



Office for
National Statistics
Swyddfa
Ystadegau Gwladol

DMES Seminar on Benchmark Revisions

Revisions are good for you?

Ampere, BECH Building, Eurostat, Luxembourg.

11th December 2015

Sanjiv Mahajan

Head of International Strategy and Coordination

Office for National Statistics (UK)

Sanjiv.mahajan@ons.gov.uk

DMES Seminar on Benchmark Revisions

Revisions are good for you?

An overview

- Why do we revise?
- Statistical value chain - UK
- National Accounts Vision - **Integrating** the way forward
- Measuring UK GDP
 - Life cycle of National Accounts data - estimation timeframe
 - Revision time frame – GDP estimate for 2013 Q1
 - Evolution of data availability
- NA / BoP – where do we get our source data from?
- Sources of revision
- EU demands for economic statistics
- UK Assessment of Harmonised EU Revision Policy
- Any questions?



"Revise now, before it's too late."



DMES Seminar on Benchmark Revisions

Revisions are good for you?

Why do we revise?

Because our users want us to ... !

- **What do our users want?**
 - Early, reliable and accurate short-term indicators.
 - Consistent, coherent and comparable statistics.
 - Regular benchmarking
 - Reconciliation of short-term surveys and annual surveys.
 - Long run time series without discontinuities.
 - Balanced picture of the economy (micro and macro).
 - Consistency and coherency.
 - Across all institutional sectors, all accounts, quarterly and annual.
 - High quality - do not want quality reduction.
 - Always want MORE – timeliness, detail and accuracy.



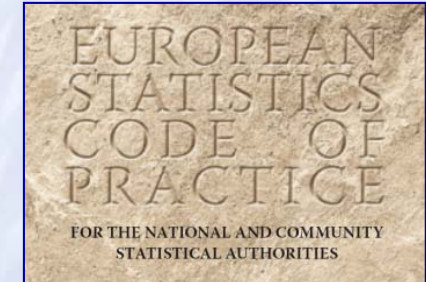
Different users have different needs all required to high-quality standards

DMES Seminar on Benchmark Revisions

Revisions are good for you?

Why do we revise?

Because our users want us to ... !



- **We have to balance these conflicting demands**
 - Timeliness versus quality (earlier - more prone to revision)
 - Reliable implies not too many changes.
 - Consistent also implies a coherent picture of the economy.
 - Correct growth rates and levels as well as flows and stocks.
 - Implies stored revisions cannot, or should not, be held back for long.
 - Maintenance of long time series – impact on resources, systems, etc.
- UK approach
 - **A single revision policy applied to all institutional sectors, and across all accounts, produced in any particular quarterly or annual exercise.**
 - Depth of quarters or years open for revision can change depending upon a range of factors.
 - Number of revisions, size of revision, regulatory requirements, etc.



DMES Seminar on Benchmark Revisions

Revisions are good for you?

Statistical value chain - UK

Compiled by
Sanjiv Mahajan
March 2014

Business Register (and the statistical unit) + Administrative data

- Data collection, editing and validation processes
- Production and publication of survey results and analysis
- Census and population
 - National Accounts including non-financial and financial accounts
 - Supply and Use Tables and Input-Output Tables
 - Labour, prices and social statistics
 - Regional Accounts and Environmental Accounts
- Balance of Payments including IIP
- Public Sector Finance including EDP
- Productivity analyses (labour and capital)
- Well-being and Tourism Satellite Accounts
- Labour Accounts and Social Accounting Matrices
- Other satellite accounts
 - Regional, impact and policy analyses
 - CGE and economic modelling

