STATISTICS

Macroeconomic Statistics: The Pandemic's Impact and the IMF's Response

THE SEVENTH MEETING OF THE STEERING COMMITTEE OF THE ARAB STATISTICS INITIATIVE "ARABSTAT"

11-12 NOVEMBER 2020

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The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management.
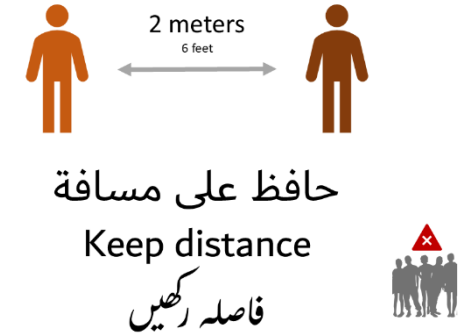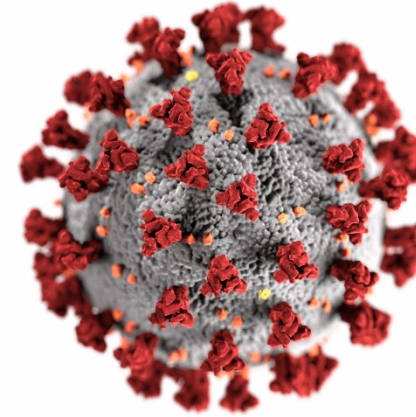
Overview

Introduction

Survey on impact of COVID-19 on statistical operations, data quality, and dissemination

The IMF's response

Opening new frontiers

Motivation: Business as Usual?

- The COVID-19 Pandemic and the associated lockdown in most countries impacted the National / International Statistical System in two ways:
  - First like any other business – statistical organizations experienced disruptions to their business model and had to adapt accordingly
  - Second – the ability of statistical organizations to collect data from households and businesses was severely restricted.

- STA developed a survey to measure the impact on the quality and quantity of the statistics produced and released during the COVID-19 pandemic.

- STA has supported countries by developing measurement guidance notes and ad hoc technical assistance to ensure continued dissemination of reliable macroeconomic statistics and to address measurement challenges resulting from COVID-19 policy initiatives.

Survey on Business Continuity

- **Survey Type**: Census
- **Coverage**: Seven statistical programs: Consumer Price Index, Producer Price Index, Import Export Price Index, Quarterly National Accounts, Labor Force Survey, Employment Survey, Household Budget Survey
- **Format**: E-Questionnaire developed by STA and managed by Cvent. Average time to complete was 3 minutes.
- **Operations**: Launched June 8, 2020 and closed on August 8, 2020
- **Non-response follow-up**
  - Via advisors in the field
  - Cvent general and targeted reminders

Three areas of investigation

COVID-19 Impact on Operations / Work Arrangements	• Proportion of staff working remotely during and after lockdown • Access to internal systems • Technology used for communication and management • Use of personal equipment, data plans, etc.
COVID-19 Impact on Data Quality	• Data collection and new methods implemented • New statistical methods implemented • Revisions
COVID-19 Impact on Dissemination	• Delays • Informing users • New data series or analysis introduced

Responses received from 155 national statistical offices
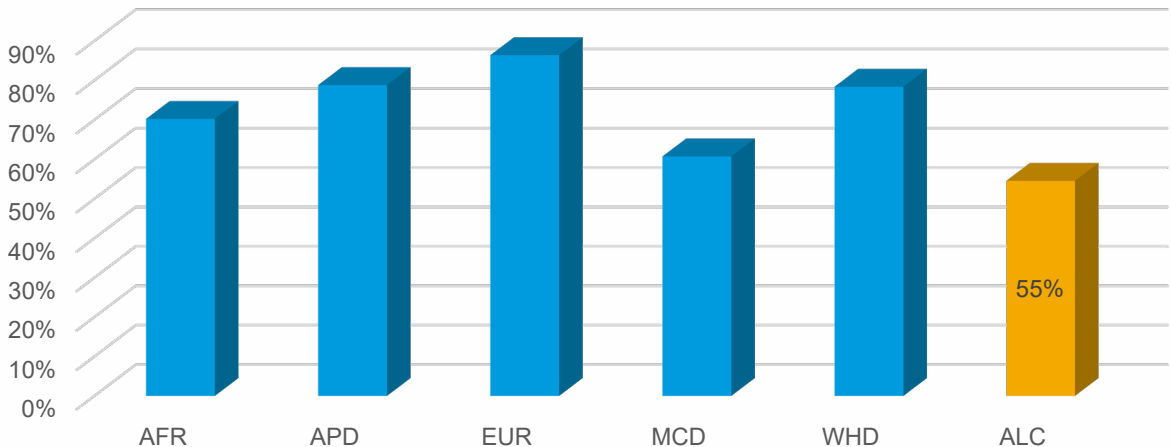

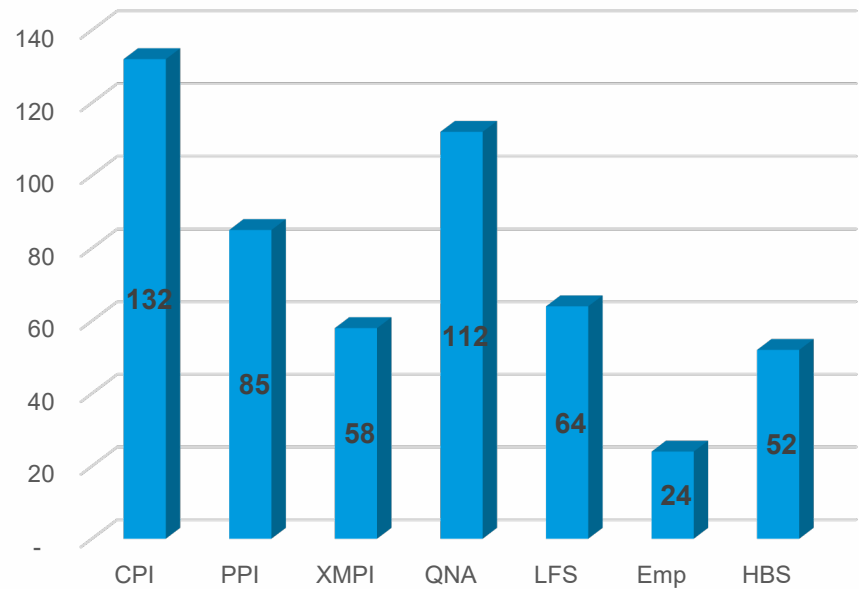## Response by Region

Region abbreviations

- AFR – Africa (excluding North Africa)
- APD – Asia-Pacific
- EUR – Europe
- MCD – Middle East and Central Asia
- WHD – Western Hemisphere

