



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

DIRECTION DES STATISTIQUES
STATISTICS DIRECTORATE

OECD SHORT-TERM ECONOMIC STATISTICS EXPERT GROUP¹ BACKGROUND PAPER

a. Introduction

Following the Eurostat initiative to compare the situation for short-term economic statistics in the United States and the European Union (the 2001 “Benchmarking Study”) there emerged a strong demand to improve co-operation between European and OECD-non European countries in this area. The OECD Statistics Directorate (STD) participated in the “Benchmarking Study” and suggested that future work could be conducted within the OECD framework, rather than through bilateral discussions between Eurostat and individual non-European countries. Eurostat agreed with this proposal, as did the other members of the Task Force. The need for more proactive OECD involvement in emerging areas of short-term economic statistics has also come from both internal and external users of OECD short-term indicator data.

The main focus of OECD work on short-term economic statistics for Member countries, especially in recent years², has been the collection and dissemination of a wide range of indicators to internal and external users through databases such as the Main Economic Indicators (MEI), Quarterly National Accounts (QNA), and Monthly Statistics of International Trade (MSFT). Other OECD working parties, expert groups, etc, involved in related fields of statistics, though perhaps not specifically on short-term statistics, include the:

- Statistical Working Party of the Committee on Industry and Business Environment (SWIC) which in recent years has dealt mainly with structural issues at a more detailed level of ISIC Revision 3;
- Working Party on Indicators for the Information Society (WIIPS) which is focused on structural issues;
- Expert Group on International Trade dealing mainly with problems of annual statistics, even if elementary data are collected on a quarterly or monthly basis;
- Meeting of National Accounts Experts which debates measurement problems normally managed in the framework of annual accounts.

In early 2002 the OECD Chief Statistician gauged the level of interest in the establishment of a new OECD expert group specifically on short-term economic statistics in a letter to the heads of national statistical institutes and international organisations. There was strong support for the creation of a new group for this area of statistics and the decision was made to create the OECD Short-term Economic Statistics Expert Group (STESEG), the inaugural meeting of which was held in Paris on 24-25 June 2002. Information on the issues discussed at this meeting and the papers presented, etc, are available on the OECD website at <http://www.oecd.org/EN/documents/0,,EN-documents-nothème-15-no-20-no-0,00.html>

In the OECD context:

¹ In the context of this note short-term economic statistics encompass quarterly national and financial accounts and monthly statistics on prices and costs, output and demand, the labour market and external trade.

² The OECD organised two meetings in 1995 and 1996. The first covered a number of cross-cutting issues related to short-term economic statistics published in MEI (e.g. such as timeliness, methodological transparency, etc). The second dealt specifically with the OECD composite leading indicator.



- the existing Expert Group for International Trade will address issues relating to monthly and quarterly trade statistics; and
- special attention will be attached to quarterly national accounts primarily within the functions of the existing National Accounts Expert Group.

STESEG's work also complements that of SWIC, whose main focus is annual structural statistics.

b. Areas of STESEG activity

One of the problems in the creation of a new expert group on short-term economic indicators is the broad range of possible statistical subjects encompassed. Each subject has its own unique characteristics and future development topics/issues. In order to give the required focus to future work on these issues it is necessary to identify priority statistical subjects. Analyses carried out by the Short-term Economic Statistics Division (STES) of STD, papers prepared in the framework of the benchmarking study and responses to a letter by the Chief Statistician canvassing the opinions on national statistical institutes early in 2002 were used to come up with an initial list of priority subject topics. These include:

- demand indicators (indicators for construction, retail and wholesale trade sales, investment indicators, etc.);
- output indicators (production and turnover) for industry and services;
- producer and output prices for industry and services.

It was also possible to identify a number of cross-cutting or horizontal issues within the whole range of subjects encompassed by the term "short-term economic indicators" of interest to both internal OECD and external users. These include:

- the international comparability of existing estimates produced by different countries;
- identification and implementation of methods to improve the timeliness of estimates, e.g. the preparation of early indicators using only partial information;
- the identification and adoption of best practice in seasonal adjustment;
- the presentation of short-term statistics in various dissemination media (electronic and paper) – including issues related to methodological transparency;
- identification of best practice for the dissemination of short-term statistics internal and external users (issues of accessibility and visibility);
- the identification and implementation of methods for the quality assessment of short-term statistics;
- linkage/consistency between short-term indicators and annual indicators, benchmarking of short-term statistics to annual figures;
- specific recommendations for improvements in the both the quality of short-term economic statistics and the collection and dissemination practices used by the organisation in this area.

