

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

Seychelles



National Statistics Bureau SEYCHELLES

National Accounts Workshop for SADC Countries

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Overview

National Accounts Statistics are compiled by the National Accounts Unit in the National Statistics Bureau

Periodicity:

National Accounts estimates are compiled and published *annually No quarterly accounts are compiled*

Staffing:

- The unit has experienced high staff turnover in the last 2 years
- The unit currently has 2 professionals and 1 technical staff
 - 1 Principal Statistician
 - 1 Senior Statistician (recently returned after sabbatical)
 - 1 Statistical Officer
- 1 Statistical Officer resigned at the end of last month and a foreign Consultant recruited on a
 2-year contract in January 2007 left in early March 2009



National Accounts - Analytical Framework

- Prior to 2007, national accounts was compiled using the 1968 SNA
- □ In 2007, the **"System of National Accounts, 1993" (1993 SNA)** was adopted and national accounts data compiled using this new framework starts from 2004
- ☐ The new **base year** for constant prices is **2006**
- ☐ The main method for compiling GDP is the **Production Approach**
- ☐ GDP is also compiled using the **Expenditure Approach**
- Informal sector activities are **not** included in the accounts and illegal activities are also **not** covered
- Information on offshore activities are now being captured



Data Sources

1. Private Sector Financial Statements

(Provided to the Bureau by the Revenue Commission (ex – Tax Office)

(Copies are received by the NSB under the data supply and confidentiality provisions of the National Statistics Bureau Act (2005), Section 12 "Access to public and other records")

- 2. Goods and Services Tax (GST) data from the Revenue Commission
- 3. Direct Financial data
 - a) Government (Budgetary) from Ministry of Finance
 - b) Commercial Banks and Central Bank from the Central Bank of Seychelles (CBS) records
 - c) Market parastatals, and selected large private companies



Data Sources (continued)

4. NSB data sources

- a) Employment statistics
- b) External Trade statistics
- c) Production surveys
- d) Tourism statistics
- e) Population & Housing Census and Household Budget Surveys

5. Other data

- a) Information held by **Seychelles International Business Authority (SIBA)** on the operations of companies operating in the **Seychelles International Trade Zone (SITZ)**
- b) Balance of Payments data compiled by the Central Bank of Seychelles (CBS)
- c) Other administrative data sources



Data Sources for GDP by Expenditure are:

1. Government Consumption:

Budgetary government compiled from government financial statements Government agencies Social Security Funds

2. Private Consumption:

Expenditure by Households, from results of the 2006/2007 Household Budget Survey

3. Capital Formation (Investment)

Construction output Imports of Capital equipment (at purchaser prices)

Of which:

Government Investment = Government capital expenditure Private Investment = Total less Government

4. Exports minus Imports of Goods and Services:

Obtained from the Balance of Payments compiled by the Central Bank

Statistical discrepancy:

Because the production measure is considered more reliable due to use of more robust data, the discrepancy is expressed as the difference between the two GDP measures (GDP Production less GDP Expenditure)



Classifications

I. INDUSTRIAL CLASSIFICATION

Economic activities are classified according to a customized version of the UN International Standard Industrial Classification of All Economic Activities (ISIC Rev4) and named **Seychelles Industrial Classification (SIC)**

The INDUSTRIES used in national accounts are:

- A- Agriculture and fishing
- **C** Manufacturing
- D Electricity
- E Water supply
- **F** Construction
- **G** Wholesale and retail trade
- H Transportation & storage
- I Accommodation and food services
- J Information and communication
- **K** Finance & insurance
- L Real estate activities
- **M** Professional, scientific and technical activities
- **N** Administrative and support service activities
- O Public administration
- P Education
- Q Health and social work
- R Arts, entertainment and recreation
- S Other service activities



The classifications are broken down to cater for the needs of decision takers and policy makers:

- 1. Section A Agriculture and Fishing is split to show
 - a) A01 Agriculture
 - b) A03 Fishing
 - 2. Section C Manufacturing
 - a) C10 Manufacture of food
 - **b)** C11-12 Manufacture of beverages and tobacco
 - c) C23 Manufacture of concrete, rock products, glass etc
 - d) C13-22,24-33 Manufacturing, other
 - 3. Section L Real Estate
 - a) L01 Real estate activities
 - **b)** L02 Owner occupied dwellings

Tourism related activities are important to the Seychelles economy and so the pertinent divisions and groups of the relevant SIC Sections (SIC G,H,I,N and R) have been aggregated to arrive at the percentage share of tourism related activities to total GDP

