

The Statistics Newsletter

for the extended OECD Statistical Network

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OECD Releases “Real Time” and Revisions Database

By Richard McKenzie, OECD

First releases of official statistics are often revised in subsequent releases, sometimes substantially. Such revisions can impact on policy decisions, as revisions to first published data may alter the previous assessment of the state of the economy. This may occur through a changed interpretation based on the revised data itself or the impact the revision may have on econometric models which may incorporate several statistics, each subject to revision. Whilst this is a recognised issue of key importance, most producers of official statistics can not quantify expected revisions to their data and economists do not have the required data to test the sensitivity of their econometric models to revisions in input data. This important gap in knowledge required to effectively use official statistics and demands from central banks motivated the OECD to develop a unique new product: the *Main Economic Indicators Original Release Data and Revisions Database*, now freely available at: <http://stats.oecd.org/mei/default.asp?rev=1>.

This product allows both users and producers of official statistics to study the magnitude and direction of subsequent revisions to official statistics and for economists to test the likely effectiveness of econometric models in simulated real-time. The above link provides access to an interface containing the following data and information.

- Full time series as far back as 1960 in some cases for 21 key economic variables as originally published in each monthly edition of the OECD Main Economic Indicators (MEI) CD-Rom from February 1999 onwards for OECD countries, the Euro area, China, India, Brazil, South Africa and the Russian Federation. This database is updated on a monthly basis and provides the raw data needed by economists to test the performance of their econometric models in simulated real time.
- Access to comprehensive revisions analysis studies performed by the OECD for Gross domestic product, Index of industrial production and Retail trade volume.
- Automated programs and a detailed user guide allowing both producers or users of official statistics to perform their own revisions analysis based on the OECD methodology for any country and variable combination available in the database.
- Information on reasons for revisions, together with recommended practices to aid producers of official statistics in establishing a transparent revisions policy for economic statistics.

The following variables are included in the database: GDP and its expenditure components; Industrial production and Production in construction; OECD

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Composite leading indicators; Retail trade, Consumer price index; Standardised unemployment rate; Civilian employment; Hourly earnings in manufacturing; Monetary aggregates; International trade in goods and Current account balance. This list of variables was based on feedback from a survey of central bank contacts to determine which economic variables were the most important to include in such a database – based on the restriction that they had been published in the MEI. Market based financial variables (e.g. interest rates, exchange rates) which are often part of econometric models are not included in the database as they not revised and thus originally released data will be the same as that in currently available time series.

Demand by central banks for a “real time” database

Central bankers and economic forecasters have been paying increasing attention in the recent past to the concern that their econometric models may be sensitive to revisions to input variables, which may therefore affect the performance of their models. This reflects the need to test the robustness of their models on historical originally released (and then subsequently revised) data – thus simulating the likely performance of their models in “real time”. This issue has been a subject of debate over the last few years at the Euro Area Central Bankers Network (EABCN) meetings, and is the subject of a special conference being organised by the Federal Reserve Bank of Philadelphia in April 2007 titled: *Real-Time Data Analysis and Methods in Economics*. Consequently this has generated a considerable demand for databases which provide access to first (and subsequent) releases of data for key economic variables. The OECD *Main Economic Indicators Original Release Data and Revisions Database* will be the first continuously updated database freely available to the general public which provides the required

MAIN ECONOMIC INDICATORS

Original Release Data and Revisions Database

This interface provides access to time series data for 21 key economic variables as originally published in each monthly edition of the MEI from February 1999 onwards. Accessing this source of originally published data will enable analysts to test the likely effectiveness of econometric models in simulated real-time. It will also enable users to study the magnitude and direction of subsequent revisions to published statistics. Data for all OECD countries, the Euro area, China, India, Brazil, South Africa and the Russian Federation are available.

Access original release data

[User Guide](#)

Access the database:

- GDP, Total and Expenditure Components
- Index of Industrial Production
- Production in Construction
- Composite Leading Indicators
- Retail Trade Volume
- Consumer Price Index
- Standardised Unemployment Rates
- Civilian Employment
- Hourly Earnings in Manufacturing
- Monetary Aggregates - Broad Money
- International Trade in Goods
- Balance of Payments - Current Account Balance

Perform revisions analysis studies

- Revisions analysis for official statistics
- Automated programs to perform revisions analysis

OECD Revisions Analysis Studies:

- Gross Domestic Product
- Index of Industrial Production

data to perform this type of analysis across such a wide range of countries.

Analysis of revisions by national statistical institutes

Analysis of revisions for key economic variables such as those included in the database enables national statistical institutes to evaluate their performance against a key dimension of statistical quality – accuracy. Ultimately this can lead to a better understanding of the statistical compilation process and enable problems to be identified and improvements to be made. This is one of the reasons why the International Monetary Fund’s

Special Data Dissemination Standards (SDDS) encourages countries to undertake revisions analysis and gives considerable prominence to the need for national agencies to develop a revisions policy that is both transparent (as to the underlying cause(s) of revisions) and consistent across the range of economic statistics (both structural and short-term) compiled. Indeed these very same reasons provided the impetus for the OECD to host a workshop on revisions analysis with the UK Office for National Statistics in October 2004, which established a set of principles that governed the development and presentation of revisions analysis statistics and served as the catalyst

for the OECD database, see [http://www.oecd.org/document/23/0_2340,en_2825_497146_33729303_1_1_1_1,00.html](http://www.oecd.org/document/23/0,2340,en_2825_497146_33729303_1_1_1_1,00.html).

Despite this recognised importance, to date few national statistical institutes (NSIs) perform detailed revisions analysis on an ongoing basis for their key economic statistics as obtaining the necessary data and developing the programs required is a resource intensive task. However this new OECD facility provides the opportunity for NSIs to easily and quickly undertake such analyses. The key issue now is for the OECD to make NSIs aware of its existence and reiterate the importance of undertaking such analyses to better understand and identify improvements that can be made in the compilation of their official statistics.

For more information on this unique new product, contact Richard.mckenzie@oecd.org.

Assessing the Feasibility of Micro-Data Access

By Nadim Ahmad, OECD

Background

The development of macro-based statistics and indicators has rightly formed the focus of statistical development and resources, particularly in an international context, for many decades now. But as the world becomes increasingly complex and computational capabilities increasingly advanced it is also right to start considering whether the role of micro-data in international statistics should not also be increased.

Many recent policy developments and initiatives have highlighted the need for better quality and more comprehensive micro-data to provide the tools for evidence based decision making and to tackle complex issues such as understanding innovation, balances

and imbalances in economic statistics, and the many implications of globalisation.

A large share of research studies now carried out by the OECD and many other national and international institutions involve country level micro-data, while studies such as PISA reflect the growth in micro-data collection and management by the OECD itself.

