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

United Nations Statistics Division
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
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 (%)

Source: 2013 National Accounts Statistics: Main Aggregates and Detailed Tables, UNSD
Per Capita GDP (1994 = 100)

Source: 2013 National Accounts Statistics: Main Aggregates and Detailed Tables, UNSD
Index of Total Employment

Outline

- 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
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.
There were two major initiatives:

- The Inter Agency Group (IAG) on Economic and Financial Statistics was established following the G20 Summit, April 2009;

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.
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 practices 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?

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
Uses of short-term economic statistics

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**

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:


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.
Cyclical composite indicators

- 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.
Rapid Estimates

**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

- 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:
  

To contact us, please email at:

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Thank you!