



PACAC (Public Administration and Constitutional Affairs Select Committee)

House of Commons · London SW1A 0AA

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Sir Andrew Dilnot CBE
Chair
UK Statistics Authority
1 Drummond Gate
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19 April 2016

Dear Andrew.

The Committee looks forward to hearing evidence from you on 26 April.

I am writing today about another matter arising in the referendum campaign. You will be aware that the government published a leaflet advocating that 'voting to remain in the European Union is the best decision for the UK'. In that leaflet, in the section titled 'A stronger economy', the government lays out some statistics relating to trade in various sectors.

The statistics presented inflate the trading position with the EU as they include exports to the rest of the world which leave the UK via ports in other EU member states. The leaflet says that "EU countries buy 44% of everything we sell abroad". The true figure is bound to be less than that, given the "Rotterdam effect", which tends to inflate EU exports to the EU, since some UK goods are exported to the Netherlands for no other reason than for export to non-EU countries. The ONS (UK Trade in Goods estimates and the 'Rotterdam Effect' Part of UK Trade, December 2014 Release 06 February 2015) confirms this. I appreciate this is difficult to quantify, but do you agree that a suitable caveat ought to be attached to the figures in this sensitive presentation?

The leaflet also shows exports from, and numbers of jobs employed in some industry sectors. It is understandable that the Government should choose only to show figures for a few sectors, but how are you satisfied that this presents an objective and impartial view of the relationship between exports to the EU and jobs dependent up on such exports?

Can we ask you to publish the equivalent data for all sectors, in one place? Do figures also exist for full-time equivalent workers as well as "jobs"?



In order to provide proper context for the figures on sectors which the government has chosen to show, UKSA should publish some more complete data showing for all sectors of the economy –

- The total output for each sector
- Of which output, the total amount exported (both in £bns and as a percentage of the total output)
- Of which output exported, the total exported to the European Union (represented both in £bns and as a percentage of total output)
- The number of jobs in each sector
- The number of jobs related to exporting in each sector and the percentage this represents of jobs in that sector
- The number of jobs related to exporting to the European Union and the percentage this represents of jobs in that sector

The figures shown in the leaflet may will be accurate but presenting large proportion of exports going to the EU alongside a large figure for employment looks designed to encourage the misunderstanding of the relationship between the number of jobs dependent upon EU exports, when only a proportion of output is exported to the EU.

We would appreciate having these figures and your comments by the time that we see you on the 26th April.

A handwritten signature in blue ink, appearing to read 'Ken Wilson'.

A handwritten signature in blue ink, appearing to read 'Bernard Jenkin'.

Bernard Jenkin
Chair

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