

COVID-19 pandemic and its impact on the
statistical operations of National Accounts,
Balance of Payments and Foreign Trade.
3rd meeting Caribbean region

Statistics Division

Economic Commission for Latin America and the Caribbean

May 27, 2020



Introduction

ECLAC has organized a series of videoconferences and regular consultations to assess the impact of the virus COVID-19 pandemic on the statistical operation in the Latin American and Caribbean region.

This is the third virtual meeting organized with the Caribbean region to address the impact of the outbreak of COVID-19 in the national accounts and foreign trade statistics.

The sanitary measures taken by the Government in each country have impacted importantly the regular data collection and the compilation of the national accounts series and foreign trade statistics.

Currently, the national statistical offices around the world are facing the challenge to deal with the data gaps, the imputation techniques, and the mechanisms to explain to the users the impact of the health emergency in the national accounts series released and in progress.



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Objective and outcomes

Objective:

- Identify the status of the compilation of the national accounts, balance of payments and foreign trade statistics in the region, the main problems and challenges faced.
- Exchange experiences and share some of the recommendations raised during former meetings with the Latin American region and disseminated by the international agencies.



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Objective and outcomes

Outcomes:

A summary of the problems faced and solutions proposed to be included in the document “*Compilation of national accounts, balance of payments and foreign trade statistics in the context of the COVID-19 health emergency*”. This document will be placed at the website of the Knowledge Transmission Network (KTN) of the Statistical Conference of the Americas:

<https://rtc-cea.cepal.org/sites/default/files/document>



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Structure of the meeting

- I. National Accounts, main conclusions from previous meeting.
- II. Summary of recommendations from the Latin American region
- III. International agencies: methodological notes in the context of the COVID-19 crisis

Specific recommendations



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I. National Accounts, Balance of Payments and Foreign Trade, main conclusions from previous meeting

- For national accounts statistics, the countries did not face problems in the data collection and most of them are using administrative data. However, for the next quarter (Apr-June) it might be some problems to collect the data, to face them, they would look for an imputation method or obtain the information later.
- Regarding foreign trade, even when the borders are closed in most of the countries, the customs are working normally, and the data is being transferred to the national accounts offices without difficulties or delays.



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II. Summary of recommendations from the Latin American region

The recommendations were divided in three topics:

1. *Data sources*

- a) Encourage the implementation of surveys online or by telephone.
- b) Evaluate carefully the non-response by the companies, to identify the cause originating it, establishing whether it is a non-response due to a failure to comply with deadlines, or a temporary or definitive closure. Assess in each case whether it is relevant to apply imputations or substitution. The location of the companies should be included in the assessment, as the closure might have been complete in some of the most affected cities or areas in the countries of the region.



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Continue (1) **II.** Summary of recommendations from the Latin American region

1. Data sources

- c) Foster and deepen the link with business chambers or guilds, ministries of the government and with experts knowledgeable of the operation of certain industries of the country in order to have also the qualitative opinion on the evolution of the markets of more important products.
- d) Consult the economic press, which usually reports interviews with business/trade leaders. Obviously, this information will have to be carefully analyzed for the possible biases that these leaders might express in the current situation in order to have greater access to credit lines of financial institutions or to state subsidies.
- e) Follow up with the companies that have converted their production basket to satisfy the supplies demanded due to the health contingency.



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Continue (2) **II.** Summary of recommendations from the Latin American region

1. Data sources

- f) Compile a table to determine the **percentage of imputations made in relation to GDP**, considering the data sources used for value, price and volume indicators at the most granular possible level of products and / or industries. This table would also make it possible to know the problems raised by the data sources and their weight, codifying the imputations made to identify those introduced under the contingency, as well as incorporating changes in the basket of production originated in response to the economic situation.



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Continue (3) **II.** Summary of recommendations from the Latin American region

Example

Class of activity/ Product	Value			Volume			Prices	
	Indicator	Weight	Observations	Indicator	Weight	Observations	Indicator	Observations
A.0111								

Based on this, try to anticipate the situation:

- Evaluate class by class of activity or product by product: participation of missing data sources, data sources that will have lower quality and sources that will not represent suitably the situation.
- Assess whether it is necessary to introduce new sources because the current ones do not represent the phenomenon well and undertake the necessary research.
- Concentrate on the most common cases.



