OECD Cyclical Indicators
The Performance of the OECD’s Composite Leading Indicator during the 2007 Financial Crisis

Statistics Canada
Different measures of economic activity: Physical quantity, current dollars, and volume

OECD–Eurostat Trade by Enterprise Characteristics Database
Selling to Foreign Markets: a Portrait of OECD Exporters
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Composite leading indicators (CLIs), designed to anticipate turning points in economic activity relative to trend, are compiled and disseminated every month by the OECD’s Statistics Directorate. They are one of the flagship products of the Directorate in that they provide genuinely new, timely and market-sensitive information, concerning future developments in the economy, and as such are widely monitored and used by media, academics, economists, businesses and policy makers.

By construction the OECD CLIs are designed to provide early signals of turning points in real economic activity, relative to trend, using a composite selection of leading component indicators that typically provide a 6 to 9 month average lead time in the phases of the economic cycle. A variety of sources are used to select the component indicators that enter the CLI of a given country. Three criteria are assessed in selecting the various component indicators:

- Are they economically significant?
- Do they have common cyclical patterns with overall economic activity?
- Are they available on a practical basis (timeliness, series length, revisions)?

The variety of sources can be categorised as follows:

- Expectations of economic agents (for example: tendency surveys and financial variables)
- Early stages of production (for example: orders and partial figures from driving sectors of the economy)
- Policy control variables (for example: short-term interest rates)

As stated, by design the CLIs are intended to capture movements in real economic activity (cyclical movements in GDP) and not necessarily those that are primarily financial in nature, i.e. booms and busts in financial markets, but clearly there is often a contagion effect, as positive/negative movements and sentiment in financial markets can impact on the real economy. The most recent financial crisis is clearly a case in point. And in this context it is interesting to investigate how soon the CLI was able to signal these contagion effects.

The following tries to break down the recent financial crisis in a number of stages:

- The first signs of the crisis in the United States;
- The global contagion effects, as the crisis spread;
- The economic crisis, as the financial crisis began to impact on the real economy; and,
- The recovery process.

**First signs**

It is difficult to be too prescriptive or categorical about when these various stages occur, particularly in relation to when the seeds of the financial crisis were first sown and indeed when the contagion effects began to be felt in the real economy. However the consensus, albeit retrospective, widely recognises that the first tangible signs were beginning to emerge in the mid-2000s, as the real estate market in the United States began to slow partly in response to a gradual increasing of interest rates by the Federal Reserve from 1% in mid-2004 to 5.25% in August 2006. At this stage the focus was mainly on the state of the housing market but the consensus on economic growth was still relatively up-beat.

But what was the CLI saying at the time? Despite the fact that the full effects of the downturn hadn’t yet propagated through to the financial markets (which through securitisation vehicles had created global exposures to the United States housing market) nor through to the real economy, the CLI for the United States was beginning to show some signs of a downturn in the cycle as it turned gradually downwards. The first component, used in the United States CLI, to react was “dwellings started”. It dropped as early as Q1 2006. The next component to follow was the consumer sentiment index, which started to move downward in Q1 2007. This index, compiled by the University of Michigan, is a composite index itself, composed of responses to various questions addressed to households. Most importantly, beyond making inquiries on expected general business conditions, it contains questions that are directed to the financial situation (and expected financial situation) of individual households (Figure 1).
Although not all of the component indicators were pointing downwards in Q1 2006, the CLI for the United States did begin to show downward signals as early as July 2006. Figure 2 illustrates this by showing selected vintages of the CLI for the United States between July 2006 and April 2007. It shows that the CLI began to turn downward in July 2006 (driven by “dwellings started” and later by “consumer confidence”). Although the downturn signal was intermittently broken during the course of 2007, it is clear that from September 2007 the CLI began to give a strong downturn signal.

Importantly, during this period (Q1/Q2 2007) the de-trended Index of Industrial Production (IIP), which serves as a reference for calibrating the CLI was steadily expanding and the growth rate of real GDP was showing little or no signs of deterioration; indeed it was only in Q1 2008 that GDP growth began to markedly decelerate (Figure 3).

**Global contagion**

During 2007 and 2008 contagion effects of the crisis were beginning to be felt both in the real economy and globally. There was an increase in mortgage defaults and in the prices paid for Credit Default Swap rates, (which were designed to provide holders of mortgage backed securities with some degree of protection).

This quickly materialised into highly visible bankruptcies. The first noticeable SEC filing for bankruptcy protection came in April 2007 from a leading subprime mortgage lender: New Century Financial Corporation. Highly leveraged hedge funds were next in line to fall: in June 2007 Bear Sterns informed investors that it was suspending redemptions from its High-Grade Structured Credit Strategies Enhanced Leverage Fund and a month later it liquidated.
two hedge funds that invested in various types of mortgage-backed securities.

Against this background of bankruptcy filings and liquidations all financial markets came under pressure, with high volatility and corrections characterising them. In the fear that many large investment banks would be strongly affected, inter-bank liquidity provision fell to unprecedented lows triggering special liquidity provision programmes by the Federal Reserve, and soon in other Central Banks around the world as the turmoil spread quickly to international financial markets (Figure 4).

It is at this stage that the CLI for the United States took a decisive “downturn” (July–October 2007) as all of the remaining components started to turn downward: share prices, business sentiment, orders in manufacturing and weekly hours worked.


