The Regional Workshop for African Countries on the Compilation of Basic Economic Statistics 23rd – 26th, July 2007 in Pretoria South Africa

[The country notes for Uganda]

By

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Summary:

The fragile nature of National Statistical Systems and the associated statistical production capacity in the African region have been discussed at regional and international levels. Many of such discussions have exposed fundamental weaknesses and threats in statistical development particularly the poor quality and unreliable national statistics including indicators that are used in informing and monitoring of development policies and programs. Moreover, accurate, credible and timely statistics are prerequisites to support development frameworks such as the PRSP's/MDG's, appropriate policy and decision making processes.
In light of these weaknesses, threats and the values attached to the reliable statistics and indicators, the strengthening of National Statistical Systems including both National and Regional statistical capacity building become the theme of Statistical Development. It is therefore important to recognize economic statistics as of one the basic components that must be a priority on the agenda of compilation, support of effective monitoring and used for results based management. However, there are challenges that must be addressed if survey and compilation outcomes are to be believed and used by policy and decision makers.

Key Words and Phrases:

Censuses, Surveys, Business Registers, Enterprises, Data, Indicators, Economic Statistics and National Accounts.

Background:

Uganda still runs a fragmented and weak (in some sectors) national statistical system with many small stakeholders working separately. This method of work was brought about by the desire to meet own demands without referring to any other interested parties in the same area of study. This situation is however slowly changing because Government, development partners and other main stakeholders have recently recognized the need to work together and share the statistical products without loosing values and statistical utilities of their own. Economic statistics is a highly technical section of statistical production that requires highly qualified technical staff to organize and make it readily available to the users in a user friendly manner. These are very few in the country and therefore there is a real need for capacity building especially within the institutions that are responsible for compiling or have great utility of economic statistics.

Economic Statistics covers the activities of production and consumption of goods and services thus a large section of ISIC is considered for the purpose. In preparing this paper we therefore followed the outline as suggested in the communication (information note) on page 3 of 5 of Tuesday June 19th 2007 but dated 15th / 06 / 2007 to all participants.

1. Organization of Economic statistics in Uganda:

a. A general overview of the organization of economic statistics;
  i. In the past, Uganda undertook successful Surveys of Industrial Production between 1963 and 1971 whose scope and coverage differed from year to year depending on the demands of the day. Most of the seventies and eighties did not experience a truly well organized set of surveys. It is during the early nineties that the Census of Business Establishments was revived with intent to expand both scope and coverage. It took over ten years to do yet another business survey in 2001/2002 this time publishing a register of businesses. In 2006/07 the business register was updated and shall be shortly disseminated.
  ii. There are arrangements now to conduct another survey under the long term surveys program which is part of the Sector Strategic Plan of UBOS [2007 – 2011] during the next five years starting July 2007.
  iii. All these surveys have been targeting Gross Output, Value Added, Labour inputs, intermediate inputs and stock values. Overall the determination of value added from the activities of production and consumption of goods and services has

provided the basis of the computation of Gross Domestic Product for National Accounting based on the ISIC provisions.

b. Institutional arrangements;

    i. Economic statistics surveys have invariably been conducted under the initiation of the Statistics authorities but sometimes joined by other interested institutions such as the Central Bank, Ministry of Industry/Commerce and the donor community;

    ii. Discussions of instruments and expected outputs have always been given priority to ensure continued usability of the resultant indicators.

c. Main users;

    i. The main user of these aggregates is Government,

    ii. The academic institutions,

    iii. The international organizations particularly the United Nations,

    iv. Private sector researchers and

    v. The Civil Society Organizations;

d. The main user needs of economic statistics rotate around those enlisted below and the demand is generally satisfied.

    i. Aggregates by activity and by region,

    ii. Numbers of employees by sex,

    iii. Number of establishments by state of ownership,

    iv. Compilation of the wage bill from enterprise statistics: by way of Wages and Salaries,

    v. Fixed Assets and Depreciation, and

    vi. Gross/Net Profit.