Moreover much of this information is already available (e.g. statistical or administrative business registers) which all OECD countries have, and so the scope to develop many new global indicators is evident.

Conference of European Statisticians: Guidelines for Micro-data

The June 2006 Conference of European Statisticians, endorsed the report "Guidelines and Core Principles for Managing Statistical Confidentiality and Microdata Access", see <http://www.unece.org/stats/documents/ece/ces/2006/6.e.pdf>, prepared by a Task Force, under the guidance of the CES, and chaired by Dennis Trewin, the Chief Statistician of the Australian Bureau of Statistics, whose key principles are:

Principle 1: It is appropriate for micro-data collected for official statistical purposes to be used for statistical analysis to support research as long as confidentiality is protected.

Principle 2: Micro-data should only be made available for statistical purposes

Principle 3: Provision of micro-data should be consistent with legal and other necessary arrangements that ensure that confidentiality of the released micro-data is protected.

Principle 4: The procedures for researcher access (including international organisations, government etc) to micro-data as well as the uses and users of micro-

data should be transparent and publicly available.

The Feasibility Study

Through the experiences of these studies, the benefits of micro-data analysis are being extended and made more visible but further benefits could be attained if micro-level statistics were derived through a more collaborative coordinated approach or framework that ensured greater harmonisation of concepts and statistics.

To gain a better understanding of the options and implications of micro-data access, on a more structured and co-ordinated basis, by the OECD, the Secretary General allocated means from the Central Priority Fund to carry out a feasibility study in 2006. The CSTAT 2005 meeting also recognised the importance of this subject and recommended that the OECD organise a conference on micro data in 2006 to exchange best practices and explore the role of the OECD in fostering work with micro data.

Len Cook, formerly the Director of the United Kingdom's Office for National Statistics, has been appointed as a consultant to take forward the feasibility study and to produce a report describing the outcomes of this study.

Feasibility Study Options

Five main options related to micro-data access have been formulated by the OECD.

Option (1) Decentralised work with longitudinal data

This is the option that has been followed by OECD in previous longitudinal studies; the OECD plays a role in that it coordinates the research question and basic methodology and synthesizes the results. But micro-data are accessed and treated in a fully decentralized fashion.

Option (II) Decentralised work with indicators based on 'snapshot' information

This option is similar to (I) in approach but less demanding as no longitudinal databases are necessary. The role of the OECD would be to propose and get agreement on indicators that can be constructed from business surveys or census data at snapshots in time.

Option (III) Special bilateral projects

This option includes the special case where OECD enters an agreement with one particular country to carry out micro-data analysis. A case in point is the study on productivity analysis for China put in place by the Economics Department: several officials from the Chinese National Bureau of Statistics spent several weeks at the OECD and analysed, jointly with OECD staff, micro data on Chinese firms from the economic census. In other words, micro-data resided at the OECD for a limited period of time and under the control of officials from the Chinese National Bureau of Statistics

Option (IV) Coordinated remote access

This model envisages the transfer of metadata that would allow the OECD Secretariat to write programmes that will interface with micro-data at NSOs. There are a number of ways in which this option could work in practice. A feasibility study will be carried out with a small set of volunteer countries.

Option (V) Transmission of micro-data to the OECD

Option (V:(1))

Examples for such transmission are national data that are provided to OECD (PISA), Eurostat and other institutions, such as the Luxembourg Income Study, described in last month's Newsletter. Extending these

situations significantly will require legal agreements to be drawn up with countries relating to data transmission to the OECD and how it (and what) can be used. Given the volume of data and its confidential nature this option would need to fully explore the costs involved in setting-up and managing such a database. One possibility would be to consider whether software such as μ and t-Argus, developed by the Dutch Central Bureau of Statistics and currently tested by Eurostat, could be used to preserve anonymity/confidentiality.

Option (V: (2))

Another, possibly complementary, approach is to rely on private sources for micro-data. Commercial datasets exist for business data (such as AMADEUS) that originate from credit rating agencies such as Dun and Bradstreet. The biggest advantage of such datasets is that there are no issues of confidentiality. Disadvantages include the sometimes significant cost of purchase and unknown quality of the information

Creating a Centre

The results of the feasibility study will form the key inputs into an evaluation of the benefits of establishing an OECD Centre for the custody of the micro-data. The Centre could therefore bring together practices and facilities for managing and organising micro-data that is already provided to the OECD but, in establishing these facilities and governance rules and by building trust and confidence in micro-data management, the Centre could also provide the perfect vehicle to increase the OECD's coverage of micro-data.

The OECD will also look to develop governance arrangements that give countries continued assurance that micro-data held in the custody of, or accessible by, the OECD is done so in a manner consistent with the obligations given to those who provided the

information. The Centre would therefore develop into a unique place where international comparisons of key policy and statistical issues, based on micro-data, could take place.

Process and Timing

A steering group of internal OECD experts comprising those with experience of acquiring micro-level data and users of micro-level data has already been established. Equally a Questionnaire has been circulated to national statistics institutions. Its primary aims are: to establish the availability of micro-level data in statistics institutes; the legal constraints imposed on the transmission and use of micro-level data outside of national institutions; and the current mechanisms, if any, used to disseminate micro-level data.

Conference on micro-data

The catalyst for the conference is the feasibility study described above. But the conference is intended to be more than just a vehicle to present the findings of this study. Indeed it is intended that the conference will be an opportunity to share experiences across institutions of the benefits and problems inherent in micro-data analysis and access.

The conference will take place in Luxembourg on the 26/27 October following on from the Eurostat Meeting on Confidentiality (25/26 October). A draft outline of subject areas that the micro-data conference will tackle is shown below.

Session 1 – Applications of micro-data: National and international examples of micro-data analysis; benefits; what can micro-data reveal that macro-data cannot and do the messages differ; commercial micro-data sets, pros and cons, etc .

Session 2 – Micro-data access in practice. Examples of micro-data access in a national and international context: remote access,

safe centres, one-off applications, survey approaches; data cleaning, synthetic datasets, and preserving anonymity

Session 3 – The OECD Questionnaire on micro-data; synthesis and conclusions.

Session 4 – The OECD feasibility study, reviewing the five options, focusing on legal and technological constraints.

Session 5 – Moving forward and developing an action plan.

A more detailed agenda will be developed over the coming weeks and will be publicised more widely at the earliest convenience. Those interested in the feasibility study or in presenting at the conference are invited to send expressions of interest, together with an outline of their proposed presentations to nadim.ahmad@oecd.org

New Quarterly MEI Zone Totals for Flows of FDI, Trade in Goods, and Trade in Services

By Bill Cave, OECD

Balance of payments (BOP) statistics form a subject dataset hosted in the OECD Main Economic Indicators database. The main analytical use for the information is short-term analysis and to provide an overview of economic trends. Emerging from the quality review of OECD balance of payments statistics, in 2005, were recommendations for a number of quality improvements. These related to timeliness, consistency, data collection, zone totals, review of metadata, raising the profile of the OECD BOP data set, and coordination of work on OECD members' BOP with that on non-members.