Continue (4) **II.** Summary of recommendations from the Latin American region

2. Compilation methods

- a) Identify the **fiscal policies implemented by the government** to detect the economic transactions involved and record them according to the *2008 SNA* and in the balance of payments, where applicable. Examples of policies include the reallocation of budget lines, the provision of subsidies to producer companies and households, and the relaxation of fiscal obligations. More information provided in the document *Eurostat, IMF, OECD, UN and WB. COVID-19: How to Record Government Support to Employers, Self-employed and Households. Statistical Advice.*
- b) Record government **subsidies to producer enterprises** as other subsidies on production (D.39). Record zero production for those market companies for which the contingency has implied its temporary closure without the possibility of implementing channels alternative sales and production channels. If these companies continue to accrue expenses, be they inputs or remunerations, they are recorded as transactions and the losses are accounted for in the gross operating surplus / mixed gross income .



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Continue (5) II. Summary of recommendations from the Latin American region

2. **Compilation methods**

- c) Impute other subsidies to production (D.39) in the measurement of production and value added of **collective and individual government services at current prices whose supply was severely restricted**. This imputation means continuing to use the formula of the sum of costs recommended by the *2008 SNA*, but incorporating such imputation with the proper treatment of a production subsidy, with a negative sign. In an extreme case, if the service has been totally suspended, the production and the value added recorded is zero, since the value of the other production subsidies is equivalent to the sum of the costs, always with a negative sign. The existence of subsidies paid and collected within the government sector is contemplated in situations where subsidies "apply to all producers" according with the *Manual on Government Finance Statistics, 2014*, a situation that occurs in the current situation.



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Continue (6) **II.** Summary of recommendations from the Latin American region

2. Compilation methods

- d) Adjust the volume index of collective and individual government services, in cases where the estimate is based on the total number of paid jobs. The adjustment may be upward (for example, health services) or downward (services affected by full or partial quarantine closures). The adjustment may take into account qualitative information or estimates by service involved in normal hours worked vs hours worked in the current situation, on the use and effectiveness of the teleworking modality, on online teaching and/or quality adjustments. Such adjustments are encouraged, otherwise the underlying assumption means that measures to strengthen pandemic-affected services (in the case of health services) or restriction measures (other services) have no impact on measuring the volume of production and value added of services provided by the government.



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Continue (7) **II.** Summary of recommendations from the Latin American region

2. Compilation methods

- e) Record Subsidies on products (D.31) in situations where interest rates are the result of the central bank setting an interest rate lower than the market rate and/or a product tax (D.21) in the event of a central bank taxation of an interest rate higher than the market rate. An alternative for countries to use at their discretion remains open, since it is not covered by the options proposed by the *2008 SNA*, but was part of the discussions prior to its adoption, and consisting in considering both situations as Other subsidies on production (D.39) and/or Other taxes on production (D.29), based on the proposal of the "Output of Central Bank" document of the Intersecretariat Working Group on National Accounts.
- f) Incorporate, in the event that it is not done to date, the analysis of information from debit card or credit card databases, virtual purchases, among others, that could be used as proxy variable for those operations in the formal economy.
- g) Assess the possibility of using information from monetary and financial statistics to validate transactions in the real economy, such as consumer credit, or mortgage loans.
- h) Adopt criteria of flexibility in the methods used, modifying the estimation method if its necessary.



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Continue (8) **II.** Summary of recommendations from the Latin American region

3. Dissemination

- a) Exhaust all possible instances of imputation and alternative analysis before taking the decision to postpone the dissemination of a statistical product.
- b) Inform users in detail through explanatory notes about the restrictions on the availability of basic statistics, as well as the imputation methods used, by industry and economic transaction involved.
- c) Consider grouping and disclosing in less detail the items that are usually distributed, if they are not considered to meet an indispensable minimum of quality.
- d) Inform users about major adjustments made to the office's working methods.
- e) Advance notice to users in the extreme event, that is decided to postpone the dissemination date.



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End (9) II. Summary of recommendations from the Latin American region

3. Dissemination

- f) Communication prior to data release and pos-crisis actions and communication
 - If the release calendar will be maintained or how it will change;
 - After the crisis, it will be appropriate to assess the actual impact of it on data quality and draw some lessons learnt. While the expectation is that crisis-related quality issues will be fully resolved within a reasonable delay, the chance that some of them may persist is not excluded.



