



Integrating economic statistics in monitoring the 2030 Agenda

## Monthly and Sectoral Disaggregation of Indonesia's Gross Fixed Capital Formation

# Key Issues of the Paper

1. Disaggregation methods is important to do in making data more specific.
2. GFCF data is available quarterly in accordance with the availability of GDP data.
3. More specific data are necessity, where it will certainly be a reference in making more appropriate government policies and in the business world it is useful as a direction for determining its policy.
4. In making more specific data by direct approach, it need much time, cost, and also human resources.
5. Disaggregation will give rise to opportunities for statistical findings that can be a means of elaboration and recommendations for decision making.

# Main Findings/Results

1. Disaggregation is done using related variable.
2. Modeling in disaggregation is done by simple linear regression and ARIMA for temporal disaggregation, and combined with Leontief matrix Input-Output table for sectoral disaggregation.
3. There is a similar pattern in the production index of the Manufacturing Industry and GFCF showing that the production index acts as a coincident indicator.
4. The monthly and sectoral disaggregation of GFCF use combination of the production index of the Manufacturing Industry as a coincident indicator and investment credits of commercial and rural banks combined with the Leontief matrix Input-Output table that can show unique patterns of each sector.
5. Disaggregation results indicate a pattern that was not caught in the quarterly GFCF. It can be known the months with high and low GFCF values and unstable tendencies. And also can be known the characteristics of the development of each sector.

# Conclusion

1. Disaggregation is able to provide a more detailed picture of aggregate data both in terms of temporal and sectoral.
2. Industrial production index was able to become a coincident indicator for GFCF.
3. Investment credits and Leontief IO matrix are able to be used to disaggregate by creating unique patterns from each sector.
4. The more detailed picture of the movement of GFCF, both temporally and sectorally, can be used in policy formulation and make forecasting better.
5. The variations obtained are also useful for early warnings for certain times in certain sectors.