



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

Report of the meeting

**Report of the
National Accounts workshop for SADC countries
16-19 June 2009, Windhoek, Namibia**

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**Report of the
National Accounts workshop for SADC countries
16-19 June 2009, Windhoek, Namibia**

Executive Summary

This report summarizes the discussions and outcomes of the National Accounts workshop, held in Windhoek, Namibia during June 16-19, 2009.

Objectives:

The main objectives of the workshop were (i) to have an interactive discussion on National Accounts issues brought about by the update of the System of National Accounts and related issues with a view to strengthen the statistical capacity of the participating countries; (ii) to share country experience on the implementation of the 1993 SNA; and (iii) to discuss a strategy for improving the quality, scope and detail of the national accounts in the region.

Participation:

A total of 24 participants from 13 SADC countries, including some heads of national accounts departments and compilers of national accounts and 6 international organisations attended the workshop. The countries were: Botswana (1), Lesotho (1), Madagascar (1), Malawi (1), Mauritius (1), Mozambique (1), Namibia (4), Seychelles (1), South Africa (2), Swaziland (1), Tanzania (1), Zambia (1) and Zimbabwe (1). The international organisations were: Southern African Customs Union (SACU), Southern African Development Community (SADC), African Development Bank (AfDB), International Monetary Fund (IMF), United Nations Economic Commission for Africa (UNECA) and United Nations Statistics Division (UNSD).

Workshop evaluation:

The results showed that participants were very satisfied with the organization of the workshop, with the content and delivery of the presentations. The score obtained (on a scale of 1 to 5, with 5 as the highest and 1 the lowest) ranged from 3.8 to 4.3. The highest, 4.3, was obtained for the quality of presentations over all, and for the sessions on the update of the SNA and changes between the 1993 SNA and 2008 SNA. The lowest, 3.8, was obtained for the session on the regional implementation plan.

The System of National Accounts:

Participants could better understand the process that led to the revision of the 1993 SNA. Participants learnt of the main changes between the 1993 SNA and the 2008 SNA and, of the impact of these changes on the estimation of the gross domestic product (GDP). Participants were informed about the scope of national accounts data and its compliance with the 1993 SNA in the SADC region and on the quality assessment of the data. Participants understand the need to improve the scope, detail and quality of their national accounts data and were motivated to take action in this regard.

Overview of the System of National Accounts:

Participants could better understand the methodology and the data requirement for the compilation of the national accounts. The main constraints in the compilation of the national accounts were identified as inadequate resources: lack of skills and financial resources and inadequate source data. The countries reported difficulty to compile national accounts data regularly. The need for further training, especially more practical hands-on training to deal with particular compilation issues were identified.

Implementation of the SNA:

Twelve of the participating countries have adopted 1993 SNA with varying scope and details and the thirteenth country are in a process of implementation. In order to expedite the implementation of 2008 SNA, there is a need to set up a mechanism to ensure coordination and harmonization, to identify barriers, propose solutions, set milestones and closely follow up progress with the implementation exercise.

Coordination:

SADC will coordinate with Member States for their contribution to the regional SNA implementation plan. The SNA implementation programme for Africa is the responsibility of the African Group on National Accounts (AGNA) under the auspices of the African Statistical Commission. The SADC region is represented at AGNA by the SADC Secretariat. The regional governance structure, proposed by AGNA, for monitoring the implementation of the SNA and economic statistics, may be used for monitoring the SNA implementation in the region.

Knowledge base:

The participants welcomed the knowledge base established by UNSD to support SNA implementation. Participants agreed to share documents on sources and methods and other related documents in the knowledge platform.

Implementation of ISIC Rev 4:

SADC countries are mainly using either ISIC Rev. 3 or ISIC Rev 3.1 and in some cases national classification based on Rev. 3.1. Participants were of the view that there is a need for creating more awareness of the new classifications among the users. There is a need for national accounts compilers to convince their management that NSOs should have a plan to implement ISIC Rev.4.

