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Our impact - Enhancing UK telecoms price statistics

Improving measurement of digital innovation, with significant impacts on economic growth

Project summary

Telecommunications deflators are economic statistics used to adjust the value of telecoms services revenues (such as mobile and broadband) for changes in prices over time. Accurate deflators ensure that rapid technological improvements are properly reflected in economic statistics.

However, traditional measures have struggled to capture quality changes, often overstating prices and understating real growth in the telecoms sector.

This project developed new methods for constructing telecoms deflators to better account for large improvements in service quality, and rising volumes of use.

“By revealing far steeper telecoms price declines than previously measured, this work has strengthened the UK’s economic statistics and directly contributed to higher recorded GDP growth.”

Richard Heys, UK Office for National Statistics

“Statistics Netherlands is reviewing this research to inform its planned update of Services Producer Price Inflation (SPPI) records in 2028.”

Statistics Netherlands

Impact - New framework

- The results suggest that telecoms prices have declined far more rapidly than previous official statistics indicate, with significant implications for measured productivity across the economy.
- The project demonstrated practical alternatives to conventional deflators, influencing how national statistical offices approach fast-changing digital sectors.
- This work presented several options for potential inclusion in the UK National Accounts, one of which has since been implemented, This added around 0.2% per annum to the UK’s GDP, increasing growth in 2018-19 from 1.3% to 1.5% GDP.
- The research is also being reviewed by Statistics Netherlands for possible implementation.
- The work may be useful in examining other service sectors experiencing rapid digital innovations.

Project leads and partners



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