
Mark Pont, Assessment Programme Lead

Jane Naylor
Head of Profession for Statistics
Department for International Trade
(by email)

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Dear Jane

Inward Investment Results

We recently completed our rapid review of the Department for International Trade (DIT)'s Inward Investment results against the Code of Practice for Statistics. These official statistics provide valuable insight on the number of inward foreign investment projects into the UK and the estimated jobs created or protected as a result of this investment.

Understanding the many economic benefits that foreign investment can deliver, such as improvements in productivity and the competitiveness to firms (both new and existing) and sectors is an important part of supporting UK government policy in achieving economic growth throughout the UK. These results are disseminated in several ways using data tables, a HTML publication, and a booklet. The publications are dual purpose, displaying the financial year's inward investment figures alongside advocacy material offering DIT's support to potential investors for their investment ambitions.

Our review found several positive features demonstrating the trustworthiness, quality and value of the statistics which we have set out here. We have also suggested some enhancements to the statistics for you to consider alongside any planned developments. Positive features include:

- Public value is greatly enhanced by the granularity that these statistics offer. Figures are broken down by location, origin, type, jobs, and sector of inward investment. There are also statistics on Net Zero projects and capital expenditure. These statistics could be important in supporting the UK government's Levelling Up agenda in understanding regional disparities and the numbers of projects and jobs for Local Enterprise Partnerships.
- By adopting and building upon international standards from the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development, DIT reassures users that the figures are of high quality and internationally comparable. The clear communication that DIT provides around the verification of foreign direct investment (FDI) projects and capital investments assures users of the credibility of the results.
- Timeliness and coverage are important aspects in achieving high standards of quality and value. DIT achieves an extensive coverage of FDI projects, including both publicly announced and those that have not. Additionally, figures are produced roughly three months after the end of the financial year, ensuring figures are relevant for policymakers. Furthermore, we appreciate the commitment to

developing these statistics with previously collected data on research and development and quality of jobs being added in later publications.

We have found three areas that may enhance the trustworthiness, quality, and value of these statistics:

- **Expand user engagement to guide future development:** DIT already has some engagement with users of these statistics, particularly around the inclusion of subnational investment and the presentation of the statistics. Your development of these statistics may be enhanced by engaging with a wider user base, especially to understand user needs and priorities on topics such as quality of jobs, and research and development. Our [regulatory guidance on user engagement](#) presents a simple framework when thinking about and planning user engagement activities which you may find helpful.
- **Provide greater clarity on the limitations of statistics:** DIT already includes some guidance on the effect of outliers on aggregate figures such as new jobs and capital expenditure. However, it may aid users if DIT were to provide greater guidance on other limitations not covered by the annex. For example, DIT relies on the trust of accurate reporting by foreign firms investing. Clear communication of the limitations of statistics can improve usability and reduce misuse. Misuse of statistics can be harmful to the public and therefore, it is important for statistical producers to take the necessary steps to reduce harm through cautioning users
- **Separate advocacy and statistical material:** We appreciate DIT's commitment to enhancing impartiality through recent reductions to the amount of advocacy material within the publication and the number of people who are granted pre-release access to these figures. Further separation of advocacy and statistical material may enhance the trustworthiness and the value of these statistics by reassuring users of the figures' impartiality. This would complement opportunities, particularly within the HTML publication, to improve data presentation, enhance insight, and better meet the needs of different types of users and potential users in the dissemination of statistics and data.

Thank you for your team's engagement with us during this rapid review which was invaluable. There is no need to respond formally to this letter and we will maintain contact between our regulators responsible for trade and investment statistics and yourselves. Please do not hesitate to get in touch if you would like to discuss any aspects of this letter further. I am copying this letter to Rosalind Anning, the Lead Statistician for these statistics, and Tord Johnsen, the Head of Investment, Investment Promotion and Analysis.

Yours sincerely



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