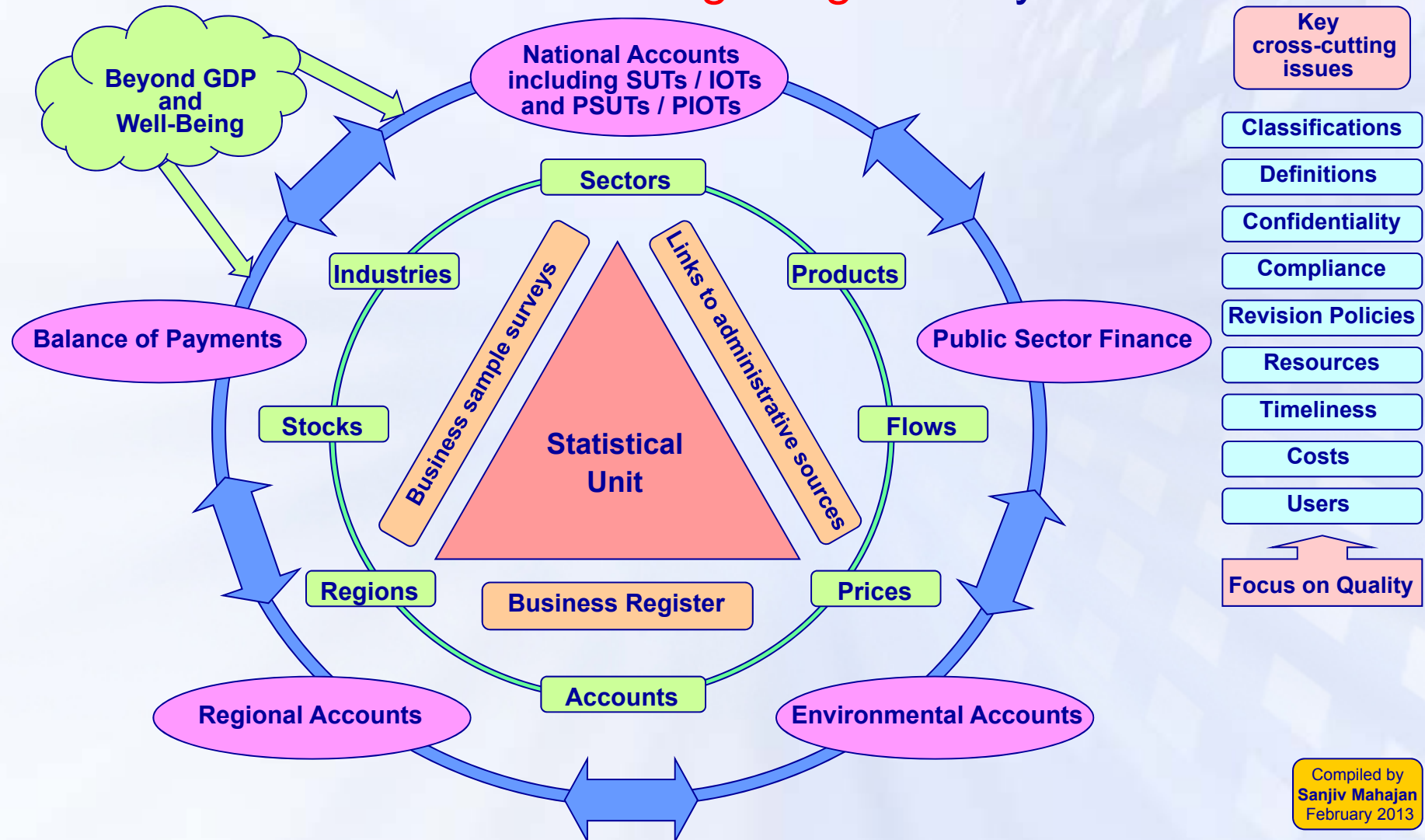
These boundaries covering the compilation of economic statistics in each National Statistical Office differ across countries

