

**13th Meeting of the Advisory Expert Group on National Accounts,
1-3 October 2019, Washington D.C., USA**

Agenda item: 3.4

Friends of the Chair Group on Economic Statistics

Introduction

The UN Statistical Commission has asked the Friends of the Chair Group on Economic Statistics to convene meetings over the next year to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development or whether gaps exist. The Commission also asked the FOC Group to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics.

The FOC Group has been asked to report back at the 51st session of the United Nations Statistical Commission with a path forward aimed to improve the overall effectiveness and efficiency of the system of economic statistics. In order to help formulate their recommendations to the 51st UN Statistical Commission the FOC Group is requesting your feedback on questions related to:

- global priorities in need of statistical development;
- global initiatives that could help with NSO transformation;
- the governance of economic statistics;
- and whether the program of economic statistics needs to be more responsive.

A paper on: Friends of the Chair Group on Economic Statistics Consultation

Main issues to be discussed

The AEG is invited:

- To respond to the questions posed in section F of this paper

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A. Introduction and Context

1. Measures of economic progress are critical in achieving the policy objectives of the 2030 Agenda. Policy objectives increasingly demand a better understanding of how economic activity relates to outcomes for people across material and non-material aspects of well-being as well as environmental sustainability. Ultimately, the quest for outcome measures requires the explicit connection with the quality of life of individuals and demographic groups (such as by age, gender, education, ethnicity, location) and the impact of economic activity on the environment.

2. When we consider the broader methodological framework for the system of economic statistics in better measuring the links between economic activity and the outcomes for citizens, society and the environment, there is also a need to consider the capacity and capabilities of the national statistical agencies to transform their operations and roles in the national statistical system to meet the new requirements with the use of new data, methods and technology.

B. UNSC Decision to Create FOC Group

3. The 50th Session of the United Nations Statistical Commission created a Friends of the Chair Group on Economic Statistics for two years to consider these issues. The commission:

- Requested the Friends of the Chair Group undertake an assessment on the efficiency, effectiveness and responsiveness of the governance of the current system of economic statistics
- Requested the Friends of the Chair Group to take stock of existing initiatives and make a recommendation to take these forwards in an update of the system of economic statistics through a broad user consultation;
- Requested the Friends of Chair Group take forward issues of the statistical update that have already reached a high level of maturity;
- Requested the Friends of the Chair Group to report back to the Statistical Commission in its 51st Session (2020) with a clear plan how to move forward

4. The Group has been operating since May 2019 and will provide the 51st Session of the United Nations Statistical Commission to a plan of how to move forward.

C. FOC Group First Meeting – May, New York

5. The first meeting of the Group was held at the United Nations HQ in New York from 28 to 30 May 2019. Chief Statistician of Statistics Canada, Anil Arora, chaired the meeting which included senior officials from ten NSOs and ten international or regional organisations (the full list of institutions is included in Attachment 1).

6. The agenda was divided into four sessions. During the first session members examined whether the current planned updates to the system of economic statistics address the current and future needs of users. The second and third session addressed the question of whether the current infrastructure that is in place (such as statistical frameworks, methods, classification systems, source data, technology, policies, and partnerships) are sufficient to address the needs of the future. The final session explored whether the appropriate governance exists to ensure a responsive, efficient and effective system of economic statistics.

7. While members engaged in a rich discussion it was agreed that further, more globally inclusive, discussion is required before a set of recommendations can be presented to the United Nations Statistical Commission. The FOC Group agreed that these discussions should take place within the existing network of working groups, task forces and high-level committees regularly attended by national and international statistical organizations.

8. The FOC Group also agreed to develop a specific set of questions they would like the groups to discuss. The network of existing groups, task forces and committees would be expected to provide feedback on their discussion to the Friends of the Chair Group by the next meeting of the FOC Group would be held in November or December 2019 in order to develop a series of recommendations that would form the basis of the FOC report back to the UN Statistical Commission in 2020.

9. The full report from this meeting can be seen at:

<https://unstats.un.org/unsd/trade/events/2019/FOCG/FirstMeetingoftheFOCG.asp>

D. Global working group consultation

10. In July 2019 Anil Arora (as Chair of FOC Group) wrote to the Chairs of 19 existing economic statistics working groups and the like, requesting they coordinate input from their groups on a set of consultation questions (the full list of groups consulted is included in Attachment 2). This feedback may be gathered through either written communication with members of the groups or via discussion at the group meetings if a meeting is being held over the coming months. Groups being consulted have been requested to provide their input by the end of October so that it can be considered by the second meeting of the FOC Group in December.

