## Report of the National Seminar for Jamaica and the Regional Seminar for selected CARICOM Countries on

# Developing a Programme for the Implementation of the 2008 SNA and Supporting Statistics,

28 January - 1 February 2013, Kingston, Jamaica

#### Introduction

- 1. The United Nations Statistics Division (UNSD), in collaboration with the Caribbean Community (CARICOM) Secretariat and the Economic Commission for Latin America and the Caribbean (ECLAC) organised two seminars on Developing a Programme for the Implementation of the 2008 SNA and Supporting Statistics for CARICOM Countries from 28 January 1 February 2013 in Kingston, Jamaica. These seminars were hosted by the Statistical Institute of Jamaica (STATIN). These initiatives are part of the technical assistance provided by the UNSD to enhance statistical capacity building in the region to alleviate the difficulties faced by countries in the implementation of some recommendations of the System of National Accounts (2008 SNA).
- 2. The technical assistance (TA) comprised a two day (28-29 January 2013) national seminar/consultation with those involved in the Jamaican statistical system and a three day (30 January 1 February 2013) regional seminar with senior managers in economic statistics and national accounts from nine Caribbean countries (Bahamas, Bermuda, Dominica, Grenada, Jamaica, Saint Lucia, Suriname, St. Vincent and the Grenadines, and Trinidad and Tobago). Resource persons from the UNSD, Statistics Canada and the CARICOM Secretariat and representatives from the Caribbean Regional Technical Assistance Centre (CARTAC) of the IMF and the Eastern Caribbean Central Bank (ECCB) also attended the seminar.

## Objective - developing a programme for the implementation of the 2008 SNA and supporting statistics

3. The objective of the national and regional seminars was to assist the countries with developing a programme for the implementation of the 2008 SNA and supporting statistics as encouraged by the United Nations Statistical Commission with a gradual changeover to the 2008 SNA starting in 2014. The Master Plan developed and agreed to by Caribbean countries in Belize under an initiative organised by the CARICOM Secretariat and facilitated by Eurostat for 2008 SNA implementation aligns with this objective.

## Regional and strategic approach with limited number of countries and pilot country

4. For this TA intervention, a regional and strategic approach was followed by inviting a limited number of countries that share a common economic integration objective with participation of senior representatives in economic statistics from national statistical agencies and national central banks. With their common integration objective, it is expected that a common roadmap can be formulated for the changeover to the 2008 SNA, because harmonised economic statistics is at the heart of their common economic integration

objective. Among the countries, one country is selected in the region to be the pilot country, because of its lead in the preparations for the changeover. The experience of the pilot country in the preparation of the changes in institutional arrangements and statistical production process required for the changeover to the 2008 SNA formed the basis for discussion at the national seminar/consultation and a major input in the discussion at the regional seminar. A follow-up is scheduled in May 2013 based on the preparation of the first drafts of the national statements of strategy by the participating countries for the change over to the 2008 SNA that will form the basis for the formulation of the national and regional roadmap.

## National Seminar, 28-29 January 2013

## **Participants**

5. The national seminar was attended by senior officials of Jamaica including STATIN, Central Bank, Planning Institute of Jamaica, Ministry of Finance and the Ministry of Agriculture. In addition two staff members from UNSD, one each from ECLAC, Statistics Canada and the CARICOM Secretariat also attended as resource persons. The seminar was organised around six themes that allowed for broad ranging technical discussions on the policy and institutional arrangements and the statistical production processes which are described below. Each of the themes was introduced with presentations followed by discussions. The seminar was co-chaired by the Director General of the STATIN and UNSD.

## National and regional policy perspective

6. To initiate the formulation of a national strategy and implementation programme for the 2008 SNA and supporting statistics, it is necessary to take into consideration the national and regional policy needs to determine the scope and detail of the national accounts required to inform policy makers. For this purpose participants expressed their immediate and medium term policy issues to be monitored using macro economic statistics. Participants concluded that there is a need for more detailed macroeconomic data with higher frequency to formulate policy and assess its progress. Of particular importance is the improvement of the quality and timeliness of the underlying data required for compiling the macroeconomic accounts of Jamaica. Furthermore, the demands for meeting the macro prudential and financial stability regulations warrant a progressive extension of the national accounts to include the integrated presentation of integrated sequence of accounts and balance sheets with from-whom-to-whom perspective.

