

CONFERENCE OF EUROPEAN STATISTICIANS

For discussion and  
recommendations

Meeting of the 2019/2020 Bureau  
Geneva (Switzerland), 16-17 October 2019

Item 5 of the Provisional  
Agenda

**COMMENTS ON THE QUESTIONS RAISED  
BY THE FRIENDS OF THE CHAIR ON ECONOMIC STATISTICS**

**Note prepared by the UNECE Secretariat**

*In March 2019, the UN Statistical Commission created a Friends of the Chair Group on Economic Statistics (chaired by Canada) to undertake an assessment on the efficiency, effectiveness and responsiveness of the governance of the current system of economic statistics. The Group is expected to report back to the UN Statistical Commission in 2020 with a clear plan on how to move forward.*

*As a contribution to the global consultation for preparing the report to the UN Statistical Commission, the Secretariat has prepared a note responding to the six questions on the future of economic statistics raised by FOC. The responses are based on the work of UNECE steering groups, expert groups and task forces in the areas of national accounts, global production arrangements, statistical business registers, consumer price indices, and measuring of human capital and well-being.*

*The Bureau is invited to discuss the six questions raised by FOC and the comments made by the Secretariat.*

**I. BACKGROUND**

1. The UN Statistical Commission in March 2019 asked the Friends of the Chair (FOC) on Economic Statistics, chaired by Canada, to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development or if gaps exist. The Commission also asked FOC to examine if the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need for an increasingly responsive and comprehensive system of economic statistics.

2. FOC will report back at the 2020 session of the UN Statistical Commission with a list of recommendations to improve the effectiveness and efficiency of the system of economic statistics. In order to help formulate their recommendations, FOC has requested feedback from existing groups involved in economic statistics on six questions related to:

- Global priorities in need of statistical development
- Global initiatives that could help with NSO transformation
- Governance of economic statistics
- Whether or not the program of economic statistics needs to be more responsive.

3. The UNECE Secretariat over the years has been actively involved in work on national accounts and global production arrangements, statistical business registers, consumer price indices, measuring of human capital and well-being, in which areas the Secretariat has serviced steering groups, expert groups and task forces. Based on this experience, the

Secretariat has prepared comments to the six questions to feed into the discussion at the Bureau meeting in October 2019. The comments are provided in section II of this document.

## II. COMMENTS ON THE SIX QUESTIONS OF THE FRIENDS OF THE CHAIR<sup>1</sup>

### Question 1

4. “The Friends of the Chair Group identified several priority areas for the update of the system of economic statistics. These included digitalization, globalization, economic well-being, economic inequalities, sustainability, climate change, intangible assets, household production, human capital and the informal sector. It was acknowledged that most of these priority areas are currently being addressed through global initiatives. **In addition to the above, are there gaps/issues that have a global reach that need to be addressed?”**

#### *UNECE comments:*

(a) The suggested areas provide a comprehensive list of global priority areas in economic statistics. Current CES/UNECE expert groups and task forces are undertaking work in all of the mentioned priority areas;

(b) Economic statistics also enter broader fields of statistics, such as e.g. on inequality, poverty, wellbeing or quality of life indicators and environment, which seem to attract growing interest from users. While these somehow fall out of scope of the mandate of FOC it may still be relevant to consider to what extent economic statistics is fit for use in broader/cross-cutting areas of statistics and if proper coordination and governance is in place to this end.

### Question 2

5. “NSOs are also being required to undertake significant institutional transformation including increasing use of new data sources, improving timeliness, addressing accuracy issues, introducing new data linking methods and processes, undertaking more granular analysis on the social and environmental impact of economic activity, and taking on new roles as data custodians for the use of administrative and big data. **There are several global initiatives (such as UNECE work on Data Sharing, the Eurostat work on Global Registers, High Level Group on Modernization of Official Statistics) currently underway supporting NSOs in their transformation. Is there a need for additional global initiatives that could support NSOs in their transformation?”**

#### *UNECE comments:*

6. The Task Force on Exchange and Sharing of Economic Data established by the CES Bureau in 2017 has developed a *Guide to Sharing Economic Data*. As a follow-up to this work the following actions were recommended to the CES Bureau:

(a) The *Guide to Sharing Economic Data* proposes **establishing an international network of experts on multinational enterprise groups (MNEs)**. In June 2018, the CES plenary session decided to create an international network of experts on MNEs and recognized

