

CM.3 A Taxonomy for Communicating Economic Statistics Releases, Products and Product Updates: User Testing Questionnaire

To improve the communication of macroeconomic statistics the SNA/BPM Communication Task Team (CMTT) has proposed a set of proposals that national authorities could adopt to better communicate revisions, vintages of data and data quality.

We would appreciate your views on the proposed changes and ask that you complete the following survey and reflect the views of users as far as possible. The survey consists of five questions. Each question first explains the proposal and then seeks the user's perspective on whether or not the proposed change will improve their understanding of macroeconomic statistics.

For each question, please provide the answer by checking the relevant check box(es) or by typing in the framed textboxes, which will automatically expand to fit the text. A printable version of the questionnaire is available for your convenience. If you have any questions, please contact STABPM6Update@imf.org or sna@un.org.

Please do not hesitate to contact us should you have any question and thank you in advance for your valuable contribution to this initiative.

SNA and BPM Secretariats

Please provide your information below:

Country _____
Institution/Organization _____
Name _____
Position/Title _____
Email address _____

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SECTION I: COMMUNICATING REVISIONS

Producers of economic statistics must constantly balance the need that users have for timely, high frequency economic data with their need for highly accurate economic data. To manage these two important features of economic statistics, macroeconomic statisticians and their users have developed an implicit agreement. This agreement states that the macroeconomic statistician will provide timely, high frequency data reflecting current economic conditions if users are willing to accept updates to those same estimates at some point in the future. Revisions to macroeconomic statistics can take many different shapes. Some revisions are minor and involve updates to source data, other revisions can be large and involve changes to the conceptual framework and methods underlying the estimates. To guide users in better understanding the nature and scope of revisions, the updated SNA is proposing standard terms and definitions for the different categories of revisions. It is proposed that revisions are grouped into three categories as noted below:

Regular revisions - Incorporation of more complete (but not yet final) source data, improved models, and / or methods into the compilation process which occur for both sub-annual and annual estimates. They can occur throughout the year, at regular (often yearly) intervals or as new information becomes available. Regular revisions may also include the correction of compilation errors or minor methodological adjustments made outside the benchmark or comprehensive revision process.

Benchmark revisions - The incorporation of the final vintage of all source data into the economic statistics. The benchmark revision implies that account program does not expect to receive any additional information that it can use to improve the overall quality of the economic statistics. The benchmark estimates can only be constructed once a final vintage of each of these data sources is available. During these revisions many countries take the opportunity to change the base year of their national accounts and update their weights if they use fixed weights in their GDP volume calculations.

Comprehensive revisions - A special case of benchmark revisions where the economic statistic not only incorporates the final vintages of source data but also integrates new or updated concepts, accounting treatments, classifications or improved methods. These revisions occur when there are major changes to the accounting standards that are used to compile the accounts. They often result in a break in the time series and a need for programs to backcast these changes over time.

Q1A. Do you agree that the above terms and their definitions assist you in understanding the scope of the different types of revisions possible for National Accounts, Balance of Payments, and Government Finance Statistics?

- Agree
- Disagree
- Unsure/Neutral

Q1B. Please elaborate

Q1C. Please add further comments, if any.

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SECTION II: COMMUNICATING RELEASES AND VINTAGES OF DATA

Many statistical agencies have adopted various “labeling” structures when releasing macroeconomic estimates. This different labeling makes it difficult for users to compare economic releases across countries and international organizations. To address this issue, the updated SNA is proposing that statistical authorities adopt a common approach when labeling data releases. This common label includes five components: (i) type of release; (ii) timeliness; (iii) frequency; (iv) reference period; and (v) update period.

For example, the US (BEA) releases three vintages of quarterly GDP within a given release cycle and refers to these different releases as the Advance Estimate, Second Estimate and Third Estimate. Similarly, Eurostat releases two vintages of quarterly GDP in each release cycle and refers to these releases as the Flash release and GDP Main Aggregates.

The SNA update team is proposing that when multiple vintages of releases occur within a reference period, they are timestamped indicating the number of days the release date follows the reference date. For example, the update SNA would propose that that the Eurostat Flash release for the fourth quarter of 2022 be characterized as:

Regular, 45-day, quarterly GDP, Fourth Quarter 2022 (2022Q1-2022Q3).

The SNA update team is also proposing that the type of revision (Regular, Benchmark and Comprehensive) be included in the label. For example, in November 2022 Canada released 2019 National Account benchmarks and revised quarterly data for the period 2019Q1 to 2022Q2. They labeled this release: **Gross domestic product, income and expenditure, third quarter 2022**

The proposed labeling of this release is:

Benchmark, 60-day, quarterly GDP, Third Quarter 2022 (2019Q1-2022Q2).