The choice of priority indicators and specific cross-cutting issues to be dealt with by STESEG involves matching OECD needs and the requirements of Member countries with the experience of OECD statisticians and economists. Due consideration is also given to initiatives launched by other international organisations (Eurostat, UNSD, IMF, ILO, UN City Groups, etc.) in order to avoid duplication of effort, conflicting priorities, etc. In this context, the following three task forces were created out of discussions at the June 2002 meeting.



- demand indicators and output indicators for services;
- timeliness and benchmarking; and
- data presentation and seasonal adjustment.

The task forces will present their findings and recommendations at the next plenary STESEG meeting scheduled for 26-27 June 2003. Further information on the activities of these task forces is available on the OECD website at <http://www.oecd.org/EN/documents/0,,EN-documents-notheme-15-no-20-no-0,00.html>.

OECD involvement in the future evolution of PPIs for services will continue to be undertaken within the Voorburg Group framework and through the operation of a recently created joint OECD-Eurostat task force on PPIs for services.

c. Specific features of the OECD Short-term Economic Statistics Expert Group

Objective: The primary objective of the OECD Short-term Economic Statistics Expert Group (STESEG) is to improve the quality (including comparability and timeliness) of short-term indicators in priority areas of OECD and Member country need. It does this through the provision of a forum for exchanging information on current best practice and the preparation of recommendations to the OECD Secretariat and Member country statistical agencies for implementation.

Work topics: STESEG work covers an appropriate balance between specific subject areas of short-term indicators (such as prices, services, business statistics, business tendency surveys, etc) and cross-cutting issues (such as comparability, seasonal adjustment, quality assessment, timeliness, etc).

Lifespan: The initial lifespan of STESEG is limited to 2002-2004 when its effectiveness will be reviewed and its future assessed.

Management of Group: STESEG is managed by STD (in particular, by the Short-term Economic Statistics Division (STES)). Contributions and keynote papers (see below) are also sought as appropriate from other STD Divisions. Staff from other OECD Directorates also attend STESEG meetings and give presentations on the basis of their experience(s) as users.

Method of operation: Work is organised through the operation of a limited number of specific task-forces which undertake work throughout the year. Topics for the task forces are identified by participants at the conclusion of the annual plenary STESEG meeting which are generally held over two days in June. The activities of the task forces is largely undertaken by email and the use of electronic discussion groups (EDGs). The task forces present their findings and recommendations at the following annual meeting of the Group.

The size of each task force is limited. Countries determine which task force they wish to participate in on the basis of their priorities and experience in relation to the topic being discussed/dealt with. Leadership of each task force is either someone from the OECD Secretariat or from a country. Such arrangements minimise the burden on individual countries and on STD/STES resources.

It is expected that work on each topic will not take longer than one year. Suggestions for future topics/priorities are discussed as the last agenda item of the annual meeting.

Meetings: An annual meeting is held at OECD headquarters in Paris. The length of meeting is two days maximum. French/English interpretation is provided.

Meeting dates: The annual meeting is timed to fit in with Eurostat and other STD meetings. Special effort is made to minimise overlap with current European Union work on short-term economic indicators for EMU.

Meeting Attendees: Target attendees are representatives from Member country agencies (though representatives from selected non-member countries will be invited to attend meetings of the Expert Group as observers in future



years) responsible for the compilation of the specific short-term economic indicators being discussed. In most instances these are from national statistical offices and possibly central banks. The initial letter of invite is sent to the heads of the target agencies and to OECD Delegations early each year. The OECD also informs other international organisations on what we are doing and invites their participation at the annual meeting and on task forces (the latter as appropriate).

Papers: A limited number of short background papers are prepared by the OECD Secretariat for the annual meeting. Participating national and international agencies are also invited to prepare short focused background papers (6 to 8 pages maximum).

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