Following periodic progress reports, a vote at Luxembourg decided whether a code was approved for inclusion in the CN. A normal timetable for the procedures took 18 months. Decisions were taken by 31 October for introduction in the following year.

The Code of Conduct principles would also be applied to HS proposals.

There had been consultation with the FEBIs on the 2002 version and it was hoped to repeat similar procedures for 2007. The watchword was "dialogue". One should remember the importance of political interests in considering/discussing the 'cold facts'.

The Eurostat CN2000 CD-ROM contained transposition tables showing changes to the classification.

Penny Smith, HMCE reminded the audience of Intrastat reporting changes from 1 January 2001 - data fields that would disappear were: mode of transport, country of origin, number of consignments, delivery terms. Businesses may optionally continue to submit delivery terms for which the threshold will be £12.5 million on either arrivals or despatches; the threshold would be reviewed annually.

From 1.1.2001, electronic declarations should be submitted by the end of the month following the reference period, paper declarations within 10 working days, as now. From 1.1.2002, the requirement for paper declarations would change to match the arrangement for electronic ones.

There would be new forms from 1.1.2001 and HMCE would accept only the UK supplementary declaration or the EC or electronic versions.

The Tariff and Statistical Office would be renamed the Information Management Division. Trade Trends, No.2 was planned for publication by the end of the year.

It was envisaged that the next meeting was likely to be in February, subject to selection of a suitable topic.

Future BSUG Events

TUESDAY 27th FEB. 2001

Starting at 2pm

at the ROYAL STATISTICAL SOCIETY,

12 Errol Street, London EC1

Developing the Annual Plan for National Statistics

MIKE PEPPER, Director ONS Prices and Business Group, Newport

GLENN EVERETT, Chief Advisor on Statistics, DTI and Chair of Commerce, Energy and Industry Theme Group

THURSDAY 17th MAY 2001

AGM

Venue, Subjects and Speakers
to be advised

NEWS from the dti

by Michael Clary

A change at the top to report.

Janet Dougharty has moved to the Defence Analytical Services Agency, part of the Ministry of Defence. Her replacement as Chief Advisor on Statistics is Glenn Everett. Glenn will also be taking over as chair of the Commerce, Energy and Industry Theme Group.

Glenn joined the Department a couple of years ago from DfEE, and has been very much involved with regional statistics, assisted areas and the like. This may not sound very high profile, but as the ability of government to offer Regional Selective Assistance to companies is dictated by the agreed assisted areas map, it is very lively indeed.

Glenn hails from Australia and the first time I met him coincided with that sporting rarity, England winning a Test against Australia. He had to suffer a bit that day, but the boot has been on the other foot ever since!

My own workload continues to be heavily dominated by e-commerce and all its works, with a trip to OECD to Paris for an expert group to discuss its definition. My presence as the UK delegate perhaps sheds some doubt on the term "expert group", and I suspect that with N experts in a room, at least 2N definitions will emerge. Nevertheless, we did get closer to a consensus.

OECD has published a report Measuring the ICT Sector on the Information and Communication Technologies, to be found on www.oecd.org/dsti/sti/it/prod/measuring_ict.pdf. The International Benchmarking Study 2000, conducted for DTI by Romtec, has also been published. The survey is the latest of a series investigating the penetration of ICT technologies amongst businesses and, in a largely qualitative fashion, the uses, such as trading online, to which they are put. It covers all G7 countries, plus Sweden. The report can be found on

http://www.ukonlineforbusiness.gov.uk/Government/bench/international00.htm

UK Input-Output Annual Supply and Use Tables, 1998

By Sanjiv Mahajan, Head of Current Price Input-Output Branch, ONS

The latest UK Input-Output Annual Supply and Use Tables publication covers the year 1998 and was published in August 2000 consistent with the Blue Book and Pink Book, and is also available electronically.
Fully consistent tables are also available going back to 1992.

- What goods and services does the UK produce and how much of each?
- Who uses the goods and services produced by the UK?
- What goods and services do consumers spend their money on?
- What goods and services are imported or exported by the UK?
- What are the fastest growing industry groups in terms of their contribution to the UK economy?
- Which products does each industry use to produce its own outputs?

These tables provide the answers to these and many other questions, giving exciting new insights on the development and workings of an ever-changing UK economy.

Background

The **Input-Output (I-O) Annual Supply and Use Tables** break the economy down into 123 industries (eg motor vehicle industry) and 123 products (eg sports goods) to display the transactions of all goods and services in the UK economy for a single year. The tables link together components of added value, industries' inputs and outputs, and the supply of products with the demand for products. The tables also link the different sectors (eg public corporations) together with detail of imports and exports of goods and services, government expenditure, household consumption and capital investment.

