



Developing compilation guidance on composite indicators and tendency surveys

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UNECE Seminar on the Role of National Statistical Offices in the
Production of Leading, Composite and Sentiment
8-10 December 2015
Geneva



- Background
- Global statistical response
- International Programme on short-term economic statistics
 - Economic tendency surveys
 - Cyclical composite indicators
 - Rapid estimates
 - Data template and analytical indicators
- UNSD activities
- Conclusions



- Financial crisis of 2007–2008 – Global financial crisis – is considered by many to be “the worst recession since the 1930s”.
- The international statistical community came together to:
 - discuss the role of official statistics (e.g. monitor trends, measure impacts, provide early warnings);
 - mobilize efforts to identify and remedy data gaps for monitoring economic shocks as well as to improve the dissemination and communication of relevant information already available.



- There were two major initiatives:
 - The Inter Agency Group (IAG) on Economic and Financial Statistics was established
 - A series of International Seminars on short-term statistics by UNSD and Eurostat as part of a consultation on the role of official statistics.



- Joint initiative by UNSD and Eurostat in collaboration with Statistics Canada, Statistics Netherlands and the Russian Federal State Statistics Services.
- Organised 3 International Seminars:
 - International Seminar on Timeliness, Methodology and Comparability of Rapid Estimates of Economic Trends, Canada, May 2009;
 - International Seminar on Early Warning and Business Cycle Indicators, Netherlands, December 2009;
 - Third Seminar on Early Warning and Business Cycle Indicators, Russian Federation, November 2010.
- Consultation with the academia:
 - European Colloquium on Modern Tools for Business Cycle Analysis, Eurostat, September 2010.



- The purpose of the Seminars was to formulate an *international statistical response* to the economic and financial crisis for improved monitoring of:
 - the rapid and systemic changes in the global real economy and the financial markets; and
 - the impacts on vulnerable countries and population groups.



Endorsed by the UN Statistical Commission in 2011

Overall objective:

- *To 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
- Rapid estimates
- Cyclical composite indicators
- Data template and analytical indicators



Handbook on Economic Tendency Surveys 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

Current status of preparation

Summer 2014 – A global consultation was carried out on the Handbook

The handbook was submitted for publication after the inclusion of comments from the global consultation

A pre-edited copy of the handbook is available online at:
<http://unstats.un.org/unsd/nationalaccount/consultationDocs/Pre-editETS-October2015.pdf>



Chapter 1: Introduction

Chapter 2: Scope of Economic Tendency surveys

Chapter 3: The questionnaire design

Chapter 4: Survey frame and sample design

Chapter 5: Estimation procedures and accuracy

Chapter 6: Data collection

Chapter 7: Managing sources of non-sampling errors

Chapter 8: Processing tendency survey data

Chapter 9: Data dissemination and publication

Chapter 10: Use of tendency survey results



Handbook on Cyclical Composite Indicators to provide statistical guidance on harmonized principles for application in the formulation of cyclical composite indicators and standards for their compilation and presentation

Assist compilers in producing cyclical composite indicators in a comparable way, to enable reliable international comparisons of economic performance and behaviour using the best international practices

Current status of preparation

Information about the draft Handbook is available online at:

<http://unstats.un.org/unsd/nationalaccount/pubsdvp.asp>

A global consultation on the Handbook is scheduled for December 2015

The Handbook is expected to be finalized by early 2016 upon inclusion of the comments from the global consultation



Section 1: Introduction and definitions (taxonomy)

Section 2: Data requirements

Section 3: Variables and models selection techniques

Section 4: Indicators measuring cyclical movements

Section 5: Indicators for turning points detection

Section 6: Indicators measuring economic growth

Section 7: Validation

Section 8: Guidelines for the construction of cyclical composite indicators



Glossary of terms which was prepared by Eurostat and it is available on Eurostat website at http://ec.europa.eu/eurostat/statistics-explained/index.php/Category:Rapid_estimates_glossary

Handbook on Rapid Estimates to

Assist compilers in producing rapid estimates of key short-term macroeconomic indicators in a comparable manner, using best international practices

Assist countries that plan to set up a more comprehensive system of estimates of key macroeconomic indicators by:

- Providing methodological foundations for the compilation of rapid estimates

- Offering practical guidance on individual steps and elements of the compilation process



Current status:

- Information about the draft Handbook is available online at:
<http://unstats.un.org/unsd/nationalaccount/pubsdvp.asp>
- A consultation on the Handbook is scheduled for December 2015.
- The Handbook is expected to be finalized by early 2016 upon inclusion of the comments from the consultation.



