



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

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Prospective Change in Seasonal Adjustment Methodology: Consultation with Users

The Bank of England has today issued a consultation paper on its plans to change the seasonal adjustment methodology that it uses in the monetary and related statistics. This is as part of a continuous effort to improve wherever possible the statistics that the Bank produces.

The prospective new, more sophisticated, methodology would apply an international standard (X-12-ARIMA) that is used by many statistical agencies and central banks. Although many of the basic features of the new methodology are similar to the present one, and tests so far suggest that the results will be generally similar, there may be some differences. One possible source of differences arises from the fact that, under the present seasonal adjustment approach, the emphasis is on precisely preserving the accounting relationships that apply in the non-seasonally adjusted series. In future, the new approach would instead place more emphasis on obtaining the best seasonal adjustment of key individual series.

The Bank expects to implement the change of methodology around the end of 2003.

Paper copies are available from Karen Dawes on 020 7601 4324 or at karen.dawes@bankofengland.co.uk. The paper invites comments, as soon as convenient or at latest by Friday 10 January 2003.

Notes to Editors

Since 1990, the Bank has used 'GLAS' (General Linear Abstraction of Seasonality), a method developed in-house, to seasonally adjust the monetary and related statistics that the Bank produces.

X-12-ARIMA is the latest in the family of seasonal adjustment methods that have been developed over several decades by the US Census Bureau (www.census.gov) and others.

Key Resources

Prospective Change in Seasonal Adjustment Methodology: Consultation with Users - Consultation Paper
<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/statistics/ms/articles/artnov02sa.doc>