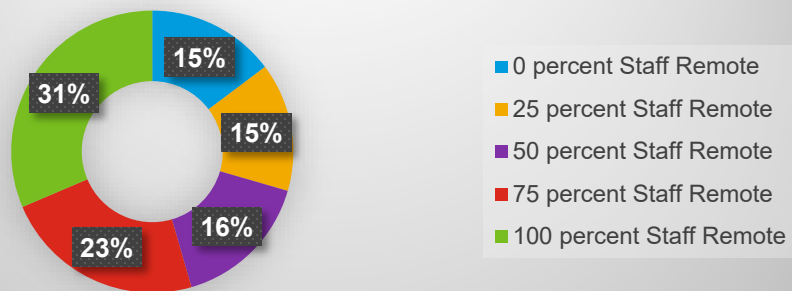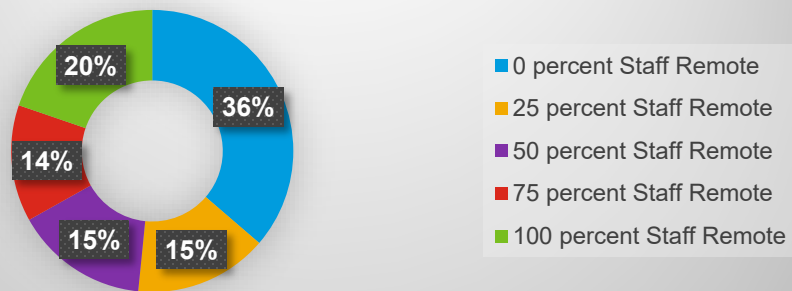- ALC – Arab League Countries (included in MCD)

Number of responses

Operational Impacts: For 31% of NSOs, all CPI staff were working remotely during the lockdown

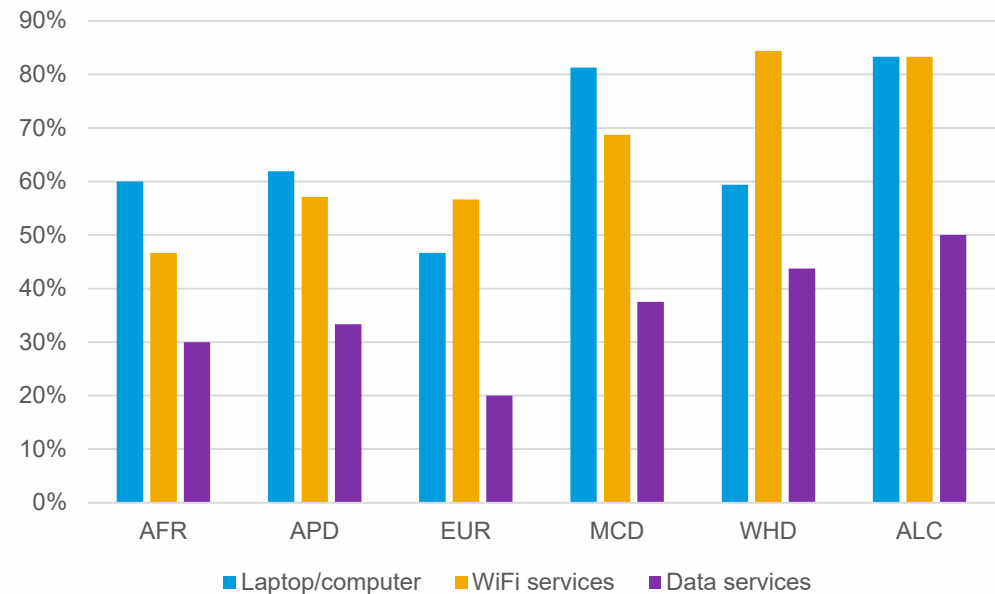## CPI - Remote Work During Lockdown

- 15% — 0 percent Staff Remote
- 15% — 25 percent Staff Remote
- 16% — 50 percent Staff Remote
- 23% — 75 percent Staff Remote
- 31% — 100 percent Staff Remote

CPI - Post-Lockdown Remote Work

- 36% — 0 percent Staff Remote
- 15% — 25 percent Staff Remote
- 15% — 50 percent Staff Remote
- 14% — 75 percent Staff Remote
- 20% — 100 percent Staff Remote

