



Short term indicators

Seminar on developing the capacity to produce economic statistics,
including national accounts in accordance with the 2008 SNA, in the
Asian and Pacific region
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Introduction

- ▶ A series on meetings at the end of 2008 and beginning of 2009 in reaction to economic and financial crisis
- ▶ The G20 Summit of April, 2009
- ▶ International seminars organised by United Nations Statistics Division and Eurostat

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Consultations on the crisis

- ▶ High Level Forum the Long-term Development the SNA, Washington D.C. , 17-18 November
- ▶ Official Statistics and the Impact of the Global Financial Crisis, New York, 22 February
- ▶ High Level Forum on Globalization and Global Crisis: the role of Official Statistics, New York, 23 February
- ▶ 40th Session of the Statistical Commission

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Outcome of the consultations on the crisis

- ▶ 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

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International coordinated response

- ▶ The G20 Summit of April, 2009 called for:
- ▶ the UN, working with other global institutions, to establish an effective mechanism to monitor the impact of the crisis on the poorest and most vulnerable
- ▶ the IMF and FSB to explore information gaps and provide appropriate proposals for strengthening data collection.

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International coordinated response

- ▶ the United Nations System Chief Executives Board for Coordination (CEB) at its April 2009 meeting in Paris decided to "... urgently establish an United Nations system-wide vulnerability monitoring and alert mechanism to track developments, and report on the political, economic, social and environmental dimensions of the crisis".
- ▶ the Secretary-General initiated activities to establish an UN system-wide Global Impact and Vulnerability Alert System (GIVAS) - consisting of a Global Impact and Vulnerability Data Platform and a series of Global Alert Products.

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Inter Agency Group on Economic and Financial Statistics

- IMF (Chair), BIS, ECB, Eurostat, OECD, UN, WB established the IAG to coordinate work to explore data gaps and strengthen data collection
- The IAG Group addresses
 - key issues related to information gaps on risks in the financial sector,
 - data on international financial networks
 - vulnerabilities of domestic economies to shocks and
 - the development of the website on Principle Global Indicators (PGI)

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International seminars on short term indicators

- ▶ UNSD and Eurostat initiated a series of three international seminars.
- ▶ The purpose of the seminars was to formulate an international statistical response to the economic and financial crisis for improved monitoring of the rapid and systemic changes in the global real economy and the financial markets and the impacts on vulnerable countries and population groups.

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International seminars on short term indicators

- ▶ The financial crisis revealed the need for short term indicators for the early detection of changes in economic trends
- ▶ The availability of structural and annual data tell us about the past
- ▶ The need is for information about the present
- ▶ This will facilitate more timely policy responses
- ▶ Data collection practises need to be adapted to facilitate the dissemination of short term indicators
- ▶ Short term indicators are also relevant for expanding the scope and detail of the national accounts

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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

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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.

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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

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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

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Data template

Purpose

- ▶ **Economic monitor** for macroeconomic surveillance
 - Early warning signals and business cycle monitoring
- ▶ **SNA compliant** and compliant with other internationally accepted standards: BPM, prices, business statistics, etc.

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Data template

- ▶ Scope
 - 12 categories (national accounts, production, prices, markets (labor, real estate and financial markets) and sectors (government, financial, non-financial, household and external sector)
 - Periodicity and timeliness (monthly and quarterly)

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Data template

- ▶ Macro structure for 12 categories:
 - Tier 1 (internationally accepted core set)
 - Tier 2 and 3: strategic indicators (sectoral accounts and “new” indicators but less available) and country specific indicators
 - Adaptable to specific sectoral policy needs: agriculture and rural development and industrial sector indicators
 - Flexible for alternative groupings for policy purpose (e.g. housing sector, financial sector, household consumption, etc.)

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Meta data structure

- ▶ Standard harmonized structure
 - Short description (basic information for statistical indicator – at international level)
 - Detailed description (SDMX format with structured methodological description – propose limited “chapters” at country level)
- ▶ Supporting internationally accepted statistical standards and country practices
 - UN Knowledge Base on Economic Statistics
 - Methodological gaps identified related to Data template (e.g. new order index, production index for construction)

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National centralized data hubs

- ▶ Single access point in countries:
 - standard internationally accepted data and meta data dissemination template of short term indicators (“Economic Monitor”)
 - tool for improved accessibility of data
 - tool for harmonization and improved comparability of statistics and indicators
 - tool for standardization of data transmission

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Short term indicator data template

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


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Short term indicator data template

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


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	Set 2 Production and turnover
 2.1	Production index for industry, by major division (mining, manufacturing, electricity, water, etc.)
2.2	Production index for construction
2.3	Turnover index for retail trade by major division
2.4	Turnover index for industry by major division
2.5	Turnover index for other services by major division (excluding financial services and non-commercial services)
2.6	New orders index for industry by major ISIC division (for those that work on order)
2.7	New orders index for construction (building permits or housing starts)
2.8	Commodity production (as relevant at country level data on commodity productions and other indicators of economic activity)
	Agricultural products
	Minerals
	New car registrations/sales
	New commercial vehicle registrations/sales
	Tourist arrivals

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

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	Set 5: External sector indicators
 5.1	Exports and imports (of goods and services)
5.2	International investment position (IIP), specify balances and components
5.3	Official reserve assets
5.4	External debt (by sector, maturity and foreign currency)
	Set 6: Financial sector indicators
6.1	Central Bank net foreign assets
6.2	Central Bank domestic lending
6.3	Central Bank reserve money
6.4	Depository corporations net foreign assets
6.5	Depository corporations domestic lending
6.6	Depository corporations broad money liabilities
6.7	Other financial corporations balance sheet, assets and liabilities by sector.
6.8	Financial corporate profits
6.9	Financial corporate debt
6.10	Others as relevant: nonperforming loans of depository corporations, capital adequacy ratios, other financial stability indicators, etc.

	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.

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

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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

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Outcome of UNSC Discussions

- 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

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Outcome of UNSC Discussions

- Urged international and regional orgs to harmonise practices on short-term economic indicators
- Requested to strengthen training and capacity building
- Incorporate programme on short term statistics with the 2008 SNA implementation programme,
- Requested to report back to Commission in due course with detailed work programme on short-term economic statistics
 - resources required
 - implementation limitations

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Thank You

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