Joint Thirty-Eighth Meeting of the
IMF Committee on Balance of Payments Statistics
and Eighteenth Meeting of the Advisory Expert
Group on National Accounts

Inter-secretariat
Working Group on
National Accounts

CM.3 A Taxonomy for Communicating Economic Statistics Releases, Products, and Product Updates: Outcome of Global Consultation

CM.3 A Taxonomy for Communicating Economic Statistics Releases, Products, and Product Updates: Outcome of Global Consultation[1]

The global consultation[2] sought feedback on the set of proposals for a statistical program to implement a standard (internationally consistent) taxonomy to communicate the (i) releases and vintages of data; (ii) revisions to vintages of economic statistics; and (iii) quality and types of statistical products. Overall, the consultation showed that majority of the respondents strongly support the proposals made in the Guidance Note (GN) and find them largely consistent with their current dissemination policies. Notably however, respondents argued that there may be a need for the proposals to be more aligned with existing frameworks such as the Committee on Monetary, Financial and Balance of Payments Statistics' (CMFB's) Harmonised European Revision Policy for Macroeconomic Statistics.[3] Respondents also welcomed the addition of a new chapter supporting communication practices in the updated statistical manuals.

In this meeting, the outcome of global consultation is presented so that the IMF's Committee on Balance of Payments Statistics (the Committee) and the Advisory Expert Group on National Accounts (AEG) can take a final decision on the proposed changes to the GN.

SUMMARY OF GLOBAL CONSULTATION

COMMUNICATING RELEASES AND VINTAGES OF DATA

1.   **Three sets of proposals for communicating economic statistics and their related products are discussed in the Guidance Note (GN).** The first is a proposed taxonomy that harmonizes the way national statistical programs globally communicate to users about the various vintages of statistics that are disseminated on an ongoing basis. The second, provides a set of guidelines for statistical agencies to distinguish for users, regular revisions that are part of the normal production cycle, benchmark revisions and comprehensive revisions. The third set of proposals harmonizes the labelling of statistical products to help users to understand the "quality" of the products being released and to situate the products within the overall statistical framework. These recommendations are intended to assist users with interpreting the products and releases while enhancing national transparency and international comparability. Although the set of proposals set out in the GN provide examples directly related to national account statistics but are generally applied to the national accounts, balance of payments, and government finance statistics (prepared annually and sub-annually).

2.   **Majority (approximately 66 percent) of the respondents have an existing revision policy for their annual and quarterly national accounts program.** However, for the balance of payments, just

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[1] Prepared by the Chair and Secretariat of the CMTT.

[2] The joint global consultation on the GN *CM.3 A Taxonomy for Communicating Economic Statistics, Products, and Product Updates* took place during December 2021–February 2022 and received a total of 57 responses from 45 economies (see Figure 1). The responses represented the views of national accounts, balance of payments and government finance statistics compilers. Respondents from European economies had the largest participation (44 percent), followed by those from Western Hemisphere countries (26 percent), Asia and Pacific countries (14 percent), Middle East and Central Asia countries (11 percent), and from Sub-Saharan Africa (five percent).

[3] See https://circabc.europa.eu/sd/a/370b7c25-142d-40df-8397-248289a03bac/2017-10-13%20-%20CMFB%20Communication%20on%20common%20revision%20policies.pdf

over 35 percent of respondents had a revisions policy. A similar percentage was reported for the government finance statistics (GFS) (see Figure 2). Likewise, 70 percent of respondents noted that there is an existing standard of practice to communicate the releases of economic statistics, as opposed to the 28 percent that reported no standard taxonomy. Most commonly, the taxonomy includes terms such as preliminary, revised, final, provisional, etc. In some cases, the naming convention includes the frequency, reference period and type of revision. In other cases, only minimal descriptive information is provided to the users.

3.	**The GN recommended that statistical authorities adopt a common approach when communicating data releases/vintages to users** at minimum, including in the description, the (i) type of release; (ii) timeliness; (iii) frequency; (iv) the reference period; and (v) update period. A large majority of the respondents agreed with the CMTT's proposals to include the five key components (noted above) in the headline description of any statistical release (see Figure 4). However, it should be noted that this will require some effort (in implementation and communication) on the part of the statistical agencies to transition to this standard taxonomy in their communication releases. Majority of respondents (except in the Asia and Pacific region) indicated that the proposals are aligned with their current practices (see Figure 5) but argued that this method of communication could present challenges for higher frequency estimates.

