This report summarizes the progress achieved and the highlights in the priority areas in the field of economic statistics and national accounts, in accordance to discussions and recommendations by the Technical Advisory Group on Economic Statistics during its meeting in 2016.\(^1\) ESCWA worked with the national statistical offices of the member states and its partners to implement and advance many of the issues identified in the priorities listed below and in Annex 1. The report also proposed areas in economic statistics that were not part of the work program of ESCWA or the priorities of TAGES and are considered important for the 2030 Agenda for Sustainable Development implementation such as transport statistics and for recent development in economic structure of countries such as digital economy and geospatial data.

I. National Strategy for the development of Statistics (NSDS) and Strategy for Economic Statistics and National Accounts
II. Progress and challenges in the implementation of the 2008 System of National Accounts
III. Supply and Use Tables and 2008 SNA; Informal Sector; Financial Corporation and Islamic Finance in national Accounts; Estimation of Household Expenditures and Capital Formation; Price Statistics Regional Programmes; Short Term Economic Statistics; Satellite Accounts and Economic; Classifications and Trade and Industry Statistics
IV. Infrastructure and Operations
V. Statistical Business Registers Classifications; Economic and Business Surveys; Business Accounting
VI. Core Set of Economic Indicators for Arab Countries and Links to SDGs
VII. Agenda 2030 and SDGs
VIII. Dissemination
IX. Areas in priorities and not being tackled in the work in 2017-2018
X. New Areas of work proposed: Geospatial Information; transport statistics and Digital Economy (Annex 1 and 2)

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\(^1\) Meeting of the Technical Advisory Group on Economic Statistics (TAGES) in the Arab region.
I. National Strategy for the development of Statistics (NSDS) and Strategy for Economic Statistics and National Accounts

National Statistical Offices have an opportunity for designing national statistical strategies for development of statistics (NSDS) in light of the 2030 Agenda for Sustainable Development to strengthen their role as main provider for official statistics. However, in the Arab region, as of August 2018, only two of the 22 do have an active strategy1. ESCWA continued following-up with some member countries on the development of new or updated NSDS. The department of Statistics (DOS) in Jordan was still working after Paris 21 and ESCWA assistance missions in 2017, to engage national counterparts and prepare detailed sectoral strategies. CAPMAS of Egypt prepared a draft of the new NSDS with detailed sectoral statistics assessment but the strategy has not been officially adopted by the government yet. Libya prepared a draft strategy taking into consideration that the country in conflict situation with the assistance of UNFPA and Paris 21. The emphasis was put on Population and Housing Census and social and demographic statistics. The National Accounts mandate being in the Ministry of Planning outside the statistical office, it was not addressed in the strategy and ESCWA pointed out this risk. In fact, the assessments of national statistical systems in the Arab region showed that institutions often work in isolation. For example, economic data are often scattered through the National Statistical Office, Ministry of Planning and the Central Bank. Sharing data across institutional boundaries and improved cooperation and coordination will enable utilizing the wealth of data more efficiently and to significantly increase the output of statistics and statistical analysis.

II. Progress and challenges in the implementation of the 2008 System of National Accounts Supply and Use Tables and Informal Economy

In support of the capacity of member countries to develop economic statistics, ESCWA focuses on the development of supply and use tables (SUTs) as a key component of the SNA, and a framework that provides three methods for calculating GDP and serves as an effective tool for ascertaining its consistency. It is recommended that the supply and use tables be compiled as part of the MRDS. UNSD and the regional commissions are joining their efforts to provide systematic guidance and regional training courses. In 2018, the UNSD issued a new handbook on supply and use tables and inputs / outputs with additions and applications2, and ECA implemented a capacity-building program on the compilation and application of supply and use tables in Africa.

ESCWA included in the Development Account Data and Statistics Project, the supply and use component, provided bilateral technical assistance and twinning among Member States, and is in the process of holding a regional seminar 28-29 August 2018 in Beirut following the meeting of the Technical Committee for Economic Statistics, which provides a platform for discussion and a definition of new developments, best practices and lessons learned from the compilation of SUTs.