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<sup>1</sup> The questions are quoted from the paper *Materials for the chairs of governance committees* submitted by FOC.

the need for a regular international forum. The joint UNECE/Eurostat/OECD Group of Experts on National Accounts has agreed to facilitate and support this effort. The meetings of the network should discuss issues related to data of MNEs and sharing of information. In the first instance, the network should regularly meet, or otherwise communicate, exchange experience and best practices in data sharing and exchange of metadata on MNEs. The network should also involve central banks. The activities of the network should be coordinated by the CES Steering Group on National Accounts that includes members from international organizations and leading countries;

(b) The Guide recommends **creating and maintaining a register of the largest MNEs for statistical purposes**. Ideally, countries would supply micro-data into this register. Where this is not possible, it could be supplemented with publicly available information. The work could start by reviewing possibilities to develop an extension to OECD Analytical Database on Individual Multinationals and their Affiliates (ADIMA) where NSOs could be involved in validating and complementing the MNE data for their economy. This extension would be used only for authorised statistical purposes and confidential data on MNEs would not be made available in the public-use ADIMA;

(c) The Guide suggests **creating a multi-country database with mirror statistics**. This kind of database with aggregated level data would encourage cross-border cooperation among statisticians. Countries could use the findings from the database to initiate discussions with statistical authorities of other countries to address asymmetries and work bilaterally to find solutions to discrepancies. An extension of the database could include information about ongoing reconciliation projects and their results;

(d) The *Guide to Sharing Economic Data* proposes that CES Bureau considers **developing a guide to data reconciliation**. This guide would outline operational approaches and methods countries can use to reconcile bilateral and multilateral trade, investment and production figures. The development would benefit from the sharing of experience and lessons learned within the global network of experts on MNEs and could take stock of good practices presented in the network of experts on MNEs.

### Question 3

7. “The system of economic statistics (involving numerous institutions, committees and other governance arrangements) has developed somewhat organically over time, guided by common principles aiming to deliver a complete and coherent set of data on the economy. **Does the governance structure supporting the key macroeconomic accounting frameworks (SNA, BOP, GFS, SEEA) need to be re-examined? If so, can you provide suggestions as to how the governance structure could be made more efficient and effective?”**

#### *UNECE comments:*

(a) The groups that are active in economic statistics under the Statistical Commission are listed in the Annex. It is important to keep the governance structure efficient, simple and transparent. For this reason, it could be considered to review and evaluate the current governance structure for groups involved in economic statistics. Are the reporting lines clear, are there overlapping responsibilities, are countries and organisations adequately represented? The difference between some of the types of groups (expert groups, working groups, etc.) is not always clear. Is there a need for so many types of groups? Also, the

difference between some of the individual groups are not clear; what is, for instance, the difference between interagency and intersecretariat working groups?

(b) For the main macroeconomic areas (or frameworks) the governance structure appears clear and is well-established (e.g. BOPCOM; ISWGNA/AEG; IWGPS; Interagency Task Force on International Trade Statistics). However, it is not always clear how the links and coordination between these and some newly established bodies will be ensured, for example with the Intersecretariat Working Group on International Trade and Economic Globalization Statistics or with the Committee of Experts on Business and Trade Statistics. The research and methodological work recently launched under these bodies considerably overlaps with the work of existing groups. There is a need for strong coordination to ensure consistency of international work and recommendations;

(c) The focus on integration of economic statistics and streamlining of production processes call for coordination of work on business registers/business statistics and macroeconomic statistics;

(d) From the regional perspective of UNECE, the priority areas in economic statistics are national accounts and globalisation, statistical business registers, consumer price indices (CPIs), measuring of human capital and well-being. In the areas of national accounts, globalisation, human capital, wellbeing and CPIs, the work is guided by steering groups established by the CES Bureau. The steering groups are tasked to ensure coordination with other relevant groups such as, for instance, ISWGNA and AEG in the area of national accounts, and IWGPS and the Ottawa group in the area of CPIs. The work on statistical business registers is closely coordinated with Eurostat and OECD (who are co-organising the biennial meetings of the Group of Experts on business registers). The work on business registers is guided by the Steering Group of the Wiesbaden Group on Business Registers;

(e) It is important that mechanisms are in place to ensure cooperation and coordination of UNECE activities with global initiatives.

