

# A. Integrated approach to economic statistics

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1.2. *Background.* At its thirty-seventh session, held in March 2006, the United Nations Statistical Commission endorsed the concept of an integrated approach to economic statistics and recommended its operational use in national economic statistics programmes; and also recommended the establishment of a Friends of the Chair group to prepare a concept paper on the modalities of the integrated approach to economic statistics, including the feasibility of establishing a mechanism for improving coordination among international organizations and work groups engaged in economic statistics.<sup>[1]</sup>

11.3. *Report of the Statistical Commission on its thirty-ninth session.* At its thirty-ninth session, held in February 2008, the Statistical Commission welcomed with appreciation the high quality and comprehensiveness of the report of the Friends of the Chair group on integrated economic statistics.<sup>[2]</sup> The Commission agreed with the conclusions of the Friends of the Chair (see box XI.1). The Commission further:

- (a) Affirmed the role of the System of National Accounts as the integrating framework in economic statistics, and recognized the importance of increasing the coherence of basic economic statistics for enhancing the quality and analytical value of both basic economic statistics and macroeconomic statistics;
- (b) Agreed with the need to collect and disseminate case studies and develop other practical knowledge material to share experiences and guide countries in the process of implementing an integrated approach in their national statistical systems;
- (c) Also agreed that there might be a need to develop a framework for establishing such guidelines, and recommended that such guidance on integration should focus, in particular, on practical aspects.

### Box XI.1 Conclusions of the report of the Friends of the Chair on Integrated Economic Statistics

The Friends of the Chair reached the following conclusions:<sup>a</sup>

- (a) The integration of economic statistics is about statistical reconciliation, that is, ensuring that the messages that statistics deliver are consistent and coherent. Reconciliation covers primary economic statistics and macroeconomic accounts, short- and long-term economic statistics, and national and international economic statistics. In essence, it involves dealing with conceptual, statistical production and institutional issues. Human resources issues (increasing the awareness of statistical agencies' staff concerning the impact of their work on the overall statistical system) and information technology issues (adopting common technology) also play a role and must be considered in that context;
- (b) The integration of economic statistics is mainly driven by users' demand for data consistency and coherence;
- (c) It is neither possible nor desirable to propagate one single and detailed implementing approach towards integrated economic statistics because national statistical systems are different. There are, however, some general guiding principles;
- (d) Institutional arrangements at both the national and international levels are important for the management of integrated economic statistics and should be part of the corresponding reform programmes.

<sup>a</sup> See E/CN.3/2008/6.

11.4. *Integrated approach for international merchandise trade statistics.* Reconciliation of data from customs and non-customs sources, and reconciliation of results with related statistics, are important aspects of an integrated approach to foreign trade statistics. An integrated approach to foreign trade statistics means in particular that their compilation is, to the largest extent possible, integrated and harmonized with the compilation of all other basic economic and business statistics. Despite their long history of constituting a separate and distinct statistical domain and their reliance (in most countries) on custom records as their main data source, foreign trade statistics should be seen as an integral part of business statistics in respect of compilation and dissemination, in order that their full potential as a main source of information on globalization may be realized.

11.5. *Need for linking business and trade statistics.* Linking and integrating trade and business statistics are important for data compilation and for analytical purposes. A major development in economics statistics in recent years has been the establishment and use of national statistical business registers (SBRs) which not only provide a framework and basis for the conduct of business surveys but also allow the linkage of information from different data sources, potentially leading to significant efficiency and quality gains in data collection. Further, the integration of data from different sources provides new information for many analytical purposes that would not otherwise exist. Accordingly, IMTS 2010 (paras. 11.5-11.6) encourages countries to integrate their trade register with their business register and to take steps towards establishing an integrated system of economics statistics for data compilation and analysis.<sup>[3]</sup>