## Implementation of the 2008 SNA and supporting statistics – gradual change over

7. The UNSD provided an overview of the global programme on the implementation of the 2008 SNA and supporting statistics addressing the elements of the integrated economic statistics approach and the possible outline of a statement of strategy document. Representatives from STATIN presented their overall approach, institutional process and timeline for preparing work programme of implementation of the 2008 SNA and supporting statistics. Progress on the adjustments to survey instruments has been made and new administrative data sources identified to collect relevant information to the conceptual change over to the 2008 SNA. Also progress has been made in researching the implications of conceptual change over for selected issues on the compilation of the SNA. STATIN plans to change over to 2008 SNA from 2015-2016. Revision will form part of next benchmarking

exercise for the national accounts including the compilation of SUT and will include improvements to the national accounts that were not included in last major revision. STATIN is planning to revise its national economic activity classification based on ISIC Rev. 4 by second quarter of 2013 - second quarter of 2014 to be followed by the subsequent adjustments to the business registers and frames. It was mentioned that the STATIN will not be able to implement the full scope of the SNA and that it has no plans in the medium term to compile the financial accounts and balance sheets. It plans however, to compile the institutional accounts on phased basis starting with government institutional sector accounts.

8. Also, Jamaica is preparing to subscribe to the Special Data Dissemination Standard (SDDS) of the IMF tentatively by June 2013. The preparatory work for SDDS subscription is progressing well but the June 2013 deadline will not be met.

#### Meeting with source data providers

9. The session with source data providers discussed the data needs of STATIN for the compilation of the sequence of accounts up to capital account government institutional sector accounts and the availability of price statistics to derive volume measures for production and expenditure estimates. Given the broad ranging implications of the data needs, participants concluded that there is a need to carefully systematize and plan the implementation of the 2008 SNA taking into account the gradual change over to the conceptual issues of the 2008 SNA and the need for improving the underlying data needed to compile the required scope and detail of national accounts.

## Conceptual issues of the 2008 SNA

10. Specific topics related the conceptual implementation of the 2008 SNA was addressed in this session. STATIN staff introduced each topic by elaborating on the new requirements and proposed actions that they plan to take. The resource persons from the UNSD and Statistics Canada provided advice on each of the issues raised and were able to help STATIN to better understand the challenges with implementing 2008 SNA recommendations.

## Conclusions of the national seminar

- 11. Participants welcomed the assistance from UNSD, ECLAC, CARICOM and Stat Canada to better understand the requirements for the implementation of the 2008 SNA and supporting statistics. They also undertook to assess their goals for the implementation of the SNA and the need for improving the underlying data needed to compile the required scope and detail of the national accounts in their upcoming strategic planning sessions.
- 12. The organizers of the seminar appreciated the extensive preparations by STATIN to introduce issues for discussions on each of the topics discussed during the seminar. The organizers were also impressed by the efforts being made by STATIN towards implementing the 2008 SNA. Their detailed presentations brought out issues for a broad ranging and in depth discussion on concepts and methodology, best country practices for implementation of issued identified by STATIN as relevant to Jamaican economy and the challenges they faced with the changeover to 2008 SNA with the appropriate scope and detail of supporting statistics.

13. The STATIN subscribed to the strategic approach and volunteered to develop the first draft of a statement of strategy and programme of implementation for the changeover to 2008 SNA taking into account the detailed and broad ranging discussion during the seminar by February 2013.

## Regional Seminar, 30 January – 1 February 2013

#### Introduction

- 14. The regional seminar was attended by senior managers in economic statistics and national accounts from Bahamas, Bermuda, Dominica, Grenada, Jamaica, Saint Lucia, Suriname, St. Vincent and the Grenadines, and Trinidad and Tobago. In addition resource persons from the UNSD, ECLAC, Statistics Canada, CARICOM Secretariat, Caribbean Regional Technical Assistance Centre (CARTAC) of the IMF and the Eastern Caribbean Central Bank (ECCB) also attended the seminar. The seminar discussed four themes that are described below. Each of the themes was introduced with a presentation followed by discussions.
- 15. UNSD presented the institutional process, assessment and reporting tools for the development of a programme for the implementation of the 2008 SNA and supporting statistics. Particular attention was given to the stages in undertaking a system wide consultation, outreach and involvement of the major data producers and users, the coordinating role of the NSO, the required resource mobilisation for the programme and the possible external technical assistance required. Regional plan for the implementation of the 2008 SNA was presented by ECLAC and the master plan of 2008 SNA implementation in the Caribbean region was presented by the CARICOM Secretariat. Both these plans are fully aligned with the global initiative.
- 16. Participants appreciated the initiatives of the CARICOM Secretariat in enhancing the statistical capacity of the countries in the region towards advancing the improvement of economic statistics particularly in the area of developing guidelines for the creation and maintenance of a business register and also facilitating the implementation of the master plan developed by Caribbean countries in Belize for the implementation of 2008 SNA. The CARTAC reaffirmed its commitment to provide TA to countries so that they may enhance their statistical capacity in the areas of the compilation of supply and use tables and price statistics.

## Need for appropriate human resource programme

17. The countries accorded particular attention to the need to develop an appropriate human resource program given the limited amount of skilled staff and high turnover.