UNESCWA and UNSD previously organized a Regional Workshop on National Accounts and the development of Economic Statistics Infrastructure within SDGs Framework 15-18 May 2017, Amman with AITRS for a better monitoring of economic related SDG indicator. The workshop brought national accounts experts from all the Arab countries together with experts from UNSD, UNECA and UNESCWA. The workshop tackled different themes in the area of economic statistics and the implementation of SNA 2008 and its long-term impact for a better SDG

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monitoring of economic related indicators, the utilization of Supply and Use tables and the assessment of its implementation in different countries of the Arab region and the importance of implementing Statistical Business Registers and its linkage to National Accounts compilation and the measurement of SDG indicators. The workshop tackled the coverage of the informal economy and shed light on financial corporations and measurement of the financial services and insurance. Twinning workshops were designed to enhance knowledge sharing on compiling SUTs as a special project under the scope of the 2030 Development Agenda for better and more efficient SDG monitoring. Bahrain and Jordan were twinned in a workshop from 6-10 May 2018 in Manama.

As for the software applications for the SUTs, some Arab countries are using ERETES that was developed by INSEE, and on which they provided training and technical assistance. Other applications are being reviewed to assess the suitability for Arab countries.

Special assistance was provided by ESCWA to conflict-stricken countries on economic statistics, supply and use tables and national accounts at their request. Teams working on economic statistics and national accounts were invited to ESCWA HQ to have the assistance according to their needs. A first training on Supply and Use was provided for Iraq (14-17 August 2017), a study visit to Yemen (20-26 October 2017) and a workshop for Libya (18-21 December 2017). A technical assistance on the 2008 SNA implementation was provided to Syria (12-15 August 2018).

Financial Corporation and Islamic Finance in national Accounts

ESCWA Statistics Division and the UNSD have been undertaking methodological work on issues on the implementation of the 2008 System of National Accounts’ (SNA). Recommendations for Islamic Finance were raised during several meetings in the Arab region organized by ESCWA. Islamic finance in some countries is large enough to affect the quality of their national accounts, monetary and financial statistics, and indicators of the structure and soundness of national financial systems. The SNA has not provided guidance to national compilers on methods to compile national accounts statistics for Islamic banking and finance. The IMF Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG) as it was presented cannot guide the compilers of the accounts for Islamic banking according to SNA2008.

The issue of Islamic Finance was also discussed by the Advisory Expert Group on National Accounts at its 10th meeting from 13 to 15 April 2016 in Paris. ESCWA presented the paper “Islamic Banking in SNA2008 “Proposals by various experts” The Advisory Expert Group agreed that further research on the statistical implications of Islamic finance in the national accounts is required and that practical guidance on the treatment of Islamic finance transactions needs to be developed. To this end, ESCWA and UNSD established a task force on Islamic Finance and organized a Workshop on Islamic Finance in the National Accounts 24 to 26 October 2017 in Beirut, Lebanon. Experts from 17 Arab, African and Asian countries and from international organizations such as the International Monetary Fund (IMF), The Islamic Financial Services Board (IFSB); Islamic Development Bank and Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), GCC-Stat, Bank for International Settlements (BIS), and the UN Statistical Institute for Asia and the Pacific (SIAP). They discussed various issues related to Islamic Finance and exchanged their expertise in sectoration of Islamic financial institutions, treatment of transactions and coordination of data collection on Islamic finances.

The outcome of the workshop was presented in a paper “Islamic finance in the national accounts” at the 11th Meeting of the Advisory Expert Group on National Accounts, 5-7 December 2017,
New York. and in a technical material entitled “Methodological study on economic statistics 2017 (E/ESCWA/SD/2017/6). New partners came on board such as the Accounting and Auditing Organization for Islamic Financial Institutions AAOIFI from Bahrain. A follow-up workshop is being organized on Islamic Finance in the National Accounts and hosted by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) in Ankara, from 31 October to 2 November 2018.

Price Statistics Regional Programmes:

The Statistics Division at ESCWA has developed a strategy for the continuous production of Purchasing Power Parities (PPPs) and improvement of price statistics in the Arab region through computing annual PPPs and building a PPP time series extending from 2011 onward. This helped enhancing price statistics on the regional, sub-regional, national and sub-national levels and the achievement of higher levels of integration between the different price statistics, and between price statistics and national accounts. Endeavors include the production of a Harmonized Consumer Price Index, sub-national PPPs and capacity building in compiling national accounts weights.