11.6. *Vision for the future of trade statistics.* At its forty-first session, the Statistical Commission adopted new international guidelines for merchandise trade statistics and statistics for international trade in services.<sup>[4]</sup> In February 2011, the Global Forum on Trade Statistics was organized as a follow-up to the 2010 Statistical Commission decisions on trade statistics. In this forum, trade statisticians and policy-makers agreed on a vision for the future of international trade statistics and called for the improvement of the relevance of international trade statistics by connecting trade information and integrating it with its economic, social, environmental and financial dimensions while minimizing the response burden, and to improve the statistical production process by better defining and organizing cooperation among national stakeholders. In a background note by UNSD, Eurostat and the World Trade Organization entitled "International trade information system in 2020" ("Vision 2020"), which was endorsed by major international organizations active in the area of trade statistics, concrete goals for the future of trade statistics were formulated, including the integration of statistics on the trade of goods and services and the integration of trade statistics with other business statistics that concern international aspects.<sup>[5]</sup>

11.7. *Trade in value added.* There is very strong interest by policymakers and other user groups in analyzing the global value chains (broadly understood as the participation of multiple countries in the production of a single product and their respective contribution to the value added associated with a given product) and their impact on employment and economic development. There have been multiple case studies by researchers aiming to analyse the share of value added generated in individual countries during the production of single products.<sup>[6]</sup> It should be noted that these studies were usually focused on a very limited number of products, and the methodology of such calculations is still being debated. To provide broader measures of global value chains, another approach is being developed, one that attempts to construct and use global input-output tables in order to identify linkages between countries in the production processes and to derive various indicators relevant to the assessment of such linkages.<sup>[7]</sup> Some statistical offices are cooperating with researchers in such studies, mostly by making available to them data on trade and national input-output tables. Compilation of the new data items introduced in IMTS 2010 (chap. VIII) might further assist in the analysis of global value chains. However, the feasibility of the provision of any additional data relevant to the estimation of trade in value added on a routine basis has to be assessed by individual countries themselves.

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[1] See Official Records of the Economic and Social Council, 2006, Supplement No. 4 (E/2006/24), chap I, sect. C, decision 37/103. Available from <http://unstats.un.org/unsd/statcom/sc2006.htm>.

[2] Ibid., 2008, Supplement No. 4 (E/2008/24), chap. I, sect. B, decision 39/105.

[3] Countries increasingly realize the need for an integrated approach. For instance, the members of the Steering Group of the Regional Programme for the Improvement of Economic Statistics in Asia and the Pacific identified, among others, the issues of coordination (lack of clear division of work across different parts of the national statistical office and a need for a statistical legislature) and the statistical infrastructure (in particular quality assurance and business registers) as key constraints on the production of the core set of economic statistics. See the note by the Secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) on the proposed regional programme for the improvement of economic statistics in Asia and the Pacific (E/ESCAP/CST(2)/5), available from <http://www.unescap.org/stat/cst/2/CST2-5E.pdf>. Decisions of the Committee on Statistics are contained in the report of the Committee on its second session (E/ESCAP/CST (2)/9), available from <http://www.unescap.org/stat/cst/2/index.asp>.

[4] See Official Records of the Economic and Social Council, 2010, Supplement No. 4 (E/2010/24), chap. I, sect. B, decisions 41/103 and 41/104.

[5] See [http://unstats.un.org/unsd/trade/s\\_geneva2011/outcome.htm](http://unstats.un.org/unsd/trade/s_geneva2011/outcome.htm).

[6] See, for example, Hal R. Varian, "An iPod has global value: ask the (many) countries that make it", New York Times, 28 June 2007.

[7] See the presentations at the Global Forum on Trade Statistics, Geneva, 2-4 February 2011. Available at [http://unstats.un.org/unsd/trade/s\\_geneva2011/geneva2011.htm](http://unstats.un.org/unsd/trade/s_geneva2011/geneva2011.htm). Also relevant is the "Made in the World" initiative of the World Trade Organization (see [http://www.wto.org/english/res\\_e/statis\\_e/miwi\\_e/miwi\\_e.htm](http://www.wto.org/english/res_e/statis_e/miwi_e/miwi_e.htm)).