4.	**The consultation also sought feedback on the proposed main types of revisions.** Respondents mostly (85 percent) agreed with the definition of regular revisions as defined in the GN – "*regular revisions refer to the incorporation of more complete (but not yet final) source data, improved models, and / or methods into the compilation process. Regular revisions occur for both sub-annual and annual estimates. They can occur throughout the year, at regular (often yearly) intervals or as new information becomes available. Regular revisions may also include the correction of compilation errors or minor methodological adjustments made outside the benchmark or comprehensive revision process*" (see Figure 3).

5.	**There was majority support (67 percent) for the definition of benchmark revision as** "*…the incorporation of the final vintage of all source data into the economic statistics. The benchmark revision implies that account program does not expect to receive any additional information that it can use to improve the overall quality of the economic statistic. The benchmark estimates can only be constructed once a final vintage of each of these data sources is available. All revisions undertaken before the incorporation of the benchmark update are considered regular revisions.*" Those that disagreed noted that the definition is inconsistent with the terminology adopted in EU countries, and therefore could create confusion for some users. A similar view was shared by a minority of non-EU economies.[4]

6.	***The GN defines comprehensive revision as a special case of benchmark revisions where the economic statistic not only incorporates the final vintages of source data but also integrates new or updated concepts, accounting treatments, classifications or substantially improved methods.*** These revisions generally occur when there are major changes to the statistical standards that are used to compile the accounts. They often result in a break in the time series and require programs to

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[4] In the EU context, revisions are classified as "routine revisions" or "major revisions". Benchmark revisions (in the EU context) correspond more closely with the CMTT's definition of regular revisions. Benchmarking means adjusting higher frequency data to the corresponding lower frequency results, based on more complete information which become available only later—ESS guidelines on revision policy for PEEIs.

backcast these changes over time—this is a practice of many IMF member countries. Seventy-three percent of respondents agreed with this definition. A minority of respondents were not in favor of distinguishing between "Benchmark revision" and "Comprehensive revision".

COMMUNICATING REVISIONS

7. **The second set of proposals is to standardize the taxonomy used to describe changes that could trigger revisions in a vintage of statistics.** These are defined by the CMTT as *(i) conceptual changes, which result from changes in concepts associated with a statistical standard; (ii) changes in methods, which result from modifications to the statistical methods used to compile the economic statistics; (iii) accounting changes result from changes to the accounting rules or in the application of the accounting rules when compiling economic accounts; (iv) coverage adjustments refer to updates that ensure all aspects of exhaustiveness are covered within the economic accounts; (v) source data changes result from incorporating new (generally higher quality and more comprehensive) source data into the economic accounts; (vi) a quality change results from the process of data validation such as occurring through ensuring consistency of source data, improved seasonal adjustment or the impact of revised balancing adjustments; and (vii) presentation changes, which reflect variations in how the accounts and related information are presented.*

8. **Majority of the respondents agreed that their current statistical infrastructure allows the breakdown of revisions into the proposed categories:** *(i) methodological/conceptual/accounting changes; (ii) coverage changes; (iii) source data changes; (iv) quality changes; and (iv) presentation changes* (see Figure 6). Some respondents noted however, that some of these changes could overlap at times and the statistical systems may not purely identify the intended categories. In a minority of cases, the respondents noted that while they agree in principle to the proposed breakdown, the statistical infrastructure does not allow them to show the categories of revisions.

9. **Most respondents also agreed that in practice the revisions could be broken to show the affected industries, sectors, functional categories or expenditure categories.** Although a smaller majority agreed that it would be feasible to show the functional and expenditure categories revised.

COMMUNICATING PRODUCT QUALITY AND PRODUCT TYPES

10. **The CMTT recognizes the increased demand on statistical compilers to produce an ever-growing range of statistical products, at greater detail and on a timelier basis.** To manage the trade-off between quality and timeliness, some national statistical compilers have started to adopt the strategy of producing and releasing estimates that have not been subjected to the same rigor as official statistics and consequently have adopted several different labels (satellite, experimental, provisional, draft, etc.) for these estimates. The GN proposed to standardize the taxonomy used to communicate the type and quality of the statistical products. The two-tiered taxonomy of product types include the classification of estimates as *official estimates (which include provisional estimates) and experimental estimates*.

11. **The consultation showed that majority of respondents generally agreed with the proposed product quality taxonomy as well as the definition of official estimates—including the definition of provisional estimates.** Majority of the respondents also agreed with the definition of experimental estimates specified by the CMTT (see Figure 7).