The **ONS** uses the **I-O** process to set a single estimate of annual current price **Gross Domestic Product (GDP)**. This is achieved by reconciling various sources of data used in compiling the income, production and expenditure measures of **GDP**.

Information from the **UK I-O Annual Supply and Use Tables** in turn play a central role feeding into many other key products produced by **ONS** such as the **Producer Price Indices**, **Regional Accounts** and **Environmental Accounts**. The **ONS** is also in the process of developing constant price **I-O Annual Supply and Use Tables** to complement the current price tables.

The current price tables are used by economists and analysts for modelling, for example, assessing the impacts of changes in taxation such as VAT, of the recent fuel crisis on the economy and of the introduction of minimum pay on government expenditure. These tables are also used by businesses in identifying markets for their products. Others such as the **Bank of England**,

HM Treasury and other government departments, and academics compile analyses for use inside and outside government.

Analyses at a glance

The **I-O Annual Supply and Use Tables** show that in all seven years from 1992 to 1998, the **'financial intermediation and other business services'** group of industries made the largest contribution to gross value added **(GVA)** at current basic prices. In 1998, this industry group accounted for £205.5 billion out of £755.3 billion (27.2% of the total), and this industry group itself grew over 11.5% in 1998 compared to 1997, faster than the rate of growth in total **GVA** for the UK economy of only 5.6%. Also featuring strongly was the **'manufacturing'** industry, contributing £151.2 billion in 1998 (growing by 1.7%), whilst the **'wholesaling and retailing'** industries contributed £115.7 billion (growing by 6.6%).

At the more detailed one hundred and twenty-three industry group level, the fastest-growing industry groups over the period 1992 to 1998, weighted in terms of percentage change and in monetary terms, can be identified. The

top ten industry groups ranked using these criteria are:

- Business services
- Computer and related services
- Recreational and sporting activities
- Owning and dealing in real estate
- Insurance and pension funds
- Market research and management consultancy
- Social work activities
- Forging, pressing, treatment of metals etc.
- Renting of machinery etc.
- Sewerage and sanitary services

These tables also show that household consumers have consistently purchased around 50% of all goods and services entering final demand through this period. Exports of goods and services have grown steadily from 18.9% of final demand in 1992, peaking at 22.5% in 1996 and then falling back to 20.8% in 1998. Both capital formation and government final consumption in 1998 were around 14% of total final demand.

For those in the know, the **I-O** product provides one of the most valuable tools for economic analysis – why not join them?

The next set of **UK Input-Output Annual Supply and Use Tables** will cover the year 1999 and revised tables for the years 1989-1998. These are due to be published in **September/October 2001** at the same time as the next **ONS** Blue Book and Pink Book.

To order copies of the **UK I-O Annual Supply and Use Tables, 1998 (ISBN 0-11-621375-2)** or for earlier years, contact **The Stationery Office** on **0870 6005522**. Electronic versions are available from **NS Direct** on **01633 812078 (email ons.direct@ons.gov.uk)**.

For 1990, the **I-O Annual Supply and Use tables**, when converted to basic prices, formed the basis for the Analytical (also known as theoretical, derived or symmetric tables) **I-O** tables – currently compiled roughly every five years. These tables provide separate analyses for domestically-produced and imported goods and services, product by product tables, industry by industry tables, Leontief Inverse, and the associated multipliers (eg output and employment) and other analyses.

These tables provide a framework to assess (amongst other things) the direct and indirect changes on the whole economy when demand for a single product increases or decreases.

The next set of these tables will cover the year 1995. These will be published around October 2001 consistent with the **2001 ONS Blue Book**. The 1995 tables are required under Eurostat regulation for all Member States for submission in 2002. Thereafter, the UK aims to produce and publish these tables annually.

For further information about **Input-Output** please contact:

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CORPORATE SERVICES PRICE INDEX

New range of services prices

In the beginning there were retail price indices **(RPIs)**; then along came the producer price indices **(PPIs)** and now, just coming into view, are the corporate services price indices **(CSPIs)**.

"Corporate services" are those services purchased by businesses (including the public sector) from other businesses to support them in their normal line of activity. Broadly, **CSPIs** are the services sector equivalent of the manufacturing **PPIs**. The services included are things like road freight, courier services, business telecommunications, insurance, banking and professional services such as accountancy. They exclude any services provided to final consumers (households mainly) since these are covered by the **RPI**.

A description of the development of **CSPIs** is documented in the July 2000 edition of **Economic Trends.** The work is on course to enable an **ONS** First Release to be established by the end of 2001 which will include a top-level **CSPI** covering the majority of the corporate services sector. The latest **CSPI**

results are for the 3rd quarter of 2000 and are available on the National Statistics web-site in the "Experimental Releases" section.