A
L
L
D
O
N
E
I
N
T
H
E
O
N
S

DMES Seminar on Benchmark Revisions

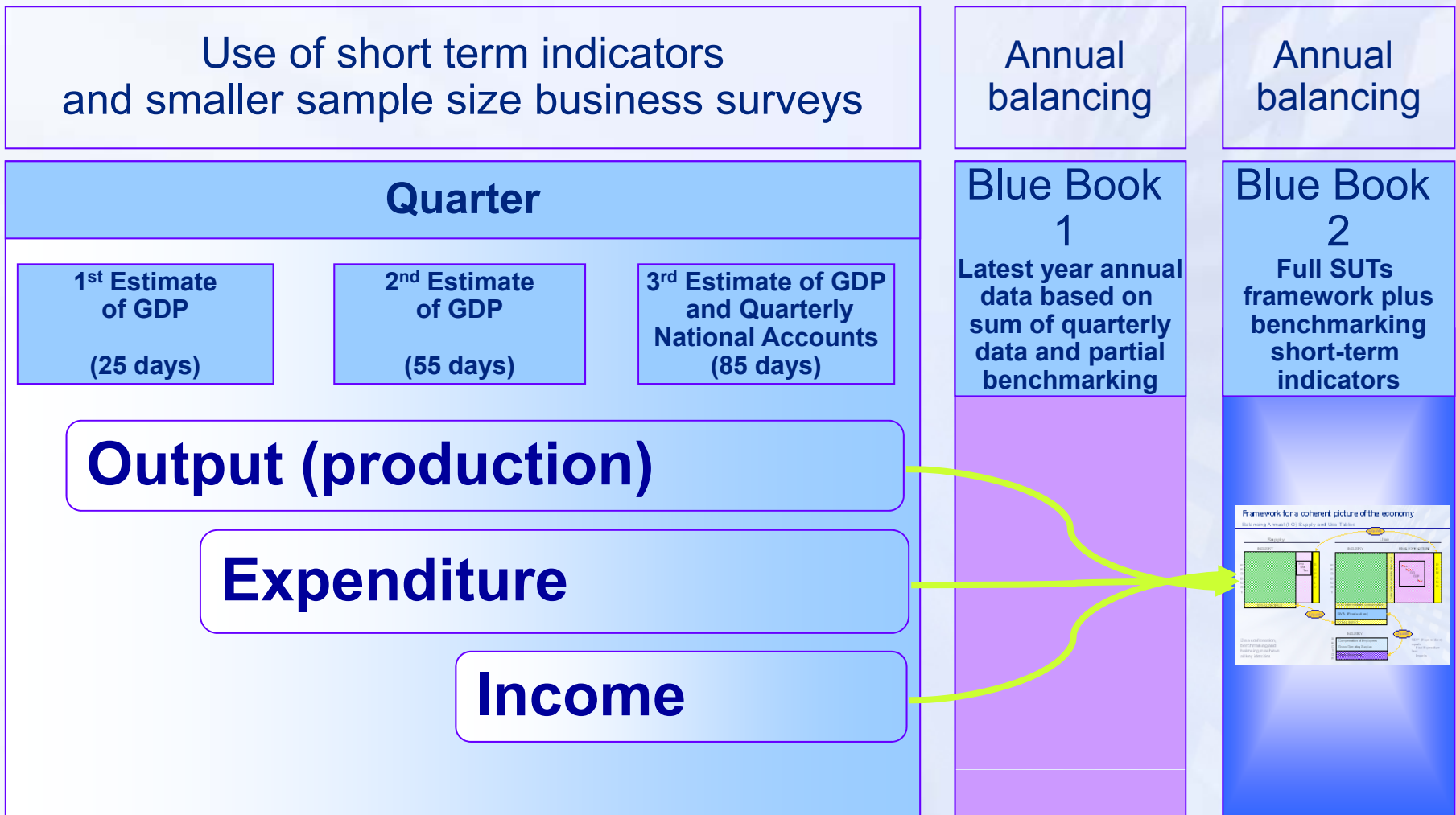
Revisions are good for you?

National Accounts Vision - **Integrating** the way forward



Measuring UK Gross Domestic Product

Life cycle of National Accounts data - estimation timeframe



Measuring UK Gross Domestic Product

Revision time frame – GDP estimate for 2013 Q1

Initial GDP estimate and revisions through to annual benchmarking

Month	Release	
Apr 2013	1 st estimate	Preliminary estimate of GDP (after 25 days)
May 2013	2 nd estimate	2 nd Estimate of GDP (after 55 days)
Jun 2013	3 rd estimate	Quarterly National Accounts (after 85 days)
Sep 2013	Quarterly Exercise	
Dec 2013	Quarterly Exercise	
Mar 2014	Quarterly Exercise	
Jun 2014	Quarterly Exercise	
Sep 2014	Blue Book One	1 st annual exercise - Partial benchmarking
Dec 2014	Quarterly Exercise	
Mar 2015	Quarterly Exercise	
Jun 2015	Quarterly Exercise	
Sep 2015	Blue Book Two	2 nd annual exercise - Benchmarking short-term indicators and balancing through SUTs

