GLAECONOMICS

Review of Regional Trade Statistics

GLA Economics response

December 2015

Future of Regional Trade Statistics (RTS)

Question 1a: Is the RTS still essential to your business? If so, please outline the benefits of the RTS to your business / organisation.

Yes. Regional Trade Statistics (RTS) data help the Greater London Authority (GLA) to understand trends in London's trade with other countries, plus what products and commodities London exports and imports. This understanding is an important part of policy making and informs the Mayor's Export Programme that aims to encourage London's businesses to export, funded through the European Regional Development Fund (ERDF) and Growing Places Fund (GPF). To ensure value for money, it is essential that the GLA has a good understanding of London's economy and the composition of London's exports to meet the set policy objectives.

Question 1b: Do you have an alternative data source if the RTS were no longer published? Please explain these sources and their differences to the RTS.

No other alternative data sources are currently available to inform GLA of London's detailed international goods trade. The statistics published by the Office for National Statistics (ONS) are aggregated at the UK level and don't provide the level of detailed incorporated in the RTS release. For this reason, the continuous publication of detailed trade data is important. Furthermore, understanding regional trade data is important for the UK economy as a whole, as regional trade patterns may provide a better understanding of what aspects contribute towards changes in UK level data[1].

Display / aggregation options

Question 2: Which 'format' option most closely meets your business need, and why?

Of the outlined format options, Option 1[2] best meets our data needs (i.e. it provides data at the Government Office Region (GOR) level, a detailed commodity breakdown[3], and conveys information about the destination and origin of London's traded commodities. However, the ideal format would include trade data at NUTS2 level or at NUTS3 level if possible, for London, and a more detailed breakdown of traded goods data than at a division level. Also, it is important to know where London's goods exports go to.

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[1] GLA Economics, 'An analysis of London's exports', August 2015.
[2] Option 1 – the current RTS: NUTS1 Regional Breakdown – Government Office Regions; Commodity Breakdown - SITC division (2-digit); and Partner Country breakdown – Current RTS breakdown
[3] At the Standard International Trade Classification (SITC) division level.

Therefore, combining NUTS2 and more detailed SITC data with a detailed breakdown of export destinations and origins of imports would be very beneficial.

Frequency of Publication

Question 3a: How often would you prefer the data tables to be published, quarterly or annually?

Having access to timely economic data enables the Greater London Authority (GLA) to better understand existing economic conditions in London. Therefore, publishing data on a quarterly basis is important.

Question 3b: How often would you prefer the commentary to be published, quarterly or annually?

For GLA Economics analysis of London's exports having access to timely goods exports from HM Revenue and Customs (HMRC) is more important than timely commentary, and less comprehensive commentary would be acceptable if that meant access to timelier and more robust data. However, an annual publication of commentary on HMRC trade data may be useful for the media and may be convenient for other ad hoc users.

Other Methodological Issues

Question 4: If you have any further comments on this consultation or the RTS methodology, please write them here. In particular if you have comments on the following:

- Methodologies to reduce the effect of Head Office Distortion;
- Harmonising with the methodologies of other regional based GSS Statistics;
- The use of additional data sources to enhance business count information;
- Back-casting of time-series;
- Any specific partner countries that are not currently published;
- Options for reducing the size of the 'Unknown' region.

The key aspects around other methodological issues for London include having a sufficiently long time series of trade data to ensure a good understanding of London's trade with the rest of the world, and how this has changed over time. These data help us to understand London's specialisation and industrial structure, and how these may have changed over time. This type of analysis helps the GLA to produce coherent and informed policy and to ensure that policy provides good value for money. Additionally, as the ONS is developing new regional service exports estimates for the UK GOR, it would be convenient if the two methodologies used were consistent. But, if this is not possible, that HMRC publishes detailed information about the differences in methods used and the likely impacts on trade estimates.

The current list of specific trading partner countries is fairly comprehensive and specific, and meets our needs. It is however, important to maintain detailed information on trade by trading partner; breaking the data down to EU and non-EU regions alone is not sufficient.