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Short-term economic statistics

A global response to the economic and financial crisis

International Workshop on Short-term Statistics

18-20 May 2015
Beijing, China

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- Financial crisis of 2007–2008 – Global financial crisis – is considered by many to be “the worst recession since the 1930s”

- Three major challenges
 - solvency
 - funding and
 - liquidity constraints



Impact of the financial crisis

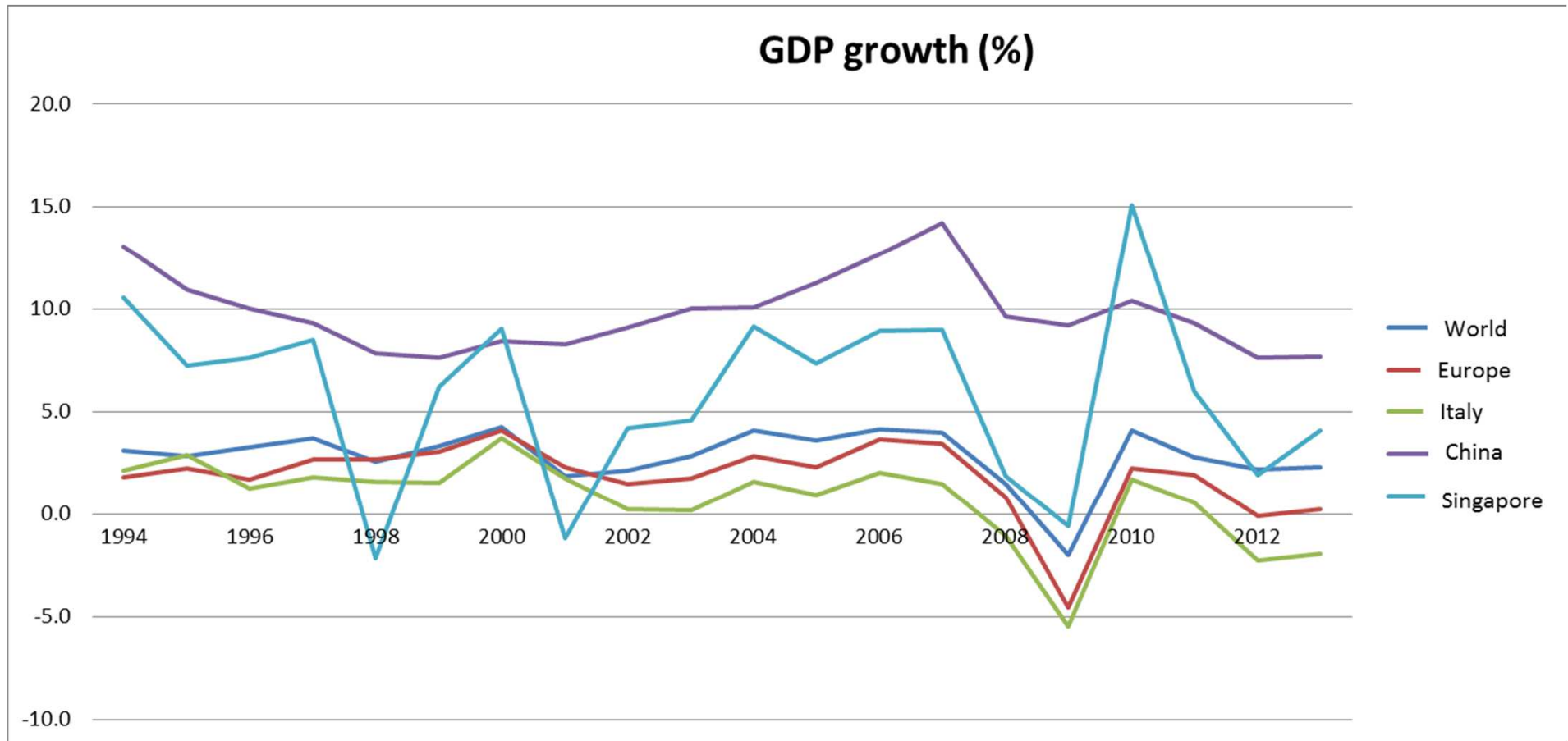
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- The crisis spread rapidly through both financial and trade linkages
- Tremendous downward pressure on economic activity worldwide
- Worldwide per capita GDP declined in 2009
- Employment situation deteriorated and gains achieved over the past were lost