The Economic Crisis

By early September 2008 the signs of a slowdown and an eventual recession were omnipresent, and there was little doubt that the crisis would impact negatively on the real sector, however it wasn’t until Lehman Brothers filed for bankruptcy protection that real freefall started. At this stage, not surprisingly, the CLIs were unambiguous in their outlook.

In November 2008 the CLI News Release appears with the headline: “Composite Leading Indicators signal a deepening slowdown in OECD area”. In the same month, fourteen months after the first downturn signals of the CLI, confirmation arrives: “Euro zone officially is in recession” – The New York Times.

The Recovery Process

As most OECD countries entered recession, the focus began to turn to how severe the crisis would be and how long it would last. The first indications arrived in June 2009 CLIs News Release:

“While it is still too early to assess whether it is a temporary or a more durable turning-point,
OECD Composite Leading Indicators (CLIs) for April 2009 point to a reduced pace of deterioration in most of the OECD economies with stronger signals of a possible trough in Canada, France, Italy and the United Kingdom.”

This was echoed in The Wall Street Journal: “OECD says the worst may soon be over for the global economy.”

This good news came in a period where the de-trended IIP was still not showing signs of having bottomed out and real GDP was still contracting (Figure 5).

The Performance of the CLIs in Summary

Despite the fact that the recent crisis was initially a financial crisis, with an eventually precipitous impact on the real economy, the CLI was able to anticipate the downturn in the real economy at least 5 months ahead of its initial materialisation. Early signals emerged in mid 2007 with clear unambiguous signals appearing in the third quarter of 2007. As such it has demonstrated both its versatility, in being able to anticipate changes in the real economy that may have originated elsewhere and indeed its robustness as a leading indicator.

The table below summarises the historical evaluation of the CLI, an evaluation of the location of turning points both in the CLI and the targeted real activity based on today’s knowledge (and information set) more than three years after the peak. The table shows the lead in months of the CLIs for major seven countries, main non-member economies and four zones.

More on OECD CLIs at www.oecd.org/std/cli

<table>
<thead>
<tr>
<th>CLI peak date</th>
<th>Lead with respect to Industrial Production</th>
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<tr>
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<tr>
<td>March-07</td>
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<td>May-06</td>
<td>10 Months</td>
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<tr>
<td>November-07</td>
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</tr>
</tbody>
</table>

Diana Wyman, Statistics Canada

Many indicators of economic activity are physical quantity, current dollar, or volume measures. Of the three, physical quantity data are the most common and the easiest to understand, counting the number of vehicles sold, bushels of wheat harvested, or barrels of oil exported. Quantity measures provide a quick gauge of whether demand or output for a particular product group is changing. These measures are widely produced, since simple counts can be done with limited resources and are available on a very timely basis. They work best for relatively homogeneous commodities as there is an inherent assumption in quantity data that the products included in the total are qualitatively similar.

Current dollar indicators measure the value of an economic activity. By using dollars as the common unit of measure, the values of products that are heterogeneous can be combined, an advantage over physical quantity data. Moreover, a current dollar aggregate improves upon quantity data by accounting for the different values of the array of products within the product group, such as the choice of a different grade of beef or brand of clothing. In physical quantity data, each steak or shirt is counted as one unit. In current dollar data, the variation in the respective values of these products is reflected in their different prices. Department stores collect data, for example, on their total sales of a wide range of products. Statistical agencies do the same when they combine the value of goods and services sold by all retail stores to calculate total retail sales.

Volume measures share many traits with their current dollar counterparts,
incorporating the diversity both within and across product groups. However, the influence of prices is separated from the current dollar data in order to isolate a measure of the change in volumes. More complex conceptually and more difficult to calculate, volume data include the effect of shifts in quantity, quality, and structure within the economy and have been developed largely within statistical agencies.

Each of these indicators has its place; when each should be used depends on the objective of the analysis, as no one measure is the correct one in all circumstances. In fact, as this article will show, it is often informative to compare trends in different measures, as long as the analyst understands their strengths and weaknesses. For example, a quantity measure such as the number of vehicles sold is a good starting point in identifying major shifts in overall auto demand. However, the number of vehicles sold does not capture the full diversity of the auto industry’s numerous models and features. As a result, statisticians quickly resort to current dollar and volume measures of auto sales to account for this variety and how demand for vehicles changes over time. An analogy is that, while the number of barrels of crude oil is sufficient to highlight overall changes in output, shifts between heavy oil extracted from the oilsands and conventional light oil are accounted for only in the current dollar and volume measures of crude oil production.

This article will discuss the uses as well as the limitations of physical quantity, current dollar, and volume measures.

### Physical quantity data

Physical quantity data are frequently cited in the business press. The number of houses sold and autos produced are common examples. Timeliness and simplicity are the main advantages of quantity data over the other two measures. While current dollar and volume data often require several weeks to compile and release, quantities can be quickly assembled after the reference month, in as little as two days in the case of unit auto sales or two weeks in the case of housing starts.

Quantity data are user-friendly. Within a series, such as housing starts, the total can be broken down into single homes, semi-detached homes, town homes, and condominiums by province and the values for these components sum to the total, a trait called additivity. As well, composition analysis can be done, such as calculating the contribution of trucks and cars to the change in total auto sales, or the share of cars or trucks in total vehicle sales.

Physical quantity measures are most useful when the products under study are very similar. The tonnage of coal exported from Canada is a good example. There are two types of coal produced in Canada: thermal coal, which is used for producing electricity; and metallurgical coal, which is transformed into coke and mixed with iron ore for iron and steel production. Canadian companies almost exclusively export metallurgical coal (imports, conversely, are made up almost entirely of thermal coal). As coal exports are a relatively homogenous product, the quantity data in isolation provides analysts with a good picture of demand and, in combination with their price, of revenues from coal exports.