% Using Personal Equipment and Services

Laptop/computer — WiFi services — Data services
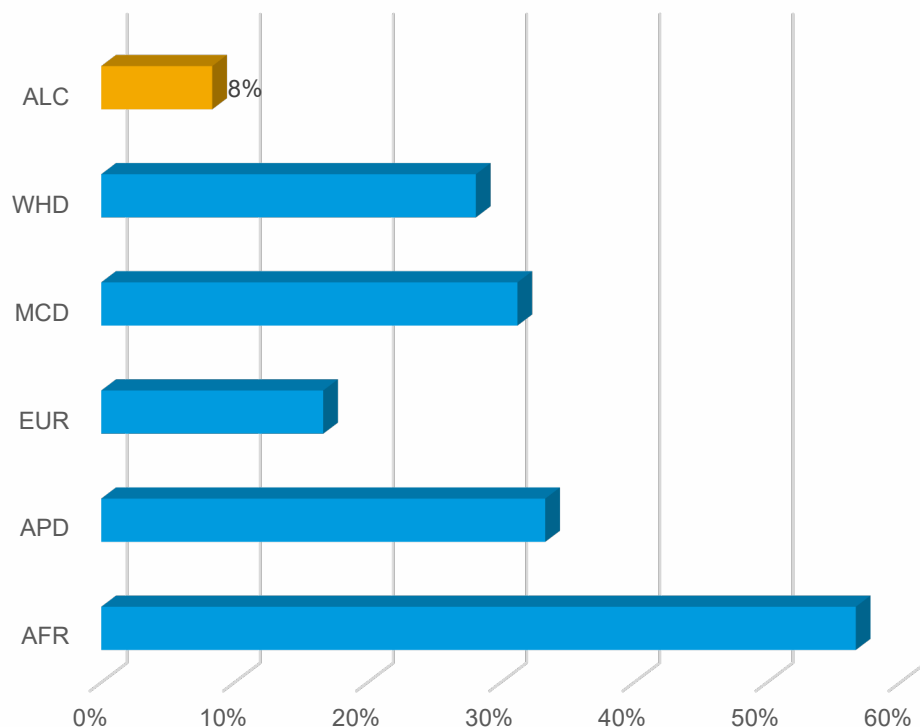
Categories: AFR, APD, EUR, MCD, WHD, ALC

89% of NSOs working remotely noted CPI staff use personal equipment and services to perform work functions

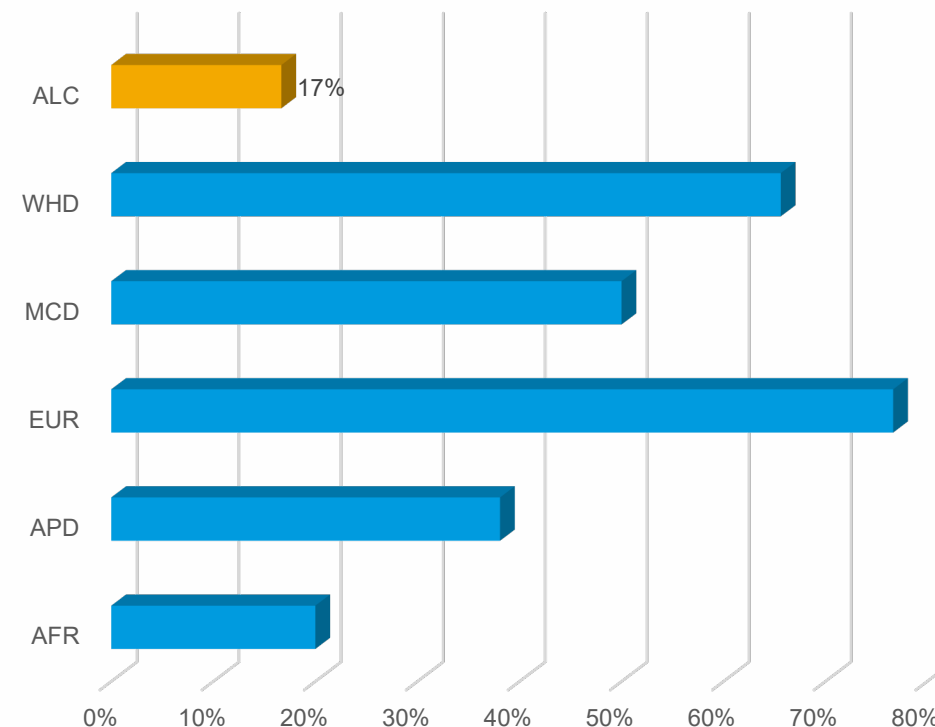# Operational Impacts: 81% of all NSOs reported working remotely during lockdown – varies across regions

