

## **ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA**

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### **CONSULTANCY SERVICES AND TECHNICAL COOPERATION**

#### **INTRODUCTION**

1. During the period from April 2001 to September 2002, the ESCWA regional adviser on national accounts and economic statistics undertook 20 consultancy missions that covered more than half of the ESCWA member countries. The issues dealt with included development of the implementation of the system of national accounts (SNA); the establishment of integrated economic accounts; the provision of technical support for the improvement of statistical systems, including those relating to price and foreign trade statistics; assistance in the preparation of work plans for the conducting of field statistical surveys or the design of specific surveys and statistical questionnaires for the collection of data; and involvement in the preparation of statistical analyses of survey outcomes, including the survey of Qatari women of working age that was conducted by the Family Development Centre.

2. The regional adviser also took part in several training workshops that were held at ESCWA headquarters and in Cairo, certain member countries and the Gulf Organization for Industrial Consulting (GOIC). Those workshops considered a number of issues, including balance of payments statistics, building and construction and foreign trade statistics, and practical examples of SNA. A document was also prepared on a technical project for using GOIC to develop industrial statistics in Gulf States.

3. The regional adviser on national accounts also provided the Statistics Division with support and technical advice on the International Comparison Programme (ICP), prepared training literature and made electronically available or provided hard copies of lecture notes to every training workshop, ICP and a number of technical meetings.

4. It is estimated that more than 40 men and women have been trained by attending regular workshops or receiving training in the field. Those who benefited were from all the Arab member countries and some non-ESCWA member countries.

#### **I. FOCUSES FOR ADVISORY SERVICES**

5. Some of the most important concerns of the advisory services provided have included the following:

- (a) The implementation of SNA;
- (b) The design of surveys and preparation of statistical questionnaires;
- (c) The development of the following parallel statistical systems:
  - (i) Price statistics;
  - (ii) Balance of trade statistics;
  - (iii) General Government financial statistics;
  - (iv) Banking and monetary statistics;

- (v) Environmental statistics;
- (vi) Tourism statistics;
- (d) The preparation of statistical frameworks and requirements for the design of statistical samples;
- (e) The scrutiny and processing of statistical data;
- (f) The establishment of statistical databases;
- (g) The construction of input/output matrices based on supply and use tables;
- (h) The organizational structure of statistical bodies;
- (i) Introduction of ICP as an international statistical system;
- (j) Input for poverty statistics.

## **II. PROGRESS MADE IN IMPLEMENTING THE UNITED NATIONS 1993 SYSTEM OF NATIONAL ACCOUNTS**

### **A. A BRIEF ACCOUNT OF THE SYSTEM**

6. In the period between 1997 and 2001, the United Nations Statistical Commission recommended that so-called milestones or stages should be adopted in order to evaluate progress made in applying the accounts, measures and categories of SNA.

7. Those milestones were based on the following three categories of data and account estimate proposed by the Inter-secretariat Working Group on National Accounts:

- (a) Minimum requirement data;
- (b) Recommended data;
- (c) Desirable data.

8. Minimum requirement data entail the preparation of estimates of domestic product by type of expenditure at current and constant prices and of net values by economic activity. This level represents the first milestone.

### **B. THE POSITION OF ESCWA MEMBER COUNTRIES**

9. If the above-mentioned milestones are used to evaluate progress in ESCWA member countries, then it may be said that they have all reached the first stage, namely, that of adopting the measures relating to comprehensiveness, evaluation and classification of SNA 1993 rather than those of the old 1968 System.

10. When countries prepare estimates of value-added by industry and institutional sector, they have reached the second milestone.

11. Since 2001, the milestones have been developed in accordance with the United Nations National Accounts Questionnaire, with a view to preparing auxiliary steps consistent with basic standards, as follows:

- (a) Range;
- (b) Extent of compliance with System concepts and minimum requirement data.

12. It has not been possible for the ESCWA Statistics Division to use those new standards in order to evaluate progress, because an abridged questionnaire is required.

13. Nevertheless, ongoing interaction with member countries through repeated visits and training workshops make it possible to present a brief general picture, which is illustrative rather than particularized, of progress achieved in implementing 1993 SNA. That picture may be summarized as follows:

(a) The available data indicate that all member countries had implemented the former, 1968, SNA to the minimum level. With respect to range, member countries have reached the first milestone. However, only four countries have adjusted the minimum requirements data set in accordance with 1993 SNA;

(b) The data also show that certain member countries have gone beyond milestone one, while others have reached milestone four. However, the latter group has not yet published complete economic accounts, which means that they must be relegated to milestones two and three.

### **III. A BRIEF EVALUATION OF IMPLEMENTATION OF THE UNITED NATIONS 1993 SYSTEM OF NATIONAL ACCOUNTS IN ESCWA MEMBER COUNTRIES**

#### **A. A BRIEF GENERAL ACCOUNT**

14. Since the end of the 1950s and early 1960s, most Arab Mashreq countries and Egypt have prepared certain general accounts in accordance with 1953 SNA. However, in the early 1970s, there was a great increase in most member countries in the preparation of more detailed, accrual-based accounts using the economic activities of gross domestic product (GDP) and its basic components and services. The outset of this century may, in some member countries, be considered as a new beginning for the preparation of certain accounts in accordance with 1993 SNA.