Implementation of the quality review recommendations is being progressed incrementally. In

particular regarding zone totals, these have now been created for OECD total and the G7 group of countries for trade in goods, trade in services and flows of foreign direct investment (FDI) – see table below.

Quarterly BOP zone total series in MEI database	MEI Code
OECD service exports s.a.	OTO.BPCRSE01.CXCUSA.1
OECD service imports s.a.	OTO.BPDBSE01.CXCUSA.1
OECD goods exports s.a.	OTO.BPCRTD01.CXCUSA.1
OECD goods imports s.a.	OTO.BPDBTD01.CXCUSA.1
OECD flows of FDI abroad	OTO.BPFADI02.CXCU.1
OECD flows of FDI in the reporting economy	OTO.BPFADI03.CXCU.1
G7 service exports s.a.	G7M.BPCRSE01.CXCUSA.1
G7 service imports s.a.	G7M.BPDBSE01.CXCUSA.1
G7 goods exports s.a.	G7M.BPCRTD01.CXCUSA.1
G7 goods imports s.a.	G7M.BPDBTD01.CXCUSA.1
G7 flows of FDI abroad	G7M.BPFADI02.CXCU.1
G7 flows of FDI in the reporting economy	G7M.BPFADI03.CXCU.1

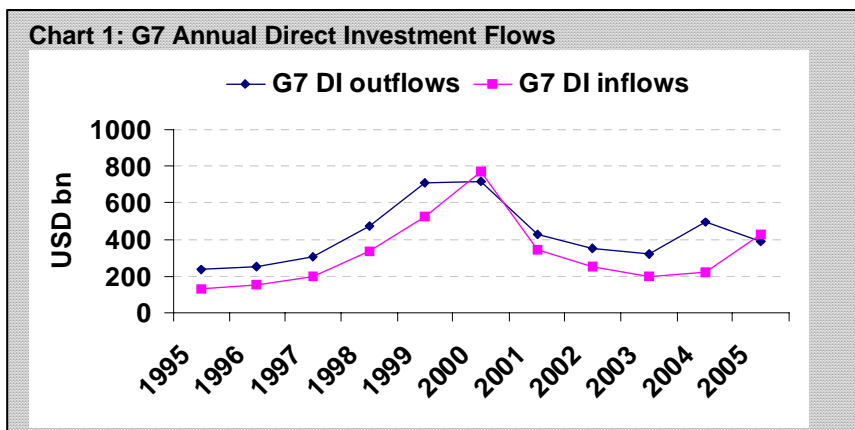
To enable this development US dollar series have been introduced for all countries that did not have them for goods exports, goods imports, services exports, services imports, flows of direct investment abroad, and direct investment in the reporting economy. For trade the quarterly zone totals are seasonally adjusted. All BOP data are in current prices. More country groupings or zones will be created progressively and for these and additional variables.

All member countries supply BOP data to the OECD according to the concepts and framework of the IMF Balance of Payments Manual 5th Edition.

Regarding timeliness, quarterly data are supplied by all OECD countries between 30 and 100 days after the reference period. BOP data is normally on the MEI database within one week of receipt.

Very summary BOP data for large **non-member** countries (China, India, Brazil etc) are available on the MEI database. These data are sourced from IMF to avoid duplication of work and minimise the reporting burden on countries.

While OECD total trade in goods and services data on MEI have been publicised in the OECD quarterly trade press release and elsewhere, the quarterly FDI series for OECD and G7 are new to MEI and are chosen here for a closer look at trends.

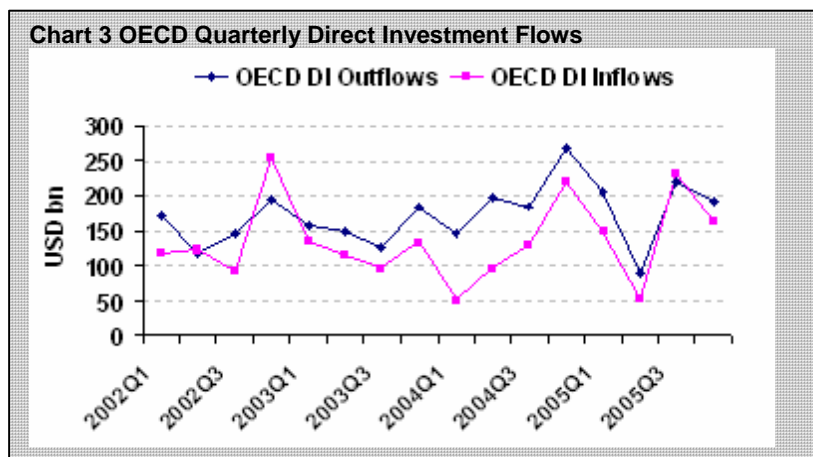
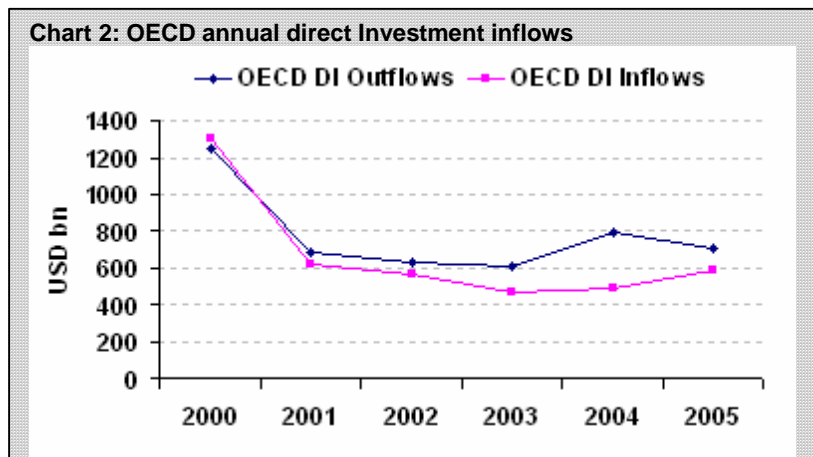


Some Trends in OECD and G7 FDI Data

FDI data are notoriously volatile and 'lumpy' since one very large merger/takeover can seriously impact national totals and even in a few cases at the OECD level. This volatility can be seen in chart 3.

peak year of 2000. In 2005 OECD inflows of FDI were 596 bn USD and outflows 705 bn USD.