Fewer than 25% of staff working remotely during lockdowns
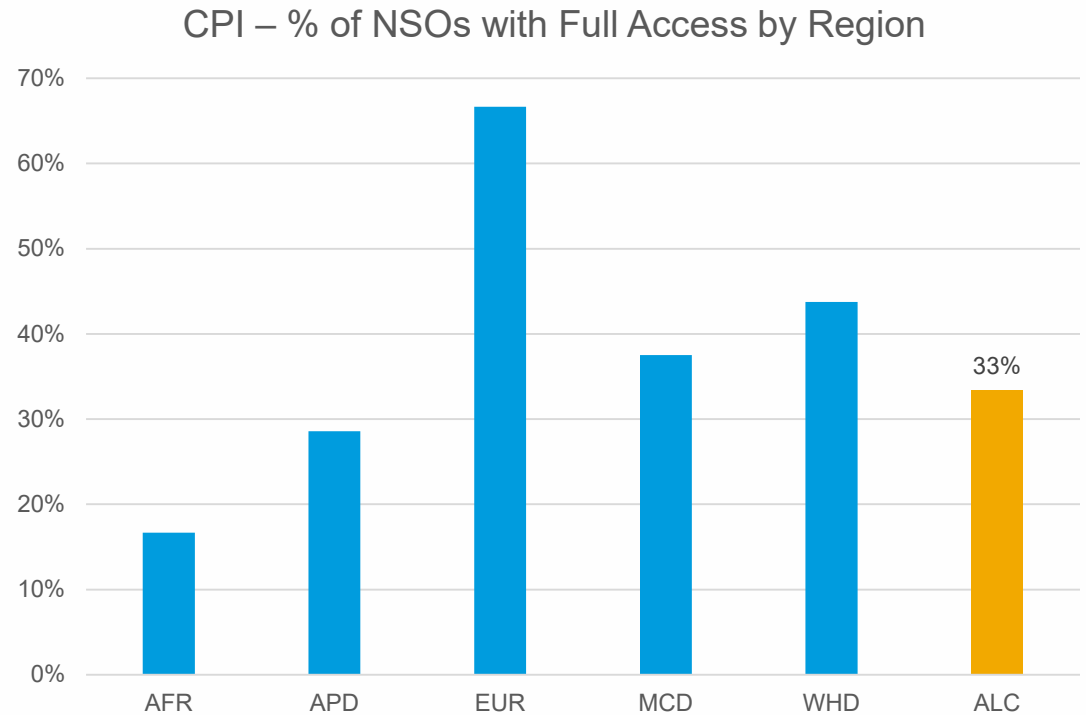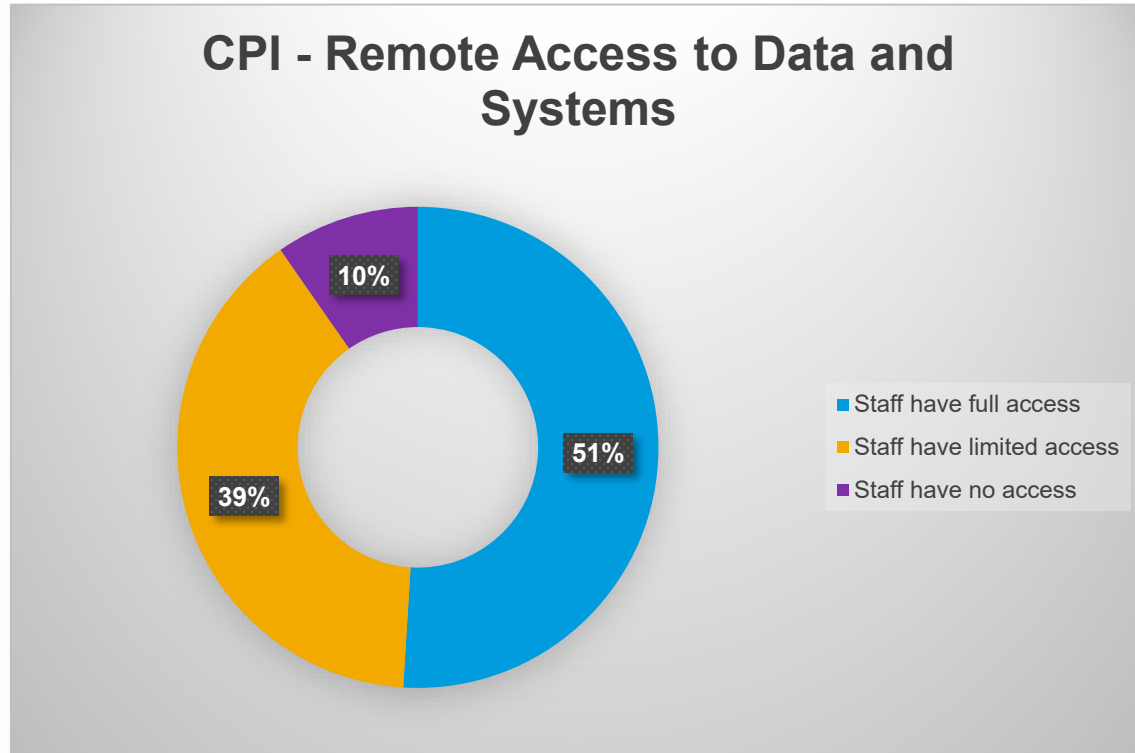
(57% of NSOs in AFR; 8% in ALCs)

More than 75% of staff working remotely during lockdowns
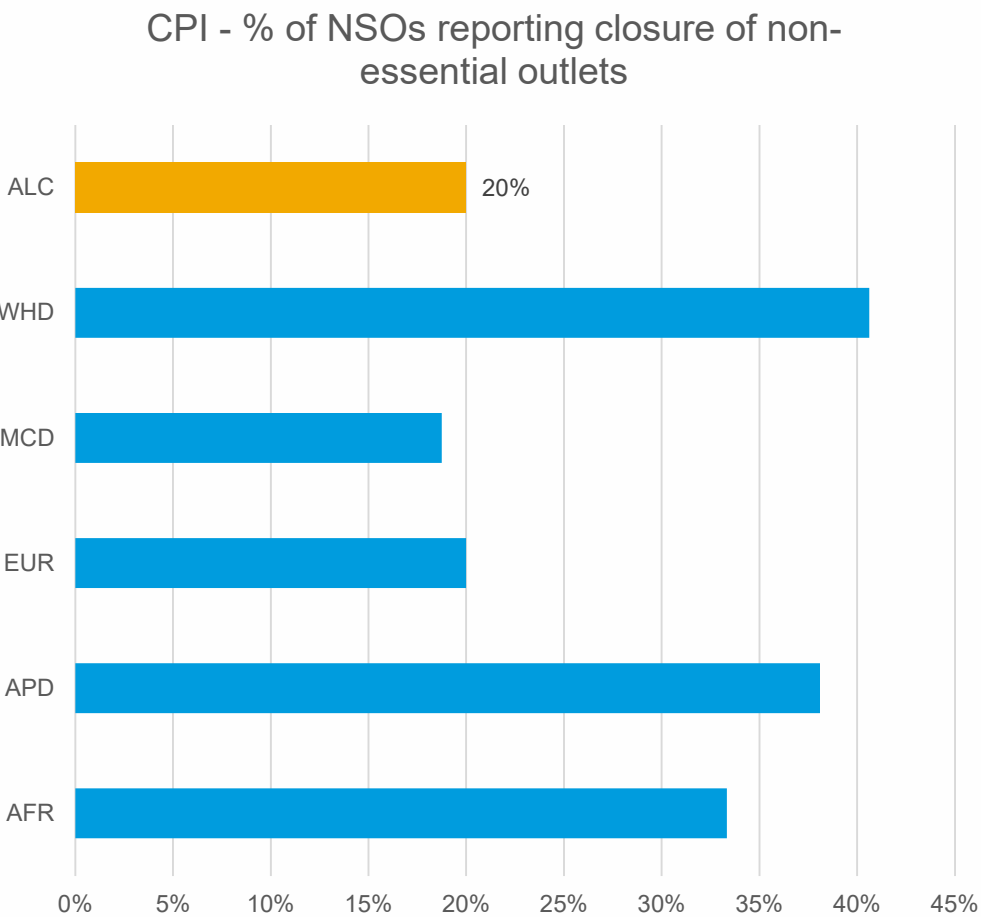
(77% of NSOs in EUR; 17% in ALCs)

