

# Short-term Economic Statistics

## Short-term Economic Statistics

# Administrative Data for Short-term Statistics Framework

### Purpose

To provide National Statistical Offices with guidelines and recommended practice on the use of administrative data in the compilation of short-term economic statistics. This is achieved via an interactive webpage.

### Objectives and outputs

In recent years a number of National Statistical Offices (NSOs) have started to seriously investigate the use of administrative data in the compilation of short-term economic statistics. These investigations have led NSOs to also ask how to ensure that their organisation is getting the full benefit for short-term economic statistics from the administrative data they currently use and from administrative data that is available but not currently used.

The use of administrative data for short-term economic statistics has three key challenges: timeliness, accuracy and coverage. The use of administrative data is seen to provide three key advantages for short-term economic statistics: reduction of response burden, census coverage, limited cost.

A Task Force was established under the auspices of the Short-Term Economic Statistics Working Party, with the aim of developing a handbook on how to maximise the benefits that the use of administrative data can provide.

The initial undertaking was to check within their own NSOs for previously published papers or articles. The initial outline of the handbook was prepared and discussed at the June 2006 meeting of STESWP. Based on this feedback, it was agreed that two parallel frameworks should be developed:

- a framework which gives advice on how to start the process of using administrative data (legal framework, cooperation etc.)
- another framework on best practices for using administrative data with a focus on compiling short-term economic statistics

This framework was finalised after the June 2007 STESWP meeting.

### Main Developments for 2008

#### General aspects:

The main goal in 2008 is to market the framework(s) to ensure all potential users are aware of them, and to update the contents. In this regard, a conference is being organised in Korea on the subject of administrative data where the frameworks represent the core reference.

# Short-term Economic Statistics

## Cyclical Indicators

### Purpose

To compile and disseminate the OECD cyclical indicators for OECD member countries and (in future) for the BRICS NMEs + Indonesia, which help analysts to assess the cyclical phase of the OECD economies and forecast its future development.

To encourage scientific research in this field.

### Objectives and outputs

OECD Composite Leading indicators (CLI) are published in the monthly Main Economic Indicators publication and in a monthly press release.

The quality of existing CLIs is monitored and enhanced on an on-going base, including the expansion of country coverage for both OECD member and non-member countries, and the development of new tools in the research software for cyclical analysis and composite Indicators.

Main achievements in 2007 were the implementation of selected recommendations in priority areas identified in the 2004 CLI quality review, final preparation of composite leading indicators for each of the BRICS NMEs + Indonesia and recently new OECD member countries.

### Non-member countries involved in the activity:

Brazil, China, India, Indonesia, Russian Federation, South Africa

### Databases

MEI\_CLI

### Main Developments for 2008

#### General aspects:

Development of the OECD MEI Business Cycle Analysis Database. Update CLIs for selected OECD member countries.

Development and design of new cyclical software which incorporates relevant features from the CACIS software and options for different de-trending methods such as HP and BK.

Review current method used for calculating composite indicators.

#### Data collection:

Inclusion of additional series required for the compilation of CLIs for Brazil, China, India, Russian Federation and South Africa and for OECD member as a result of on-going review of CLI component series for each country.

**Data management:**

Incorporation of more detailed metadata on CLI compilation methodology in MetaStore.

# Short-term Economic Statistics

## Financial Indicators

### Purpose

To capture in quantitative terms an important but heterogeneous and fast evolving area due to globalisation of the financial markets and increased sophistication of the actors and activities in these markets.

### Objectives and outputs

The Financial Indicators dataset contains financial statistics on six separate subjects: Monetary Aggregates, Interest Rates, Exchange Rates, Reserve Assets, Security Issues, and Share Prices. In all cases considerable effort has been made to ensure that the data are internationally comparable across all countries presented and that all the subjects have good historical time-series' data to aid with analysis.