E. Regional consultation

11. FOC Group is also undertaking regional consultation seminars to ensure all countries have an opportunity to input into the process. The first consultation seminar was for the Asia-Pacific regions in Shanghai in June. The following seminars are planned for later in 2019:

- Americas: Santiago November 2019 in conjunction with the Conference of the Americas hosted by UN ECLAC
- Africa: Tunisia November 2019 in conjunction with the Committee of Director Generals of NSOs hosted by the African Union
- Asia-Pacific: December 2019 in conjunction with the SIAP Management Meeting

F. Questions to be considered by AEG

12. The Commission asked the FOC Group to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics. In order to help formulate their recommendations to the 51st UN Statistical Commission the FOC Group is requesting your feedback on the following questions.

13. By way of background to these questions, the system of economic statistics is defined to be:

- An overarching framework presently being the System of National Accounts along with the related macroeconomic manuals such as Balance of Payments, Government Finance Statistics, System of Economic-Environment Accounts
- Concepts and statistical methods pertaining to statistical (multi) domains such as for statistics on businesses, trade, labour, prices, globalisation, entrepreneurship, technology, living conditions.
- Methodology on the statistical production process related to data collection, processing, dissemination and analysis including supporting classification systems and statistical registers and frames
- Institutional infrastructure related to institutional policies (such as policies around data sharing), principles, organisation and management, and quality frameworks

14. Following are the questions the FOC Group are asking for responses to:

- I. The Friends of the Chair Group identified several priority areas for the update of the system of economic statistics. These included digitalization, globalization, economic well-being, economic inequalities, sustainability, climate change, intangible assets, household production, human capital and the informal sector. It was acknowledged that most of these priority areas are currently being addressed through global initiatives. ***In addition to the above, are there gaps / issues that have a global reach that need to be addressed?***

- II. NSOs are also being required to undertake significant institutional transformation including increasing use of new data sources, improving timeliness, addressing accuracy issues, introducing new data linking methods and processes, undertaking more granular analysis on the social and environmental impact of economic activity, and taking on new roles as data custodians for the use of administrative and big data. ***There are several initiatives (such as UNECE work on Data Sharing, the Eurostat work on Global Registers, High Level group on Modernization) currently underway supporting NSOs in their transformation? Is there a need for additional global initiatives that could support NSOs in their transformation?***

- III. The system of economic statistics (involving numerous institutions, committees and other governance arrangements) has developed somewhat organically over time, guided by common principles aiming to deliver a complete and coherent set of data on the economy. ***Does the governance structure supporting the key macroeconomic accounting frameworks (SNA, BOP, GFS, SEEA) need to be re-examined? If so, can you provide suggestions as to how the governance structure could be made more efficient and effective?***
- IV. Most of the current settings are focused on supporting the production of macro-economic data whereas increasingly users are demanding more granular insights. ***Given the increasing availability of disaggregated and microdata and notwithstanding challenges related to microdata access, how can the current mechanisms be reinforced or adapted to meet these needs, or are new mechanisms needed?***
- V. The system of economic statistics is often portrayed as reactive and slow in adjusting. ***Do you agree? if so, are new institutional arrangements needed to make it more responsive to changes in user and policy needs?***
- VI. Finally, there is significant innovation and experimentation of new methods and processes that take place outside of the realms of official statistics agencies, for example in academia. ***Do NSOs and International Organizations need to accelerate its pace of innovation and degree of experimentation?***

Attachment 1 – FOC Group Members

The NSO representatives are from the following countries: Australia, Austria, Brazil, Canada, Denmark, Indonesia, Italy, Mexico, Saudi Arabia, and USA.

The international organisations include: African Development Bank, Asian Development Bank, Eurostat, Inter-American Development Bank, International Monetary Fund (IMF), Islamic Development Bank, Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Africa, World Bank, and United Nations Secretariat.

Attachment 2 – Working Groups consultation list

Groups operating under UNSC:

Ottawa Group on Prices Indices, Delhi Group on Informal Sector Statistics, Wiesbaden Group on Business Registers, Voorburg Group on Service Statistics, London Group on Environmental Accounting, Oslo Group on Energy Statistics, Committee of Experts on Business and Trade Statistics, Global Steering Committee on the implementation of the Global Strategy to Improve Agricultural and Rural Statistics, Committee of Experts on Environmental-Economic Accounting, Expert Group on International Statistical Classifications, Advisory Expert Group on National Accounts

Other groups:

IMF BOPCOM, IMF GFS Advisory Committee, OECD Working Party National Accounts, OECD Working Party Financial Statistics, OECD Short Term Economic Statistics Working Party, OECD Working Party Trade in Goods and Services, Eurostat Director Group for Macroeconomic Statistics, ILO Meeting of Experts on Labour Statistics

Attachment 3 – Website Links

FOC Group landing page (includes information on the consultation process):

https://unstats.un.org/unsd/statcom/groups/FOCG_Econ/Default.cshtml

First meeting of the Group:

<https://unstats.un.org/unsd/trade/events/2019/FOCG/FirstMeetingoftheFOCG.asp>

First regional consultation meeting – Shanghai June 2019:

<https://unstats.un.org/unsd/trade/events/2019/Shanghai/default.asp>