The use of non-official sources in official international economic and financial statistics

Werner Bier and Per Nymand-Andersen
European Central Bank
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**Agenda**

1. **Statistical functions of international organisations**

2. **CCSA recommendations**

3. **2 case studies: Filling gaps and comparability**

4. **Way forward**
Serve **international policy needs** with **comparable statistics** both at national, regional and global level

Define sources, **concepts and definitions**, methodological guidelines, collect statistics from national sources, quality checks, **produce** and **release** international comparable statistics

Data sources originate mainly and preferably from the **national statistical authorities**

CCSA International organisations follow the **“Principles Governing International Statistics Activities”**
The Committee for the Coordination of Statistical Activities (CCSA) composes approx. 40 international organisations.

The CCSA promotes inter-agency coordination, cooperation, consistency and good statistical practices.

The members contribute actively to the development of a coordinated global statistical system producing and disseminating high-quality international statistics.

The CCSA Secretariat and [CCSA website](http://www.ecb.europa.eu) are hosted by the United Nations Statistics Division (UNSD)
CCSA recommendations

CCSA document: “Use of Non-Official Sources in International Statistics”

1st section - Raison d'etre
• Anchoring to the fundamental principles and quality assurance frameworks of international organisations

2nd section - Recommended practices
• Use of official statistics as best sources of information
• Non official sources may be used for
  ➢ Filling gaps
  ➢ Improve quality
  ➢ Improve comparability
Common practices: Sources at national statistical authorities

- Administrative and registrar sources;
- Reporting agents and surveys (census and sample);
- Other official sources
- Private sources, such as Statistics Norway, Netherlands and Switzerland for CPI Rodriguez and Haraldsen 2006, Schut 2002, Müller et al. 2006.

Could international organisations use similar practices for producing official international statistics?
CCSA recommendations

- Yes – documented by two examples
  - Filling gaps
  - Improve comparability

- though for the third case
  - Improve quality

are there cases where non-official sources could substitute official national statistics and based on which conditions?

At which level of quality would this be warranted?
- Political biased statistics
- Maintain trust in statistics and professional independence
Issue: 4 euro area Member States national statistics where industrial new orders are not available
How to use estimates for supranational statistics?

Method: Model based estimations of national statistics using non official sources:

- DG-ECFIN business survey in manufacturing
- Markit - Purchasing Manager Index on new orders (PMI)
- Lag variables (m-o-m growth rates)

Euro area statistics are produced using official national sources and national estimates and released monthly on the ECB website

Source: “Modelling industrial new orders” by Gabe J. de Bondt, Heinz C. Dieden, Sona Muzikarova, Istvan Vince; Economic Modelling (2014), Forthcoming
Case study 1: Filling gaps – new industrial orders

Euro area industrial new orders
Manufacturing industries (Index levels, working day and seasonally adjusted)

Source: ECB, Statistical Data Warehouse. Base year 2010, May 2014

Red bar: Indicates the start of including ECB estimates for euro area statistics (April 2012). Series released monthly as of July 2013
Case study 2: Improve comparability

**Issue:** Comparability of General Government Debt in % of GDP

- Using official and high quality national sources

How to improve the comparability of international statistics?

- **OECD study using six sources**
  - Government Finance Statistics (Eurostat)
  - Government Finance Statistics (market & nominal value) (IMF)
  - Word Economic Outlook (IMF)
  - Economic Outlook (OECD)
  - National Accounts at a glance (OECD)
Case study 2: Improve comparability

Government Debt/GDP for selected euro area Member States
Expressed by marked differences between six official sources per country

%-points of GDP

Spain
Slovenia
Slovak Republic
Portugal
Netherlands
Luxembourg
Italy
Ireland
Greece
Germany
France
Finland
Estonia
Belgium
Austria

Source: OECD calculations, data end 2010.
The difference for Greece is mainly due to the different evaluation methods applied (market and nominal values)
Case study 2: Improve comparability

Outcome of comparing

- There are differences in published Government Debt/GDP statistics
- The reasons relate to differences in:

  A. the definition of concepts and instrument coverage (e.g. incl./excl. trade credits)
  B. international methodological guidelines (e.g. valuation methods)
  C. national methodological guidelines
  D. documenting methodological differences and impact (to be clearly reflected in meta data)
Case study 2: Improve comparability

Solution for the case study 2

1. Improved **coordination among international organisations** – to converge towards one common international definition of government debt.

2. Strengthening international reporting templates, by ensuring that the methodological guidelines sufficiently clarify the methodological choices. **Inter-Agency Group (IAG) can solve these two items above**

3. Enhance national reporting templates in-line with international reporting templates

4. Enhance the documentation of deviations and its impacts. **National statistical authorities can solve these two items above.**
Case study 2: Improve comparability

Solution for the case study 2

In the meantime, and until points 1, 2, 3 and 4 have been addressed;

- there remain cases, where international and supranational organisations can perform adjustments and use non-official sources as part of their efforts to improve the comparability of international statistics
Way forward – Conclusion

Could international organisations use non official sources for producing international official statistics?

Yes

1) International Organisations could apply similar practices as national statistical authorities and therefore use non-official sources for

A. filling gaps

Case study: Releasing new industrial orders in the euro area where 4 euro area Member States statistics are not available
Way forward – Conclusion

B. Improving comparability

Two options

The case study of comparing “Government debt/GDP” ratio

Either
- national statistical authorities provide detailed methodological templates, allowing international organisations to take the methodology, as best fit

or
- a) International organisations agree on one concept, definitions and
   b) detailed methodology
   c) national statistical authorities align to international templates and
   d) enhance the documentation of deviations and its impacts;
C. Improve quality

are there cases where non-official sources could substitute official national statistics and based on which conditions?

At which level of quality would this be warranted?

- Political biased statistics
- Maintaining trust in statistics and institutions
- Maintaining professional independence
- Medium to long term impact in democracies

Despite national statistics is of high quality, adjustments and use of non-official sources may improve the comparability of international statistics for multilateral assessments and comparison purposes.
Questions?

Q&A

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