Modernisation of Statistical Production in Switzerland: End of a Long Journey in Sight
by the Swiss Federal Statistical Office

The Case of the Missing Tax Data
by Statistics Netherlands

Current Price Topics: The Impact of The European Debt Crisis on U.S. Import Prices
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The Swiss Federal Statistical Office (FSO) embarked a few years ago on a series of complex modernisation programmes, mainly with the objective of bringing more consistency and efficiency to the production of statistics.

These projects mainly concern the “data collection” and “process” parts of the statistical business process, but their aim is clearly to allow for a more integrated approach to statistics, and to promote consistency in the results. They are in line with the international consensus on abandoning the “stove-pipe approach” of statistics, whereby surveys are designed and implemented as separate projects, and their results analysed and disseminated independently.

The main expectation of this investment by the Federal Statistical Office is to reduce the burden on users, as well as the costs of data collection. It is of course expected to progressively facilitate the analysis of results, thus making it possible to respond to the increasing demand for information, including on transversal themes such as the Progress and Quality of Life agenda, or the green economy. One of the drivers of change is the bilateral agreement with the EU whereby Switzerland is integrated in most data collections of the European Statistical System (Eurostat). Another important driver is the pressure to produce ever more at constant costs.

The efficiency of a modern statistical information system depends to a large extent on the way data are collected. Two main programmes are currently being implemented. They bring a coordinated vision to the two main domains of data collection:

- Business statistics: the general programme for business statistics is a comprehensive reform of the various business statistics which involves checking the demand, using administrative data as much as possible and updating methodologies according to EU regulations.

- Social statistics: the system of household and personal statistics is taking shape. The central element is a new, register-based census.

Most of these programmes are coming to an end as they enter the production phase, and some initial conclusions can be drawn. It is, however, important to note that these programmes are interdependent and that they are implemented in parallel. In this article, we briefly explain the changes in the statistical infrastructure and illustrate their expected outcome in the field of social statistics.

Four parallel projects

The pillars of the modernisation are two projects that completely refurbish the statistical infrastructure:

- Realising a universal data warehouse for the storage and processing of the data.

- Harmonising the main registers managed by various levels of the federal government system; population registers updated by municipalities, registers of buildings and dwellings, business register. The office manages several main registers that are used for statistical purposes. The population registers are now interlinked and constantly updated via a central exchange platform managed by the FSO.
A new statistical infrastructure

The office is currently putting in place a single business architecture for standardising the main tools, processes and software used in-house for the production of statistics. Putting in place a central Data Warehouse is the key part of the project. A central data warehouse makes data more usable and makes it possible to work with a sustainable IT structure. All statistics will benefit from standardised methods, processes and software. The project also aims at automating parts of the dissemination process, so as to more easily publish various outputs for different audiences. The system caters to the dissemination in SDMX format, and includes a sustainable system for archiving data at different stages of production.

This is the most inward-looking part of the modernisation process. The implementation part started in 2009 and all new statistics will be using the new system at the end of 2011. It is also a daunting task: the success of the other programmes and of new projects strongly depends on the successful realisation of this part. Moreover, developing standard applications goes much further than building a data warehouse, because it changes the processes already in place, and ultimately the daily work of statisticians. But the benefits in terms of standardising production are clear:

- by reducing the number of parallel systems and standardising definitions there is more transparency and data that is re-used for various analyses. There is also a clearer idea of the quality of data.
- avoiding as much as possible overlaps in data collection should eliminate a ineffective part of the burden on respondents.
- several parts of the business process are automated.

Harmonising the registers & the new system of social statistics

The FSO decided to profoundly change its most core task: the population census, by moving from a 10-yearly census to an annual census based on administrative registers and completed by various integrated surveys. This is a long-term project that started around 2004 and was effectively launched in 2007 when the new census law entered in force.

With the publication in August 2011 of the final demographic figures, we can now affirm that the system is fully functional.

A similar step had already been taken in some other OECD countries. In a federal state such as Switzerland, being able to extract the basic demographic characteristics of the whole population required first putting in place a complex infrastructure. Indeed, the first task was to connect the civil registers independently run by the regional entities (cantons) and of some 2500 communes. The FSO headed the project. The core elements were i) a dedicated law which determines a list of basic characteristics and requests the FSO to define the underlying classifications; ii) a new social security identifier; iii) the linkages with the register of buildings and dwellings (this register allows inter alia to geo-localise the dwelling) and is also an important new project in cooperation with the postal service that involved the attribution of an identifier to each dwelling; and iv) putting in place an IT platform for the regular exchange of data that allows for a 4-yearly standardised transmission of data to the Federal Statistical Office (the cantons and communes used to keep different kinds of registers, including paper ones), with a sufficient level of confidentiality. The FSO retains control on the use of the data exchange system. It also validates the data deliveries and prescribes quality thresholds.

The first reflections on the new census date back to 2004. The core element of the new census is a register-based survey. This register-based survey makes it possible to obtain very timely population data four times a year, including:

- demographic characteristics
- data on buildings and dwellings broken down by number of dwellings, number of rooms, etc.
- geographic characteristics

But the main feature of the new Swiss census is that it is designed to exploit in the most coherent possible way the various sources of social statistics. The system, known as SHAPE, therefore integrates: a large-scale survey, a thematic survey, flexible short-term surveys (Omnibus) and traditional social surveys.

The structural survey complements the basic data by a written questionnaire distributed each year to a sample representing 2.7% of the resident population (200 000 persons). The domains investigated in the 33 questions are: households, families, housing, employment, mobility, education, language and religion. Results can be disaggregated down to the level
of cantons and communes with more than 15,000 inhabitants. Results for up to 5 years can be aggregated, thus making it possible to produce data for even smaller geographical entities.