Operational Impacts: 51% of staff had full access to data and systems but this was uneven across regions

CPI - Remote Access to Data and Systems

- 51% — Staff have full access
- 39% — Staff have limited access
- 10% — Staff have no access

CPI – % of NSOs with Full Access by Region

Nearly 70% used messaging and videoconferencing apps for communication, organization, and management

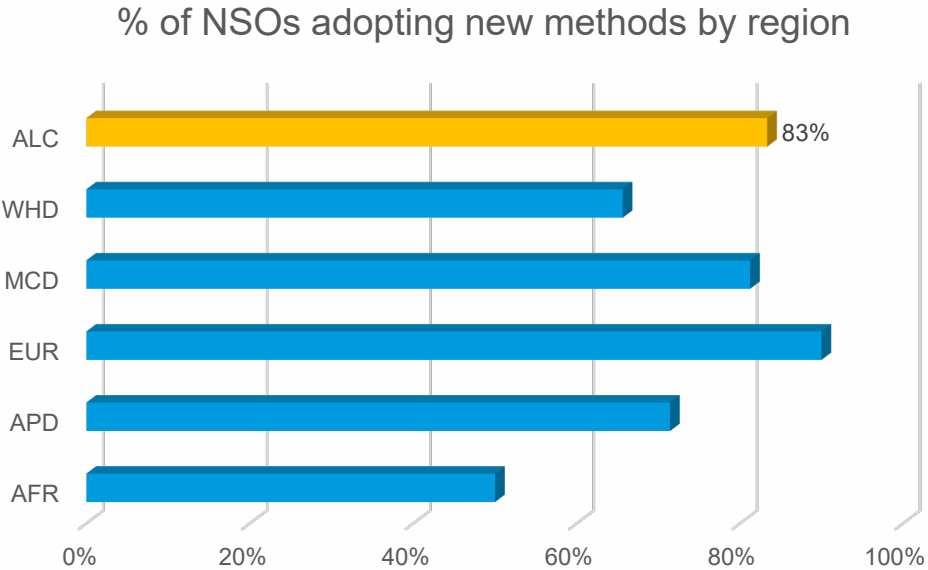# Data Quality: Only 10% of NSOs reported that the pandemic had no impact on CPI data collection activities

Prices are being collected from 75% or more of open outlets

Prices are being collected from 50% - 75% of open outlets

Prices are being collected from 25% - 50% of all open outlets

Non-essential outlets are temporarily closed

No impact on data collecting activities

0 10 20 30 40 50 60 70

CPI - % of NSOs reporting closure of non-essential outlets

ALC 20%

WHD

MCD

EUR

APD

AFR

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

Data Quality: NSOs reported acquiring new data sources or introducing new collection modes in response to impact on data collection activities
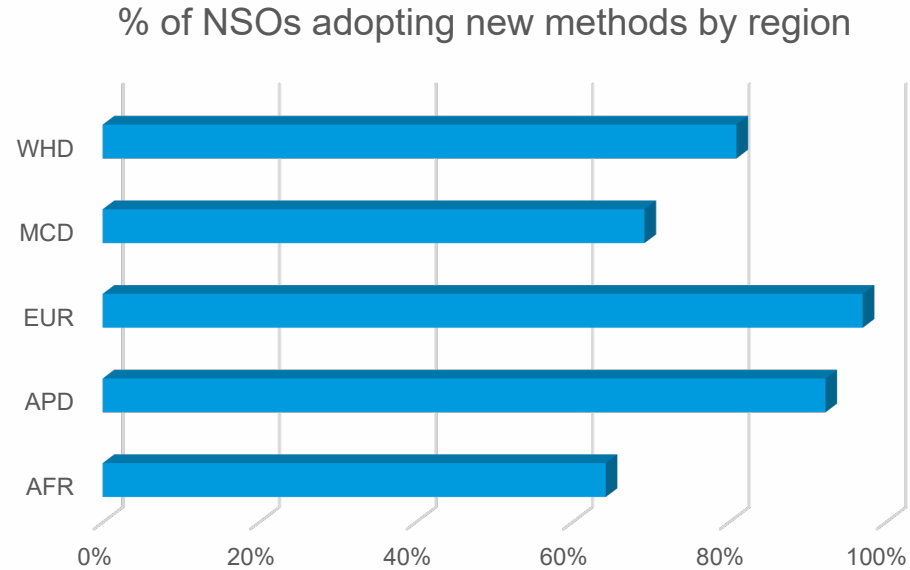
Consumer Price Index

