Implementation of Quarterly National Accounts and High Frequency Indicators – a status report

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GDP Data is fundamental for Fund surveillance and policy.

Timelines and Periodicity are criteria to assess the quality/usability of GDP.

Implementation status help prioritize implementation
  ⇒ future TA and training.

IMF is a major provider of technical assistance for SNA (QNA) implementation
Themes of Queries from Fund Economists

**METHODOLOGY**
- Rebasings
- Benchmarking
- Quarterly National Accounts
- Data revisions
- Inter-agency cooperation
- Nowcasting

**Prices**
- Source data
- Inconsistent data
- Production approach
- Sector classifications
- Supply and use tables

**Forecasts**
- Forecasting
- Interpreting GDP data
- GDP volume estimation and chain linking

**Data Accuracy**
- Under or over stated GDP
- Inconsistent GDP data
- Timeliness of data
- Double deflation
- Administrative data
- Sectoral accounts
- Trade statistics
Usefulness of GDP Data = Annual Accounts Implementation?

Not Exclusively.
2. Methodological soundness:
   • quarterly value added and GDP at current and constant prices by activity
   • quarterly expenditures of GDP at current and constant prices

4. Serviceability
   • GDP estimates are compiled quarterly (SDDS), and disseminated within three months after the end of reference quarter (SDDS)
   • a set of consistent GDP estimates by activity and expenditure components is derived, and consistent with annual estimates

### SDDS Data Coverage, Periodicity, and Timeliness

<table>
<thead>
<tr>
<th>Category</th>
<th>Coverage</th>
<th>Periodicity</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP: nominal, real, and associated prices or price indices</td>
<td>— GDP in current prices and GDP volume by production approach, with disaggregated components; or — GDP in current prices and GDP volume by expenditure category, with disaggregated components</td>
<td>Q</td>
<td>1Q</td>
</tr>
</tbody>
</table>

Minimum Required Data Set (MRDS)

<table>
<thead>
<tr>
<th>Table number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAQ</td>
<td>GDP, value added and employment</td>
</tr>
<tr>
<td>Components</td>
<td>GDP in current prices and volume by production approach, with disaggregated components; or GDP in current prices and volume by expenditure category, with disaggregated components</td>
</tr>
<tr>
<td>Periodicity</td>
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</tbody>
</table>

**Quarterly GDP: International Standards**

**Data template for short-term statistics**

**DQAF**

**SDDS Data Coverage, Periodicity, and Timeliness**

- **GDP**: nominal, real, and associated prices or price indices
  - GDP in current prices and GDP volume by production approach, with disaggregated components; or GDP in current prices and GDP volume by expenditure category, with disaggregated components
  - Saving; Gross national income
### Production Index/es: International Standards

**Production Index: SDDS Data Coverage, Periodicity, and Timeliness**

<table>
<thead>
<tr>
<th>Category</th>
<th>Coverage</th>
<th>Prescribed</th>
<th>Periodicity</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Components</td>
<td>Industrial, primary commodity, or sector; coverage as relevant</td>
<td>M (as relevant)</td>
<td>6W (as relevant) (1M encouraged)</td>
<td></td>
</tr>
</tbody>
</table>

- **Coverage** to track GDP on a more timely basis.
- **Country specific: economic structure**
- **Support quarterly GDP**

**Data template for short-term statistics**

<table>
<thead>
<tr>
<th>Set 2: Production and turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Index of industrial production by major division (mining, manufacturing, electricity, water, etc.)</td>
</tr>
<tr>
<td>2.2 Production index for construction</td>
</tr>
<tr>
<td>2.3 Turnover index for retail trade</td>
</tr>
<tr>
<td>2.4 Turnover index for industry by major division</td>
</tr>
<tr>
<td>2.5 Turnover index for other services by major division (excluding financial services and non-commercial services)</td>
</tr>
<tr>
<td>2.8 Commodity production, as relevant and other indicators of economic activity</td>
</tr>
</tbody>
</table>

- **Used for policy, monitoring, and analysis**
- **Used as inputs** to the compilation of national accounts
57.4% of economies currently compile/disseminate quarterly GDP – **production approach at current prices**

62.1% of economies currently compile/disseminate quarterly GDP – **production approach in volume terms**

EUR has the highest implementation rate (about 95%), AFR and APD reach about 50%
48.7% of economies currently compile/disseminate quarterly GDP – expenditure approach at current prices

47.7% of economies currently compile/disseminate quarterly GDP – expenditure approach in volume terms

While EUR has the highest implementation rate (about 90%), AFR, MCD and APD reach about 22%, 30% and 43% respectively. WHD reaches about 53%.