As the homogeneity of the group of products being measured declines, the clarity of the message provided by quantity data fades. For example, on examining total coal production in Canada, which includes both thermal and metallurgical coal, it is uncertain whether an increase or decrease in tonnage is related to a change in electricity or steel demand.

Similarly, while the number of vehicles sold provides a rough guide as to the state of the auto industry, there are large differences in prices for compact and luxury vehicles. Having the sale of a compact car and the sale of a luxury car each count as one in total unit sales means that this measure is less informative about structural changes in the auto industry.

Figure 1 shows the recent trend in the number and current dollar value of new vehicles sold from 2008 to 2010. A steep drop in unit auto sales occurred in the fall of 2008, marking the onset of the recession in consumer spending. Sales bottomed out in December 2008 and then rose steadily throughout 2009. During such periods of rapid change, quantity data are a useful measure of shifting demand. However, quantity data do not reveal
more subtle movements, which are captured by examining current dollar data. For example, the numbers of units sold fell more (-31%) than nominal new vehicle sales (-22%) during 2008; this smaller drop in nominal sales indicates that though consumers bought fewer vehicles overall, there was a shift in the mix of vehicles sold toward more expensive vehicles as the recession deepened. The recovery of sales early in 2009 also was more clearly delineated in current dollars than in units, as consumers continued to buy more expensive vehicles, notably trucks.

Another limitation of quantity data is that products with different units of measure cannot be aggregated. Combining production or sales numbers for a variety of diverse products requires moving beyond unit data for barrels, cubic metres, litres and megawatt hours to a common measure, usually dollars.

**Current dollars**

While more complex than quantity measures, current dollar data measure the value of an economic activity at current prices and can be compiled as long as values (or quantities and prices) can be measured. The main benefit of current dollar (or 'nominal') measures is that heterogeneous groups of goods and services can be added together to form a single dollar value that reflects the diversity of these products and their prices. Current dollar energy exports provide analysts with the total export earnings of a wide range of energy products. This can be aggregated with the value of all other exported goods. In compiling total exports, the heterogeneity of products is captured, reflecting their brand, features, design, and construction.

In addition, current dollar data can be summed from their most detailed component to the highest aggregate and can then be decomposed, resulting in a versatile analytical tool for economy-wide measures. For example, within energy exports, current dollar exports of crude oil, natural gas, refined petroleum, coal, and electricity can be examined to understand their contribution to total energy exports. Despite these advantages over physical quantity data, current dollar data have their own limitations. The main one is that they do not separate the total change between price and volume effects.

**Volume**

Volume data are the more sophisticated cousins of physical quantity data. Volume data provide a single aggregate measure for any variety of products. While simple quantity data provide quick indicators for individual commodities, and while current dollar data provide values of the full spectrum of goods and services sold at current prices, volume data offer a measure for this entire spectrum excluding the effect of prices changing over time.

Within the price effect, there are two forces at work: the first is the impact of price changes for the same product over time, while the second is the change in the composition of products or markets. When a product improves its quality, it is equivalent in the statistical world to a reduction in price. As the volume measure is the current dollar measure with this price effect removed, it reflects changes in product quality and market composition.

The integration of quality changes into a volume measure is best explained using an example. As shown in Figure 2, between 1993 and 2008, auto sales volumes doubled, from about $35 billion in 1993 to $70 billion in 2008. In contrast, the number of autos sold increased by only 40%, from 1.2 million units sold in 1993 to nearly 1.7 million units sold in 2008.

Changes in quality and composition reconcile these quantity measures and volume measures of auto sales in Figure 2. It is clear from the quantity data that 40% of the increase in sales volumes from 1993 to 2008 was attributable to the rise in the number of autos sold. The remaining 60% growth in volumes was accounted for by the change in the mix of vehicles sold in that period and by the proliferation of features embedded in autos during that period, including safety features such as ABS brakes, child-proofing, and air bags, as well as entertainment and mapping systems like GPS, DVD, and MP3 stereos. A vehicle purchased in 1993 was without these features and was therefore of a lower quality than those produced in 2008. As well, consumer tastes shifted from cars to more expensive trucks and SUVs between 1993 and 2008, raising sales volumes.
Volume data are usually calculated by estimating current dollar values and removing price changes. Volume data are especially important when analyzing sectors in which prices are volatile, such as the energy sector, because it becomes difficult to use current dollar data as a measure of growth in demand. It is the breakdown of current dollar data into its price and volume components that reveals these changes.

Analysts are not obliged to choose between current dollars and volume; they are often best used together. Canada’s recent recession and subsequent recovery are more easily understood by examining both current dollar and volume data. Real GDP fell 3.6% between the third quarter of 2008 and the second quarter of 2009. In current dollars, the drop was more pronounced, down 7.5%, led by a 30% drop in export earnings. This helps to explain the marked drop in spending in some sectors of domestic demand, notably business investment, which fell in tandem with profits as export prices plunged.

### Different volume measures

While there are a variety of ways to calculate volumes, their interpretation as current dollar data with the price effect removed remains unchanged. Statistics Canada produces two different measures of volume, using the Laspeyres and chain Fisher methodologies (each named for the individual responsible for its respective development). The main contrast between the Laspeyres and the chain Fisher measures is that the Laspeyres method uses a fixed base period against which all future price growth is compared while the chain Fisher reweights prices each period to more accurately reflect the changing structure of the economy.