An internationally accepted *Data Template and Metadata for Short-Term Statistics*

Handbook on Data Template and metadata for short-term statistics to

- present the internationally-endorsed data template and metadata for short-term statistics for the purpose of **macroeconomic surveillance, early warning** of economic and financial vulnerabilities and **detection of turning points** in business cycles
- provide methodological guidance on the compilation of the indicators and their use
- describe the statistical and analytical properties of short-term economic indicators
- encourage the development of national data hubs for short-term statistics



Current status:

- The data template was brought to the UN Statistical Commission in 2014
- Global consultation on the Handbook launched in November 2015

<http://unstats.un.org/unsd/nationalaccount/gcItemDTMST.S.asp>

- The Handbook is expected to be finalized by January 2016 upon inclusion of the comments from the global consultation.



Indicators are organized in 12 categories:

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

Macroeconomic growth and stability

- External sector
- Financial 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



Knowledge base on economic statistics

United Nations Statistics Division

unstats.un.org/unsd/EconStatKB/Knowledgebase.aspx



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Knowledgebase

- Statistical Production Process Framework
 - Institutional Setting
 - Methodology of Data Collection and Processing
 - Register and Frames
 - Administrative Sources and Surveys
 - Integration Frameworks
 - Dissemination and Communication
- Statistical Domain
 - Agriculture, Forestry and Fisheries Statistics
 - Balance of Payments
 - Banking, Insurance and Pension Funds Statistics
 - Business Statistics
 - Classifications
 - Construction Statistics
 - Distributive Trade Statistics
 - Environmental-Economic Accounting
 - External Debt Statistics
 - Government Finance Statistics
 - Industrial Statistics
 - Information Society

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- Technical assistance (TA) to countries in:
 - implementing the data template; and
 - developing national central data hubs for short term statistics.
- TA carried out in cooperation with relevant international/regional organizations, for example
 - ESCWA DA project on short term statistics (<http://www.un.org/esa/devaccount/projects/2014/1415AQ.html>)
 - Workshops in collaboration with CIRET
<http://unstats.un.org/unsd/nationalaccount/workshops/2014/Hangzhou/lod.asp>
and China NBS
<http://unstats.un.org/unsd/nationalaccount/workshops/2015/Beijing/lod.asp>



- Building on our recent experience on the collection and dissemination of data through SDMX between international organizations and the MDG indicators
 - Developing a global data hub on short term statistics within the scope of the data template.
- Continuous updating of the Knowledge Base on Economic Statistics to provide the most up to date statistical standards and compilation guidance.
- Development of (e-)training material on the compilation of selected short term statistics in cooperation with relevant international/regional organizations.
- Foster the role of Composite and Sentiment Indicators in official statistics.
- Establish a web page providing information on the short term statistics work programme.



- Composite business cycle indicators and tendency indicators are recognized by the **statistical community** as important indicators for short-term statistics for the purpose of
 - macroeconomic surveillance,
 - early warning of economic and financial vulnerabilities
 - detection of turning points in business cycles
- Different institutions may be involved in their compilation (NSO, Research institutes, Central Banks, academia, etc.)
- Importance of metadata to ensure transparency of the compilation, quality of the indicators and assessment for use,...



- Guidelines for their compilation are being finalized to harmonize practices by providing standardized compilations guidance.
- Importance of data hubs to facilitate the dissemination of short term statistics but also to align methods, classifications, frequency and timeliness.



Thank you!