

Economic Sentiment Indicators in the Arab Region

**UNECE Seminar on the Role of National Statistical Offices in the
production of Leading, Composite and Sentiment Indicators
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Economic And Social Commission For Western Asia

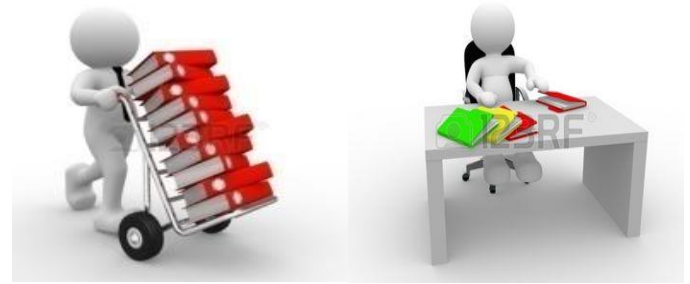


UNITED NATIONS

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ESCWA

40
YEARS

I. Overview of Compilation & Production of ESI in ESCWA



→ Three main actors involved in the production of economic sentiment indicators in the countries of the Arab region.

→ NSOs, other national entities and Global companies.

I. National Statistical Offices

Country	Name of indicator	Starting year of dissemination	Additional information
Morocco	Consumer Confidence Index	2008	<p><u>The Moroccan High Commission for Planning</u> disseminates the index in quarterly reports in both French and Arabic. The index is calculated based on the results <u>of the business tendency survey</u>; it is a composite indicator calculated as the <u>arithmetic average of seven indicators</u>, four of which are related to the general status of the household while the remaining belong to special status of the family.</p> <p>More info on: http://www.hcp.ma/ICM_r19.htm</p>
Qatar	-Consumer Confidence Index (CCI)	-Third quarter of 2013	<p>The <u>Ministry of Development Planning and Statistics</u> in Qatar started producing recently both the CCI and BCI. -The methodology used in the Consumer Confidence Index is based on international methodologies, especially of Michigan University and the Conference Board. The index is based on 5 questions of which two sub-indexes are present situation index and expectations index.</p>
	-Business Confidence Index (BCI)	-Second quarter of 2014	<p>-<u>The Business Confidence Index</u> is based on international methodologies, especially the European Commission Methodology. The index measurement is based on 6 questions from which two sub-indices emerge (present situation index and expectations index). Both indexes are disseminated in <u>quarterly reports</u>: http://www.mdps.gov.qa/portal/page/portal/gsdg_en/statistics_en/surveys_and_questionnaire_en/Surveys</p>

II. National Agencies /companies

Country	Name of agency	Name of indicator	Additional information
Egypt	-Egyptian Center for Economic Studies	-Business Barometer	<p>-The Business Barometer attempts to measure economic trends on the real side of the Egyptian economy. It is published as part <u>of ECES' business survey</u> that tracks past and present supply and demand, output and input prices, wage and employment trends, and the changing nature of constraints on business, as well as overall economic growth. The indicator is published in <u>quarterly reports since 1998</u>. http://www.eces.org.eg/Publications.aspx?subSec=2</p>
Palestine	Palestine Monetary Fund	Business Cycle Indicator (PMABCI)	<p>The index captures the state and evolution of the Palestinian business environment overtime, especially in the <u>manufacturing sector</u> and the impact on economic activities at large. The indicator adopts the opinion polling methodology. A representative sample of industrial firms' managers in GS and the WB are surveyed about their opinions of the level of employment, production and sales in the current time, and their expectations for the following months. After that, data is used to construct a business cycle indicator for a specific month. The series is published in <u>reports on a monthly basis since Nov 2012</u> http://www.pma.ps/Default.aspx?tabid=413&language=en-US</p>
Oman	Omani Economic	Oman business	No information is given on the index. The results are not disseminated on the website, only the survey