Gross Domestic Product (GDP) Annual growth rate (%)

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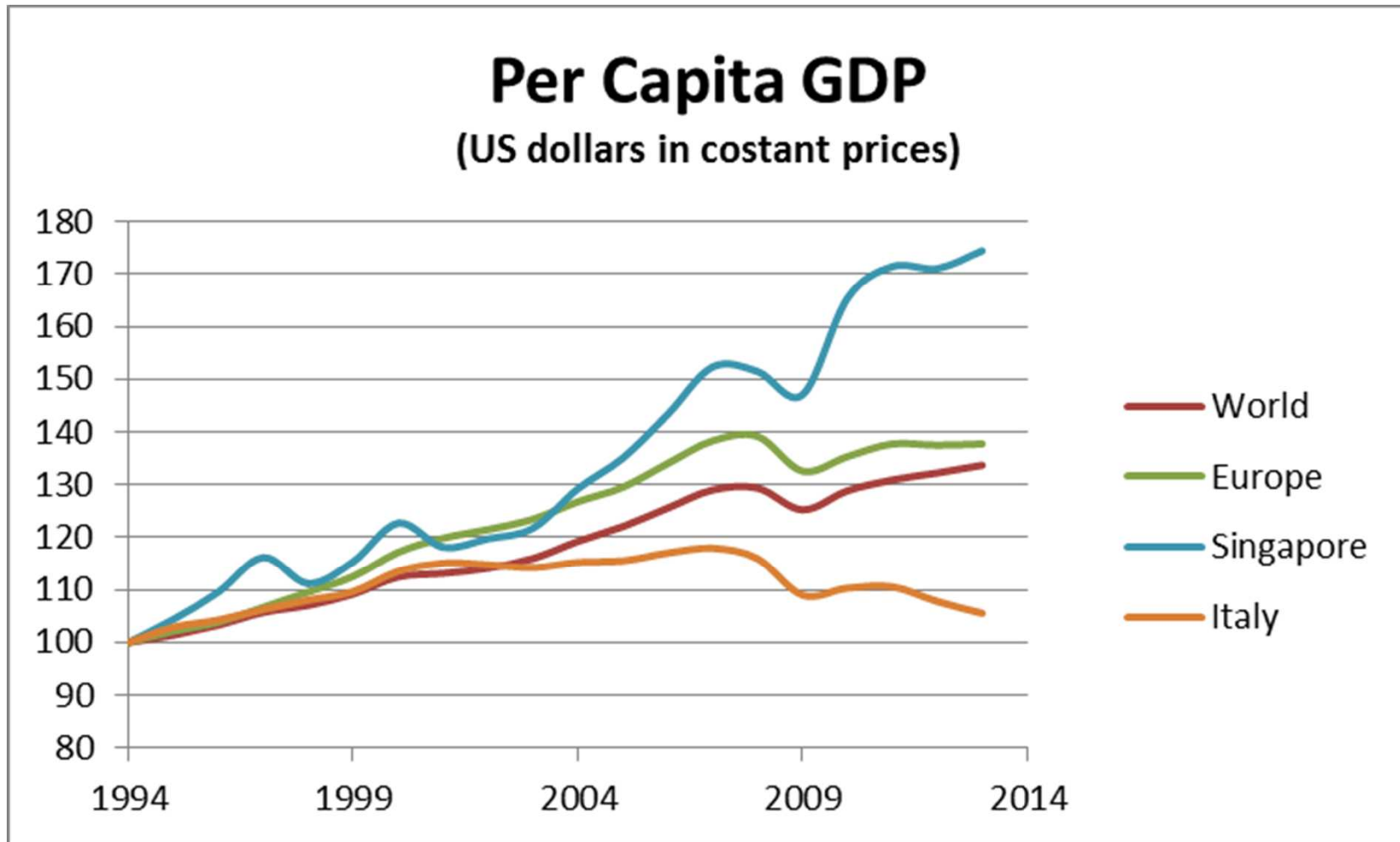


