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Economic and Social Commission for Western Asia (ESCWA)

REPORT

Expert Group Meeting on Short Term Statistics in Western Asia
16-18 February 2016
Amman Jordan

Summary

Short-term policy issues have become more critical for policymakers in their quest to guide the short-term direction of the economies as a result of globalization and a rapidly expanding financial sector. In the region however, due to the lack of quarterly and monthly socio-economic data in most ESCWA member countries, policymakers are faced with difficulties in measuring and projecting the consequences of short-term economic developments. Therefore, it is crucial for the national statistical systems in the region to produce short-term statistics, timely and periodically in order to measure and monitor various economic fluctuations and business cycles and respond to them scientifically and punctually.

The United Nations Economic and Social Commission for Western Asia (ESCWA) organized an Expert Group Meeting on Short Term Statistics during February 16-18, 2016 in Amman, Jordan in the context of the Development Account project "*Strengthening the Statistical Capacity of ESCWA Member Countries in Producing and Disseminating Short-term Economic Indicators for Sustainable Growth*" in coordination with the United Nations Statistics Division (UNSD).

Experts from several organizations participated and provided guidance on methodology in their areas of expertise: UNSD on the programme for short-term statistics and related handbooks in preparation, overview of quarterly GDP and methods of compilation and data sources for household debt, GCC-Stat on the GCC road map on short term economic statistics, UNIDO on Index of Industrial production and seasonal adjustments, Eurostat on rapid estimates and flash GDP, INSEE on the Production Price Index and the Export and Import Price Indexes (XMPI), and information systems for national accounts (ERETES tool), the Swiss Economic Institute on the production of composite indicators and their importance as a useful tool in policy analysis and as an early signal about the business cycle. Participants from countries and regional organization presented their experience in compilation and data gaps.

The EGM provided a unique platform for the exchange of experiences among countries in the region and with experts from organizations specialized in the different areas of short-term statistics. The meeting concluded with a set of recommendations addressed to the countries and to organizations on improving short-term statistics in priority areas identified by countries.
https://www.unescwa.org/events/expert-group-meeting-short-term-economic-statistics-western-asia

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ANNEXES

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Introduction

1. The United Nations Economic and Social Commission for Western Asia (ESCWA) organized an Expert Group Meeting on Short Term Statistics during February 16-18, 2016 in Amman, Jordan in the context of the Development Account project "*Strengthening the Statistical Capacity of ESCWA Member Countries in Producing and Disseminating Short-term Economic Indicators for Sustainable Growth*" in coordination with the United Nations Statistics Division (UNSD).

I. Recommendations

2. The Expert Group Meeting on Short-Term Statistics concluded a set of recommendations containing general recommendations and recommendations specific for short-term statistics.

General recommendations:

(a) Emphasized the importance of strengthening national coordination mechanisms and institutional arrangements between the National Statistical Offices, Ministries and other government institutions as well as private sector institutions working in the field of collection and dissemination of short-term statistics in order to improve data quality and reduce discrepancies.

(b) Member States are called upon to take advantage of the international recommendations and standards such as the System of National Accounts in various statistical areas, adopt and apply them in line with national standards for the collection and dissemination of statistical data together with the importance of preparing the metadata associated with the published statistics.

(c) Member States are requested to adhere to the quality standard and develop quality frameworks consistent with existing international recommendations and frameworks such as those developed by the International Monetary Fund and Eurostat, as well as other relevant international recommendations, to ensure the production and dissemination of good quality statistics, in particular short-term statistics.

(d) United Nations Statistics Division is requested to expedite the translation of the publications relating to short-term statistics namely, Handbook on Rapid Estimates, Handbook on Cyclical Composite Indicators, Handbook on Data Template and Metadata for Short-Term Statistics, and Handbook on Economic Tendency Surveys into Arabic.

(e) Member States are invited to benefit from the successful international and regional experiences in the collection and dissemination of short-term statistics.

(f) ESCWA and other participating organizations are requested to support member states with statistical information systems in order to facilitate the compilation of economic statistics, such as ERETES system which was presented at the meeting.

Recommendations relating to the short-term statistics:

(g) ESCWA is requested, in cooperation and coordination with its partners, including the United Nations Statistics Division and the Statistical Office of the Gulf Cooperation Council (GCC), to use an integrated statistics approach to promote, develop and build national statistical capacity for the

production and dissemination of the core set of short-term statistics that are considered to be of national priority and importance and which were adopted by participating countries in the ESCWA project," *strengthening statistical capacity of ESCWA member countries in the production and dissemination of statistics in the short term in order to achieve sustainable growth*."

(h) Member States are requested to develop data sources using an integrated statistics approach to calculate the estimates of quarterly GDP by the production and expenditure approaches, in particular to improve the quality of administrative records and the development of harmonized business registers, drawing on the support provided by ESCWA in this regard within the implementation of the above indicated project activities as well as other programs on statistical capacity building.