12.   **Regarding the two-tiered product type taxonomy, majority of the respondents also agreed with the CMTT's proposals.** However, some noted that the definition of supplementary accounts was not entirely clear, and that further explanation is needed on the distinction between thematic and supplementary tables.

13.   **The consultation also revealed other perspectives on the GN.** A small majority of respondents agreed that they would be able to implement the recommendations of the GN. Those that disagreed specifically highlighted the limitations of their current statistical infrastructure, to break down revisions as recommended by the GN. Respondents also queried the feasibility of embedding some of the GN's proposal into the SDMX. Finally, the noted that data revisions must be considered pragmatically in line with countries' resource constraints and analytical relevance. Respondents suggested that the focus of the GN should be on significant revisions which impact key macroeconomic aggregates and outputs.

PROPOSED CHANGES TO GN CM.3

14.   In response to the results of the global consultation, the CMTT proposes the following changes to GN CM.3:

a. Expand on the definition of the product types—clearly distinguishing between "supplementary", "thematic" (and "extended").

b. Provide further clarifications on the use of the terms "experimental estimates", "provisional", "final", or "official." Further, explain that different classes of estimates do not always indicate differences in estimate "quality": some experimental estimates are of comparable quality to official estimates. Moreover, the quality of official estimates may vary significantly across the various accounts.

c. Clarify that the distinction between conceptual changes and accounting changes (used in the document) might be difficult in practice as the two elements are inter-related.

d. Clarify the distinction between different types of changes in source data (i.e., whether they are related to updates in source data or incorporation of new sources).

e. Review the types of the revisions proposed in the GN and stress the importance of incorporating the recommendations of the GN in response to the individual economy's user demand and analytical needs.

