Data Revision Policy[1]

Introduction

Statistics and Data Warehouse Department (S&DWD) is responsible for collection, compilation and dissemination of statistics on monetary and financial aspects of Pakistan economy. The Department is primarily engaged in collecting and compiling data of various periodicity on money & banking, international trade, monetary accounts, balance of payments, exchange rates, external reserves, foreign investment, and external debt & liabilities, etc.

This Department is collecting and compiling these data according to internationally recognized manuals (like Balance of Payments International Investment Position Manual, 6th Edition of IMF). These data are disseminated/published through SBP website[2] following IMF Standards for Data Dissemination (like General Data Dissemination System (GDDS), Special Data Dissemination Standards (SDDS).

Quality data helps right diagnostics of an economic state and designing appropriate policy response and assessing effectiveness of any policy prescription(s). S&DWD has a commitment of producing quality statistics with high reliability and timely dissemination for better economic management and appropriate policy making for the prosperity of Pakistan. Most of the data compilation manuals of international organizations as well as the Data Quality Assessment Framework of IMF[3] underscores the value of revisions, where required, as revisions help improve the accuracy of the underlying information and credibility of the compiler.

Any official change in a value of a statistic released to the public by an official national statistical agency, in the capacity of disseminating information to the public, is called a revision. A data revision may pertain to a) arrival of information that was not available at the time of initial release of the statistic, b) change in compilation methodology after the initial release of the statistic.

The statistic may pertain to a level, such as the value of a flow or a stock variable. Revisions are integral part of compilation & dissemination of statistics as they enrich statistics users with as accurate information as possible and that too with a reasonable lag (of time). Data compilation guides/manuals, from different international organizations, like United Nations and International Monetary Fund, also recommends timely revisions as and where necessary.

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[1] Last updated: September 11, 2019

[2] For Advance Release Calendar, please see Economic Data Page on www.sbp.org.pk

[3] https://www.imf.org/external/np/sta/dsbb/2003/eng/dqaf.htm

Theoretically, the (final) revision pertaining to any statistic is expected to have zero mean, low variance (compared to the variance of the final statistic), and unpredictable (at the time of initial release of the statistic). Empirically, such properties of revisions may differ, from what we expect theoretically, depending upon the span we consider.

Need for Revision Policy

One of the dimensions of data quality is its serviceability which requires revision policy to be public and revisions to be regular, if periodic (like in case of GDP). There should be clear distinction between preliminary and revised data. Revision policy brings more transparency to the data compiled & disseminated, in addition to making data more accurate and consistent over time. It ensures documentation of the revisions for data users which itself is sometime beneficial for analytical purposes and builds confidence of the data users.

Reasons for Revisions

Revisions can take place for multiple reasons. However, for common understanding these can be classified as follows.

a) Classification by reason

Reasons for revisions mainly comprise better source data, routine recalculation, improved methodology and rectifying the genuine mistakes. These can further be divided as below:

i. Better Source Data
   - ✓ To incorporate complete or better reporting
   - ✓ To closely match the concept
   - ✓ To replace judgments
ii. Routine Recalculation
   - ✓ Updated seasonal factors
   - ✓ Rebasing

iii. Improved Methodology[4]
   - ✓ Change in statistical methods
   - ✓ Change in concepts, definitions, classifications
iv. Rectifying Genuine Mistake(s)
   - ✓ To rectify mistakes by source data supplier
   - ✓ To rectify mistakes by compiler.

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[4] See notes, as an example on: http://www.sbp.org.pk/departments/stats/ntb.htm

b) Classification by timing

The timing factor involved actually describes the frequency of revisions. The revisions that are made in the weeks or months shortly after the first release of data are called "current revisions". "Annual revisions" are made after data for all the months or quarters of a year become available (like in case of foreign direct investment that is revised when data on re-invested earnings by foreign firms become available). Furthermore, annual revisions may affect several years of data—perhaps three or four years—so an annual estimate may be subject to revision more than once (say, in case of Balance of Payments)[5].

Data Revision Policy (at Statistics & Data Warehouse Department)

The following practices are followed in carrying out the revisions in various data series regularly disseminated by the Department.

1. The provisional data that is subject to revision is marked with "P" and the revised data marked with "R".
2. Advance notice is given on expected major changes in concepts, definitions, and classification and in statistical methods.
3. Revisions are timed to incorporate new source data.
4. In the changing global environment, treatment of transactions is sometime necessary to be reclassified and at times compilation guides are updated in the light of such reclassification(s). Major changes in statistical methods, concepts, definitions and classifications are made, though less frequently, by the (respective manual) issuing authority (like IMF, in case of balance of payments manual). We revise the old data, to reasonable stretch of time in the past, to measure the comparability and compatibility along with the availability of data series in accordance with changes/updates in relevant data compilation manual/guide.
5. We study and analyze revisions to better inform its different dimensions to users. The reasons and sources of revisions are explained when the revised series are released.
6. Data reported by the reporting banks, authorised dealers in foreign exchange etc. are examined thoroughly by this Department to minimize the chance of any error/mistake. In case, any error/mistake is reported by any reporting entity (or unearthed by this Department) after the release of provisional data, the necessary revision is made in a transparent and timely manner.

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[5] The less frequent revisions, often four or more years apart, may be called "comprehensive," major," "historical," or "benchmark" revisions. Such revisions are usually the results of significant changes in data concepts/definitions, classifications and/or compilation methods.