



Third International Seminar on Early Warning and Business Cycle Indicators

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Opening Remark

**Paul Cheung, Director
United Nations Statistics Division**

Mr Alexander Surinov, Head of Federal Service for State Statistics

Dear colleagues and participants,

On behalf of the United Nations, I would like to welcome you to the *Third International Seminar on Early Warning and Business Cycle Indicators*. I would like to take this opportunity to thank our host, the Federal Service for State Statistics of Russia (ROSTAT) and the National Research University –Higher School of Economics for their hospitality in hosting this important international seminar.

This international seminar is the third in a series of seminars addressing early warning and business cycle indicators co-organized by UNSD and Eurostat and with support of the member states. The first international seminar was hosted by Statistics Canada in Ottawa, Canada in May 2009 and the second hosted by Statistics Netherlands in the Netherlands in December 2009. We are grateful to Statistics Canada, Statistics Netherlands and Federal Service for State Statistics as well as the participating member states for their support and contributions.

These three international seminars have led to broad representation from more than 50 developed and developing countries and 15 international organisations and academic institutions. They have provided a broad platform for consultation with representatives from national and international statistical agencies and academic community in determining the statistical response to the economic and financial crisis.

The need to improve the measurement and monitoring of the rapid changes and vulnerabilities in national and global economies is as valid today as it was relevant at the depth of the recession. Most countries have now moved into positive territory in terms of growth and development since the financial crisis. But we must continue to build a system to fill in the identified data gaps for early warning and business cycle measurement. Without any doubt, the closing of these data gaps is as important for low and middle income countries as they are for large developed countries. The developing

economies are equally if not more vulnerable to internal and external shocks and it is necessary to build an early warning system for risk analysis and mitigation.

I understand that building a new system may put even more demand on an overstretched national statistical system. It is important therefore to stress the practical utility of this system to the policy makers which is to facilitate a rapid assessment of the direction and underlying growth momentum of the economy. The idea of creating a data template of a core set of short term economic statistics is to facilitate the governments to pull together existing short term data with specific leading, coincidence and lagging properties accessible at national level for purposes of early warning and business cycle analysis.

On our part, central to the joint UNSD-Eurostat initiative in formulating an international statistical response, is the consolidation of the structure of the data and meta-data of short term economic statistics and to offer advice to countries. This data template, to be useful, must of course be accompanied by supporting international methodological guidance for the component data and diagnostic.

In the Ottawa seminar, we looked at timeliness of data, the supporting methodologies, and the comparability of short term statistics used for the detection of economic trends. The main outcome of that seminar was the suggestion of an international data template and the request to assess its relevance and utility in terms of the availability, periodicity, timeliness of dissemination of high frequency indicators, and its relevance to users in satisfying analytical and policy needs. In addition, the Ottawa meeting indicated the usefulness of having reference materials on business cycle composite indicators, GDP flash estimates, and tendency surveys given their extensive use in tracking the business cycle of economic activity, in detecting turning points and in predicting economic growth.

The second seminar in the Netherlands discussed the results from a global assessment of the data template on the availability, timeliness, comparability in

disseminating high frequency indicators at country level. The meeting further reviewed a range of early warning and business cycle indicators and techniques to improve the message the short-term economic statistics deliver in tracking economic developments and in identifying key areas that would require further work. Subsequently, working groups composed of countries and international organisations were created to continue the dialogue and propose concrete actions and outputs in the area of Flash estimates of GDP, business composite indicators, tendency surveys, data template and analytical indicators, and communication and dissemination strategies for short term economic statistics.

Here in Moscow, being the third and last international seminar in its series, we are at a critical juncture to come up with recommendations for a forward looking and coordinated international program for short term economic statistics in response to the economic and financial crisis.

Looking at the agenda, the volume and quality of the papers and presentations for this Third International Seminar, the Working Groups are to be congratulated in having delivered on their promise by articulating concrete and detailed outputs and road maps for your consideration. It is here in Moscow, that consensus should be reached on these outputs and the coherence of the package of recommendations to advance the work on short term economic statistics. In our deliberations, we will clearly benefit from the presence of a large number of representatives from the Russian and international academic community specialised in the use of short term statistics for purposes of early warning and business cycle monitoring.

I have two specific requests to make. First, I like to seek your views on the relevance and utility of business tendency surveys and business cycle composite indicators and how to mainstream these types of indicators in the domain of official statistics. The component data and their composite indicators have proven their value in detecting tendencies in consumer sentiments and business climate and turning points in the business cycle, but have so far not been fully recognised as being part of official

statistics. Including these component data and indicators in official statistics would require new Handbooks or manuals based on best country practices and reaching out to the statistical and academic community in sharing their knowledge of methods, techniques and practices.

I would also like to invite you to express your continuous commitment to actively support this programme of work on short term economic statistics as part of the national and global statistical agenda. This commitment is even more important today when countries and international agencies are confronted with belt tightening measures for their statistical programmes and priorities in the programmes have to be set. I welcome your input to facilitate the initial discussion by the UN Statistical Commission on short term indicators at its 2011 sessions.

In closing, I would like to wish you a successful conference and look forward to your input on the development of short term economic statistics.