
Ed Humpherson, Director General for Regulation

Angus Brendan MacNeil MP
Chair, International Trade Committee
House of Commons
London
SW1A 0AA

16 September 2019

Dear Mr MacNeil,

I write regarding the International Trade Committee's report on UK Investment Policy¹ released on 30 July 2019. I noted within this report that the Committee has recommended the Office for National Statistics (ONS) and the Department for International Trade (DIT) provide better Foreign Direct Investment (FDI) data.

The Office for Statistics Regulation (OSR)² provides independent regulation of all statistics produced by the UK Government, Devolved Nations and by all related public bodies³. The OSR is the independent regulatory arm of the UK Statistics Authority, which was established by the Statistics and Registration Service Act 2007 (the SRSA).

The OSR sets the standards producers of official statistics must meet through the statutory Code of Practice for Statistics⁴. We assess compliance with this Code, and where the Code is met in full, the Authority designates the statistics as 'National Statistics'. We also report publicly on system-wide issues, and on the way in which people are using statistics, celebrating when people uphold the standards and challenging publicly when they are not. There are three foundational pillars of the Code, referred to as TQV:

- Trustworthiness: trusted people, systems and processes.
- Quality: robust data, method and statistics.
- Value: statistics that serve the public good.

Given our independence, I thought that the Committee might benefit from hearing from OSR regarding our work to improve FDI official statistics, as well as the coherence between ONS and DIT investment statistics.

Last year, we conducted a check of compliance with the Code of Practice for Statistics of the ONS's FDI statistics. The range of data and statistics on FDI and Inward Investment is complex. Given the different metrics and the complexity, OSR is very supportive of the joint work that the ONS and DIT are conducting to shed more light onto the latest developments at a granular level in respect to FDI, and expressed this view in our letter⁵ to Jonathan Athow on 18 December 2018. We see the results of such collaboration as going much further to answer users' queries. We commend

¹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmtrade/998/998.pdf>

² <https://www.statisticsauthority.gov.uk/osr/>

³ <https://www.statisticsauthority.gov.uk/national-statistician/producers-of-official-statistics/non-crown-bodies/>

⁴ <https://www.statisticsauthority.gov.uk/code-of-practice/>

⁵ <https://www.statisticsauthority.gov.uk/correspondence/compliance-check-on-foreign-direct-investment-fdi-statistics/>

DIT for publishing its Inward Investment as Official Statistics for the first time in 2017, with the ongoing obligation to meet quality standards and users' needs.

The Code of Practice for Statistics expects ministerial and press statements to meet basic professional standards of statistical presentation, including accuracy, clarity and impartiality. We suggested to DIT that the communications professionals responsible for press releases might benefit from ongoing advice from their Head of Profession for Statistics on what the Code of Practice for Statistics expects regarding statements drawing on statistical releases.

DIT ministers and communications professionals should always take the advice of professional statisticians about the presentation of statistics⁶. Both DIT and ONS statisticians are working with their respective communications teams on the contents of ministerial and press statements. DIT and ONS communications teams have sensible sign off processes for ministerial and press statements. We are also aware that ONS's senior statistician responsible for FDI is taking up a position in DIT responsible for enhancing its Inward Investment statistics, which will assist greatly in collaboration between the two FDI statistics producers. We support the work of the Government Communications Service's leadership to improve trust in public statements and recommend that DIT works with this initiative.

As part of our ongoing monitoring of official and National Statistics we intend to actively monitor the joint work that the ONS and DIT are conducting, and the implementation of the plans of both departments to transform FDI statistics by providing robust FDI data at a granular level. We intend to publish our view of the progress with these plans next year.

If you and the Committee would find further discussion useful, I would be happy to meet.

Yours sincerely,



Ed Humpherson
Director General for Regulation

⁶ The Code of Practice for Statistics under the Trustworthiness pillar, principle 8 Orderly Release, practice 8 states that press statements referring to regular or ad hoc official statistics should meet basic professional standards of statistical presentation, including accuracy, clarity and impartiality. The lead statistician or analyst should advise on the appropriate use of the statistics within these statements.