**Friends of the Chair on Economic Statistics**

The 50th United Nations Statistical Commission noted the proposal to create a high-level group on economic statistics and agreed to create a Friends of the Chair group consisting of economists and statisticians to consider the merit of the proposal. Specifically, the UNSC requested that:

* the Friends of the Chair group be established for a period of not more than two years to undertake an assessment on the efficiency, effectiveness and responsiveness of the governance of the current system of economic statistics, without creating more bureaucracy or adding undue burden on national statistical offices and international organizations;
* the Friends of the Chair group to take stock of existing initiatives and make a recommendation to take these forward in an update of the system of economic statistics through a broad user consultation;
* the Friends of Chair group to take forward issues of the statistical update that have already reached a high level of maturity;
* the Friends of the Chair group to report back to the Statistical Commission at its fifty-first session with a clear plan on how to move forward;

At the first meeting of the Friends of the Chair in May 2019 the FOC agreed to convene meetings over the next year to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development or whether gaps exist. The meetings will also be used to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics. The FOC would like to report back at the 51st session of the United Nations Statistical Commission with a list of recommendations aimed to improve the overall effectiveness and efficiency of the system of economic statistics.

In order to engage a broad set of stakeholders in this discussion the FOC would like to partner with existing groups where issues of economic statistics are discussed. The FOC is requesting that at your next regularly scheduled meeting you set aside time on your agenda to discuss “The Future of Economic Statistics”. In order to help facilitate this discussion the FOC has prepared 1) an abstract to be included in your agenda; 2) a series of questions to be considered in your group discussion; 3) a series of short background notes on the various issues that can be circulated to your members prior to the meeting; 4) a summary of the discussion of the first meeting of the FOC; 5) a questionnaire that can be circulated to your membership in the event that you do not have a meeting scheduled before October 30th, 2019.

Following your meeting or consultation period we request that you consolidate the feedback of your group and send the consolidated feedback to the FOC secretariat. If you are unable to consolidate the feedback, we are happy to receive the individual feedback from your members. We require this feedback by October 30th, 2019 so that information can be included in the discussion of the FOC meeting scheduled for mid-November 2019. This feedback will help the FOC formulate their recommendations to the 51st UNSC.

1. **Abstract to be included in your meeting agenda**

The UN Statistical Commission has asked the Friends of the Chair on the Future of Economic Statistics (FOC) to convene meetings over the next year to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development or whether gaps exist. The Commission also asked the FOC to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics. The FOC has been asked to report back at the 51st session of the United Nations Statistical Commission with a list of recommendations aimed to improve the overall effectiveness and efficiency of the system of economic statistics. In order to help formulate their recommendations to the 51st UN Statistical Commission the FOC is requesting your feedback on questions related to:

* global priorities in need of statistical development;
* global initiatives that could help with NSO transformation;
* the governance of economic statistics;
* and whether or not the program of economic statistics needs to be more responsive.

1. **Series of questions to be considered by your group**

By way of background the system of economic statistics is defined to be:

* An overarching framework presently being the System of National Accounts along with the related macroeconomic manuals such as Balance of Payments, Government Finance Statistics, System of Economic-Environment Accounts
* Concepts and statistical methods pertaining to statistical (multi) domains such as for statistics on businesses, trade, labour, prices, globalisation, entrepreneurship, technology, living conditions.
* Methodology on the statistical production process related to data collection, processing, dissemination and analysis including supporting classification systems and statistical registers and frames
* Institutional infrastructure related to institutional policies (such as policies around data sharing), principles, organisation and management, and quality frameworks

The following are the questions we are asking you to discuss at your next regular meeting or circulate to your members for written feedback.

* The Friends of the Chair Group identified several priority areas for the update of the system of economic statistics. These included digitalization, globalization, economic well-being, economic inequalities, sustainability, climate change, intangible assets, household production, human capital and the informal sector. It was acknowledged that most of these priority areas are currently being addressed through global initiatives. ***In addition to the above, are there gaps / issues that have a global reach that need to be addressed***?
* NSOs are also being required to undertake significant institutional transformation including increasing use of new data sources, improving timeliness, addressing accuracy issues, introducing new data linking methods and processes, undertaking more granular analysis on the social and environmental impact of economic activity, and taking on new roles as data custodians for the use of administrative and big data. ***There are several initiatives (such as UNECE work on Data Sharing, the Eurostat work on Global Registers, High Level group on Modernization) currently underway supporting NSOs in their transformation? Is there a need for additional global initiatives that could support NSOs in their transformation?***
* The system of economic statistics (involving numerous institutions, committees and other governance arrangements) has developed somewhat organically over time, guided by common principles aiming to deliver a complete and coherent set of data on the economy. ***Does the governance structure supporting the key macroeconomic accounting frameworks (SNA, BOP, GFS, SEEA) need to be re-examined? If so, can you provide suggestions as to how the governance structure could be made more efficient and effective?***
* Most of the current settings are focused on supporting the production of macro-economic data whereas increasingly users are demanding more granular insights. ***Given the increasing availability of disaggregated and microdata and not withstanding challenges related to microdata access, how can the current mechanisms be reinforced or adapted to meet these needs, or are new mechanisms needed?***
* The system of economic statistics is often portrayed as reactive and slow in adjusting. ***Do you agree? if so,*** ***are* new *institutional arrangements needed to make it more responsive to changes in user and policy needs?***
* Finally, there is significant innovation and experimentation of new methods and processes that take place outside of the realms of official statistics agencies, for example in academia. ***Do NSOs and International Organizations need to accelerate its pace of innovation and degree of experimentation?***

