GLAECONOMICS

ONS Consultation Response

Sub-national service exports

September 2017

Your use of service export outputs

In this section we will ask about how you have used the service export outputs we have created thus far, and how effective they were.

1. Do you think this new set of export statistics is a useful addition to the suite of UK Trade data? (Multiple choice)

Yes

2. Have you made use of our results? (Multiple choice)

Please select all that apply

Yes, in written documents (articles, policies, etc)

Yes, in briefing presentations

Yes, in verbal discussions

If possible, please give specific links to articles, documents or publications

GLA Economics intends to publish an updated description of London's exports which will be available at: https://www.london.gov.uk/what-we-do/research-and-analysis/gla-economics-publications

Our previous work, which includes our own estimates of regional service exports, is available at: https://www.london.gov.uk/business-and-economy-publications/working-paper-69-analysis-londons-exports

3. How do our results compare against your own professional knowledge or expectations? (Multiple choice)

Our results broadly match your expected values

Please explain your answer

These results were broadly in line with our own estimates for London's exports, which can be found at: https://www.london.gov.uk/business-and-economy-publications/working-paper-69-analysis-londons-exports

A description of how these series differ will be included within our upcoming publication.

4. Have our results made a tangible difference to your work? (Multiple choice)

This could be any sufficiently large impact to your daily work. Examples of change include: new work packages being started, new articles being commissioned, new discussions being initiated, new policies being formulated.

Yes

If yes, please can you explain how our results affected your work

The GLA has had long running concerns about the lack of available regional level services trade statistics and has called for a greater emphasis on this in previous consultation responses. The lack of regional breakdown, or a regional version of broad numbers of the UK-wide statistics has, until now, hindered our analysis of London's economy. These datasets will replace GLA Economics estimates of service sector exports which were last published in 2015 and available at: https://www.london.gov.uk/business-and-economy-publications/working-paper-69-analysis-londons-exports. These estimates are used to provide the Mayor of London, wider GLA group, and other interested parties, with a detailed picture of how London sits within the international economy, and in which ways London differs from the UK as a whole. They are particularly useful in showing which sectors are trading well with the rest of the world, and which sectors are struggling. This allows the Mayor and others (e.g. London and Partners) to set the most appropriate policies for London and make informed spending decisions. This is particularly important at present, given the current focus on the UK's trading relationships in light of the ongoing Brexit process.

5. Were our articles easy to understand? (Multiple choice)

Fairly easy to understand

6. Were our data tables easy to use? (Multiple choice)

Fairly easy to use

7. Were there features, details or graphics that could have been explained better or should have been included?

The features, details and graphics all seem appropriate; however, more detailed breakdown by sector would be of use subject to disclosure constraints.

Methodological approach

In this section, we ask about the methodology we have used. We would like to know whether you think it is appropriate, whether you can suggest any problems with it or changes to it, and whether more development needs to be done.

8. Have you read the methodological explanations in any of our service exports articles that are currently published? (Multiple choice)

Yes

9. Do you broadly agree with the methodology used? (Multiple choice)

Yes, all seems sensible

10. Does the methodology broadly generate the results you require? (Multiple choice)

Partially

If you answered "Partially" or "No" to the question above, please explain why

A more detailed breakdown by sector or even sub-sector would be of significant value to the GLA. However, given existing disclosure constraints and the limited nature of existing data sources, the GLA has no suggestions for how this might be achieved.

11. Do the functional categories meet your requirements? (Multiple choice)

We understood that users require data on an industrial basis. However, as a result of data limitations, not all the components of service exports could easily be transformed onto an industrial basis. We therefore converted the ITIS-based results onto an industrial basis, and left the Pink Book results on their original product basis. This combination of industries and products defines our functional categories, and they are exclusive categories.

Yes, they are sufficient given the data limitations

12. Are there alternative approaches to those currently used in the methodology?

You may know of better or alternative approaches to those taken in the current methodology, or you may know of data sources that would help improve the results.