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

- The international agencies are working on preparing methodological notes in the context of the COVID-19 crisis.
- The list of topics for which methodological / business continuity notes will be developed has been circulated for discussion around the different regional agencies.
- Currently, some notes are already available, and others are in progress. In the following links you may find this information:

UNSD Resource for Official Statisticians: <https://covid-19-response.unstatshub.org/>

IMF: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

EUROSTAT: <https://ec.europa.eu/eurostat/data/metadata/covid-19-support-for-statisticians>



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

UN: Statistics COVID-19 response



United Nations

Department of Economic and Social Affairs
Statistics • COVID-19 response

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Ensuring continuity



This section provides a space to explore challenges and solutions available to National Statistical Offices to be agile and innovative in adapting their data production methods and processes and ensure continuity of major official statistical programmes.

Interview with Sir Ian Diamond, National Statistician of the United Kingdom

May 22, 2020

Chief Statisticians from across the world are leading the response of National Statistical Systems to the data challenges of the COVID-19 pandemic, even in the context of major disruptions in day-to-day statistical operations. Sir Ian Diamond, UK's National Statistician, shares in an interview how the [Office of National Statistics of the United Kingdom](#) is innovating and working together with the family of National Statistic Institutes around the globe to provide timely and reliable data to monitor and contain the spread of the disease and its socio-economic impacts, and to inform the design of effective recovery policies. Here you can find the video recording and a slightly edited transcript of the interview.

Using telephone interview for household surveys: A conversation with Prof. Jim Lepkowski

May 15, 2020

This article is also available in [Russian](#)

Household surveys play an important role in meeting national data needs.¹ But with the ongoing COVID-19 pandemic, household survey programmes in many countries have been impacted in different ways. While some countries have started to use telephone and web surveys for their national surveys, many still rely on face-to-face interviews. It is these operations that have been affected the most by the pandemic. Is now the right moment for countries that have been relying on face-to-face interviews to make the switch to telephone interviews, given that the mobile phone penetration is already quite high in most of the countries? [Professor Jim Lepkowski](#) of the University of Michigan, a leading expert on survey methodology, shares his



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

IMF: Special series on COVID-19

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SPECIAL SERIES ON COVID-19

Special Series on COVID-19
Last Updated: May 20, 2020

The Special Series notes are produced by IMF experts to help members address the economic effects of COVID-19. The views expressed in these notes are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

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May 20, 2020

National accounts and ESS business continuity notes:

- Government Support to Business and Households
- Business Continuity Plans: Data Dissemination Guidelines
- Business Continuity Plans: National Accounts Statistics Continuity
- Ensuring Continuity in the Production of External Sector Statistics During the COVID-19 Lockdown



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

Eurostat: COVID-19 support for statistics

European Commission > Eurostat > Data > Metadata > COVID-19: support for statisticians

[GISCO: Geographical Information and maps](#)

▲ Metadata

COVID-19: SUPPORT FOR STATISTICIANS

ESS Reference Metadata Reporting Standards

Classifications

Code lists

Legislation and methodology [↗](#)

Concepts and definitions [↗](#)

National metadata [↗](#)

SDMX InfoSpace

Data validation

Guidelines and methodological notes in the context of the COVID-19 crisis

- [PDF](#) Guidance on time series treatment (26/03/2020)
- [PDF](#) Guidance on the compilation of the HICP (03/04/2020)
- [PDF](#) Guidance on the EU-Labour Force Survey data collection (Updated version - 24/04/2020)
- [PDF](#) Draft note on statistical implications of some policy measures (09/04/2020)
- [PDF](#) Guidance on the 2020 EU-SILC data collection (14/04/2020)
- [PDF](#) Guidance on estimation and imputation of missing data for short-term business statistics (20/04/2020)
- [PDF](#) Guidance note on labour costs statistics (24/04/2020)
- [PDF](#) Guidance on quarterly national accounts (including flash) estimates (24/04/2020)
- [PDF](#) Guidance on publication and transmission of national accounts data and metadata (27/04/2020)
- [PDF](#) Guidance on the compilation of statistics on intra-EU trade in goods (05/05/2020)
- [PDF](#) Clarification on the implications of COVID-19 measures on the statistical treatment of existing PPPs and concessions (12/05/2020)
- [PDF](#) ESS strategic communication during the COVID-19 crisis (18/05/2020)
- [PDF](#) Guidance on statistical processing for health and safety at work (ESAW and EODS) (20/05/2020)
- [PDF](#) Guidance on statistical processing for public health statistics (COD and HCnE) (20/05/2020)
- [PDF](#) Annex to guidance note (COD and HCnE) - WHO international guidelines (20/05/2020)
- [PDF](#) Guidance on non-market output (25/05/2020)