f. Add additional clarifications and examples for the BOP and GFS domains.
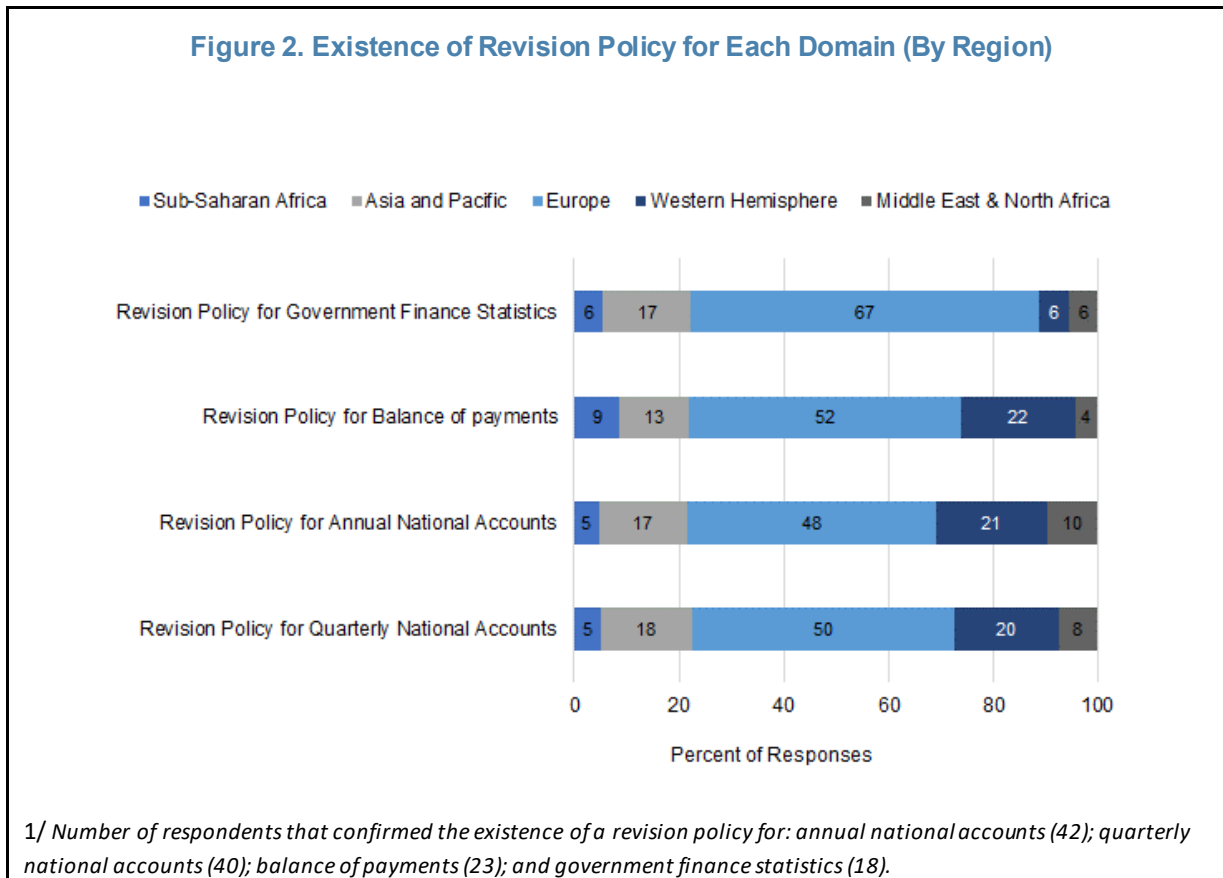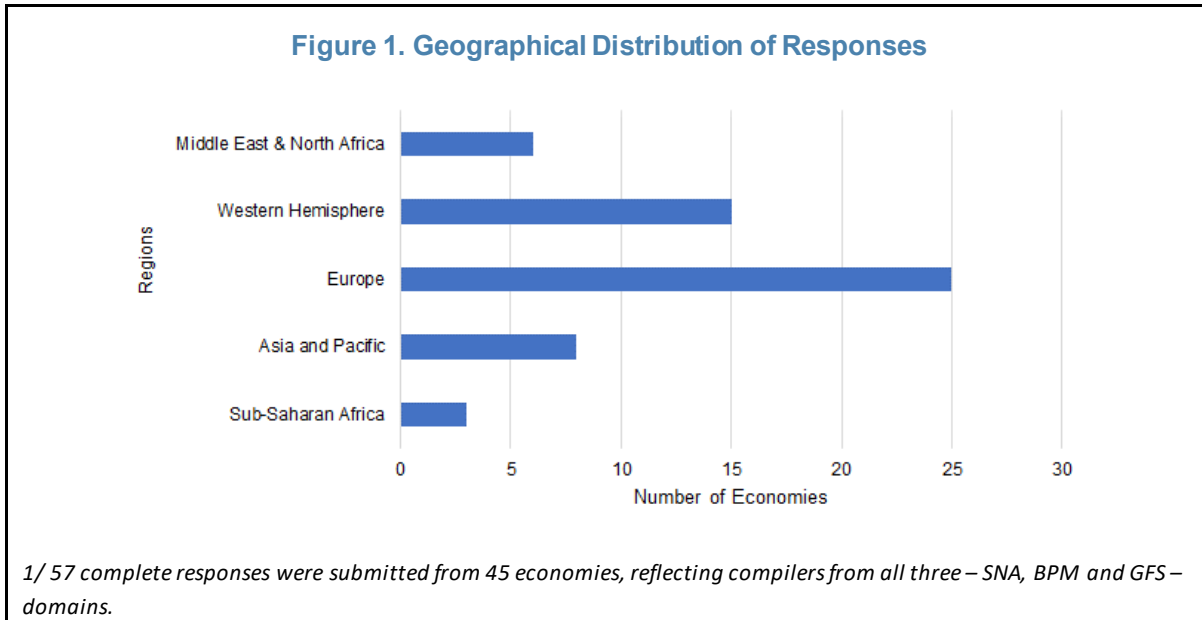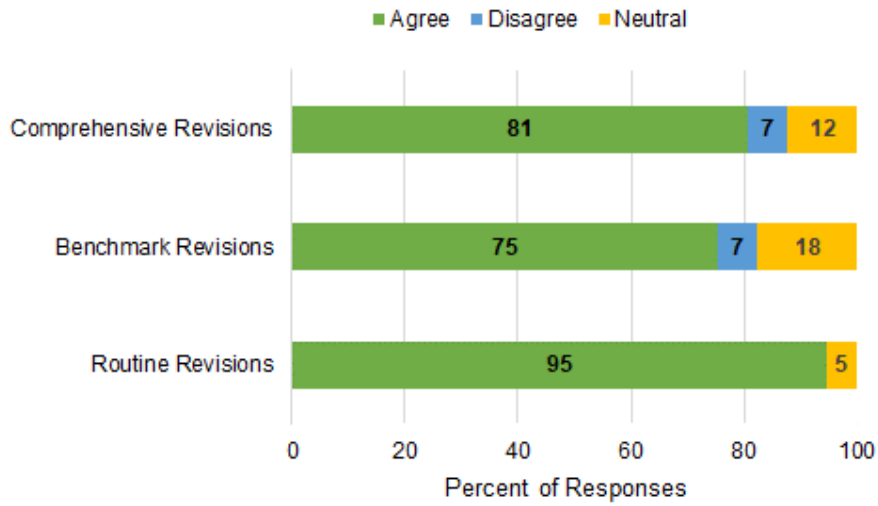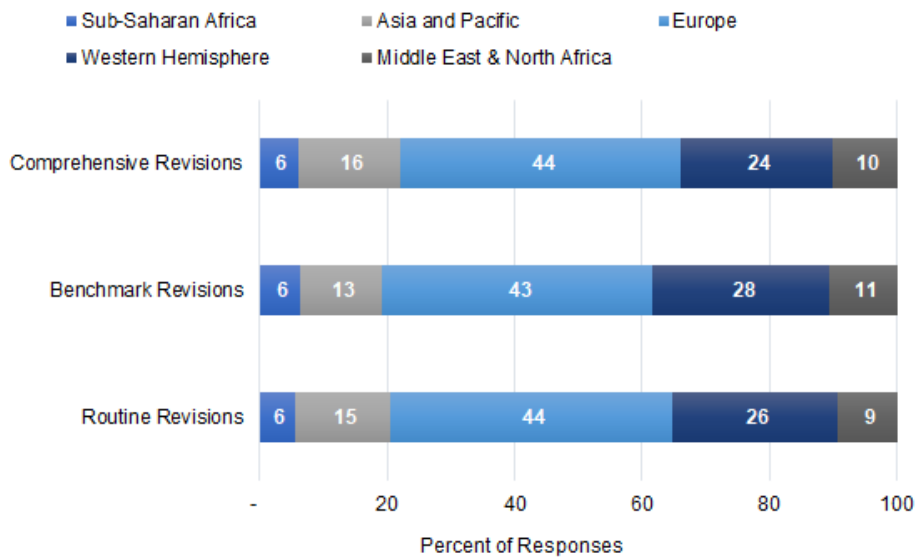
Annex I. Graphs and Charts