Source: 2013 National Accounts Statistics: Main Aggregates and Detailed Tables, UNSD



Per Capita GDP (1994 = 100)

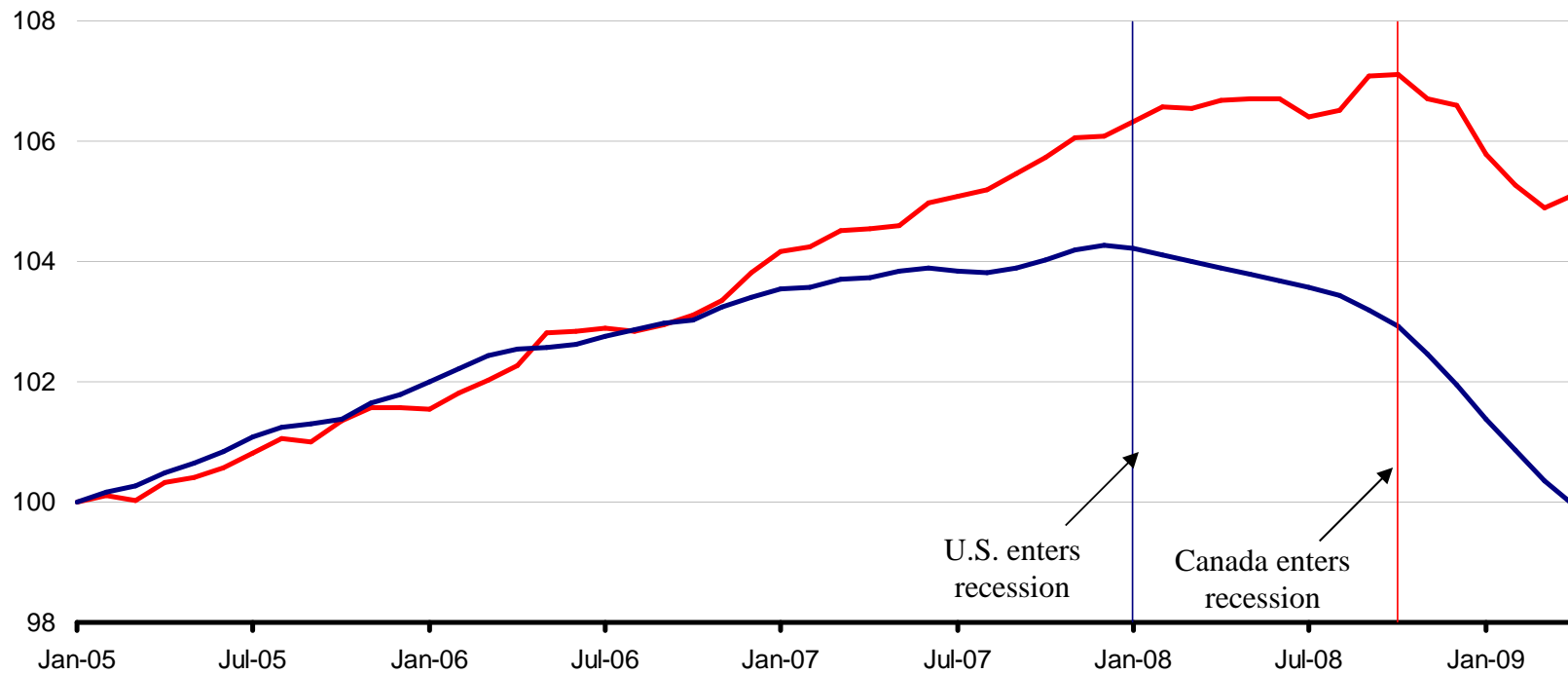
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Source: 2013 National Accounts Statistics: Main Aggregates and Detailed Tables, UNSD



Index of Total Employment



Sources: Statistics Canada; U.S. Bureau of Labor Statistics .



