

**International Workshop on  
Measuring GDP by Final Demand Approach  
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**Measuring GDP by Final Demand Approach  
in Myanmar**

## **Measuring GDP by Final Demand Approach in Myanmar**

In Myanmar, GDP is mainly estimated by the production approach. However, expenditure or final demand approach is also done for counter-checking purpose. In this process, main data sources are administrative records from respective line ministries and estimation are made upon observation studies due to lack of regular-basis surveys. The followings are data availability and estimation process currently practised in Myanmar.

### **(1) Final consumption expenditure**

Estimation are being done both for final consumption expenditure of households and general government. Regarding with final consumption expenditure of households, estimation are being done based upon the survey namely Integrated Households Living Conditions Assessment (IHLCA) conducted by Planning Department (PD) under the Ministry of National Planning and Economic Development (MNPED) with the technical as well as financial assistance provided by UNDP. PD is the focal unit in Myanmar responsible for compiling GDP in consultation with various line ministries.

The survey was firstly conducted in 2004/2005. Before that period, final consumption expenditure is taken as a residual after deducting expenditure on exports, imports, gross capital formation from GDP by production approach.

After conducting the survey, final consumption expenditure of households is estimated based upon the results of the surveys since 2005/2006. In the estimating process, only consumption aggregates are estimated. Breakdown into central product classification (CPC) and classification of individual consumption by purpose (COICOP) could not be done due to lack of technical issue.

With regard to final consumption expenditure of general government, data are collected from the Budget Department under the Ministry of Finance and Revenue. In this regard, current expenditure of various ministries and governmental organizations are taken into account. In this regard, those

expenditures are not collected by the function or purpose according to the classification of the functions of government (COFOG) and by type of goods and service according to the CPC because Myanmar still lacks such a statistical system.

With regard to non-profit institutions serving households (NPISHs), such data are still missing because there is no organization for collecting and recording expenditure of NPISHs.

## **(2) Exports and imports**

In this respect, only exports and imports of goods are covered in Myanmar estimation process. Those data are available through Central Statistical Organization (CSO) under the same ministry, i.e. MNPED. Exports are valued at f.o.b while imports are at c.i.f . Myanmar foreign trade data in local currency is converted with the official exchange rate.

## **(3)Gross capital formation**

Gross fixed capital formation and changes in inventories are included. In this regard, investment in the State sector is available from the Budget Department. Capital expenditure is taken as State investment. Foreign currency component is also valued at official exchange rate.

Data on registered enterprises especially in private sector is obtained through Directorate of Investment and Company Administration under MNPED, a focal agency for company registration and administration. Estimates for household unincorporated enterprises are being carried out based on administrative records relating with capital goods produced and expenditure incurred on fixed assets.

With regard to household residential building, administrative records through local authority unit are collected and estimated. In order to improve such data and estimating process, regular basis surveys are necessary.

Data relating with inventory are collected through the agencies under the line ministries. Those are represented only for State sector. For private sector, only the stock changes for major crop, i.e. paddy is estimated.

With an aim at improving the data and estimating method for compiling GDE, the Training Workshop on Compilation of Myanmar GDP by Expenditure Method was held in Planning Department with the assistance of UNDP under the programme of estimating poverty line with PPP. At the workshop, Mr. Viet Vu participated and discussed about the improvement of compilation process. He also suggested to conduct surveys for the improvement of data especially for private investment.

Myanmar needs to develop its statistical system and estimating methodology to be in line with internationally standardized system. In this respect, technical assistance from UNSD is much needed in the area such as conducting necessary surveys and capacity building.