

Concept Note on the International Seminar on Timeliness, Methodology and Comparability of Rapid Estimates of Economic Trends

Background

1. The programme statement of United Nations Statistics Division/Department of Economic and Social Affairs (UNSD/DESA) at the fortieth Session of the United Nations Statistical Commission in 2009 calls for swift and coordinated statistical initiatives by countries and international organizations in response to the global economic crisis. These initiatives should focus on identifying and remedying data gaps to monitor the unprecedented financial and economic turmoil to allow for timely and measured policy responses as well as to improve the dissemination and communication on available relevant information. This call for action followed the extensive consultations with countries and international organizations during a series of high level meetings such as the *High Level Forum on the Long term Development of the SNA* held at the World Bank in Washington DC, November 2008, and the *High Level Forum on Globalization and Global Crisis* and the *Informal Meeting on the Global Financial Crisis and the Role of the Official Statistics* both held at the United Nations, New York in February 2009.
2. The UNSD/DESA programme of work for 2009 foresees a number of international seminars on economic and financial performance with the following topics: firstly, the methodology on generating high quality rapid or 'flash' estimates of economic performance, their international comparability, and the communication strategy of such estimates; secondly, the technical implications on SNA compilation arising from recent government interventions around the world; thirdly, the need to develop additional synthesis indicators on the performance of the real economy and the financial markets for effective monitoring.
3. This concept note pertains to the *International Seminar on Timeliness, Methodology, and Comparability of Rapid Estimates of Economic Trends* scheduled for Wednesday 27 to Friday 29 May 2009 and hosted by Statistics Canada, in Ottawa. UNSD and Eurostat in their yearly High-Level meeting agreed to jointly organize this seminar and obtained the support of Statistics Canada as co-organizer and host of the seminar.
4. It is expected that this seminar will lead to the preparation of a global assessment report and action plan for rapid estimates based on countries' analyses and priorities.
5. This expected outcome of the seminar should be appreciated as part of the overall regional and global assessment of the availability, timeliness and quality of basic economic statistics in the context of the SNA implementation programme as mandated by the Statistical Commission in its fortieth session in 2009. Moreover, the newly created

Interagency Group on Economic and Financial Statistics, consisting of the Bank of International Settlement (BIS), Eurostat, the European Central Bank (ECB), the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), the United Nations Statistics Division and the World Bank, has identified the need to work on an international agreed set of high frequency indicators to monitor the economic and financial crisis as part of an international collaboration programme between the statistical and central bank/regulatory authorities.

The purpose of the seminar

6. The present economic and financial crisis is characterized by its magnitude and speed, apart from its interconnected nature across all domestic sectors of the economy and its global cross border spill-over, impacting developed, emerging and developing economies alike. Analyst and policy makers urgently need high frequency statistics which are timely, reliable and comparable over time and between countries and regions to monitor the development of the crisis. These high frequency statistics are instrumental in the analysis of the turning points of the crisis in support of swift and synchronized policy actions.

7. The demand for the rapid estimates has increased considerably. However, the reliability of these rapid estimates and the timeliness with which they are published are often criticized. In part, this criticism reflects the need for clear communication about the rapid estimates, explaining the trade-off between timeliness and accuracy; the methodologies, source data, and assumptions used; and the accuracy of the rapid estimates relative to later estimates based on more complete data.

8. With the policy relevance determined, there is now an urgent need to establish a global and regional inventory of the types of rapid estimates on economic and financial performance released or in preparation by countries. This inventory should cover a broad range of indicators categorized by consumer prices, national accounts, business indicators, labour market indicators, external trade indicators, government debt and deficits, financial market indicators and economic sentiments. The inventory should establish the compilation and collection methodologies used to prepare these rapid estimates along with their communication strategies. Moreover, this inventory should not be limited to those indicators produced by national statistical offices but also include those prepared at country level by national central banks or other ministries, and those prepared at supra national level.

9. This inventory will render a repository of country practices offering descriptions of national practices in modelling, econometric and collection techniques for the different types of rapid estimates. The joint assessment of this inventory during the seminar should determine the work priorities for limited sets of regional and global rapid estimates for which comparability between countries are desirable and achievable in the immediate and more distant future.

Annotated agenda of the seminar

10. The seminar will be organized in five substantive sessions. Based on this annotated agenda, consultations will be held with invited countries and international organizations to work out the details of the individual sessions.