#### Question 4

8. “Most of the current settings are focused on supporting the production of macro-economic data whereas increasingly users are demanding more granular insights. **Given the increasing availability of disaggregated and microdata and not withstanding challenges related to microdata access, how can the current mechanisms be reinforced or adapted to meet these needs, or are new mechanisms needed?**”

#### *UNECE comments:*

(a) The demand for more disaggregated data is seen in almost all statistical areas. Rather than establishing new mechanisms the issue should be integrated in the work of existing groups;

(b) Within existing groups, efforts to strengthening the role of NSOs, and other producers of official statistics, their access to microdata and the development of techniques to ensure confidentiality would be useful. Sharing of experiences and good practices will also be useful. The UNSD platform UN Big Data For Official Statistics is an example of a forum that could be useful in this regard (available on <https://unstats.un.org/bigdata/>);

### Question 5

9. “The system of economic statistics is often portrayed as reactive and slow in adjusting. **Do you agree? If so, are new institutional arrangements needed to make it more responsive to changes in user and policy needs?”**

#### *UNECE comments:*

(a) The question of responsiveness of official statistics can be looked at at two levels: the national level and the international level;

(b) At national level it is about the ability of NSOs to react on and meet user needs within reasonable time. This, in turn, has to do with resources, the availability of data sources, streamlining of production and dissemination processes and implementation of flexible production systems that allow new statistics to be produced with minimum of time delay. If not already in place, close cooperation with owners of data sources and with user groups and stakeholders (i.e. in advisory statistical committees) should be established. Sharing of experiences and good practices in this regard may also be helpful to many NSOs;

(c) At the international level problems with responsiveness are associated with the considerable time it may take to develop or update guidelines, standards and classifications. An efficient governance structure may help to improve responsiveness/timeliness at international level, combined with clearer priorities on areas where timing is crucial.

### Question 6

10. “Finally, there is significant innovation and experimentation of new methods and processes that take place outside of the realms of official statistics agencies, for example in academia. **Do NSOs and international organizations need to accelerate their pace of innovation and degree of experimentation?”**

#### *UNECE comments:*

(a) NSOs and international organisations must be innovative. To this end, increased cooperation with other producers of statistics, owners of data sources and the research community would be useful;

(b) As reflected in questions 4 and 5, there is a growing demand for both more granular and more timely statistics. Although the trade-off between timeliness and granularity (and quality) to some extent may be reduced with the emergence of new data sources and better production processes it cannot be completely ignored. Improving both timeliness and granularity while at the same time being innovative in developing new statistics may require more resources. It may not be possible to succeed in all areas at the same time, so it may be necessary to prioritise.

### III. ACTION REQUESTED FROM THE BUREAU

11. **The Bureau is invited to discuss the six questions of the FOC and the comments by the Secretariat.**

## ANNEX

### Active groups in economic statistics under the Statistical Commission

According to the UNSD website (<https://unstats.un.org/unsd/statcom/groups/>) the following groups are active in economic statistics under the Statistical Commission (year of establishment is indicated in brackets):

#### Expert Groups

- Expert Group on International Trade and Economic Globalization Statistics (2015)
- Advisory Expert Group on National Accounts (2002)

#### Working Groups

- Intersecretariat Working Group on International Trade and Economic Globalization Statistics (2016)
- Intersecretariat Working Group on National Accounts (early 1980s)
- Inter-Agency Working Group on Debt Statistics (2019)
- Intersecretariat Working Group on Price Statistics (1998)

#### Task Forces

- Inter-Agency Task Force on International Trade Statistics (2014)
- Inter-Agency Task Force on Finance Statistics (1992; put on hold by the UNSC in 2019 until it has been determined if the work of the Inter-Agency Working Group on Debt Statistics has been successful).

#### City Groups

- Voorburg Group on Service Statistics (1986)
- Wiesbaden Group on Business Registers (1986)
- Delhi Group on Informal Sector Statistics (1997)
- Ottawa Group on Price Indices (1994)

#### Committees

- Committee of Experts on Business and Trade Statistics (2017), with five teams established under the committee:
  - Task team on Well-being and Sustainability
  - Task team on Globalization and Digitalization
  - Task team on Exhaustive Business Registers
  - Task team on Business Dynamics, Demography and Entrepreneurship
  - Task team on Capacity building (leaving no one behind)

#### Friends of the Chair Groups

- Friends of the Chair Group on Economic Statistics (2019)
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