Technical assistance:

All participants reported a need for further training to fill the skills gap in national accounts compilation. Technical assistance will be required (i) to review the current national accounting compilation practices and to suggest areas for improving the quality and coverage of the national accounts statistics; (ii) to provide training on the newly introduced concepts in the 2008 SNA; (iii) to provide practical hands-on training to deal with particular compilation issues; and (iv) to provide training on the conduct of surveys and questionnaire design so as to collect robust source data.

**Report of the
National Accounts workshop for SADC Countries
16-19 June 2009, Windhoek, Namibia**

1. Introduction

1. This report summarizes the discussions and outcomes of the National Accounts workshop, held in Windhoek, Namibia during 16-19 June 2009 for Members States of the Southern African Development Community (SADC). A total of 24 participants from 13 SADC countries, including some heads of national accounts departments and compilers of national accounts and 6 international organisations attended the workshop. The United Nations Statistics Division, Department of Economic and Social Affairs (UNSD) organized the workshop on National Accounts for SADC countries, in collaboration with the Central Bureau of Statistics of Namibia, the Southern African Development Community (SADC) and the United Nations Economic Commission for Africa (ECA). The workshop was hosted by the Central Bureau of Statistics of Namibia. The workshop was part of UNSD's efforts to increase statistical capacity building in the region and as such relates to the framework of the project "Strengthening statistical capacity building in support of progress towards the Internationally Agreed Development Goals in the Southern African Development Community region." The purpose of the workshop was to discuss National Accounts issues brought about by the update of the System of National Accounts and main challenges faced by SADC countries on national accounts issues such as, the timeliness and reliability of source data, benchmarking and rebasing, volume measures and back casting in view of the update of the SNA and ISIC. In this respect participants were requested to share their country experiences and provided valuable inputs for a regional strategy to harmonize data collection, compilation and revision policies, and quality standards to extend the scope and detail of the national accounts in the region.

2. Objectives

2. The main objectives of the workshop were (i) to have an interactive discussion on National Accounts issues brought about by the update of the System of National Accounts and related issues with a view to strengthen the statistical capacity of the participating countries; (ii) to share country experience on the implementation of the 1993 SNA; and (iii) to discuss a strategy for improving the quality, scope and detail of the national accounts in the region.

3. These objectives were all met. Discussions at the workshop have helped participants to improve their knowledge. Participants undertook to work on improving the quality, scope and detail of their national accounts. The workshop also provided a platform for sharing experience and contributed to the preparation of an appropriate strategy for the implementation of 2008 SNA in the region.

3. Participants

4. A total of 24 participants from 13 SADC countries, including some heads of national accounts departments and compilers of national accounts and 6 international organisations attended the workshop. The countries were: Botswana (1), Lesotho (1), Madagascar (1), Malawi (1), Mauritius (1), Mozambique (1), Namibia (4), Seychelles (1), South Africa (2), Swaziland (1), Tanzania (1), Zambia (1) and Zimbabwe (1). The international organisations were: Southern African Customs Union (SACU), Southern African Development Community (SADC), African Development Bank (AfDB), International Monetary Fund (IMF), United Nations Economic Commission for Africa (UNECA) and United Nations Statistics Division (UNSD).

4. Workshop agenda

5. Participants adopted the proposed agenda for the workshop. A copy of the agenda is attached at the end of the report. The format of the workshop included formal presentations on specific issues, country presentations by participants and discussions at the end of each session. The country presentations focussed on an assessment of country practices in the compilation of their national accounts, progress with the implementation of the 1993 SNA, and areas/issues where further assistance is needed.

6. The workshop documents, including presentations by country representative, are available on the UNSD website:

<http://unstats.un.org/unsd/nationalaccount/workshops/2009/namibia/lod.asp>

5. Topics discussed and outcomes

5.1 Topics discussed on the first day

7. On the first day the following topics were discussed:

- (i) System of National Accounts – An update of recent developments, and main changes between 1993 SNA and 2008 SNA;
- (ii) Scope of national accounts and compliance with the 1993 SNA in SADC;
- (iii) Quality assessment of the National Accounts; and
- (iv) Country presentations on compiling national accounts.

5.2 Outcomes of the first day

8. The outcomes of the first day were:

- (i) Participants could better understand the process that led to the revision of the 1993 SNA. Participants learnt of the main changes between the 1993 SNA and the 2008 SNA, and of the impact of these changes on the estimation of the gross domestic product (GDP). During discussions, more details were provided on the changes to the classification of producer

units/ancillary units, the new terminologies, the new asset boundary, and the new methodology for estimating FISIM.

