Third International Seminar on Early Warning and Business Cycle Indicators

17 – 19 November 2010, Moscow, Russian Federation

Concept Note

Background

1.   The programme statement of the United Nations Statistics Division/Department of Economic and Social Affairs (UNSD/DESA) at the fortieth Session of the United Nations Statistical Commission in 2009 called for swift and coordinated statistical initiatives by countries and international organizations in response to the global economic and financial 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 of available relevant information. This call for action followed extensive consultations among 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, 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 included a number of international seminars on the methodology for generating high quality rapid (or 'flash') estimates of economic performance, their international comparability, the communication strategy of such estimates and the development of additional synthetic indicators on the performance of the real sector of the economy and the financial markets for effective monitoring.

3.   The first of these seminars, the *International Seminar on Timeliness, Methodology, and Comparability of Rapid Estimates of Economic Trends* took place in Ottawa on 27 - 29 May 2009 and was hosted by Statistics Canada. The main outcome of this seminar was the support for an international data template and the request to assess its relevance and feasibility in terms of the availability, periodicity, timeliness and dissemination of high frequency indicators by the international statistical community, as well as its relevance to users in satisfying analytical and policy needs. In addition, the meeting indicated the need to develop a glossary of terms and definitions for the high frequency statistics framework and its compilation methodology, and to update existing handbooks and guidelines on composite indicators, GDP flash estimates, and economic sentiment indicators given their extensive use in tracking economic activity.

4.   The second seminar of the series, the *International Seminar on Early Warning and Business Cycle Indicators,* took place in Scheveningen, The Netherlands on 14 - 16 December 2009 and was hosted by Statistics Netherlands. The seminar discussed the results from a global assessment of the data template on the availability, timeliness, comparability and dissemination of high frequency indicators, which was carried out as a follow-up to the first meeting. The meeting further discussed a range of early warning and business cycle indicators and techniques to derive information for tracking economic developments and identified key areas that would require further work. Breakout sessions on these topics have been organized that provided an initial assessment of the challenges and possible strategies for international work in these areas.

5.   To continue the work started in the breakout sessions of the Scheveningen seminar, five working groups were established following the main themes of the sessions, namely: i) flash estimates of gross domestic product; ii) the role of composite indicators in tracking business cycles; iii) the role of sentiment indicators in tracking economic trends; iv) the data template and analytical framework for assessing rapid economic changes; and v) communication and dissemination. The working groups have

subsequently developed their own terms of reference, have defined goals and deliverables and are currently proceeding with this work.

6.   Based on already existing work in these areas, the level and type of expected goals and deliverables vary among the working groups. However, all are intended to ultimately contribute to the increased availability and improved timeliness of indicators that allow the monitoring of economic development and identify turning points at an early stage.

Purpose of the third seminar

7.   It is expected that this third and final seminar will review the outcome of the work of the five working groups and formulate conclusions. The outcomes of the individual working groups will include inventories of existing compilation guidelines and country practices and, where applicable, proposals for new guidelines and recommendations in these areas.

8.   The seminar is expected to formulate recommendations for the monitoring of business cycles and early identification of turning points, as well as strategies for future work on improving statistical tools for this purpose. The outcome will be formulated as recommendations that will be presented to the United Nations Statistical Commission at its next session in March 2011.

Structure of the third seminar

9.   The seminar is expected to consist of tree distinct sessions. The first session will be a plenary session, during which the results of the work of the five working groups will be presented. It is foreseen that the discussion by all participants will identify relationships and dependencies between the outcomes of the working groups and thus highlight additional requirements for the expected deliverables.

10.   The second session will be organized as parallel meetings of the five working groups, continuing the work on their respective areas using the additional input obtained from the discussions in the first session.

11.   The third session of the seminar will draw on the additional conclusions of the working groups and formulate the final recommendations that will be presented to the United Nations Statistical Commission. These recommendations will be formulated under the overarching goal of the series of seminars, as requested at the fortieth session of the Commission in 2009.

Organizers of the Seminar

12.   This seminar will be jointly organized by UNSD/DESA, Eurostat, Statistics Canada, Statistics Netherlands and the Federal State Statistics Service (RosStat) of the Russian Federation in close collaboration and consultation with other countries, regional commissions and international organizations. The meeting will hosted by RosStat in Moscow, 17-19 November 2010

Participation

13.   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 continue the global discussion on the policy relevance of the high frequency indicators for monitoring monetary and fiscal policy making.

14.   Moreover, senior representatives of counterparts of the national statistical offices in the Central Banks and/or Ministries of Finance are invited to attend this seminar to facilitate country-level initiatives in strengthening the compilation of rapid estimates following their assessment of priorities.

15.   With the objective to improve the geographical coverage, scope and quality of the collection of high-frequency indicators, the seminar should have appropriate representation from large systemic countries as well as appropriate regional representation from other countries. Based on these considerations, about 50 - 60 countries will be invited, of which funding will be provided for developing countries.

16.   Considering the role and responsibility of the regional commissions in strengthening the 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.

17.   Other agencies/offices, such as UNDPAD/DESA, UNCTAD, UNIDO, ILO and FAO, are invited based on their mandates for statistical and policy reporting on the economic and financial performance of the global economy. All member organizations of the Intersecretariat Working Group on National Accounts (ISWGNA), i.e. Eurostat, IMF, OECD, UNSD/DESA and World Bank), as well as the Bank of International Settlement (BIS) and the European Central Bank (ECB) are expected to attend.