71% of NSOs adopted new methods to collect prices – primarily phone, email, and online presence of sampled outlets
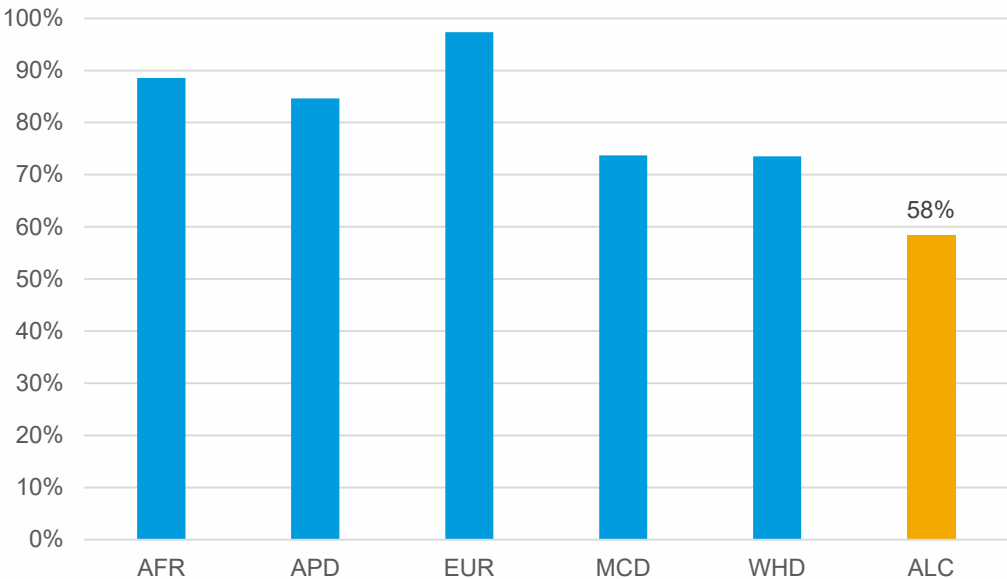
% of NSOs adopting new methods by region

Quarterly National Accounts

82% of NSOs adopted new data sources to compile QNA estimates – nearly 50% report using administrative data for first time

% of NSOs adopting new methods by region

Data Quality: The majority of NSOs indicated that they anticipate revisions to be routine – although this is uneven across regions
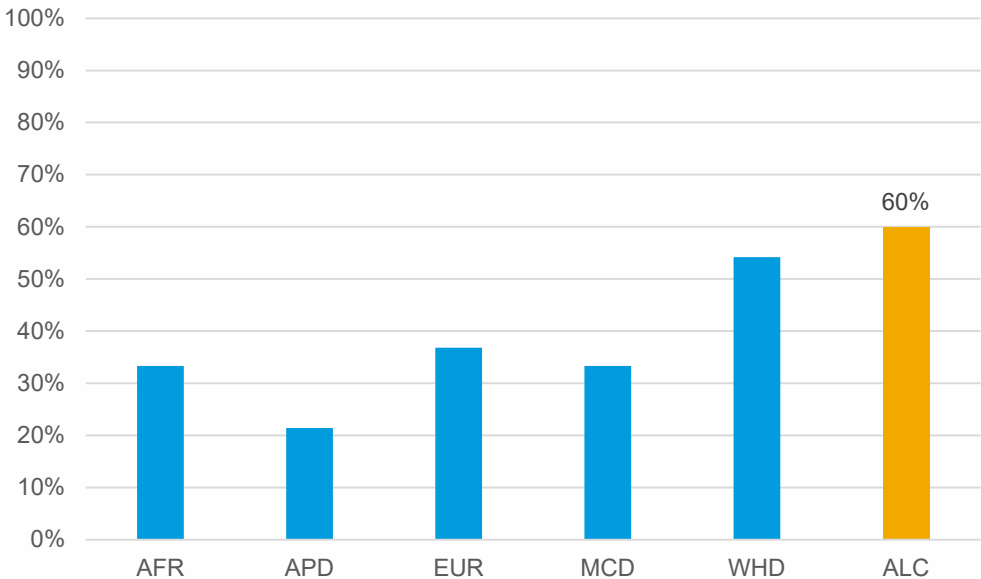
Consumer Price Index
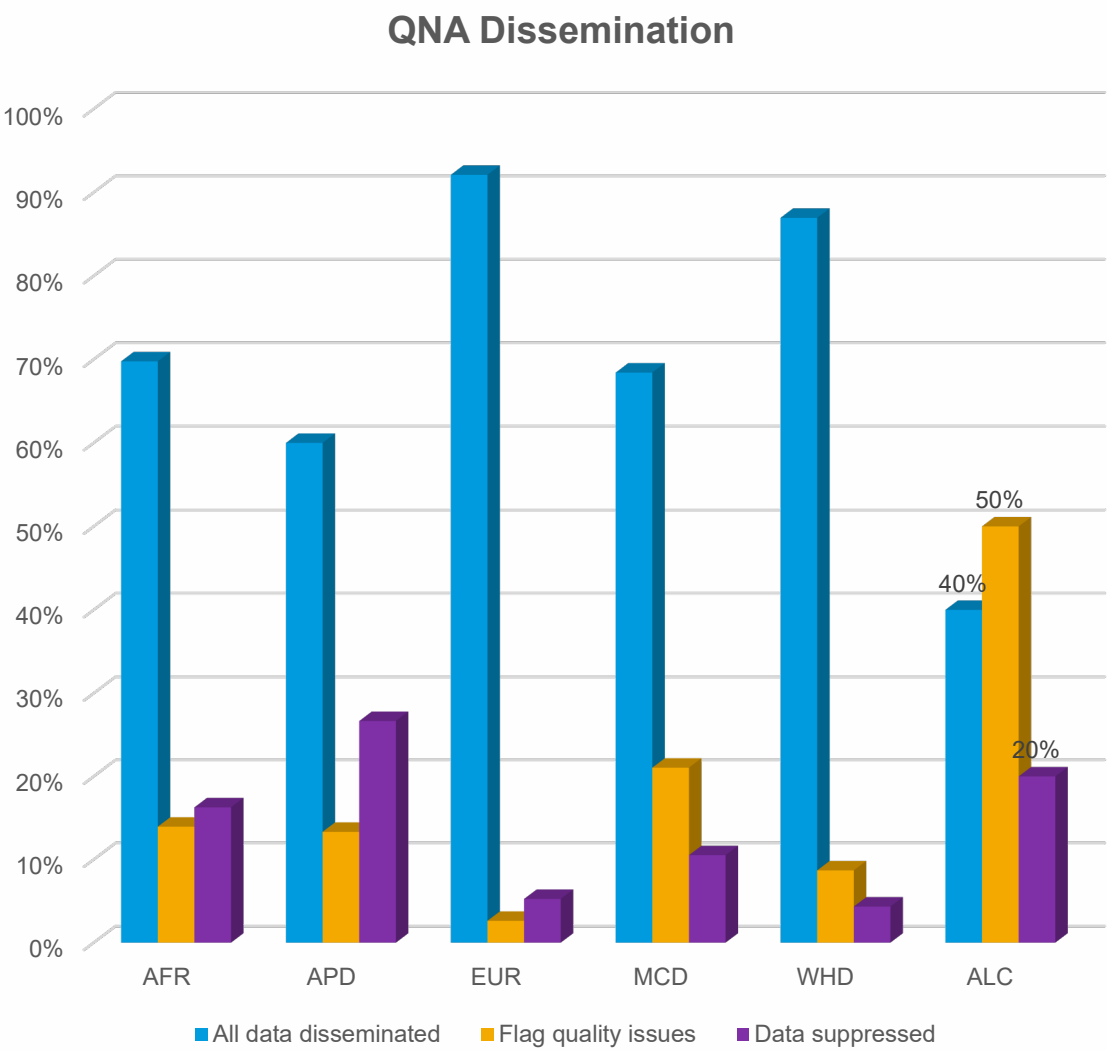
85% report no revisions to be made