(i) ESCWA is invited to benefit from the Handbook on Rapid Estimates, which is currently being prepared by Eurostat and the United Nations Statistics Division, and to include its key recommendations in the ESCWA draft Regional Guideline on Short-term Statistics publication, which ESCWA is in process of preparing.

(j) ESCWA is requested to work with the seven pilot countries involved in the project on short-term statistics and the United Nations Statistics Division to prepare a national implementation programme and action plan for technical support, concerning specifically the priority indicators which were adopted during the meeting, including the import and export price indicators (export and import price indices or unit value indices), the index of industrial production, the production index for construction, the turnover index for transport services (value and volume) and the turnover index of retail sales (value and volume).

(k) National Statistical Offices are urged to enhance their role in the production of the economic sentiment indicators, namely, the consumer confidence and business confidence indicators, in accordance with the international recommendations and standards, by actively participating or coordinating with other government or non-government institutions at the national and regional level in carrying out the consumer confidence and business tendency surveys that are usually conducted by national/international companies.

(l) ESCWA is requested to send selected parts that include key issues of the draft copy of the Regional Guidelines publication on short-term statistics, currently being prepared, to the participants in this expert group meeting from the Member States, so they can provide ESCWA with feedback from their countries before preparing the final version.

(m) Participants in this expert group meeting are requested, in coordination with the internal authorities in their respective offices including the unit of the information technology departments, to complete the questionnaire that was sent by ESCWA concerning tools used in the collection, processing and dissemination of priority short term statistics, in order to help ESCWA develop a programme to support the production and dissemination of short-term statistics in a timely manner.

(n) Member States are urged to take advantage of national research / academic institutions / universities and cooperate with them in developing economic models needed to prepare rapid / flash GDP estimates.

(o) ESCWA and its partners are requested to develop and make training materials available to promote and support the e-learning.

(p) Arab Institute for Training and Research in Statistics in cooperation with ESCWA and its partners is requested to develop education programs in statistics areas for the experts from National Statistical Offices and provide them with certificate on official statistics.

II ISSUES FOR CONSIDERATION AND DISCUSSION

3. A total of nine working sessions were held and encompassed discussions on the international programme on Short-term Statistics, the results of the needs assessment conducted in the seven pilot countries, GCC-Stat road map on short-term statistics and the draft of the regional guidelines publication on the production and dissemination of the priority indicators. Methodologies and good practices in producing short term economic indicators were presented and discussed during the various sessions of the meeting as well as the importance and usage of composite business indicators. Challenges of the production short-term statistics were also discussed.

(a) The first session on *overview of global/ regional ground of the short term economic statistics* was chaired by ESCWA and presented the global and regional stance of Short-Term statistics (STS). It commenced with a presentation by UNSD which provided the background and a brief description of the international programme on short-term statistics. The presentation concluded by mentioning the objectives of this program which are 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.
ESCWA also presented in this session its project on "*Strengthening the Statistical Capacity of ESCWA Member Countries in Producing and Disseminating Short-term Economic Indicators for Sustainable Growth*" explaining the objectives, different stages of the project and the planned outputs and capacity building activities.

GCC-Stat took the floor next to present their road map for the development of short-term statistics. The presentation depicted the medium-term strategy for GCC statistical systems which would include a work plan for developing STS in the areas of national accounts, production and turnover, prices, labour market, external sector, financial sector, real estate market and tendency indicators. GCC-Stat then highlighted the many priorities and areas where their work plan overlaps with that of ESCWA's project and stressed on the importance of cooperating to make a stronger impact on building statistical capacities in the region.

The ESCWA consultant, Mr. Denis Ward, then gave an overview on the draft Regional Guidelines publication on Short Term Statistics. He discussed the objectives of this output as well as the outline, its value added and the process of developing it. The ESCWA consultant explained how this publication will act as a practical guide on the various methods of production for the identified priority indicators.

The last presentation in this session was conducted by ESCWA where the regional assessment on the availability of STS in the project's pilot countries was introduced. The presentation also included information on the current methods of compilation and practices for STS in these countries.

Following this session the floor was open for discussing the various items presented. During this discussion, GCC-Stat explained that the challenges faced in GCC countries to produce real estate indices

are related to a lack of expertise, quality assessment and legislation. Palestine's Central Bureau for Statistics (PCBS) also mentioned that there is a need for building capacities in data collection to improve compiler's skills and suggested there be a focus on the common priority indicators required by several international programmes. ESCWA's consultant then mentioned that the guidelines publication needs to be developed to cater to the pilot countries nation priorities. The Swiss Economic Institute also added that for early warning data compilers need to know how to interpret results and not just compile.

