



**OECD SHORT-TERM ECONOMIC STATISTICS WORKING PARTY
(STESWP)**

**Future evolution of short-term economic statistics collected and disseminated
by the OECD and national agencies**

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OECD SHORT-TERM ECONOMIC STATISTICS WORKING PARTY MEETING, PARIS, 26-28 JUNE 2006

FUTURE EVOLUTION OF SHORT-TERM ECONOMIC STATISTICS COLLECTED AND DISSEMINATED BY THE OECD AND NATIONAL AGENCIES

0. Executive summary

As a prelude to the development of the STESWP work programme for the next 12 months this paper outlines processes for the future evolution of short-term economic statistics collected and disseminated by the OECD, primarily in the context of indicators published in the Organisation's *Main Economic Indicators* (MEI) database. Many of the issues faced by the OECD in deciding on future short-term economic statistics to be collected and disseminated by the Organisation are identical to those faced by national statistical institutes (NSIs). This reflects common goals to meet the requirements of both government and non-government users, for timely statistics, within the limitations of available resources, and with minimal reporting burden on data providers.

The current paper focuses on the range of short-term economic statistics collected and published by the OECD and touches on both the demand and supply sides of the dissemination equation. It describes the target list of short-term economic indicators that has been developed over the last two years as a tool for systematically reviewing the content of the MEI database.

It would therefore be of considerable interest for national agencies attending the STESWP meeting in June to briefly discuss their current thinking on the future evolution of short-term economic indicators in their countries in the medium to long terms and the need for the development of new indicators rather than exploring alternative ways of presenting existing indicators. For European Union member states this is heavily influenced by the requirements of European Commission Regulations, though there could be additional changes / innovations specifically intended to meet the requirements of national users.

Issues for consideration by STESWP participants

Flowing from the discussion presented in the remainder of this paper, national agencies are asked to provide written comment on the following issues:

- a) Is there a formal planning process outlining the intentions or priorities of your agency with respect to the future development of short-term economic statistics in terms of:
 - the introduction of new indicators (such as for services, etc.). If so, what are the main elements of these current plans;
 - elaboration / refinement of existing indicators (e.g. new forms of presentation, introduction of new classifications, expansions in scope, etc);
 - negotiations with key users for the setting of priorities for new indicators and possible removal (or reduction in quality) of existing indicators?

- b) The existence of (on-line) catalogues that outline short-term economic indicator series available to external users.
- c) Proposals / plans for the development in the short to medium terms of new output databases from where external users would have on-line access to the broad range of short-term economic statistics disseminated by your organisations and their related metadata.
- d) Finally, do EU Member states plan any changes that would be in addition to those designed to meet the requirements of European Commission Regulations, i.e. that are designed to meet the specific requirements / needs of national users (particularly those in government)?

1. Introduction

1. The aim of this paper is to outline processes for the future evolution of short-term economic statistics collected and disseminated by the OECD, primarily in the context of indicators published in the Organisation's *Main Economic Indicators* (MEI) database. The reason for the inclusion of such a paper for discussion at the June 2006 meeting of the OECD Short-term Economic Statistics Working Party (STESWP) is because many of the issues faced by the OECD in deciding on future short-term economic statistics to be collected and disseminated by the Organisation are identical to those faced by national statistical institutes (NSIs). This reflects common goals to meet the requirements of both government and non-government users, for timely statistics, within the limitations of available resources, and with minimal reporting burden on data providers.

2. It would therefore be of considerable interest for national agencies attending the STESWP meeting in June to briefly discuss their current thinking on the future evolution of short-term economic indicators in their countries in the medium to long terms. For European Union member states this is heavily influenced by the requirements of European Commission Regulations, though there could be additional changes / innovations specifically intended to meet the requirements of national users.