(58% in ALCs)

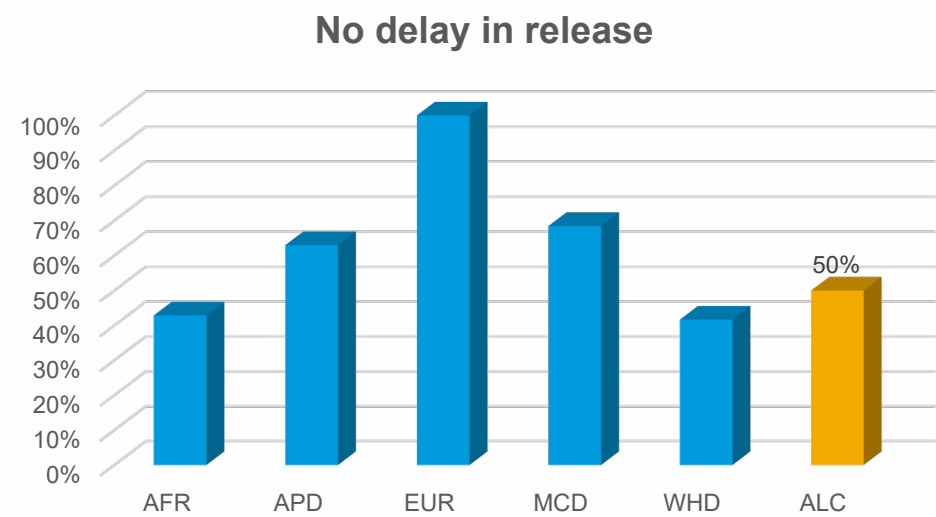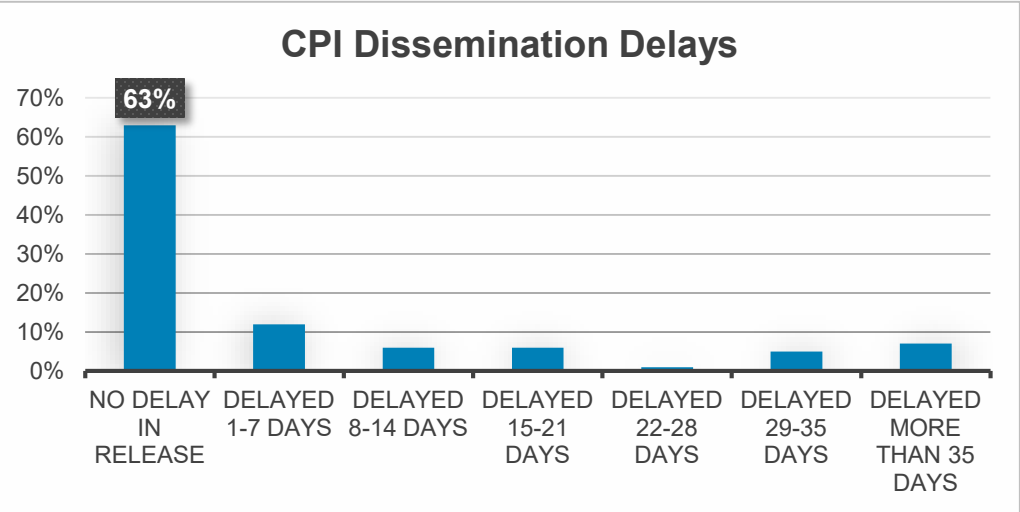## Quarterly National Accounts

Majority expect routine revisions, but nearly 40% expect larger than normal revisions

(60% in ALCs)

Dissemination: Most NSOs released data on time. Less than 10% of the NSOs reported suppressing some data due to quality concerns.

CPI Dissemination Delays

No delay in release

QNA Dissemination

- All data disseminated
- Flag quality issues
- Data suppressed

How has STA responded?

Providing technical advice to ensure data reliability and continuity

Dissemination of statistical guidance to address emerging statistical issues

Active outreach to identify and address key measurement and recording issues

Context: IMF Lending dramatically increased during the pandemic

As of the end of September 2020, the IMF has provided financial assistance, mainly through emergency lending and precautionary lending tools, to 81 countries.

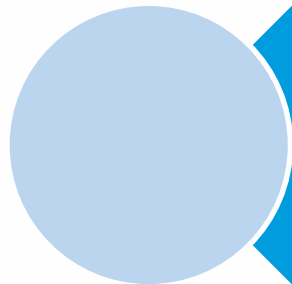In addition, more than 30 countries have expressed an interest in Fund-supported programs to rebuild financial safety nets, and deal with the immediate aftermath of the pandemic.

