The ECB as user of EC Business and Consumer Surveys

Agenda item “Evaluation and Transparency”

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Content

a) ECB as user of EC survey data
b) Suggestions for enhanced metadata
c) Suggestions for data improvements

➡ Better use
➡ Better understanding

➡ (Even more) Happy Users!!
EC survey data “fit” for ECB use:

- Very timely and high frequency data
- Harmonised data for EU countries
- Long time series
- Broad coverage of all market sectors of the economy
- Information on items not covered by official statistics (capacity utilisation, investment plans)
- Good fit with “hard” official statistics produced by the European Statistical system (ESS)

➔ Early signals for analysis and forecasting
Main uses of EC survey data at the ECB:

• **Briefings / Monthly Bulletin / Speeches**
  - Monitoring of changes in sentiment
  - Expectations on forthcoming releases of hard data

• **“Backcasts / nowcasts / forecasts” of GDP**
  - Importance of the horizon of estimate
  - Bridge equations and factor models

• **Assessment of risks to price stability**
  - Price developments by sector
  - Perceived/expected price developments by consumers

• **Accounting approach**
  - Methodological perspective
  - Using survey results when “hard” data are missing

• **Business cycle approach**
  - Empirical perspective; all survey questions can legitimately be used
b) Suggestions for enhanced metadata (1)

**Metadata** = *Data explaining data*

For **EC Surveys** available:

- Comprehensive metadata by survey/country on website (e.g. methodology, contact persons)
- Harmonised questionnaires (EN)
- User Guide
- List of partner institutes
- Press releases (contain methodological information e.g. migration to NACE Rev2)

➤ **Good set of metadata for users – but with focus on concepts but less on actual implementation**
b) Suggestions for enhanced metadata (2)

Not yet available:

• Questionnaires in national languages
  – ensure that all ask the same
  – apply the same time horizon in questions
  – offer the same answer categories
  ➔ To interpret differences across countries

• Guide for survey participants
  – Reference document for interviewers and respondents
  – Definition of target indicators (new orders, inventories)
  – Clarification of concepts (financial position)
  – Guidelines for measurement (capacity utilisation rate)
  – Common understanding of e.g. “slight” increase
b) Suggestions for enhanced metadata (3)

- **“Survey of the surveys”**
  - What do respondents have in mind when answering survey questions?
  - Does answering behaviour change over time, during business cycles, across countries?
  - Changes in understanding of answering categories “better – unchanged – worse” for e.g. production expectations
  - Valuable information available from the UK and some other survey conductors, but not yet from all countries.

**Set-up regular “surveys of surveys”** (multi-annual)
c) Suggestions for more data (I)

Survey results typically published as “percentage balances”

- No information on the components of balances
  - publish also share/percentage of the replies
  - provide insight in development of changes in sentiment (time series perspective)
  - decomposition of overall balances
  - allow for alternative weighting schemes
c) Suggestions for more data (2)

"Unemployment expectations for the euro area"

- Red: People expecting unemployment to increase sharply
- Orange: People expecting unemployment to increase slightly
- Yellow: People expecting unemployment to remain unchanged
- Light yellow: People expecting unemployment to decrease slightly
- White: No answer

![Graph showing unemployment expectations from 2000 to 2010]
c) Suggestions for more data (3)

Flash estimates

- Successful for Flash Consumer Confidence
  ➔ Extend to other surveys as well

Financial services survey

- Results for euro area/EU only
  ➔ Provide also national breakdowns, inline with requirements for financial stability purposes

National results

- Harmonised EC data published after national institutes
  ➔ Advance releases of “ECFIN’s” national data
Micro data

- Potential gold mine to explore and exploit....
  - Anonymised data
  - In research corner
  - Easy to access and to use
  - Start/continue with data on inflation expectations and perceptions
Thanks for your attention!

Comments / questions?