These preliminary estimates will be subject to revision as more information becomes available in the coming months.



It can be observed that OECD outflows of FDI have exceeded inflows in 13 of the last 16 quarters. But trends in quarterly data are difficult to discern.

One advantage of quarterly data is that they allow relatively timely first estimates of the annual data so that preliminary estimates of FDI flows in 2005 are now available for G7 and total OECD - see charts 1 and 2 above.

Inflows of FDI into G7 and OECD as a whole rose in 2005, while outflows declined leading to a convergence of outflows and inflows, with combined flows close to the 2004 total and well below the

Detailed information on OECD countries' FDI stocks, flows, and income by industry and partner country are published annually in "OECD International Direct Investment Statistics Yearbook", which is also available as an electronic database.

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Understanding Entrepreneurship: An OECD Strategy to Develop Entrepreneurship Indicators

By Tim Davis, OECD

Following discussions in a number of OECD Committees, Working Groups and Workshops, the Statistics Directorate is moving forward with a plan to develop a programme of international indicators on entrepreneurship. The principal components of the programme will be a periodic Scoreboard of Entrepreneurship Indicators; a Measurement Manual; and, an OECD Steering Group to ensure international participation, guidance and agreement.

Over the past year, a Scoping Study was undertaken to gauge interest in entrepreneurship and determine the feasibility of reaching agreement on a useful core set of entrepreneurship indicators as well as on an appropriate framework including definitions and standard measurement practices. Many countries and international organisations have highlighted the need for international agreement on entrepreneurship measurement practices and voiced strong support for the development of a core set of indicators, within an agreed-to framework.

This note provides some highlights of the Scoping Study along with a brief overview of the OECD Plans and forthcoming activities.

Policy Issues and Data Interests

There is widespread policy interest in entrepreneurship. Researchers have long argued about the link between entrepreneurship and growth but policymakers everywhere want to encourage and facilitate entrepreneurship, even if the links to growth are not clear. Nurturing entrepreneurship is an explicit policy priority for many OECD countries, whether they already have significant levels of entrepreneurship or they are seen to

be trailing the leaders in this domain.

There are many different perspectives on entrepreneurship, often within the same country. For example, entrepreneurship is often linked to regional development programs. Stimulating the creation of new firms is seen as a tool to boost employment and output of depressed regions. In other examples, entrepreneurship is a key element of strategies designed to facilitate the participation of certain target groups, such as women or minorities, in the economy. Finally, programs aimed at boosting competitiveness often identify high-growth entrepreneurship as a key to innovation and productivity growth. In each of these cases, there is a different concept of who is an entrepreneur.

In discussions concerning entrepreneurship data gaps, many noted the importance of measuring the contributions of existing firms and entrepreneurs. If government policy interests relate to job and productivity growth, then established entrepreneurs are just as valuable as new ones. As some observers noted, isn't it likely that a dynamic entrepreneur will continue to hatch bright ideas and develop them into growing businesses; or that an entrepreneur will innovate and raise productivity both within an existing firm as well as through new firms?

Existing Entrepreneurship Data

While few, if any, meet all the requirements of analysts and policymakers for internationally-comparable data, there are numerous statistics relating to entrepreneurship already produced by governmental, quasi-governmental and private institutions. Many of these data sets are purely national and some focus only on special niche activities or a specific subset of the population. Other projects, though, have gathered international data. GEM (Global Entrepreneurship Monitor)

gathers information through household surveys and specialist interviews; Eurostat recently implemented the first "Factors of Business Success" (FoBS) survey; the World Bank maintains a database of measures that compares countries based on various factors that measure the ease of doing business, and the European Commission's Eurobarometer has measured attitudes towards various aspects of entrepreneurship in both Europe and the USA. In developing a set of international entrepreneurship indicators, the OECD work will avoid duplicating any existing work and will endeavour to incorporate existing measures that suit the needs of countries and that meet necessary quality standards.

A Collaborative Approach to Assembling and Developing Data

The OECD Scoping Study revealed competing demands concerning entrepreneurship data. On the one hand, given the high priority associated with entrepreneurship in many countries, there is a pressing demand for immediate indicators of both levels of entrepreneurial activity and its key determinants. On the other hand, there is recognition that there is little international agreement on key definitions and measures in the field and many argue that this important infrastructure work must precede development and implementation of new the indicators themselves. Finally, countries have stressed that, despite the importance of understanding entrepreneurship, they must very carefully weigh costs and benefits before proceeding with any new data collection. Recognising the inherent conflicts, all the participants in the OECD programme will endeavour to find the appropriate balance so that both a solid conceptual foundation for measuring entrepreneurship and some key, interim measures of entrepreneurship are put in place.

Of primary importance is the new Entrepreneurship Indicators

Steering Group that will report to the Committee on Statistics. That Group will be asked to guide the development of a Measurement Manual and also assist in gathering existing data and existing definitions and concepts, from participating countries. There have been few forums for discussions of comparable international entrepreneurship data by statistical offices and perhaps fewer still that bring government entrepreneurship policy people together with data producers. The OECD Secretariat will facilitate electronic discussions in order to advance the work as quickly as possible while minimising the cost and time burden of international meetings.

The development of an ideal Measurement Manual can take many years. The OECD programme envisages a modular development so that agreement can be reached on definitions and concepts for the highest priority indicators first. That way, work can progress on creating core indicators while development of other concepts and definitions is still under way. Efforts will also focus on building the underlying entrepreneurship framework and definitions from existing programmes and experiences rather than starting new conceptual development from scratch.

Once a framework of indicators is established, the OECD Secretariat will work with countries to fill in the indicator framework with existing and new data from several different sources. First, the Project will exploit existing data already in OECD, and possibly other, databases. Examples of existing data include self employment data in labour force databases, structural business statistics by size class, assessments of regulation and other burdens faced by entrepreneurs. In some cases, outside researchers have already done work on harmonising existing OECD data so collaborative arrangements will be pursued. Second, the Project will explore the availability of additional entrepreneurship data and initiate

new queries to the national sources to build up additional OECD databases. Third, we will extend work that is already underway through both Eurostat and the OECD to harmonise Business Demography information and develop a number of entrepreneurship measures based on these register-based databases. Finally, the Project will explore the possibility of new, co-ordinated data collection using standardised methods and collection vehicles developed as part of the Measurement Manual. In this regard, Pilot Survey in a few interested countries could be undertaken in late 2007 or 2008.