(b) The second session on *rapid estimates of short-term statistics*. The session began with a presentation by UNSD on the Handbook on Rapid Estimate which is still being developed. In his presentation, the concept of rapid estimates was introduced as well as a description of the objectives and outline of this publication as well as the way forward.

Eurostat conducted the second presentation of this session on flash GDP via video conference. The presentation began by providing a background on flash estimates in Europe followed by a description of quarterly national accounts compilation practices and data sources in Europe. Eurostat then compared flash GDP and quarterly GDP, highlighting the differences in coverage and timing and their importance for policy makers and data users. Eurostat closed by mentioning the efforts they have employed to share this knowledge and practice within Europe through a Task Force for sharing experiences and a guidance document on methods and estimation techniques. Two statistical working papers on methods are published on main aggregates section of Eurostat national accounts website on April 29 2016, when Eurostat begins publishing a preliminary GDP t+30 flash. They are also available to non-European countries to learn these methods of producing Quarterly Flash GDP.

After these two presentations the floor was open for discussions where GCC-Stat asked if all European countries are producing quarterly national accounts themselves or if Eurostat estimates them for some countries. Eurostat then explained that all 28 European Union (EU) Member States provide quarterly national accounts, the regulation for the official transmission in European System of National and regional Accounts (ESA 2010) is sixty days after the quarter. At the same time, transmitting the t+45 (and forthcoming t+30) flash GDP estimates to Eurostat are based on gentlemen agreement between the member states and Eurostat. Eurostat continued to explain that the country coverage of the EU GDP was 93% in the last t+45 day estimate, only Denmark, Ireland, Croatia, Luxembourg, Malta and Slovenia do not provide t+45 flash, while Sweden provides a flash only for the second quarter each year. Nowadays, with such a coverage in t+45, and with indicator data in the member states for all three months of the quarter in the t+45 flashes for the EU and euro area (EA), Eurostat aggregates the chained volume quarterly growth rates of the member states are used directly. He added that the same principle applies to the t+30 EU/EA estimates, of which more methodological information will be published on Eurostat website along its first publication on 29 April 2016. So typically all the member states who have agreed transmit their estimates, if a major country estimate would be missing then Eurostat would have to estimate the growth for it.

The second question for Eurostat inquired whether the surveys for quarterly estimates are used for annual GDP estimates or if other surveys are conducted for annual data. Eurostat answered that the quarterly national accounts production side estimates typically use STS in the member states while the expenditure side estimates often have their own sources. Eurostat continued to explain that in the annual accounts (transmission requirements t+9 months, and particularly after t+21 M) the production side estimates are derived using structural business statistics and other annual sources. Finally, in the annual Supply and Use tables (transmission required in 36 months) the member states use typically PRODCOM statistics, along with other sources, to further compile the supply and use components in product groups.

The ESCWA regional advisor on economic statistics then asked if Eurostat uses constant prices for the quarterly national accounts. Eurostat replied by saying that the ESA2010 requires the moving base year chain-linked volume methodology to be applied for the volumes of the Goods and Services account. In flashes particularly, we only get the QoQ and YoY chained GDP growth rates form the member states which we have to aggregate to form EU/EA growth. In principle we use year T-1 annual current price GDP weights. The ESCWA consultant followed with a question inquiring about the types of revisions conducted to counteract compromises in timeliness and accuracy. Eurostat then said that the revisions in t+45 flashes have been quite small for the EU/EA, and added that when publishing t+30 (29 April 2016) the methodological information will include revisions analysis on the t+30 test estimates 2012Q1–2015Q4.

(c) The third on *national accounts/ gross domestic product (GDP): methods of compilation and challenges, which was the* final session of the first day of the meeting was dedicated to exhibit and discuss the methods of compilation and challenges faced for producing short term GDP estimates. The session began with a presentation by UNSD and gave an overview of Quarterly GDP. UNSD briefed participants on what quarterly GDP is, its key features, scope, timeliness, uses, data sources, reconciliation methods and system setup required.

The second presentation of the third session was conducted by ESCWA's regional advisor on economic statistics and addressed quarterly GDP estimates in the Arab countries. The presentation depicted the situation of quarterly GDP in the region from the production and expenditure approach. ESCWA also highlighted the challenges facing each approach and the areas and procedures that can be improved. ESCWA then moved to discussing the various indices, and their data sources, that can assist in producing quarterly GDP estimates.

Following this presentation the floor was open for discussions. Egypt posed the first question by asking what to do when two indicators bring about contradictory results. ESCWA replied that the statistician should look for consistency from data sources, definitions, and data producers. The French National Institute for Statistics and Economic Studies (INSEE), in reaction to same word: integration, used in different contexts by interpreters, precised the terminology: harmonization is among countries and integration is among indicators within countries. INSEE pointed out in his argument the UNSD manual on integrated economic statistics: national integration should have priority on international harmonization. KOF Swiss Economic Institute also added that indicators' methodologies should be reviewed if results are contradictory.