3. The current paper focuses on the range of short-term economic statistics collected and published by the OECD and touches on both the demand and supply sides of the dissemination equation. It describes the target list of short-term economic indicators that has been developed over the last two years as a tool for systematically reviewing the content of the MEI database¹. In addition to the development of new indicators (such as an output indicator for services), other issues related to the evolution of short-term economic statistics have either been covered at past meetings of STESWP or are included in the agenda for the June 2006 meeting. These include:

- benefits of the use of administrative data for short-term economic statistics as a tool for minimising the reporting burden of data providers;
- presentation of seasonally adjusted data or growth rates;
- development of the timeliness framework;

¹ This paper draws heavily from an unpublished document prepared by Eun-Pyo Hong, *Target indicators for MEI publications*, OECD, March 2006

- management of the introduction of revised classifications including backcasting and different methodologies for linking in order to maximise the length of time series available to users;
- evolution of short-term economic statistics in large emerging non-member economies.

4. Discussion by STESWP participants of some of the issues listed above could highlight areas of possible future work by the Working Party both with respect to the development of new indicators or on issues pertaining to the presentation, etc., of existing short-term statistics.

5. This paper commences (in Section 2) with brief background on the content of MEI database (including metadata), the main determinants of this content, the MEI target indicators list and its relationship to EU priorities for short-term economic statistics. Section 3 then outlines possibilities for the future evolution of short-term economic statistics in terms of the range of indicators collected by international organisations and national agencies.

2. MEI background²

6. MEI started as a monthly printed publication in 1965, as the successor to the bi-monthly *General Statistics* bulletin. It developed rapidly into a product line through diversification of statistical content as well as dissemination media. The *Sources and Methods* series commenced in 1967 to disseminate methodological information on MEI data, initially only by country, but from 1975 also by subject. Apart from the publications in the MEI family, the OECD has over the years disseminated several other short-term statistics products. Successive budget cuts in the last six years and efforts to rationalise OECD activities in this field, taking into account user needs, have resulted either in their suppression or incorporation into the MEI database. In addition to MEI, the Statistics Directorate publishes two other infra-annual publications, namely, *Quarterly National Accounts* and *Monthly Statistics of International Trade*. Selected series presented in these publications are also included in MEI.

7. The MEI currently provides a wide range of indicators on recent economic developments in the 30 OECD Member countries and a more limited subset for large non-member economies within the OECD's global relations programme co-ordinated by the Centre for Co-operation with Non-members (CCNM) – Brazil, China, India, Indonesia, Russian Federation and South Africa. Series for Member countries cover a wide range of domains including: GDP and other key national accounts variables (consumption, investment, etc.), business and consumer opinion surveys, composite leading indicators, retail sales, industrial production, construction, prices (CPI, PPI and construction), employment, unemployment, interest rates (long and short-term), money and domestic finance, foreign finance, foreign trade and balance of payments³. Such headline indicators are also published by almost all OECD Member countries in either domain specific publications or compendium publications similar in breadth to the MEI. For Member countries some of the MEI series extend as far back as 1955.

8. The primary focus of MEI is the presentation of nationally published indicators which in the main are sourced directly from national agencies⁴, though some series (e.g. business and consumer opinion

² For those who are interested, a more detailed description of the MEI database, its history, recent development and plans for its future development are provided in a paper presented at the recent meeting of the OECD Committee on Statistics held in Paris on 12-13 June. This paper is available on the June 2006 STESWP meeting website.

³ A complete listing of all MEI series is provided in the MEI data inventory available at <http://www.oecd.org/dataoecd/49/35/2372871.pdf>

⁴ The successful completion of the SODI (SDMX Open Data Interchange) project could significantly reduce the reporting burden of national agencies. The project is designed to test a new approach for collecting and disseminating short-term statistics from

survey data) series are obtained from the European Commission in lieu of direct collection from national sources. European Union harmonised series are collected from Eurostat and the European Central Bank.

9. An integral part of the statistics in the MEI database is the extensive accompanying methodological information (metadata) outlining current national practices used by individual countries in the compilation of each indicator (i.e. key concepts, sources and definitions). Metadata for MEI series are electronically available for subjects and individual country series – updated daily (available at <http://stats.oecd.org/mei/>). The MEI website also provides links to metadata maintained by the International Monetary Fund (IMF), Eurostat and the European Commission for series that are also included in the MEI database. A recent initiative has been the development of a portal for business and consumer opinion survey data (qualitative statistics)⁵.

