Dossier
Marco BABIC is an Executive Editor with Bloomberg News responsible for managing a worldwide team covering six continents which collects government and private sector data. In this capacity Marco and his team prepare the data for inclusion into various platforms on the Bloomberg system. Another facet of the team is surveying economists around the globe on their expectations for both high frequency indicators and long-term expectations.

Q : When I am looking to Bloomberg, I am always fascinated about their (your!) ability to put so much information (data) on the TV screen. Are there any secrets about how (not) to do it?

A : I can't really comment on this one since I'm not in that department but they have changed the format over time.

Q : All of us are aware about a very nice song written in the 80's of last century: "Video Killed the Radio Star". It is true that a “A picture is worth a thousand words”?

A : I think a picture or graphic can add very interesting and relevant content to any story. If you think about major news events, there can be an utterly gripping narrative written about it, but adding a photo, a graphical representation of a number or a map, can give it instant context. In the world of statistical reporting, this is particularly relevant. You could have spreadsheets full of data and even write a long story about that, but if you embed a graph or a chart, once again you have some instant context.

This isn't mutually exclusive. A compelling narrative combined with a picture, graph or chart can be very powerful. I think of the Apollo moon landing where a newspaper describes the incredible feat itself, the people involved and the effort it took. But seeing a photo of a human in a spacesuit on another celestial body is a very different experience.

Q : There are voices which claim that, nowadays, paradigm shifts and the focal point for statistics changed from "How to produce it better" to "How to disseminate it better". What do you think about?

A : The question of "how to produce it better" should never stopped being asked, so I don't think there is a paradigm shift from production to dissemination. The latter is

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really a very interesting point and how to go about that is a very broad topic of discussion. If you don't focus on increasingly better production methodology, the better dissemination point is rather moot.

Q : I read recently that a good news should be a storytelling. What do you consider that statistical storytelling could be?

A : I agree. And it can be a short story, or one that can take weeks, months or even years to write. Statistical story telling combines many of the elements in the other points above. There are the statistics themselves which have to be of quality because if they're not, the most talented writer can't make a good story about that, unless of course it's about how bad the statistics are!

Whether a general news story or a statistical one, the surprise is one of the most important elements. And it is the focus on these elements that make the story compelling. For example GDP rose 2.0% SAAR. What does that tell you? Well, not much. For this particular number is that a lot or a little for this economy, is about or below expectations. Was it driven higher for the wrong reasons like inventory buildup or unexpected government spending?

A narrative story explaining this could be made much better with a graph of the relevant data pointing out the outlier results.

Q : What means communicating statistical indicators from users' perspective in terms of the storytelling?

A : I think I understand the question and will answer accordingly. Different users have different needs for storytelling. A busy executive might want only the top 10 most relevant stories for an industry or region in a summary format. That way, he or she can quickly understand what is going on in areas that are important to them. Others might like a very long narrative with lots of details.

One thing is certain is that there is so much information available now that users can be overwhelmed. So for the person producing and disseminating statistical indicators, it is very important to understand the end user and how they consume the information.

Q : Do you consider that indicators like "Gross National Happiness" could replace, in time, much more reputed and consolidate ones like "Gross Domestic Product"?

A : In this particular example, I don't foresee Gross National Happiness (GNH) replacing GDP since GNH is more subjective. Having said that, the appetite for better, more frequent and different indicators is seeming insatiable.

As flawed as GDP might be, it is a useful scorecard to have and there are agreed upon statistical methods for this. But people are constantly seeking better indicators to gauge the health of an economy.

I think it is very important to follow what indicators governments are using to formulate policy. This really is no secret, and there are myriad private sector indicators designed to measure the economy and often compared to GDP, trade, industrial production or what have you.
Q: Speaking about indicators, do you think that it is much more easy to communicate to a broader audience a simple construction (like, for e.g. Dow Jones Index which consists more or less in a simple addition of the price of 30 large publicly owned companies from New York Stock Exchange) compared to much more elaborated ones (like Gross Domestic Product on Purchasing Parity Power)?

A: To the earlier point that people are subjected to so much information, I think there is some truth to that. Certainly if discussing stocks one can get a quick measure of the market from the DJIA. If it rises or falls sharply on a certain day, you might be inclined to look how particular stocks performed.

As for GDP, that is a little more difficult to say and not sure that would be a good example. I think a general media outlet could say for example the economy expanded 2.0% in the third quarter and understand the broad meaning. Once you get into the details like inventories or trade, that would take more explaining.

Purchasing Power Parity is not something you're likely to hear in everyday conversation or in the general news media. So to a degree, this again comes down to knowing your audience and reporting accordingly.