Mark Pont, Assessment Programme Lead

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Office for National Statistics (ONS)
(by email)

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Dear Grant

UK Trade Statistics – resilience of the statistics to economic shocks

We recently completed our compliance check examining the resilience of UK Trade statistics to the economic shocks of EU Exit and the Covid-19 pandemic. We commend ONS on the impressive steps it has taken in responding to these twin economic shocks and protecting the integrity of the UK Trade statistics. ONS has implemented creative solutions and users kept informed about the changes and impacts on the statistics from the pandemic and EU Exit.

In October 2021 OSR published the lessons learned from the Covid-19 pandemic in health and social care statistics. It is good to see that many of the lessons from that report also apply to the ways that ONS has maintained the robustness of its estimates of UK Trade. We highlight below the main ways that we found the lessons learned in upholding the principles of the Code of Practice for Statistics for UK Trade statistics:

- **Transparency is essential for building public trust in statistics and retaining public confidence in government decisions.** ONS has enhanced its trustworthiness by being transparent about the challenges involved in producing the statistics and the steps taken to assure the quality of the statistics. ONS and HM Revenue and Customs (HMRC) work closely together, most noticeably in preparing for the change in the source of trade in goods data relating to trade with the EU at the end of the EU Exit transition period. An example of an article setting out the ONS- HMRC collaboration can be found at Impact of coronavirus and EU Exit on the collection and compilation of UK Trade statistics

- **Data infrastructure impacted the ability of some statistics producers to respond to the demands of the pandemic**. ONS migrated its data collection for trade-in-services data from a paper survey to online collection alongside using alternative business survey returns (for example the Monthly Business Survey and the Business Impact of Coronavirus (BICS) survey) to help model trade series. ONS has shown it can work quickly and collaboratively, in many cases overcoming challenges which would previously have seemed insurmountable

- **Flexible use of analytical resource supported the impressive work by statistics producers.** Users benefit from greater depth of insight from the different alternative sources about trade compared to before the pandemic and EU Exit. ONS's series of

articles analysing the impacts on UK Trade statistics draw not only on official UK trade statistics but also on timely insights from its [Business Insights and Conditions Survey](#) (BICS) (previously the Business Impact of Coronavirus Survey) as well as from [real-time indicators of UK economic activity](#)

- **Strong analytical collaboration resulted in valuable, high-quality, coherent statistics during the pandemic**. Engagement across the Government Statistical Service community, and particularly between ONS and HMRC ensures that methods, economic analysis, statistical coverage, and all associated challenges are coordinated. New statistical models, for example to impute missing data about travel services, ensures the uninterrupted release of statistics

- **When data and statistics are clearly presented, they are valued by the public**. ONS frequently communicates to users of these statistics through not just the statistical bulletins but also in a series of articles (for example[, monthly bulletins on coronavirus and the latest indicators for the UK economy and society](#) and specifically in relation to UK Trade in [May 2020](#), [June 2020](#), [December 2020](#), [March 2021](#), [May 2021](#), [July 2021](#), [November 2021](#) and in [blogs](#)

- **The pandemic highlighted the value of timely statistics**. ONS recognised and met users' needs for prompter monthly data to give insights on UK trade movements in the short-term, even in the presence of more noise and greater volatility in the data. ONS is clear with users about the different levels of uncertainty in the quarterly and monthly UK Trade data.

We were encouraged by the UK Trade statisticians' strong intent to improve descriptions of their judgements around the uncertainty in estimates of UK Trade. Statisticians being clear about their judgements of material changes in uncertainty will aid users' appreciation of the risks in using the data. While in occasional articles the statisticians caution about the weight to put on the different estimates of UK Trade estimates, clearer information about uncertainty alongside the statistics themselves would help promote the proper use of the statistics. We consider the current ONS policy on statistical bulletin length restricts the ability of statisticians to fully articulate the uncertainty in the estimates.

It was good that in a recent article in the Economist the response of statisticians to the challenges posed by the pandemic were fully appreciated. You are right to be sceptical that demands on ONS are going to ease. The article suggests that the full potential of some of the pandemic-inspired developments will only become clear over time. We have found that, in respect to UK Trade statistics, there are prospects to fully exploit the developments introduced.

Thank you to your team for your positive engagement during this review. 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 Matt Hughes and Rebecca Richmond in ONS's Global Trade and Investment statistics team.

Yours sincerely

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