CSPI development is intended to help fill a gap in the UK's inflation picture and will complement the **RPI** and **PPI**. Key customers are the **Bank of England** and **HM Treasury** – both of which have taken a strong interest throughout the development process. Individual businesses and industry-specific trade associations have also been involved and are expected to benefit from industry-level indicators in their own financial planning and perhaps as price escalators in contracts.

Another very important use of the industry-level indices will be as deflators in the calculation of the output measure of **Gross Domestic Product** and in the **Index of Services** (currently under development) in a similar way to how **PPIs** are used in the **Index of Production**. Although the immediate aim is to produce quarterly indices for as many industries as possible, a longer-term consideration will be whether it is feasible to produce

indices, (and therefore deflators), on a monthly basis.

Quarterly results for the 22 indices developed so far (there are another 20 or so on the way over the next 2 years) are being issued via the National Statistics web-site and in **Economic Trends** along with a top-level **CSPI**, all under an **'experimental'** banner to signify the current status of these statistics. The top-level index covers about 45 per cent the sector at present, but more industries will be added progressively.

Early indications are that the annual price changes of the top-level **CSPI** are outstripping those of the manufacturing **PPI** in recent quarters by 1 to 2 percentage points. As might be expected though, the annual changes for the **CSPI** are relatively close to those of the **RPI** for services. It will be interesting to see how these relationships change over time and as more industries are covered by the **CSPI**.

For further details on the development of the **CSPI**, contact **Nick Palmer** on **01633 813493, email cspi@ons.gov.uk.**

DEVELOPMENTS IN E-COMMERCE STATISTICS

It seems that not a day goes by without a reference in the press that the internet is revolutionising the way the world is doing business. Projections for the future invariably show huge growth in e-commerce, especially between businesses.

Without a doubt, there is a pressing need for figures which the government and business can trust and use to plan their future strategies.

To answer this need, the **Office for National Statistics (ONS)** has been developing new measures of business use of e-commerce. In **November 2000**, **ONS** carried out a pilot survey

of 400 businesses in preparation for a full-scale survey in January. This survey is part of an EU-wide exercise to produce comparable data across Europe for governments and business. It asks questions about the barriers to, and advantages of, e-commerce. It also collects data on the value of e-commerce sales and purchases, both to other businesses and to consumers. The results should be available in **April 2001**.

In addition, **ONS** has been working with **Internet Service Providers (ISPs)** to collect data on the numbers, types and locations of business internet subscribers. Preliminary data has been

analysed and the full results are due in January. To supplement this, a monthly survey of **ISPs** started in **December 2000** which will give the numbers of business subscribers and the types of connection. First results are planned for February.

This is just a snapshot of the **ONS's** work on e-commerce. If you would like to know more, please contact:

**Magdalen Williams,
e-commerce statistics project manager,
on 01633 812004
or by email:
magdalen.williams@ons.gov.uk.**

PUBLICATION SCHEDULE FOR SELECTED NATIONAL (AND OTHER) STATISTICS IN 2001

Data	Source	National Statistics Theme	For	Jan	Feb	Mar	Apr
Annual Abstract of Statistics	ONS	CR	2000	Jan	–	–	–
Construction Output	DETR	NBE	Q4 2000	–	–	2	–
Insolvency Statistics	DTI	CEI	Q4 2000	–	2	–	–
M0 Data (Provisional)	BoE		Dec/Jan/Feb/Mar	2	5	5	2
UK Official Reserves	HMT	EC	Dec/Jan/Feb/Mar	4	5	5	4
Distribution/Services Trade Turnover	ONS	CEI	Q2 2000	4	–	–	–
Distributive Trades Survey	CBI		Dec/Jan/Feb/Mar	4	1	1	4
Monetary and Financial Statistics	BoE		Nov/Dec/Jan/Feb	4 & 30	–	1 & 29	–
Acquisitions & Mergers	ONS	CEI	Q4 2000	–	6	–	–
Motor Vehicle Production	ONS	EC	Oct/Nov/DecJan/Feb	w/c 8 & 22	23	23	25
Profitability of UK Companies	ONS	EC	Q3 & Q4 2000	10	–	–	5
Index of Production	ONS	CEI	Nov/Dec/Jan/Feb	12	6	9	5
Labour Market Trends	ONS	LM	Jan/Feb/Mar/Apr	11	8	8	5
Construction New Orders	DETR	NBE	Jan/Feb/Mar/Apr	11	8	8	5
Housing Starts/Completions	DETR	NBE	Nov/Dec/Jan	11	8	8	–
National Savings	NS		Nov/Dec/Jan	12	9	9	–
Overseas Travel & Tourism	ONS	TTT	Nov/Dec	12	9	–	–
Capital Issues	BoE		Dec/Jan/Feb/Mar	12	13	13	12
Trade in Services	ONS	EC	1999	–	w/c 12	–	–
Producer Prices	ONS	EC	Dec/Jan/Feb	15	12	12	–
Consumer Price Indices	ONS	EC	Dec/Jan/Feb	16	13	20	–
Labour Market Statistics							
- Unemployment	ONS	LM	Dec/Mar	17	14	14	11
- Average Earnings	ONS	LM	Sep/Feb	17	14	14	11
- Productivity	ONS	LM	Nov/Feb	17	14	14	11
Economic Trends	ONS	EC	Jan/Feb/Mar/Apr	18	13	12	17
BCC Quarterly Survey	BCC		Q4 2000	18	–	–	–
UK Economic Accounts	ONS	EC	Q3 & Q4 2000	18	–	–	17
Retail Sales	ONS	EC	Dec/Jan/Feb	18	15	15	–
Research & Development in UK Business	ONS	CR	1999	19	–	–	–
Financial Statistics	ONS	EC	Jan/Feb/Mar	19	Feb	Mar	–
Building Society Monthly Figures	BSA		Dec/Jan/Feb/Mar	19	20	20	23
Mortgage Lending Survey	CML		Dec/Jan/Feb/Mar	19	20	20	23
M4 (Provisional Data)	BoE		Dec/Jan/Feb/Mar	19	20	20	23
Public Sector Finances	ONS/HMT	EC	Dec/Jan/Feb/Mar	18	20	20	23
Business Investment (provisional/revised)	ONS	EC	Q4 2000	–	22P	23R	–
Population Trends	ONS	PM	Spring 2001	–	–	22	–
Consumer Trends	ONS	EC	Q3 2000	23	–	–	–
Industrial Trends Survey	CBI		Jan/Feb/Mar/Apr	24	22	22	25
Monthly Digest of Statistics	ONS	OG	Jan/Feb/Mar/Apr	25	23	23	24
Energy Trends	DTI	CEI	Nov/Dec/Jan	25	–	1 & 29	–
Major Banking Groups' mortgage lending	BBA		Dec/Jan/Feb/Mar	26	27	27	23
National Accounts	ONS	EC	Q4 2000	–	–	26	–
UK Balance of Payments	ONS	EC	Q4 2000	–	–	26	–
Weekly Deaths - England/Wales	ONS	HC		30	27	27	24

TEL Nos. FOR STATISTICAL ENQUIRIES

BBA	=	British Bankers' Association	020 7216 8800
BCC	=	British Chambers of Commerce	020 7565 2021
BoE	=	Bank of England	020 7601 4878
BRC	=	British Retail Consortium	020 7647 1500
BSA	=	Building Societies' Association	020 7437 0655
CBI	=	Confederation of British Industry	020 7379 7400
CML	=	Council of Mortgage Lenders	020 7437 0075
DETR	=	Department of the Environment, Transport and the Regions	020 7890 3333
DfEE	=	Department for Education and Employment	020 7925 5757
DFID	=	Department for International Development	01355 843329
DH	=	Department of Health	020 7210 4850
DSS	=	Department of Social Security	0191 225 7373
DTI	=	Department of Trade & Industry	020 7215 5000
GAD	=	Government Actuaries Department	020 7211 2600
GRO(S)	=	General Register Office for Scotland	0131 334 0380
HMCE,IMD	=	HM Customs & Excise, Information Management Division	01702 367485
HMT	=	HM Treasury	020 7270 4860
HO	=	Home Office	020 7273 4000
IR	=	Inland Revenue	020 7438 6267
ISSB	=	Iron and Steel Statistics Bureau	020 7343 3900
LCD	=	Lord Chancellor's Department	020 7210 1752
MAFF	=	Ministry of Agriculture, Fisheries & Food	020 7270 8562
MoD	=	Ministry of Defence	020 7218 9000
NAW	=	National Assembly for Wales	01222 825044
NS	=	National Savings	0645 645000
ONS	=	Office for National Statistics	020 7533 5888

NATIONAL STATISTICS THEMES

AFF	=	Agriculture, Forestry and Fishing
CJ	=	Crime and Justice
TTT	=	Transport, Travel and Tourism
NBE	=	The Natural and Built Environment
ET	=	Education and Training
PM	=	Population and Migration
EC	=	The Economy
CEI	=	Commerce, Energy and Industry
LM	=	Labour Market
SW	=	Social and Welfare
HC	=	Health and Care
OG	=	Other Government
CR	=	Compendia & Reference

Suggestions for Future FSUG Meetings

The Financial Statistics Users' Group is actively seeking the views of members on ideas for future meetings.

Please telephone your suggestions to:

Anna Filippossian
on **020 7370 0680**