#### Shared vision with partners for addressing budgetary issues

18. Some countries indicated that the financial resource issues for the implementation of the national accounts and supporting statistics can be addressed at national level through the establishment of a common vision and strategy with the National Central Banks on the respective roles of the NSO and central bank in the production of economic statistics. The NSO with the central bank should collectively make the case to the Ministry of Finance based on a common strategic approach. The need for assistance at national level from international

and regional agencies to advocate the case for collaboration was reiterated. Also existing bilateral collaborations in the region should be further pursued where possible, because of the increasing evidence of positive feedback from sharing bilateral experience in strengthening institutional arrangements, statistical infrastructure and statistical operations.

## **Present country practices**

- 19. Each participating country presented an overview of the main national policy issues and their relationship with the scope and detail of the national accounts framework, as well as an overview of current compilation practices, new requirements of data by economic activity and institutional sector, and statistical and institutional actions to remedy shortcomings. From the presentations, it was clear that these countries are still a long way from actually implementing 2008 SNA but nevertheless demonstrated a commitment to get there. In this session, main data gaps for the changeover to 2008 SNA and aspired detail and scope of the SNA for the programme of the implementation of 2008 SNA and supporting statistics were identified.
- 20. Also it became apparent that the SNA implementation programme should build on the harmonisation of the compilation practices in the region, experience sharing and use of common compilation tools.

## Mobilisation of ongoing donor initiative at country level

21. The formulation of the SNA strategy could draw on existing donor initiatives in economic statistics (Eurostat and CARTAC).

## Statistical production process in an integrated economic statistics approach

- 22. The discussions on the statistical production process in an integrated economic statistics approach were facilitated by presentations by UNSD, STATIN and CARICOM on the application of the integrated economic statistics approach to the statistical production process taking into account the institutional environment and the main elements of the statistical production process such as the statistical business registers, surveys and administrative sources, dissemination and communication methods. It was recommended that this integrated statistical approach and the assessment of the components and subcomponents should be an integral part of the formulation of the statement of strategy for the gradual change over to the 2008 SNA starting in 2014.
- 23. Estimates of capital stock is one of the key macro-economic aggregates required for informed policy use in terms of productivity analysis and for compiling the balance sheet accounts. The majority of countries in the region do not compile the estimates of capital stock basically for two reasons (i) lack of required data and (ii) lack of technical know-how with regard to the methodology to be used. To encourage countries to start compiling estimates of capital stock, a detailed presentation on the topic was made by Statistics Canada which was much appreciated by the participants. Countries were encouraged to review the availability of time series on investments, assets life and the depreciation patterns of the assets in their economy which are key ingredients for estimating of capital stock. Also, a presentation on the integration of the balance of payments into the national accounts was made by the ECCB

## Policy use and scope and detail of MRDS

24. This session discussed the progressive multiple policy uses of the statistics, accounts and tables of the 2008 SNA and supporting statistics with the extended scope and detail as required by the Minimum Required Data Set (MRDS). The discussions allowed the participants to gain further insight in developing a more articulate outreach programme for senior policy makers and analysts in their countries.

## Conclusions of the regional seminar

- 25. The regional seminar showed that the participating countries are still a long way from actually implementing the 2008 SNA and would need continuing support for developing and implementing a programme for the 2008 SNA and supporting statistics. It was also evident from the discussions that the Global and CARICOM master plan for the implementation of the 2008 SNA is not put in practice at the national level.
- 26. The participants recognised that for preparing an implementation programme for the 2008 SNA and supporting statistics, it is necessary to take into consideration the national and sub-regional policy needs to determine the scope and detail of the national accounts required to inform policy makers. These goals are also guided by the requirements set by the Statistical Commission for assessing the scope and detail of the national accounts. The chosen scope and detail of the national accounts also determine the data sources needed for timely and accurate estimates of the national accounts aggregates. By mapping the statistical requirements where you want to go, and the outcome of the assessment of the statistical system where you are, it is possible to determine the required actions how to get there. These required actions can then be translated into an implementation programme for the 2008 SNA and supporting statistics, providing key features and deliverables that are specific, measurable, and relevant and can be advanced within a specific time frame.
- 27. As a first step to develop an implementation programme for the 2008 SNA and supporting statistics at the country level participants committed to draw up the first draft of the statement of strategy for this purpose by February 2013 with the final draft to follow by April 2013. This commitment recognises that the statement of strategy is a necessary step to a multi-year statistical programme to transition towards 2008 SNA and to establish a minimum common data set of annual and higher frequency statistics.

#### Other considerations

28. The continued engagement by all international and regional organisations to follow-up on country commitments to drafting national implementation programmes in a phased changeover to the 2008 SNA starting in 2014. This renewed sub regional approach launched by UNSD and CARICOM in collaboration with ECLAC and ECCB holds much promise, but requires the continued engagement by all international and regional organisations with the individual countries. It has led to country commitments to drafting national implementation programmes on national accounts and economic statistics in a phased changeover to the 2008 SNA starting in 2014, which warrant action at the country level coordinated by the NSOs and Central Banks.

