

Proposed changes to broad and narrow money statistical releases: consultation with users

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*The Bank has recently undertaken a review of its schedule of statistical releases. At present there is some duplication in the data that the Bank publishes. In line with the Bank's Statistical Code of Practice, it is important that all statistical releases are produced cost effectively (for both reporting institutions and the Bank) and provide value to users. The Bank proposes to cease publication of three statistical releases: Provisional Estimates of Broad Money and Credit; Narrow Money: Weekly Levels; and Provisional Estimates of Narrow Money (Notes & Coin) and Reserve Balances. In each case there would be **no actual loss of data for users**; there would merely be some loss of timeliness, with affected data becoming available later than they are at present. Users of the data are invited to comment on the proposals, at the latest by Friday 1 June 2007.*

Provisional Estimates of Broad Money (M4) and Credit (M4 lending)

The Bank currently publishes provisional estimates of the broad monetary aggregates on the fourteenth working day of each month. The final data are published, along with their sectoral breakdown, in the *Sectoral Breakdown of Aggregate M4 and M4 Lending*, twenty-one working days after the end of the previous month. **The Bank proposes to cease publication of the provisional estimates, although the final monetary data will still be published alongside the sectoral data.** There will be no changes to the sectoral release.

The Bank sees a number of advantages in no longer publishing provisional data. To ensure the quality of the provisional estimates, reporting institutions need to reply to Bank queries and make the necessary revisions early in the month. The Bank also incurs considerable costs in producing the early figures. Moreover, interest in the data has shifted significantly over time; there is more focus now on the sectoral drivers of the money and credit aggregates than in the headline figures.¹ So there is a clear logic in only publishing the money and credit data alongside the sectoral breakdowns and not in a separate provisional release.

Narrow Money: Weekly Levels

At present, the Bank publishes, three working days in arrears, an estimate of notes and coin in circulation and the reserve balances of financial institutions at the Bank of England each Wednesday. **The Bank proposes to cease publication of these weekly data in a separate release. Weekly data for the past month will continue to be made available, but in future only once a month. Publication will be on the eighth working day following the last Wednesday of the month, via the Statistical Interactive Database only.** This will ensure publication at the same time as the *Narrow Money (Notes & Coin) and Reserve Balances* release (see below).

The actual loss of timely data in this case will be minimal. The narrow money data are drawn from three main sources: the Bank Return, which shows the Bank of England notes in circulation and reserve balances; coin data supplied by the Royal Mint; and data on Scottish and Northern Irish notes in circulation supplied by the issuing banks. The Bank Return will still be available each Thursday on the internet², showing the two main components of the data. Data on the Scottish and Northern Irish notes are at present estimated in the initial weekly releases, since they become available one week in arrears. In future, these data will be published one month in arrears.

Provisional Estimates of Narrow Money (Notes & Coin) and Reserve Balances

At present, the Bank publishes a provisional estimate of monthly narrow money on the third working day after the last Wednesday in the month. This estimate is revised five working days later when the final weekly observations for the Scottish and Northern Irish notes are received. In practice, these revisions are small, as the Bank is able to forecast the Scottish and Northern Irish levels quite accurately. **The Bank proposes to cease publication of the provisional release of these data, and to maintain the final release only, on the eighth working day following the last Wednesday of the month. As with the other releases, there will be no loss of data, merely a withdrawal of the more timely provisional estimates.**

Request for feedback

The Bank would welcome views on these proposals. Users of the data are encouraged to send comments to the Head of the Monetary and Financial Statistics Division at mfsd_ms@bankofengland.co.uk, or to the Bank's postal address (Bank of England, Head of MFSD, HO-4, Threadneedle Street, London, EC2R 8AH), no later than Friday 1 June 2007.

¹ See, for example, A Hauser and A Brigen (2002), 'Money and credit in an inflation-targeting regime', *Bank of England Quarterly Bulletin*, Autumn, pages 299-307. <http://www.bankofengland.co.uk/publications/quarterlybulletin/qb0203.pdf>.

² See <http://www.bankofengland.co.uk/publications/bankreturn/index.htm>.