Q2A. Do you agree that a structured - (i) type of release; (ii) timeliness; (iii) frequency; (iv) reference period; and (v) update period - labeling of releases effectively communicate the scope of the release, the periods subject to revision and the timeliness and periodicity of the data?

- Agree
- Disagree
- Unsure/Neutral

Q2B. Please elaborate

Q2C. Please add further comments, if any.

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SECTION III: REVISIONS ANALYSIS

Revisions to macroeconomic statistics can be a result of changes to the methodological / conceptual / accounting framework, changes to coverage, source data changes, and changes in presentation.

Conceptual changes reflect what is measured – such as changing the asset boundary to include investment in research and development.

Coverage changes reflect incorporating activity that was immaterial but is now material. Source data changes reflect the incorporation of newly acquired administrative data or results from the latest population or economic census.

Changes to presentation reflect changes in the way statistics are presented, labeled, or defined but no change to the estimates.

It is proposed that when countries present national accounts / balance of payments / government finance statistics revisions they decompose the revisions into the following categories: *(i) methodological / conceptual / accounting changes; (ii) coverage changes; and (iii) source data changes.*

Consider the revisions table prepared in August 2021 by Statistics South Africa (Stats SA) outlining revisions to GDP for the period 2011 to 2020 due to a recent benchmarking exercise.

Table A–Comparison of previous and revised GDP estimates										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real GDP growth rate (% per year)										
Previous (2010 prices)	3.3	2.2	2.5	1.8	1.2	0.4	1.4	0.8	0.2	-7.0
Revised (2015 prices)	3.2	2.4	2.5	1.4	1.3	0.7	1.2	1.5	0.1	-6.4
Difference (% points)	-0.1	0.2	0.0	-0.4	0.1	0.3	-0.2	0.7	-0.1	0.6
Level of GDP at current prices (R billion)										
Previous	3024	3254	3540	3805	4050	4359	4654	4874	5078	4973
Revised	3327	3566	3869	4134	4421	4760	5078	5358	5605	5521
Difference	303	312	329	329	371	401	424	484	527	548
Difference (%)	10.0	9.6	9.3	8.6	9.2	9.2	9.1	9.9	10.4	11.0

The updated SNA/BPM proposes that compilers decompose revisions as follows:

Source of Revision	2015	2016	2017	2018	2019
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Original Series					4 973
Revisions due to methodological / conceptual / accounting changes.					
Revisions due to changes in coverage.					
Revisions due to changes in source data.					
Revised Series					5 521

Q3A. Do you agree that the above terms and their definitions assist you in understanding the scope of the different types of revisions possible for National Accounts, Balance of Payments, and Government Finance Statistics?

- Agree
- Disagree
- Unsure/Neutral

Q3B. Please elaborate

Q3C. Please add further comments, if any.

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SECTION IV: COMMUNICATING PRODUCT TYPES

The pace of economic change has increased in recent decades. Users are requesting that compilers of economic statistics produce an increasingly broad range of products with greater details and on a timelier basis. In response to this demand for more timely, high frequency data macroeconomic statisticians have started to adopt the strategy of producing and releasing estimates that have not been subjected to the same rigor as official statistics and have adopted several different labels for these estimates. Some have chosen to use the term satellite accounts (in line with the SNA definition), others refer to these estimates as experimental and yet others refer to them as provisional or draft. Different terms are used from one country to another, and even the same country may use different terms for different products.

Although different descriptors are used to "label" the products, there is usually a common element being communicated - quality. The SNA/BPM CMTT proposes adopting a two-tier taxonomy for classifying macroeconomic statistics products. The first tier in the taxonomy proposes the use of the term *official statistics*. Official statistics are those estimates that incorporate recommended nationally or internationally adopted concepts, methods, accounting rules and classifications and meet all the standards required. These statistics have usually been produced using the highest quality source data available and have been subjected to rigorous quality assurance practices and have benefited from significant user feedback.

Official statistics comprise either provisional estimates or final estimates. Provisional estimates incorporate nationally or internationally adopted concepts, methods, accounting rules and classifications. However, these data are provisional because they often represent an early estimate before more comprehensive data become available. A key distinguishing feature of provisional estimates is that there is an expectation these estimates will soon "graduate" to final official statistics status. Before finalizing the product and moving it to a final "official statistics" status, a scrutiny process ensuring the quality requirements are in place as well as user input and feedback is required. The user input focuses on whether the product is fit-for-use and whether the various dimensions of the product are appropriate or need to be changed. This could include feedback regarding appropriate frequency, timeliness, detailed, output format. etc.