When using the Laspeyres method, economic activity is valued in the prices of the base period (which is updated periodically, typically every five to ten years, and then chained to data using earlier base periods). For Laspeyres volumes, as the time frame moves further away from the base period, there is an increased likelihood that the base period weights no longer accurately reflect relative prices. Relative prices refer to the price increases or decreases in different sectors of the economy in relation to each other. For example, in an economy comprised of high technology products and natural resources, if the prices of these two sectors move in tandem, relative prices are stable. However, when prices of technology products are falling as more advanced products are introduced to the market and rising global demand push up prices for resources rapidly, relative prices in these sectors shift, changing the importance or «weight» of the sectors to the economy. Despite regular updates of the base period, accurately reflecting current economic conditions is a limitation of the Laspeyres measure, most evident during periods of rapid relative price changes.

When using a volume measure deflated by a chain Fisher index, there is a loss of additivity among the components. For example, the sum of the components of GDP does not equal total GDP, nor do the components of sub-aggregates such as personal expenditure equal total personal expenditure. This is considered the main downside to the chain Fisher method. One way in which Statistics Canada facilitated analysis of chain Fisher volumes for data users was to create contribution-to-growth tables, which quantify for users the contribution of individual components to sectoral or overall GDP growth. As well, the sum of the Fisher volume and price effects does equal the change in nominal GDP. The Fisher index is the only index for which this is true.

In effect, there is a trade-off of simplicity and accuracy between the two measures. The greater complexity of working with the chain Fisher is accepted in order to achieve the most accurate measure of GDP growth.

### Conclusion

While physical quantity measures are widely used by industry and are accessible, both conceptually and in calculation, they are inadequate for statistical agencies to carry out their task of measuring economy-wide statistics. As a result, statisticians have developed an array of current dollar and volume data. These measures allow comparisons among heterogeneous products, an integral element to calculating the most important economic indicators, such as GDP. As well, in calculating GDP in current dollars and volumes, the complex diversity of each good and service is maintained in the measurement and can be compiled to offer an accurate portrayal of the depth of the Canadian economy.
Unlocking the Potential of Trade Microdata

Who are the firms that sell to foreign markets? What are their characteristics? Who do they trade with? Why are they exporting? How are they responding to increased international competition? What is the link between exports, firm dynamics and job creation? What are the policies that best support exports and competitiveness? What was the impact of the economic downturn on the intensive and the extensive margins of trade?

These are the sort of questions that are high on the policy agenda of OECD countries. Looking at trade microdata provides the only option to address them properly. Market winners and losers can be found within the same sector as firms respond to globalisation differently. Only by understanding the characteristics of the firms that are successfully engaged in international trade can policy makers design policies that effectively foster countries’ competitiveness.

Recognising the relevance of trade microdata, several OECD countries, including European OECD countries through the leadership of Eurostat, have embarked on the task of disaggregating trade statistics along the characteristics of trading enterprises. These data are generally compiled by merging business registers with information on the international activities of the trading enterprises. The results of OECD countries’ experiences in matching trade data with firm characteristics are gathered in the Trade by Enterprise Characteristics database (TEC), which is accessible through the OECD website: http://stats.oecd.org/Index.aspx >> Globalisation >> Trade by Enterprise Characteristics.

The TEC database links trade and business statistics at the firm level. By looking into the (different) characteristics of the trading enterprises, it offers a more comprehensive and in-depth picture of international trade activities. This linking exercise contributes to improvements in the quality of the data, in terms of consistency and accuracy. Matching business and trade microdata is also an efficient and cost effective way of exploiting information compiled by National Statistics Offices (NSOs).

The TEC database is a joint OECD-Eurostat exercise. The data are available for 23 OECD countries and 4 non-OECD countries. Eurostat gathers data for 19 EU Member States (Austria, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Poland, Portugal, Romania, Slovenia, Slovakia, and Sweden) and the OECD gathers data for Canada, Israel, Norway, and the United States. The OECD’s role is to provide data that are harmonised across countries to the greatest degree possible.

Trade values are disaggregated according to three enterprise characteristics: size, sector of activity and partner countries. The database displays yearly trade values (imports, exports) and the number of
enterprises engaged in international trade in five separate datasets:

- Trade by economic activity and enterprise size class;
- Concentration of trade by economic activity;
- Trade by partner country and economic activity;
- Trade by number of partners and economic activity;
- Trade by commodity and sector of activity.

Yearly data range between 2003 and 2008 but coverage varies by country. Economic activities follow the ISIC Rev. 3.1 (2 digit level) classification. Data are often aggregated into groups of industries. The classification of commodities follows the Central Product Classification (CPC) Rev. 1.0.

Large firms have a higher propensity to export...

The OECD-Eurostat Trade by Enterprise Characteristics database reveals that export propensity increases with firm size, a consistent finding across countries, Figure 1 shows that the percentage of firms engaged in exporting activities is considerably higher for larger firms (250 or more employees), typically above 50%; with the exception of Estonia. In Denmark, nearly all large firms sell to international markets. In contrast, the percentage of small firms (50 or less employees) exporting is always below 25% for all countries in the database. There are however cross-country differences in the propensity to export between large and medium-sized (50 to 249 employees) firms: the gap is only 8 percentage points in Italy, while it rises to 55 percentage points in Denmark (Figure 1).