- (ii) The presentations by UNSD and the IMF, sharing of practical experience during the country presentations; and discussions at the end of each session helped to motivate participants to work on improving the quality, scope and detail of their national accounts.
- (iii) The countries reported a need for further training, especially more practical hands-on training to help them with difficult issues.
- (iv) Participants reported the increasing demand for more up to date national accounts by policy and decision makers. However, major constraints in the compilation of the national accounts were identified as inadequate resources: lack of skills and financial resources and inadequate source data. The countries reported difficulty to compile national accounts data regularly.
- (v) It was also reported that during the recent years the development of economic statistics has not been given a high priority as more resources were allocated to the collection of the social statistics needed for the monitoring of the MDGs and the 2010 population census round.

5.3 Topics discussed on the second day

9. On the second day an overview of the System of National Accounts was presented and discussed under the following topics:

- (i) Production and expenditure approach;
- (ii) Annual vs. quarterly accounts;
- (iii) Supply and use tables;
- (iv) Integrated economic accounts; and
- (v) Country presentations on compiling national accounts.

10. The presentations concentrated in on the appropriate national accounts methodology, data sources and specific issues related to each economic activity group and expenditure component. It was emphasized that the compilation of the national accounts should be based on timely and accurate source data (surveys and administrative data). Discussions showed that countries need an up to date business registers and should investigate the use of administrative sources, particularly tax data.

5.4 Outcomes of the second day

10. Participants better understood the concept, the methodology and the data required to enable compilation of the national accounts on a regular basis. As a first step, countries are to evaluate the availability of all indicators. Some countries reported the availability of monthly and quarterly indexes, such as, those for industrial production, the consumer prices and producer prices that could be used in the development of quarterly national accounts. Countries expressed the need for practical guidance in the compilation of supply and use tables, particularly to facilitate the balancing of supply and uses of goods and services for benchmarking purposes.

5.5 Topics discussed on the third day

11. On the third day the some of the main challenges in the compilation of the national accounts were discussed. These included the following topics:

- (i) New classifications;
- (ii) Timeliness and reliability of source data;
- (iii) Volume measures; and
- (iv) Benchmarking, rebasing and backcasting.

5.6 Outcomes of the third day

12. The outcomes on the third day are summarized below:

- (i) The main changes in the ISIC Rev.4 and steps for its implementation were presented to the participants. Although national accountants are normally not directly involved in the revision exercise they should strongly advocating the speedy adoption of a national classification based on ISIC Rev 4. The revision process and adaptation to the local context is tedious and need good planning. There was no commitment or consensus by participants about the likely time-frame for the implementation of ISIC Rev 4 by countries in the SADC region.
- (ii) This session helped participants to understand the impact of the implementation of the ISIC Rev4 and CPC Rev2, and the challenges to improve the timeliness and reliability of source data.
- (iii) Participants could also better understand the derivation of volume measures and the reasons to differentiate the price and quantity components of value changes. Discussions on the estimation of volume measures showed major weaknesses in the methodology followed by some countries to estimate volume measures for distributive trade, FISIM, and taxes and subsidies on products. The presentations and discussion helped participants to review the current practice of “deflation”, and to adopt the method of extrapolation using some volume indicators. Participants expressed the need for more guidance on the use of the double deflation method.

- (iv) From the presentations and discussions participants could better understand the relationship between benchmarking and rebasing. In addition, they have learned when rebasing and when benchmarking is appropriate. Participants understood the importance of having a transparent revision policy and an advance release calendar for national accounts data releases that allows for the timely release of data to all users and the incorporation of new data.

5.7 Topics discussed on the fourth day

13. An implementations strategy for the 2008 SNA in the SADC region was discussed on the fourth day. In the presentations by the UNSD and the IMF participants were informed about the objectives and principles of the 2008 SNA implementation strategy as formulated by the ISWGNA and submitted to the United Nations Statistical Commission in 2009. The presentations also included what information is required for implementation on the regional and sub-regional levels and the availability of a knowledgebase maintained by UNSD as repository for guidance material. The SADC and AfDB also presented their views on the regional implementation of the 2008 SNA. Following the presentations, participants were divided into four breakout groups to discuss and report their views on a regional 2008 SNA implementation programme.