II. National Agencies /companies (cont'd)

Country	Name of agency	Name of indicator	Additional information
Lebanon	-Banque du Liban (BDL)	-Coincident Indicator -Business composite indicator	<p>-The BDL <u>adopted in 1994</u> a composite indicator named “coincident indicator” which is a monthly approximation to the <u>GDP</u>. It is composed of eight economic variables that reflect the Lebanese economic activity. Monthly series from January 1993: http://www.bdl.gov.lb/webroot/statistics/table.php?name=t51-1</p> <p>-<u>The Business composite indicator</u> is interpreted as a measurement for the global conjectural climate as seen by surveyed managers. It is constructed by selecting and combining the appropriate coincident variable from each sector, providing a more global economic view. The variables used in the calculation of this indicator are taken from the <u>Business Survey</u> defined as Economic Trend Surveys .The BCI is coincident indicator. A time series from <u>1998 to 2010 is available</u> in the following report published by BDL: www.bdl.gov.lb/downloads/download/69/en</p>
	Byblos Bank (research department) in collaboration with the American University of Beirut	Consumer Confidence Index	<p>The Byblos Bank/AUB <u>consumer confidence index</u> is calculated on a <u>monthly basis</u> based on responses to 5 questions to a survey of a nationally representative sample of <u>adult males and females living in Lebanon</u>. The questionnaire is based on the one used by the University of Michigan for its Index of Consumer Sentiment. The monthly index values are available <u>since July 2007</u> and disseminated in publications on a semiannual basis: http://www.byblosbank.com.lb/Global-Publications-2?pub=1666</p>

II. National Agencies /companies (cont'd)

Country	Name of agency	Name of indicator	Additional information
UAE (Dubai)	Department of Economic Development's Economic Studies & Policies Division	Business Confidence Index (BCI)	<p>the Department of Economic Development's Economic Studies & Policies Division <u>conducts a quarterly Business Survey</u>, in coordination with DED Agencies (EDC & SME) and in collaboration with Dun & Bradstreet South Asia Middle East Ltd., The Business Confidence Index (BCI) is calculated as a weighted average score of the following 'business outlook' indicators: Selling Prices, Volumes Sold, Number of Employees, <u>Profits. Quarterly Reports 2011-2014 available</u> at: http://www.dubaided.gov.ae/en/Pages/Economic-data-and-sector-reports.aspx http://www.uaeinteract.com/docs/Dubais_Business_Confidence_Index_(BCI)_stood_at_113_points_in_Q1_2013/55162.htm</p>
Tunisia	L'Institut Arabe des Chefs d'Entreprises and le Centre Tunisien de Veille et d'Intelligence Economique	<p>-Consumer confidence index</p> <p>-Business climate index</p>	<p>L'Institut Arabe des Chefs d'Entreprises and le Centre Tunisien de Veille et d'Intelligence Economique jointly calculate <u>the consumer confidence index</u> in addition to the <u>business climate index</u> in different sectors (<u>the building sector, the trade sector, the manufacturing industry sector, and the services sector</u>): http://www.iace.tn/publications/indices/</p> <p>Three publications have been released since 2011 with data on consumer sentiment. <u>May, September 2011-January, April 2012-Q3 and Q4 2014:</u> http://www.iace.tn/articles/category/iace/publications/indices/consommateur/</p>

III. Global companies

Country	Name of agency	Name of indicator	Additional information
Kuwait	ARA research and consultancy firm in association with the Kuwait Finance House	Consumer Confidence indicator	The National Bank of Kuwait publishes <u>a Consumer Confidence indicator</u> , produced by ARA research and consultancy firm in association with the Kuwait Finance House, in its <u>monthly briefs</u> . http://www.kuwait.nbk.com/Forms/SearchResult_en_gb.aspx?SearchField=Consumer%20Confidence%20indicator
Saudi Arabia	Dun & Bradstreet in partnership with the National Commercial Bank	Business Optimism Index	The Business Optimism Index for Saudi Arabia measures <u>the optimism in the Saudi business community</u> , gauge their expectations and measure how this relates to the current economic environment in Saudi Arabia, regionally and globally. The survey is conducted amongst a sample of the country's business community, representing key sectors of the country's economy.(Available for the year 2013-2014 on quarterly basis) http://www.dnbsame.com/business-optimism-index-on-saudi-arabia/

III. Global companies (*cont'd*)

Country	Name of agency	Name of indicator	Additional information
Qatar	Dun & Bradstreet in partnership with the Qatar Financial Centre (QFC) Authority	Business Optimism Index	D&B Business Optimism Index in Qatar in partnership with the Qatar Financial Centre (QFC) Authority. The Business Optimism Index on Qatar is issued quarterly and is based on a survey conducted amongst a sample of the country's business community , representing key sectors of the country's economy. The Business Optimism Index measures the level of optimism in the business community; gauge their expectations, and how this relates to the current economic environment in Qatar. (2013-2014) http://www.dnbsame.com/business-optimism-index-on-qatar/

