

CARIBBEAN

COMMUNITY

SECRETARIAT

**THIRTY-EIGHTH MEETING OF
THE STANDING COMMITTEE OF
CARIBBEAN STATISTICIANS**

SCCS/2013/38/2

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2 October 2013

**STATUS REPORT ON NATIONAL ACCOUNTS AND PROGRAMME
OF WORK 2014/2015**

1. INTRODUCTION

This paper provides an update on the status of the regional National Accounts database; the experience of the submission of data through the use of the common questionnaire with the United Nations Statistics Division (UNSD); the data compiled and disseminated, and the challenges observed since the Thirty-Seventh Meeting of the Standing Committee of Caribbean Statisticians (SCCS) in October 2012 to the present. The paper also presents an overview of the developmental work being undertaken regionally in the area of National Accounts and the regional work programme for the period 2013-2014 as it relates to National Accounts.

2. STATUS OF REGIONAL NATIONAL ACCOUNTS DATABASE

The Caribbean Community (CARICOM) Secretariat dispatched the United Nations National Accounts Questionnaires (NAQs) to its 15 Member States and five (5) Associate Members during October 2012 with the deadline for submission set at **31 January 2013**. The intention was to collect final data for the year **2011**, preliminary data for **2012** and any revisions/updates for the earlier years.

Table 1 below presents a status of the submissions made by countries for the period 2006-2012. Four countries were able to meet the deadline during this cycle compared to the 2011 cycle when only two countries met the deadline. These countries, Guyana, Montserrat, St. Kitts and Nevis and Bermuda, should be commended for this achievement. In total, **15** countries have returned completed NAQs to the Secretariat and the UNSD. With respect to the year of the data that were submitted, all **15** countries provided data for 2011. Further, of the **15** submissions, **10** also provided estimates for 2012. **Five (5)** countries have therefore not yet submitted the 2012 NAQ; however, the regional database has been updated with 2011 data for a total of **19** countries: 15 through the use of the NAQs and four (4) from other sources, including Excel spreadsheets in non-NAQ formats from the National Statistical Offices (NSOs) or the Central Banks either directly or through their web sites.

Table 1: Status of National Accounts Data Submission: 2006-2012

NAQ SUBMISSION					No. of Outstanding NAQs	Total No. of Countries with Data (Including from other sources)
Year of Despatch	Year of Data ¹	No. of Countries submitting NAQ by Deadline	No. of NAQs Received After Deadline	Total NAQs Submitted		
2006	2005/2006	5	9	14	6	18
2007	2006/2007	3	12	15	5	18
2008	2007/2008	9	3	12	8	16
2009	2008/2009	4	6	10	10	15
2010	2009/2010	3	9	12	8	16
2011	2010/2011	2	10	12	8	16
2012	2011/2012	4	11	15	5	19

¹ First year final data, second year preliminary data.

Based on the data obtained from the other sources, the Secretariat was able to complete some NAQ tables for countries which have not submitted their questionnaires. However, these NAQs cannot be submitted to the UNSD without the countries first confirming that the data contained therein accurately represent their national accounts estimates.

3. MAIN CHALLENGES IN THE SUBMISSION OF 2011 DATA

The inability of countries to provide the complete set of the Minimum Required Data Set (MRDS) tables continues to be a **major** challenge. Based on the 2011 data provided, as seen in **Table 2**, most countries have not submitted the **Gross Domestic Product (GDP) by expenditure in constant prices** table and the **Rest of the World Account** table. In addition, submissions of the **Output, Gross Value Added and Fixed Assets** table have fallen compared to the previous year. There was a marginal increase in the number of countries submitting the **National Aggregates/Total Economy and GDP by expenditure in current prices**, 12 countries submitted this table compared to 9 (nine) in the previous round. Submissions of GDP by industry in current and constant prices remained stable.

Further, in analysing the tables for the 15 countries submitting NAQ questionnaires, it was noted that eight (8) Member States/Associate Members submitted five or more of the seven MRDS tables with data for 2011. However, except for the tables on GDP by expenditure and industries, the other tables that were submitted were somewhat partially completed, in some cases there were significant data gaps. Of these eight (8) countries, three (3) attempted to complete more than five tables while one of these three countries, Jamaica, attempted all seven tables.

