



National Accounts Workshop for SADC countries

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

Country presentation

Mozambique

NATIONAL ACCOUNTS OF MOZAMBIQUE

Analytical Framework, Concepts and Definitions

The National Statistics Institute (INE) produces and publishes the National Accounts of Mozambique. The methodology and the conceptual framework for compiling the National Accounts follow the recommendations of the *1993 United Nations System of National Accounts (SNA 93)*. Compilation is annual and quarterly and covers the following aggregates:

Annual estimates

- Gross Domestic Product (GDP) using the production approach, 1991-2007 (P), at current prices and constant 2003 prices, detailed for 16 economic activities.
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- Gross Domestic Product (GDP) using the expenditure approach, 1991-2007 (P), at current prices and 2003 constant prices;
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- Gross Domestic Product (GDP) using the income approach, 1996-2007, at current prices;
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- The compilation of National Accounts of Mozambique also include in detail:
 - The sequence of institutional sector accounts (not published), for the Current Accounts (Production, Distribution, Redistribution and Use of Income) and the Accumulation Account/Capital Account;
 - Supply and Use Table (not published) for 27 industries and sub-industries;
- Transactions analysis matrices (“from whom to whom”), for the main distributive transactions;

Quarterly Estimates

Gross Domestic Product (GDP) using the production approach, 2000Q1-2008Q3 (P), at 2003 constant prices, detailed for 15 economic activities.

Classification

Generally speaking, the classifications used are those recommended internationally in the *SNA 93*:

- Classification of Institutional Sectors; International Standard Industrial Classification of All Economic Activities (ISIC Rev.3); Classification of Transactions and Other Flows and Balances; Classification of Individual

Consumption According to Purpose (COICOP); Classification of the Functions of Government (COFOG); Harmonized System of International Trade.

- **Product Classification:** based on the Central Product Classification (CPC), a National Classification of Goods and Services (CNBS) has been prepared, with 152 products.

Scope of Data and coverage

The National Accounts cover all resident units within the geographic territory of Mozambique¹, including those of the informal sector, that conduct economic transactions. All transactions within the production boundary of the SNA, including the informal sector, are covered in principle. Transactions of the informal sector are estimated on the basis of coefficients obtained from the results of the Household Survey, the latest of which relates to 2002/2003, and from the informal sector survey, the latest of which relates to 2004/05. Illegal activities (for example drugs) are not measured and are not estimated.

Periodicity and Timeliness

The National Accounts are compiled and disseminated on an annual basis. Preliminary GDP estimates are published up to six months after the reference period. Estimates are revised and published within ten months after the reference period, and are made final within 24 months after the year of reference.

Accounting Conventions

With the exception of General Government transactions, which are estimated on a cash basis, all transactions are recorded on an accrual basis (flows are recorded at the time economic value is created, transformed, exchanged, transferred or extinguished). The fiscal year in the national accounts coincides with the calendar year.

Production is valued at basic prices. Final consumption and intermediate consumption are calculated at purchasers' prices. Gross Domestic Product is measured at market prices. All exports and imports are valued f.o.b.

Nature of the basic data

GDP estimates are based on various sources of information including surveys, administrative records and indirect estimates for calculating output. For the current base year the compilation was based on the following data sources:

¹ Including the free zones

- Household income and expenditure survey 2002/03;
- Agriculture Census 2000/01
- Economic Census 2003/04
- Informal Sector Survey 2005
- Labour force survey
- No-profit institutions survey
- Annual agriculture survey
- Monthly and annual economic surveys (industry and services)
- Administrative data (Government budget, taxes, livestock data, Trade Statistics, Mining, Fishing, Electricity and water, Transports, Health, Education, BoP, Financial statements from the financial sector, etc)
- Special studies

Other aspects

The National Statistics Institute is guided by the Strategic Plan of the SEN and by the Five-year Plan of the INE. Both of those documents call for efforts to improve the National Accounts by investing on their education and hiring more technical staff, improving the basic data, and seeking international technical assistance. The National Account team is composed by 10 technicians with a level of degree or higher.

Plans of improvements

Recent major improvements are the following:

- Implementation of new base year of national accounts from 1996 to 2003;
- Inclusion, for the first time, of direct estimates of the informal sector following the results of the informal sector survey which improved the production estimates of the household sector;
- Inclusion, for the first time, of direct estimates of the Non-profit institutions following the results of the surveys on this sector which also improved the estimates of the NPISH accounts;
- Publication and dissemination of the new series of the quarterly and annual national accounts (2003), which started in August 2007.
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- Use of the results of the 2002/03 Survey of Household Units to establish a link between the economic and social analyses, particularly to support poverty reduction programs;

- Use of Database of National Accounts

Technical Assistance/Financing needs

Need technical and financial assistance for:

- Analysing data from the next Household income and expenditure survey 2008/09;
- Incorporation of the data compiled in the 2008/09 Surveys of Household Units to verify and consolidate the existing national accounts.
- Comparative analysis of the sectors and subsectors of the Households accounts based on the 1996/97, 2002/03 and 2008/09 Household survey results.
- Use of the results of the 2008/09 Survey of Household Units to establish a link between the economic and social analyses, particularly to support poverty reduction programs.
- Use of a simplified national accounts compilation table in order to begin compilation of the quarterly national accounts covering GDP according to the production and expenditure approaches.
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- Rebasing and retrapolation of the new base year 2009 for the 1991-2008 series of national accounts estimates.