14. The outline of the regional plan for 2008 SNA implementation was presented to the participants. Participants agreed to supply requisite information to ESCAP to help formulate a regional implementation plan for implementing 2008 SNA.

5.8 Outcomes of the fourth day

15. The outcomes of the fourth day are summarized below:

- (i) The participants welcomed the guidance provided by the SNA implementation strategy and undertook to contribute material to the UNSD knowledgebase. SADC will coordinate with Member States for their contribution to the regional SNA implementation plan.
- (ii) The SNA implementation programme for Africa is the responsibility of the African Group on National Accounts (AGNA) under the auspices of the African Statistical Commission. The SADC region is represented at AGNA by the SADC Secretariat. The regional governance structure, proposed by AGNA, for monitoring the implementation of the SNA and economic statistics, may be used for monitoring the SNA implementation in the region.

6. Evaluation of the workshop

16. Nineteen of the twenty four participants completed the questionnaire on “Workshop Evaluation”. The results showed that participants were very satisfied with the organization of the workshop and with the content and delivery of the presentations. The score obtained (on a scale of 1 to 5, with 5 as the highest and 1 the lowest) ranged from 3.8 to 4.3. The highest, 4.3, was obtained for the over all quality of presentations, and for the sessions on the update of the SNA and changes between the 1993 SNA and 2008 SNA. The lowest, 3.8, was obtained for the session on the regional implementation plan.

7. Conclusions and recommendations

7.1 SNA Implementation

17. Twelve of the participating countries have adopted 1993 SNA with varying scope and details and the thirteenth country are in a process of implementation. In order to expedite the implementation of 2008 SNA, there is a need to set up a mechanism to ensure coordination and harmonization, to identify barriers, propose solutions, set milestones and closely follow up progress with the implementation process.

7.2 Coordination

18. SADC will coordinate with Member States for their contribution to the regional SNA implementation plan. The SNA implementation programme for Africa is the responsibility of the African Group on National Accounts (AGNA) under the auspices of the African Statistical Commission. The SADC region is represented at AGNA by the SADC Secretariat. The regional governance structure, proposed by AGNA, for monitoring the implementation of the SNA and economic statistics, may be used for monitoring the SNA implementation in the region.

7.3 Knowledge base

19. The participants welcomed the knowledge base established by UNSD to support SNA implementation. Participants agreed to share documents on sources and methods and other related documents in the knowledge platform.

7.4 Implementation of ISIC Rev 4

20. SADC countries are mainly using either ISIC Rev. 3 or ISIC Rev 3.1 and in some cases national classification based on Rev. 3.1. Participants were of the view that there is a need for creating more awareness of the new classifications among the users. There is a need for national accounts compilers to convince their management that NSOs should have a plan to implement ISIC Rev.4.

7.5 Technical assistance

21. All participants reported a need for further training to fill the skills gap in national accounts compilation. Technical assistance will be required to review the current national accounting compilation practices and to suggest areas for improving the quality and coverage of the national accounts statistics; to provide training on the newly introduced concepts in the 2008 SNA; to provide practical hands-on training to deal with particular compilation issues; and to provide training on the conduct of surveys and questionnaire design so as to collect robust source data.

- (i) Participants expressed the need for detailed training on the main differences between 1993 SNA and 2008 SNA. Once they understand the differences, they will be able to adapt the concepts to the local context.
- (ii) Participants reported that they have not yet fully implemented the 1993 SNA. It would be desirable to work out milestones for the implementation of 2008 SNA.

7.6 Strengthening of the statistical production process

22. There is need to

- (i) Strengthen business register and frames and its maintenance mechanism;
- (ii) Improve the quality of source data from annual and infra-annual surveys;
- (iii) Strengthen institutional statistical capacity; and
- (iv) Promote the use of data from administrative sources, in particular, data reported to the tax authorities.