The second tier refers to experimental estimates. These are estimates released by a national statistical agency in which the agency may have gone outside of nationally or internationally recommended concepts, methods, accounting rules or classifications in the production of the estimates. Often, they may be of a research or indicative nature. The source data used to compile the estimates may be untested and its quality may not be quantifiable as would be the case with official statistics. The data are communicated with a "proof of concept" notion and the main motivation for releasing the data is to seek feedback so the estimates can be improved. There is no expectation at this point that the data will ever move from experimental to official status, however with a range

of improvements they may meet the standard to be deemed as an official statistic. These releases tend to be more ad-hoc with respect to frequency of updates. The “product quality” taxonomy is summarized in the following table:

Level 1	Official Statistics: Estimates that incorporate recommended nationally or internationally adopted concepts, methods, accounting rules and classifications and meet all the standards required.
	• Provisional Estimates: These estimates represent an early estimate before more comprehensive data becomes available.
	• Final Estimates: These estimates represent an estimate that consists of the most comprehensive data that is available.
Level 2	Experimental Estimates: These are estimates released by a national statistical agency in which the agency may have gone outside of nationally or internationally recommended concepts, methods, accounting rules or classifications in the production of the estimates. Often, they may be of a research or indicative nature.

Q4A. Do you agree that the above product type taxonomy provide you an indication of the quality of each product and help you determine its "fit for use" for your specific purposes?

- Agree
- Disagree
- Unsure/Neutral

Q4B. Please elaborate

Q4C. Please add further comments, if any.

SECTION V: DISTINGUISHING STATISTICAL PRODUCTS

In addition to the need to communicate the quality of a product to users there is also a need to develop a consistent labeling for the various macroeconomic statements associated with the SNA / BPM and GFS macroeconomic accounting frameworks. For example, the SNA / BPM and GFS utilize labels such as accounts, satellite accounts, supplementary tables, statements, sub-accounts – all of which lack a clear definition.

It would assist users if countries followed similar practices when referencing the products or statistical outputs associated with a particular statistical standard. By establishing common labels and definitions we can enhance data users' understanding of these statistics, including how they fit together and how they compare across countries. Accounts as defined by the SNA have an opening and closing item and consist of debits and credits as well as a balancing item. Accounts are also related to each other such that the closing balance of one account should be the opening balance of the subsequent account. It seems reasonable that any product within the macroeconomic accounting frameworks with an opening item, a closing balance and debits and credits as well as a balancing item should be considered an account.

The SNA is a sequence of economic accounts in which one account is linked to another. The SNA also provides flexibility for uses to develop "satellite accounts". However, the term "satellite" is not well understood by users. It is proposed that the updated SNA / BPM and GFS distinguish between three types of Accounts: Main Accounts, Thematic Accounts (representing a re-arrangement of the Main Accounts) and Extended Accounts (which reflect extensions to the main boundaries of the SNA/BPM/GFS (e.g., extensions to the production boundary or asset boundary)).

In addition to accounts – the SNA/BPM and GFS also recommend countries produce "tables" that present economic information. The term "table" is distinguished from account in that tables do not have balancing items and are not part of an inter-connected sequence of economic accounts. Some tables in the SNA/BPM and GFS are recommended while others are more discretionary where development is based on user need and materiality. Given these definitions it is proposed to use the following terminology to refer to the different accounts and tables within the SNA/BPM and GFS.

<p>Accounts: Have balancing items and are part of a table sequence of inter-connected sequence of economic accounts. They have an opening item, a closing item, a balancing item and a debit, credit structure.</p>	<p>Tables: Do not have balancing items and are not part of a table sequence of inter-connected accounts. Examples include Supply and Use Tables, Input-Output Tables.</p>
<p>Sequence of Economic Accounts</p>	<p>Economic Tables (examples include Supply and Use Tables, Input-Output Tables, Labour Tables where the SNA/BPM and GFS recommend all countries produce and publish these tables.)</p>
<p>Supplementary Accounts</p>	<p>Supplementary Tables (Examples include pension tables, special purpose entity tables etc.)</p>
<p>Extended Accounts (in which the boundaries of the SNA/BPM and GFS are altered - examples include Value of Unpaid Household Work Account, Human Capital Account)</p>	
<p>Thematic Accounts (in which the boundaries of the SNA/BPM and GFS are not altered but the account structure is maintained (left and right side entries and balancing items - examples include Tourism Accounts, Culture Accounts, Sports Accounts etc.)</p>	

Q5A. Do you agree that the above labeling of accounts and tables effectively communicate the purpose of each product?

- Agree
- Disagree
- Unsure/Neutral

Q5B. Please elaborate

Q5C. Please add further comments, if any.

Q6. To maximize transparency, we would like to publish responses to this questionnaire.

Do you give consent that your response to this questionnaire can be published?

- Yes
- No

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