



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

Zambia



Republic of Zambia

Central Statistical Office

COMPILATION OF THE GROSS DOMESTIC PRODUCT

***National Accounts Workshop for SADC
countries, Windhoek, Namibia,
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Outline

- Introduction
- Conventions
- Data sources
- Compilation of GDP
- Dissemination Practices
- Challenges
- Conclusion



Introduction

- National accounts are compiled by the National Accounts Branch of the Central Statistical Office, which is a department under the Ministry of Finance National Planning
- Staffing
 - 3 professionals
 - 3 support staff



Introduction cont'd

- The National Accounts Branch is responsible for:
 - Preparation of preliminary revised and final estimates of Gross Domestic Product (GDP).
 - Development of methodologies and procedures for estimating national accounts aggregates in conformity with internationally accepted guidelines and recommendations.



conventions

- Classification system
 - Establishments are classified according to the second revision of the International Standard Industrial Classification (ISIC rev. 2).
 - ISIC rev.4 is currently being implemented after conducting the listing phase of the Economic Census in 2007.



Data Sources

- **Primary sources of data:**

- Census of Agriculture (last conducted in 2000)
- Census of industrial production covering mining, manufacturing and electricity (last conducted 2000)
- Census of Construction (last conducted 2001)
- National Income Inquiry covering the services sector
- The Government accounts for community, social and personal services and GFCE.



Data Sources cont'd

- The 1993/1994 Household Budget Survey (HBS) for estimating household final consumption expenditure and the informal sector.
- Imports and exports from the External Trade statistics branch.



Data Sources

- **Secondary sources:**
 - Annual crop forecast and post-harvest surveys
 - Quarterly index of industrial production
 - Consumer Price Index
 - Zambia Revenue Authority VAT register



The Gross Domestic Product

- GDP is compiled using two main approaches
 - Production
 - Expenditure



GDP by the production approach

- GDP is reported using three major sectors:
 - Primary
 - Secondary, and
 - Tertiary
- The three major sectors are a summary of eleven institutional sectors



Production approach Cont'd

- Under the primary sector:
 - Agriculture, forestry and fishing
 - Mining and quarrying
- Under the secondary sector
 - Manufacturing
 - Electricity, Gas and Water
 - Construction



GDP by the production approach cont'd

- Under the tertiary sector
 - Trade
 - Hotels, bars and restaurants
 - Transport and communications
 - Financial intermediation and insurance
 - Real estate and business services
 - Community, social and personal services



GDP by the production approach cont'd

- Reported at constant 1994 market prices and at current market prices
 - In value terms
 - In percentage changes
 - In percentage shares
 - Percentage point contribution to overall growth



GDP by the expenditure approach

- Derived from the goods and services account
- Consists of
 - Final consumption expenditure
 - Gross capital formation
 - Exports of goods and services
 - Imports of goods and services
- Final consumption expenditure
 - By households, government and NPISH
- Gross Capital Formation consists of gross fixed capital formation, changes in inventories and acquisition less disposals of valuables



GDP by the expenditure approach

- Gross fixed capital formation
 - Includes all expenditure by producers on produced fixed assets to be used in the production process
 - E.g. vehicles, machinery, equipment, buildings and other construction works
 - Generally referred to as investment



Dissemination Practices

- Monthly Publication of selected statistics
- Website
- Annual national accounts statistical bulletins
- Flyers



Challenges Cont'd

- Major challenge is lack of data
 - No current price estimates for private consumption; derived residually
 - Budgetary constraints in other government agencies affects production of statistics (e.g. tourism, fisheries, local authorities)
 - Estimates for forestry sector derived indirectly using output from a selected sample of enterprise in the manufacture of forestry products.



Challenges

- Remote benchmark year (1994)
- Outdated weights for deflators (CPI, 1994)
- The two have affected the quality of our estimates.
 - Conducted the 2008 Annual Business Survey to which showed we were under estimating GDP
- No appropriate volume indicators for trade, business and personal services
- Coverage of informal sector was only at the benchmark year



Conclusion

- Conduct Phase II of the economic census to help rebase and migrate to ISIC Rev 4
- Administrative data from ZRA and BOZ



End of Presentation

Thank You For Your Attention