



# **Short-term Economic Indicators**

**ESCWA/UNSD Expert Group Meeting on National Accounts  
and Economic Statistics**

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# Outline of presentation

- Introduction
- Response to the global financial and economic crisis
- Work on short-term economic statistics
- Short term indicator data template



# Introduction

- 2008 SNA the overarching framework for economic statistics, able to incorporate measurement issues arising from the financial crises
- There was not a lack of information
- Policy makers need the early detection of turning points of financial and economic trends
- Remedy data gaps that the crisis has revealed
- Improve the availability, periodicity and timeliness of high frequency statistics in accessible and analytically useful formats



## Response to the global financial and economic crisis

- Countries and international organizations launched coordinated statistical initiatives
  
- The focus of the initiatives were
  - Identifying and remedying data gaps to monitor rapid changes in economic activity,
  - To allow for timely and measured policy responses, as well as
  - To improve the dissemination and communication of available relevant information



## Work on short-term economic statistics

- IMF initiative with IAG to look at data gaps for G20 countries
- Joint initiative by UNSD and Eurostat in collaboration with Statistics Canada, Statistics Netherlands, and Russian Federal State Statistics Service based on recommendations of 3 international seminars
- Discussion moderated through
  - 3 Seminars
  - Eurostat colloquium



# Work on short-term economic statistics – 4 themes

## Rapid Estimates

- Policy need for early official assessment of short-term changes in economic activities
- Aims to provide best practices and harmonized principles and terminology
- Global assessment to obtain glossary of terms and inventory from countries on rapid estimates
- Develop handbook on rapid estimates to provide guidance



## Work on short-term economic statistics – 4 themes

### Business Cycle Composite Indicators

- Develop guidance on the compilation, presentation and interpretation of business cycle composite indicators
- Handbook will be useful for those that want to compile business cycle composite indicators, but
- Also those compiling and releasing short term economic statistics used as component data for the construction of cyclical indicators.



## Work on short-term economic statistics – 4 themes

### Tendency Surveys

- A reliable system of qualitative short term indicators to complement the system of quantitative short term statistics
- Tendency surveys are cost effective for generating timely information on short term economic development
- Handbook will build and expand on the current guidelines of the European Commission and OECD on tendency surveys





## Work on short-term economic statistics – 4 themes

### Data Template and Analytical Indicators

- Establish an internationally accepted data and metadata template for short-term economic indicators
- To develop a guide on the data template and reference metadata structure to assist the compilation of the short term indicators
- Explore feasibility of centralized national data hubs
- Using modern data sharing and exchange techniques, such as SDMX and modern visualization tools for data dissemination and communication



# Outcome of UNSC Discussions

- Endorsed proposed programme, deliverables and governance structure
- Implementation to take into account requirements of
  - National accounts
  - National statistical system
  - Other national governance arrangements

## **Member States encouraged to:**

- Set up national central data hubs on voluntary basis with flexible time frame
- Submit compilation practices and use of short-term economic indicators to Knowledge Base on Economic Statistics



# Outcome of UNSC Discussions

## UNSC

- Urged international and regional orgs to harmonise practices on short-term economic indicators
- Requested to strengthen training and capacity building
- Requested to report back to Commission in due course with detailed work programme on short-term economic statistics
  - Resources required
  - Implementation limitations

# Short term indicator data template



	<b>Set 1: National accounts</b>
	<b>Set 2: Production and turnover</b>
	<b>Set 3: Price Indicators</b>
	<b>Set 4: Labour market indicators</b>
	<b>Set 5: External sector indicators</b>
	<b>Set 6: Financial sector indicators</b>
	<b>Set 7: General government sector indicators</b>
	<b>Set 8: Household sector indicators</b>
	<b>Set 9: Non-financial corporations sector indicators</b>
	<b>Set 10: Financial market indicators</b>
	<b>Set 11: Real estate market indicators</b>
	<b>Set 12: Economic sentiment</b>



# Short term indicator data template

	Indicator description
	<b>Set 1: National accounts</b>
<b>1.1</b>	<b>Quarterly national accounts: Flash GDP estimate</b>
<b>1.2</b>	<b>Quarterly national accounts: GDP full release</b>
<b>1.2.1</b>	<b>by expenditure</b>
<b>1.2.2</b>	<b>by production</b>
<b>1.2.3</b>	<b>by income</b>
<b>1.3</b>	<b>Quarterly sector accounts</b>



