

Abstract for “Increasing the Timeliness and Periodicity of GDP Flash Estimates”

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In the realm of short-term economic statistics, the ultimate challenge statisticians are facing is telling people today what happened yesterday, or, maybe even more ambitious, informing them how things presently are going in the economy. As a result of the crisis, improving timeliness of short-term economic statistics is prominently back on the r&d agenda.

Statistics Netherlands is presently investigating the possibilities of increasing the timeliness of the first quarterly GDP estimate from t+45 days to t+30 days. Up to now, a feasibility study has been carried out including drawing up an inventory of all sources and their timeliness, examining the loss of source coverage in case of an acceleration from t+45 to t+30 and identifying data gaps. Using the same methodology that is used for the official flash and later (regular) estimates, test runs were performed for the four reporting quarters of 2011. While the results of these test runs were encouraging, it was generally felt that there was a need for further improvement, and based on the experiences so far and the lessons learned from these exercises, the project will be continued in 2013/2014 with additional testing periods.

Statistics Netherlands has also been investigating the possibilities of producing monthly estimates of GDP volume growth. Many of the source data that are used in the calculation of quarterly GDP are available on a monthly basis and can therefore be used in the monthly indicator as well. Where monthly data are lacking, econometric techniques are used to arrive at a monthly series using quarterly data and additional indicator series that are available at a monthly frequency. Real time simulations over a number of years show very encouraging results.

Increasing the periodicity of a series would be a very effective way of increasing timeliness. Besides, high frequency series can be of great use in timely and correctly identifying turning points in the business cycle. And, as several analysts and researches point out, for economic studies using quarterly data, a low number of observations can cause serious flaws in the quality of quantitative analysis.