Figure 1. Geographical Distribution of Responses

1/ 57 complete responses were submitted from 45 economies, reflecting compilers from all three – SNA, BPM and GFS – domains.

Figure 2. Existence of Revision Policy for Each Domain (By Region)

1/ Number of respondents that confirmed the existence of a revision policy for: annual national accounts (42); quarterly national accounts (40); balance of payments (23); and government finance statistics (18).

Figure 3. Responses to Types of Revisions

Panel A. Responses to the Types of Revisions

■ Agree ■ Disagree ■ Neutral

Type	Agree	Disagree	Neutral
Comprehensive Revisions	81	7	12
Benchmark Revisions	75	7	18
Routine Revisions	95		5

Percent of Responses

Panel B. Geographical Breakdown of Responses

■ Sub-Saharan Africa   ■ Asia and Pacific   ■ Europe
■ Western Hemisphere   ■ Middle East & North Africa

Type	Sub-Saharan Africa	Asia and Pacific	Europe	Western Hemisphere	Middle East & North Africa
Comprehensive Revisions	6	16	44	24	10
Benchmark Revisions	6	13	43	28	11
Routine Revisions	6	15	44	26	9

Percent of Responses

1/ Only respondents that agreed with the proposals are shown in this panel.

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Figure 4. Responses to Communication of Statistical Releases