STA estimates based on available metadata
70.8% of economies currently compile/disseminate some sort of production index.

Scope, frequency, and timeliness vary among counties. Industrial production index is the most commonly available indicator.

Other quality issues such as consistency with other statistics, coverage, methodologies, classification, techniques, revisions, and metadata vary across countries.

Although implementation may look better than that of GDP, quality issues in the available indicators may limit their usefulness.

- Frequency (includes annual data)
- Coverage (partial)
- Methodology (varied)

A more detailed assessment of these indicators is needed.
Capacity development missions in the regional centers (300+ mission per year) include the development and enhancement of quarterly GDP

STA (HQ and RTACs) conducts annual training courses on quarterly national accounts and on high frequency indicators of economic activity in all the regions
STA (RE) missions/training FY20
RTAC missions/training FY20
### Targeted Projects

<table>
<thead>
<tr>
<th><strong>The Enhanced Data Dissemination Initiative (EDDI2)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Module 1. Establishing compilation systems for GDP estimation, including developing source data</td>
</tr>
<tr>
<td>Countries: The Gambia, Liberia, Namibia, Nigeria, Sierra Leone, Zimbabwe.</td>
</tr>
</tbody>
</table>

| Module 3. Improving quarterly national accounts in selected fragile states |
| Countries: Afghanistan, Iraq, Kyrgyz Republic, Pakistan, Tajikistan, West Bank and Gaza, Yemen |

<table>
<thead>
<tr>
<th><strong>Improving Real Sector Statistics in Eastern and Southeastern Europe</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aims to provide better information on national accounts and prices (including QNA).</td>
</tr>
<tr>
<td>Countries: Armenia, Bosnia and Herzegovina, Georgia, Moldova, Montenegro</td>
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</tbody>
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<tr>
<th><strong>Data for Decisions (D4D) Multi-Partner Initiative Fund</strong></th>
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<tbody>
<tr>
<td>Module 1: Addressing Data Needs and Quality Concerns</td>
</tr>
<tr>
<td>Submodule: Real Sector Statistics  =&gt; Workstream: High-frequency Indicators of Economic Activity</td>
</tr>
<tr>
<td>=&gt; Workstream: Improved Source Data and Intermediate Statistics (including for QNA)</td>
</tr>
<tr>
<td>Countries: Low and low-middle income countries</td>
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</table>
Objectives:

• Help countries compile and disseminate real sector data to support policy analysis and formulation and detect economic risks and vulnerabilities;

• Bring more and better data into the public domain, thus enhancing transparency and accountability; and

• Offer technical advice on enhancing source data and promoting higher-frequency data.

Outcomes:

• Strengthen and harmonize existing monthly indicators of economic activity

• Develop new monthly indicators of economic activity exploit existing source data to increase the coverage of the HFI system

• Develop an overall Monthly Index of Economic Growth (MIEG) and for the main expenditure components
Conclusions

- GDP data in infra-annual frequency is useful (necessary) for policy making and concurrent assessment.

- Timely dissemination of quality quarterly GDP is not yet fully implemented in the world, some regions are lagging behind.

- Capacity Development plays an active and focused role in assisting countries implementing quarterly GDP.

- Over the last few years there has been a concerted effort in assisting countries in compiling new and enhancing monthly indicators of economic activity aiming at developing county economy-wide indicator of economic growth.

- ...and to support the development and quality enhancement of quarterly GDP, give additional verification measures (transparency).
Next Steps

Quarterly GDP

- Elaborate an assessment on the “work in progress”. What countries are working towards developing quarterly GDP
- STA to develop a more detailed database with current practices (metadata) by country – assessment tool
- Research practices regarding the use of SUT on a quarterly basis
- STA is working on developing a World QNA database to facilitate cross-country comparisons and the development of regional and world estimates

Production Indicators

- Finalize and disseminate the IMF working paper
- Develop a more detailed database with current practices (metadata) by country – assessment tool
THANK YOU