## **Set 2: Production and turnover**

<b>2.1</b>	<b>Production index for industry, by major division (mining, manufacturing, electricity, water, etc.)</b>
<b>2.2</b>	<b>Production index for construction</b>
<b>2.3</b>	<b>Turnover index for retail trade by major division</b>
<b>2.4</b>	<b>Turnover index for industry by major division</b>
<b>2.5</b>	<b>Turnover index for other services by major division (excluding financial services and non-commercial services)</b>
<b>2.6</b>	<b>New orders index for industry by major ISIC division (for those that work on order)</b>
<b>2.7</b>	<b>New orders index for construction (building permits or housing starts)</b>
<b>2.8</b>	<b>Commodity production (as relevant at country level data on commodity productions and other indicators of economic activity)</b>
	<b>Agricultural products</b>
	<b>Minerals</b>
	<b>New car registrations/sales</b>
	<b>New commercial vehicle registrations/sales</b>
	<b>Tourist arrivals</b>



## Short term indicator data template

	<b>Set 3: Price Indicators</b>
<b>3.1</b>	<b>Consumer price index</b>
<b>3.2</b>	<b>Producer price index</b>
<b>3.3</b>	<b>Import price index</b>
<b>3.4</b>	<b>Export price index</b>
	<b>Set 4: Labour market indicators</b>
<b>4.1</b>	<b>Unemployment</b>
<b>4.2</b>	<b>Unemployment rate</b>
<b>4.3</b>	<b>Employment total and by economic activity</b>
<b>4.4</b>	<b>Hourly wage rate</b>
<b>4.5</b>	<b>Hours of work</b>



## **Set 5: External sector indicators**

- |            |   |
|------------|---|
| <b>5.1</b> | <b>Exports and imports (of goods and services)</b>                              |
| <b>5.2</b> | <b>International investment position (IIP), specify balances and components</b> |
| <b>5.3</b> | <b>Official reserve assets</b>  |
| <b>5.4</b> | <b>External debt (by sector, maturity and foreign currency)</b>                 |

## **Set 6: Financial sector indicators**

- |             |  |
|-------------|--|
| <b>6.1</b>  | <b>Central Bank net foreign assets</b>   |
| <b>6.2</b>  | <b>Central Bank domestic lending</b>   |
| <b>6.3</b>  | <b>Central Bank reserve money</b>  |
| <b>6.4</b>  | <b>Depository corporations net foreign assets</b>  |
| <b>6.5</b>  | <b>Depository corporations domestic lending</b>  |
| <b>6.6</b>  | <b>Depository corporations broad money liabilities</b>   |
| <b>6.7</b>  | <b>Other financial corporations balance sheet, assets and liabilities by sector.</b>   |
| <b>6.8</b>  | <b>Financial corporate profits</b>   |
| <b>6.9</b>  | <b>Financial corporate debt</b>  |
| <b>6.10</b> | <b>Others as relevant: nonperforming loans of depository corporations, capital adequacy ratios, other financial stability indicators, etc.</b> |





## **Set 7: General government sector indicators**

**7.1 Revenue**

**7.2 Expense**

**7.3 Net operating balance (= Revenue – Expense)**

**7.4 Net acquisition of non-financial assets**

**7.5 Expenditure**

**7.6 Net lending/net borrowing (= Revenue - Expenditure)**

**7.7 Gross debt**

## **Set 8: Household sector indicators**

**8.1 Household disposable income**

**8.2 Household saving**

**8.3 Household debt**

**8.4 Other as relevant: disposable income, debt service and principal payments, household debt, etc.**



## **Set 9: Non-financial corporations sector indicators**

**9.1 Non-financial corporate profits**

**9.2 Non-financial corporate debt**

**9.3 Other as relevant.**

## **Set 10: Financial market indicators**

**10.1 Interest rates, as relevant short and long term money and bond market rates**

**10.2 Exchange rates, as relevant spot and forward markets**

**10.3 Nominal and real effective exchange rate**

**10.4 Stock market indicators**

**10.5 Others as relevant : spreads between lending and deposit rates, highest-lowest interbank rate; etc.**



	<b>Set 11: Real estate market indicators</b>
<b>11.1</b>	<b>Residential property price index</b>
<b>11.2</b>	<b>New house sales</b>
<b>11.3</b>	<b>Existing house sales</b>
	<b>Set 12: Economic sentiment</b>
<b>12.1</b>	<b>Consumer confidence</b>
<b>12.2</b>	<b>Business confidence</b>
<b>12.3</b>	<b>Composite Business Cycle Indicators</b>
<b>12.3.1</b>	<b>Leading Indicator</b>
<b>12.3.2</b>	<b>Coincident Indicator</b>
<b>12.3.3</b>	<b>Lagging Indicator</b>



- Countries already compiling short-term economic indicators:
  - should align their data-set to the UNSC recommended data template
- Countries in the process of setting up system to compile short-term economic indicators:
  - should choose indicators from the UNSC recommended data template
- UNSD may provide technical assistance, when requested, in capacity building for short-term indicators specially relating to sets 1 and 2



Thank You

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