In order to support this lending activity the IMF's research, surveillance and lending departments require timely, high frequency business status and economic activity indicators – especially among developing economies.

IMF aid to the Middle East and Central Asia
A number of countries across the region requested IMF aid in the wake of the pandemic.
(January-June 2020, US$mn)

Source: IMF staff calculations.

INTERNATIONAL MONETARY FUND

STA Ensuring Data Reliability and Continuity

STA providing TA to address data gaps, measurement issues, and recording challenges

- ► Ensuring the dissemination of reliable data fit for purpose

Recent examples

- Education Services
  - ► Traditional methods of measuring education services using salaries challenged when education provided remotely. Providing advice on how to create reliable measures using alternative methods.
- QNA
  - ► Using alternative data sources and imputation methods.
- CPI
  - ► Working with countries to impute large volume of missing prices and indexes to ensure reliable and timely measure of inflation.

Statistical Guidance to help countries address the measurement challenges associated with COVID-19

Impacting: CPI, real GDP

CPI Weights and COVID-19 Household Expenditure Patterns

- The COVID-19 pandemic has caused a dramatic shift in household expenditure patterns. This note explains why it would not be appropriate to adjust the CPI weights at this time and proposes alternative measures that compilers can develop.

Impacting: Financial Services, Debt

Recording of Deferred and Waived Interest on Loans

- This note focuses on financial intermediaries' response to the COVID-19 crisis by allowing loan payment deferrals or waived interest payments to qualified borrowers. It provides guidance on how these should be recorded in macroeconomic statistics.

Impacting: GDP, Subsides, Transfers

Government Support to Business and Households

- This note focuses on government measures related to supporting employers and their employees, as well as support to the self-employed, and provides guidance on how these should be recorded in macroeconomic statistics.

Statistical Guidance to help countries address the measurement challenges associated with COVID-19

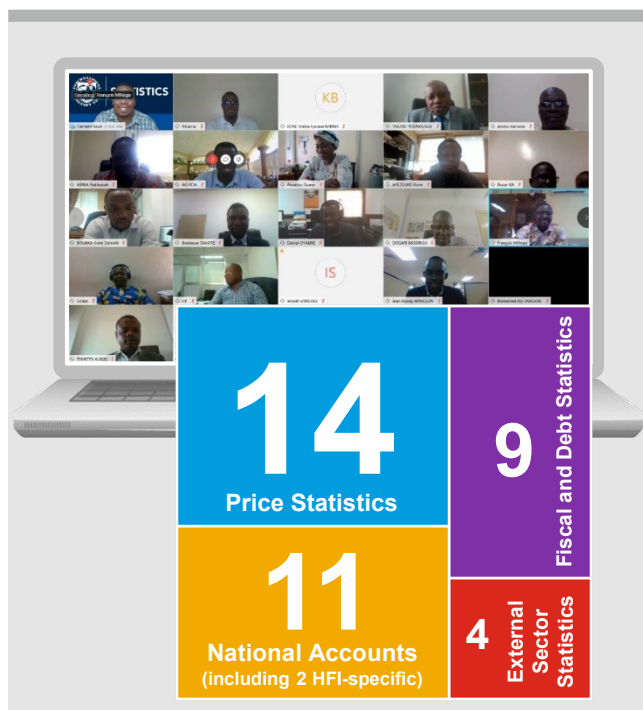| |
|---|
| Special Series on COVID-19: How to Record Debt Reorganization in External Sector and Government Finance Statistics—Debt Service Suspension Initiative |
| Special Series on COVID-19: Benchmarking and Rebasing National Accounts |
| Special Series on COVID-19: Recording of Deferred Delivery of, and Payments for, Goods and Services |
| Special Series on COVID-19: Recording of Deferred or Waived Rental Payments |
| Special Series on COVID-19: The Treatment of Restructured Loans for FSI Compilation |
| Special Series on COVID-19: Government Support to Business and Households |
| Special Series on COVID-19: How to Record Debt Relief under the Catastrophe Containment and Relief Trust |
| Special Series on COVID-19: Business Continuity: Consumer Price Index, National Account Statistics, External Sector Statistics, Producer Prices and Dissemination Practices. |
| Special Series on COVID-19: COVID-19: How to Record Government Policy Interventions in Fiscal Statistics |

The Statistical Guidance notes have been developed in collaboration with other international organizations and cover a broad spectrum of issues across statistical domains.

https://www.imf.org/en/Publications/SPROLLs/covid19-special-notes#stats

STA Capacity Development Delivery Remained Agile and Strong

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Series of
COVID-related webinars
June-September 2020

14 Price Statistics

11 National Accounts (including 2 HFI-specific)

9 Fiscal and Debt Statistics

4 External Sector Statistics

Regional Highlights:

Through METAC:
Eight **regional webinars delivered by METAC/STA** on business continuity and the treatment of COVID-related government interventions in real and external statistics.

Assisted **Lebanon** with addressing CPI continuity issues, drafting a statement on the impact of the pandemic on the CPI, and compiling the indexes for March, April, and May.

Addressed CPI compilation methods and continuity issues related to the pandemic in **Libya** and **Yemen**, including use of alternative sources and techniques to impute for missing prices.

Helped **West Bank and Gaza** develop input-output tables for economic modeling.

Opening new frontiers…

- Addressing new demands for **high frequency indicators of economic activity** (including offering TA on an economic activity indicator which reflects a "nowcast" of real GDP for a given country/region.

- Tapping new data sources (such as Google Places API) to generate experimental indicators of business dynamics with linkages to traditional macroeconomic datasets ("finer, frequent, faster").

- Harnessing technologies for data collection (web scraping, RPPI).

- Reshaping modes of CD delivery (increasing focus on online learning tools).

Thank you!!