Following this discussion, the country presentations on the compilation of quarterly GDP commenced. The first presentation was conducted by Egypt where a description of the methods of producing quarterly GDP and its timeliness was given. In the presentation, Egypt explained the procedures that lead them to choosing the indicators they are using when estimating the quarterly GDP and later delve into the specific indices used in each of the production and expenditure approach. Egypt concluded their presentation by talking about the prospects and challenges they might face in developing their quarterly accounts according to Egypt's evolving economy in order to improve coverage in the areas of communication, tourism, health, industry, trade and education.

The floor was then open for discussions where Egypt was asked if data on cement and iron was enough to calculate construction indices, to which Egypt replied that the data was provided on quarterly basis as was enough to calculate the construction index. Palestine then mentioned that they conducted a survey on construction and found that construction lags one month behind cement imports and production. The ESCWA regional advisor then noted that it is important to differentiate between cement used for construction of buildings and that of infrastructure such as roads and dams. Tunisia also asked Egypt if

there are problems with agricultural data, to which Egypt answered that there are problems with seasonality and that the data received is annual.

Jordan began their presentation next by briefing participants on quarterly GDP estimates in Jordan and who its users are. They explained that they use the production approach to produce quarterly GDP estimates and publish it in constant and current prices. Then Jordan went onto displaying how they use the direct and indirect approach in producing these estimates as well as the data sources, indices and estimation methods used for various sectors. Jordan finally closed by depicting the challenges faced by their Department of Statistics (DoS) which includes shortages and high turnover in staff as well as the absence of quarterly capital formation data. A short discussion then followed about the construction activities that are not included in formal construction surveys.

Lebanon presented next on behalf of the Central Administration for Statistics (CAS) where a brief on the production of national accounts was given. Lebanon introduced their main elements of compiling the annual estimates, the software utilized, and international standards and classifications followed. Lebanon moved on to talk about the data sources and methodology used when producing their national accounts estimates using the production and expenditure approach. In addition to surveys and administrative records used these data sources also included the value added tax data as well as air transport, electricity and construction. The presentation was concluded by portraying the challenges faced by CAS, such as data availability and timeliness issues especially with value added tax (VAT) and financial intermediation services indirectly measured (FISIM) data, and described the data dissemination methods used. Lebanon was then asked if they produced flash GDP estimates to which the answer was no.

The following country presentation on quarterly GDP estimates was delivered by Palestine. The presentation described the standards, sources, methodologies used and challenges faced in the production of quarterly national accounts data, including limitations from data sources, mixed income being a residual, timeliness, and capturing changes in inventory. Palestine explained how they use both the production and expenditure approach as well as utilize administrative as well as quarterly and monthly surveys to arrive at these quarterly estimates. In addition, they mention the different short term indicators they use as well as the methodologies they apply to produce these GDP estimates. Palestine concluded the presentation by portraying the different step they take to guarantee quality and timeliness of data.

The next presentation was conducted by Qatar where they also described the production of quarterly national accounts in their country. They began by depicting the frequency at which this data is produced, the international classifications and recommendations used as well the data sources for major economic activities and the shares of these activities from GDP. Qatar moves on to give a snapshot of the human and financial resources dedicated to producing these estimates as well as the challenges faced which include the absence of a business registry and quality assurance measures. After going over the production and expenditure approach used to producing quarterly GDP estimates, Qatar closed by mentioning that they do not conduct seasonal adjustment to the figures produced despite seasonality affecting these figures.

Tunisia conducted the last country presentation on quarterly national accounts. They began by giving a brief background on the production of quarterly GDP estimates in Tunisia, which commenced in 1998, depicting the standards and classifications used and that they are published in current and constant prices. Tunisia also described the data sources and types of economic data used in each computational approach as well as the indicators employed for the production of quarterly GDP estimates and their method of development. Tunisia gave real examples in their presentation on the steps undertaken to

produce and cross check these quarterly figures. Furthermore, they portray the dissemination methods they use, the challenges they face and their vision for advancing the production of quarterly national accounts data.

(d) The fourth session on *production and turnover*: *methodological aspects* discussed the methodological aspects of the production and turnover indices. The first presentation was conducted by ESCWA's consultant on STS who addressed the statistical concepts and definitions as well as the methods of compilation and usages of production and turnover indices. He also talked about the international standards and provided a status report on the availability of production and turnover indices in the project's pilot countries. Finally, the ESCWA consultant discussed the various barriers these pilot countries face in producing these indices which include delays in receiving data, shortages in resources and equipment required to gather data, and a lack in training on international standards and building human capacities as well as a weakness in coordination with data sources.

