
Ed Humpherson, Director General for Regulation

Mike Keoghan
Deputy National Statistician and Director General for Economic Statistics
Office for National Statistics
(by email)

29 November 2023

Dear Mike

Revisions of estimates of UK Gross Domestic Product (GDP)

Following our [letter](#) in September 2023, announcing our review of the preparation and release of revisions to GDP estimates, we have today published a report setting out our findings.

Timely estimates of GDP and its growth are vital indicators for users, including HM Treasury, the Bank of England and the Office for Budget Responsibility, to analyse and forecast the economic performance of the country.

Our report found that ONS's approach to revisions is appropriate and well managed and our overall conclusion is that the more extreme criticisms that ONS received are misplaced.

Building on some good features of ONS's approach to revisions, we have set a number of requirements for improvement which will help ONS promote a better understanding of the uncertainty surrounding GDP estimates.

Implementing these requirements will ensure enhanced public and media understanding of the uncertainty that surrounds GDP estimates. We expect your team to make quick progress to fulfil requirements 1 to 4 by June 2024 and to publish an action plan by January 2024, setting out how you intend to meet requirements 5 to 8, and to report back to us every six months on progress on implementing these actions.

We would like to thank the teams involved for their positive engagement in working with us during the tight timescales between the Quarterly National Accounts and Annual Blue Book 2023 releases. And please do not hesitate to get in touch if you would like to discuss any aspects of this letter and accompanying report.

I am copying this letter to Darren Morgan, Director of Economic Statistics Production & Analysis; Craig McLaren, Deputy Director for National Accounts Coordination Division; and Rachel Skentelbery, Deputy Head of Profession for Statistics at ONS.

Yours sincerely



Ed Humpherson
Director General for Regulation

Annex: List of requirements

Requirement 1: ONS should take into account what analysis users need to better understand revisions, while contextualising them relative to the size of GDP growth rates and with reference to earlier periods of economic turning points and volatile growth.

Requirement 2: ONS needs to improve the presentation of early estimates of GDP and all supporting information it provides on the uncertainty surrounding these estimates. ONS should ensure that the uncertainty surrounding these statistics is in itself a key message, by following the guidance from [OSR's approaches to presenting uncertainty in the statistical system](#), the [Government Communication Service](#) on disinformation and the findings from the [ESCOE project](#) on communicating uncertainty in economic data.

Requirement 3: ONS should make it easier for users to source all the explanatory information such as articles on methodological and other improvements that have contributed to revisions. ONS should also provide clear information on how the data sources are changing to support the main economic story. In doing so, ONS should ensure that publication word limits do not restrict the publication of essential content that meets users' needs.

Requirement 4: To meet users' needs and enhance trustworthiness in the revisions process which affects early estimates of GDP, ONS should improve how it explains revisions during economic turning points.

Requirement 5: ONS should investigate the level of granularity available in the current data sources and the data sources and estimation methods that could be used to improve the quality of early estimates of GDP. For example, ONS should explore reducing its reliance on the production approach and instead reflect a more balanced estimate. In doing so, ONS should consider the feasibility of using a quarterly Supply and Use framework when producing early estimates of GDP.

Requirement 6: To improve early estimates of GDP, particularly during economic turning points and volatile economic periods, ONS should continue to enhance estimates of intermediate consumption for both the market and non-market output sectors of the economy. In doing so, ONS should seek all possible data opportunities including information from administrative sources, published company accounts, existing business surveys and new surveys where needed, adjusted as appropriate to meet methodological concepts.

Requirement 7: To improve the quality of early estimates of GDP, ONS should enhance the income and expenditure components and identify suitable and timely data sources to improve estimates of gross operating surplus, the income of the self-employed, household final consumption expenditure and changes in inventories.

Requirement 8: To assist policy-makers in reaching well-informed decisions, ONS should work with HM Treasury and Permanent Secretaries to champion the public benefit of sharing and linking data. ONS should work with HM Treasury to develop a timeline for commitments that need to be met to enable ONS to obtain data from other government departments.