The yearly thematic survey is a sample survey of at least 10,000 persons that facilitates a detailed and in-depth exploration of certain areas (Education, Mobility, Health, etc.). It is expected that the themes will be repeated every 5 years in order to ensure a follow-up of social trends. This will typically be an important source for OECD thematic databases. Last year’s survey on mobility was a CATI-survey on mobility of 60,000 persons, which will for example provide crucial data for urban planning. This year the FSO will implement the Adult Education Survey, a European Statistical System-wide survey on skills and lifelong learning.

The third element, Omnibus, is designed to follow-up on specific themes, and to provide results within 6 months. It is a telephone sample survey of 3,000 persons. It has recently been used to provide data on the information society. The selection process is inclusive and demand-based: the FSO determines the themes of national importance for the Omnibus surveys in close cooperation with stakeholders. The latest Omnibus on sport and physical activities was for example commissioned by the Ministry of Health. In 2011, the environmental behaviour of households will be explored, including subjective issues that feed into the quality of life agenda.

The system is complemented by the main international social surveys: LFS, SILC, HBS.

This complex system is still taking shape. In comparison with the traditional census, the first results are very satisfying. The register-based solution is clearly a qualitative leap as compared to the previous system (precise population data every 10 years and estimates in between). It allows for more timeliness and frequency. The results of the first structural survey will be made available at the end of the year. In terms of timeliness they compare very favourably. As far as quality is concerned, it looks very promising: the response rate is about 90%, and most respondents answered all questions. The e-survey solution in particular yields considerable gains in quality and productivity.

Designing the new system involved tough choices on what to keep and what to leave behind. It is also a considerable long-term investment that will reduce costs in the long run. In combination with the other projects mentioned above, a new, more coherent statistical system with the FSO at its centre is taking shape. The main successes we had concern the quality of the data. The main challenges we faced were institutional and IT ones.

We believe that the multi-modal integrated solution is a reasonable compromise between burden, costs and the provision of relevant statistical information. Combining the different modes (registers, mail, e-survey, CATI) for different purposes proved a good strategy. For a small statistical office in a small country, this may be the only way to keep on producing information on all societal aspects with regional breakdowns where necessary. It will also enable us to reallocate resources in order to produce more analysis work.

For its 150th anniversary in 2010, the FSO presented on its website some historical material, including an interactive timeline (Chronostat) that puts in perspective the landmark events of national history and various statistical publications from different periods. Also, publications related to the first federal census in 1850 up to the state-of-the-art solutions are described on the historical section of our website.

Links:


Calendar: www.bfs.admin.ch/bfs/portal/fr/index/news/02/01.html

Historical section (F/D): www.bfs.admin.ch/bfs/portal/fr/index/150/13.html

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

www.bfs.admin.ch
The views expressed in this article are those of the authors and do not necessarily reflect the policies of Statistics Netherlands. This article describes the controversy that arose between Statistics Netherlands and the Dutch Ministry of Economic Affairs in 2009 after the announcement of a tax relief measure for businesses, which deteriorated the quality of tax data used by Statistics Netherlands for producing short-term statistics.

Introduction

Like most national statistical institutes in recent years, Statistics Netherlands (SN) has been replacing its primary data collection (i.e. questionnaires) more and more with externally sourced administrative data. Since 2003, as part of a larger governmental operation aimed at reducing administrative burden on Dutch businesses, SN is by law only allowed to collect data for statistical production by means of questionnaires if no suitable administrative sources are available.

This article describes a series of events that occurred in 2009 after a tax relief measure for businesses was announced that impacted on the usability of tax data for producing short-term statistics. SN felt that primary data collection had to be re-introduced in some economic sectors, in order to produce statistical output of sufficient quality. This led to a controversy between the Ministry of Economic Affairs and SN, which was finally resolved when SN decided to stop its primary data collection again.

Background

In April 2009 the State Secretary of Finance announced that, starting July 1st of that year, most Dutch businesses would be allowed to choose to declare tax on a monthly or quarterly basis. Until then, Dutch businesses had been assigned to a reporting cycle by the tax authorities, based on an estimate of their tax due to be paid: the largest businesses had to declare tax every month, smaller businesses only every quarter. The intention of this measure was to boost the economy, by giving businesses an opportunity to select the reporting frequency most attractive to them from a fiscal point of view.

The announcement by the State Secretary of Finance came as a surprise to SN, and sparked off some commotion. In the spring of 2009, the SN economic statistics division was about to complete a long-running redesign of the production process for short-term statistics. For small and medium-sized businesses, administrative data from the tax authorities were supposed to replace traditional survey data. In fact, short-term statistics on the building industry and international trade had already been partly based on tax data for some time. For the building industry, the use of tax data had replaced primary data collection among small businesses with less than ten employed persons.

Since short-term statistics are published every month for some economic sectors, it was clear that the governmental tax relief measure might adversely influence the statistical properties of the tax declaration data. In particular, businesses that kept reporting on a monthly basis might differ in some important respects from businesses that switch to reporting on a quarterly basis. For instance, businesses that are expecting a tax refund are more likely to report monthly than quarterly, and vice versa. This means that when businesses have been given the option to switch reporting cycles, the monthly tax return data might pertain to a selective subpopulation of businesses, so that monthly growth figures based on this data might no longer be representative for the development of the Dutch economy.

It soon became clear that the measure would be executed by the government with no room for modifications. SN therefore decided that the new production process for short-term statistics would not be implemented until the effects of the measure had been examined. Moreover, it was decided to re-introduce primary data collection for monthly statistics of the building industry and international trade, starting with reference month June 2009, to safeguard the quality of the statistical output. A random sample of 10,000 businesses would be drawn each month, to assess the quality of the tax data after some businesses had switched from monthly to quarterly reporting. This represented 7,700 small businesses from the building industry and 2,300 businesses from the international trade sector.
On April 28, a Dutch newspaper ran a story on the planned re-introduction of questionnaires in the building industry and the international trade sector, under the headline “New pile of paperwork for entrepreneurs”. As a result, on May 1st, two members of parliament submitted formal questions to the State Secretaries of Finance and Economic Affairs, querying the need for SN to re-introduce data collection by means of questionnaires. These questions were answered in writing on May 27.

