Introduction to handbook on rapid estimates

International workshop on short-term statistics

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United Nations Statistics Division
Outline of presentation

- Introduction to rapid estimates
- Objectives
- Governance structure
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What is a rapid estimate?

- Rapid estimate, also called early estimate, refers to a timely numerical evaluation (i.e. an estimate) of an economic variable of interest, using the real-time data flow, in such a way that an early picture of the present, the recent past or the near future can be formed.

Real-time data flow

- Is the information set available to people (official statisticians, researchers, etc.) at a specific point in time.
  - Includes soft, hard, financial data.
  - Usually provides an incomplete data coverage of the reference period at a specific point in time.
Objectives

- Provides international statistical guidance based on best practices and harmonized principles for the compilation and reporting of rapid estimates
- Outlines practical and suitable compilation methods and issues, drawing on a wide range of experience and expertise
Objectives

- Assists compilers in producing rapid estimates of key short-term macroeconomic indicators in a comparable manner, using best international practices
- Assists countries that plan to set up a more comprehensive system of estimates of key macroeconomic indicators by
  - Providing methodological foundations for the compilation of rapid estimates
  - Offering practical guidance on individual steps and elements of the compilation process
Governance structure

- Working group was established to prepare handbook:
  - Eurostat (lead)
  - United Nations Statistics Division
  - Statistics Netherlands
  - National statistics offices of Mexico, Singapore and South Africa

- Various experts are contributing to the preparation of the draft chapters
Outline

Six parts comprising 17 chapters
Annex (Glossary)
Chapter 1: Introduction: objectives, definitions, costs and benefits of rapid estimates
- Discusses the importance of timely economic information and the trade-off between timeliness and accuracy
- Identifies the advantages and drawbacks of rapid estimates

Chapter 2: A system of rapid estimates: different products for different purposes
- Presents rapid estimates as a family of statistical products
Part I: Generalities

- Chapter 3: Forecasting and nowcasting macroeconomic variables: a methodological overview
  - Presents a technical discussion of the techniques in forecasting and nowcasting
- Chapter 4: The trade-off between timeliness and reliability: the perspective of a statistical agency
  - Presents in detail the trade-off between timeliness and accuracy
  - Discusses how a statistical agency acquires information and the resultant accuracy of the estimates
Outline

Part II: Statistical and econometric techniques for rapid estimates

- Chapter 5: An overview of modelling techniques for rapid estimates
  - Provides non-technical overview of statistical and econometric techniques to construct rapid estimates
  - Discusses advantages and drawbacks of the techniques

- Chapter 6: Variables selection approaches, the information set structure and various typologies of rapid estimates
  - Describes the features of the information set that is used to derive the various types of rapid estimates
  - Discusses the restrictions characterizing various information sets
Chapter 7: Model selection, model specifications and various typologies of rapid estimates

- Presents the statistical models that are more suitable to producing a given type of rapid estimate
Chapter 8: Mixed-frequency models and rapid estimates
- Describes the most recent techniques to handle data of different frequencies
- Discusses the advantages and drawbacks of the techniques

Chapter 9: Combining forecasting techniques and rapid estimates
- Describes how various forecasting techniques can be harnessed to improve the results
Part III: Advanced modelling techniques

- Chapter 10: An empirical investigation of combining forecasting techniques
  - Assesses the forecasting combination techniques empirically

- Chapter 11: Combining forecasting techniques and density estimates
  - Describes how various techniques can be used to combine competing density forecasts to obtain a single density forecast
Part III: Advanced modelling techniques

- Chapter 12: Temporal disaggregation techniques
  - Describes techniques used to derive high frequency estimates from low frequency estimates

- Chapter 13: Aggregated versus disaggregated approach for the construction of rapid estimates
  - Discusses the advantages and drawbacks of deriving rapid estimates at the aggregate level or using disaggregated data
Part IV: Some empirical results

- Chapter 14: Quality assessment of rapid estimates
  - Describes how to conduct a standard assessment of the quality of rapid estimates, including deciding when to publish them and how to monitor revisions to the estimates

- Chapter 15: Some empirical application of modelling techniques
  - Describes the application of modelling techniques to actual data sets
Part V: Dissemination of rapid estimates

- Chapter 16: Data presentation issues
  - Discusses the ways in which to present and disseminate rapid estimates
  - Stresses the need for availability of detailed metadata and methodological and empirical studies to ensure transparency
Part VI: Compilation guidelines

- Chapter 17: Guidelines for rapid estimates
  - Provides step-by-step guidance on the compilation of rapid estimates
Annex

- Glossary of rapid estimates
  - Contains definitions of common terms in the literature based on a transparent and easily understandable framework
  - Aims to avoid misunderstanding and communication problems due to a lack of common vocabulary and terminologies when talking about rapid estimates
  - Was developed by Eurostat
Status and way forward

- Preparation of handbook is in progress
- Consolidated draft of handbook is expected to be ready by September 2015
Thank you