

# **Second International Workshop on Economic Census**

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### **Country Paper, Nepal**

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#### **Economic Census**

Like Population Census, the economic census refers to collection, tabulation, analysis and dissemination of all economic activities in a country. It is a major source of economic data and such data are very useful in measuring the economic status of the country. In addition, the information available from the economic census is used to compare regional economic structures, and in formulating plans and policies of the government in the attainment of economic targets of the country.

In Nepal, the economic census covering all sectors of economy is not in practice. However, the census of manufacturing establishment has been conducted every five years and the survey of small manufacturing every ten years. Apart from that, the survey of economic activities like construction, hotel, restaurants, private schools, consulting firms, transport companies etc. is conducted on an ad hoc basis. In the context of non practice of economic census in Nepal, the country paper is focused on the census of manufacturing establishment (CME) conducted in Nepal.

#### **Census of Manufacturing Establishments**

The census of manufacturing establishments (CME) is the principle source of information on the data of the manufacturing establishments. CBS has been conducting the census of manufacturing establishments since the year 1964/65. It provides data in the growth, composition and structure of such establishments in operation. It has successfully conducted 9<sup>th</sup> census of manufacturing establishments in the year 2006/07.

The overall objective of the CME is to collect process and disseminate statistics of operational manufacturing establishments engaging ten or more persons in the reference period. The specific objectives of the CME are

- a) To collect statistics on the structure of the existing manufacturing establishments;
- b) To produce information on output and input of manufacturing establishments by Central Product Classification (CPC);
- c) To produce statistics at national and district levels;
- d) To collect and produce statistics on employment in the manufacturing establishments;

The enumeration unit used in the census of manufacturing establishment is a manufacturing establishment, i.e. an economic unit, which engages under a single ownership or control, in one or predominantly one kind of economic activity at a single physical location. The Census of Manufacturing Establishments covers all manufacturing establishments located within the geographic boundary of Nepal engaging 10 or more persons. In addition, the establishments have been classified according to Nepal Standard Industrial Classification, in compatible with International Standard Industrial Classification. The data on input and output of the establishments are interpreted on the basis of Central Product Classification.

The classification for manufacturing establishments according to NSIC is as follows.

S.N.	NSIC	Activities Comprising of Manufacturing and Recycling
1	15	Food Product and Beverages
2	16	Tobacco Product
3	17	Textiles
4	18	Wearing Apparel; Dressing and Dyeing of Fur.
5	19	Tanning and dressing of leather, Luggage, handbags, saddlery and harness
6	20	Wood and product of wood and cork, except furniture, Articles of straw and plating material.
7	21	Paper and paper products
8	22	Publishing, Printing and reproduction of recorded media
9	23	Coke, Refined petroleum product
10	24	Chemicals and chemical products
11	25	Rubber and plastics products
12	26	Other non-metallic mineral products
13	27	Basic Metals
14	28	Fabricated metal products, except machinery and equipment
15	29	Machinery and equipment N.E.C.

16	30	Office, accounting and computing machinery
17	31	Electrical machinery and apparatus N.E.C.
18	32	Radio, television and communication equipment and apparatus
19	33	Medical, precision and optical instruments, watches and clock
20	34	Motor vehicles, trailers and semi-trailers
21	35	Other transport equipments
22	36	Furniture, manufacturing N.E.C.

The findings of the CME are expected to be useful for planning, policy formulation, and monitoring and research purpose as well.

### **Planning and Organization**

The Central Bureau of Statistics (CBS) is the major statistical agency under the National Planning Commission of Government of Nepal. The Statistical Act 1958 has authorized CBS to conduct economic census and surveys, including census of manufacturing establishment in Nepal.