III. Global companies (cont'd)

Name of indicator	International/regional agency name	Countries	Additional information
The Nielsen Global Survey of Consumer Confidence and Spending Intentions	The Nielsen Company	-Egypt -Saudi Arabia -UAE	<p>Since 2005, the Nielsen Global Survey of Consumer Confidence and Spending Intentions has measured consumers' confidence, concerns and spending intentions. The largest survey of its kind, it reaches more than <u>30,000 online respondents in 60 countries</u>. The interviews are administered on a quarterly basis.</p> <p>Nielsen's Global Consumer Confidence Trend Tracker, an interactive data visualization based on nearly a decade of survey data, allows you to explore consumer sentiment on your own. The index measures perceptions about local job prospects, personal finances and immediate spending intentions on quarterly basis. Snapshot of the trends of the indices from 2005: http://viz.nielsen.com/consumerconfidence/tool.php#trended/EG</p>
The Mastercard Index of Consumer Confidence	Master-Card	Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, UAE	<p>The MasterCard Index of Consumer Confidence measures <u>consumer sentiment about economic conditions in the next 6 months</u>. The survey is conducted twice a year and the markets from the Middle East and Africa were included in the Index from <u>2004</u>. Respondents were asked five questions pertaining to their six month <u>outlook on the economy</u>, <u>employment prospects</u>, the <u>local stock market</u>, their <u>regular income prospects</u> and their <u>quality of life</u>. The results of their responses were converted in five component indexes which were averaged to form the MasterCard Index of Consumer Confidence (MWICC) score, <u>press releases are available at:</u> http://www.masterintelligence.com/content/intelligence/en.html</p>

III. Global companies (*cont'd*)

Name of indicator	International/ regional agency name	Countries	Additional information
Bayt.com Consumer Confidence Index	Bayt.com	Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, UAE	Internet based recruiting firm issues consumer confidence index for Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia and UAE. <u>The survey is conducted quarterly by e-mail and covers about 7,500 respondents.</u> Sept 2015 report, English and Arabic available at: http://img.b8cdn.com/images/uploads/article_docs/bayt_cci_report_sep-2015_26556_EN.pdf
GCC Business Confidence Index	The YouGov & McGill Consulting Group	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE	The YouGov & McGill Consulting Group GCC Business Confidence Index (BCI) measures optimism across several factors that contribute to the growth and sustainability of businesses in the region. <u>The BCI is conducted quarterly</u> & tracks shifting optimism across various parameters. The quarterly report is only available for subscribers. http://research.mena.yougov.com/en/services/business-confidence-index/

II. Major ESCWA Activities related to Short term statistics since 2013



 **Study on Short-Term Economic Indicators
for the Arab Region, 2013**

<http://www.escwa.un.org/information/pubaction.asp>

 **A project on “*Strengthening the Statistical
Capacity of ESCWA Member Countries in
Producing and Disseminating Short-term
Economic Indicators for Sustainable
Growth*”.2014-2017**

<http://www.un.org/esa/devaccount/projects/2014/1415AQ.html>

- **Two phases of the project :**
 - ✓ **phase one: *assessment/ Completed***
 - ✓ **Phase two: *Capacity Building/ on going***
main activities Include:
 - **Production of a regional guideline on the production and dissemination of priority short term statistics in the countries;**
 - **Training workshops**
 - **Study Tours**
 - **TAs**

➤ **The project is expected to accomplish:**

- **Consensus on a regional and sub-regional set of core short-term economic indicators according to economic priority.**
- **Improved capacities of governments in beneficiary member countries on methods to collect, produce, estimate and disseminate short-term economic indicators according to international standards.**
- **Increased use of short-term economic indicators for monitoring economic development and progress by policy makers, the business community, research institutions and other users of statistics.**

III. The Way Forward:



- **Strengthen NSOs in the Arab region to compile and produce the leading, composite and sentiment indicators.**
- **Foster the knowledge sharing between Arab countries and other regions in the area of the composite indicators.**

Thank you

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