Panel A. Respondents' Views on Description of Statistical Release
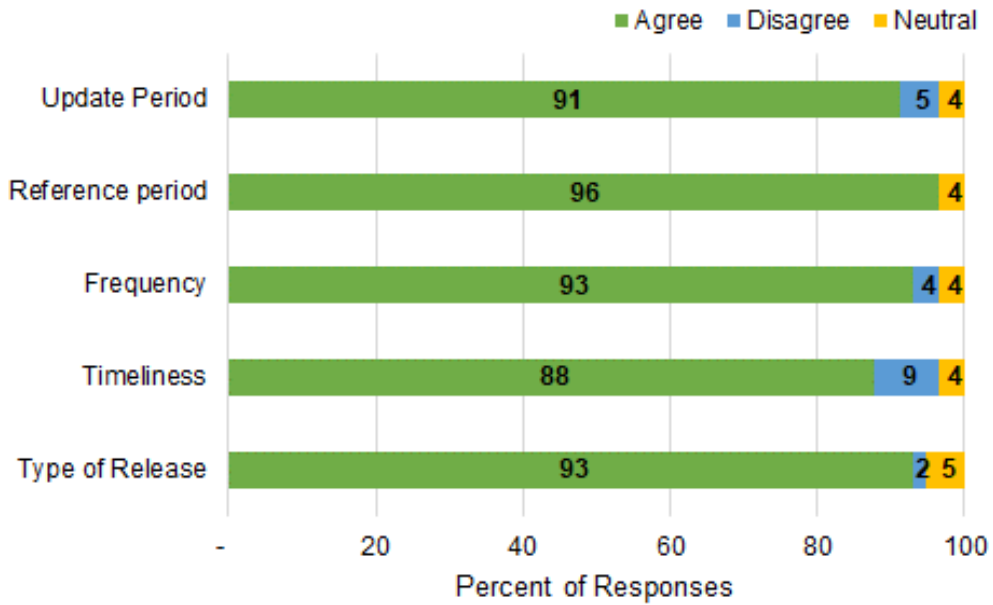
Panel B. Geographical Distribution of Responses
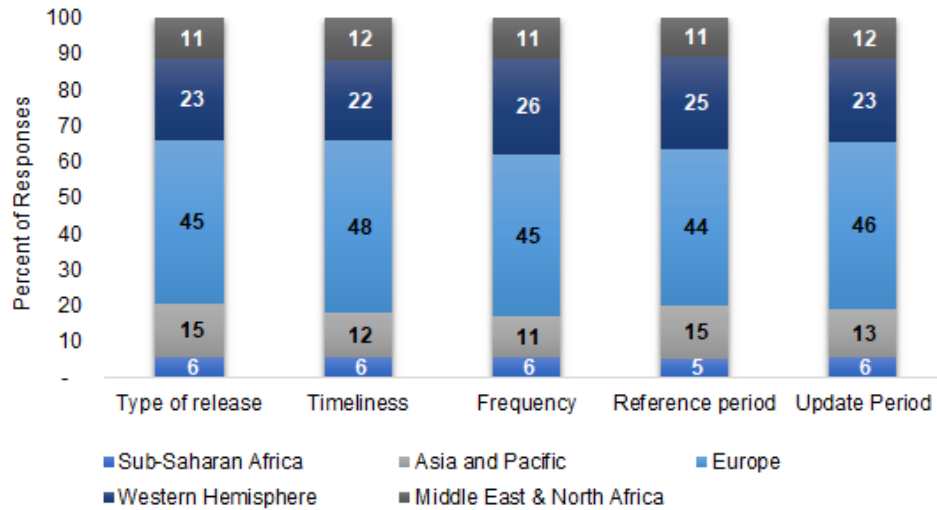
1/ Only respondents that agreed with the proposals are shown in this panel.