Revisions
from
1955

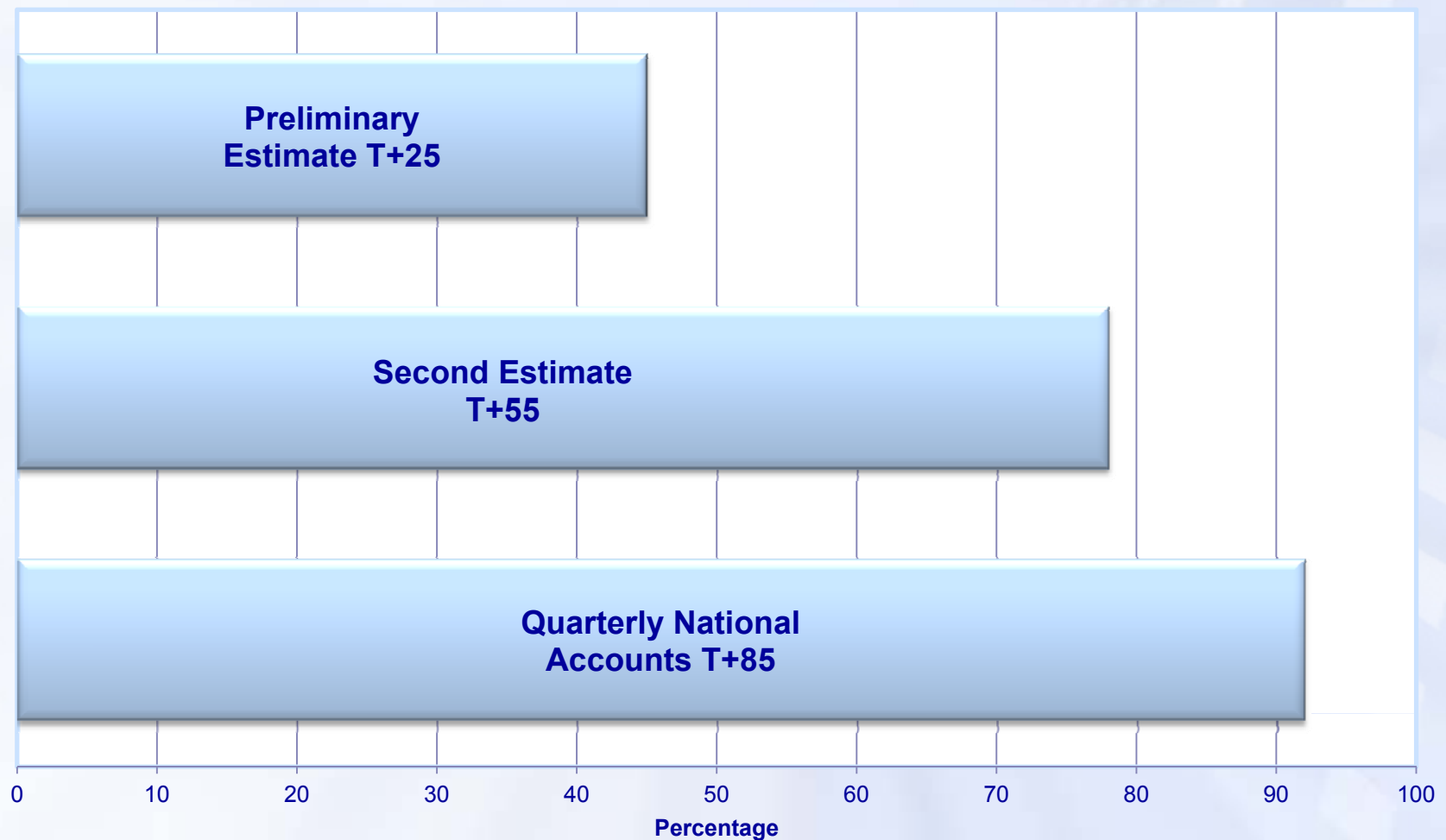
Revisions
from
1985

DMES Seminar on Benchmark Revisions

Revisions are good for you?

