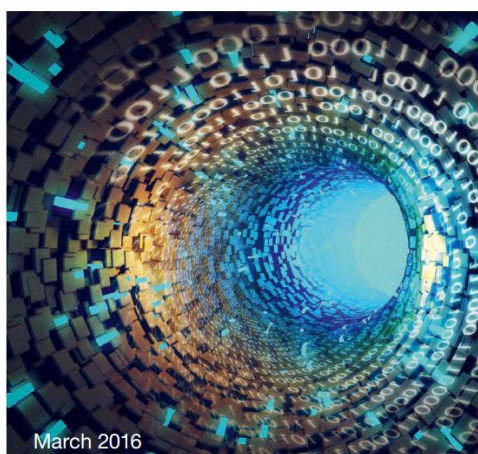


HOW CAN WE BETTER MEASURE UK PRODUCTIVITY: ROUNDTABLE DISCUSSION WITH PROFESSOR SIR CHARLIE BEAN.

On Monday April 25 ICAEW held a roundtable discussion with Professor Sir Charlie Bean at Chartered Accountants' Hall.

Independent Review of UK Economic Statistics

Professor Sir Charles Bean



This event brought together delegates from the private and public sectors to discuss Sir Charlie's recent [review of UK economic statistics](#) under the overarching question of "how can we better measure UK productivity?". Sir Charlie's report highlighted that the current statistics are showing their age having been designed over fifty years ago when the economy was dominated by goods not services. As a result, current measurement of productivity were likely to be inaccurate and could, at least in part, explain the UK's "productivity puzzle".

Delegates argued that the digital revolution and fast technological advancements of recent years, have changed the way many businesses operate (Amazon, Skype), given rise to new ways of exchanging and providing services (Airbnb, TaskRabbit), have muddied the waters between work and leisure, and made it far harder to accurately measure economic output. Many businesses also operate across national boundaries

and depend on intangible assets, which adds to the complication of accurate measurement.

Sir Charlie suggested that if the digital economy was fully captured by official statistics, it could add between one-third and two-thirds of a percent to the growth rate of the UK economy. To tackle this challenge a key recommendation is for ONS to set up a research centre and work with academics and businesses to find ways to better measure this economic activity.

The report also recommends ONS set up a data science hub which, along with a new cadre of data scientists, would allow them to make more use of big data. This hub would draw on the hoard of administrative data which already exists in the public sector and which has the potential to greatly improve economic statistics.

Sir Charlie noted that the report's recommendations were given the green light in the Chancellor's Budget 2016 and that organisations such as ICAEW could play a central role in implementing them going forwards. The UK was one of the original pioneers of national accounting and more should be done to ensure economic statistics keep up with the pace of change.



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