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Macroeconomic statistics during the Covid-19 pandemic – a user perspective*

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Abstract:

In its evidence-based work on macroeconomic and fiscal analysis, forecasting, economic surveillance and support to economic policy making, DG ECFIN relies to a large extent on high quality statistics from Eurostat, EU member states' statistical institutes, the ECB, but also other international institutions such as the OECD or the IMF. For a number of its workstreams, in particular in the area of fiscal surveillance and macroeconomic imbalances, the use of official data is mandatory in order to ensure comparability between countries and over time, as well as completeness of the data. Completeness and comparability are key quality criteria also for other uses of the data, as are timeliness, easily accessible metadata and detailed methodological documentation.

DG ECFIN and other macro-economic statistics users in the European Commission are in frequent contact with Eurostat over the current supply of statistics and how to meet the demand for evolving data needs. This close cooperation has been working well during "normal" times, was crucial for meeting data needs during the 2008/2009 financial crisis, and has been a key asset again in dealing with the macro-economic fall-out of the Covid-19 pandemic. From the very outset of the Covid-crisis, DG ECFIN has been confronted with the need to very quickly gauge the economic, fiscal and labour market fallout on the EU and its member states and to devise policy instruments to counter the economic consequences of the crisis.

In this context it has been extremely important for users to understand the effect of the crisis on the compilation and availability of official statistics. Equally important was the need to understand how measures taken by governments in response to the crisis - be it, for example, the implementation of short-time work schemes to stabilise employment or lockdown measures impacting on working hours – would be reflected in macroeconomic indicators, both methodologically and quantitatively.

Our experience is that the European statistical system has been dealing surprisingly well with the crisis. Statistics production was maintained and data released according schedule in very challenging circumstances. The quick publication of a series of detailed methodological guidance notes by Eurostat, national statistical institutes, IMF and others has been extremely useful for users to better understand through which channels macro-economic data are affected by the crisis. Also useful have been Eurostat ad-hoc surveys amongst national statistical institutes on how specific aspects of the crisis affected their macro-

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economic data, and frequent updates on the situation through notes and discussions in statistics working groups. Some statistical offices have also been quick to explore new data sources, investigate higher frequency data and to improve the timeliness of statistics in order to provide users with additional data to understand the impact of the crisis. These developments are highly welcome from a user side and one can only hope that they will continue once this pandemic is over.

But the crisis has also exposed some pre-existing issues with macro-economic statistics. One example are gaps in detailed metadata information, e.g. concerning the way how individual countries compile their price and volume data. The scant availability of detailed methodological information about compilation practices - concretely the issue of deflating non-market output - makes it sometimes difficult for users to understand the factors driving the data and to separate the impact of real developments from those due to differences in methodology. Linked to that is a certain lack of harmonization of methods in some areas and here again the example of differences across countries in measuring quarterly real non-market output and a consequent impact on the comparability of quarterly real GDP growth.

Another issue that existed before and that has been somewhat compounded by the crisis, is the availability of national accounts variables by detailed industry. In a crisis which affects different industries in a very different way, the lack of detailed quarterly and even annual data at the 2 digit level of the NACE/ISIC industry classification for some countries has been a problem for modelling and analysing the impact of the crisis, but also is an issue for regular analytical work. For users of macroeconomic statistics, a lot would already be achieved if not only the mandatory data foreseen by the ESA 2010 data transmission programme were transmitted to Eurostat, but also variables and industry or asset type breakdowns which are flagged as voluntary.

The issues just mentioned certainly stem to a significant extent, but not only, from the limited resources available to many statistical offices. At the same time, this pandemic has yet again underlined the role of official statistics as a key element of informational infrastructure that needs to be maintained and be equipped with the necessary means to improve and innovate.

Keywords:

<Macroeconomic Statistics>; <Data user>; <Data quality>