The first questionnaires were sent to businesses in the building industry and the international trade sector in mid-July, asking respondents to report their turnover for June 2009. This event led to additional questions in parliament, submitted to the State Secretaries of Finance and Economic Affairs on July 22. In particular, members of parliament complained that 10,000 questionnaires was large compared to the number of businesses that had switched from monthly to quarterly reporting at that moment (about 55,000 across all sectors). During consultations between SN and the two governmental departments about these questions, some pressure was put on SN to stop its primary data collection.

Meanwhile, SN was looking into the effects of the tax relief measure on the statistical quality of the tax data. This research was done for both the building industry and the international trade sector; in the remainder of this article the focus is on the building industry. Early efforts at assessing the effects of the measure suffered from a lack of available data.

On June 19, after much insistence, the tax authorities provided SN with a list of all businesses in the building industry that had applied to switch from monthly to quarterly reporting. The economic statistics division used this list to conduct a simulation study, recompiling growth statistics for previous months under the assumption that the businesses on the list had stopped reporting on a monthly basis at an earlier time, and comparing the resulting figures to those that were obtained using all available data.

No particularly large deviations were found, but SN hesitated to draw conclusions as:

a. the development of the Dutch economy in the simulation period was atypical, since it coincided with a phase of stagnation and recession following the global financial crisis;

b. only a small number of businesses had switched so far, but this number might become much larger in the following months; and,

c. there was no objective criterion to decide how large a deviation would be acceptable.

By early September, data from questionnaire data for months of June and July had been collected and edited at SN, and the methodology department was asked to analyse the data, to help decide whether primary data collection remained necessary.

Research by the methodology department

Sample design
In July 2009, three methodologists wrote a report that explored possibilities of drawing a smaller sample of businesses from the building industry. The original design (a simple random sample of 7,700 businesses) had been previously adopted by the economic statistics division without consulting the methodology department. In the report, the methodologists showed that a sample of 5,000 businesses would actually lead to similar confidence intervals if stratification was used. In the absence of actual data, model assumptions were used to obtain this result.

By July, only about 2,000 businesses in the building industry had used the option of switching from monthly to quarterly reporting to the tax authorities. The reason why the sample sizes were much larger than the number of businesses that actually changed their reporting cycle – which puzzled some members of parliament – is that SN chose to draw a sample from the population of all businesses, rather than a sample of businesses that had decided to switch. In principle, it would have been sufficient to conduct primary data collection only among businesses that had switched to reporting on a quarterly basis, since tax data were still available for businesses that had not switched. This option was also considered in the methodological report. However, it turned out that the tax authorities could not provide SN with an updated list of businesses that had switched in time for SN to use it as a sampling frame.

The initiative for writing the report on the sample design was taken by the methodology department itself. Its suggestions were not implemented in practice.

Data analysis
In September, the economic statistics division asked the methodology department to analyse whether primary data collection in the building industry was necessary, or whether the quality of the tax data was sufficient to produce short-term statistics. For this analysis, edited questionnaire and tax data on the reference months June and July were available. By this time, the Ministry of Economic Affairs was putting a lot of pressure on SN to either
stop primary data collection in the building industry, or else come up with concrete evidence that primary data collection was necessary. For this reason, the methodology department was given just over two weeks to complete their analysis.

In their research, the methodologists used tax data and questionnaire data to compute two separate estimates of turnover development in the building industry between June and July 2009. Since the estimate based on the questionnaire data was (asymptotically) unbiased, it could be used to assess the magnitude of bias in the tax data estimate, due to a selective switching from monthly to quarterly reporting. An approximate 95% confidence interval was also computed for the growth estimate based on questionnaire data. It was decided that the bias in the tax data estimate would be considered significant if this estimate fell outside the 95% confidence interval of the questionnaire data estimate.

The results of the analysis were not clear-cut, as there were some indications that the questionnaire data suffered from bias due to non-response. It was concluded, however, that the analysis had not revealed a substantial bias in the estimate based on tax data, and hence that it could not be used to show that primary data collection was necessary.

In a report that was completed on September 25, the methodology department advised SN to continue primary data collection for two more months, so that a full quarter of questionnaire data would be available for subsequent analyses. Assuming that these analyses would not lead to a different conclusion, primary data collection could be stopped after that period, although it might become necessary to start sending out questionnaires again in the future, if the number of businesses that used the option to switch increased considerably.

The outcome
Following the methodological analysis described, SN decided to stop primary data collection in the building industry starting with the reference month October 2009. Primary data collection in the international trade sector had already ended, following analyses by the methodology department and the economic statistics division.

Before sending the reports of the methodological analyses to the Ministry of Economic Affairs, SN asked two consultants from the RAND Institute to validate the findings in these reports. This was an initiative of the director of the economic statistics division, to forestall the Ministry’s call for an independent enquiry into the matter. The validated reports were subsequently sent to the Ministry, along with the announcement that SN intended to stop using questionnaires in the building industry and international trade sector as a primary data source.

After this announcement, there followed some controversy between the Ministry of Economic Affairs and SN about the precise formulation of a response to questions from parliament of July 22, which still remained to be answered. Formal answers to these questions were finally delivered in writing to parliament by the State Secretary of Economic Affairs, on December 4. By that time, the interest of members of parliament in the matter had subsided, as SN had already ended the data collecting activities that concerned them.