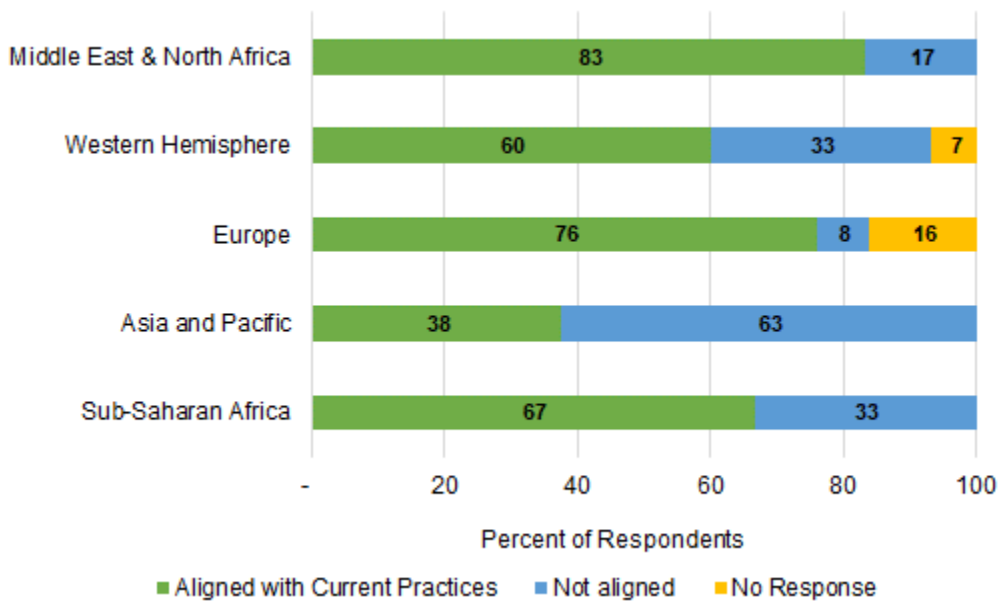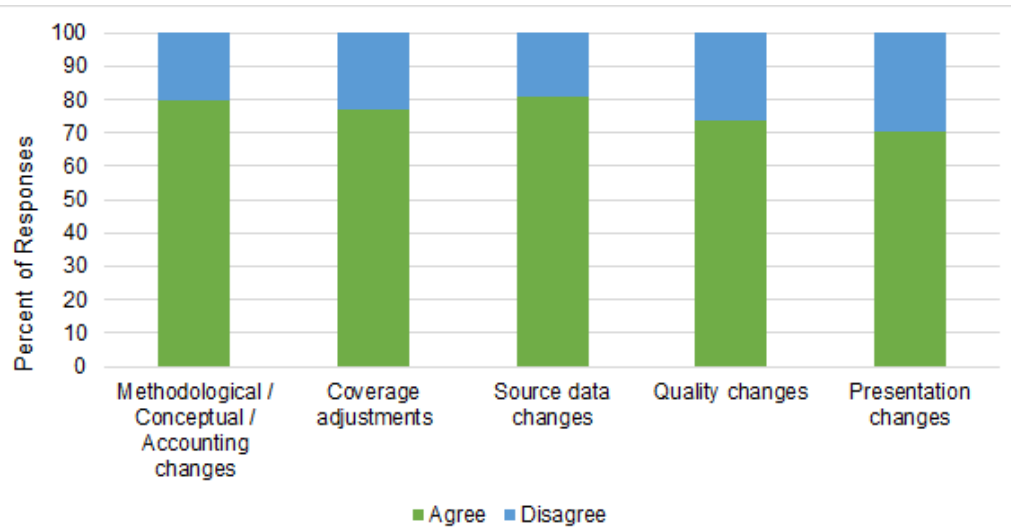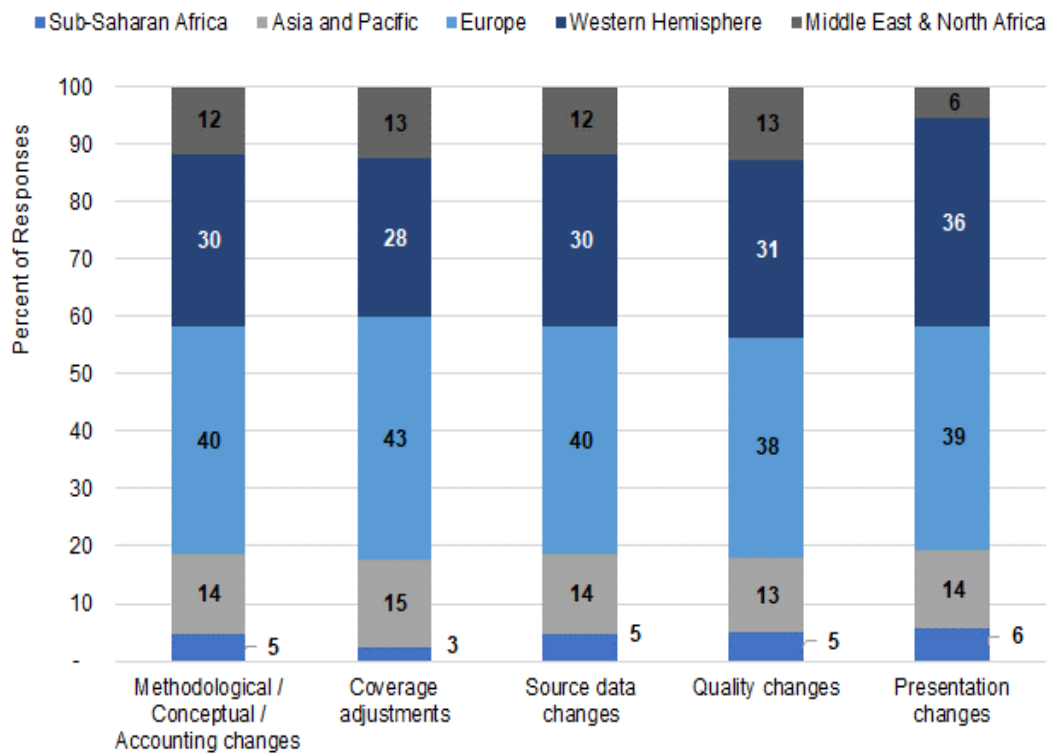**Figure 5. Alignment of Proposals with Current Dissemination Practices**

