Compilation of Use Table in MYANMAR

Kyin Htay

Director

Planning Department

Outline of the Presentation

- Current Situation of SNA

- Benchmark SUT

- Data Sources and Methodology

- Frame and compilation of Use Table

- Issue and Challenges

- Way Forward

Current Situation of SNA

- Planning Department (PD) is responsible for compiling National Accounts since 1972.

- The PD comprises six sectors, namely, the Economic Analysis and Research Sector, Agriculture Sector, Industry Sector, Services Sector, Regional Sector and Administrative Sector.

- The Economic Analysis and Research Sector is responsible for compiling the country's national accounts.

- GDP is compiled by Product Approach.

- GDP statistics by production are compiled quarterly, while GDP statistics by expenditure approaches are estimated only annually due to the insufficient source data.

- The final GDP aggregates are determined as GDP by production activities.

Current Situation of SNA

- Recent national accounts in place including revision implemented in the country
- Planning Department collaborated with ADB TA on capacity building and implementation of SNA
- Implementation began in August 2014
- Produced benchmark estimates of GDP, GNI, GNDI, Saving and net borrowing/lending for the Base year 2014-15
- Use SUT framework and 2008 SNA as conceptual basis (from 1968 SNA concept)

Benchmark SUT

- Rationale of Choice of SUT year: 2014-15

  Because the following data were available in the 2014-15:

  ➢   Population census

  ➢   Labour force survey

  ➢   Myanmar Business survey

- Size of matrix :   43 industries x 43 products

- Classification of industries and products: ISIC Revision 4, Product CPC code 2.0 Based on importance of Myanmar Economy

- Concordance with international classification: complies with ISIC and CPC codes of international classification.

Data Sources and Methodology

Supply Table

- Domestic Production by Industry:
  - Myanmar Business Survey
  - Financial statements and data provided by electricity, transportation, communication and financial services
  - Questionnaires provided by the ministries on mining and manufacturing
  - Case studies conducted by Planning department
  - Labour Forces survey/ Population Census (for estimating informal activities)
- Imports of Goods and Services:
  - Trade data provided by CSO/ Balance of Payment
- CIF/FOB adjustment on imports
  - Balance of Payment

Data Sources and Methodology

Use Table

- Intermediate Consumption by Industry

  - ➢ Myanmar Business Survey

  - ➢ Companies financial statements

  - ➢ Case studies conducted by Ministries

  - ➢ Agriculture cost studies

  - ➢ Labour Forces survey/ Population Census (for estimating informal activities

  - ➢ Commodity flow method

Data Sources and Methodology

HFCE - Estimates based on IHLCA and HIES, extrapolated to 2014/15 with growth in population and inflation

     - Commodity flow methods using SUT framework

GFCE - Government administrative expenditure

GFCF - Construction : 92% of construction output on the production side (8% is deducted towards repair and maintenance)

     - Machinery: Commodity flow methods, identifying capital goods from domestic production, net imports, with adjustment for TTMs (20%) and Taxes, installation charges, etc. 5%

     - Government data based on capital expenditures

     - Private sector estimates obtained residually

     - Added livestock, mineral exploration, R & D and Computer software

CII   - Paddy Stock, Govt Stock, livestock increment and information available from surveys of ministries

Export - BOP data from Central Bank

Import - data from BOP as its concepts are same as followed in 2008 SNA. The different between trade data of CSO and BOP goods as adjustment towards goods sent abroad for processing and cif-fob adjustment

Data Sources and Methodology

- Other adjustments: Purchases of abroad by residents and Nonresidents in domestic market

  - ➢ Balance of Payment

- Use of Value Added (Compensation; Other taxes on production net of subsidies; gross operating surplus)

  - ➢ Case studies

  - ➢ Financial statements

  - ➢ Government Current Revenue

  - ➢ Administrative data

Frame of USE table

	INDUSTRY	Total intermediate demand	FINAL EXPENDITURE	DEMAND
P R O D U C T			Households / Government / GCF / Exports	
	Total intermediate consumption			
	GVA (Production)			
	TOTAL INPUT			
S E C T O R	Compensation of employees			
	Other net taxes on production			
	Gross operating surplus & MI			
	GVA (Income)			

10

Compilation of output, IC and GVA data for each industries

- Production side data, (Output, IC, GVA, COE, Production tax, GOS and Mixed income) are collected from each industries division. Also each division classifies their industries via commodities by encoding the commodity (CPC 5digit).

- COE, Production tax, GOS and Mixed income by industry-wise are added to GVA quadrant (III) of USE table.

Compilation of Expenditure side GDP

- Myanmar does not have regular commodity-based expenditure data from Household Expenditure Survey. Commodity-Flow-Method is a best supplementary technique for the compilation of expenditure side items when there is no detailed information on commodity-wise expenditure data. Each item by commodities can be easily obtained through production side commodity output dada. CFM is providing relatively more reliable commodity-wise expenditure data.

- IC, FCE, GFCF, CII, Exports and Imports by commodity-wise classification are added to Final use quadrant (II) of USE table.

Compilation of IC input quotients

- Each industry division collects data on IC input commodities for output unit, and calculate the IC input quotients. They are used for data of IC quadrant cells(I) of USE table.

Balancing the values of IC quadrant cells

- There occur discrepancies of values between sum of cells and marginal rows and columns.

- Myanmar adjusts those discrepancies through bi-proportionate adjustment technique

SUT in Myanmar

Supply Table for 2014-15

Product (43)	Industry (43)	D- Output (BP)	Import	Tax on Product	Subsidies	Total Supply(PP)
		177,191	14,921	2,484	147	194,450
Total Output	177,191					

Use Table for 2014-15

Product (43)	Industry (43)	Intermediate Demand	HFCE	GFCE	GFCF	CII	Export	Final Use	Total Demand
		99,809	43,477	5,189	31,390	1,028	13,558	94,641	194,450
IC	99,809								
GVA	77,383								
Total Input	177,192								
COE	17,486								
Tax on Prod^n	1,738								
G-OS/MI	58,160								

GDP by three approaches

GDP by Production	GDP by Expenditure	GDP by Income
GVA = GOV(BP)-IC = 177192-99809 = 77383 GDP(P)= GVA + Tax on Products - Subsidies on Products =77383+2484-147 =79720 (BnK)	GDP(E) = + HFCE + GFCE + GFCF + CII + (E-M) = + 43477 + 5189 + 31390 + 1028 + 13558 - 14921 = 79720 (BnK)	GDP(I) = + Compensation of Employees + Tax on Products - Subsidies on Products + Other Tax on Production + Gross Operating Surplus/Mixed Income = + 17486 + 2484 - 147 + 1738 + 58159 =79720 (BnK)

Issues / Challenges

Issues/Challenges	Resolutions/Action taken
Limited knowledge on SNA 2008	• Repeated trainings with hands-on application • Including data providers from concerned ministries
Data constraints	• Developed questionnaires and met ministries with PD officials to sensitize them on data needs • Prepared a detailed document of Sources and Methods

Way Forward

- Scope of SNA will be expanded in a phased manner to achieve SNA 2008 Milestone of 5/6

- **Short term**: Achieving Milestone 2 and part of 3 (production accounts of institutional sectors, GNI, supply and use tables and all minimum requirement data sets)

- **Medium term**: Milestone 4 (sectoral accounts upto capital account; and all recommended data sets)

- **Long term**: Milestone 5 (sectoral accounts upto financial account)

Thank you

Kyin Htay

Director of Economic Analysis and Research Sector

Planning Department

Email: kyinhtayni@gmail.com