Given the data that countries currently have available from other sources, such as the Balance of Payments, it is possible that more countries may be able to produce the Rest of the World Account and the Accounts of the Total Economy up to Net Lending/Borrowing.

Table 2: Data Gaps in the MRDS Submitted: 2010 and 2011

Table Name	No of Countries Submitting Table		
	2012 (out of 10 countries)	2011 (out of 15 countries)	2010 (out of 12 countries)
	Preliminary	Actual	Actual
GDP by Expenditure in Constant Prices	2 (20%)	3 (20%)	1 (8%)
Rest of the World Account	1 (10%)	2 (13%)	3 (25%)
Output, Gross Value Added and Fixed Assets by Industries	6 (60%)	10 (67%)	9 (75%)
National Aggregates/Total Economy	9 (90%)	12 (80%)	9 (75%)
GDP by Expenditure in Current Prices	9 (90%)	12 (80%)	9 (75%)
Value Added by Industries in Constant Prices	9 (90%)	14 (93%)	11 (92%)
Value Added by Industries in Current Prices	10 (100%)	15 (100%)	12 (100%)

With respect to the quality of the data provided in the questionnaires, some of the problems observed during verification were as a result of partial updates/revisions, missing data and discrepancies between totals and sum of components. In addition, it was observed that in deriving the Net Lending/Borrowing item, some countries failed to include the net capital transfers from/to the rest of the world. The Secretariat prepared a note on this for one country, which adjusted the table, and it would be happy to share this note with other countries.

A summary of the submissions/data gaps, challenges/best practices is contained in **Attachment I** to this Paper.

4. DISSEMINATION OF NATIONAL ACCOUNTS STATISTICS

All available National Accounts data from Member States have been disseminated on the Secretariat's web site. The data include GDP by industry in current and constant prices, GDP by expenditure components in current prices and the national aggregates where available.

The tenth edition of the CARICOM National Accounts Digest was also prepared and posted on the Secretariat's web site. This publication covers the period 2007 to 2012 where data were available.

5. COMPILATION OF QUARTERLY GDP DATA

The Secretariat continued to collect and compile the quarterly GDP estimates produced and published by two Member States, Belize and Jamaica. Data up to the first quarter of 2013 were available for both of these Member States. In the case of Jamaica, data were available by Industry in current and constant prices, while for Belize, the data were available only in constant prices. These quarterly estimates are available on the Secretariat's web site.

6. OVERVIEW OF DEVELOPMENTAL WORK UNDERTAKEN IN NATIONAL ACCOUNTS STATISTICS

Developmental work in the area of national accounts continued in 2012/2013 partially funded by the Ninth European Development Fund (EDF) under the Caribbean Integration Support Programme (CISP) and in collaboration with other International Development Partners (IDPs) and Regional Agencies.

Activities that have been undertaken included the following:

ERETES Workshop

The meeting will recall in October 2010, at the Thirty-Fifth Meeting of the Standing Committee of Caribbean Statisticians (SCCS), the representative from EUROSTAT had made a presentation on a number of tools which were produced by EUROSTAT to support the compilation of various statistical data. Among these was the ERETES tool, used for the compilation of national accounts statistics. The SCCS Meeting noted the Secretariat's commitment to further explore the availability of these tools for use in Member States and Associate Members and, in the following year, at the Thirty-Sixth Meeting of the SCCS, a more detailed presentation was made providing additional information on the tool. The Secretariat informed the meeting that EUROSTAT was interested in possibly collaborating with CARICOM in rolling out ERETES in the Region. The SCCS requested more information about the tool and recommended that the Secretariat seek support from EUROSTAT in the conduct of a workshop on the software.

