
Professor Sir Ian Diamond | National Statistician

William Wragg MP
Chair, Public Administration and Constitutional Affairs Committee
House of Commons
London
SW1A 0AA

5 October 2023

Dear Mr Wragg,

When giving evidence to the Public Administration and Constitutional Affairs Committee on 5 September 2023, I promised to follow-up on a couple of points with various members of the Committee.

GDP Revisions

Firstly, I agreed to let you know if I was aware of similar revisions happening in other comparable countries.

As I outlined in the Financial Times recently, The UK's official economic statistics are rightly seen as among the world's best¹. This includes the recent upgrade of our official estimates for economic growth in the pandemic years of 2020 and 2021. The latest Organisation for Economic Co-operation and Development (OECD) information shows that the UK is one of the first countries in the world to estimate the 2020 and 2021 coronavirus (COVID-19) pandemic period through the detailed Supply and Use framework. This standard economic framework enables us to confront our data at a much more granular level for products and industry. The OECD provides a real-time vintages of GDP database² in their main economic indicators, which takes data directly from the National Statistics Institutes.

Each country will follow different revision policies and practices, which can result in their estimates being revised at a later date, according to their own needs. The timing and impact of revision changes will depend on data availability and magnitude, with large annual structural surveys being the data source needed to make detailed product and industry changes. These annual data sources come with lags on timeliness, often being available up to 2 or 3 years later.

We have now seen revisions to GDP estimates published by other countries. As we previously announced, the 2021 GDP estimates for the UK were revised to 8.7 percent growth from our initial estimate of 7.6 percent growth, a revision of +1.1

¹<https://www.ft.com/content/f7c6f438-07a7-4a3b-b26c-159f0b35c794>

²<https://www.oecd.org/sdd/oecdmaineconomicindicatorsmei.htm>

percentage points. The Spanish Statistical Agency³ has now published 6.4 percent growth in GDP for 2021, compared with the previous estimate of 5.5 percent, a revision of +1.1 percentage points. The Netherlands⁴ have now published 6.2 percent growth for 2021, revised from an initial estimate of 4.9 percent, a revision of +1.3 percentage points. Italy⁵, have now published 8.3 percent growth for 2021, revised from an initial estimate of 7.0 percent, a +1.3 percentage point revision. All are a similar magnitude upwards revision for 2021 as observed in the UK context. Conversely, the United States⁶ have now published 5.8 percent growth for 2021, compared to a previous estimate of 5.9 percent growth, a revision of -0.1 percentage points. This highlights that revisions can differ across countries.

Strengthening the Analysis Standard

Secondly, I promised to examine whether there is a case for strengthening the Analysis Standard. I am passionate about ensuring the robustness of the Analysis Standard and welcome the committee taking an interest its strength and its application across Government.

The Analysis Function Standard, which was updated earlier this year, is part of a suite of management standards that promote consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement.

In my letter to you of 18 September regarding the Committee's report, '*Where Civil Servants work: Planning for the future of the Government's estates*'⁷, I emphasised my work to promote transparency in Government Analysis through my role as Head of the Analysis Function. I am keen to take every opportunity to champion the Standard across government and will reiterate the importance of this area at October's Heads of Function board meeting.

The Standard is very clear on expectations about transparency in the commissioning, production and publishing of analysis. It also has clear messaging about compliance to the Code of Practice for Statistics and other official guidance for the remaining analytical professions including the Aqua, Green and Magenta books.

³https://www.ine.es/dyns/INEbase/en/operacion.htm?c=Estadistica_C&cid=1254736177057&menu=ultiDatos&idp=1254735576581

⁴<https://www.cbs.nl/en-gb/longread/diversen/2023/revisions-to-gdp-and-gni-in-2021-and-2022?onepage=true>

⁵<https://www.istat.it/en/archivio/288209>

⁶ ONS own calculations based on published US data from www.bea.gov

⁷<https://committees.parliament.uk/publications/41051/documents/199888/default/>

It is my expectation that all departments closely follow the principles in these sets of guidance and through the Analysis Function Standards Steering Group we monitor and scrutinise these documents to ensure their continued effectiveness.

For the first time this year, all Departmental Directors of Analysis undertook a self-assessment against the Standard and in response to this we are starting a series of action groups to drive improvements, including in Departments compliance to official guidance.

I will keep the Analysis Function Standard under close review and, where necessary, strengthen the messages in it.

Please do let us know if any other questions, and if we can help the Committee further on either of these topics or any of its other inquiries.

Yours sincerely,



Professor Sir Ian Diamond