1. **Questionnaire to be sent to your group if a meeting is not held or you are unable to add this item to your agenda.**

The UN Statistical Commission has asked the Friends of the Chair on the Future of Economic Statistics (FOC) to convene meetings over the next year to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development or whether gaps exist. The Commission also asked the FOC to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics. The FOC has been asked to report back at the 51st session of the United Nations Statistical Commission with a list of recommendations aimed to improve the overall effectiveness and efficiency of the system of economic statistics. In order to help formulate their recommendations to the 51st UN Statistical Commission the FOC is requesting your feedback on the following questions. Please provide you thoughts in the space provided below each question.

By way of background the system of economic statistics is defined to be:

* An overarching framework presently being the System of National Accounts along with the related macroeconomic manuals such as Balance of Payments, Government Finance Statistics, System of Economic-Environment Accounts
* Concepts and statistical methods pertaining to statistical (multi) domains such as for statistics on businesses, trade, labour, prices, globalisation, entrepreneurship, technology, living conditions.
* Methodology on the statistical production process related to data collection, processing, dissemination and analysis including supporting classification systems and statistical registers and frames
* Institutional infrastructure related to institutional policies (such as policies around data sharing), principles, organisation and management, and quality frameworks

Q1. The Friends of the Chair Group identified several priority areas for the update of the system of economic statistics. These included digitalization, globalization, economic well-being, economic inequalities, sustainability, climate change, intangible assets, household production, human capital and the informal sector. It was acknowledged that most of these priority areas are currently being addressed through global initiatives. ***In addition to the above, are there gaps / issues that have a global reach that need to be addressed***?

Q2. NSOs are also being required to undertake significant institutional transformation including increasing use of new data sources, improving timeliness, addressing accuracy issues, introducing new data linking methods and processes, undertaking more granular analysis on the social and environmental impact of economic activity, and taking on new roles as data custodians for the use of administrative and big data. ***There are several global initiatives (such as UNECE work on Data Sharing, the Eurostat work on Global Registers, High Level group on Modernization) currently underway supporting NSOs in their transformation? Is there a need for additional global initiatives that could support NSOs in their transformation?***

Q3. The system of economic statistics (involving numerous institutions, committees and other governance arrangements) has developed somewhat organically over time, guided by common principles aiming to deliver a complete and coherent set of data on the economy. ***Does the governance structure supporting the key macroeconomic accounting frameworks (SNA, BOP, GFS, SEEA) need to be re-examined? If so, can you provide suggestions as to how the governance structure could be made more efficient and effective?***

Q4. Most of the current settings are focused on supporting the production of macro-economic data whereas increasingly users are demanding more granular insights. ***Given the increasing availability of disaggregated and microdata and not withstanding challenges related to microdata access, how can the current mechanisms be reinforced or adapted to meet these needs, or are new mechanisms needed?***

Q5. The system of economic statistics is often portrayed as reactive and slow in adjusting. ***Do you agree? if so,*** ***are* new *institutional arrangements needed to make it more responsive to changes in user and policy needs?***

Q6. Finally, there is significant innovation and experimentation of new methods and processes that take place outside of the realms of official statistics agencies, for example in academia. ***Do NSOs and International Organizations need to accelerate its pace of innovation and degree of experimentation?***

**Appendix A**

* Noted the proposal to create a high-level group on economic statistics, and agreed to create a Friends of the Chair group consisting of economists and statisticians to consider the merit of the proposal;
* Requested that the Friends of the Chair group be established for a period of not more than two years to undertake an assessment on the efficiency, effectiveness and responsiveness of the governance of the current system of economic statistics, without creating more bureaucracy or adding undue burden on national statistical offices and international organizations;
* Requested the Friends of the Chair group to take stock of existing initiatives and make a recommendation to take these forward in an update of the system of economic statistics through a broad user consultation;
* Also requested the Friends of Chair group to take forward issues of the statistical update that have already reached a high level of maturity;
* Further requested the Friends of the Chair group to report back to the Statistical Commission at its fifty-first session with a clear plan on how to move forward;