
Mark Pont, Assessment Programme Lead

Scott Dennison, Deputy Director Global Trade and Investment Statistics, ONS
Andrew Walton, Head of Production and Analysis of National Accounts, ONS
(by email)

16 June 2022

Dear Scott and Andrew

Consistency of industry-level exports estimates

We have now completed our compliance check on consistency between estimates of exports of goods and services at industry level between two ONS datasets. The two datasets are (i) experimental [UK Trade in goods by industry, country and commodity, exports statistics](#) and [UK Trade in services by industry, country and service type](#) (UK Trade by industry statistics) and (ii) official statistics from industry by industry [input output analytical tables \(IO Ixl statistics\)](#). Our compliance check was prompted by concerns raised in [research](#) published by Department for International Trade in March 2021 evaluating the impacts of exports on UK jobs and incomes.

The final export data between the UK Trade statistics, which are based on observed transactions and survey evidence, and the modelled estimates in the IO Ixl tables are compiled on different conceptual bases. Conceptual differences in the estimates occur after ONS makes various conversions of the UK Trade statistics to create the IO Ixl statistics, both sets of statistics being compiled following international standards. We see that both datasets may be of interest to users. For example:

- IO tables draw out inter-industry relationships in the economy, generally used to model the impact of changes on the domestic economy. Estimates in the IO Ixl tables are in basic prices which many users find are the most appropriate, because they measure the amount retained by the producer and are, therefore, the price most relevant for the producer's decision-taking.
- In presenting exports statistics from UK Trade data at industry level in purchasers' prices users can see the impact of distributors trade margins within each exporting industry. In the IO Ixl tables, distributor trading margins are the output of the margin industries and consumed by users as with the output of other industries. To understand the importance of the value of the supply chain it is important to show the value added by each part of the chain not just the producer.

We commend ONS for publishing in April 2022 a guide to the use of the Input-Output Analytical Tables. This guide sets out some of the main reasons for the difference in estimates between exports in the IO Ixl tables with those in the trade datasets and how to interpret the IO Analytical Tables data. This guide will be valuable in

supporting users' decisions about which estimates to use dependent on the need of the user.

ONS should make users aware of the methodology used to construct UK Trade by industry, country and commodity statistics, and the correct use of these statistics. This will help users make an informed choice of the estimates to use for their purposes.

Thank you to your team for your positive engagement during this review and willingness to work collaboratively on these issues. Please do not hesitate to get in touch if you would like to discuss any aspects of this letter further or if we can offer further help as these statistics continue to develop.

I am copying this letter to Eric Crane, Senior Statistician responsible for Input-Output and Supply Use statistics, ONS and Dean Scott, Co-Head of Trade and Tourism statistics, ONS.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Pont', with a short horizontal line underneath.

Mark Pont
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