Regional Seminar on Developing a Programme for the Implementation of the 2008 SNA and Supporting Statistics in the Pacific region

Apia, August 20, 2013
Outline

- PFTAC and IMF in the Pacific
- Work plan and priorities
- Challenges and future developments
PFTAC - overview

- Pacific Financial Technical Assistance Center (PFTAC) is one of the IMF’s 9 regional technical assistance (TA) centers
- Collaborative venture between IMF, recipient countries, and bilateral and multilateral donors
- Improve economic management and sustainable economic growth across the PICs
PFTAC - overview

Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu as well as Timor-Leste
PFTAC TA

- PFTAC’s support to PIC’s statistics takes place in the context of the TYPSS
- Mainly for national accounts (2\textsuperscript{nd} advisor started in 2012) but also external sector statistics
- Coordination with SPC, ABS, ESCAP
- TA in NA provided to all PFTAC countries except Tuvalu, Nauru, Niue, PNG and Tokelau
IMF HQ support

- With PFTAC, IMF combines strategic advice from its Headquarters with local expertise and on-the-ground capacity building.

- TA integrated with core lending and surveillance operations of the IMF.
IMF HQ support

- IMF HQ has significantly stepped up its statistical TA to the Pacific:
  - external sector statistics (ESS)
  - government finance statistics (GFS)
- General data dissemination system (GDDDS)
- International Comparison Program coordinated by ABS
External Sector Statistics (ESS)

- Improve accuracy, availability, comparability, and timeliness of ESS for selected countries
- One advisor stationed in Fiji
- Workshop on practical aspects of international investment position (IIP) statistics and external debt statistics (EDS) during 15-25 July
Government Finance Statistics (GFS)

- Assist Asia Pacific countries to migrate their fiscal statistics to standards embodied in the *Government Finance Statistics 2001*
- One advisor stationed in HQ
- ABS-IMF joint course on GFS conducted in June 2013 with a focus on debt and aid statistics
Capacity building

- High-quality technical advice is not sufficient to achieve results
- On-the-job training
- Regional workshops
Work plan

・Production of at least 2 independent measures of GDP to a high standard in 8 countries and improved quality of GDP measures in all countries:
  ☐ Vanuatu published GDP E estimates by expenditure in 2012
  ☐ Methodology development of GDP E underway in Kiribati
  ☐ Review of the existing methodology has started in Fiji, Palau and Timor-Leste.
Work plan

Rebased constant price GDP estimates by production and by expenditures

- Rebase from 2005 to 2008 prices almost completed in Fiji
- Rebase 2005 to 2010 has started in Vanuatu and is expected to be finalized in 2014
- Rebased annual and quarterly GDP estimates in Samoa implemented by a peripatetic advisor managed by Samoa Bureau of Statistics within an Institutional Strengthening Programme
Work plan

Compilation of regular annual Gross National Income (GNI), Gross National Disposable Income (GNDI), saving and net lending/borrowing aggregates by at least eight member countries. GNI and GNDI:

- Compiled for Palau, FSM and RMI by US-funded consultants
- Compiled in Timor-Leste by a resident advisor
- Kiribati compiles GNI and GNDI
- Compiled in Tuvalu with TA from SPC
Work plan

- Production of quarterly national accounts (QNA) in four member countries.
  - Development of QNA estimates began in the Cook Islands during 2012 and is nearing completion.
  - The development of QNA estimates has also started in Fiji.
  - Samoa’s QNA methodology has been improved by the ISP consultant
Work plan

Compilation of PPI and trade price indexes by four countries.

- PFTAC contributed to the development of PPIs and redevelopment of export and import price indexes in Fiji. This development continued with IMF’s ICP project in January 2013 with a follow-up mission planned for August 2013.
- PFTAC coordinated TA from the IMF on the development of a core inflation index in the Solomon Islands.
Work plan

🧬 Regular compilation of annual balance of payments estimates for countries that currently have irregular compilation and improvement in the coverage, quality and timeliness of current account estimates

⬇️ ESS project will improve balance of payments and IIP statistics as well as participation in the Quarterly External Debt Statistics (QEDS) and IMF Coordinated Direct Investment Survey (CDIS) databases
Challenges

- 6 NSOs in the PICs comprise five or less staff
- Limited number of staff makes specialization of staff very difficult and increases reliance on external TA
- Insufficient resources require TA missions for regular compilation tasks which also limit methodological developments and capacity building
Challenges

- Limited financial resources to collect good quality source data
- Compilers often rely on outdated source data combined with a limited number of indicators used to extrapolate time series
- Main source data used for national accounts statistics and ESS are existing administrative data.
Challenges

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- Administrative data are useful but data quality and concepts are not always fit for purpose.
- Access to administrative data is sometimes hindered by legislative, technical or practical issues and NSOs should actively try to overcome these barriers with the relevant government authorities.
Challenges

- Microsoft Excel-based compilation systems are used in most NSOs
- In many PICs, there is no active policy in place to develop and maintain good data and metadata management practices
- Poor data management practices reduce efficiencies and significantly increase the business continuity risk
Recommendations

- NSOs should engage with the statistical community to promote the use of economic statistics and the adoption of agreed statistical standards including classifications.
- This would facilitate data sharing, consistency between data producers and improve efficiencies in the national statistical systems.