#### **B. THE SOURCE OF THE DATA**

15. On the basis of our experience of working with national accounts divisions in statistical and planning bodies in some member countries, in the light of responses to questionnaires and information received by ESCWA, and with reference to the national working papers prepared for this and previous meetings, it has been possible to summarize the status of SNA implementation in member countries in the detailed table that is appended below.

#### **C. SUMMARY OF THE INPUT USED IN PREPARING NATIONAL ACCOUNTS**

16. Most member countries continue to prepare comprehensive accounts of GDP in accordance with the concepts and categories of 1958 SNA, while also beginning to use the International Standard Industrial Classification for all Economic Activities Revision 3, applying it basically to the compilation of estimates of GDP or value-added for each separate activity.

17. With respect to productive activities, the enterprise, rather than the institution, is considered to be the statistical unit and the basic data unit. Use of the concept of sectoral institution is therefore severely limited.

18. Most data on average production and consumption, certain fixed assets and some transfers are amassed from questionnaires used in field surveys which, for the most part, are conducted on a sample of small and medium enterprises and the occasional large enterprise. For the purposes of the surveys and in order to estimate a number of variables, the final budgets and accounts of certain enterprises of the organized sector are used including, in particular, industry, trade and the public sector.

19. Most of the accounts prepared in the majority of member countries include estimates of GDP by economic activity and its distribution by expenditure. Integrated aggregate accounts may also be prepared at the level of the whole economy.

20. It may be said that all member countries prepare estimates relating to production and generation of income accounts, as well as a total accrual-based account in order to estimate available national revenue. The net returns on factors relating to production and transfers to and from the outside world are taken into account, using estimates of balance of payments statistics.

21. Examination of the detailed table on the status of 1993 SNA implementation in member countries shows that all those countries have a minimum level of data, in view of the activities of the field surveys currently being carried out, for the preparation of the following accounts using 1993 SNA:

(a) Productivity accounts for all institutional sectors, once amendments have been made to the following:

- (i) Comprehensiveness;
- (ii) Estimates;
- (iii) Categories;

(b) Generation of income accounts for all institutional sectors where better data is available on workers' compensation and more detailed data on transfers, including taxes and subsidies involving the Government and the other institutional sectors.

22. On the basis of the information in the table, it is possible to categorize member countries by stage of implementation of the System, on the basis of the type of accounts prepared or which could be prepared using the new System, as follows:

(a) The first stage: this includes Bahrain, Iraq, Lebanon, Palestine, Qatar, the United Arab Emirates and Yemen;

(b) The second stage: this includes Egypt,\* Kuwait, Saudi Arabia and the Syrian Arab Republic;

(c) The third stage: this includes Jordan and Oman.

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\* On the basis of the presentation that was given on Egypt at the Workshop on SNA Application Modules of Three ESCWA Countries, it would appear that the country's accounts are still at a preliminary stage, which leaves Egypt for all intents and purposes in the second stage. However, it may move to the third stage once the accounts have been finalized.

TABLE  
THE STATUS OF 1993 SNA IMPLEMENTATION IN ESCWA MEMBER COUNTRIES  
ON THE BASIS OF THE TYPE AND LEVEL OF ACCOUNT PREPARED

Details	ESCWA member countries												
	Bahrain	Egypt	Iraq	Jordan	Kuwait	Lebanon	Oman	Palestine	Qatar	Saudi Arabia	Syrian Arab Republic	United Arab Emirates	Yemen
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Version of SNA applied	√	√	√	√	√	√	√	√	√	√	√	√	√
(a) 1968													
(i) Partially <sup>(+)</sup>													
(ii) Totally <sup>(-)</sup>													
(b) 1993													
(i) Partially		√		√			√	√*		√	√	√	
(ii) Totally													
2. Type of accounts prepared using 1968 System													
(a) GDP by economic activity	√	√	√	√	√	√	√	√	√	√	√	√	√
(b) Distribution of product by expenditure goals	√	√	√	√	√	√	√	√	√	√	√	√	√
(c) Four integrated national accounts	√	√	√	√	√	√	√	√***	√**	√	√		√
(d) Other accounts by commodity and/or industry													
(e) Commodity budgets			√								√****		
(f) Input/output tables****	√		√	√						√			
(g) Other													
3. Type of accounts prepared using 1993 System													
(a) Current accounts <sup>a/</sup>													
(i) Partially <sup>b/</sup>											√	√	
(ii) Totally <sup>c/</sup>				√			√						
(b) Accumulated accounts <sup>d/</sup>													
(i) Partially				√			√						
(ii) Totally													
(c) External accounts				√			√						
(d) Other accumulated accounts													
(e) Budget accounts													
4. Account stage													
(a) Very preliminary											√		
(b) Acceptable, with omissions				√			√						
(c) Ready for publication				√									

- Notes: (√) means 'applied'.  
 (+) All countries prepare GDP.  
 (-) No country prepares all accounts using the old System.  
 \* Productivity and generation of income accounts only.  
 \*\* Preparation recently halted.  
 \*\*\* Partial accrual-based accounts, with no balance of trade.  
 \*\*\*\* No work done since the 1980s apart from some updating.  
 a/ Two countries only.  
 b/ Jordan prepared SUT.  
 c/ Detailed.  
 d/ Oman prepared SUT.