A presentation by UNIDO on the compilation methods for the index on industrial production (IIP) followed. UNIDO talked about their role in compiling IIP data from national and international sources in their statistical databases to monitor industrial growth. UNIDO also presented some charts portraying manufacturing and industrial data and spoke about the importance of compiling IIP as a comparable measure of industrial activities across countries and as a vital index for estimating national accounts and monitoring market supply changes. The presentation also explained in depth the method of producing IIPs as well as the basic principles followed for its compilation and the seasonal adjustments undertaken. UNIDO concluded by mentioning the importance of producing IIP data on a monthly basis to estimate level and structure indicators and monitor industrial and economic trends.

The floor was then open for discussions where ESCWA commented on the importance of updating the frame, weights and changes in products. ESCWA also added that other discrepancy issues concerning the units considered, where some are establishments and other are enterprises or traditional businesses, as well as problems with classifying the products. These problems will entail inflated or deflated estimates as products and units that should not be considered will be included while others that should be included may not be covered. In this context, ESCWA proposed organizing business registers upon required classifications, where the economic units and the economic activities they are involved in are well identified. Moreover, it is also important to have proper classification of products as well as frequent updating of the weights as the amount of production keeps changing upon demand.

GCC stat also asked how it is possible to monitor the qualitative changes, especially for products that are subject to continuous technological advancements, in products against the quantities. Tunisia also asked why production price index (PPI) is utilized for the IIP, to which UNIDO and INSEE replied that the IIP is unbiased for volume obtained by deflation by PPI, as they should reflect constant quality / utility prices. UNIDO also stated that concerning industrial production, international recommendations say it is better to use the deflation method; however the volume extrapolation method can be used as well, as many countries use both in constructing the IIP. UNIDO added that statisticians should be careful with volume extrapolation because it only takes the quantity into account, so they should make sure that quality is not changing over time, which is why the PPI deflator is used.

Following these discussions, country presentation on the status of production and turnover indices commenced. Palestine began their presentation by giving a overview on the production of producer price index (PPI) in Palestine which has been produced since 1997 annually, 2006 quarterly and since 2011 on monthly basis. Palestine depicted in their presentation the definitions and classifications used as well weighing system, timeliness, and sampling and computational methods utilized for this index.

The next country presentation by Egypt briefed participants on the situation of STS in Egypt, specifically the ones identified as priority indicators, and focused on the process involved with the production of IIPs. Egypt discussed the definitions, frequency of publishing, classifications used, as well as the method of compilation and dissemination of the IIP.

Jordan followed to also address IIP production in their country. They started their presentation with a background on IIP production in Jordan which began in 1999 and which is also the base year used. Jordan delve into the weight distribution, industries covered and sampling method as well as the field work involved in the data collection. Jordan also mentioned the method of computation for the IIP as well as the revisions conducted to insure data quality and finally depicted the dissemination method used as well as the data users for this index.

(e) The fifth session on *other short-term statistics* addressed the remaining priority short term statistics in the pilot countries. The first presentation was conducted by INSEE and tackled the issues related to the producer price index (PPI) and the export and import price indexes (XMPI). INSEE began their presentation by depicting the different purposes and usages for producing the PPI as well as information and guideline references as well as real examples for organizing a PPI survey. INSEE delved further to explain the computational method involved with producing the PPI as well as the treatment of weights in line with NA, quality and missing values. INSEE moved on to discuss why price indicators are better for volume estimates in NA and XPI/MPI better than unit value indices as well as portray the XPI/MPI as an extension of PPI: same or similar questionnaire, sample, methodology, IT tool, *etc.,* reasons why true XMPI are not that expensive or complicated *vs.* UVI when PPI already exist in a country.

UNSD's presentation on household debt followed next where they portrayed the methods of compilation and data sources involved in producing this indicator. The presentation commenced with a description and breakdown of financial assets and liabilities as defined in the 2008 standards of national accounts. The presentation also provided the definition, components and valuation of debt as well as a detailed description of what is considered household debt and its components. UNSD concluded by explaining the direct and indirect methods for retrieving information from the data sources in addition to the consideration involved with compiling household debt data.

The ESCWA consultant on STS took the floor next to discuss some of the relationships between short term statistics. The presentation addressed the concept of statistical integration which requires key processes such as the use of common concepts, definitions, classifications, estimation methods, and data sources for statistical reconciliation in order to maintain statistical consistency and coherence within countries between different short term statistics, over time and between countries. The ESCWA consultant introduced the main elements and tools of statistical integration and explained the relationship between the priority indicators for the projects pilot countries as well as providing a snapshot of how they would components for early warning systems.