Conclusion and Next steps

The overall plan is ambitious yet realistic in that it consists of a step-by-step approach to building the necessary international partnerships, establishing a data collection infrastructure, assembling relevant data and sharing and disseminating the resulting set of indicators on entrepreneurship. The OECD proposal recognises that not all countries are at the same stage of development with respect to entrepreneurship nor will they be able to devote the same level of resources to entrepreneurship measurement. By establishing a framework for entrepreneurship measurement, improving common understanding of definitions and concepts and establishing models and co-ordinated surveys for measurement, the programme will allow countries to raise the quality of entrepreneurship statistics as resources and interests permit.

The Statistics Directorate is currently working with countries to establish the membership and work plan for the Entrepreneurship Indicators Steering Group. Plans for both real and virtual meetings of the Group in the fall of 2006 are being developed.

The Entrepreneurship Indicators Scoping Study was funded by the Kauffman Foundation of the United

States. A further Grant from that Foundation, along with support from a Danish-led consortium of OECD countries, has permitted work to begin on the next phase of the Project work. Since, additional grants will be required to enable completion of all the activities planned for the next two and a half years the Project Team is also engaged in further fundraising work.

For further information on the OECD Entrepreneurship Indicators Project, contact the Project Manager at Tim.Davis@oecd.org

Euro Area and European Union Accounts for Institutional Sectors

By, Werner Bier, ECB; Joachim Recktenwald, Eurostat; Tjeerd Jellema, ECB; Denis Leythienne, Eurostat

Introduction

This article provides a brief overview of a joint project by Eurostat and the European Central Bank (ECB), in close cooperation with the national statistical institutes and national central banks of the European Union, to produce for the first time annual euro area and European Union (EU25) accounts for institutional sectors (European sector accounts), covering the period 1999-2004. These accounts follow the methodology of the European System of Accounts 1995 (ESA 95) and provide a comprehensive overview of the euro area/EU25 as single entities, thus facilitating wide-ranging analyses of the interactions among institutional sectors.

The non-financial accounts for the euro area, the EU25 and the individual Member States can be found on Eurostat's website at <http://ec.europa.eu/eurostat>, and integrated non-financial and financial accounts, including financial balance sheets, for the

euro area can be found on the ECB's website at <http://www.ecb.int/press/pr/date/2006/html/pr060531.en.html>.

From National to European Sector Accounts

The starting-point for the European sector accounts is the national data provided by the Member States, including non-financial and financial accounts by institutional sector, the balance of payments and the international investment position. Several steps are necessary to convert these national datasets into European sector accounts. For the Member States not participating in the euro area, and for Greece in 1999 and 2000, transactions have been converted into euro using the average exchange rates for the reference period. In the case of the EU25 aggregates, some care is needed in interpreting these data in the context of growth rates, as exchange rates move over time, but the impact on ratios such as entrepreneurial income or saving rates is negligible.

Another important step concerns the EU institutions, since these are not considered to be part of the domestic economy in the *national* sector accounts of Member States. The ECB is, however, included in the financial corporations sector in both the euro area and the EU25 accounts. All other European institutions are treated as non-resident in the euro area accounts as their administrative competence goes beyond the euro area, but they are included in the EU25 accounts. With the exception of the European Investment Bank, which is classified in the financial corporations sector, all European institutions are classified in the EU25 general government sector.

To produce the rest of the world accounts for the euro area/EU25, cross-border transactions and financial claims between euro area/EU25 countries need to be removed. In theory, total resources should equal total uses, e.g. exports

within the euro area should equal imports. In practice, however, a comparison of the national statistics reveals discrepancies (“asymmetries”) that have been eliminated in order to obtain a consistent set of accounts.

The euro area accounts integrate non-financial and financial accounts, including financial balance sheets. These accounts are integrated in three dimensions. First, total uses equal total resources, or total financial assets equal total liabilities, for each (non-financial or financial) transaction category and each financial balance sheet category, when summed over all institutional sectors and the rest of the world (*horizontal consistency*). Second, for each sector and the rest of the world, the sum of all current and capital transactions is equal to the sum of all financial transactions (*vertical consistency*). In the euro area accounts, this is the case for the government and financial corporations sectors and the rest of the world. There are still discrepancies, equal in amount but opposite in sign, for the households and non-financial corporations sectors. Third, the change in financial balance sheets is for each financial asset category equal to the changes arising from financial transactions and other changes (*stock-flow consistency*).

As a consequence of the various compilation steps described above, the euro area/EU25 accounts are based on, but are not the simple sum of, the national accounts of the Member States.

Selected Results

European sector accounts allow both detailed analyses of the interactions among institutional sectors and between them and the rest of the world, and the derivation of key macroeconomic indicators for the economy as a whole. In this article, we first present some results across all sectors, followed by some results for the households sector. A

more comprehensive description of the accounts can be obtained from the background study accompanying the published results (see : <http://www.ecb.int/press/pr/date/2006/html/pr060531.en.html> and

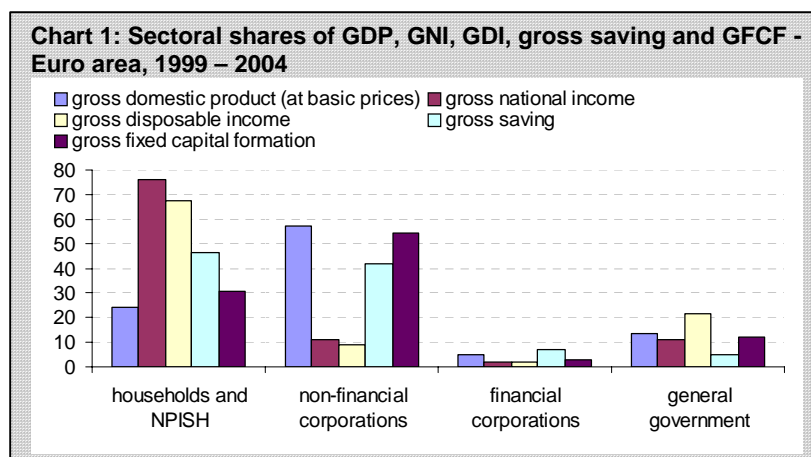
http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2553,58522354,2553_60149147&dad=portal&schema=PORTAL).

In the European economy (both the euro area and the EU25), most *value added* (60%) is created in non-financial corporations, while slightly less than one-quarter is generated in the households sector by household enterprises and by the imputed rent minus the costs of owner-occupied dwellings (Chart 1).

than 30% of fixed *capital formation* is accounted for by households. This mainly relates to the construction of dwellings.

Chart 2 presents the annual nominal *growth rates* of *net disposable income* and the contributions of each of the sectors to this growth. The chart shows that from 2000 to 2004 the contribution of the government sector to the *growth of net euro area disposable income* was higher in years with a higher overall growth rate. The contribution of households to the growth of disposable income was highest at the beginning of this period.