The Federal Statistical Office of Germany (Destatis) developed GENESIS-Online (https://www-genesis.destatis.de) to give web-based access the internal production system. The aim of GENESIS-Online was and still is to provide an easy and comfortable way to access the wide range of German official statistics offered via the internet. With the launch of GENESIS-Online in July 2002 the Federal Statistical Office made another contribution to the governments’ initiatives “BundOnline 2005” and “Deutschland online” and thus increased the quality of its information service.
Data model and functional scope

GENESIS-Onliné is mainly characterised by metadata based research and friendly table retrieval. The data-model of GENESIS-Onliné is the so-called ‘cube-model’, i.e. the numerical data are stored in multidimensional data objects (data cubes) that are described by the metadata. Each data cube refers to exactly one statistic and is defined by variables that determine content, time, region and other classifying attributes. The connection of the numerical data with the describing information (metadata) is the basis for the exploration of the database. In order to retrieve the numerical data a table structure has to be defined on the basis of the metadata first.

With the value retrieval the defined table structure is then filled with the numerical data that is stored in one or more data cubes.

GENESIS-Onliné offers different ways to extract tables. One way of searching is to click through a hierarchy of nine subject areas that leads to the statistics step by step. The subject areas are classified as follows:

1. Territory, population, labour market, elections
2. Education, social security benefits, health, justice
3. Housing, environment
4. Economic sectors
5. Foreign trade, enterprises, crafts
6. Prices, earnings, income, consumption expenditure
7. Public finances
8. Economic accounts
9. Indicator systems

Every single statistic is linked with tables, data cubes and variables that belong to it. Further information on methodology and quality of the statistic is offered as well.

Another kind of database query is the search by keyword that directly provides a list of corresponding tables. The basis of the keyword search is a thesaurus which contains all the terms and expressions used in the stored metadata. The thesaurus is constantly being updated and improved by adding new terms.

<table>
<thead>
<tr>
<th>Bundesländer</th>
<th>Stichtag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baden-Württemberg</td>
<td>301</td>
</tr>
<tr>
<td>Bayern</td>
<td>177</td>
</tr>
<tr>
<td>Berlin</td>
<td>3861</td>
</tr>
<tr>
<td>Brandenburg</td>
<td>85</td>
</tr>
<tr>
<td>Bremen</td>
<td>1637</td>
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<tr>
<td>Hamburg</td>
<td>2349</td>
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<tr>
<td>Hessen</td>
<td>287</td>
</tr>
<tr>
<td>Mecklenburg-Vorpommern</td>
<td>71</td>
</tr>
<tr>
<td>Niedersachsen</td>
<td>166</td>
</tr>
<tr>
<td>Nordrhein-Westfalen</td>
<td>524</td>
</tr>
<tr>
<td>Rheinland-Pfalz</td>
<td>202</td>
</tr>
<tr>
<td>Saarland</td>
<td>398</td>
</tr>
<tr>
<td>Sachsen</td>
<td>226</td>
</tr>
<tr>
<td>Sachsen-Anhalt</td>
<td>115</td>
</tr>
<tr>
<td>Schleswig-Holstein</td>
<td>179</td>
</tr>
<tr>
<td>Thüringen</td>
<td>139</td>
</tr>
</tbody>
</table>
Finally catalogues of tables, variables and data cubes give an overview and provide the possibility to select and sort the objects.

The idea of GENESIS-Online is to present the numerical data via changeable table structures; i.e. users can select reference periods and attributes of variables such as single branches of economic activity or Länder. The tables retrieved can be stored in Excel, CSV and HTML formats (download) for further use. Frequently required and individually adjusted table structures can even be stored in GENESIS-Online under «My tables». To visualize the data interactive diagrams and maps are available (see figure 1).

GENESIS-Online also offers direct access to the data cubes. A special function allows it to present the data cube in a standardised time series-oriented table layout. The data cube can also be exported in a linearised format and is therefore suited for professional processing. GENESIS Web-services make certain GENESIS-Online functions even accessible for automated processing.

The system architecture of GENESIS allows the system to publish data on the internet most efficiently and on time. The starting page of GENESIS-Online informs of the daily updates with linkage to the corresponding tables for fast access. The user can also receive this information via a «RSS-Newsfeed».

**E-Commerce period**

When GENESIS-Online was released in July 2002 numerous users tested the system free of charge and provided useful details and needs. The different requirements of several groups of users led to the development of new functions and to the introduction of the first pricing model in January 2004 that offered three ways of accessing the database: as a guest, a client or a premium client. A guest could research the whole database but retrieve only a choice of tables that were offered free of charge. For 50 EUR a year, registered clients had access to the entire set of tables and additional functions were available: time series-oriented tabular presentation of data cubes, storing table structures or time series specifications in the user’s own directory («My tables» / «My time series»), bulk downloads. For 500 EUR a year, registered so-called premium clients could additionally download the data cubes in a linearised export format and get 10 user-IDs. The premium access was primarily intended for business and institutions who want to process the data from Destatis in their own systems for their own purposes. The consequences of this marketing concept were that the number of users remained constant.

**Data for free – A success story?**

Following the free data paradigm shift in Eurostat, in October 2008 the pricing model of Destatis GENESIS-Online was adjusted to a new communication strategy that led to free dissemination. All users now have free access to all tables in GENESIS-Online. Users have to register and login only if they want to benefit from special personalised database functions («My tables» etc.) which still carry a charge.

The new dissemination strategy was a complete success. It led instantly to an increase in visits and table retrievals. From the third to the fourth quarter of 2008 the database visits doubled from 88 thousand to 178 thousand and the table retrievals increased from 79 to 132 thousand. In 2010 the number of table retrievals exceeded the 1 million threshold (see figure 2).

