

Why is the Retail Sales revisions policy different to the National Accounts revisions policy?

A change was made to the RSI revisions policy in December 2007 based on RSI's own revisions patterns rather than the current National Accounts policy.

The National Accounts revisions policy published in accordance with the protocol does not refer explicitly to the RSI, however it could be argued that it is desirable for the RSI to adhere to NA policy, for example,

- Coherence, i.e. to ensure the latest RSI estimates are produced on a basis consistent with that used for National Accounts, and;
- Integrity of National Accounts revisions, i.e. the RSI should not reveal stored revisions in the GDP estimates.

However, the RSI is different from the retail component of GDP produced within the Index of Services. Specifically,

- It is not benchmarked to the Annual Business Inquiry (ABI), or anything else, unlike other components of GDP.
- The main retail sub-components are weighted differently, which can lead to significant differences in headline results (RSI weights relate to turnover patterns rather than gross value added).
- It is produced in advance of the National Accounts estimates and other related series such as the Index of Production.
- It relates to 4 and 5 week periods rather than calendar months.
- It relates to GB rather than UK.

As a result, the headline growth rate for the retail sector in GDP is occasionally different from the published RSI. This is considered quite acceptable because the RSI is conceptually measuring a different thing (sales of GB retailers) compared to the retail component of the Index of Services (which measures changes in gross value added of the UK retail sector). Such differences also mean that users cannot discern stored GDP revisions by reference the RSI. For these reasons it was argued that it is not necessary to constrain RSI to the National Accounts revisions policy.

The basic criteria for choosing the new revisions policy were that it should:

- Reduce or avoid linking problems, i.e. the transition between the unrevised and revised periods.
- Be compatible with the nature of the RSI's revisions patterns.
- Not be constrained by the National Accounts revisions policy.
- Allow users to see significant revisions and be relevant to users' requirements.
- Have low potential for small revisions and future revision to revisions.
- Be relatively simple to operate and easy to describe.
- Have minimal impact on RSI branch's monthly results production systems and tasks.