The Financial Indicators unit is responsible for the NME work in the MEI and achievements in 2007 in this area comprised: substantial expansion in the range of indicator series (and their associated metadata) in MEI including several series in Part 1 country comparison tables for BRICS and Indonesia; creation of a specific OECD.stat dataset bringing together all QNA data for BRICS NMEs together with associated metadata; preparation of papers for discussion at the June 2007 STESWP meeting on the evolution of short-term economic statistics in BRICS NMEs.

### Non-member countries involved in the activity:

Brazil, China, Indonesia, Russian Federation, South Africa

### Databases

MEI\_FIN

### Main Developments for 2008

#### General aspects:

Review of Monetary Aggregates.

# Short-term Economic Statistics

## Main Economic Indicators

### Purpose

The OECD's Main Economic Indicator (MEI) database provides a wide range of short-term economic indicators (and associated methodological information) for OECD member countries and the BRIICS to meet the on-going requirements of a number of internal OECD users.

The activity is also involved in the development of new international standards and the formulation of guidelines for best practice for short-term statistics.

### Objectives and outputs

Maintaining the Main Economic Indicators (MEI) database, which contains monthly and quarterly statistics (and associated statistical methodological information) for the 30 OECD member and for six large emerging non-member economies (Brazil, China, India, Indonesia, Russian Federation and South Africa) on a wide variety of economic indicators for use by economic analysts, policy makers and business.

Indicators in the MEI database include: quarterly national accounts, industrial production, composite leading indicators, business tendency and consumer opinion surveys, retail trade, consumer and producer prices, hourly earnings, employment/unemployment, interest rates, monetary aggregates, exchange rates, international trade and balance of payments.

There is an on-going process of review to revise the contents of the database in order to maximise the relevance of the database for short-term economic analysis, for example, through the inclusion of new indicators reflecting new areas of analysis and policy making. Enlarging coverage also entails working with other international organisations such as IMF, ILO, ECB and Eurostat in the development of effective international standards for the presentation of statistical methodological information (metadata), and increasing the coverage and quality of statistical metadata, whilst at the same time minimising the reporting burden of member countries.

Methodological work is carried out through the OECD Short-term Economic Statistics Working Party (STESWP) and the joint forum on business tendency and consumer opinion surveys established with the European Commission.

In addition to the ongoing publication of MEI, the main achievements in 2007 included: the formation of a task-force to provide recommendations on revisions analysis and policy; application of the Compilation Manual for an Index of Services Production (ISP) to some countries; first published outputs from the newly established OECD System of Unit Labour Cost and Related Indicators, finalisation of a framework on best practices for the use of administrative data in compiling short-term statistics.

Further information on these achievements are available in the reports of the seven short-term economic statistics domains that feed into the MEI (balance of payments, business tendency and consumer opinion surveys, cyclical indicators, financial indicators, labour force statistics, prices, production and sales).

### Non-member countries involved in the activity:

Brazil, China, India, Indonesia, Russian Federation, South Africa

### Databases

Main Economic Indicators (MEI)

## **Main Developments for 2008**

### **General aspects:**

If resources permit some special work will be carried out to improve the data for BRICS countries. In particular:

- development of new zone aggregates (e.g. Major 5 Asia, OECD + Big 6 as world proxies) to compare short-term developments with standard OECD geographic coverage groupings (e.g. G7) for a wide range of subjects similar to that done for CLIs;
- official publication of a user friendly database providing access to a comprehensive set of Quarterly National Accounts for BRICS + Indonesia with integrated metadata. We suspect such a database would have considerable user interest and will be marketed;
- R&D to possibly include BRIICS in recently developed ULC's which only cover MCs at the moment;
- inclusion of BRICS + Indonesia in additional Part 1 MEI subject tables. Requires research to assess comparability of data with member countries and the provision of appropriate metadata.

### **Data collection:**

On-going processes to improve the efficiency and timeliness of data capture processes.

There will also be expanded use of data from Eurostats NewCronos database and the IMF's IFS. Greater efforts will also be made to implement data and metadata exchange standards developed under the SDMX initiative.

# Short-term Economic Statistics

## Real-time and Revisions Database

### Purpose

To make freely available on the OECD website a "real-time" database with associated revisions analysis of key short-term economic statistics derived from historically published monthly snapshots of the OECD Main Economic Indicators database.