8. Annexes

23. The workshop agenda and the list of participants are provided in the attached annexes.

Annex 1 - Workshop agenda

Annex 2 - List of participants



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

Agenda

Tuesday, 16 June 2009

Registration: 8:30

Morning session 9:00 – 13:00

Opening of workshop
Introduction and administrative information
Objectives and organization of the workshop

The System of National Accounts

- *Update on recent developments*
- *Main changes from the 1993 SNA*
- *Scope of national accounts data and compliance with the 1993 SNA*

Afternoon session 14:30– 17:30

The System of National Accounts – Continued

- *Quality assessment of national accounts data*
- *Country experience*
- *Discussion*

Wednesday, 17 June 2009

Morning session 9:00 – 13:00

Overview of the System of National Accounts

- *Production and expenditure approach*
- *Annual vs. quarterly accounts*
- *Supply and use tables*
- *Integrated economic accounts*

Wednesday, 17 June 2009

Afternoon session 14:30 – 17:30

Overview of the System of National Accounts - continued

- *Country experience*
- *Discussion*

Thursday, 18 June 2009

Morning session 9:00 – 13:00

The main challenges in the implementation of the SNA

- *New classifications*
- *Source data*
- *Timeliness and reliability*
- *Benchmarking and rebasing*
- *Back casting*
- *Volume measures*
- *Other*

Afternoon session 14:30 – 17:30

The main challenges in the implementation of the SNA - continued

- *Country experience*
- *Discussion*

Friday, 19 June 2009

Morning session 9:00– 13:00

System of National Accounts 2008

- *Implementation strategy for the SADC region*

UNSD presentations

Country presentations-

Discussion

Afternoon session 14:30 – 17:30

Conclusions and evaluation of the workshop

Closing ceremony



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List of participants

SADC Member States

1. Botswana

Ms. Agnes Kebonyemotse
Principal Statistician
Botswana Ministry of Finance

2. Lesotho

Ms. Malehloa Celina Molato
Chief statistician
Bureau of Statistics

3. Madagascar

Mr. Samuel Randriambolamanitra
Director of Economic Syntheses
Institut National De La Statistique

4. Malawi

Mr. Titus Chiyembekezo Alexander NKHOMA
Senior Statistician
Malawi National Statistics Office

5. Mauritius

Mr. Krishna Nardeosingh
Senior Statistical Officer
Mauritius Central Statistics Office

6. Mozambique

Ms. Eliza Monica Magaua
Head, Department of National Accounts and Economic Studies
National Institute of Statistics

Namibia

7. Victorina Amupadhi
National Planning Commission

8. Ndamona Kali
National Planning Commission

9 Titus Victor Kamatuka
National Planning Commission

10. Moureen Matomola
National Planning Commission

11. Seychelles

Ms. Laura Marie-Therese Ahtime
Principal Statistician
Seychelles National Statistics Bureau

South Africa

12. Mr. Gerhardt Bouwer
Manager, National Accounts Research
Statistics South Africa

13. Mr. Harald Wagner
South African Reserve Bank

14. Swaziland

Ms. Dlamini Thandie
Assistant Statistician, Swaziland Government
Ministry of Economic Planning and Development
Central Statistical Office

15. Tanzania

Mr. Daniel William Masolwa
Senior Statistician,
National Bureau of Statistics Tanzania

16. Zambia

Mr. Godwin Sichone
Statistician
Central Statistics Office

17. Zimbabwe

Mr. Nelson Taruvinga
Assistant Director
Zimbabwe Central Statistical Office

International organizations

18. UNECA

Andry Andriantseheno
Statistician, UNECA
African Centre for Statistics (ACS)
United Nations Economic Commission for Africa

19. SADC secretariat

Mr. Ackim Jere
Senior Officer, Statistical Research and Analysis
SADC/ Secretariat

20. UNSD

Herman Smith
Chief, National Accounts Section
United Nations Statistics Division/DESA

21. African Development Bank

Mr. Luc Mbong Mbong
African Development Bank Group

International Monetary Fund

22. Ms. Margaret Fitzgibbon
International Monetary Fund

23. Ms. Donna Greman
International Monetary Fund

24. SACU

Ms Motselisi Matsela
International Monetary Fund