Evolution of data availability

GDP (Output / production) Data Content



Quarterly GDP Expenditure components

Data availability and estimation

R = Revised
B = Benchmarked

Expenditure GDP (% for the year 2013 in the 2015 Blue Book)	T+25	T+55	T+85	Blue Book 1	Blue Book 2
Households + NPISHs 49.3%		45%	85%	100% R	100% B
General Government 15.2%		60%	60%	100% R	100% B
GFCF 12.2%		55%	80%	100% R	100% B
Inventories + Valuables 0.5%		65%	85%	100% R	100% B
Exports of Goods 13.4%		100%	100%	100% R	100% B
Exports of Services 9.4%		60%	80%	100% R	100% B
Total (final expenditure)	Limited data	60%	80%	100% R	100% B

DMES Seminar on Benchmark Revisions

Revisions are good for you?

NA / BoP – where do we get our source data from?

Source data

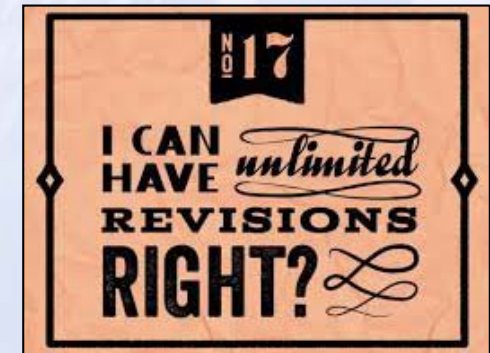
- **ONS Business surveys based on the Business Register sampling frame**
 - Monthly, quarterly, annual and adhoc frequency.
- ONS Household based surveys
 - Census, International Passenger Survey (IPS), Labour Force Survey (LFS), Living Costs and Food Survey (LCF), etc.
- Administrative data
 - INTRASTAT data.
 - Pay and profits relating to tax and employment records.
- Other government departments
 - Banking data from the Bank of England (Central Bank).
 - Government incomes and expenditures from the HM Treasury (finance ministry).
- Other sources
 - Company annual report and accounts, regulatory bodies' accounts, etc.

DMES Seminar on Benchmark Revisions

Revisions are good for you?

Sources of revisions

- New data
 - Actual data replacing forecasts.
 - Higher survey response rates, late returns, etc.
 - New data sources.
 - Error correction – rarely a source of significant revision.
- Updating processes
 - Benchmarking (annual, 5-yearly, etc.).
 - Census (10-yearly).
 - Annual chain-linking.
 - Seasonal adjustment and improved deflation.
 - Revised balancing – estimates evolve, inevitable and unavoidable.
 - New or improved IT systems.
- International drivers
 - International guidance manuals, e.g. SNA, BPM, ESA, MGDD, etc.
 - Classifications, e.g. ISIC, NACE, CPC, CPA, etc.
 - Improved or new methods, e.g. FISIM, SPEs, illegal activities, R&D, etc.
 - EU requirements, e.g. GNI, FRIBS, MIPS, EDP, IESS, European Semester, etc.