A similar grouping of the SIC Sections (A,C, G and H) has been done to measure the percentage share of fisheries related activities to total GDP



Classifications (continued)

II. INSTITUTIONAL SECTOR CLASSIFICATION

The Institutional Sector Classification broadly follows that of the System of National Accounts (SNA):

1.	S.11	Non Financial Corporations	
	i)	S.11b	Non Financial Corporations and Household enterprises
	ii)	S.11c	Seychelles International Trade Zone (SITZ)
	iii)	S.11001	Public Non-Financial Corporations (Market Parastatals)
2.	S.12	Financial Corporations	
3.	S.13	General Government	
0.	5.25		
01			Central Government Budgetary
51	i)	S.1311a S.1311b	Central Government Budgetary Government Agencies (Non-Budgetary)
		S.1311a	Central Government Budgetary Government Agencies (Non-Budgetary) Social Security Funds (SSF & Pension Fund)
4.	i) ii)	S.1311a S.1311b S.1314	Government Agencies (Non-Budgetary)
	i) ii) iii)	S.1311a S.1311b S.1314 Househole	Government Agencies (Non-Budgetary) Social Security Funds (SSF & Pension Fund)



Classifications (continued)

III. OTHER CLASSIFICATIONS

- 1. For national accounts purposes, the **Harmonised System (HS)**Nomenclature used to classify External Trade statistics is converted to the **Standard Industrial Trade Classification (SITC)** Rev3 and **Broad Economic Classification (BEC)**
- 2. Current expenditures by general government are classified according to the **Classification of the Functions of Government** (**COFOG**)
- 3. Household final consumption expenditure is classified using the UN Classification of Individual Consumption according to Purpose (COICOP)



Constraints / Challenges

1. Data source and coverage issues

- a) Business Financial year may be different from National Accounts calendar year January -December. This results in adjustments having to be made
- b) Business accounts presented in consolidated format in financial statements are not suitable for NA compilation (disaggregated income and expenditure data is needed for GDP compilation)
- c) Possible under declaration on tax returns
- d) Need to improve coverage of tax exempt activities and activities of the informal economy (this is however, a minor issue as business registration/licenses is tightly enforced comparatively easy in such a small country)
- e) Delays in receiving responses from certain respondents (for survey based data)



Constraints / Challenges (continued)

2. Business Register and Classification

- a) Need for a harmonised classification of businesses by economic activity/ industry to exist across all organisations
- b) Need for the business register to be updated regularly (live database system)
- c) Need for consistency in recording business names
- d) Need to adopt a unique identifier which will resolve the problem of duplicates in the database



Constraints / Challenges (continued)

3. Other compilation issues

- a) The need to develop quarterly GDP estimates. Considerable groundwork has been completed towards developing suitable base data and indicators
- b) Opportunity to streamline the GDP estimates, relying more on indicators, rather than on full financial statements, using 2007 as the benchmark after the financial statements computerisation has been completed during 2009
- c) The upcoming review of the tax system, announced in early 2009 is likely to impact data sources substantially.
- d) The need to develop appropriate deflators for constant prices compilation
- e) Estimation of CFC for government
- f) Measurement of inventories



Constraints / Challenges (continued)

4. Human Resource

- a) Lack of adequate human resources
- b) Need for training and staff development



Main Published Tables

- 1) GDP at current market prices by economic activity / industry (SIC)
- 2) GDP in constant 2006 prices (Real GDP) by economic activity / industry (SIC)
- 3) GDP by Institutional Sector breakdown
- 4) GDP by Tourism related activity at current market prices
- 5) GDP by Fisheries related activity at current market prices
- 6) Cross Classification of Value Added in basic prices by Industry and Sector (CCIS)
- 7) GDP by Expenditure at current market prices



Dissemination Practice

The annual National Accounts Statistical bulletin is disseminated:

- 1) Electronically to all on mailing list
- 2) Hard copy
- 3) On website <u>www.nsb.gov.sc</u>

National Accounts (GDP) figures are also published in the annual **Seychelles in Figures** and **Statistical Abstract**

A customised version of the ISIC Rev4 classification aptly named **Seychelles Industrial Classification (SIC)** can also be downloaded from the website



TA - Project

- The NSB is currently benefitting from Technical Assistance provided by the African Development Bank (AfDB) to assist in the compilation of a Supply and Use Table (SUT) for 2007
- Preparations are currently underway to launch a large scale survey in July 2009 to collect detailed data across all economic activities (except agriculture) required for the elaboration of the SUT



Thank You!