Panel Discussion

"Navigating Resilient Recovery through Statistics"

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MyStats 2021

MYSTATS DAY

Organised by:

PRIME MINISTER'S DEPARTMENT
DEPARTMENT OF STATISTICS MALAYSIA

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An economist's perspectives

Role of statistics in…

- Understanding the nature and consequences of the pandemic from a public health perspective – *for assessing short and long term economic impact*
- Identifying the transmission channels – *supply, demand, financial and various other shocks*
- Determining the impact - *differentiating what's temporary and permanent ('scarring') effects*
- Contributing to policy responses – *achieve consensus on what're feasible, what're optimal and what'er sustainable*

Nature and consequences from a public health perspective

- Epidemiological data and information: Nature and pattens of disease, transmission channels, transmissibility, hospitalisation needs and capacity, treatment capabilities. *Our World in Data, WHO, John Hopkins University*
- Daily infection cases, severity of confirmed cases, mortality and recovery rates, long term health impact (long Covid). *Ministry of Health; MySejahtera*
- Comprehensive data collection and transparency in dissemination is key to successful public education, SOP compliance and mass vaccinations.
- Dynamic inter-play of pandemic containment measures and economic impact – what're the trade-offs and complementarities? *Oxford University Stringency index, official and industry survey data*

Transmission channels of shocks to the economy

- Sources of shocks –*border closures; lockdowns; movement restrictions; social, workplace and business SOPs; loss of lives and livelihoods*
- Transmission channels include income, production, trade, investment, employment, price, financial, household and business expectations and confidence – *nature, characteristics, patterns, magnitude (severity), timing (leads & lags); duration (persistence)*
- Linkages, dependencies and inter-relationships – *better informed policy decisions that considers the 'general equilibrium' or economy-wide approach.*

Impact analysis – establishing scope, severity and duration

- Impact
  - direct and indirect (magnitude, persistence and *knock-on'* effects)
  - primary, secondary and tertiary (*pervasiveness and feedback loops*)
  - timing, distribution and frequency (transitory or permanent, leads & lags)
- Primary, secondary and tertiary impact – *better manage distributional impact of shocks and government support programmes (timely, targeted and temporary – 3 T's of public policy)*
- Impact on stocks and flows *- e.g. wealth (stock) and income (flow); inventory levels, are important data for ascertaining varying impact on different household income and industry groups (also for production and consumption smoothing purposes)*

Policy responses – optimal and sustainable

- Nature, magnitude, timing and coordination of fiscal and monetary responses – *more effective if policies are targeted and coordinated.*
- Pre-empting 'scarring' or permanent damage to the economy – *asymmetric impact on low income and disadvantaged groups; ascertain whether loss of skills, jobs and productive capacities are short or long term in nature;*
- Data crucial for formulation of evidence-based policy response – *to enable quick economic recovery and implement necessary long term structural adjustments.*

Key takeaways

- While data has become even more important as *the oil that fuels the digital economy*, the availability and accessibility to reliable conventional statistics is critical to the formulation of sound policy responses to the pandemic and other systemic shocks.
- Official statistics are a crucial part of the national information system needed to respond effectively to crisis management but it needs to be supplemented with timely and purposeful surveys to determine impact and efficacy of policy response measures.
- Administrative and transaction data including 'big data' from private sources such as Google mobility data could be harnessed for data-driven, evidence-based policy decision making.

THANK YOU

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