National Accounts Workshop for SADC countries

16-19 June 2009, Windhoek, Namibia

Strengthening statistical capacity-building in support of progress towards the Internationally Agreed Developments Goals in the Southern African Development Community region

Country presentation

Malawi
NATIONAL ACCOUNTS FOR MALAWI

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by
Titus C.A. Nkhoma (Senior Statistician)
National Statistical Office (NSO)
Malawi
Structure of presentation

- Historical background of National Accounts compilation
- National Accounts Section
- National Accounts and Balance of Payments (NA-BOP) Technical Committee
- Old National Accounts Series for Malawi
- New Approach to National Accounts compilation
- Data Sources
- Methods
- Publications
- Challenges
- Way Forward
Historical background of National Accounts compilation

- First calculated for the year 1938
  - Published in "The Measurement of Colonial National Income", 1948
- 1954 to 1963: CSO, Salisbury
- After Independence in 1964: NSO, Zomba
  - 1964-1970 was released in November 1972
  - Followed by five publications covering the period up to 1994
  - SNA 1968 introduced in the 1973 to 1978 series
Historical background of National Accounts compilation, cont...

- Before 2008, the last National Accounts publication published by NSO, Zomba was “Malawi National Accounts Report 1990-1994”,
- after which reports were being produced but not published
National Accounts Section

- NA is compiled by the National Accounts Section of the Economic Statistics Division of NSO.
- Based at the Regional Office (Centre) in Lilongwe
- There are currently only 5 professionals
  - Chief Statistician (Head of NA-BOP, Regional Officer)
  - Principal Statistician (Head of NA)
  - Senior Statistician and
  - Statisticians (2)
- No support staff
National Accounts and Balance of Payments Technical Committee

- NA-BOP membership comprises of:
  - National Statistical Office (NSO)
  - Reserve Bank of Malawi (RBM)
  - Ministry of Economic Planning & Development (MEPD)
  - Ministry of Finance (MoF)
  - Other (minor) members include:
    - Ministry of Industry and Trade (MoIT)
    - Ministry of Agriculture (MoA)

- Mandated to come up with preliminary estimates and projections of National Accounts and BOP
- Conducts Business Interviews Surveys among other functions
Old National Accounts Series

- Date back to 1964 under NSO just after attaining independence
- This year was chosen to be the benchmark year for National Accounts series
- After this, there have been two base years, 1978 and 1994.
- Until March 2007, the Malawi National Accounts constant price series have been valued at 1994 prices
New National Accounts
Estimates

• United Nations’ SNA 1993 implemented
• Compiled using Supply and Use Tables (SUT)
• Compiled in current and previous year’s prices
• Covering a period of four years from 2002 to 2005 (published)
• 2006 currently in final stages awaiting release
• Preliminary estimates for 2007 and 2008 are also available
Data Sources

• Annual Economic Surveys (AES)
• Medium Business Economic Survey (MBES 1998)
• Integrated Household Survey (IHS-2, 2004)
• Crop Estimate Surveys by Ministry of Agriculture
• Government Accounts from Ministry of Finance and the Accountant General
• Foreign Trade Statistics
• National Census of Agricultural and Livestock (NACAL 2007)
• Malawi Revenue Authority
• Reserve Bank of Malawi (RBM)
• Tobacco Control Commission (TCC)
Methods

- Compiled on annual (calendar year) basis
  - No quarterly National Accounts
- Using Supply and Use Tables (SUT)
- Benchmarked in 2002
- Uses the Systems of National Accounts – Norwegian Technology (SNA-NT) software
- Compiled on current and previous year’s prices (chaining process)
- For purposes of dissemination, currently 2005 is used as the reference year because most data users are not familiar with the chaining process
Publication

- First preliminary estimates published three months (March) after the end of reference year
- Three revised provisional versions before final version
  - 9, 15 and 21 months after end of reference year
  - Mainly based on Business Interviews Surveys
  - Compiled by the NA-BOP Technical Committee
- Final version compiled by NSO based on annual economic statistics and other more disaggregated data and methods
  - Published about 27 months after the end of the reference year
Publications, cont...

• National Accounts are published by NSO in:
  – The Quarterly Statistical Bulletin
  – The Statistical Yearbook
  – Flyers (Malawi in figures)
    • Soon to be placed on NSO’s website: [www.nso.malawi.net](http://www.nso.malawi.net)

• Economic Report of MEPD

• Financial and Economic Review of RBM

• Also reported to the International Monetary Fund (IMF) and the United Nations Statistics Division (UNSD)
Challenges

• Delay in getting some of the source data both from within and outside NSO
  – Most of the input surveys to NA are conducted by other sections of Economic Statistics Division and other divisions of NSO based at the head office in Zomba

• Some data not detailed enough, therefore has to be reworked manually

• Inadequate human resource and capacity

• Unreliable estimates based on very old source data
Way Forward

- Need for basic and specialized training in National Accounts compilation
- Need to conduct new surveys to have an updated basis for estimation
- Need training in basic and specific principals of National Accounts compilation
- Need improved timeliness in getting source data from most sources
Thank you very much for your attention