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

The topics addressed by the methodological notes already elaborated by the international agencies, and some other specific for Latin America, have been tackled in the document *“Compilation of national accounts, balance of payments and foreign trade statistics in the context of the COVID-19 health emergency”* prepared by ECLAC.



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III. International agencies: Methodological notes in the context of the COVID-19 crisis. *Specific recommendations*

ISWGNA: Government support to Businesses and Households

III. RECORDING OPTIONS AND THEIR IMPACT ON KEY NATIONAL ACCOUNT AGGREGATES

**Note that the last column reflects the direct impact, ceteris paribus, on the main aggregates of government support to cope with the impact of reduced working hours (thus not reflecting the negative impact of the crisis on e.g., operating surplus/mixed income).*

Government intervention	Proposed National accounts recording ¹	National Accounts Aggregates
1. Government interventions that support employers (private and public) with maintaining their business operations, keeping their employees on the payroll, with a view to having a quick return to production.	Recorded as D.39 (other subsidies on production) from the government to the employer and payments of remuneration by employer to employees as wages and salaries (D.11).	↔ Operating surplus (B.2) and mixed income (B.3) of employers
		↑ Wages and salaries (D.11)
		↔ Social benefits (D.62)
		↑ Household disposable income (B.6)
		↓ Government saving (B.8)
2. Government interventions that support households to maintain their income, payable as social benefits.	Recorded as social security benefits (D.621) or social assistance benefits (D.623) from the government to households; no subsidies on production (D.39) and no remunerations in the form of wages and salaries (D.11) from	↔ Operating surplus (B.2) and mixed income (B.3) of employers
		↔ Wages and salaries (D.11)
		↑ Social benefits (D.62)



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III. International agencies: Methodological notes in the context of the COVID-19 crisis

ISWGNA: Government support to Businesses and Households

Government intervention	Proposed National accounts recording ¹	National Accounts Aggregates
3. Government interventions that support households to maintain their income, paid outside of a social insurance scheme.	Recorded as miscellaneous current transfers (D.75) from the government to households; no subsidies on production (D.39) and no remunerations in the form of continued wages and salaries (D.11) from employer to employees for the reduced working hours.	↔ Operating surplus (B.2) and mixed income (B.3) of employers
		↔ Wages and salaries (D.11)
		↑ Current transfers to households (D.75)
		↑ Household disposable income (B.6)
		↓ Government saving (B.8)
4. Government interventions that support the self-employed with the view to supporting their business operations.	Recorded as D.39 (other subsidies on production) from the government to the self-employed.	↑ Mixed income (B.3)
		↑ Household disposable income (B.6)
		↓ Government saving (B.8)



III. International agencies: Methodological notes in the context of the COVID-19 crisis

ISWGNA: Government support to Businesses and Households

Government intervention	Proposed National accounts recording ¹	National Accounts Aggregates
5. Government interventions that support employers with maintaining their business operations, keeping their employees on the payroll, by a reduction in tax.	Recorded as D.29 (other taxes on production) for the employer and payments of remuneration by employer to employees as wages and salaries (D.11).	↔
		Operating surplus (B.2) and mixed income (B.3) of employers
		↑
		Wages and salaries (D.11)
6. Government interventions that support households through temporary changes to tax scheme rules to reduce tax obligations.	Recorded as a reduction in D5 current taxes on income and wealth	↑
		Household disposable income (B.6)
		↓
		Government saving (B.8)
6. Government interventions that support households through temporary changes to tax scheme rules to reduce tax obligations.	Recorded as a reduction in D5 current taxes on income and wealth	↓
		D5 current taxes on income and wealth
6. Government interventions that support households through temporary changes to tax scheme rules to reduce tax obligations.	Recorded as a reduction in D5 current taxes on income and wealth	↑
		Household disposable income (B.6)



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Thank you for your participation!



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