

ICPS newsletter

Consensus forecast has been introduced in Ukraine

Quality macroeconomic forecasting is one factor in ensuring an effective government policy. We can make realistic forecasts for national economic development by fully employing the potential of both governmental and non-governmental organisations that research in the economic sector. The initiative of the Economy Ministry of Ukraine to conduct quarterly seminars on macroeconomic forecasting is an example. The seminars aim at boosting the quality of

economic forecasting in Ukraine and ensuring information swapping between governmental and non-governmental organisations, technical assistance projects, and international financial organisations. Last week, the ICPS hosted a regular seminar under the framework of the Consensus Forecast Project, carried out by the Ministry of Economy and supported by the Support for Economic and Fiscal Reform Project

The discussion was devoted to development of the forecast of major macroeconomic indicators for 2002–2003. The seminar was attended by the representatives of the following organisations:

- Ministry of Economy and European Integration of Ukraine;
- Finance Ministry of Ukraine;
- National Bank of Ukraine;

- International Monetary Fund;
- International Centre for Policy Studies;
- Institute of Economic Forecasting of the National Academy of Sciences of Ukraine;
- ING Barings Bank.

During the seminar, the invited organisations made presentations of their outlook for national economic

development in 2002–2003. Based on the seminar materials, the Ministry of Economy and European Integration is going to release the first issue of a quarterly publication called *Konsensusnyi prohnaz/Consensus Forecast*.

The table below presents the average forecast of major macroeconomic indicators made by the above organisations. ■

Comparative table of macroeconomic forecasts for 2002–2003

Indicator	Average value		Indicator	Average value		Indicator	Average value	
	2002	2003		2002	2003		2002	2003
Real sector	(mill UAH)		Official transfers (net)	1,549	1,552	Domestic borrowing	0.2	-0.1
Nominal GDP	227,626	262,501	Capital account	-318	252	Foreign borrowing	8.3	10.3
Consumption	180,817	204,687	FDI	866	985	Money and credit	(mill UAH)	
private	134,917	154,620	Medium- and long-term loans (net)	661	-77	Monetary base, year-end	28,328	34,22
public	450,74	49,119	Short-term capital (net)	-892	-312	Dec. to previous Dec., %	22.9	20.0
Investment	49,213	59,724	External Sector	(% of GDP)		Money supply (M3), year-end	56,981	69,124
Gross accumulation of fixed capital	48,986	60,521	Current account	1.4	0.7	Dec. to previous Dec., %	25.6	20.9
private	42,443	53,156	Export volumes	52.3	50.4	NBU discount rate, %	10.8	9.7
public	5,746	5,621	Import volumes	-52.3	-50.8	average annual		
Net exports of goods and non-agency services	-182	-1,030	Revenue balance	-1.9	-1.8	Average weighted interest rate on commercial bank hryvnia loans, %	26.7	23.3
Gross national savings	52,617	62,667	Official transfers (net)	3.7	3.3	%, average annual		
Real sector	(index, year-over-year)		Capital account	-0.2	0.5	NBU international reserves, mill. USD	3,420	3,949
Real GDP	105.1	105.7	FDI	2.0	2.1	Social indicators	(thousands of people)	
Consumption	106.6	105.2	Medium- and long-term loans (net)	0.9	-0.2	Population	48,688	48,346
private	107.3	106.4	Short-term capital (net)	-1.7	-0.6	% change over previous year	-0.7	-0.7
public	103.4	101.3	Exchange rate, UAH/USD			Number of employees enrolled in all sectors of economic activities, year-end	21,000	19,800
Investments	107.6	108.7	Average annual	5.43	5.67	% change over previous year	-1.4	-5.7
Net exports of goods and non-agency services			Year-end	5.57	5.84	Number of registered unemployed, year-end	1,149	1,180
Gross national savings	103.7	106.5	Public finances*	(mill UAH)		registered unemployment, year-end, %	4.1	4.4
Inflation	(index)		Total revenues	57,056	63,451	Average wage, UAH	366.42	428.53
GDP Deflator (average annual)	107.5	109.0	Total expenditures	60,229	65,534	Cash disposable incomes of population, mill. UAH	43,695.4	51,207.2
CPI (average annual)	105.9	108.3	Overall balance	-3,494	-2,528	Cash disposable incomes of population, % change over last year	7.65	9.83
Dec. to previous Dec.	108.2	107.2	Financing items	2,500				
PPI (average annual)	103.1	106.5	Privatisation	3,400	4,044			
Dec. to previous Dec.	105.4	105.6	Domestic borrowing	387	-422			
External Sector	(mill USD)		Foreign borrowing	-949	-1,724			
Current account	651	408	Public finances*	(% of GDP)				
Export volumes	21,255	22,621	Total revenues	25.3	24.6			
Import volumes	-21,222	-22,748	Total expenditures	26.7	25.4			
Revenues balance	-797	-860	Overall balance	-1.5	-0.9			
			Financing items	1.1				
			Privatisation	1.6	1.3			