The favourable development of the utilisation of the database was also influenced by a few other measures. First, the scope of data offered in GENESIS-Online has been continuously enlarged. In July 2002 it started with 650,000 values from 58 statistics and by the end of 2010, GENESIS-Online provided 200 million values out of 184 statistics. The hit lists are headed by price statistics, especially the «Consumer price index for Germany» and the «Index of producer prices for industrial products». The statistics on foreign trade, population and National Accounts are also of particular interest to users.

Secondly, the functions of the database have been continuously updated and improved taking into account the needs of users. New navigation and search features were released and visualisation
tools were added. Web-services were introduced making certain GENESIS-Online functions accessible for automated processing for registered clients. Further improvements included the interlinkage of the database and the website www.destatis.de by using GENESIS-Online as the single source of data output.

Typology of clients

The introduction of all GENESIS-Online tables being freely availability since October 2008, resulted in only a small fall in the number of registered clients (from 3390 at the end of 2007 to 2955 at the end of 2010). However, the number of premium clients increased (from 55 to 69).

Figure 3 gives an up-to-date insight on the different categories of registered GENESIS-Online users. Most clients and premium clients came from Business, followed by Media, Education, Science, and Culture.

Final remarks

With GENESIS-Online the Federal Statistical Office of Germany offers a powerful information system that satisfies all user needs: from professionals to interested laymen. The central database is maintained by Destatis and mainly provides data for the Federation as a whole and regional data on the Laender level. Central access to a harmonised stock of common data at the Federation and the Laender is provided by a special database «GENESIS-Online Regional» offering data on the regional levels of administrative districts and municipalities. In the future the scope of data offered in GENESIS-Online will be continuously enlarged and further improvements of the GENESIS-Online software will make access to the data more and more user-friendly.

Recently, GENESIS-Online has gained a new rating as a supplier of «open data». The web-services offer open access to the data and free dissemination is combined with an open licensing model of the Creative Commons sort. That is what makes Destatis a pioneer in the German open data movement.

Two years after the Stiglitz-Sen-Fitoussi Report: What well-being and sustainability measures?

Two years after the Stiglitz-Sen-Fitoussi Commission’s recommendations, the French National Institute for Statistics and Economic Studies (INSEE), the French Ministry for the Economy, Finance and Industry and the OECD, are organising a conference to take stock of current initiatives and reflections at national and international levels to measure progress and sustainability.

The conference will take place on the 12 October 2011 and will be opened by Angel Gurría, OECD Secretary-General and Nobel prize winner in economics, Joseph E. Stiglitz. The conference will be closed by François Baroin, Minister for the Economy, Finance and Industry.

The conference will bring together statisticians and policy makers. Please note that this conference is by invitation only.

Link:
Evaluation: Strategic Plan (2007-2011)

The Turkish Statistical Institute (TurkStat), entrenched in the establishment of the Register Office (Defterhanı) in 1389, has undergone important changes since 1926. TurkStat plays a crucial role in the country’s decision-making processes, with the objective to increase its scientific and technical level to meet the information age requirements and to continuously improve Turkey’s statistical system. With the enactment of the Turkish Statistical Law (Law no: 5429) in 2005, TurkStat, in the role of coordinator for official statistics, is charged with producing comparable statistics through improvement and integration of the statistical system by following the latest developments, standards and definitions in the international statistical arena.

Legal Base

Various reform activities have been initiated and important regulations have been enacted to ensure more rational usage of public resources, based on accountability and financial transparency within the framework of improving public financial management in Turkey.

With the enforcement of the Public Financial Management and Control Law (Law no: 5018), named as “public reform”, public administrations were urged to prepare strategic plans, performance programs interrelated with those strategic plans, and yearly activity reports which are based on performance results. It has also become mandatory for public administrations to prepare performance based budgets in accordance with their mission, vision, strategic goals and objectives. Briefly, this law brings into effect a circular structure based on strategic planning, performance based budgeting and activity reports.

TurkStat Strategic Planning Practices

In line with this vision, it is vital that TurkStat keeps up to date with progress in the world’s statistical community. On the other hand, reflecting national and international developments, needs and expectations have increased in the field of statistics but resources have remained limited. Therefore, to determine priorities and perform efficient institutional resource planning and increase productivity, strategic management and planning has to become not a choice but an obligation for the institution. TurkStat which is aiming to produce more accurate, up-to-date, coherent, comparable and accessible information has led the adoption in principle of the strategic planning notion, as one of the eight pilot institutions to first implement strategic plans in Turkey.

TurkStat mission

“With the aim of presenting economic and social structure of the country, to produce and disseminate quality statistics which are timely, reliable, objective and truly compliant with international standards to respond to the expectations of decision makers, researchers and other users”.

TurkStat vision

“To become the information administrator of the country in the field of official statistics”.

In accordance with the goals and objectives determined in parallel with the mission and the vision, planning has been undertaken to determine areas which need to be improved using the current internal and external resource allocation effectively. The TurkStat Strategic Plan 2007-2011 has 9 strategic goals and 121 strategic objectives. Each strategic objective was planned to be implemented for different years in the five year period, aiming for the success of the strategic plan as a whole and realising all objectives at the end of the planning period in 2011. Table 1 outlines the various strategic objectives by strategic goals.

Monitoring and Evaluation of the Strategic Plan

Evaluation and monitoring are strong tools to measure the performance of the strategic plan, advantages being:

- Performance evaluation
  - Strengthening decision making processes
  - Taking decisions accurately
  - Preparing improvement plans and institutional learning
  - Efficient and productive usage of the resources
  - Development of institutional policies and strategies
  - Comparing “planned” and “realised” issues
Taking into account all these issues, performance monitoring and evaluation of the TurkStat Strategic Plan was realised and accordingly institutional performance evaluated. In addition, strategic objectives were prioritised by years and performance objectives assigned to each of the strategic objectives. From 2007, 4 performance evaluations were held and the fulfilment, deviations and reasons of these deviations were determined. Some care was taken to eliminate the reasons for failures with uncompleted strategic objectives placed in the following performance programs.