Wednesday 27 May

Morning session: Policy applications of rapid estimates as official statistics

11. In this session, after the introduction to the main objectives of the seminar, presentations will address the current use of the various categories of rapid estimates in monetary, fiscal and financial policy making. A user perspective is seen as an important input to a discussion, where among others, the preference of timeliness over quality/reliability will be discussed. A review on the magnitude of the backward revisions of the rapid estimates for countries with historical series could be included. Moreover, quality considerations will be given to the labelling of rapid estimates as official statistics estimated using trends, proxies, partial data, modelling, econometric and other techniques to extrapolate the limited observations for the reference period.

Afternoon session: The availability, timeliness and quality of rapid estimates

12. This session will present via a series of short presentations a selection of the existing releases of rapid estimates organized by regions and major categories along with the supporting documentation on compilation and collection methods. This overview by countries and regions would allow for an initial identification of a limited set of rapid estimates categorised by a limited set of headings.

13. Part of the afternoon session will discuss the practices from the viewpoint of the various economic activities. This discussion will render insight in country practices in compiling rapid estimates by economic activity.

14. The inventory of the rapid estimates should not be limited to the real economy but should include national and international practices in compiling and releasing rapid estimates on the stability and evolution of the financial markets.

Thursday 28 May

Morning session: Extrapolation, modelling, econometric and sampling techniques used in the preparation of rapid estimates

15. This session will provide an overview of the technical aspects of the preparation of rapid estimates, the problems with regard to the comparability across countries and the portability of these techniques (including software) to other countries and regions.

16. Apart from the more conventional extrapolation techniques using time series models and econometric techniques in preparing rapid estimates of the performance of the economy, innovative approaches will be demonstrated using reliable proxies to determine the turning points in the performance of real sector and financial markets. These innovative techniques are based on accelerated collections of leading indicators such as bankruptcy statistics or those indicators applicable to specific economic activities such as the freight traffic and passenger traffic as proxies for the performance of the transport sector. This session will elaborate on these innovative techniques, the proxy indicators and their reliability in determining the turning points in the crisis.

17. Where possible, an early assessment categorized by consumer prices, national accounts, business indicators, labour market indicators, external trade indicators, government debt and deficits, financial market indicators and economic sentiments will identify a limited set of rapid estimates for each category of indicators, for which the harmonization of the methodologies seems feasible in the near future.

Afternoon session: New requirements and the way forward

18. It is foreseen that part of the afternoon session will be organised in break out sessions by indicator sets to allow for more detailed strategic, conceptual and technical discussions. The outcomes of these discussions should feed into the Friday afternoon session when the global assessment report and regional action plans are considered.

Friday 29 May

Morning session: Dissemination and communication policy for rapid estimates

19. This session will render insight in various country practices in disseminating of and communicating about the rapid estimates through advance notices of release calendars, presentation of metadata, notices on revision cycles, commentaries along with the release of the data, interactions with main users, and the like.

Afternoon session: Global Assessment Report on rapid estimates

20. The last session will be used to draw up a global assessment report with clear delineations of actions at country level to advance the compilation and releases of rapid estimates. Progress in the implementation of the action plans could be shared in the next seminar tentatively scheduled for September 2009.

Organizers of the Ottawa seminar

21. This seminar will be jointly organized by UNSD/DESA, Eurostat and Statistics Canada in collaboration with countries, regional commissions and international organizations.

Participation

22. Senior officials from national statistical offices who have regular interactions with the national policy departments and the business community are invited with the intent to initiate a meaningful global discussion on the policy relevance of the high frequency estimates for monitoring monetary and fiscal policy making.

23. Senior representatives of the national statistical offices and their national counterparts in the Central Banks and/or Ministries of Finance are encouraged to attend this seminar to allow for country-level initiatives in strengthening the compilation of rapid estimates following their joint assessment of priorities.

24. With the objective to improve the geographical coverage, scope and quality of the rapid estimates to monitor of the systemic aspects of the present world economic crisis, this seminar will seek appropriate coverage of large systemic countries and appropriate regional representation. Based on these considerations, about 50 countries are invited.

25. With the role and responsibility of the regional commissions in strengthening basic statistical infrastructure under the SNA implementation programme and their reporting requirement on the economic and financial performance of the region, UNECA, UNECE, UNESCAP, UNECLAC and UNESCWA are invited.

26. Other partners such as UNDPAD/DESA, UNCTAD, UNIDO, ILO and FAO are interested in participating in this series of seminars given their mandates on statistical and policy reporting on the economic and financial performance of the global economy. The representatives from the Bank of International Settlement (BIS) and the European Central Bank (ECB) are invited in addition to the five member organizations of the Intersecretariat Working Group on National Accounts (ISWGNA) consisting of the Eurostat, IMF, OECD UNSD/DESA and World Bank.