2.1 Drivers for content of MEI

10. The main drivers for the statistics currently published in the MEI database are the needs of internal and external users, and the availability of series at the national level – i.e. the demand and supply sides of the dissemination equation. With respect to the former, users have over the years expressed the need for:

- indicators that are relevant. The integrated nature of individual economies requires the dissemination of a range of indicators that reflect the evolution of key aspects of economic activity - prices (producer, consumer, export); sectoral (manufacturing, construction, services); labour market (employment, unemployment, labour costs, working time, wages); finance (interest rates, money and domestic finance); foreign trade and balance of payments;
- long-time time series, i.e. indicators that are methodologically consistent over time;
- in the international context, indicators that are comparable between countries. This arises from the closer economic interaction between Member country economies. Some users (particularly internal OECD users) have expressed a strong willingness to trade off comparability between countries to some extent in return for long time series within individual countries;
- timely, i.e. are available to users with minimal delay after the end of the reference period;
- readily accessible, entailing the use of a number of dissemination platforms including online access via websites, in press releases and in traditional paper publications for which there is still strong demand; and
- methodologically transparent – hence the need for the provision of metadata that is closely linked to the statistics they describe.

11. On the supply side of the equation the content of the MEI database is primarily dependent on the availability of indicators at the national level for Member countries and in recent years for those from large emerging non-member economies (NMEs).

European Union member states. It is centred on the concept of data published at the national level by EU states being made simultaneously available to all international organisations through a common dissemination environment at EU level.

⁵ Available at http://www.oecd.org/document/22/0,2340,en_2649_34249_32159254_1_1_1_1,00.html).

2.2 MEI target indicators list

12. Part 1 of the MEI paper publication provides comparative data for a limited set of key headline short-term economic indicators for OECD Member countries. The methodologies used across countries for the compilation of the headline indicators presented are deemed sufficiently suitable for international comparisons to be made, although even here some caution is required on the part of users in some subject areas⁶. However, the Part 1 series are too limited in scope and backward looking (i.e. there is an over emphasis on the “traditional” sectors of manufacturing and construction) and four years ago the OECD developed a more extensive list of “target” short-term economic indicators which is intended to identify areas where the MEI database needs to be reviewed and improved either through:

- expansion in the number of comparable series in Part 1 of MEI; or
- the identification of sets of “common” indicators within the same domain. The latter series which, although not strictly comparable, are sufficiently representative as proxies to track the short-term evolution of key aspects of the economies of a larger number of OECD Member countries than would be the case if the principle of comparability was strongly adhered to.

13. It should be emphasised from the outset that the target list, which is presented below in Annex 1 to this paper, is only intended as a starting point for MEI data managers to consult with users to identify their real on-going needs. On the supply side, the list provides focus for discussions with data providers in national agencies and other international organisations (on issues similar to those outlined above in the Executive summary (Issues for consideration by STESWP participants) to this paper) to facilitate wide country coverage of either comparable statistics or which would fall into the category of proxy common indicators referred to above. Furthermore, the list does not reflect the overall availability of the indicators in either OECD Member countries or for large emerging non-member economies. Indeed, national coverage for some of the indicators currently published in MEI is quite narrow, for example, for services, unit labour costs (manufacturing).

14. A key part of the target list are the series which represent unmet / emerging user needs and which will be investigated either for possible initial inclusion in the MEI database (indicated by “XC” in Annex 1) or to expand the country coverage of comparable or common series in Part 1 of MEI for series already included in the database. Proposed new series appear across a number of domains (international trade, finance, labour, national accounts, prices, production and sales). The inclusion of additional series into the MEI database will require consultation with national agencies to identify their availability and collection / compilation methodologies, or further development work (e.g. indices of services production, services producer price indices, unit labour costs) by forums such as STESWP.

15. Finally, no attempt has been made to date to identify priorities within the list of target indicators, though for European Union member states the requirements of the Short-term Statistics Regulation and the Regulation Concerning Labour Cost Index would obviously reflect high priority series. The European Commission’s list of Principle European Economic Indicators (PEEIs) represents even higher priority series for EU member states. These series are provided in Annexes 2 and 3 respectively of this paper.

⁶ The MEI publication uses footnotes to inform users of key differences in national compilation methods which may affect the international comparability of these headline indicators.