### Objectives and outputs

The concept of a real time database is to provide an information set of short-term economic statistics that would have been available to analysts at a specific point in time for the purpose of testing the likely effectiveness of econometric models in real-time. It also provides the opportunity to perform revisions analysis - i.e. to study the magnitude and direction of subsequent revisions to published statistics. A database containing MEI vintage from 1999 was developed and published on the OECD website in 2006.

The portal also provides a broader context on the issue of revisions. This primarily take the form of the revisions framework (outlining the reasons for data revision) formulated by the IMF and of the recommendations published in the OECD "Data and Metadata Reporting and Presentation Handbook".

Updated revisions analysis of GDP and a comparison of revisions between seasonally adjusted and raw series were performed in 2007 and presented at the STESWP and National Accounts working parties, and also at a number of international conferences where the database was also promoted.

### Main Developments for 2008

#### General aspects:

A joint task force was formed late in 2006 with Eurostat and the ECB to develop guidelines and recommendations for data revision. Initial outputs of the task-force were discussed at the June 2007 STESWP meeting and final recommendations of the task-force will be prepared for the 2008 meeting and subsequently be submitted to CSTAT for endorsement.

## Short-term Economic Statistics

### Short-term Economic Statistics Timeliness Framework

#### Purpose

To make available a structured collection of documentation on a range of methodological and operational good practices currently used by national statistical organisations for improving timeliness, reducing costs or improving accuracy in the production of short-term economic statistics from business surveys and/or administrative sources. It is presented on the OECD web site as a user friendly web interface and is updated annually.

#### Objectives and outputs

The Short-Term Timeliness Framework is a structured collection of documentation on a range of methodological and operational good practices currently used by national statistical organisations for improving timeliness, reducing costs or improving accuracy in the production of short-term economic statistics from business surveys and/or administrative sources.

The process for producing short-term economic statistics is divided into broad categories. For each of them a range of techniques that can be applied to improve timeliness or reduce costs is described. The links to access more detailed information on these techniques, based on the research undertaken in developing the framework, are made available. The documentation referenced in the framework was collected from statistical organisations, statistical journals and proceedings from statistical conferences by a taskforce of the OECD Short Term Economic Statistics Working Party (STESWP). The content also covers methods to improve the quality of short-term economic statistics.

The current activity is to continue to maintain the framework with new material which was done in 2007. Links were also made with the newly establish Administrative Data Frameworks.

#### Main Developments for 2008

##### General aspects:

There will be ongoing work to promote the framework to ensure it is used by as many National Statistical Offices as possible.

A decision will be made at the June 2008 STESWP meeting as to whether the Framework will continue to be updated each year.

## Short-term Economic Statistics

### Unit Labour Cost Indicators

#### Purpose

To maintain and expand the OECD System of Unit Labour Cost and Related Indicators, which brings together a wide range of data sources for all OECD member countries. A set of internationally comparable quarterly unit labour cost (ULC) indexes for eight economic sectors (ULC) indexes are produced together with annual series for ULC, Labour productivity, Labour Compensation (including PPP adjusted), Labour Income shares and Exchange rate adjusted ULC.

In addition the quarterly ULCs provide the inputs to the Economics Department for production of their real effective exchange rates competitiveness indicators.

#### Objectives and outputs

The key objectives of 2007 were to establish a production system to produce both the quarterly and annual indicators updated at quarterly frequency, establish a quarterly press release and commence work to develop series for non OECD EU countries based on a grant received by the European Commission.

In addition, annual data was prepared for publication in the OECD Productivity Compendium and FactBook. New indicators of PPP adjusted Labour Compensation per employee and per hour (by economic sector) were also developed and published for the first time.

#### Main Developments for 2008

##### General aspects:

Major tasks in 2008 entail the introduction of the 8 non-OECD EU countries into the system together with the BRIICS (annual data only), and the development of an annual press release / compendium.

##### Data collection:

Major task will be the incorporation of the very large number of new series into the on-going MEI data collection processes.