In 2007, because of the transition, the workload of restructuring activities in TurkStat and the infrastructure deficiencies made it difficult to meet strategic objectives at the expected level. The success ratio was 14% at the end of 2007. An extensive effort was made beginning in 2008 to get a greater success ratio, and at the end of the 2007-2010 period, a 53.7% success ratio was recorded. The 2007-2009 period was negatively affected because improvements in administrative data were not fulfilled; there were problems in data integration and the 6 strategic objectives were abolished.

At the end of 2011 the success ratio is expected to be 95% (accounted for by the 6 eliminated strategic objectives). Figure 1 shows expected and met success strategic plan ratios for 2007-2011.

Taking a closer look at the situation of strategic goal completion, it can be seen (Table 2) that Goal 3, Goal 7 and Goal 9 strategic objectives were all accomplished and realised perfectly on time.

### General Evaluation for 2007-2010 Period

An important starting point for TurkStat was 2007 in which it passed through a period of planning and for the first time in the Turkish Statistical System history, began implementation of a strategic plan to evaluate its institutional performance. Primarily 2008, 2009, and 2010 were years where statistical activities were executed within the context of determined plans and programs and monitored and evaluated in a systematic way.

Strategic plans are documents towards achieving a vision. To reach the TurkStat vision, a series of activities and projects were designed for in the context of determined strategic goals and targets during the planned period. The major contribution of the plan, apart from its success within 5 years, is to see what can be managed, what are the institutional base resource requirements, and finally to be able to make an institutional assessment.

The 2007-2010 period saw a strategic objectives success ratio of 53.7% (against a planned ratio of 71.1%). However, important work regarding the unrealised strategic objectives has been completed and those objectives will now be achieved in 2011. Major achievements in this direction with the strategic goals and objectives are:

1. Considerable steps forward were taken in the diversity of TurkStat statistics compiled to satisfy user needs, increase

### Table 1. Dispersion and number of strategic objectives by strategic goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Number of strategic objectives</th>
<th>Dispersion of Strategic objectives (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1. Adopting New Methodologies and Producing New Statistics and Indicators</td>
<td>44</td>
<td>36.5</td>
</tr>
<tr>
<td>Goal 2. Improving Content of Surveys and Increasing Data Variety</td>
<td>30</td>
<td>24.8</td>
</tr>
<tr>
<td>Goal 3. Realising Improvements Related to Compilation and Timeliness of Data</td>
<td>7</td>
<td>5.8</td>
</tr>
<tr>
<td>Goal 4. Improving Data Quality</td>
<td>9</td>
<td>7.4</td>
</tr>
<tr>
<td>Goal 5. Improving Register and Information Systems</td>
<td>5</td>
<td>4.1</td>
</tr>
<tr>
<td>Goal 6. Decreasing Response Burden</td>
<td>2</td>
<td>1.7</td>
</tr>
<tr>
<td>Goal 7. Improving the Role of the Institution in the Field of Statistics</td>
<td>6</td>
<td>5.0</td>
</tr>
<tr>
<td>Goal 8. Strengthening the Technical Capacity and Technological Infrastructure</td>
<td>11</td>
<td>9.1</td>
</tr>
<tr>
<td>Goal 9. Increasing Use of Statistics in the Public and Facilitating Access to Data</td>
<td>7</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
<td>100</td>
</tr>
</tbody>
</table>
international comparability, and bring the statistics into line with the appropriate international definitions and methodologies.

2. The EU has provided great assistance to TurkStat through funding and supporting projects that update statistical practices in the process of compliance to EU standards.

3. The important role of coordinator for the organisation of compilation and dissemination of Turkish statistics was given to TurkStat. In the “Official Statistics Program”, the institutional role of statistical production coordination was strengthened, coordination problems were minimised, and major achievements were gained in government statistical cooperation.

4. Improvements have been made on training, technical and methodological support of all institutions in the Turkish Statistical System. A corporate publication and dissemination policy has been formed in order to secure the publication and dissemination standards of produced statistics. Knowing the importance of administrative registers, technical support has been provided to other institutions for strengthening the statistical infrastructure and also to put into practice statistical classifications, and standards of administrative registers.

5. Important steps have been made in line with the development and improvement of register systems:

a. An “Address Based Population Register System” has been developed and improved in line with the administrative register. Up-to-date information about size, gender and age characteristics of population according to their residence has been collected and disseminated.

b. Developments have been made in the establishment of business and agricultural enterprise registry systems.

6. Improvements were made on timeliness in data collection and publication. A “National Data Release Calendar” including all statistics produced by institutions in the Official Statistics Program was presented to the public and is updated periodically.

7. In parallel with the improvement in IT infrastructure of TurkStat, major developments in data production, transmission, analysis and dissemination processes were performed.

8. Data control activities were expanded to regional offices; the quality of collected data has been improved with the help of quality control units in centre and regional offices.

9. Software enabling online data entry was developed and steps were taken to ensure its effective use, institutional work flows between the centre and regional offices have been renovated in line with the determined strategies, and dynamic data/information sharing has been made more effective through the internet. Most of the software needed by TurkStat including some of the large scale software required, which will contribute to the e-State project, was developed within TurkStat.

10. Strategic plans, performance programs and activity reports have been put into practice as major components of the public management reform.

11. To improve institutional capacity, major steps towards increasing human resource management have been achieved; especially, staff numbers in regional offices have been increased. Education and training programs at the institutional level have been realised; major steps towards improving staff competencies have been taken, and interactive educational programs through web technologies have been conducted.