The last presentation of this session was conducted by UNSD and presented the handbook on data template and metadata for short term statistics. UNSD introduced the data template which consists of an internationally agreed list of short term statistics for its use in macroeconomic surveillance, early warning of economic and financial vulnerabilities, and detection of turning points in business cycles. UNSD discussed the objective of the handbook in assisting countries to produce and use STS, and provided an outline of the publication as well as its current status and their future vision.

After this presentation participants discussed the various items of the session. Tunisia asked Palestine how they are selecting a base year to represent normal conditions in Palestine where economic

fluctuation are subject to political events and conflict, to which Palestine responded by saying that the political variable has always existed and choosing a base year affected by political events and conflict would actually be representative of the normal situation in Palestine. On Import prices GCC Stat asked if there are tools to improve unit value but INSEE explained that Business surveys are essential to calculate unbiased export and import price indices, and that unit value indices calculations are not used anymore in European countries, or not developed anymore (automatic programs can still be used, with a minimum of staff and time involved).

Discussion on XMPI brought to the attention to the national statistical offices to rely on administrative records to validate their foreign exchange and production data. Furthermore, special surveys can be conducted to specific trade activities that are not clear or problematic. For businesses that do not respond or prove problematic such as offshore companies, they can be dealt with the government's assistance and a statistical law that can employ a financial penalty system and with some time they will start answering and coverage will increase. Discussion also addressed the treatment of taxes on products, and pointed out that the Outputs of goods and services are valued excluding VAT (or similar taxes on products) when it is shown separately in the invoice. While the VAT is included in the value of purchased products when it is non-deductible (the producer cannot deduct from the tax liability). This means that VAT and similar taxes on products are recorded as being payable by the purchasers who are not able to deduct them. Accordingly almost all of the VAT is recorded in the 2008 SNA as being paid on final uses. As for the other taxes on production the SNA recorded as they are paid by the producers because they are non-refundable taxes, which implies that they are implicitly included in the price of the product.

(f) The sixth session on *improving data sources for compilation and information systems* addressed improving data sources for compilation and information systems. The first presentation, which was conducted by UNSD, talked about developing a short term statistics implementation program which depends on the principles of strategic planning, coordination, monitoring and reporting, and improving statistical systems. UNSD delve into each of these principles and explained how they are essential for a successful and sustainable STS implementation program. UNSD reiterated the importance of an integrated statistics approach and finally summarized the links between the various elements in a statistical system that would allow for a successful implementation of an STS program.

UNIDO took the floor next to conduct a presentation on seasonal adjustment for the index of industrial production which comprised of the processes, concepts and practices involved. UNIDO began by introducing participants to what seasonal adjustment is and why it is used and moved on to explain the basic concepts involved as well as the costs and risks. Furthermore, UNIDO elaborated on the different methods to conduct seasonal adjustments and the software used and concluded by sharing the UNIDO experience in conducting this adjustment successfully.

The next presentation was conducted by the Swiss Economic Institute (KOF) and discussed economic tendency surveys. The presentation introduced business tendency surveys and its aims as well as the various aspect of conducting this survey. KOF talked about the questionnaire's frequency, questions and implementation strategy in addition to the sampling units, design and size. The presentation concluded by depicting the methods of aggregating and presenting business tendency survey results.

The final presentation of this session was conducted by Eurostat-INSEE on utilizing the ERETES software for national accounts compilation. The ERETES software processes and usages where introduced with real examples to give participants a snapshot of its abilities in compiling national accounts consistently with short term statistics. It was also made clear that ERETES can conduct cross checking validation reviews between the different GDP approaches. In principle, ERETES could be

used for producing quarterly national accounts, but does not deal with seasonal adjustment, and some slight adjustments should be developed (for the moment, no country has used ERETES in order to produce QNA).

At the end of this session the floor was open for discussions and commenced with the Swiss Economic Institute mentioning that methods for seasonal adjustment related to periods like Ramadan should be taken into account by international organizations. Palestine also questioned why seasonality should be removed when it indicates the real movement of indicator. Participants also discussed the national accounts software ERETES where UNSD inquired about coordination effort with INSEE for the adoption and training on the software if requested by member countries. Palestine also mentioned that after the positive feedback of Tunisia and Morocco on the use of ERETES they were encouraged to adopt it.

(g) The seventh session on *production and usage of leading, composite and sentiment indicators,* was dedicated to discussing compilation, production and usage of leading, composite and sentiment indicators. The first presentation of this session was conducted by the Swiss Economic Institute expert where he addressed the subject of composite indicators for business cycle analysis. The presentation included sections on collecting potential indicators, analyzing individual indicators and finally constructing composite indicators and monitoring them.