2. <u>Data for Economic Statistics:</u>

a. Data sources (An overview of economic statistics: Data series available and the relevance for policy making);

    i. <u>Description of economic statistics data sources (collection):</u>

        1. Uganda has held several Economic Statistics Censuses since independence in 1962. The first census was conducted in 1963, then every year a survey was held till 1971 followed by several that were unsuccessful on uncompleted. The data collected related to either financial years or calendars years as long as at least three months of intended period was getting covered. The activities were determined by the ISIC classification but modification

to show important local grouping such as those related to agro-processing and grain or jaggery milling from sugar cane. The units of study were called establishments and enterprises [covering several establishments together] especially if they engaged in same activities but operating in different locations under the same management. Units of coverage were determined based on the number of employees [five and above] and they are the main sources of economic statistical data.

2. Short term/periodic but regular surveys used to generate monthly production data including **[indices]**, employment, earnings and sales. They include but not limited to the Index of Industrial Production [IIP], Producer Price Index [PPI], Construction Sector induces [CSI]. These are used to estimate total production during the intermediate period between censuses;

3. It is true that Economic Enterprise and mixed enterprise-household surveys have been undertaken since 1992/03 covering the activities of agriculture, mining and quarrying, manufacturing, construction, trade, transport and communications and other services;

4. Apart from register updates administrative sources have rarely been used to provide economic data;

5. Ad-hoc surveys and household surveys have also at times been sources of economic data to supplement the bigger surveys;

6. The coverage of informal sector units in surveys to provide estimates has been rather rare due to the usual difficulties of being numerous, difficult to identify and no clear records available almost at all official agencies we may care to observe. Household surveys and the Uganda Business Inquiry have in the recent past attempted to provide some data regarding the informal sector but far from adequate. However, these sources have provided enough data that has been used as a basis for estimation of the overall contribution of the informal sector to total production;

7. See the attached structure of data series that are available and the relevance to user demands/policy makers.

ii. Methods of data compilation:

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1. **Data is mostly collected** using direct interview methods but a few cases use the electronic media. This is expensive but in Uganda it most appropriate in order to control non-response rates and accuracy of the data collected;
2. **Survey Frames**: Business registers have been part of the economic surveys since without these tools we may do very inaccurate survey work. The updating process has however been very slow to meet the demand from many users. In the last twenty years three registers of businesses have been compiled in Uganda and two have been published for the 2001/02 and 2006/07 surveys;
3. **Types of Units**: The units include both the informal and formal enterprises and establishments. The definition of enterprises has been extended to include those that have diversified to cover many activities e.g. sugar-cane growing, manufacture of sugar, manufacture of spirits, estates development, power generation etc;
4. **Periodicity**: Data is collected Monthly, Quarterly, Annually and for censuses [ten year periods];
5. **Data items collectable** include but not limited to employment data, input materials, overhead costs, stocks, production and sales, fixed assets including depreciation and Net Profit before ;
6. **Estimates** are made using available methods and based on underlying assumptions. For instance Payments in kind are estimated and replications for the production of some sectors exhibiting high non-response are sometimes applied;
7. **Link to National Accounts**: Survey data is a direct input into the National Accounts computation of GDP, the construction of the Input/Output Tables and the Social Accounting Matrices.

iii. **Use of Administrative data Sources**: seems to be on the lower side given the reliability and irregularity of data production issues.

iv. Availability and **use of statistical business registers** for the compilation of basic economic statistics has been addressed in Uganda. The outstanding question lies in the regularity of update and publishing this information.

3. Data Dissemination:

The practice in Uganda is to disseminate data, information and knowledge through indicators obtained from investigations [Surveys and administrative sources]. Following the UNFPOS guidance, the policy at UBOS stipulates that information from surveys and other investigative methods shall be made available to all at the same time without discrimination.

In Uganda we employ the following channels:

- ❖ Write and publish reports that outline the objectives, findings and challenges,
- ❖ Workshops, conferences and seminars are conducted to explain the findings and sometimes their implications,
- ❖ Press releases are made to the media to allow clear communication messages and a dialogue with the journalists before they engage the general public,
- ❖ Soft copies such as the diskettes, CD's, flash discs etcetera are also becoming regular dissemination tools, and
- ❖ Maps and other GIS products are becoming regular and useful tools of dissemination.
- ❖ Release Calendars have been worked out and the general rule is to release results not later than six month after the completion of a survey.

