

Meeting of the 2018/2019 Bureau  
Geneva (Switzerland), 14-15 October 2018

Approved

Item VIII (a) of the Provisional  
Agenda

## **REPORT OF THE TASK FORCE ON LEADING, COMPOSITE AND SENTIMENT INDICATORS**

**Prepared by the Task Force**

*The Task Force on Leading, Composite and Sentiment Indicators has updated the draft “Guidelines on producing leading, composite and sentiment indicators” to incorporate the comments received during the CES interim consultation of the Guidelines in spring 2018. The Bureau reviewed the updated version of the Guidelines (provided as an addendum to this document) and decided to send them for electronic consultation to all CES members. If the outcome of the consultation will be positive, the Guidelines will be submitted to the CES 2019 plenary session for endorsement.*

### **I. BACKGROUND**

1. In February 2016, the Bureau of the Conference of European Statisticians (CES) established a Task Force to develop guidelines for producing leading, composite and sentiment (LCS) indicators. The objective of the Task Force was to develop guidance on good practices for national statistical offices (NSOs) in producing LCS indicators. The guidelines should clarify the possible roles of NSOs in producing such indicators and provide operational guidance for NSOs that produce or consider producing these indicators.
2. The Task Force consisted of the following members: Denmark, Hungary, Israel, Italy, Mexico, Netherlands, Sweden, Turkey, Eurostat, OECD, UNSD and UNECE. Mr Jeroen Boelhouwer, The Netherlands Institute for Social Research, and Mr Gian Luigi Mazzi, GOPA Consulting Group, participated in the Task Force as independent experts. Until October 2017 the Task Force was chaired by Sweden. From November 2017 the group was chaired by Denmark.
3. The CES Bureau reviewed the first draft version of the Guidelines in October 2017 and asked the Secretariat to conduct an interim consultation to give all CES members an opportunity to provide comments and proposals to the Task Force for further improvements. The interim consultation was carried out in March-April 2018, which resulted in replies from thirty-seven countries, three international organisations and three research institutions. All responses considered the draft Guidelines useful and comprehensive and acknowledged their value for engaging in or improving the production of LCS indicators.
4. The draft Guidelines and the results of the interim consultation were presented to the CES plenary session in June 2018. The Conference expressed support for the Guidelines and underlined the growing interest in leading, composite and sentiment indicators as ways to provide relevant and timely information about economic and social developments to users of

official statistics. The Conference asked the Task Force to incorporate the comments and proposals received during the interim consultation and the final draft of the Guidelines to be circulated for a large consultation with the view to be submitted to the 2019 CES plenary session for endorsement.

5. Section II gives a brief overview of the work by the Task Force to incorporate the comments and suggestions received in the interim consultation. Section III proposes a time plan for a final round of consultation and preparing the final draft version of the Guidelines to be submitted to the CES plenary session in June 2019.

## II. WORK OF THE TASK FORCE TO UPDATE THE GUIDELINES

6. All chapters have been updated to incorporate the received comments and suggestions to the extent possible. The use of terms and concepts has been streamlined across chapters and additional explanations have been incorporated to improve and clarify issues and recommendations provided. The most significant changes include the following:

- Swapping chapters 2 and 3 to first introduce the terminology before addressing the challenges of NSOs when producing leading, composite and sentiment indicators. After this change, the Guidelines consist of the following chapters:

Chapter 1: Introduction  
Chapter 2: Typology of indicators  
Chapter 3: The role of NSOs in producing LCS indicators  
Chapter 4: Sentiment indicators  
Chapter 5: Composite economic indicators  
Chapter 6: Composite socio-economic indicators  
Chapter 7: Communicating LCS indicators

- Harmonisation of the steps for constructing composite economic indicators and composite socio-economic indicators (chapters 5 and 6) to make them consistent with existing literature, in particular the OECD *Handbook on Constructing Composite Indicators*;
- In chapter 4 on sentiment indicators the (technical) section on comparison with reference series was moved to an Annex;
- Throughout the Guidelines, additional references to relevant methodological literature were added.

7. The annexes of the Guidelines include elaborated country examples on different ways of producing LCS indicators, provided by Italy, Mexico, the Netherlands, Sweden and Turkey. All country examples except one have been updated to incorporate comments and improve clarity. An additional example offered by Spain will be incorporated, if received in due time.

8. In addition to these changes, the Task Force added in chapter 1 a list of topics for possible further work and research on LCS indicators. The list includes both conceptual and measurement issues where more work would be useful, including, for instance, the development of further guidance on measuring wellbeing, a range of methodological issues and issues concerning data sources and exchange of good practices among countries.

9. There are no major remaining issues. Before the final consultation, the Task Force will review the draft Guidelines to correct any remaining errors, ensure consistent and coherent use of terms and definitions and correct and update references to relevant literature.

### III. TIME PLAN FOR REMAINING WORK

10. The Task Force proposes the following steps for the remaining work:

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Oct-Dec 2018	Further reviewing of the Draft Guidelines to correct remaining errors, ensure consistent and coherent use of terms and definitions and correct references to relevant literature.
Dec 2018-Feb 2019	Electronic consultation with all CES member countries and organisations. UNSD has offered to ensure global consultation by circulating the Guidelines to countries that are not members of CES.
Mar-Apr 2019	Incorporation of comments received in the CES consultation.
Jun 2019	Presentation of the final version of the Guidelines and the result of the consultation to the CES plenary session for endorsement.
Jun-Aug 2019	Incorporating comments/suggestions from the CES plenary session and final editing and formatting.
Sep 2019	Publication of the electronic version of the Guidelines.

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### IV. PROPOSAL TO THE BUREAU

11. The Bureau is invited to:

- a) Comment on the updated version of the *Guidelines on leading, composite and sentiment indicators* (ECE/CES/BUR/2018/OCT/21/Add.1).
- b) Decide whether the Guidelines can be sent for electronic consultation to all CES members (after some final corrections), and agree on the proposed time plan on their finalisation.

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