The ESCWA consultant on STS took the floor next to talk about the Arab region's experience in the development and dissemination of the Consumer and Business Confidence Indicators and the potential benefit from learning from other regions. The presentation began by defining these confidence indicators and explaining the relationship between these indicators and the rest of the short term economic indicators. The ESCWA consultant on STS also talked about the existing international guidelines and recommendations, principle elements of the indicators and their compilation process. The presentation then delve into more hands on experiences by sharing some of the pilot country experiences and methodologies used as well as sharing some of the experiences of other countries in other regions. The presentation concluded by depicting the uses of business and consumer confidence indicators as well as the potential benefits of producing these indicators in the Arab region.

The final presentation for this session was conducted by UNSD and provided an overview of the handbook on cyclical composite indicators. UNSD introduced the concept of cyclical composite indicators and explained the objective of this guidance handbook as well as the governance structure of the entities involved in producing it. UNSD concluded their presentation by going through the outline of the publication and portraying the current status of the publication and the way forward.

(h) The eighth session on *challenges and problems of producing short term statistics* was dedicated to discuss the challenges and problems of STS in a round table discussion. All the participants, who included representatives from the seven pilot countries as well as from ESCWA, UNSD, UNIDO, KOF, INSEE and GCC-Stat, began sharing information and experiences and asking each other questions regarding the production of various short term indicators.

The participants discussed the main difficulties in producing STS in a timely manner which included limitation problems with data sources as well as problems with the identification and development of relevant sources. Countries kept highlighting the human capital challenge which was described in the lack of qualified human capacities in terms of number and qualifications. Participants also discussed problems that included delays in receiving data from internal sources as well as a lack in modern technology for data collection and processing.

Among other issues discussed where also the importance of institutional arrangements to allow completes and timely exchange of data. Participants also discussed differences between the unit value index and the export/import prices index. Among the topics discussed was also the importance of involving academic institutions with the research work in statistics as their studies have added a lot of value to the work of statistical offices in a lot of developed countries. Finally participants discussed the importance of seasonal adjustment and its relevance in some of the Arab countries experiencing political and economic turbulence.

(i) The last session of the EGM was devoted to sum up the three-day meeting with a set of recommendations prepared by ESCWA secretariat. Participants provided positive feedback for the recommendation and concluding remarks and discussed the way forward and future capacity building activities that would further promote and develop short term economic indicators in the pilot countries.

II.   ORGANIZATION OF WORK

A. DATE AND VENUE

4. The EGM was held in Amman from 16 to 18 February 2016.

B. OPENING

5. The chief of the Economic Statistics Section at ESCWA opened the meeting along with the director of the Jordanian Department of Statistics (DoS) and a statistician representing the United Nations Statistics Division (UNSD) by welcoming participants, speakers and representatives of regional and international organizations to the meeting. The opening speech also stressed on the importance of this expert group meeting in improving short term statistics (STS) in the region through sharing knowledge and discussing challenges and paving the way forward in building capacities and providing tools to produce STS of national priority in better quality and frequency.

6. The director of DoS also welcomed everyone and thanked ESCWA for the efforts employed to strengthen STS in the region. UNSD also welcomed the experts and reiterated the importance of producing STS in today's fast paced economies to measure and monitor economic fluctuations in order to avoid economic recessions and better manage these economic challenges.

C. ATTENDANCE

7. The EGM was attended by representatives from the seven pilot countries from the ESCWA region participated in the project, namely, Egypt, Jordan, Lebanon, Palestine, Oman, Qatar and Tunisia. Experts from GSS-Stat UNSD Eurostat, INSEEE, KOS Swiss institute also participated and contributed significantly to the work program of the EGM. Mr. Denis Ward, the international consultant on Short-term Statistics contributed substantially in the various sessions of the meeting. The list of participants is contained in annex II of this report.

D. AGENDA

8. The meeting included nine sessions. The first six sessions devoted to the experts presentations on various areas of short-term statistics. During the eighth session a round table discussion was organized by ESCWA in which challenges and problems in the compilation and production of short-term statistics as well as methodological aspects were discussed among the national, regional and international experts participated in the meeting. The last session, which is the nine session was devoted to the conclusion and recommendations of the meeting. A set of the recommendations were discussed and adopted by the experts participated in the meeting.

Annex I Agenda

Expert Group Meeting on Short Term Statistics
16-18 February 2016
Amman, Jordan, Le Royal Hotel

Day 1: Tuesday 16 February 2016

Time	Topic
8:30-9:00	- Registration of participants

9:00-9:30	- Opening Statements (**DOS, UNESCWA, UNSD**) - Objectives of the meeting (**ESCWA**)

First session: Overview of global/ regional ground of the short term economic statistics
Chairman: ESCWA