The government of Nepal provides CBS all necessary budgets needed for the census. In CBS, the Establishment Census and Survey Section (ECSS), under the Economic Statistics Division, is responsible for all management of conducting the census, including planning, questionnaire design, data collection, data processing, analysis, report writing and dissemination of the census. In addition, a technical committee comprising representatives of the National Planning Commission, Department of Industry, Ministry of Finance, Department of Cottage and Small Industry, Federation of Nepalese Chambers of Commerce and Industry headed by the Director General of the CBS is formed so as to conduct the census smoothly. The questionnaire, census procedures and the results are discussed in the series meetings of the technical committee.

To finalize questionnaire and procedures of the census, the pilot survey is conducted in some districts. The staffs at Branch Statistical Offices collect data in their jurisdiction and they are trained by staffs at the central offices. The awareness program about census among stockholders is done through news paper and electronic media such as FM, TV and radio. The overall supervision of the census work is carried out by the chief of the establishment

census and survey section and field work supervision is done by the officers at central and Branch statistical offices.

### **Data Collection and Data processing**

The information collected from the census is stated below.

1. Identification of Manufacturing Establishment (name, address, telephone, register, date of operation)
2. Legal Status (single proprietorship, partnership, private limited, public limited, cooperative)
3. Ownership (public, private, foreign, joint venture)
4. Major production (major product, other products)
5. Number of employees (proprietors, active business partners, family members, manager, administrative worker, technical workers and operative workers)
6. Wages, Salaries (direct wages, salaries and facilities)
7. Other benefits
8. Sales and Cost of Fuels
9. Income and Expenditure from Industrial Service
10. Cost of Raw material
11. Sale of Production
12. Stock
13. Cost of Non-Industrial Service
14. Indirect Tax
15. Receipt of Non-Industrial Service
16. Fixed Assets
17. Production Capacity Utilization

The filled up questionnaires are collected at the Branch Statistics Offices where completeness, consistency and reasonableness of the data are checked. After manual editing, the questionnaires are sent to the CBS for coding and data entry. The data entry is done with the software 'CS Pro' and tabulation is carried out by using statistical package 'STATA'. The administrative data relating to manufacturing establishment are only used to assess the number of manufacturing establishment before the census operation. The census of manufacturing establishment in Nepal is a complete enumeration but sampling is used for small manufacturing establishment survey covering those establishments having less than ten

persons. At every steps of the census (from planning through data publication), a close supervision of the work is carried out to assure the better quality of the survey result.

### **Post Census Activities**

In Nepal, the post enumeration survey for the census of manufacturing establishment is not in practice however the census findings are validated with the findings of the previous censuses.

### **Dissemination of Economic Census results**

After an approval of the technical committee to the census result, the census result is disseminated. The census result is disseminated through printed and electronic copies. The printed form of the census publication includes national and district reports. The electronic form of the dissemination covers CD, website of CBS. Apart from that, a seminar is also organized to disseminate the census findings. The individual information is kept confidential according to the Statistical Act 1958. A monograph covering a detailed analysis of the census data is going to publish for the census of manufacturing establishment 2006 for the first time in Nepal..

### **Future Plan**

It is obvious that the economic census is a major source of data relating to economy of the country. In addition, the planners and policy makers depend largely on economic data for good planning and efficient program implementation. However, economic census is not in practice in Nepal, the census of manufacturing establishment and some economic surveys such as trade, hotel restaurants, construction, etc have remained the sources of economic data in Nepal. In addition, preparing business directory, a list of all economic activities, is going on and it is believed that this would be a significant step towards conducting economic census.

The economic census covering the entire economy provides data at disaggregated levels and the data from economic census are comparable and can be used to measure the inter-linkages among various sectors. Many data gaps in economic statistics are still in the country. The economic surveys conducted by CBS are mostly on an ad hoc basis and they are not covering all economic sectors at one time. Due to this reason, the existing data are lacking comparison and making difficulty in national account estimation. In this context, CBS needs to conduct an economic census covering all economic sectors so that the reliable and accurate

benchmark economic data will be available for planners and policy makers. Furthermore, a reliable framework will also be available for any economic surveys being conducted in the future.