- 29. Agreed outline of the statement of strategy An agreed outline of the statement of strategy (see Annex) will form the basis for the drafting the programme and will cover both the statistical and institutional elements to improve the scope detail and quality of their national accounts.
- 30. Regional agencies should provide in-country assistance to meet the April 2013 milestone. UNSD and CARICOM in collaboration with ECLAC and relevant sub-regional organizations (ECCB and CARTAC) should follow up and contacting the individual participating countries to ensure that they prepare the first draft of the statement of strategy for the implementation of the 2008 SNA by February 2013 and the final draft by April 2013. Where relevant and requested, regional agencies should provide in-country assistance to meet the April milestone.
- 31. Launch similar initiatives for the remaining Caribbean countries and the Latin American countries in 2013 This initiative also served as an initial catalyst for intra regional cooperation aimed at curbing variation in approaches among countries in the Caribbean region and to further the consistent implementation of 2008 SNA for the countries in the ECLAC region.
- 32. Initiatives in other regions UNSD should also explore a similar approach in collaboration with the other United Nations regional commissions. Concrete requests have been received for the ESCWA and ESCAP regions that warrant early action.

Annex

## **National statement of strategy**

- 1. Strategic planning is a key principle in mobilizing political and financial support for investment in statistics for which strategic planning frameworks could be used to connect national development objectives with a programme of work for statistical capacity-building. Strategic planning can identify the current strengths and weaknesses of statistical capacity to produce key economic indicators and basic source data. This approach could also lay out a schedule of tasks to mitigate weaknesses.
- 2. Countries are encouraged to develop their implementation programmes for the 2008 SNA and supporting economic statistics within the framework of national strategies for the development of statistics (NSDS). A statement of strategy, taking into account the national and regional policy needs, is an important step to establish a road map for developing the required scope, detail and quality of national accounts needed for assessing economic progress. For this purpose it is proposed that countries establish a statement of strategy for the implementation of the 2008 SNA and supporting statistics at the national level and to incorporate this statement of strategy in the review of their NSDS. The statement of strategy aims to establish the set of actions to accomplish statistical and institutional goals for the sustainable improvement of the economic statistics programmes, while ensuring adherence to best practices in official statistics.
- 3. In developing the statement of strategy, consultations are needed, preferably in a national seminar, with all stakeholders, policy planners and other data users including the academia and business community. Such a discussion is expected to help the national statistical office to prioritize the problem areas and ultimately write a plan for the improvement of the supporting economic statistics with a view to compile national accounts within the framework of the 2008 SNA.
- 4. The basic elements of a statement of strategy include a mandate, a mission statement, values, high level goals, specific goals and required activities. Table 1 provides an outline for a statement of strategy. For the purpose of an implementation programme for the 2008 SNA and supporting statistics, a statement of strategy could, for example, be: *The development of an economic statistics programme for compiling national accounts with the required scope and detail to meet data needs of policy makers in a global socio-economic environment.* The statement of strategy represents the overall objective for the successful implementation of the 2008 SNA to enable the evaluation of economic performance and the national and regional economic policy objectives.

## **National statement of strategy for Caribbean countries**

- 5. An outline of a generic statement of strategy is presented in the table below. Using this generic outline participants have preliminarily identified the required activities, which are outlined in the following paragraphs.
- 6. The *mandate* for the statement of strategy is determined by national and regional policy objectives and underpinned by the regulatory and institutional framework through a statistical act and international statistical standards such as, the United Nations principles of official statistics, 2008 SNA, BPM6, GFSM, ISIC Rev4, etc.

- 7. The *mission statement* describes the purpose, users, outputs, markets, philosophy and basic technology used to realize the strategy. In other words, what needs to be accomplished, for example, *The efficient and timely dissemination of high quality national accounts and supporting statistics*.
- 8. The set of *values* needs to reflect the values and principles portrayed by the UN Fundamental Principles of Official Statistics to produce useful high-quality data that will have the confidence of users of statistics. Values include, for example, statistical professionalism, independence and integrity, excellent service to customers, respect and understanding for data suppliers, value for money, etc.
- 9. *High-level goals* represent the overall accomplishments to be achieved. These goals aim to address important issues, which are identified during the assessment phase. The goals should be creative and forward-looking by being specific, measurable, relevant and time-bound. High-level goals could include improvement in the scope, quality and timeliness of economic statistics, minimizing the burden on respondents, increasing the use of administrative data for statistical purposes, achieving greater efficiencies using best practices, raising public awareness and use of national accounts, etc.
- 10. The *specific goals* describe the ultimate results that need to be accomplished for fulfilling the vision described in the statement of strategy. The specific goals for the 2008 SNA implementation programme could be: *To compile national accounts according to milestone two of the SNA implementation, comprising the minimum required data set and to develop a national central data hub for short term economic statistics to facilitate the early detection of changes in economic activity as reflected by the national accounts.*
- 11. The *required actions to be carried out* are determined by mapping the results from an assessment of the national statistical system to determine the adequacy of the national statistical production process to support implementation of the 2008 SNA and the source data needed to compile the national accounts statistics which fully meets the needs to inform policy makers as well as complies with the international standards. These activities can be grouped in three categories:
  - **A.** Regulatory and institutional framework strengthening the functioning of NSS, its programming, management and performance,
  - **B. Statistical infrastructure** strengthening of use of standards (2008 SNA), classifications (ISIC Rev. 4), registers and frames, modernizing information management and information technology, and
  - **C. Statistical operations** strengthening of data collection, compilation, analysis and dissemination.
- 12. The following paragraphs describe the specific required actions that need to be carried out under each category.