9:30-11:00	- International programme on Short-term Statistics (**UNSD**) - Overview of the ESCWA Project on Short Term Statistics (**ESCWA**) - GCC-Stat Road Map on Short Term Statistics (**GCC-Stat**) - Overview of the draft Regional Guideline on Short Term Statistics based on Selected ESCWA member countries (**ESCWA Consultant**) - Regional Assessment on the availability, Methods of Compilation and dissemination practices for short term statistics in the ESCWA region (**ESCWA**) **Discussion**
11:00-11:30	**Break**

Second session: Rapid Estimates of Short-term Statistics
Chairman: *Mr.Denis Ward*

11:30-12:30	- Overview of Handbook on Rapid Estimates(**UNSD**) - Eurostat experiences with GDP flash estimate (**EUROSTAT**) **Discussion**

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Third session: National Accounts /Gross Domestic Product (GDP): Method of Compilation and Challenges **Chairman:** *Mr.Denis Ward*	
12:30-1:30	- Overview of Quarterly GDP **(UNSD)** - GDP estimates in the Arab Region: Challenges and opportunities for improvements **(ESCWA**) **Discussion**
1:30-2:30	**lunch**
2:30-4:30	Country Presentations: - Egypt - Jordan - Lebanon - Palestine - Qatar - Tunisia **Discussion**

Day 2: Wednesday 17 February 2016

Time	Topic
Fourth session: **Production and Turnover: Methodological aspects** **Chairman**: Mr.Benson Sim/UNSD	

9:00-11:00	- Statistical concepts and definitions, Methods of Compilation and usage of the production and turnover indices; (**ESCWA Consultant***)*
	 - Index of Industrial Production: Methods of Compilation (**UNIDO)**
	 - Data Availability and Regional Challenges in the Compilation and Dissemination of the Production and Turnover Indices (**ESCWA**)
	
	 Discussion
	
	 - Country Presentations:
	   - Palestine
	   - Egypt
	   - Jordan
	
	 Discussions

11:00-11:30	**Break**

Fifth session: **Others Short Term Statistics**
 Chairman: *Mr. Klaus Abberger/KOS*

11:30-1:30	- Producer Price indices, of goods and services, for different purposes, Unit Value Indices/ Exports and Imports Price Indices; (**INSEE)** - House Hold Debt: Methods of Compilation and source of data (**UNSD**)

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	- Relationship between short term Statistics (**ESCWA consultant**) - Overview of Handbook on data template and metadata for short-term statistics **(UNSD)** **Discussions**
1:30-2:30	**lunch**

Sixth session: **Improving Data Sources for Compilation and Information Systems**
Chairman: *Mr.Denis Ward*

2:30-4:30	- Implementing Short-term Statistics Programme (**UNSD**) - IIP Seasonal Adjustment: Concepts and practice (**UNIDO**) - Economic Tendency Surveys (ETS) (**KOF-Swiss Economic Institute**) - Eurostat-INSEE ERETES for National Accounts **(Jean-Samy Aziz)** **Discussion**

Day 3: Thursday 18 February 2016

Time	Topic

Seventh session: Compilation, Production and Usage of Leading, Composite and Sentiment Indicators
Chairman: *Mr. Alain Gallais/ INSEE*

9:00- 11:00	- Composite Indicators for Business Cycle Analysis (**KOF Swiss Economic Institute**) - Arab Region experience in the development and dissemination of the Consumer and Business Confidence Indicators and the Potential Benefit from other regions, (**ESCWA Consultant**) - Overview of the Handbook on cyclical composite indicators (**UNSD**) **Discussion**
11:00-11:30	**Break**

Eighth session: Challenges and Problem of producing Short Term statistics
Chairman: *ESCWA*

11:30-1:00	**Round Table Discussion** *(UNSD, KOF, UNIDO, INSEE, GCC-Stat, (Countries representatives: Egypt, Jordan, Lebanon, Palestine Qatar Tunisia)*
1:00-2:00	**Lunch**

Ninth session: Closing Remarks and Conclusion

Chairman:

2:00-3:00	- The way forward and the recommendations

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Annex II List of Participants

Expert Group Meeting on Short Term Economic Statistics in Western Asia,

Amman,

February 16-18, 2016

List of Participants

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Annex : III

List of Priority indicators identified by the countries participated in the ESCWA project
"Strengthening the Statistical Capacity of ESCWA Member Countries in Producing and Disseminating Short-term Statistics for Sustainable Growth",
and adopted in the EGM on STS 16-18 Feb, Amman Jordan

1- **Quarter GDP estimates by:**
   a. **by production**
   b. **expenditure**
   c. **and Flash GDP**
2- **Producer Price Index**
3- **Import and Export Price indicators (XMPI or UVI)**
4- **Turnover index of Industry by major division**
5- **Production index for industry by major division**
6- **Turnover index for retail trade by major division (value and volume)**
7- **Production index for construction**
8- **Business and Consumer confidence indicators**
9- **Employment by activity**
10- **Household Debt**
11- **Residential property price index**