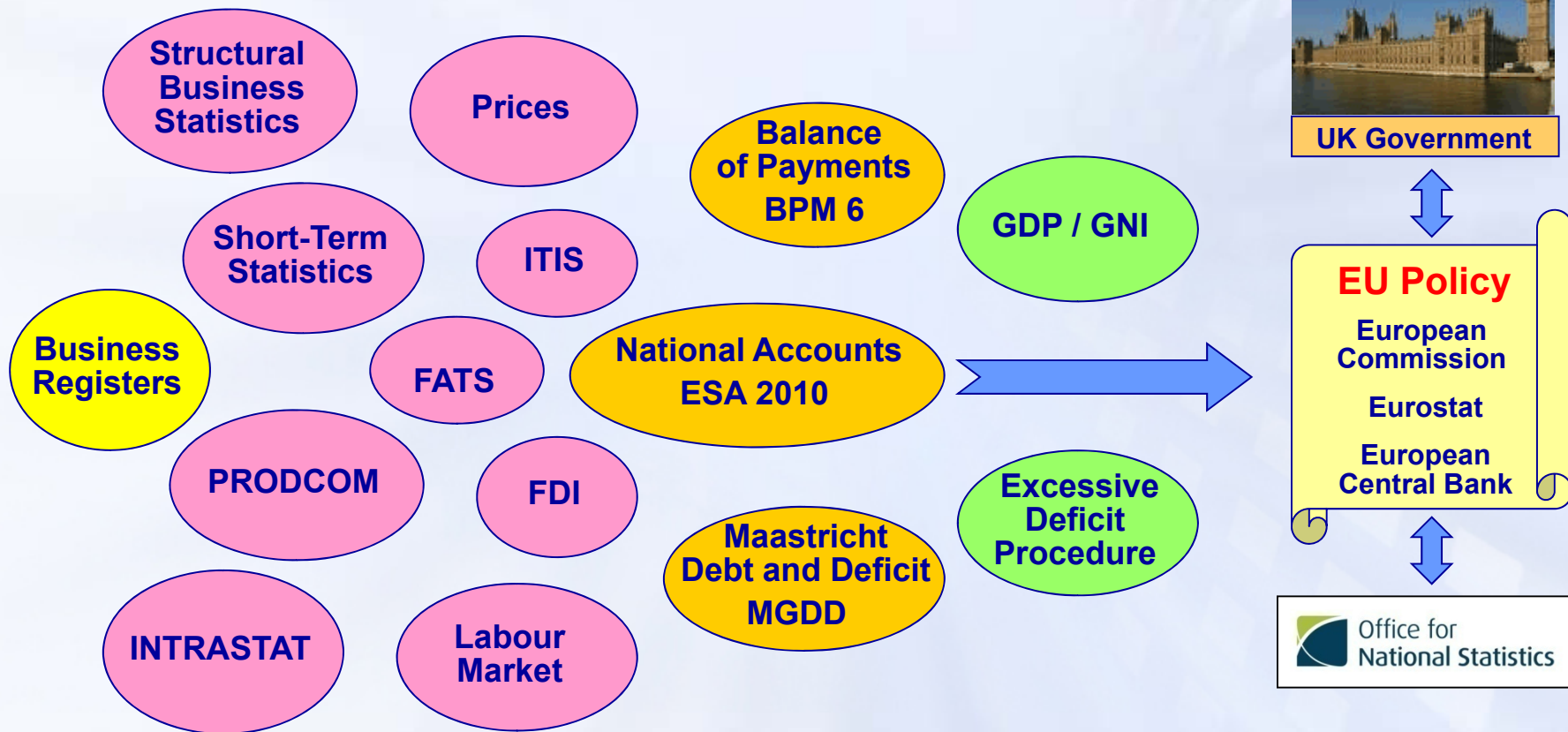


DMES Seminar on Benchmark Revisions

Revisions are good for you?

EU demand for economic statistics

Examples of EU Statistical Regulations



Different requirements with different delivery timetables and revision policies
Need to synchronise primary inputs

Compiled by
Sanjiv Mahajan
September 2012

DMES Seminar on Benchmark Revisions

Revisions are good for you?

UK Assessment of Harmonised EU Revision Policy



- Welcome, and support, the need to have such a policy.
- National Accounts and BoP should be integrated, consistent and coherent.
- Challenges with making the existing HERP operational:
 - Need to reflect other EU needs, e.g. GNI, EDP, European Semester, etc.
 - Need to reflect future changes, e.g. Vision 2020, FRIBS, MIPS, EPSAS, financial industries regulation, etc.
 - Need to reflect primary source data, e.g. Differing EU requirements, etc.
 - Need to include seasonally adjusted data.
 - Policy should seek to either maintain or improve existing quality.
 - Depth of quarters / annuals available for revision is too limited.
 - Creates stored revisions leading to wrong levels / growth rates.
 - Mar: 12 quarters; Jun: 13 quarters; Sep: 14 quarters; Dec: 11 quarters.
 - Annual accounts release either Jun or Sep affects all quarters and years.
- UK do not delineate “routine” revision versus “benchmark” revision as the annual benchmark revision is routine.

Continuous Improvement leads to better Quality, and inevitably, Revisions!