12. In order to meet both national and international user demand with an effective and dynamic platform, dissemination channels have been accelerated, diversified and
visually improved. In parallel to these activities user satisfaction has increased. Databases to serve all users were designed and dynamic webpage searches were developed.

13. To improve public relations effectively, communication instruments such as social media were used to share data/information, a Press Room was activated on the webpage which achieved interactive communication. For the statistical literacy program, several media training activities were implemented.

Areas to be improved and prioritised:

- Ensuring that every institution included in the official statistics program compiles and disseminates statistics fully compatible with international and EU standards
- Continuation of efficient practices towards strengthening the Turkish Statistical System and efficient usage of EU resources
- Continuation of improving registration systems at the national level taking into account the precedence and importance of these systems. Strengthening data integration, accessibility and user friendliness through continued collaboration with other organisations
  - Increasing comparability, consistency, data quality and integration
  - Improving the metadata system
  - Making changes and making efficient use of resources to further decrease response burden
  - Establishing a Management Information System to bring about efficient internal control. Performing managerial approaches such as strategic management and process based management which are foreseen by the new public financial management for every level in the institution
  - Increasing public opinion recognition. Make up-to-date policies to improve societies awareness and consciousness of statistics through the use of social media and new technological communication tools
  - Increasing TurkStat’s recognition at the international level, effective communication with national statistical offices, continuation of collaboration, and involvement in joint project activities.

The enforcement of the Turkish Statistical Law (No: 5429) in 2005, increasing responsibilities within the scope of Official Statistics Program, compliance with EU and Public Financial Management and Control Law (No: 5018) could be seen as both an advantage and a disadvantage for TurkStat. Considering all these changes, TurkStat has made important developments in terms of realising the strategic goals and objectives as outlined above. Coordination at, and the effectiveness of TurkStat has increased, progress in the field of statistical production and dissemination has been ensured, and both institutional and statistical capacities have been improved.

### TurkStat Strategic Plan 2007-2011

From the onset of the European debt crisis that began with the Greek debt announcement in November 2009 to June 2010 when the value of the euro bottomed out versus the U.S. dollar, the euro depreciated 18 percent. However, figure 1 shows that import prices from the EU actually continued to rise slowly as the crisis began. There was a notable flattening between February and May 2010, and the index turned slightly downward in June 2010.

So why wasn’t there a greater impact from the sharp drop in the value of the euro on import prices during the European debt crisis? One reason is that the impact on prices will depend, to some degree, on the perceived duration in the shift in exchange rates. Research has shown that as short-term fluctuations of the exchange rate occur, companies are more likely to pass through only a small percentage of the currency change into the prices of their goods in order to preserve market share. However, if the shift in the exchange rate is thought to be of a more permanent duration, a higher pass-through rate is likely. Thus it is possible that as the euro rose and fell during the second half of 2009, European exporters did not foresee a permanent change in the exchange rate.

Another factor that can affect the short-term impact of a change in exchange rates is the percentage of goods that are priced in a foreign currency compared with the percentage priced in U.S. dollars. For goods priced in a foreign currency, the price has to be converted into U.S. dollar terms before the good is used in the calculation of indexes. The average exchange rate index that BLS uses to convert import prices for goods priced in a foreign currency into U.S. dollar terms is lagged 1 month. The BLS reference period for the Import/Export (MXP) and LOO price indexes is the first of the month. Therefore, the exchange rate used for the currency conversion...
is the average exchange rate for the month prior to the reference period. Because of this process, there is an immediate effect when there is a currency movement. For example, even if from one period to the next, the price of an item is unchanged in euro-denominated terms, if the euro appreciated 10 percent during that period, then after currency conversion, the dollar-equivalent price of the item will also register a 10 percent increase. In contrast, for goods priced in U.S. dollars, there is no immediate direct change from converting the price into another currency. There may, however, be a lagged response if over time a company changes the U.S. dollar price. As the value of the euro falls, the amount European companies that price their exports in U.S. dollars receive for their items increases in euro terms; thus firms may lower the price of their exports to the United States in order to capture more market share.

Firms, however, take time to adapt their prices to currency movements, which can result in a short-term stability of prices. A recent study showed that the pass-through rate of currency appreciation or depreciation on the price of a good is only about 25 percent for items priced in U.S. dollars. On the other hand, if an item is priced in a foreign currency, the pass-through rate of an exchange rate change to the U.S. dollar price jumps to approximately 95 percent.

The market basket for the price index of imports from the European Union is predominately priced in dollars, with only about 14 percent priced in a foreign currency. Consequently, when looking at U.S. imports from Europe, regardless of the perceived duration of an exchange rate change, the tendency is for a change in the exchange rate to have a much greater impact on the European seller’s price than the U.S. buyer’s price. This may help explain why the drop in the value of the euro only had a comparatively small impact on the dollar price of imports from Europe in 2009 and 2010.

What would the impact have been if a greater percentage of import prices from the EU had been priced in a foreign currency? Looking at the import price index for pulp and paper machinery provides some insight into that question. Pulp and paper machinery is primarily imported from Europe, and roughly 57 percent of the items in the index are priced in a foreign currency. If the recent analysis holds, the drop in the value of the euro only had a comparatively small impact on the dollar price of imports from Europe in 2009 and 2010.

This analysis raises an interesting point. If the U.S. dollar were to lose its traditional standing as a “world” currency, leading to more products being priced in foreign currency, then the impact on prices of a change in the value of the euro (or any other currency) versus the U.S. dollar might be greater over time. Recent discussions among OPEC countries to move away from pricing in U.S. dollars, as well as China’s recent questioning of the U.S. dollar as the world’s reserve currency, have created an uncertain future for the pricing of U.S. imports.

