



International work on short-term statistics

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Outline

- What are short-term statistics?
- Uses of short-term statistics
- International programme on short-term statistics
 - Existing collections
 - New work
 - Economic tendency surveys
 - Data template and analytical indicators
 - Cyclical composite indicators
 - Rapid estimates

What are short-term statistics?

Comprise statistics compiled and disseminated on

- Daily basis (e.g. oil prices, stock market price index)
- Weekly basis (e.g. unemployment claims)
- Monthly basis (e.g. consumer price index)
- Quarterly basis (e.g. quarterly GDP)

to track short-term developments in various aspects of the economy

Uses of short-term statistics

Policy, monitoring and analysis

- Provide early warning system on occurrence and timing of economic upturns and downturns
 - Example: Cyclical composite indicators and tendency indicators
- Measure short-term impact of internal and external shocks
- Support formulation of national budgets
 - Some national budgets are proposed and discussed in fourth quarter of calendar year and require various short-term statistics as inputs
- Allow for prompt and effective fiscal and monetary policy response
- Allow for forecasting and modelling

Uses of short-term statistics

Statistical use

- Input to compilation of national accounts
 - Quarterly consumer, producer, export and import price indices can be used as deflators to calculate quarterly GDP in volume terms
 - Quarterly index of production and retail sales index can be used to calculate production-based quarterly GDP in volume terms
 - Retail sales index can be used to track changes in household consumption in volume terms
- Input to construction of other short-term indicators
 - Example: Composite leading, lagging and coincident indicators
- Input to short-term forecasting of the economy

International programme on short-term statistics

- Index of Industrial Production (IIP), Producer Price Index (PPI) and Consumer Price Index (CPI) have been considered and compiled at the international level for a long time
 - Methodological guidance has been developed
- As a result of the economic crisis in 2008, the need for more short-term indicators was discussed
 - National and regional initiatives exist already

International programme on short-term statistics

- The programme was endorsed by the United Nations 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
 - Economic tendency surveys
 - Cyclical composite indicators
 - Data template and analytical indicators
 - Rapid estimates

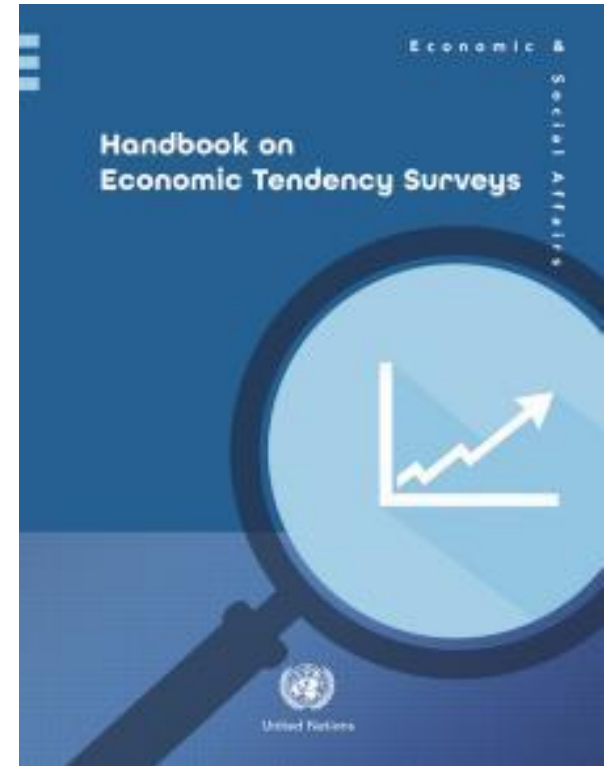
Economic tendency surveys

- Provide cost-effective means of generating timely information on short-term economic developments
- Serve as integral part of early warning system
- Project:
 - To provide best practices and harmonized principles on tendency survey sample selection, questionnaire design, survey questions, survey execution, data processing and use of composite tendency indicators
 - Develop a Handbook on Economic Tendency Surveys to provide an internationally accepted set of guidelines applicable to all countries and multiple economic activities

Economic tendency surveys

Status

- Edited and formatted copy of handbook in English is available on [https://unstats.un.org/unsd/nationalaccount/docs/ETS Handbook Final.pdf](https://unstats.un.org/unsd/nationalaccount/docs/ETS_Handbook_Final.pdf)
- Handbook is being translated into other UN official languages