Consequently, during the period 12-16 November 2012, the Secretariat, in collaboration with the Caribbean Regional Technical Assistance Centre (CARTAC) and EUROSTAT, convened a training workshop on the use of the ERETES Software for National Accounts Compilation, which was held in Kingston, Jamaica. The main objective of the workshop was to introduce the ERETES system to the Region and to allow countries to judge for themselves its utility in improving their processes for compiling national accounts of a high quality, including timeliness. The workshop provided participants with a detailed demonstration of the software and identified training needs countries would require relative to use of the system.

The ERETES software, which is the intellectual property of France and the European Commission, and which is currently being used extensively in Africa, Asia and Latin America, was developed in response to the need for a common tool for the computation of national accounts at the national, regional and international levels. When it was first developed, ERETES supported the production of national accounts according to the 1993 System of National Accounts (1993 SNA). The system has since been adapted

relative to the 2008 SNA and contains a database module which allows for the storage and subsequent transformation of economic data to critical outputs such as Supply and Use Tables (SUT) and Integrated Economic Accounts.

Implementation of 2008 SNA

Efforts continued on the development and implementation of a strategy for the National Statistical Offices (NSOs) to move to the 2008 SNA in collaboration with other agencies. In this regard, in continuing to support the implementation process in the Region, the UNSD, in collaboration with the Secretariat and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), organised a regional seminar in Jamaica in January. The objective of this seminar was to assist participating countries with initiating the formulation of a national strategy and implementation programme for the 2008 SNA and supporting socio-economic statistics and in so doing strengthen the national statistical system in support of improved policy making. It was expected that this initiative would lead to a multi-year statistical programme helping countries to change over to the 2008 SNA with a view to producing timely comparable national accounts statistics and short-term economic indicators which fully meets the user needs as well as complies with the international standards.

Emanating from the seminar was the template of a *Statement of Strategy*. The Statement of Strategy is a strategic planning frame work for the development of an economic statistics programme to meet policy needs. It comprises a set of actions to accomplish statistical and institutional goals for the sustainable improvement of the economic statistics programmes. The seminar also sought to obtain from the countries some broad outlines as to the actions and timeframes that might be possible. Participants advised that they could not provide anything definitive at the workshop since further discussion would be needed back at their respective offices. They did, however, provide some input into the crafting of a very draft statement of strategy which they would further refine after consultations with users and producers back in their countries and agreed to submit to the UNSD a final version of their respective Statement of Strategy by April 2013.

In addition, it was recognised that the 2008 SNA Implementation Plan for the Region that was developed at the Belize meeting in 2011 was very closely aligned with the global framework. This implementation plan outlines the activities and timeframes which Member States are encouraged to implement in order to move over to the 2008 SNA.

Prior to the convening of the regional seminar, a pilot initiative was also conducted in Jamaica, in collaboration with the UNSD and the Statistical Institute of Jamaica (STATIN), on the approach towards implementing the 2008 SNA. This exercise was originally scheduled to take place during the same period as the ERETES Workshop in November 2012 but had to be postponed to 2013. The pilot sought to assess and evaluate the issues faced by STATIN relative to adopting the 2008 SNA, and thereafter, devise a country specific framework to improve the rate of adoption of the system. The findings were subsequently discussed with a selected sub-group of countries at the regional seminar that followed the exercise.

Economic Survey Questionnaires and Statistical Business Register Manual

The Meeting will recall that the Technical Working Group on National Accounts and Trade in Services (TWGNATIS) had developed a common integrated economic survey questionnaire and industry-specific/sectoral national accounts survey questionnaires which were to be used for the collection and compilation of national accounts estimates in the Region. The TWGNATIS had also prepared a draft Statistical Business Register (SBR) Manual which was based on the Trinidad and Tobago Business Register Manual. Further, the Meeting will recall that these survey instruments and the draft manual had been circulated to countries for feedback/comments prior to being placed on the agenda of the Tenth Meeting of the Advisory Group on Statistics (AGS) for consideration in June 2012. Due to the poor response from countries, the AGS at that time recommended that the documents be re-circulated to countries and that:

- (i) countries consider the outputs of the TWGNATIS and further review same for possible adoption;

- (ii) countries examine the draft Statistical Business Register Manual and make improvements to the manual as required; and
- (iii) a discussion forum be established to facilitate discussions on the outputs of the TWGNATIS which will include the Directors/Chief Statisticians, members of the TWGNATIS and other experts.