According to the TEC database, only 4.5% of US firms engage in exporting. The average figure for the EU is even lower, with only 2.7% of EU firms exporting outside the EU. Figure 1 reveals that it is the high number of non-exporting, small-sized enterprises that leads to the very low average export propensities at the country level.

... and account for the bulk of export flows.

In Figure 2, export values are disaggregated by the size class of the exporting firm. In the majority of countries, more than 50% of total exports are accounted for by large firms, with values being particularly high for the United States (75%), Hungary (73%) and Finland (72%). Once again, Estonian firms stand out, as large firms are responsible for only 19% of total exports, while medium-sized firms account for 43% of the country’s exports.

The top exporters are responsible for a sizeable share of exports in some sectors.

The top 50 exporting firms account for between 30% (in the US) and 58% (Canada, Norway) of total exports (Figure 3). Even more remarkable, the top 1000 exporting firms are responsible for nearly all Canadian exports (90%). The top 1000 exporters represent 70% of total US exports and, on average, 72% of EU external trade. Intra-EU exports are less concentrated though, with the top 1000 exporters accounting for, on average, 64% of sales between EU member countries.

Exports are concentrated in a small number of partner countries.

Table 1 displays the distribution of exporters and export values according to the number of partner countries. The vast majority of Canadian and Norwegian exporters only have one single partner country (the US). On average, EU exporters are also dependent on a single trading country when they sell to outside the EU, while the geographical diversification is much higher for intra-EU trade. Export values are less concentrated, with the bulk of exports being distributed among 14 or more partner countries, although

Notes: 2005 data for USA and 2006 data for Poland. Total exports (intra- plus extra-EU) for EU countries. The value for Slovenia size class 250+ is not shown as it is confidential (and merged with values in the “unspecified” category). EU average does not include Germany, as extra-EU export value is not available, nor Slovenia.

Source: OECD-Eurostat Trade by Enterprise Characteristics (TEC) database
Canadian exports are slightly more concentrated, due to the country’s close trade relations with the US. As for Norway, although 55% of the country’s exporting companies sell to a single partner country, this type of trade relationship only represents 1% of total export value.

These are just a few of the interesting insights from the TEC database. For a more in-depth and thorough presentation of the database and the methodological issues related to linking trade with enterprise characteristics, readers are referred to Issue 16 of the OECD Statistics Brief and to the forthcoming OECD-Eurostat Handbook on Trade Microdata.

The dynamics of globalisation poses new challenges for economic and policy analysis and defies the conventional way of compiling international trade statistics. Trade microdata can contribute to a better understanding of new globalisation features such as Global Value Chains (GVCs), the rise of trade in intermediate goods and services and intra-firm trade, by appropriately linking information on the characteristics of the business population of a country with information on the external trade activities of trade operators.

National Statistics Offices and administrations are just beginning to unlock the potential of trade microdata. The main challenge, from a methodological point of view, has already been achieved: to link trade data with business registers. The OECD and its member countries, in partnership with Eurostat, are envisaging a number of projects that will move this agenda forward.

### Table 1. Exports are concentrated in a number of partner countries
2007 or latest available year

<table>
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<th>Number of enterprises according to the number of partner countries</th>
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<th>EU extra-EU</th>
<th>EU-Intra-EU</th>
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<td>1 partner country</td>
<td>68%</td>
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<td>11%</td>
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<td>3-5 partner countries</td>
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<td>10-14 partner countries</td>
<td>1%</td>
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<td>14+</td>
<td>4%</td>
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<table>
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<th>Export values according to number of partner countries</th>
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<tbody>
<tr>
<td>1 partner country</td>
<td>25%</td>
<td>3%</td>
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<td>2 partner countries</td>
<td>8%</td>
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<td>15%</td>
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<tr>
<td>14+</td>
<td>39%</td>
<td>72%</td>
<td>64%</td>
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</table>

Notes: EU Extra-EU does not include Germany. Data is not available for the US.

Footnotes

1. Extensive margin of trade refers to the number of firms exporting and the number of trade relationships (depending on the level of aggregation used in the analysis). The intensive margin refers to the value and/or volume traded over time.

2. Footnote by Turkey:
The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Footnote by all the European Union Member States of the OECD and the European Commission:
The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

3. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities.

The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
International Technical Assistance in Labour Statistics


The U.S. Bureau of Labor Statistics (BLS) is one of the largest labour statistics organizations in the world and has provided international training since 1945. Each year, the BLS conducts seminars of 1 to 2 weeks duration at its training facilities in Washington, D.C. In addition to the annual scheduled seminars, customized training programs and overseas seminars are also available. These seminars aim to assist countries in their statistical capacity building and provide an opportunity for collaboration between staff from international statistical agencies.

The objectives of the seminars offered by the BLS are to strengthen the participants’ ability to produce and analyze all types of labour statistics, and to demonstrate how such data can be used in policy and program development and decision making. Planners, administrators, and policy makers need timely, accurate, and relevant labour statistics in order to plan, carry out, and evaluate programs designed to improve the well-being of the population in both rural and urban areas.

A strong capability to produce, analyze, and use labour statistics is necessary to provide: 1) an initial inventory of socioeconomic conditions; 2) the base against which performance and progress in the attainment of targeted social goals can be judged; and 3) an unbiased source of information that policy and decision makers can use to solve problems. Optimal use of statistics is often hampered by a lack of economists and statisticians experienced in analyzing and interpreting data in a manner best serving policymakers.

