Activity Index and Export Managers Index – a Swedish case study

Seminar: The Role of NSO in the Producation of Leading, Composite and Sentiment indicators

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Background

- Leading indicators has existed for many years
- Simple or complex indicators?
- Demand for indicators has risen recently

- Sweden has been working with many types of leading indices
- Two examples are presented below
The Activity Index (AI)

- Design to provide an early outcome of GDP
- Composite indicator
- Model-based – ARIMA model/regression + own judgement
- Based on existing statistics
- Underlying indicators (industrial production, employment, working hours, foreign trade)
- Introduced in 1993
The Activity Index (AI)

Source: Statistics Sweden

Data up to and including December 2009
Risks and Opportunities AI

- First estimate usually good indicator for GDP
- Revision connected to problems
- User’s complaint increased in 2000
- Own judgement and effects of seasonal adjustment difficult to understand for users

- Revisions too large in relation to GDP
- Assessment of AI led to stop publishing
Export managers Index (EMI)

- Simple Interview Survey
- 225 companies
- Export managers
- Similar til PMI, but weighted values
- Collection of data done by Statistics Sweden
- Analysis performed by Business Sweden

- Timely indicator
- Highly transparent at data-set is published
Export managers Index (EMI)
EMI – risk and Opportunities

- High transparent indicator
- Timeliness

- Disadvantage of low response rate as export managers are busy people
- Export of services may be hard to get correctly
Conclusions

- EMI have a higher flexibility and are more user-friendly as index
- EMI – sentiment index
- AI – good result at start
- AI – composite /complex index, hard to explain to users