#### A. Regulatory and institutional framework

• Modernisation and strengthening of the national regulatory and institutional framework for 2008 SNA and supporting statistics.

- Statement of strategy (by April 2013) with deliverables by 2015/16 and 2018/19
  - First draft of the statement of strategy to be prepared by February 2013 and the final draft by April 2013. Formulation of the implementation plan based on the statement of strategy and the implementation of the plan and change over to 2008 SNA by 2015-2016 (Jamaica) and 2018-2019 (rest of the participating countries).
- Implementation plan reflected in the annual and medium-term work programme of NSO (by 2013/14)
  - With a view to meet the time line set for the change over to 2008 SNA, components of the implementation plan should be included in the annual and medium-term work programme of the NSO.
- National technical coordination board/working group for statistical standards (data producers, data providers, policy users, academia)
  - To guide the process of change over to the 2008 SNA in a transparent manner, it would be advisable to establish an Advisory Committee/coordination Board comprising representatives of all stakeholders of the statistical system namely, the data producers, data providers, policy users and academia/researchers.
  - To deal with the treatment of specific technical issues it would be useful to establish a working group comprising technical experts on the issues.
- Updated and new Memorandum of Understandings (MOUs) with data providers
  - In a decentralised statistical system, source data required for compilation of national accounts may be supplied by several government agencies. The greatest risk in the short term is that data might not be delivered on time to meet the timetable for production of regular statistical outputs. In the longer term, the greater risks are around the quality of the data being supplied. Agreeing to a MOU with each supplying organization is an excellent tool for managing these risks.
  - MOU is a legal document that outlines the terms and details of an agreement between agencies, including each party's requirements and responsibilities. An important benefit of these Memoranda of Understanding is early warning of changes to administrative procedures or statistical processes that could affect the quality of data used for the production of statistics. These agreements make cooperation with supplier organizations more predictable by consolidating all information about all decisions and processes in one document. The MOU can deal with the following issues:
    - Conditions for the supply of administrative data;
    - Timetable for the supply of data;
    - Confidentiality, integrity, and security of data;
    - Consultation about new uses of administrative data;
    - Resolution of disputes;
    - Consultation before making changes that will affect the variables supplied;
    - Understanding statistical needs before making changes; and

- Consultation before changing administrative forms.
- Senior management and statistical training human development
  - Senior managers need to mobilize agency-wide support for the new and high-priority task of integration and ensuring contributions of the stakeholders. As part of building a strong system of management culture of values, norms and shared beliefs, senior management should manage labour relations, human resources, issues of recruitment of professionals, provision of training to all classes of staff, development of training material and a range of related issues.
  - The development of an understanding of the importance of statistical integration should be built into all relevant training activities. Staff responsible for compiling national accounts will need a sound understanding of issues regarding classifications, population coverage, and business registers that affect their ability to integrate statistics from different sources. Staff responsible for the operation of statistical surveys will need an understanding of how their data are used in the compilation of national accounts. Training courses should provide an understanding of how data issues affect the use of statistical outputs in the SNA.
- Other as relevant Establishing common vision with National Central Bank
  - Establishing a common vision with the national central bank on the respective roles of the NSO and central bank in the production of economic statistics may be helpful to address the financial resource issues for the implementation of the national accounts and supporting statistics.
  - National Statistical Office with the central bank should collectively make the case to Ministry of Finance/Treasury based on a common strategic approach.

#### **B.** Statistical infrastructure

#### The upgrading of statistical infrastructure

- 2008 SNA compliant
  - National statistical system should support basic data on all economic activities undertaken in the economy for exhaustive coverage of their contribution to the economy. Requisite quantity and price statistics should be available for valuation and recording of transactions in accordance with the 2008 SNA principles.
- Scope 2008 SNA minimum up to net lending/net borrowing for all institutional sectors
  - Minimum aspiration of the national statistical system should cover compilation of minimum required data sets as endorsed by the United Nations Statistical Commission (see Table 2 of the ISWGNA report to the 42<sup>nd</sup> session of the of the United Nations Statistical Commission, available at <a href="http://unstats.un.org/unsd/statcom/doc11/2011-6-NationalAccounts-E.pdf">http://unstats.un.org/unsd/statcom/doc11/2011-6-NationalAccounts-E.pdf</a>
- Scope BPM6 BOP and IIP
  - Scope and detail of the compilation of the balance of payment statistics should be in accordance with the  $6^{th}$  edition of the balance of payments manual (BPM6) of the IMF.