3. Future evolution of short-term economic statistics – range of indicators collected and disseminated

16. Greater interdependence between the economies of OECD Member countries and more recently with those of large emerging non-member economies has significantly increased the demand for comparable indicator statistics. Progress in this area has been achieved through the development of international guidelines and recommendations and their implementation by national agencies. Within the European Union this process has been taken a step further through the implementation of Commission Regulations for short-term economic statistics. Although further slow progress towards improved comparability of short-term indicators between the different regions of the world (e.g. Europe, North America, Asia, etc) can be expected and which the OECD would encourage through the adoption of standard classifications, etc., significant improvement is unlikely in the foreseeable future in all 30 Member countries. The challenge will be to identify ways to improve harmonisation given the work done to compile these various manuals, guidelines etc.

17. The continued relevance of MEI (and similar national databases) can only be achieved through ensuring that the statistical content of the database continues to meet the high priority needs of internal and external users, whilst at the same time addressing other quality dimensions outlined above such as timeliness, accessibility, interpretability, etc. User requirements for short-term economic statistics at the international level by and large reflect those that national agencies also need to address to meet the needs of their domestic constituencies, especially those of government. The added “difficulties” for statisticians in international organisations arise from:

- the need for coalescence in the supply of a series in an individual domain in many different countries in order to be able to publish at least a common set of data for 30 OECD Member countries;
- the need for the use of comparable or consistent terminologies, classifications, transformation processes, etc., to enable comparisons across countries;
- problems of ensuring the methodological transparency of short-term indicators compiled by a large number of national agencies. Language (and inconsistent terminologies) is still an issue, as is reaching international consensus on even a basic set of international metadata content standards.

18. Following a review by OECD staff of existing publications and on-line databases to identify potential new series for inclusion in the MEI database, the issues that need to be dealt with in discussions with data providers in national agencies or in other international organisations cover:

- the existence of formal planning processes in the source agency with respect to the future development of short-term economic statistics in terms of the introduction of new indicators (such as for services, etc.);
- negotiations with key users for the setting of priorities for new indicators and possible removal (or reduction in quality) of existing indicators;
- the existence of (on-line) catalogues that outline short-term economic indicator series available to external users.
- proposals / plans for the development in the short to medium terms of new output databases from where external users would have on-line access to the broad range of short-term economic statistics disseminated by the source organisation and their related metadata;

19. These and similar issues (such as emerging areas of user need) are outlined above in the Executive summary to this paper. Forums such STESWP play an important role in providing a venue where national agencies, the OECD and other international organisations can air and discuss their current thinking on the future evolution of short-term economic statistics at the national and international levels. Such discussions are also a useful lead in to the development of the future work program of STESWP itself, in consultation with other agencies such as Eurostat. Such a program includes ways of improving the harmonisation of existing indicators, the development of new indicators, or other aspects related to the future evolution of short-term economic indicators similar to those outlined in para. 3 above in connection to topics covered at this or previous STESWP meetings.

MEI TARGET INDICATORS LIST (as at 1 March 2006)

Indicator series	Status
	X: currently collected (from at least some countries); XC: in target list but not currently in MEI; XD: In target list but proposed to be deleted
a. Balance of payments	
Current account balance	X
– Balance on goods	X
– Balance on services	X
– Balance on income	X
– Balance on current transfers	X
Capital and financial account balance	X
– Balance on direct investment	X
– Balance on portfolio investment	X
– Balance on other investment	X
– Reserve assets	X
Net errors and omissions	X
b. International trade	
Imports c.i.f. or f.o.b. (value)	X
Exports c.i.f. or f.o.b. (value)	X
Net trade (value)	X
Imports c.i.f. or f.o.b. (volume)	XC
Exports c.i.f. or f.o.b. (volume)	XC
c. Foreign finance	
US dollar exchange rate: spot	X
Euro exchange rate: spot	X
Reserve assets excluding gold	X
Real effective exchange rates	X
d. OECD composite leading indicator	
Trend restored	X
6-month rate of change (annual rate)	X
e. Business tendency surveys	
Economic sentiment indicator	X
Industrial business climate	X
Industrial production: future tendency	X