- Global statistical response
- What are short term statistics?
- Uses of short term statistics
- International Programme on short-term economic statistics
 - Cyclical composite indicators
 - Data template and analytical indicators
 - Economic tendency surveys
 - Rapid estimates
- Objectives of this Workshop



- The international statistical community came together to:
 - discuss the role of official statistics (e.g. monitor trends, measure impacts, provide early warnings)
 - mobilize efforts to identify and remedy data gaps for monitoring economic shocks as well as to improve the dissemination and communication of relevant information already available
- A series on meetings at the end of 2008 and beginning of 2009 in reaction to economic and financial crisis



Outcome of the consultations on the crisis

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- The 2008 SNA is the overarching framework for economic statistics; it incorporates measurement issues arising from the financial crises;
- There was not a lack of information, but data gaps;
- Policy makers need the early detection of turning points of financial and economic trends;
- Remedy data gaps that the crisis had revealed;
- Improve the availability, periodicity and timeliness of short-term statistics in accessible and analytically useful formats.



Consultation on the economic and financial crisis

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- There were two major initiatives:
 - The Inter Agency Group (IAG) on Economic and Financial Statistics was established following the G20 Summit, April 2009;
 - The United Nations Statistics Division and Eurostat organized a series of International Seminars, 2008 and 2009.



- IMF (Chair), BIS, ECB, Eurostat, OECD, UN, WB established the IAG to coordinate work on the G20 Data gaps initiative
- The Inter Agency Group (IAG) addresses:
 - key issues related to information gaps on risks in the financial sector
 - data on international financial networks
 - vulnerabilities of domestic economies to shocks
 - the development of the website on Principle Global Indicators (PGI)



- UNSD and Eurostat initiated a series of three international seminars (2008-2009)

- 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.



International Seminars on short-term statistics

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- The financial crisis revealed the need for short-term statistics 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 to facilitate more timely policy responses
- Data collection practises need to be adapted to facilitate the dissemination of short-term statistics
- Short-term statistics are also relevant for expanding the scope, detail and quality of the national accounts



What are short-term statistics?

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Statistics compiled and disseminated on

- Daily basis (e.g. gas prices, stock market price index)
- Weekly basis (e.g. unemployment claims)
- Monthly basis (e.g. consumer price index)
- Quarterly basis (e.g. Quarterly GDP)

to track short term development in various aspect of the economy



- Policy, monitoring and analysis
 - Provide early warning system on occurrence and timing of economic upturns and downturns
Example: Cyclical composite indicators and tendency indicators
 - Measure short-term impact of internal and external shocks
 - Support formulation of national budgets
Some national budgets are proposed and discussed in fourth quarter of calendar year and require various short-term statistics as inputs
 - Allow for prompt and effective fiscal and monetary policy response
 - Allow for forecasting and modelling



- **Statistical uses**
 - Input to compilation of national accounts
 - Quarterly consumer, producer, export and import price indices can be used as deflators to calculate quarterly GDP in volume terms
 - Quarterly index of production and retail sales index can be used to calculate production-based quarterly GDP in volume terms
 - Retail sales index can be used to track changes in household consumption in volume terms
 - Input to construction of other short-term indicators
 - Example: Composite leading, lagging and coincident indicators
 - Input to short-term forecasting of the economy



International Programme on short-term economic statistics

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- Joint initiative by UNSD and Eurostat in collaboration with Statistics Canada, Statistics Netherlands and the Russian Federal State Statistics Services.
- Based on the outcome of the 3 International Seminars:
 - International Seminar on Timeliness, Methodology and Comparability of Rapid Estimates of Economic Trends, Canada, May 2009;
 - International Seminar on Early Warning and Business Cycle Indicators, Netherlands, December 2009;
 - Third Seminar on Early Warning and Business Cycle Indicators, Russian Federation, November 2010.
- Consultation with the academia:
 - European Colloquium on Modern Tools for Business Cycle Analysis, Eurostat, September 2010.
- Endorsed by the UN Statistical Commission.