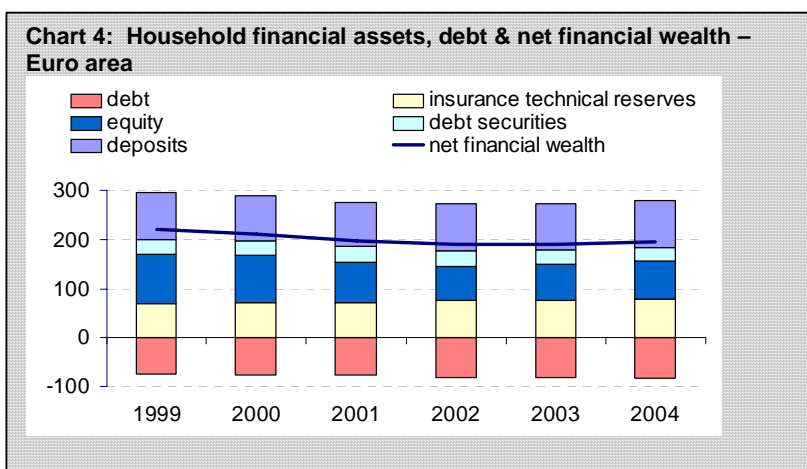
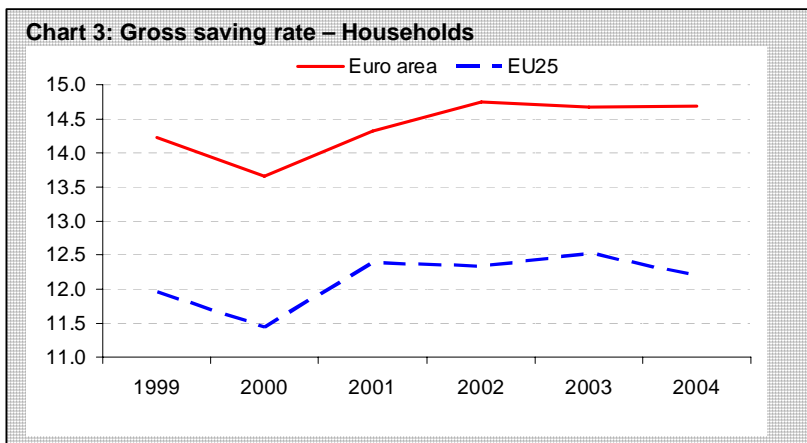
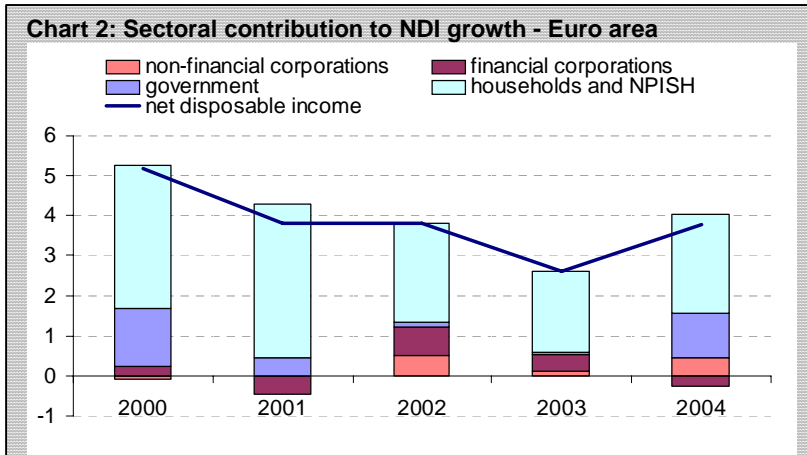
The *households saving rate* (Chart 3) is an important indicator for the households sector. Over the whole



General government accounts for slightly more than 10%. By far the largest part of value added created in the corporate and government sectors is then passed on to households as compensation of employees. The largest share of *national income* thus accrues to the households sector. This share is somewhat reduced by net taxes and other transfers, which are largely paid to the government. This can be seen by comparing the distribution of gross national income with that of gross disposable income in Chart 1. *Disposable income* is available for consumption or *saving*. Since households account for the bulk of consumption, their share in euro area saving is much smaller than their share in income. Finally, more

period under review, the gross saving rate of households in the euro area was more than 2 percentage points higher than that in the EU25.

Compared with the other sectors of the economy, the households sector has by far the highest net worth. It is composed of non-financial assets, mainly housing, and net financial wealth. The financial wealth is presented in the financial balance sheets (Chart 4).



At the end of 2004, the *net financial wealth* of euro area households was €10 trillion; this is close to 200% of their gross disposable income. While the *indebtedness* of the euro area households sector amounted to about 90% of its gross disposable income, its *financial wealth* was almost 290% of gross disposable income at the end of 2004. The financial wealth was mainly invested in deposits, shares and other equity (including mutual funds shares), as well as in net equity in life insurance reserves and pension fund reserves.

Towards Quarterly Sector Accounts

The publication of annual European sector accounts will be followed in spring 2007 by the regular publication of quarterly European sector accounts.

THE OECD INPUT-OUTPUT DATABASE

Input-Output tables describe the sales and purchases relationships between producers and consumers within an economy. They can be produced by illustrating flows between the sales and purchases (final and intermediate) of *industry outputs* or by illustrating the sales and purchases (final and intermediate) of *product outputs*. The OECD Input-Output database is presented on the former basis, reflecting in part the collection mechanisms for many other data sources such as research and development data, employment statistics, pollution data, energy consumption, which are in the main collected by establishments, and so industry.

The latest set of OECD Input-Output tables (2002 edition) consists of matrices of inter-industrial transaction flows of goods and services (domestically produced and imported) in current prices, for eighteen OECD countries (Australia, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Japan, Korea, Netherlands, Norway, Poland, Spain, United Kingdom and United States) and two non-member OECD countries (Brazil and China) covering one or more years around the mid-1990s. The tables are based on ISIC Revision 3 industrial classifications and update the earlier 1995 edition of IO tables covering 10 OECD countries.

The 2006 update, covering tables in the early 2000s, is nearing completion and will be available this August. The geographical coverage has increased considerably and now covers 27 OECD countries and 9 major non-OECD economies, reflecting over 90% of global GDP and 2/3 of the world's population.

To receive the 2002 edition **for free**, and to make an early inquiry for the 2006 edition, please send your name, institution, country of residence, and e-mail details to dsti.contact@oecd.org mentioning "Input-Output" in the title of your message.

The 1995 edition, (based on ISIC Rev.2) is available online **for free** at: http://www.oecd.org/document/6/0,2340,en_2649_34445_2672966_1_1_1_1.00.html.