- Classification compliant ISIC Rev 4 and CPC2
  - Classifications of the economic activities (ISIC Rev 4) and products (CPC 2) are the statistical infrastructure which is required to be implemented for collection, compilation and dissemination of economic statistics on internationally comparable basis. Countries may have developed their own national classifications of economic activities and products to accommodate their national requirements but care should be taken to ensure that these are compatible with the international ones at three and higher digits.
- Harmonization of business registers.
  - The establishment of a comprehensive and up-to-date business register is essential for the full co-ordination of source data that use the same basic information about business units. Countries with a high proportion of small and micro enterprises complement the business register with non-overlapping area frames based on agricultural, economic and population censuses. The central frame, consisting of a business register and, where applicable, in combination with area frames, represents the backbone of the collection processes of source data that interface with businesses through direct profiling, surveys, feedbacks and use of administrative records.
  - The creation of a unified, comprehensive statistical register is the mediumterm objective. Common universe for sampling and consistent classification of businesses promote consistency on collected data across surveys. As a result of a single business register, accuracy, consistency, and timeliness in producing statistics can be improved and respondent burden reduced.
  - Unified business register is an effective way to ensure that units are selected and classified consistently across all statistical outputs.
  - For decentralized systems with multiple business registers, the objective may be the reconciliation of key differences in classification and the identification of gaps and overlaps across the various registers. Through such reconciliation, decentralized systems may be able to achieve many of the benefits of a single business register. In addition, since some business registers are based on comprehensive, but relatively dated census data, while other based on more timely, but less comprehensive business register and tax data, reconciliation can improve the accuracy of both registers.
- Modernization of information management and information technology
  - For efficient functioning of the statistical production process use of modern information and communication technology (ICT) is required. The development of information technology resources requires long-term management support and commitment for change. It includes developing an ICT infrastructure and ICT strategies for the statistical system that becomes part of the integrated statistical production process.
- Others as relevant

### Statistical compilation issues

- Periodicity
  - Quarterly GDP by production and expenditure

- Quarterly GDP by production and expenditure approaches should be compiled both at current and constant prices with a time lag of one quarter.

#### Annual sector accounts

- Sequence of accounts until net lending/borrowing for all institutional sector should be compiled annually.
- Agreed set of minimum short-term statistics
  - The United Nations Statistical Commission (UNSC) at its 42<sup>nd</sup> session considered an international programme of work on short-term economic statistics as part of a coordinated statistical response to the economic and financial crisis. The UNSC encouraged countries on a voluntary basis to initiate the creation of national central data hubs with a single access point in their national statistical system to enhance the accessibility of the nationally available short-term statistics and indicators based on a system-wide needs assessment.
  - Countries starting a programme of compilation of short-term indicators to meet their national requirements should align the selection of such indicators and its scope and coverage to the internationally agreed data template of short-term indicators available at <a href="http://unstats.un.org/unsd/nationalaccount/workshops/2010/moscow/AC223-S51Bk1.PDF">http://unstats.un.org/unsd/nationalaccount/workshops/2010/moscow/AC223-S51Bk1.PDF</a>
- Detail annual SUT
- Compiling chain volume measures
  - Constant price national accounts statistics based on a base year too distant in the past do not realistically depict the state of the current structural composition of the economy. The 2008 SNA recommends compiling the chain volume measures for this purpose. The more frequently weights are updated the more representative will the resulting price or volume series be. Annual chain volume measures result from compiling annual indices over two consecutive years each with updated weights.

## C. Statistical operations

## **Staged upgrading of statistical operations**

- 2008 SNA/BPM6/GFSM/MFSM and ISIC/CPC compliance adjustments to business and household surveys
  - The design and the content of the survey questionnaires need to be reviewed with a view to collect data in compliance with the concepts and definitions of new macro economic accounting standards and classifications.
- New benchmark 2012/13? using SUT
  - Compilation of the supply-use table (SUT) besides being analytically useful for policy planning purposes also provides a powerful tool for validating the source data in a consistent manner. It would be useful if participating countries harmonise benchmarking of their national accounts statistics using supply-use framework for the year 2012-2013.
- Harmonisation of quarterly and annual GDP.