Overall objective:

- *provide standard methodology for generating high-quality early warning and business cycle indicators to ensure their international comparability and communication strategy for such indicators.*

Four thematic areas were identified:

- Economic tendency surveys;
- Cyclical composite indicators;
- Data template and analytical indicators;
- Rapid estimates.



- Economic tendency surveys provide cost-effective means of generating timely information on short-term economic developments.
- They serve as integral part of early warning system.

Objective of work programme:

- To provide best practices and harmonized principles on tendency survey sample selection, questionnaire design, survey questions, survey execution, data processing and use of composite tendency indicators



Working group:

- Italian National Institute of Statistics (ISTAT) (lead agency)
- KOF Swiss Economic Institute
- Statistics Netherlands (CBS)
- Philippine Statistics Authority
- The Organisation for Economic Co-operation and Development (OECD)
- UNSD

Deliverables:

A Handbook on Economic Tendency Surveys to provide an internationally accepted set of guidelines applicable to all countries and multiple economic activities.



- These indicators address ongoing concerns of assessing short-term changes in economic activities.
- They serve as an integral part of the early warning system because they provide information about the occurrence and timing of upturns and downturns of the economy.
- There is no existing international statistical guidance on their compilation.
- **Objective of work programme:**
 - To provide best practices and harmonized principles on the compilation and reporting of business cycle composite indicators



Working group:

- Statistics Netherlands (lead agency)
- Eurostat
- The Conference Board
- UNSD

Deliverables:

- A Handbook on Cyclical composite indicators to address the standards for the compilation and presentation of the business cycle composite indicators.



Objective of work programme:

- To establish an internationally accepted data and metadata template for short-term economic indicators for the purpose of macroeconomic surveillance, early warning of economic and financial vulnerabilities and detection of turning points in business cycles



Working group:

- UNSD (lead agency)
- Eurostat
- Brazilian Institute of Geography and Statistics (IBGE)
- Ministry of Statistics and Programme Implementation, India

Deliverables:

- An internationally accepted data template together with corresponding reference metadata,
- A statistical guide for the internationally accepted data template and metadata structure
- An updated knowledge base on economic statistics



- Indicators that are available with a relatively shorter time lag.
- They provide the first official assessment of short-term changes in economic activities.
- Rapid estimates (i.e., nowcasts, flash estimates, advanced/preliminary estimates) are regularly compiled in several countries and have become a referential statistical product for many statistical institutions.

Objective of the work programme:

- To develop international statistical guidelines on best practices and harmonized principles for the compilation and reporting of rapid estimates of key macroeconomic indicators.



Working group:

- Eurostat (lead agency)
- UNSD
- Statistical offices of: Netherlands, Mexico, Singapore and South Africa

Deliverables:

- A Glossary of terms;
- A Handbook on rapid estimates to:
 - a) provide international statistical guidance for the compilation and reporting of rapid estimates; and
 - b) assist compilers in producing rapid estimates of key short-term macroeconomic indicators in a comparable manner, using best international practices.



Objective of this Workshop

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- To provide training on the compilation and dissemination of short term economic statistics;
- To share country practices and experiences on the collection, compilation and dissemination of short-term statistics;
- To take stock of the status of implementation and challenges in the compilation of short term statistics in the region;
- All material presented in the Workshop will be available at:

<http://unstats.un.org/unsd/nationalaccount/workshops/2015/Beijing/lod.asp>

To contact us, please email at:

sna@un.org





Thank you!