DMES Seminar on Benchmark Revisions

Revisions are good for you?



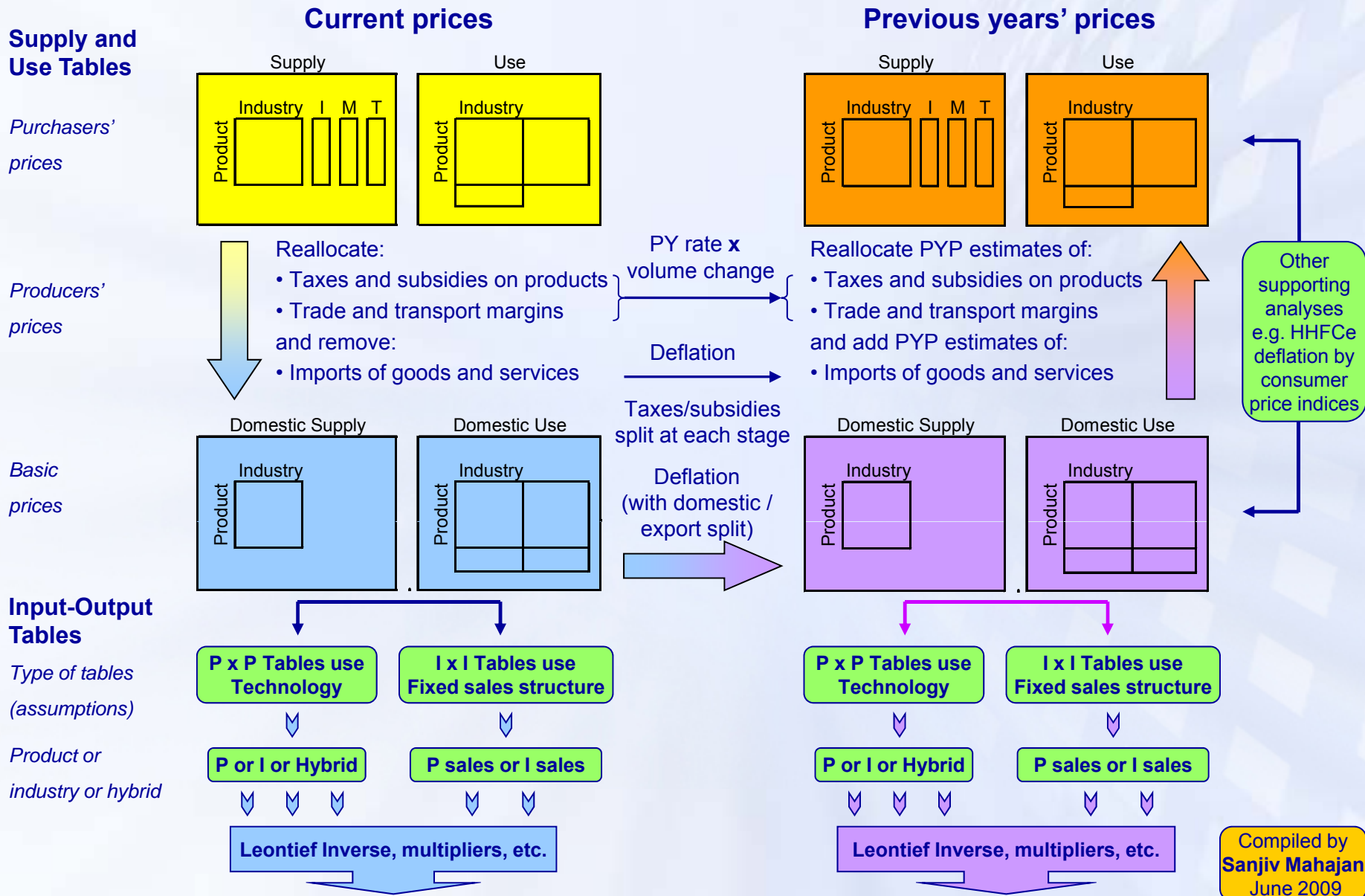
Any questions?

