



Introduction

A users-producers dialogue on Rapid Estimates

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Outline

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- Background
 - International Programme on Short-term Statistics
 - Rapid Estimates
- Objectives of the Workshop
- Organization of the Workshop



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 in response to the 2007-2008 economic and financial crisis
- Based on the outcome of 3 international seminars and consultation with the academia
- Endorsed by the UN Statistical Commission in 2011



- 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:
 - Data template and analytical indicators
 - Economic tendency surveys
 - Cyclical composite indicators
 - Rapid estimates
- International efforts to assist countries in compiling short term statistics (UN-ESCWA, UN-ESCAP,...)



Why rapid estimates?

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- The economic and financial crisis underlined the importance of early statistical information on economic developments
- The crisis has influenced the trade-off timeliness/accuracy in favour of timeliness
- A rough indication of economic stance by early estimates is preferred to accurate but late information
- Early estimates of GDP play prominent role as an aggregate measure of economic activity ...
...but early information is needed even without crisis



Are rapid estimates the solution?

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- Even at 30 days after the end of the reference quarter, early estimates of GDP only provide information what happened in the past rather than where the economy is at the moment
- Alternative solutions: nowcasts, coincident and leading indicators, business and consumer surveys, financial data, forecasting
- How far should statisticians go?
- Moreover: The imbalances in the economy which with some delay may lead to a cyclical downturn develop normally long before. Therefore attention should be paid also to data which illustrate these imbalances. The policy makers then are less surprised by the cyclical development.



- Early estimates of GDP are used for decision-making in the areas of economic and monetary policies
- Time horizon within which monetary policy affects fully the economy is in the order of 1 – 2 years
- Does it then matter whether the information is available 2 weeks earlier or later?
- Yes it matters.
- The expectations channel of monetary policy works very fast
- The Central Banks also normally wait until the information on changes in the economy is confirmed by more data, before they make the monetary policy decision. Early estimate of GDP serve this purpose by « confirming » the information available from partial earlier data (industrial output, retail sales, exports/imports...)



- Many countries compile and publish early estimates of GDP, but the methods and data used differ.
- Rapid estimates by statistical offices have the status of official statistics. Quality profiles are available.
- Reduction of uncertainty in the economy.



A Glossary of terms

- Various types of rapid estimates are characterized by different degrees of reliability associated to their timeliness, completeness of the information used etc.
- Important to clearly define them (e.g. nowcasting, forecasting, flash estimates, etc.) in order to ensure transparency and avoid misinterpretation
- A glossary of terms has been prepared by Eurostat and is available at:

http://ec.europa.eu/eurostat/statisticsexplained/index.php/Category:Rapid_estimates_glossary



Handbook on Rapid Estimates

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- a) provide international statistical guidance for the compilation and reporting of rapid estimates
- b) assist compilers in producing rapid estimates of key short-term macroeconomic indicators in a comparable manner, using best international practices

Prepared by a working group lead by Eurostat

The handbook is currently undergoing an Expert Review prior to a Global Consultation



Objectives of the Workshop

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- Have a dialogue between the producer and user community
- Better understand the user's need on the trade-offs between timelines and reliability and ways to assess the quality of rapid estimates
- Better understand the constraints in the production of rapid estimates
- Seek synergies with the research and academic community
- Discuss possible ways to produce reliable early estimates through the integration of multisource data using multimode collection



The Workshop is jointly organized by

- UNSD
- Eurostat
- Statistics Denmark
- the KOF Swiss Economic Institute

prior to the 33rd CIRET Conference with the special topic of *Nowcasting*



- A similar Workshop was organized in 2014 prior to the 32nd CIRET Conference
- This is an important venue to seek synergies with the CIRET community of academics, researchers, practitioners etc., exchange knowledge, and engage them in the normative work of the international statistical community



Organization of the Workshop

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The Workshop organized as follow:

- Morning session dedicated to the producers' perspective
- Afternoon session dedicated to the users' perspective
- Final panel discussion with speakers

All participants are invited to actively participate in the discussion



Thank you!