



# **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  
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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](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/gcItemDTMSTST.asp>

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



# Data template - Structure

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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

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← → ↺ 🏠 unstats.un.org/unsd/EconStatKB/Knowledgebase.aspx 🔍 ☆ ☰  
Apps ★ Bookmarks 🌐 📁 My eRooms



## Knowledge Base on Economic Statistics - Methods and Country Practices

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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>



# UNSD short term statistics programme – next steps

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- 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,...



# Conclusions

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- 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!