If you can propose changes, please provide as much detail as possible, including links to other publications where applicable.

Please detail any alternative approaches you wish to propose

The GLA favours an industry-based approach as this is of most use to us in terms of policy formation. However, a product-based approach would also be of use. In particular, for services which make up a larger component of London's economy such as travel, insurance or transport. If ONS was to provide an industrial and product breakdown for regional service exports, this would give the fullest possible picture for understanding the trade patterns of the UK regions.

13. Should our estimates be constrained to the UK Balance of Payments? (Multiple choice)

At present, we produce results using record-level information to build estimates from the bottom upward. These results are very close to, but do not precisely match with, figures reported in the UK Balance of Payments. We could constrain the sub-national service exports results to match the national-level figures, or continue to produce them independently.

Yes, they should match the Balance of Payments

14. Should we extend the estimates by country of destination of exports to cover the product-based functional categories? (Multiple choice)

For the publication in July 2017, we calculated <u>sub-national estimates of exports of services split by destination of export</u> but only for the industry-based functional categories. There was no split by destination for the product-based categories of transport, travel, finance, nor insurance and pension services. It is difficult to source data to break down these product-based categories; however, if it is a requirement then we could investigate approaches to achieve this output.

Yes, I would want results for all functional categories

15. Do you know of any data sources that could enhance our outputs?

The GLA would find the extension of the destination outputs to include additional categories very useful. However, at present, we have no suggestions of which data sources may be used to achieve this.

Future service exports development

We have created three publications on the topic of sub-national service exports to-date. These publications make use of the latest available data covering results up to the year 2015.

16. Should we continue to produce estimates of sub-national service exports in future? (Multiple choice)

Yes, for all future years

If possible, please explain your answer

The GLA fully supports the continuation of these estimates of sub-national service exports for future years. We would also further support any work to develop a back-series which would be of great use to put trends in London's trade into an appropriate context.

17. Should we wait to include results for Northern Ireland, or focus on figures for Great Britain? (Multiple choice)

Figures for regions and countries of Great Britain are sourced from the International Trade in Services survey, and the UK Balance of Payments. The Northern Ireland Statistics and Research Agency produce export figures for Northern Ireland using their Annual Business Inquiry. Typically the figures for Northern Ireland are published a few months after the figures for parts of Great Britain become available, and it may not be possible to break Northern Irish figures down as far as the GB results because of confidentiality. We could produce GB figures earlier, or wait until figures for Northern Ireland become available to produce combined UK figures.

I prefer UK figures because I prefer to have the complete country.

18. Are there additional breakdowns of service exports you would find useful?

Examples include, but are not limited to: greater industrial breakdown, lower geographic breakdown, additional country breakdowns.

Please explain what breakdowns you think would be useful

This publication is a hugely welcome addition to the range of ONS products. It would be useful to see these outputs over a longer time-series and at additional geographies, e.g. for the London's local authorities,

London's Central Activity Zone and other lower levels. In addition, and as mentioned above, the GLA would also find additional breakdowns by product useful.

19. Do you have any other comments about the sub-national service exports?

The GLA believes that this new set of statistics is a hugely useful addition to the suite of UK Trade data. In the past, we have produced our own estimates of regional trade in services and, therefore, we strongly welcome estimates from the ONS. The GLA has had long running concerns about the lack of available regional level services trade data which has, until now, hindered our analysis of London's economy. These data, if produced over the longer term, will provide the Mayor of London and wider GLA Group with a detailed picture of how London sits within the international system, and the ways in which London differs from the UK as a whole. Looking forward, and as with many other ONS products, the GLA would like to see these data published for not only future years, but would support the development of a back-series. In addition, we would also like to see these data for additional lower level geographies and broken down by product. Finally, the GLA would also find regional import data broken down by industry similarly useful in helping us better understand London's economy and trading relationships, and would welcome any estimates the ONS could provide for this in the future.