Sanjiv Mahajan

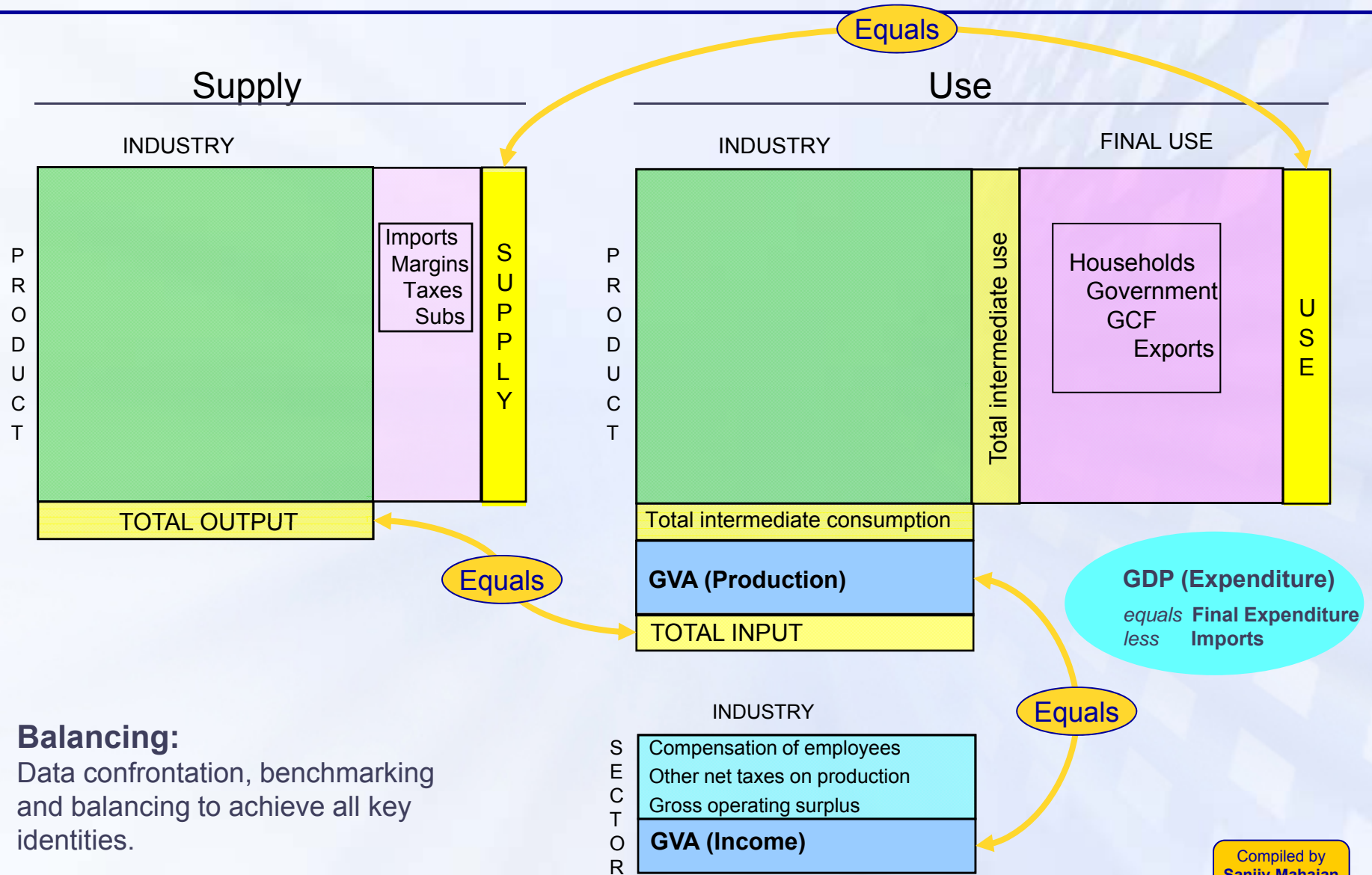
Head of International Strategy and Coordination
Office for National Statistics (UK)

sanjiv.mahajan@ons.gov.uk

An overview of the compilation schematic integrating Supply and Use Tables and Input-Output Tables



Framework for a coherent picture of the economy



Balancing:
Data confrontation, benchmarking and balancing to achieve all key identities.