Naturally, there are challenges in these efforts that are mentioned below.

4. <u>Challenges of conducting economic surveys:</u>

a. Conduct of economic surveys,
1. They tend to be irregular and differ in content for some of the characteristics over the years,
2. There is need for very specialized interviewers every time the survey is to be conducted,
3. The changes introduced by the Revisions of ISIC and SNA do affect the formulation of the objectives and the questionnaire design,
4. The interpretation of the accounting format into a statistical format can sometimes be cumbersome to the interviewers,
5. The financial resources for these inquiries are not easily obtainable to maintain regular surveys,
b. The use of administrative data sources is encouraged and considered cheap but the basic infrastructure to collect, capture and store the clean data is far from developed;

c. Most of the printed registers were usually given away free of charge but one wonders whether they have been used for the purposes they are intended,
d. Maintenance and improvement of the statistical business registers is still undeveloped and irregular,
e. Data dissemination practices are steadily improving for instance the timing and material format of publishing have greatly changed but not yet friendly enough to be appreciated by the general public.
f. The dissemination channels as outlined above are not friendly to the public and some sections of society that deserve to get the information because they pay for it.

5. <u>Recommendations and the Way forward:</u>

a. Common concepts, and definitions be adopted and accepted in the region including specific classifications to take account of peculiar activities/conditions of products in a country or region;
b. Administrative data sources should be encouraged and developed as important economic data sources in our countries especially in the Africa region since they are in the long run cheaper provided they are well established to include data gathering mechanisms;
c. Groups of countries with similar economic and social characteristics should attempt to conduct economic surveys at about the same time in order to link their series for comparability purposes;
d. Sustainability of the surveys should be encouraged through government budgets and capacity building to obtain the required personnel specialized in undertaking these inquiries, analyzing the and disseminating in friendly manner,
e. In the past there were efforts to organize and participate in the conduct of the World Censuses of Industrial Production/Business Enterprises. These should be revived and encouraged at regional levels;
f. We need to provide better dissemination tools in order to permeate the messages out of the findings to the lowest level management [household/individual].
g. Regional analysts should get together to work towards obtaining regional parameter estimates instead of those worked out from elsewhere;
h. Governments and the donor communities and the private entities should be encouraged to contribute generously to the required resources for economic statistics through capacity building and survey sustainability programs;
i. Measures be introduced in all countries to ensure sustainability of regular flow of basic economic data.

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Data Series available and relevance to Policy making

ISIC	Sectors	Economic data Series			PERIODICITY			Use by Policy Makers
		Census	Surveys	Administrative Sources	Monthly	Quarterly	Annually	
A	Agriculture: Crop	X	(arrow)	X	X	X	X	Highly demanded but only available on long term basis
	Livestock	√	X	√	√	X	X	Regularly demanded
	Poultry	√	X	√	X	X	X	Demand is moderate
	Forestry	X	X	√	X	√	√	Demand is moderate
B	Fishing	√	X	√	X	√	√	Demand is moderate
C	Mining & Quarrying	√	√	X	√	√	√	Highly demanded but not regular
D	Manufacturing	√	√	√	√	√	√	Used extensively
E	Electricity, gas& water	√	√	√	√	√	√	Used extensively
F	Construction	√	√	X	√	√	√	Highly demanded
G	Distributive Trade	√	X	X	X	X	X	No
H	Hotels & Restaurants	√	X	X	X	X	X	No
I	Transport, Storage & Communication	√	√	√	√	√	√	Storage data not available
J	Financial Intermediaries	√	√	√	√	√	√	Highly demanded
K	Real Estate	√	X	X	X	X	X	Highly demanded
N	Health & Social Work	√	X	X	X	X	X	Data not readily available
O	Other Community	√	X	X	X	X	X	Little demand

Source: UBOS-2007

Notes: √   is available

X   n/a or very little available