



UNDERSTANDING STATISTICAL JARGON

"mom", "qoq", "yoy", "inflation", "in volume terms"



Statistical releases are often filled with technical terms, acronyms and expressions in order to simplify the presentation of the latest statistics in a context. Through examples, this article aims to provide keys in understanding statistical jargon and highlights points that would deserve further clarification. The following two paragraphs are an abstract from a recent article analysing a country's economic developments in the first quarter of 2009. They use a rather comprehensive sample of technical terms and acronyms typically used in descriptive statistics intended to make analysis easily readable.

PUBLISHED TEXT	EXPLANATION
<p>"Thanks to ... fiscal stimulus, gross fixed capital formation picks up by 15% in March, This is about 6 percentage points higher than that in January-February. Meanwhile, growth in real GFCF surged to 25% ..."</p>	<p>"picks up by 15% in March" By default, the percentage change is given in comparison with the previous period, i.e. February. CONCLUSION: the March value is 15% higher than the February one.</p> <p>"6 percentage points higher than that in January-February" 1. A percentage point is the unit for the arithmetic difference of two percentages. CONCLUSION: Since the monthly growth in March is 15%, then in January-February it was 9%, or 15% - 6%. 2. Using a combination of two months is not usually done, but is understandable given the early months of the year. It may mean that the monthly growth rates were close in both January and February, or the two months average 9%. 3. A note on the difference between percentages and percentage points: 15% is 5 PERCENTAGE POINTS HIGHER THAN 10%. But, 15% is 50% HIGHER THAN 10%.</p> <p>"GFCF" Although no clear identification of this acronym is given in the article, the previous sentence refers to "gross fixed capital formation".</p> <p>"growth in real GFCF" 1. "GFCF growth" given without any further qualification refers to nominal change, in terms of current currency units, as is the case of the 15% above. A part of this percentage growth results from price changes while another part results from volume (quantity and quality) changes. CONCLUSION: "Growth in real GFCF" refers to the growth in volume terms. A term also used is "quantum". 2. Note that the volume growth is higher than the nominal growth. CONCLUSION: This means that prices have decreased.</p>
<p>"Given the ..., CPI inflation continues to drop, falling by 2% yoy in March. However, the pace of CPI inflation appears to have slowed somewhat, compared with a decline of 0.5% in February. Meanwhile, producer price index fell by 5% in Q1, ..."</p>	<p>"Inflation" The word "inflation" is mistakenly used for "price change" throughout this paragraph. This term should have actually not been used because the whole paragraph describes a decrease in prices. In reality, inflation means a general and sustained increase in prices, whereas a similar drop in prices is called a "deflation".</p> <p>"yoy" "yoy" stands for "year on year". Contrary to the previous text where the growth rate, 15%, compared March 2009 with February 2009 (by default, monthly growth or "mom"), this compares March 2009 over the same period of the previous year, i.e. March 2008.</p> <p>"producer price index fell by 5% in Q1" It is unclear to which period the first quarter is compared to. Without any specification, this would normally mean that the producer price index is compared with that of the last quarter of 2008 ("qoq" or quarter over quarter comparison). However, this could also be a comparison against the first quarter of 2008, since the 1st sentence of the paragraph was commenting on "yoy" developments.</p>

THE WTO AT THE 40TH UNITED NATIONS STATISTICAL COMMISSION (UNSC) THE GLOBAL CRISIS: A CHALLENGE FOR STATISTICIANS

The issues of most direct relevance to trade statistics was the adoption of the 2008 revision of the System of National Account (2008SNA). This will affect the reporting standards for trade in Balance of Payments, following the new [BPM6 recommendations](#). At the request of several developing countries, a flexible implementation of the new BPM6 and 2008SNA recommendations has been adopted. One can therefore foresee several years of relative confusion in the coverage and definitions of international trade data reported by balance of payments and national accounts. The norms, however, governing the statistics on international trade in merchandise as defined by the forthcoming manual on concepts and definitions of trade in merchandise (IMTS 2010) will not be affected. These trade statistics should provide a reference for reconciling trade data across countries and time periods.

Two side meetings also organised during the 40th UNSC were of particular interest to WTO work : (i) **Inter-agency consultation on the fu-**

ture of international trade statistics; (ii) **High-Level Forum on "Globalization and Global Crisis: The Role of Official Statistics.**

The objective of the Inter-agency consultation was to prepare for the 41th UNSC next year, when a special session will be devoted to trade statistics.

THE GLOBAL CRISIS PRESENTS A CHALLENGE FOR STATISTICIANS, WITH AN INCREASED DEMAND FOR TIMELY STATISTICS ON SEVERAL PRIORITY TOPICS, SUCH AS SHORT-TERM ECONOMIC AND FINANCIAL INDICATORS, INCLUDING LABOUR STATISTICS.

The present crisis, however, should not overshadow other emerging issues, such as the need to improve on social and environment statistics. One participant concluded with a word on caution on the possibility of redirecting the statistical programmes too quickly, and urged not to abandon the long term priorities in order to run after an elusive short-term target.



TRADE IN SERVICES PROFILES IN MID-MAY AT THE WTO WEBSITE!

The Services Profiles provide information on key infrastructure services for some 60 members and observers. The sectors covered are transportation, telecommunications, finance and insurance. The profiles are divided into four parts. The first part provides a snapshot of the importance of services in a given economy. The three other parts focus on each of the above mentioned service sectors.

Services profiles are available for the following countries: Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, European Union (27), Finland, France, Germany, Greece, Hong Kong, China, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Korea, Republic of Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Morocco, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Russian Federation, Saudi Arabia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Turkey, Ukraine, United Kingdom, and the United States.

Meetings, Seminars, Training given, Jan - April 2009	
29 January Geneva	47th WTO Trade Policy Course on Merchandise Trade
16 February Geneva	47th WTO Trade Policy Course on Services
23 February New York	12th Session of the Inter-agency Committee for the Coordination of Statistical Activities
24-27 February 2009 New York	40th Session of the UN Statistical Commission
10-11 March 2009 Bangkok	Inter-agency Task Force on International Merchandise Trade Statistics (TFIMTS)
12 March 2009 Bangkok	Joint Session of the Inter-agency Task Forces
23 March - 1 April Washington, D.C.	International Trade in Services Course World Bank Training in Services

Statistics Group
Economic Research and Statistics
Division (ERSD)
World Trade Organization
154, rue de Lausanne
CH-1211 Geneva 21
Switzerland
Phone: +4122 7395111
Fax: +4122 7395763

For data inquiries, contact :
Trade flows: statistics@wto.org
Tariffs: idb@wto.org

We are on the Web!



**WTO Statistics
Online Database**
www.wto.org

Send us [feedback!](#)

The **Statistics Group** supports WTO Members and the Secretariat with quantitative information in relation to economic and trade policy issues. The group is the principal supplier of WTO trade statistics through the annual "International Trade Statistics (ITS)" report and the WTO Statistics Database. The group is also responsible for the maintenance and development of the Integrated Data Base (IDB) which supports the Market Access Committee's information requirements in relation to tariffs.

Publications:
International Trade Statistics (ITS) Report
Trade Profiles
World Tariff Profiles

Inter-Agency Links:
[Inter-agency Task Force on Statistics of International Trade in Services](#)
[Inter-agency Task Force on International Merchandise Trade Statistics](#)
[MDG Goal 8: Market Access Indicators for LDCs](#)

Comments and questions regarding this issue can be forwarded to:
Ninez Piezas-Jerbi (Ninez.Piezas-Jerbi@wto.org), Editor