Figure 6. Respondents' Views on the Breakdown of Revisions by Source

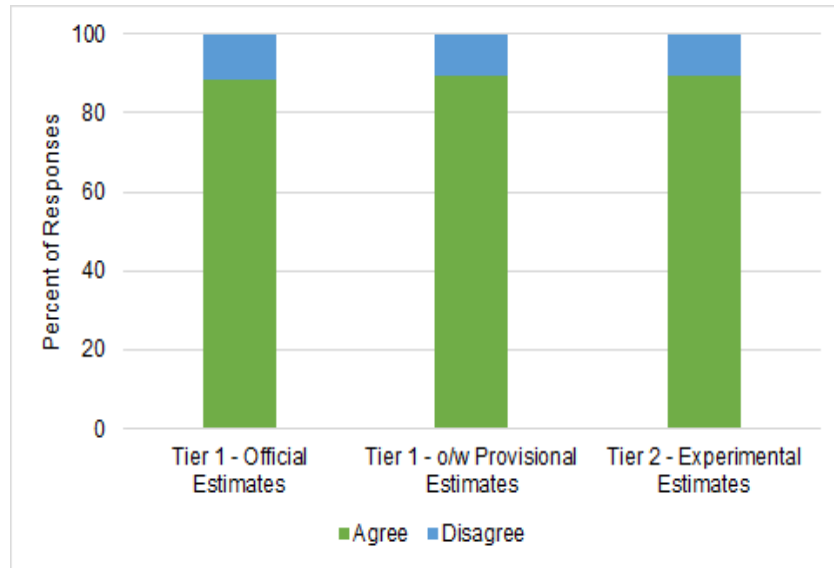Panel A. Respondents' Views on Breaking Down Revisions to Show Sources
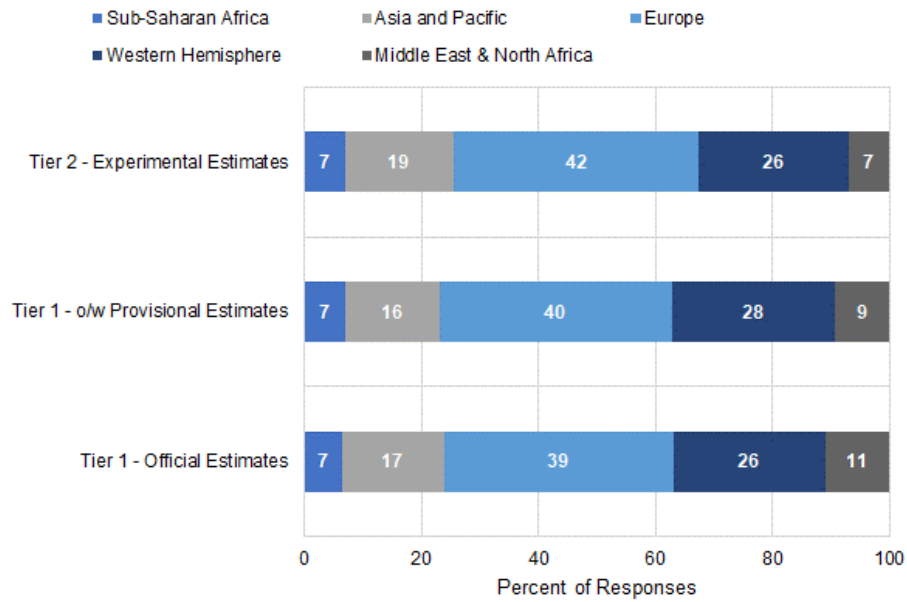
Panel B. Geographical Distribution of Responses

1. *Panel B shows only the respondents that agree with the proposals.*

Figure 7. Responses on the Two-tiered Product Quality Taxonomy

Panel A. Respondents' Views on the Two-tiered Product Quality Taxonomy

Panel B. Geographical Distribution of Responses

1/ Only respondents that agreed with the proposals are shown in this panel.

Figure 8. Respondents Views on Proposed Two-tiered Taxonomy for Product Types