NEWS IN BRIEF

Conference on Data Quality for International Organisations (27/28 April)

This Conference was the second meeting of the CCSA entirely dedicated to data quality. It followed the "European Conference on Quality in Survey Statistics – Q2006" in Cardiff (UK) from 24-26 April 2006. It was structured along the key areas of work in the Eurostat coordinated CCSA project on the use and convergence of quality assurance frameworks for international organisations covering six thematic sessions:

1. Quality frameworks;
2. Metadata;
3. Best practices;
4. Quality reporting;
5. Reviews;
6. Labelling.

and a final session covering the role of the CCSA.

Detailed information on the event as well as all the papers presented can be found on the conference website: <http://unstats.un.org/unsd/acsub/CDQIO-2006.htm>.

The OECD Structural and Demographic Business Statistics database (SDBS)

This SDBS database is an essential tool for providing information on the industrial structure of OECD economies. It provides a wealth of information at a very detailed sectoral level including: turnover, value-added, production, operating surplus, employment, labour costs and investment to name but a few. The breakdown by industrial sector, including services, is supplemented by a further breakdown into size classes, further enhancing the analytical capabilities of the database. It therefore lends itself to answering the following types of policy questions: Which sectors have experienced positive/negative growth in recent years? What contribution do small businesses make to economic activity? How does the structure of businesses vary across OECD countries? Which industrial sectors have the highest labour productivity? How does labour productivity vary by business size? Are small and medium enterprises (SMEs) more or less profitable per employee than large businesses? Which sectors invest most?

The size class dimension is a more recent addition to the OECD's structural business statistics database and is included for the first time in the publication. Also new is the inclusion of data on business demography statistics such as business birth, death and survival rates; which, in combination with the size class dimension, provides an

invaluable tool to inform policy areas such as entrepreneurship.

The release of the database is accompanied by the "Structural and Demographic Business Statistics" publication (2006 edition), which replaces the earlier "Structural Statistics for Industry and Services" publication, and which provides a summary of the information available in the database. For illustration it typically shows a few key economic variables at the [International Standard of Industrial Classification, Revision 3 \(ISIC\) 2-digit level](#), for some sectors. The database itself holds information at the 4-digit level and covers more sectors. Also included in the publication is a 'reader's guide' explaining how the database can be used and compared to other datasets such as the national accounts.

Readers can access the OECD Structural and Demographic Business Statistics (SDBS) database and publication choosing from the following options: Subscribers and readers at subscribing institutions can access the online database via [SourceOECD](#), our online library now (at www.sourceoecd.org/databases). Non-subscribers will be able to purchase the PDF e-book and/or paper copy via our Online bookshop this month.

For further information on the database and publication contact nadim.ahmad@oecd.org.

On the Road to the Istanbul World Forum on "Statistics, Knowledge and Policy"

The second World Forum on "Statistics, Knowledge and Policy" will be held next year in Istanbul from 27 to 30 June 2007 at the prestigious Lutfi Kirdar conference centre. It will focus on "Measuring and Fostering the Progress of Societies". Momentum around the conference is growing fast. The European Commission, the United Nations and the World Bank are all formally co-operating with the project, and we are working in association with PARIS21. Preparatory events are underway to ensure that the Forum is both truly global and focused on the key strategic policy issues for the monitoring and management of today's economies and societies.

In June 2006, the OECD, CRELL (the European Centre for Research on Education and Lifelong Learning) and the Università Cattolica of Milan hosted a workshop on "Measuring Wellbeing and Societal Progress". The event brought together experts from national statistical offices, international organisations, academics, civil society organisations and policy makers to discuss work on key indicators around the world and so help inform the OECD's research agenda in this area. The meeting

has provided some solid technical background to the Istanbul World Forum.

On 5 & 6 October 2006, a regional 'pre-conference' for Latin America will be held in Costa Rica. Other regional forums are planned before the Istanbul event, and include an Asian conference (Seoul, 7 & 8 February 2007), and others in Qatar (for the Middle East), Rwanda (for Africa) and perhaps Russia (for the CIS and perhaps Eastern Europe).

These regional forums will play a major role in informing the discussion at the World Forum in Istanbul. In addition to these forums, discussions within the OECD and with our international partners are under way to develop a draft agenda for the conference.

The Istanbul World Forum will be a true "knowledge experience" with exhibitions of art, interactive demos and other innovative tools to help demonstrate the links between statistics, knowledge and policy. Organisations and companies will, we hope, present their work on measures of progress and monitoring tools to the more than 800 people who will attend. We are beginning to think about who should contribute to this knowledge experience and your suggestions would be most welcome.

More details will be available soon so please check our website regularly for updates.
<http://www.oecd.org/oecdworldforum>

Changes to the Main Economic Indicators "Labour" Series

This short note describes the introduction of new indicators relating to the labour market in OECD's *Main Economic Indicators* (MEI) database and publication. The new indicators were previously published in OECD's *Quarterly Labour Force Statistics* (QLFS) publication, which was suppressed in 2005.

The following labour force series (22 in total) are now available on the MEI database: *Total labour force: all persons – males – females*; *Civilian labour force: all persons – males – females*; *Civilian employment: all persons – males – females*; *Civilian employment: agriculture*; *Civilian employment: industry including construction*; *Civilian employment: services*; *Employees, household survey*; *Unemployment level: survey-based (all persons – males – females)*; *Unemployment rate: survey-based (all persons – males – females)*; *Standardised unemployment rate: all persons – males – females*.

Due to resource constraints and a slightly different user-group not all QLFS labour force indicators are available in MEI products, for example: *Civilian employment by sectors by gender*; *Employees by sectors and gender*; *Unemployment level: (all persons – males – females) by age class*; *Unemployment rate: (all persons – males – females) by age class*. Certain population survey based series are maintained on the database and OECD will consider republishing these in the MEI if comparability across OECD countries can be assured. That said, detailed annual statistics on these indicators are presented in OECD's annual *Labour Force Statistics* publication.

An advantage of the MEI publication is that it is monthly and, so, for many countries labour force statistics can now be published on a monthly basis, namely, Canada, the United States, Japan, Korea, Finland, and Sweden. Not all countries are able to provide this information however and so statistics for New-Zealand, Austria, Czech Republic, Denmark, Germany, Hungary, Ireland, Italy, Norway, Poland, Portugal, Slovak Republic, Spain, Switzerland, and the United Kingdom, reflect quarters. Australia provides all the above time series on a monthly basis except for *Civilian employment by sector* and *Employees (household survey)*, which are published on a quarterly basis. France provides all the above time series on a quarterly basis except for *Total labour force*, *Civilian labour force (males and females)*, *Civilian employment (males and females)*, *Unemployment rate: survey-based (males and females)*, which are annual and *Unemployment rate: survey-based (all persons)*, which is monthly. Monthly or quarterly labour force statistics are currently unavailable for all other OECD countries.