Indicator series	Status
	X: currently collected (from at least some countries); XC: in target list but not currently in MEI; XD: In target list but proposed to be deleted
Industrial orders inflow: tendency	X
Industrial order books: level	X
Industrial finished goods stocks: level	X
Industrial export order books or demand: level	X
Industrial rate of capacity utilisation	X
Industrial employment: future tendency	X
Industrial selling prices: future tendency	X
Construction orders inflow: future tendency	X
Construction employment: future tendency	X
Retail/wholesale: present business situation	X
Retail/wholesale business situation: future tendency	X
Retail/wholesale stocks: level	X
Other services: present business situation	X
Other services business situation: future tendency	X
Other services employment: future tendency	X
f. Consumer tendency surveys	
Consumers confidence indicator	X
Consumers expected inflation	X
Consumers expected economic situation	X
g. Finance indicators	
<i>Domestic finance</i>	
Narrow Money	X
Broad Money	X
Domestic credit to total economy	X
New capital issues	X
<i>Deposits</i>	
Total deposits	XC
Time and savings deposits	XC
<i>Interest rates – share prices</i>	
3-month interest rate	X
Prime interest rate	X
Long-term interest rate	X
All shares price index	X
h. Labour indicators	
Labour force	X
Population	XC
<i>Labour</i>	
Employment: total	X

Indicator series	Status
	X: currently collected (from at least some countries); XC: in target list but not currently in MEI; XD: In target list but proposed to be deleted
– Employment: agriculture	X
– Employment: industry	X
– Employment: services	X
Total employees: Total	X
– Part-time employees	XD
– Temporary employees	XD
Total unemployment (level)	X
Total unemployment (rate)	X
Unemployment: short-term index	XD
Worked hours	X
Job vacancies	
<i>Wages</i>	
Hourly earnings: all activities	X
Hourly earnings: manufacturing	X
<i>Productivity</i>	
Unit labour costs: manufacturing	X
Unit labour costs: all activities	XC
Labour productivity	?
i. GDP and their expenditures	
All industries value	X
All industries volume	X
Private final consumer expenditure	X
Gross fixed capital formation	X
Government final consumption expenditure	X
Change in stocks	X
Exports of goods and services	X
imports of goods and services	X
GDP deflator	XC
Gross national income - value	XC
Gross saving	XC
Net saving - value	XC
<i>Domestic finance</i>	
Fiscal balance	XC
Public debt	XC
j. Prices	
<i>Producer prices</i>	
Total	X
Manufacturing	X
– Consumer goods	X

Indicator series	Status
	X: currently collected (from at least some countries); XC: in target list but not currently in MEI; XD: In target list but proposed to be deleted
– Investment goods	X
– Intermediate goods including energy	X
– Intermediate goods excluding energy	X
– Energy	X
Food	X
Services	XC
<i>Consumer prices</i>	
Total	X
Food	X
All items less food and energy	X
Energy	X
All services less rent	X
Rent	X
National core inflation	
<i>Exports and imports prices</i>	
Import prices	XC
Export prices	XC
<i>Other price indices</i>	
Real estate and land prices	XC
k. Production and sales	
<i>Production</i>	
Production in total manufacturing	X
Production of total industry	X
Production of total construction	X
Production in total services sectors	X
Production of total manufactured investment goods	X
Production of total manufactured intermediate goods	X
Production of total energy	X
Production of total manufactured consumer goods	X
Production of manufactured durable consumer goods	X
Production of manufactured nondurable consumer good	X
Rate of capacity utilisation in industry	X
Production of manufactured crude steel	X
Production of crude petroleum	X
<i>Orders</i>	
Orders for total manufactured goods (Volume)	X
Permits issued for dwellings construction	X
<i>Sales</i>	
Sales of total manufactured goods (Volume)	X
Total retail trade (Volume)	X

Indicator series	Status
Passenger car registrations	X
<i>Work started</i>	
Work started for dwellings construction	X
<i>Stocks</i>	
Stocks of total manufactured goods (Volume)	X

X: currently collected (from at least some countries); XC: in target list but not currently in MEI; XD: In target list but proposed to be deleted