- Detailing sources and methods –metadata
  - Metadata are data that describe statistical data. Statistical metadata describe processes that collect, process and produce statistical data and indicate the data sources and tools that are instrumental in statistical production like statistical standards and classifications, business registers and frames, statistical methods, procedures and software. Due to the range of internal and external users, the metadata should include elements of management of quality related to the institutional environment, system, statistical production process and statistical outputs.
  - Metadata provide a mechanism for comparing national practices in the compilation of statistics. This may help and encourage countries to more easily implement international standards and to adopt best practices in the compilation of particular statistics.
- Autonomous measure of expenditure components
  - It is desirable to compile the estimates of the expenditure components of the GDP independently using survey and/or administrative data sources rather than deriving them residually.
- Owner-occupied dwelling services (including second/vacation homes)
  - The production of housing services for their own final consumption by owner occupiers is included within the production boundary in national accounts; therefore it should be accounted for. Output of the housing services produced by owner occupiers is valued at the estimated rental that a tenant would pay for the same accommodation, taking into account factors such as location, neighbourhood amenities, etc. as well as the size and quality of the dwelling itself
- Capital stock and consumption of fixed capital, including government fixed capital
  - Estimates of capital stock is one of the key macro-economic aggregates required for informed policy use in terms of productivity analysis and for compiling the balance sheets. For compilation of the capital stock estimates basic data required are the time series on investments, assets life (by type of assets) and the depreciation patterns of the assets in the economy.
- Inclusion of off-shore companies without physical presence
- Exhaustive measure of GDP
  - The first priority of countries should be to account for the contribution of all economic activities within the 2008 SNA production boundary to the GDP.
- Monthly and quarterly production and turnover surveys
  - For compilation of short-term indicators infra-annual inquiry (normally quarterly or monthly) are required to be conducted besides using data from administrative sources.
- Integration of BPM6 and 2008 SNA-related surveys

- Some countries conduct separate surveys for collecting requisite data for compilation of the national accounts statistics and the balance of payments statistics. Given that domain of statistical units are the same for both surveys, efficiency gains can be achieved by integrating these surveys.

## Backcasting

- Revisions in the data may be effected either on account of (a) revisions arising from "normal" statistical procedures (for instance, availability of new information, change in the methodology, change in data source, change of base year); and (b) revisions in the form of the correction of errors that may occur in source data or in processing. Good practice demands that revisions should be carried back several years to yield consistent time series. Also, details of revisions should be documented and made available to users. The basic documentation should include identification in the statistical publications of data that are preliminary (or provisional) and revised data, identification of the sources of the revisions, and explanations of breaks in series when consistent series cannot be constructed.
- Harmonisation of prices methodology and surveys (CPI, PPI Export and Import Price Indexes)
- Harmonisation of household (and enterprise surveys)
  - Conducting a separate survey for each economic activity is very resource intensive. With a view to optimize resources and to minimise the response burden it would be desirable to integrate these surveys. For the integrated surveys the sample size should be sufficient enough to yield statistically efficient estimates of all characteristics under study.

## • Harmonisation of labour force surveys

- Household-based surveys that include a labour force component, generically called labour force surveys (LFS), are one of the most important and widespread statistical inquiries conducted in countries on a regular basis. The principal, and original, aim of LFS is to identify and measure the size and characteristics of the labour force, particularly employment and unemployment. Over time, the use and purposes of LFS have widened to incorporate more topics and to capture greater details about the labour force.
- Countries in the regions stands to gain if the questionnaire design including the content, validation procedures of data collected and the software used for compilation of data are harmonized across countries.

## Harmonisation of informal sector surveys

Practices for collecting data on informal sector and informal employment varies between countries depending upon the development of its statistical system varying from a separate dedicated survey on the topic to using a module in the LFS. Given the principal aim of LFS and the conceptual coherence of informal sector and informal employment with the labour force framework, incorporating their measurement through LFS is a cost-effective strategy to improve the availability of data on these topics. There are, of course, several issues in terms of questionnaire design, including content, timing and placement of questions that need to be considered to ensure proper measurement of these topics.

- Use of administrative data (service agreements/ MOUs for formalizing modalities)
  - The compilation of statistics often requires exchanges of data been different units or departments within a government agency. A service level agreement covering the conditions for exchange of data between the administrative unit and the business statistics units or the national accounts unit can be extremely important for ensuring a smooth data exchange.
  - Each service level agreement should be reviewed periodically to ensure that quality standards and timetables are appropriate. This shall include a formal change management procedure to ensure that both parties agree with any proposed changes before they are implemented. Special consideration should be given to suppliers of administrative data, such as the tax authorities and central banks. More formal agreements or enabling legislation may be needed to formalise data delivery to the statistical office.
- Services statistics (e.g. tourism statistics, international trade in services)
  - Transition of most economies from commodity production to the services production makes it imperative to capture exhaustively all services within the production boundary of the 2008 SNA including the international trade in services.
- (Experimental) institutional sector accounts
  - Attempts should be made to compile the sequence of institutional sector accounts based on the available information on a trial basis. This exercise would broadly be helpful in two ways: (i) it will help to identify the additional data required for the compilation on a more comprehensive basis, and (ii) it will help to understand the possible treatment of the conceptual issues.
- Dissemination (advance release calendar, revision policy, communication strategy)
  - The fact that statistics compiled by national statistical offices are collective goods implies that no users are privileged and that every citizen can have access to statistical data under equal terms. To ensure the dissemination of statistics to all users at the same time, the national statistical offices should develop and announce the issuance of an advance release calendar. The advance release calendar should be given sufficient publicity and should also be posted on the national statistical office website in the beginning of each year.
  - The revision of data released earlier is an essential part of country practices in respect of the compilation of statistics. Revision of estimates is an unavoidable statistical activity in all countries, developed and developing. The production of revisions is a consequence of the trade-off between the timeliness of published data and their reliability, accuracy and comprehensiveness. The revisions affect both annual and infra-annual statistics but they are more significant for infra-annual data. There is a need for good practices with regard to data revisions to be followed by countries, as this will not only help the national users of the data but also promote international consistency.