To date, eight (8) countries have provided feedback on the integrated questionnaire, some of which also included comments on the sectoral questionnaires. Only two (2) countries have provided comments on the manual.

Relative to the SBR manual, the feedback from one (1) Member State in particular highlighted significant gaps that existed in the document. To this end, the Regional Statistics Programme presented a revised framework for the development of this manual at the regional seminar in Jamaica. This revised framework included critical areas such as the role of the SBR, conventional definitions and issues for consideration including the definitions in the 2008 SNA, characteristics of the business register, sources of data and maintenance of the register. A revised draft of the SBR manual is being prepared by the Regional Statistics Programme.

The revised integrated questionnaire, sectoral questionnaires and SBR Manual all of which incorporated the feedback received were subsequently presented to the Thirteenth Meeting of the AGS in July 2013 for consideration. Among its decisions, the AGS *“Emphasised the need for an integrated questionnaire to be applied across the Region. Countries were urged to compare the integrated questionnaire to that of their national questionnaires in order to determine what elements could be adopted.”*

The AGS also recommended the following:

- (a) That countries consider the role of the integrated questionnaire in the Region in the context of the development of National Accounts and Economic Statistics;

- (b) That countries consider the sectoral questionnaires which were developed by the TWG and how to treat with same;
- (c) That Belize report at the next AGS on developments with respect to pilot testing of the adopted integrated questionnaire in order to determine which elements of the questionnaire should be considered as core;
- (d) That countries consider the possibility of:
 - implementing the integrated questionnaire every 3-5 years while applying a shortened version annually;
 - with the use of both the long and short forms, dispatch the long forms to larger businesses/establishments and apply the shortened form to the smaller businesses;
- (e) That the CARICOM Secretariat communicate with the TWGNATIS relative to the consideration of a shortened Integrated questionnaire that can be used in the Region;
- (f) That countries continue reviewing the draft SBR manual when it is distributed to them, after the adjustments by the CARICOM Secretariat, in order to improve same and submit feedback to the Secretariat.

7. OVERVIEW OF NATIONAL ACCOUNTS STATISTICS WORK PLAN FOR THE PERIOD 2012-2014

The 2014/2015 National Accounts Work Programme will continue to focus on the improvement and harmonisation of these statistics. However, these activities will be undertaken within the framework of the Belize implementation strategy for the movement of the NSOs to the 2008 SNA. It is expected that the revised RSWP and the CARICOM Economic Statistics Action Plan (CESAP) in National Accounts would also guide the direction of the work over the course of the year. Both the Help Desk at the

Secretariat and the TWGNATIS will play integral roles in the exchange of technical knowledge in the area.

Dispatch of 2013 NAQs

In its continued collaboration with the UNSD, the Secretariat will dispatch the 2013 NAQs in **October 2013** with the deadline for submission of the completed questionnaires projected for the end of **January 2014**. The Secretariat strongly urges countries to try to submit their completed questionnaires to **both** the Secretariat **and** the UNSD before the deadline. These questionnaires should provide actual data for **2012**, preliminary estimates for **2013**, if these are available, and any updates/revisions to the data for the earlier years.

Other activities expected to be undertaken in 2013-2015 include:

- (i) Implement activities to commence the process of moving from the 1993 SNA to 2008 SNA through Technical Assistance at the Member State level;
- (ii) Under the Caribbean Integration Support Programme (CISP), the Secretariat had supported Member States in improving basic data sources to enable the compilation of more complex national accounts statistics. It is anticipated that this support will continue with funding from the Tenth EDF;
- (iii) More emphasis will be placed on expanding the number of the MRDS tables that countries can produce such as GDP by Expenditure in constant prices, the Rest of the World Accounts and the SUT;
- (iv) Facilitate the production and dissemination of key short-term monitoring indicators such as quarterly GDP;
- (v) Facilitate the development of estimates of key sectors such as the Informal Sector and Tourism;

- (vi) Establish/update Statistical Business Registers of Establishments;
- (vii) Continued development of a Quality Assurance Framework and implementation of quality standards at the regional level and, by extension, in Member States;
- (viii) Implementation of a programme of attachments/exchange visits and regional workshops to strengthen capacity in the harmonisation of national accounts practices throughout the Region.