**DATA REQUIREMENTS UNDER THE SHORT-TERM STATISTICS
REGULATION (EC) NO. 1165/98, 19 MAY 1998**

Variable No.	Name	Reference period	Delay Target
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Industry

110	Production	month	1 month and 15 calendar days
120	Turnover	month	2 months
121	Domestic turnover	month	2 months
122	Non-domestic turnover	month	2 months
130	New orders received	month	1 month and 20 calendar days
131	Domestic new orders	month	1 month and 20 calendar days
132	Non-domestic new orders	month	1 month and 20 calendar days
210	Number of persons employed	At least quarter	3 months
220	Hours worked	At least quarter	3 months
230	Gross wages and salaries	At least quarter	3 months
310	Output prices	month	1 month and 15 calendar days
311	Output prices of the domestic market	month	1 month and 5 calendar days
312	Output prices of the non-domestic market	month	1 month and 5 calendar days
313		month	1 month and 15 calendar days

Construction

110	Production	At least quarter	2 months
115	Production of building construction	At least quarter	2 months
116	Production of civil engineering	At least quarter	2 months
130	New orders received	At least quarter	3 months
135	New orders received for building construction	At least quarter	3 months
136	New orders received for civil engineering	At least quarter	3 months
210	Number of persons employed	At least quarter	3 months
220	Hours worked	At least quarter	3 months
230	Gross wages and salaries	At least quarter	3 months
320	Construction costs	At least quarter	3 months
321	Material costs	At least quarter	3 months
322	Labour costs	At least quarter	3 months
411	Building permits: number of dwellings	At least quarter	3 months
412	Building permits: square metres of useful floor area or alternative size measure	At least quarter	3 months

Retail trade and repair

120	Turnover	month	3 months
210	Number of persons employed	quarter	3 months
330	Deflator of sales	month	3 months

Other services

120	Turnover	quarter	3 months
210	Number of persons employed	quarter	3 months

**DATA REQUIREMENTS UNDER THE REGULATION CONCERNING
LABOUR COST INDEX (EC) NO. 2001/0166, 23 JULY 2001**

Variable No.	Variable	Reference period	Delay target
1	Total labour costs	quarter	70 days after end of reference period
2	Labour costs excluding bonuses	quarter	70 days after end of reference period
3	Wages and salaries	quarter	70 days after end of reference period
4	Employers' social contribution plus taxes paid by the employer less subsidies received by the employer	quarter	70 days after end of reference period

**EUROPEAN COMMISSION PRINCIPAL EUROPEAN ECONOMIC
INDICATORS
PERIODICITY AND DELAYS IN CALENDAR DAYS**

Set	Indicator	Periodicity	EU Delay Target	EU Delay Actual (at Oct. 2005)
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Set 1: Consumer Price Indicators

1.1	Harmonised Consumer Price Index: MUICP flash estimate	monthly	0	2
1.2	Harmonised Consumer Price Index: actual indices monthly	monthly	17	17

Set 2: National Accounts Indicators

2.1	Quarterly National Accounts: First GDP estimate	quarterly	45	45
2.2	Quarterly National Accounts: First GDP release with more breakdowns	quarterly	60	61
2.3	Quarterly National Accounts: Household and Company Accounts	quarterly	90	NA
2.4	Quarterly National Accounts: Government Finance Statistics	quarterly	90	95

Set 3: Business Indicators

3.1	Industrial production index monthly	monthly	40	49
3.2	Industrial output price index for domestic markets monthly	monthly	35	33
3.3	Industrial new orders index monthly	monthly	40/50	54
3.4	Industrial import price index monthly	monthly	45	NA
3.5	Production in construction	monthly/ quarterly	45	74
3.6	Turnover index for retail trade and repair	monthly	30	34
3.7	Turnover index for other services	quarterly	60	67
3.8	Corporate output price index for services	quarterly	60	NA

Set 4: Labour Market Indicators

4.1	Unemployment rate	monthly	30	33
4.2	Job vacancy rate	quarterly	45	75
4.3	Employment	quarterly	45	70/75
4.4	Labour cost index	quarterly	70	81

Set 5: Foreign Trade Indicators

5.1	External trade balance: intra and extra for MU and EU	monthly	46	51
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NA : not available (not published yet at EU level)