- Data dissemination consists of distribution or transmission of statistical data to policymakers, the business community and other users. It is one of the highly important activities of the national statistical office. Statistical authorities collect data using the legal authority derived from national statistical acts and regulations, which require that the data provided by the respondents be kept confidential. The dissemination strategy of the national statistical office should obviously meet the requirements of the legal/administrative regulations.
- Others as relevant

**Table: Outline for the statement of strategy** 

Mandate		
Policy needs	Legal Mandate	International Standards
Regional and national	Statistics Act	UN Fundamental Principles of Official Statistics;
policy objectives		Data Quality Assessment Framework (DQAF); 2008
		SNA, BMP6, GFSM, ISIC Rev.4

#### **Mission statement**

The efficient and timely dissemination of high quality national accounts and supporting economic statistics

#### Values

- Statistical professionalism
- Independence and integrity
- Excellent service to our customers
- Respect and understanding for our data suppliers
- Value for money

## **High-level goals**

- Improvement in the scope, quality and timeliness of economic statistics
- Minimising the burden on respondents
- Increasing the use of administrative data for statistical purposes
- Achieving greater efficiencies using best practices
- Raising public awareness and use of national accounts

### **Specific goals**

- Compile national accounts according to milestone two of the SNA implementation, comprising the minimum required data set
- Develop a national central data hub for short term economic statistics to facilitate the early detection of changes in economic activity

## Required actions to be carried out

- A. **Regulatory and institutional framework** strengthening the functioning of NSS, its programming, management and performance
- B. **Statistical infrastructure** strengthening of use of standards (2008 SNA), classifications (ISIC Rev 4), registers and frames, modernizing information management and information technology
- **C. Statistical operations** strengthening of data collection, compilation, dissemination and analysis

Specific required actions that need to be carried out under each category are described below:

## A. Regulatory and institutional framework

- Modernisation and strengthening of the national regulatory and institutional framework for 2008 SNA and supporting statistics.
- Statement of strategy (by April 2013) with deliverables by 2015/16 and 2018/19
- Implementation plan reflected in annual and medium-term work programme of NSO (by 2013/14)
- National technical coordination board/working group for statistical standards (data producers, data

- providers, policy users, academia)
- Updated and new memorandum of understandings (MOUs) with data providers
- Senior management and statistical training human development
- Other as relevant

#### **B.** Statistical infrastructure

- The upgrading of statistical infrastructure
- 2008 SNA compliant-
- Scope 2008 SNA minimum up to net lending/net borrowing
- Scope BPM6 BOP and IIP
- Classification compliant ISIC rev4, CPC2,
- Harmonization of business registers
- Modernization of information management and information technology
- Others as relevant

#### • Statistical compilation issues

- Periodicity
  - Quarterly GDP by production and expenditure
  - Annual sector accounts
  - Agreed set of minimum short term statistics
- Detail annual SUT

## C. Statistical Operations

- Staged upgrading of statistical operations
  - 2008 SNA/BPM6/GFSM/MFSM and ISIC/CPC compliance adjustments to business and household surveys
  - New benchmark 2012/13? using SUT
  - Harmonisation of quarterly and annual GDP
    - Detailing sources and methods -metadata
    - Autonomous measure of expenditure components
    - Owner-occupied dwelling services (including second/vacation homes)
    - Capital stock and consumption of fixed capital, including government cons. of fixed capital
    - Inclusion of off-shore companies without physical presence
    - Exhaustive measure of GDP
    - Monthly and quarterly production and turnover surveys
    - Integration of BPM6 and 2008 SNA-related surveys
    - Backcasting
  - Harmonisation of prices methodology and surveys (CPI, PPI Export and Import Price Indexes)
  - Harmonisation of household (and enterprise surveys)
  - Harmonisation of Informal sector surveys
  - Harmonisation of labour force surveys
  - Use of administrative data (service agreements/ MOUs for formalising modalities)
  - Services statistics (e.g. tourism statistics, international trade in services)
  - (Experimental) institutional sector accounts
  - Dissemination (advance release calendar, revision policy, communication strategy)
  - Others as relevant