The seminars bring together statisticians, economists, analysts, and other data users from countries all over the world. Each seminar is designed to strengthen the participants’ ability to collect and analyze economic and labour statistics. Each seminar includes lectures, discussions, and workshops. For 2011, there are 10 scheduled seminars:

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<thead>
<tr>
<th>Labour Market Information</th>
<th>Measuring Productivity</th>
<th>Wages, Earnings, and Benefits</th>
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<tr>
<td>Survey Methods</td>
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<tr>
<td>Employment and Unemployment Statistics</td>
<td>Projecting Tomorrow’s Workforce Needs</td>
<td>Analyzing Labour Statistics</td>
</tr>
</tbody>
</table>

A detailed description, of and the tuition cost for, each seminar is available on the BLS website at www.bls.gov/itc/#seminars

Specialists from BLS, other U.S. Government agencies, and international agencies will work with participants during each seminar. Seminars offer opportunities for problem solving, both individually and in group workshops. Participants also will have the opportunity to undertake supplementary customized programs, if desired. For example, customized programs have been conducted on occupational safety and health statistics, managing statistical programs, and sampling methodology. Such programs may range in duration from a few days to one or two weeks. The content of each program is individually designed to meet the needs of the participant(s), and may include attendance at selected seminar sessions, consultations with subject matter specialists, or participation in or design of research projects to provide practical experience in the subject area. Customized programs may include field trips to other U.S. cities. The cost of each program depends upon program duration, the amount of domestic travel required, and any additional administrative costs incurred.
The language of instruction for both seminars and customized programs is English, and a reading knowledge of English is desirable.

BLS seminars emphasize highly specialized techniques not taught in university courses and, most importantly, the practical aspects of conducting labour statistics programs on a day-to-day basis. Seminars and customized training programs provide a forum for participants to hear firsthand from the BLS staff about their experiences in carrying out specific statistical programs, including problems encountered and solutions adopted. Workshops included in seminars offer a unique chance to exchange experiences and alternatives that have originated under diverse circumstances around the world.

The sharing of the practical experiences of the BLS staff, together with the experiences of the participants and their countries, extends to all aspects of a statistical program. These aspects include: conceptual framework, survey design, questionnaire design, data collection, data editing and processing, estimation, analysis, and presentation of results, with an emphasis on practical applications.

The BLS may hold overseas seminars on selected topics in labour statistics for participants from a particular country or region. Most overseas seminars are from 1 to 2 weeks in duration.

The cost of overseas seminars depends upon the number of instructors required, the duration of the seminar, travel and per diem costs, and cost of simultaneous interpretation and translation of materials (if needed). An overseas seminar may be cost-effective where a number of participants from one country or region need training in the same subject area. Because of the lead-time that is required to plan an overseas seminar, requests for such programs should be submitted to the BLS at least 6 months in advance of the desired starting date. BLS also makes available technical experts to serve as consultants overseas. The cost of these services includes the expert’s salary and benefits for the duration of the consultation, airfare, lodging, meals, and other expenses, as well as an administrative fee. Requests for technical experts should include a clear statement of the purpose of the consultation.

For further information or to apply for a BLS program, please visit www.bls.gov/itc or send your inquiry to ITCinfo@bls.gov

Mark your calendar!

OECD Week 23-27 May 2011

OECD 50th Anniversary Forum: 24-25 May - www.oecdforum.org

Council meeting at ministerial level: 25-26 May - www.oecd.org
In 2010, net official development assistance (ODA) flows from members of the Development Assistance Committee (DAC) of the OECD reached USD 128.7 billion, representing an increase of 6.5% over 2009 (Figure 1). This is the highest real ODA level ever, surpassing even the volume provided in 2005 which was boosted by exceptional debt relief. Net ODA as a share of gross national income (GNI) was 0.32%, equal to 2005, and higher than any other year since 1992.

Bilateral aid for core development programmes and projects (i.e. excluding debt relief grants and humanitarian aid) rose by 5.9% over 2009. New lending (13.2%) increased faster than grants (6.8%).

Bilateral ODA to Africa was USD 29.3 billion, of which USD 26.5 billion was for sub-Saharan Africa. These amounts represent an increase in real terms of 3.6% and 6.4% respectively over 2009. However, excluding debt relief grants, bilateral ODA fell very slightly (0.1%) for Africa but rose (1.7%) for sub-Saharan Africa.

The United States continued to be the largest single donor with net ODA disbursements of USD 30.2 billion, representing an increase of 3.5% in real terms over 2009. This is the highest real level of ODA ever recorded by a single donor country, except for 2005, when the US gave exceptional debt relief to Iraq. US ODA as a per cent of GNI remained unchanged at 0.21%. Its bilateral ODA to the Least Developed Countries (LDCs) rose to a record USD 9.4 billion, representing an increase of 16.2% over 2009. Much of this increase was accounted for by the US response to the 2010 Haitian earthquake (aid to Haiti rose 241% to USD 1.1 billion). Among non-LDCs, aid to Pakistan rose especially sharply (126% to USD 1.4 billion), reflecting increased disbursements across many sectors.