OECD NUCLEAR ENERGY AGENCY

NUCLEAR ENERGY: FUTURE DEVELOPMENTS IN THE LIGHT OF FUKUSHIMA

Serge Gas, OECD Nuclear Energy Agency

Nuclear energy provided 22% of electricity generation in OECD countries at the end of 2010. However the proportion varied greatly in the 17 countries that use nuclear power, from 74.1% in France to 3.2% in the Netherlands, with the largest regional share being produced in the OECD Pacific countries (Korea and Japan). Collectively OECD countries generate close to 85% of the world’s nuclear power.

Figure 1 indicates the nuclear generation in terawatt hours (TWh) as a percentage of electricity.
testing of the capability of existing nuclear power plants to withstand external events and prolonged loss of cooling functions, in addition to the adequacy of their accident management.

However, there was a reconfirmation of stated intentions to introduce new nuclear plants in the Czech Republic, Turkey and the UAE, while in the UK and the US, the value of nuclear energy as part of a diverse energy mix was restated. It is clear that, overall, there will be a slowdown in nuclear building rates and that previous high growth targets will not be achieved. Clearly, public confidence has been significantly affected and re-establishing trust will be a long and challenging task. However, it is not clear how extensive this period of reconsideration will be and, given that rapid economic growth is expected in China and India, where available low carbon alternatives do not exist at sufficient scale, it is possible that the impact on nuclear growth will not be as severe as in the periods following Three Mile Island and Chernobyl.

For the coming years, many lessons have yet to be learned from Fukushima and, undoubtedly, the nuclear industry and regulatory bodies will be focusing on this task, so that both existing and new designs can incorporate lessons learned. Costs for nuclear energy are likely to rise as new requirements become mandatory with investment becoming harder to obtain, but it will take some time before the full impact is known.

Figure 1. Nuclear Power Share of Total Electricity Production (2010)

Sources: OECD Nuclear Energy Agency; * Euraton Supply Agency, International Atomic Energy Agency - Power Reactor Information System (IAEA PRIS); ** IAEA PRIS
**Communications Outlook 2011**
This new edition covers developments such as the emergence of next generation access networks and the exhaustion of unallocated IPv4 addresses, and aims to provide an overview of efforts on the part of countries to promote competition and foster innovation in communication markets through regulation. It also examines the issues surrounding broadcasting markets, Internet infrastructure, communications expenditure and use by households and business, and trends in telecommunications services.

www.oecd.org/sti/telecom/outlook

**International Migration Outlook 2011**
This publication provides an analysis of recent developments in migration movements and policies in OECD countries and two analytical chapters, covering migrant entrepreneurship and international migration to Israel.

www.oecd.org/migration/imo

**OECD Regions at a glance 2011**
The differences between countries are often not as great as the disparities within them. OECD Regions at a Glance makes these differences across “places” apparent and unpacks what they imply for national performance and individual welfare. It does so by providing region-by-region indicators that help to identify areas that are outperforming or lagging behind in their country, as well as the OECD area.

This publication aims to provide evidence on the progress OECD regions have made towards more sustainable development, and to help policy makers identify which factors drive the competitive edge of regions and what local resources could be better mobilised to increase national growth and people’s well-being.

www.oecd.org/regional/regionsataglance

**OECD-FAO Agricultural Outlook 2011-2020**
This report assesses agricultural market trends and prospects for production, consumption, trade, stocks, and prices of featured commodities, including biofuels.

This year’s edition includes a special section on price volatility and price transmission from world to domestic markets, analysing the evidence of and changes in price volatility over the longer term and summarising FAO and OECD policy advice.

www.agri-outlook.org
## AGENDA

### FORTHCOMING MEETINGS

**OECD**

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<th>Date</th>
<th>Meeting</th>
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<tr>
<td>7-9 Nov. 2011</td>
<td>Working Party on International Trade in Goods and Trade in Services Statistics (WPTGS), Statistics Directorate. OECD, Paris, France</td>
</tr>
<tr>
<td>10 Nov. 2011</td>
<td>Meeting of the Task Force on Statistics of International Trade in Services (TFSITS), OECD Statistics Directorate. OECD, Paris, France</td>
</tr>
<tr>
<td>22-23 Nov. 2011</td>
<td>Conference on “Economic Insecurity: Measurement, Causes and Policy Implications” jointly organised by the International Association for Research in Income and Wealth (IARIW) and the OECD. OECD, Paris, France</td>
</tr>
<tr>
<td>28 Nov. 2011</td>
<td>22nd Session of the Working Party on Territorial Indicators, Directorate for Public Governance and Territorial Development. OECD, Paris, France</td>
</tr>
<tr>
<td>29- Nov.-1 Dec. 2011</td>
<td>Aid Effectiveness, fourth high level forum, to assess 2010 targets and commitments of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. OECD Development Co-operation Directorate, Busan, Korea  &lt;br&gt; <a href="http://www.busanhlf4.org">www.busanhlf4.org</a></td>
</tr>
<tr>
<td>5-6 Dec. 2011</td>
<td>Asian Conference on Measuring and Fostering the Progress of Societies (co-organised by the Economic and Social Research Institute of Japan and the OECD). Tokyo, Japan</td>
</tr>
</tbody>
</table>

**Other meetings**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4 Nov. 2011</td>
<td>G20 Summit. Cannes, France  &lt;br&gt; <a href="http://www.g20.org/">www.g20.org/</a></td>
</tr>
<tr>
<td>29 Nov.-9 Dec.</td>
<td>COP 17 - CMP 17: the 17th United Nations Framework Convention on Climate Change. Durban, South Africa</td>
</tr>
</tbody>
</table>

Unless otherwise indicated attendance at OECD meetings and working parties is by invitation only.