

MEASURING AND MONITORING THE SOCIO-ECONOMIC IMPACTS OF THE COVID-19 PANDEMIC ON THE ECONOMIES OF THE REGION

A RECOMMENDED LIST OF ADMINISTRATIVE DATA TO BE USED AS LEADING INDICATORS OF MACROECONOMIC IMPACTS

1. INTRODUCTION

The economies of all Pacific Island Countries and Territories have been seriously impacted by the travel restrictions and lockdowns resulting from the COVID-19 pandemic. The challenge for all governments is to understand as quickly as possible what is happening to their economies, and consequently to the lives, livelihoods and well-being of their populations, especially those who have lost their jobs, are disadvantaged and vulnerable and who face a very challenging future.

Many initiatives are either underway or proposed to measure and monitor impacts at the household level, including the High Frequency Phone Monitoring (HFPM) surveys being proposed by the Statistics for Development Division (SDD) in collaboration with World Bank, UN agencies and other development partners in the region. A Concept Note outlining how such surveys might be conducted can be found at <https://sdd.spc.int/disasters-data/covid-19/high-frequency-phone-surveys-hfpm-households-monitor-impact-covid-19>

But what of the macroeconomic impacts that lead to the micro-level consequences at the household level. There is a need for a selection of macroeconomic “lead indicators” that can be compiled and published quickly so that the impacts of the pandemic can be measured in a timely manner to enable national statistics offices, finance ministries and planning agencies to better understand the impacts as they affect the economic situation.

2. USING ADMINISTRATIVE DATA FOR ECONOMIC MONITORING

There are many items of administrative data being collected on a regular and systematic basis by government ministries and agencies, state enterprises and others in the private sector, that with a little extra effort could be compiled and published on a monthly basis, if not even more frequently, to provide valuable lead indicators of economic activity.

In many, if not most countries in the region the National Statistics Offices (NSOs) have the power through the national Statistics Acts, to collect whatever data may be required for government purposes, this mandate can be reinforced by finance or statistics ministers at Cabinet levels. Now is the time for NSOs to consider using their authority to enhance the availability of data for the benefit of everyone.

The following are a selection of administrative data sources and indicators that could be developed and used for economic monitoring purposes:

Recommended Selection of Economic Lead Indicators Available from Administrative Data		
Administrative Data Source	Indicator	Data Compilation
Power generation/consumption;	<p>Power generation/ consumption is a very useful leading indicator of economic activity; disaggregated by households, commercial and government consumption.</p> <p>For households it can indicate whether power saving (cost reduction) is being exercised.</p> <p>For commercial businesses it can indicate the level of economic activity or output.</p>	<p>Data on this should be available on a real-time monthly-in-arrears basis from the power authority;</p> <p>Most power generators operate a two-tier tariff system for commercial and private consumers, usage between the two tariff systems should therefore be available; and government consumption can also be separated;</p> <p>The trends for the current year can be compared with the same periods for previous years to estimate the reductions in demand from both commercial and private consumers.</p>
Consumption taxation revenues	Level of commercial and/or consumer activity	<p>Countries that operate a VAT systems will normally collect most revenues at the border or the point of importation, usually through the Customs Authority; data on amounts collected should be reportable by the relevant ministries (finance or revenue) on a real-time monthly-in-arrears basis;</p> <p>VAT receipts will provide an indication of the aggregate level of imports. When final (retail or end use) sales are made refunds of VAT tax paid will be due, these refunds will provide an indication of the level of sales revenue in wholesale and retail trade;</p> <p>Monthly trends can be monitored and compared with previous years and against budget.</p>
Income and corporate tax	Level of commercial activity and/or profitability	<p>Income tax is usually collected and paid fortnightly or monthly throughout the year;</p> <p>Corporate tax may be paid at corporate or financial year-end, and may be seasonal, but aggregate data on both income and corporate tax collections can be reported on a monthly basis to identify trends over previous periods and against budget.</p>
Non-tax revenues	Level of personal and corporate engagement with the government	Payments to and for government services should be reportable on a monthly basis.

National Provident Fund contributions;	Levels of employment and income in the formal economy; if possible disaggregated by gender of contributors and economic sectors (ISIC)	Almost PICTs have some form of national provident fund (NPF) or social security system whereby payments (employee and employer contributions) are made on behalf of members by employers each payday; data on the amounts received by the NPF and the number of workers making weekly/monthly contributions should be reportable on a monthly in arrears basis.
Air passenger/tourist arrivals;	Level of activity in the tourism sector	Data on air passenger/tourist arrivals should be available from the immigration computer system or from the arrival cards on an almost daily basis; given the very small numbers (if any) of arrivals this should be very easy to collect and report monthly.
Remittances:	Household income	Central banks usually require information on inward remittances to be reported by commercial banks and money transfer agents, these could be reported on a monthly basis and trends observed over previous periods.
Banking:	Economic activity, level of household or commercial borrowing	Central banks usually require commercial banks to report on monetary conditions on a monthly basis, key indicators such a private and commercial lending and overdrafts could be reported regularly, and trends observed over previous periods.
Trade:	Imports, exports and general economic activity	<p>Most customs authorities use some form of computerised trade information system; it should be standard practice that goods are not released from a wharf unless documentation is complete, and hopefully entered in the information system;</p> <p>Data from these systems could be reported on a more regular basis to enable trends in key commodities to be observed e.g. exports, and imports of rice, flour, sugar, cement etc.</p>
Business Registrations	Level of activity and investment in the private sector	New business registrations are indicative of investment activity and enterprise creation, data is collected by the responsible ministry and could be published monthly.
Local markets:	Economic activity in the informal sectors	Many NSOs undertake regular local market surveys, including collections of prices and quantities of goods on sale for the CPI or GDP, these could be done or published on a monthly basis to enable trends in the rural agriculture and fisheries sectors to be monitored.

Fuel consumption:	Levels of activity in the transport and distribution sectors	Consumption of diesel is a good indicator of the level of activity in the private sector (transport/distribution), oil companies could be requested to provide data on diesel consumption (excluding bunkers and power generation) on a monthly basis if this is not already required by governments.
Vehicle Registrations	Number of new and renewed vehicle registrations by vehicle type;	This is an indicator of transport activity in the commercial sector, but can also be an indicator of household hardship if private vehicle registrations decline.
Mobile Phone Traffic	Levels of activity in the communications sector: this can include international and domestic phone calls, and for countries where mobile banking is available it can indicate domestic remittance flows.	Mobile phone companies could be required to provide data on domestic and international phone traffic; Time spent on VOIP URLs could also be monitored through ISPs to provide an indication of internet communications through VOIP connections.

Some of the data recommended here may be commercially sensitive (e.g. banking, fuel consumption and phone/internet usage), but most is not. A little extra effort could see these indicators published monthly, and with some confidentialisation the commercial data could also be made available and/or companies could be asked to provide % changes from month to month rather than absolute numbers if necessary.

We believe that all these indicators could be (and in many cases are already being) collected regularly but are frequently not published in a timely manner.

Given the very damaging consequences that the pandemic is currently having on the people and economies of the region, there is a need for new ways of working to ensure that valuable data is available to inform governments and development partners on the responses needed to mitigate the impacts on poverty, hardship and vulnerability.

With strong support from NSOs, finance and planning agencies (and some improvements in the speed and efficiency with which this data is collected and shared) all these leading indicators could be published on a monthly basis. These would provide a very comprehensive set of indicators on the state and trends of Pacific economies as the pandemic works through the region.

Achieving this would be a major step forward in both understanding and addressing the needs, not only of the people, but also the governments of the region.

Statistics for Development Division

Pacific Community

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