* IMF methodology

Statistics in transformation: ensuring data confidentiality and winning public support

A new issue of the bulletin Gosudarstvennoe upravlenie v perekhodnykh ekonomikakh will come out soon. This bulletin, a Russian-language version of the Local Government Brief is, released by the International Centre for Policy Studies on commission of the Local Government and Public Service Reform Initiative (LGI), which is affiliated with the Open Society Institute, Budapest. This particular issue deals with the protection of personal information and statistics on nationalities

On the threshold of the millenium, many Central and Eastern European countries conducted censuses of their population. The special thing about this round of censuses is that they were conducted for the first time after the transformations undertaken in these countries. The path of democratic transformations and accession to the EU demanded that these countries comply with new requirements in the realm of protecting confidentiality of personal information. While previously, under the Communist system, individual rights to privacy were left unheeded by the government, and it more like sanctioned their violations, today Central and Eastern European countries have to perform their obligations regarding information nondisclosure.

Collecting information about the population is a tricky dilemma. On the one hand, the government has to acquire data about its citizens to help it work out an enabling policy. On the other hand, people do not always deem it expedient to disclose all their personal information (their income level, etc.) to the state. Reforming the state statistics system and ameliorating the relationship between the state and its citizens will improve the procedures of information support for policy decisions pertaining to data acquisition on the population.

One of the adverse factors that crucially affects population statistics

is the lack of confidence in the government among the population. This mistrust displayed by society burgeoned in the Communist epoch, when the government used to seize property and take repressive measures, using any information available, including that collected through public opinion polls. The popular scepticism about state statistics was bolstered by the fact that they were also used as a propaganda tool. However, even after the transformations had been initiated, the statistics image continued to be slurred due to the illegitimate usage of information by state officials. The authors cite the Russian Federation as an example, where the chief and other managers of the State Statistics Committee had been convicted of the intentional data falsification and disclosure of confidential information about private enterprises to their rivals.

The authors of the publication emphasised the information pertaining to nationality and ethnicity. Discrimination problems aggravate the issue of data acquisition about citizens. Nonetheless, we cannot prohibit any data acquisition and disclosure, since it does not disseminate discrimination by nationality (discrimination is triggered by the bias of society); on the contrary, it assists in tracking discrimination cases and in finding

ways to eliminate this negative phenomenon.

The authors furnish recommendations regarding statistics of nationalities:

- A distinction should be made between statistics and those social and political values which affect the way they will be used.
- It is essential to distinguish between the rights to privacy and usage of grouped anonymous statistical data, which do not allow to single out information about a particular individual.
- The process of data preparation, acquisition and their analysis should involve representatives of all interested parties.
- It should be kept in mind that statistics on nationalities are not a cure-all to do away with discrimination; other instruments should also be used, for example, development of anti-discrimination legislation.

The new issue of the bulletin also presents special materials about the experience of different countries (both Central and Eastern Europe and Western Europe) in the sphere on statistics of nationalities, ensuring data confidentiality, international legislation, and other initiatives in this sphere, speeches made by representatives of national statistical organisations and authorised agencies on protecting information. ■

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