Euro area and European Union GDP flash estimates at 30 days

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Paper Abstract: GDP growth is one of the most followed National Accounts variables. At best, economic decision making would need the data real-time. This, though, is not possible because of the need for collecting and analysing the basic statistical information. Therefore, a reasonable request from the decision-makers is to have the data available as soon as possible after the end of the quarter. However, there is a delicate balance between the speed of publication and accuracy of the early estimate.

This paper shows how Eurostat with a group of EU Member States has managed meeting the challenge to produce high quality data on GDP growth for the EU and the euro area at an advanced timeliness of 30 days after the quarter-end. The aim of the paper is to address the request of the statistical and scientific world to provide transparency and to better understand the development and test process of new statistical products in official statistics, more concretely regarding the new GDP t+30 flash estimation.

The paper elaborates the statistical methods that Eurostat developed for the early GDP estimates and discusses the user needs motivating the advancement of GDP estimates. At the core of the methodology Eurostat uses a sample to population estimator in which the sample is formed by the GDP t+30 estimates of a group of Member States. The paper also discusses a possibility to top-up the sample to population estimate by means of the economic sentiment indicator, particularly in case of a difficult rounding situation (~ x.x5 % growth) for a publication growth rate with one decimal point. Furthermore, the paper analyses the results of the estimates for 16 test quarters that are based on the national estimates of a group of Member States and that were prepared in close cooperation with them. Finally, the article discusses the a priori set quality acceptance criteria for the test estimates, assesses the test results against those criteria, and concludes that the test results passed all predefined quality criteria.