ACTION REQUIRED

The **Meeting** is **invited** to:

- (i) **consider** the results of the collaborative process between the CARICOM Secretariat and the UNSD in the joint administration of the NAQ, to collect these statistics from all CARICOM Member States and Associate Members and the challenges experienced with specific reference to:
 - (a) the timelines for the submission of the data;
 - (b) the response to the completion of the MRDS, and
 - (c) the preparation of quarterly GDP;
- (ii) **also consider** the developmental work being undertaken at the regional level to improve and harmonise national accounts statistics.

THIRTY-EIGHTH MEETING OF THE STANDING COMMITTEE OF CARIBBEAN STATISTICIANS (38th SCCS)

B.3.1.1 Status Report on National Accounts and Programme of Work 2014/2015

AREA OF STATISTICS	DATA PRODUCTION (Tables etc.)	DATA DISSEMINATED	DATA GAPS	BEST PRACTICES/ CHALLENGES	RESOURCES REQUIRED Technical Assistance Training Applied or Required	REMARKS
NATIONAL ACCOUNTS - SNA 93	<p>Annual Data:</p> <p>Database updated:</p> <p>2011: 14 Member States (MS) and 5 Associate Members (AM)</p> <p>2012: 12 MS, 2 AM</p> <p>Countries submitting National Accounts Questionnaire (NAQ):</p> <p>15 NAQs with 2011 data, of</p>	<ul style="list-style-type: none"> ▪ Web site: available 2006-2012 data for all Member States disseminated. ▪ CARICOM National Accounts Digest 2007-2012 	GDP by expenditure in constant prices; Rest of the World Account; Output, gross value added and fixed assets by industry.	<p>3 MS and 1 AM met the 31 January 2013 deadline for the submission of the 2012 NAQs.</p> <p>Challenges:</p> <p>1993 SNA Implementation:</p> <p>Need to assess the quality of the data relative to conformity to the recommended 1993 SNA before moving to the 2008 SNA.</p> <p>MRDS Compliance:</p> <p>5 or more tables: 7 MS and 1 AM.</p>		

ATTACHMENT

AREA OF STATISTICS	DATA PRODUCTION (Tables etc.)	DATA DISSEMINATED	DATA GAPS	BEST PRACTICES/ CHALLENGES	RESOURCES REQUIRED Technical Assistance Training Applied or Required	REMARKS
	<p>which 10 also contained preliminary 2012 data.</p> <p>Actual 2011:</p> <p>10 Member States (MS) and 5 Associate Members (AM)</p> <p>Preliminary 2012:</p> <p>8 Member States, 2 Associate Members</p>			<p>Lack of capacity to produce the full set of tables in the recommended MRDS.</p> <p>Some of the problems encountered during the validation process were:</p> <ul style="list-style-type: none"> - incomplete updates/partial revisions - missing data - discrepancies between totals and sum of the components <p>Recommended Tables:</p> <p>Capacity Building required in all Member States.</p> <p>Some inroads into</p>		

ATTACHMENT

AREA OF STATISTICS	DATA PRODUCTION (Tables etc.)	DATA DISSEMINATED	DATA GAPS	BEST PRACTICES/ CHALLENGES	RESOURCES REQUIRED Technical Assistance Training Applied or Required	REMARKS
				the development of Supply and Use tables (precursor to Input-Output analysis) but Implementation of 2008 SNA will pose challenges		
- Quarterly	Q1 2013: 2 Member States	Data collected were disseminated on the Secretariat's web site.	All Member States other than Belize and Jamaica; however, the missing countries may not be producing QGDP.			Future developmental work in this area may be possible under an Attachment Programme being developed by the TWG.