Data template and analytical indicators

- **Project:**
 - 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
 - Produce a handbook for the internationally accepted data template and metadata structure
- **Consists of an internationally agreed list of policy-relevant short-term statistics for use in:**
 - Macroeconomic surveillance
 - Early warning of economic and financial vulnerabilities
 - Detection of turning points in business cycles

Data template and analytical indicators

Structure and content of data template

Short-term statistics are organized in these categories:

- National accounts
- Production and turnover
- Prices
- Labour market indicators

Macroeconomic growth and stability

- External sector
- Financial corporations sector
- General government sector
- Household sector
- Non-financial corporations sector

Sectoral vulnerabilities
and developments

- Financial market
- Real estate market

Market conditions

- Tendency indicators
- Composite Business Cycle indicators

Economic sentiment

Data template (example)

	Set 2: Production and turnover	Tier	Frequency	Timeliness
2.1	Production index for industry, by major division (mining, manufacturing, electricity, water, etc.)	Tier 1	Monthly	6-12 W (e-GDDS) 6W, 1M encouraged (SDDS)
2.2	Production index for construction	Tier 2	Monthly	6-12 W (e-GDDS) 6W, 1M encouraged (SDDS)
2.3	Turnover index for retail trade by major division	Tier 2	Monthly	1M (SDDS)
2.4	Turnover index for industry by major division	Tier 2	Monthly	1M (SDDS)
2.5	Turnover index for other services by major division (excluding financial services and non-commercial services)	Tier 2	Monthly	1M (SDDS)
2.6	New orders index for industry by major ISIC division (for those that work on order)	Tier 3	Monthly	1M (SDDS)
2.7	New orders index for construction (building permits or housing starts)	Tier 2	Monthly	1M (SDDS)
2.8	Commodity production as relevant and other indicators of economic activity	Tier 3	Monthly	6-12W (e-GDDS) 6W, 1M encouraged ^{12d} (SDDS)

Data template and analytical indicators

Status

- Draft handbook has been circulated for global consultation (see https://unstats.un.org/unsd/nationalaccount/consultationDocs/Data_template_draft.pdf)

Cyclical composite indicators

- Project:
 - Address ongoing concerns of assessing short-term changes in economic activities
 - Serve as an integral part of the early warning system because they provide information about the occurrence and timing of upturns and downturns of the economy
 - There is no existing international statistical guidance on their compilation
 - To provide best practices and harmonized principles on the compilation and reporting of business cycle composite indicators

Cyclical composite indicators

- Produce a Handbook on Cyclical Composite Indicators to address the standards for the compilation and presentation of the business cycle composite indicators
- Status:
 - Draft handbook has been circulated for global consultation:
https://unstats.un.org/unsd/nationalaccount/consultationDocs/draft_HandbookCCI.pdf

Rapid estimates

- Refer to indicators that are available with a relatively shorter time lag
- Provide the first official assessment of short-term changes in economic activities
- Rapid estimates (i.e., nowcasts, flash estimates, advanced/preliminary estimates) are regularly compiled in several countries and have become a referential statistical product for many statistical institutions
- To develop international statistical guidelines on best practices and harmonized principles for the compilation and reporting of rapid estimates of key macroeconomic indicators.

Rapid estimates

- Project outputs:
 - A glossary of terms
 - A Handbook on Rapid Estimates to
 - Provide international statistical guidance for the compilation and reporting of rapid estimates; and
 - Assist compilers in producing rapid estimates of key short-term macroeconomic indicators in a comparable manner, using best international practices
- Draft handbook has been circulated for global consultation
[\(\[https://unstats.un.org/unsd/nationalaccount/consultationDocs/Handbook_RE.pdf\]\(https://unstats.un.org/unsd/nationalaccount/consultationDocs/Handbook_RE.pdf\)\)](https://unstats.un.org/unsd/nationalaccount/consultationDocs/Handbook_RE.pdf)

Current status

- Handbook drafts have been submitted for global consultation
 - Handbook for tendency surveys already completed

- No dedicated data collection at UNSD yet for tendency or cyclical indicators

- Data template includes some indicators already being collected (like IIP)