Presentation of Key Series in the Paper Publication

All the above series are published in the MEI CD-ROM but for space reasons only key series are included in the MEI paper publication.

In total, since June 2006, 270 time series from the former QLFS publication are now published in the MEI paper publication, (795 QLFS series having already been introduced in the April 2006 release of the MEI CD-ROM).

For more information on this topic please contact Thomas.Manfredi@oecd.org, Catherine.Martin@oecd.org or Frederic.Parrot@oecd.org. For subscriptions to MEI products or to access free data see www.oecd.org/std/mei

RECENT PUBLICATIONS

All OECD publications can be ordered on line at:
<http://www.oecdbookshop.org>

▲ OECD Health Data 2006 – Statistics and Indicators for 30 countries

The publication has been released on June 26, 2006 (see press release under www.oecd.org/health/healthdata). This fifteenth edition of the OECD health database offers the most comprehensive source of comparable statistics on health and health systems of the OECD economies. It is an essential tool, enabling health researchers and policy advisors in governments, the private sector and the academic community to carry out comparative analyses and draw lessons from cross-country comparisons of national health systems.

OECD Health Data is a unique, interactive database covering over 1 200 indicators and offering sophisticated query modules. The most recent data are for 2004, with many time series going back as far as 1960. *OECD Health Data 2006* uses fast, user-friendly Windows™-based software which enables users to carry out data extractions and build customised graphs and tables. Free technical assistance and an annual data and software update are accessible via the Internet.

OECD Health Data 2006 is available **online** to subscribers of **SourceOECD**, the OECD online library. It is also available on **CD-ROM** in single-user or network installations. The database is multilingual (English, French, German, Italian, Spanish and Russian), and for the first time this year available in Japanese (exclusively for the online database). For any information, please contact SourceOECD@oecd.org or the OECD Online Bookshop (www.oecdbookshop.org).

More detailed information, a press release, the User's Guide, and selected tables can be found under <http://www.oecd.org/health/healthdata>.
Contact point: health.contact@oecd.org.

▲ OECD-FAO Agricultural Outlook – 2006/2015 OECD, Food and Agriculture Organization of the United Nations (FAO).

The twelfth edition of the *Agricultural Outlook* provides an assessment of agricultural market prospects based on projections that extend to 2015 for production, consumption, trade, stocks and prices of mainly temperate zone agricultural commodities. These projections are based on specific assumptions regarding global macroeconomic conditions, population growth, national agricultural and trade policies as well as production technologies. In addition, the projections

have been established under the assumption of average weather conditions. Collectively these assumptions help to determine a representative scenario of how agricultural markets could evolve over the coming decade.

World agricultural production is projected to continue to grow to 2015, but at a slower pace than in the last decade. Sustained economic growth in many OECD and non-OECD countries and moderate gains in population strengthen global demand for agricultural products. Expanding bio energy production is underpinning demand in particular for certain crop products that are used in ethanol and bio diesel production. Increased global demand for agricultural products provides the foundation for increasing production and agricultural trade over the projection period, particularly in developing countries. At the same time, competition is expected to intensify between traditional OECD and emerging agricultural exporters in international markets as production expands in many countries.

▲ Agricultural Policies in OECD Countries: At a Glance – 2006 Edition – Preliminary Edition

Support to farmers in OECD countries accounted for 29% of farm receipts in 2005. The current level of support is the same as almost a decade ago and varies widely across countries and commodities. Today, although governments are gradually moving away from providing support through the most production and trade distorting measures, these measures remain dominant. Greater efforts are needed to better target policies towards clearly defined income and environmental objectives.

This book is a unique source of up-to-date estimates of support to agriculture. It provides the most comprehensive description and evaluation of agricultural support developments in OECD member countries and a summary of agricultural policy developments in Brazil, China and South Africa.

Agricultural Policies in OECD Countries: At a Glance is published every other year, alternating with *Agricultural Policies in OECD Countries: Monitoring and Evaluation*.

▲ Structural and Demographic Business Statistics, 1996-2003, (2006 edition), OECD

See 'News in Brief' above.

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Forthcoming OECD Meetings

N.B. Unless otherwise indicated attendance at OECD meetings and Working Parties is by invitation only

<i>2006</i>	
11-14 September	7 th International Trade Statistics Experts meeting & OECD/EUROSTAT meeting of Experts in Trade in Services Statistics, <i>Statistics Directorate (STD)</i> , Paris
10-13 September	Workshop on Measurement of non-market output in Education and Health, <i>Statistics Directorate (STD)</i> London, UK
14-15 September	Meeting of Experts on Health Care Quality Indicators, <i>Directorate for Employment Labour and Social Affairs (ELS)</i> , Paris
3-5 October	8 th OECD International Trade Statistics Expert Meeting, <i>Committee for Statistics Directorate (CSTAT)</i> Paris
9-13 October	OECD Meeting of National Accounts Experts, <i>Statistics Directorate (STD)</i> Paris
17-18 October	Workshop on International Investment Statistics, <i>Directorate for Financial and Enterprise Affairs (DAF)</i> , Vienna Austria
19-20 October	OECD-Chinese Ministry of Science and Technology Workshop on S&T indicators (OECD-China Innovation Project) <i>Committee for Scientific and Technological Policy (STI)</i> Beijing, China
26-27 October	OECD Conference on Micro-Data Access and Use, Luxembourg

Other Statistics Meetings

<i>2006</i>	
10-14 July	Expert Group Meeting on the 2010 World Programme on Population and Housing Censuses, <i>United Nations Statistics Division (UNSD)</i> New York, USA
13-14 July	Creation, Recognition and Valuation of Intellectual Assets, <i>United Nations</i> , New York, USA
17-20 July	Workshop on Tourism Statistics, <i>United Nations Statistics Division (UNSD)</i> Madrid, Spain
11-15 September	Meeting on Gender Statistics, <i>UN Economic Commission for Europe (UNECE)</i> Geneva, Switzerland
12-14 September	Work Session on Statistical Dissemination and Communication, <i>UN Economic Commission for Europe (UNECE)</i> Geneva, Switzerland
18-19 September	2006 International Comparative Analysis of Enterprise (micro) Data (CAED) Conference sponsored by the US Census Bureau the Federal Reserve Bank of Chicago and the OECD, Chicago, USA
18-22 September	17 th Regional Cartographic Conference for Asia and the Pacific (UNRCC-AP) <i>United Nations Statistics Division (UNSD)</i> Bangkok, Thailand
20-23 September	28 th CIRET Conference (Centre for International Research on Economic Tendency Surveys), Rome, Italy http://www.ciret.org/conferences/rome2006
25-26 October	Meeting on Statistical Confidentiality, Eurostat, Luxembourg