ODA from the fifteen EU countries that are members of the DAC rose by 6.7% in 2010 to reach USD 70.2 billion, representing 54% of total net ODA provided by DAC donors. It also represented 0.46% of DAC-EU GNI, up from 0.44% in 2009. This was well above the overall DAC average of 0.32%. ODA rose or fell in DAC-EU members as follows:

- Austria (+8.8%), due mainly to grants for debt forgiveness;
- Belgium (+19.1%), due to debt forgiveness grants and an increase in bilateral grants;
- Denmark (+4.3%), as it increased its bilateral grants;
- Finland (+6.9%), due to an increase in bilateral grants;
- France (+7.3%), mostly due to an increase in bilateral lending;
- Germany (+9.9%), as it increased its bilateral lending;
- Greece (-16.2%), due to unprecedented fiscal constraints;
- Ireland (-4.9%), due to fiscal constraints;
- Italy (-1.5%);

Donor performance

In 2010, the largest donors by volume were the United States, the United Kingdom, France, Germany and Japan. Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to exceed to United Nations ODA target of 0.7% of GNI. The largest increases in real terms in ODA between 2009 and 2010 were recorded by Australia, Belgium, Canada, Japan, Korea, Portugal and the United Kingdom.
Grants to developing countries and multilateral organisations from EU Institutions rose by 0.8% to USD13.0 billion. ODA by Japan was USD11.0 billion, representing an increase in real terms of 11.8% over 2009. Japan's ODA as a share of GNI rose from 0.18% in 2009 to 0.20% in 2010. The increase was mainly due to larger bilateral grants to LDCs as well as a major contribution to the World Bank.

Net ODA rose or fell in other DAC countries as follows:

- Australia (+12.1%), due to an increase in grants to Least Developed Countries;
- Canada (+12.7%), due to an increase in bilateral grants and larger contributions to the World Bank;
- Korea (+25.7%), as it further scaled up its aid programme;
- New Zealand (-3.9%), however the under-spent budget from 2009-10 is being rolled forward and will be available to be spent up until June 2012;
- Norway (+3.6%), mainly due to increasing efforts to promote clean energy and reduce deforestation;
- Switzerland (-4.5%), due to reduced debt relief; however, Switzerland now has a firm ODA target of 0.5% of GNI by 2015.

In 2010, gross ODA (i.e. without deducting loan repayments) amounted to USD 141.3 billion, representing an increase in real terms of 6.3% over 2009. The largest donors were the United States, Japan, France, Germany and the United Kingdom.

Non-DAC OECD economies provided net ODA flows as follows:

- Czech Republic (+4.6%);
- Estonia (+4.7);
- Hungary (-2.2%);
- Iceland (-22.6%);
- Israel (+12.4%);
- Poland (-4.1%);
- Slovak Republic (+2.7%);
- Slovenia (-7.4%);
- Turkey (+23.8%), as it scaled up its aid programme.

In 2005, at the Gleneagles (G8) Summit and other fora, donors made specific commitments to increase their ODA. When quantified by the OECD Secretariat, the pledges implied raising DAC ODA from about USD80 billion to nearly USD130 billion (in 2004 prices).

Also, in 2005, the fifteen members of the EU that are DAC members committed to reach an ambitious minimum ODA target of 0.51% of their GNI in 2010. The following countries surpassed that goal: Belgium (0.64%), Denmark (0.90%), Finland (0.55%), Ireland (0.53%), Luxembourg (1.09%), the Netherlands (0.81%), Sweden (0.97%) and the United Kingdom (0.56%). France nearly met the goal with an ODA/GNI ratio of 0.50% while others fell short: Austria (0.32%), Germany (0.38%), Greece (0.17%), Italy (0.15%), Portugal (0.29%) and Spain (0.43%).

In 2005, at the Gleneagles (G8) Summit and other fora, donors made specific commitments to increase their ODA. When quantified by the OECD Secretariat, the pledges implied raising DAC ODA from about USD80 billion to nearly USD130 billion (in 2004 prices).

Other DAC members made various promises for 2010 that were met. The United States pledged to double its aid to sub-Saharan Africa between 2004 and 2010 and surpassed this goal in 2009, a year early. Canada aimed to double its International Assistance Envelope compared to 2001, and did so. Australia aimed to reach $A 4 billion and achieved this. Norway surpassed its commitment to maintain ODA as a per cent of GNI at 1%, and Switzerland met its commitment to meet an ODA/GNI ratio of 0.41%.

At the G8 Gleneagles Summit in 2005, Japan pledged to increase aid related to the period from 2005 to 2009. Japan's performance against this pledge was covered in last year's report. It is noted that Japan's ODA rose significantly in 2010. New Zealand plans to achieve an ODA level of $NZ600 million by 2012-13 and appears on track to meet this.

Korea was not a DAC donor in 2005 and made no promises then to increase its aid; however, since 2005 its aid programme has increased in real terms by 56%.

The combined effect of the increases has been to raise ODA by 37 per cent in real terms since 2004, or about USD 30 billion (in 2004 dollars). However, when comparing the 2010 ODA outcome with the promises made in 2005, this still represented a shortfall of about USD 19 billion. Only a little over USD1 billion of the shortfall can be attributed to lower than expected GNI levels due to the economic crisis. The remaining gap of USD18 billion was due to donors that did not meet their ODA commitments.

At Gleneagles, G8 donors also envisaged an increase in total ODA to Africa of USD25 billion. However, preliminary estimates show that Africa only received an additional USD11 billion. This shortfall is larger in percentage terms than the shortfall in total ODA. The main reason is the poor performance of several of the
donors that provide large shares of their aid to Africa.

In an effort to ensure that future aid targets and pledges are clear, realistic and attainable, the DAC has recently approved a Recommendation on Good Pledging Practice. This is designed to help all donors improve their pledging practice and enhance accountability and transparency.

**Aid beyond 2010**

The OECD has just completed the fourth comprehensive survey of donors' future spending plans which provides an indication of the collective forward programming of bilateral and multilateral donors through 2013.

Preliminary findings based on DAC members’ returns to the forward spending survey suggest slower aid growth ahead. Global country programmable aid (CPA) is planned to grow at a real rate of 2% per year from 2011 to 2013, compared to 8% per year on average over the past three years. CPA is a core subset of ODA and excludes non-programmable items such as humanitarian aid, debt relief, and in-donor costs like administrative costs and refugees in donor countries. For DAC countries' bilateral aid only, the projected increase is slightly lower at 1.3% per year.

The deceleration is likely to be more marked for low income countries and for Africa, where CPA is projected to increase at about 1% per year in real terms, compared to a 13% annual growth rate in the past three years. Thus, additional aid to these countries is likely to be outpaced by population increases.

The DAC is developing illustrative aid scenarios for the next few years as a number of donors do have aid targets, notably the EU target of at least 0.7% of GNI for the 15 EU members of the DAC and 0.33% for other EU members in 2015, along with the commitment of the EU and its member states to reach a collective target of 0.7% in 2015.

For further information, please contact dac.contact@oecd.org

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The 58th World Statistics Congress of the International Statistical Institute (ISI) will be held in Dublin, Ireland, from the 21st to the 26th August 2011: www.isi2011.ie

The Scientific Programme of the 58th Congress will offer statisticians innovative and stimulating topics with well-balanced presentations. A key feature of the 58th Congress will be the special Theme Day to be held on Wednesday the 24th August, where papers will be devoted to statistical issues relating to Water and Water Quality.

The key components of the programme will be Sessions for Invited Papers, (IPS), Special Topics (STS) and Contributed Papers (CPS). In addition, a number of Training Courses and Satellite Meetings will be organised by ISI Sections and Committees. The STS sessions will cover interesting themes from «The roles of tax data in official statistics» to «Statistical indicators for monitoring of sustainable development».

The 58th Congress will be held in the Convention Centre Dublin (CCD). The CCD is located in the Spencer Dock’s area on the banks of the River Liffey, in Dublin’s city centre and is Ireland's new world-class, purpose-built international conference and event venue. Registration for the Congress will take place on Sunday the 21st August, the Scientific programme will commence on Monday the 22nd and conclude on Friday the 26th August, with the ISI President’s Invited Papers Meeting.
**Publications**

**Recent Publications**

### Going for Growth 2011

The global recovery from the deepest recession since the Great Depression is under way, but it remains overly dependent on macroeconomic policy stimulus and has not yet managed to significantly reduce high and persistent unemployment in many countries. Going for Growth 2011 highlights the structural reforms needed to restore long-term growth in the wake of the crisis.

www.oecd.org/economics/goingforgrowth

### National Accounts at a Glance 2010

National Accounts at a Glance is designed to present the national accounts in a way that reflects the richness inherent in the data and the value it represents for analysts and policymakers. It responds to the Stiglitz Commission’s recommendation that policymakers look beyond just GDP when they assess material well-being of citizens.

In particular it uses national accounts data to show important findings about households and governments, including important new series on gross adjusted household income and non-financial fixed assets of households.

The publication is broken down into six key chapters, and provides indicators related to GDP, income, expenditure, production, government and capital respectively.

www.oecd.org/statistics/nationalaccounts/ataglance

### Greening Household Behaviour: The Role of Public Policy

Household consumption patterns and behaviour have an impact on stocks of natural resources, environmental quality and climate change. This is expected to increase significantly in the future. In response, governments have introduced a variety of measures to encourage people to take into consideration the environmental impact of their purchases and practices. These may include environmentally related taxes, energy performance standards for homes, carbon dioxide emission labels for cars, and financial support to purchase solar panels, among others. Nevertheless, understanding and influencing household behaviour remains a challenge for policy makers.

This publication presents the main results and policy implications of an OECD survey of more than 10 000 households in 10 countries: Australia, Canada, the Czech Republic, France, Italy, Korea, Mexico, the Netherlands, Norway and Sweden. It offers new insight into what policy measures really work, looking at what factors affect people’s behaviour towards the environment in five areas: water use, energy use, personal transport choices, organic food consumption, and waste generation and recycling.

www.oecd.org/environment/household/greeningbehaviour
## Agenda

### Forthcoming Meetings

#### OECD

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<th>Meeting</th>
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<tr>
<td>11-13 May 2011</td>
<td>Measuring and Fostering the Progress of Societies: Equity, Development and Well-Being, Latin American Conference organised jointly by the OECD and Instituto Nacional de Estadística y Geografía, (INEGI), Foro Consultivo Científico y Tecnológico, Mexico (FCCT), Inter-American Development Bank (IADB), UN Economic Commission for Latin America the Caribbean (ECLAC) and the OECD Development Center. Mexico City, Mexico <a href="http://mfps.inegi.org.mx/en/Default.aspx">http://mfps.inegi.org.mx/en/Default.aspx</a></td>
</tr>
<tr>
<td>16-17 June 2011</td>
<td>Meeting of the Committee on Statistics, OECD Statistics Directorate, Geneva, Switzerland</td>
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</table>

#### Other meetings

<table>
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<tr>
<th>Date</th>
<th>Meeting</th>
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</thead>
<tbody>
<tr>
<td>26-27 May 2011</td>
<td>G8 Summit. Deauville, France.</td>
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Unless otherwise indicated attendance at OECD meetings and working parties is by invitation only.