In line with the United Nations Statistical Commission (UNSC) recommendations, SD has been also working on increasing the integration between the Consumer Price Index (CPI) and International Comparison Program (ICP) activities in the region through the development of innovative projects allowing member states to invest the lessons learned from the participation in the ICP and their expertise in regular CPI activities.

In the context of the 2016 regional round for PPP production, ESCWA conducted three regional workshops aiming at the validation of household consumption and non-household consumption price data for 2016, 2015 and 2014. Two workshops were also conducted for national accounts data in the context of the 2016 regional round. The workshops aimed at estimating detailed national accounts expenditures and building national capacities on the disaggregation and validation of annual GDP expenditures for the years 2014, 2015 and 2016.

ESCWA also conducted a workshop for the computation of the Harmonized Consumer Price Index which entailed hands-on sessions for the computation of the national indices. ESCWA also conducted several national training workshops for launching the 2017 ICP activities, in which 2017 surveys were presented and hands-on trainings were conducted on the ICP Kit which represents an important component of the ICP in Western Asia. The workshops resulted in Libya’s first participation in the ICP within Western Asia program.

Activities were also conducted for the implementation of the specially developed national price statistics projects in each of Egypt and Sudan for the computation of sub-national PPPs.

As a result, SD strived to achieve a high level of integration not only between the different price statistics but also between price statistics and national accounts. The ICP Regional Workshop on Estimating Detailed National Accounts Expenditures on Model Report on Expenditure Statistics (MORES) was held during the period 26-27 April 2017 in Cairo, Egypt. The workshop was carried out within the scope of the 2016 Regional Round for the production of PPPs which aims at the production of numerous indicators, among which are Real National Accounts Expenditures at the level of the GDP and its aggregates, thus ensuring the regular production of detailed and reliable price and national accounts expenditures data.
Trade and Industry Statistics and Economic Classifications

ESCWA’s Statistics Division continues to assist member countries to build capacity in the areas of trade and Industry statistics and economic classifications and organizes yearly workshops in partnerships with regional and international partners. In this regard, ESCWA has carried out many activities aimed at capacity development in the area of statistics of international trade in services, where the infrastructure needed to collect and disseminate such statistics in the countries in the region is weak, despite their importance to economic policy and trade negotiations.

A Regional Workshop on the Compilation of Trade in Services Statistics was organized by the Economic Policy Institute of the Arab Monetary Fund (AMF) and the World Trade Organization (WTO) in collaboration with ESCWA, the United Nations Statistics Division (UNSD), and the United Nations Conference on Trade and Development (UNCTAD) during the period 20-23 November 2017 in Abu Dhabi, UAE. Around 37 participants representing various government entities from central banks, National Statistical Offices (NSOs), and ministries of trade/economy in 16 Arab countries attended the workshop. The workshop took stock of progress in areas such as Balance of Payments services statistics, Foreign Affiliates Statistics (FATS), and Foreign Direct Investment (FDI) statistics. In addition, it addressed aspects and methods of compiling statistics for trade in services sector of interest to the region, such as transport, travel and tourism, manufacturing services, maintenance and repair services, computer services, and construction. The workshop was also preceded by a distance learning course on Trade in Services Statistics that has been developed and produced jointly by UNCTAD, WTO and the UNSD (train for Trade Programme) and that was delivered from 3 October to 12 November 2017.

A national workshop for the United Arab Emirates preceded on 19 November 2017 in Dubai hosted by FCSA as a follow-up meeting on the first phase, the first in Abu Dhabi in January 2015.

The publications on International trade changed in content and format. New interactive trade country profiles were produced with new indicators.

III. Infrastructure and Operations: Statistical Business Registers Classifications; Economic and Business Surveys; Business Accounting

Aware of the need to modernizing and improving statistical production efficiency and quality, and following-up on the recommendation of its statistical committee in its eleventh session, ESCWA organized a regional workshop on statistical business registers for the Arab countries in collaboration with the Arab Institute for Training and Research in Statistics, UN Statistics Division and UNIDO in Amman, Jordan during the period 26-29 September 2016. The workshop aimed at assisting member states in the development of their statistical systems by establishing statistical business registers (SBRs) that are increasingly becoming pillar infrastructure, providing the statistical units frames on which different economic statistics are built. In modern statistical processes, SBRs serve as a cost-effective sample frame that reduces greatly response burden with the use of available administrative sources and the tools provided by ITC. Activities covered a number of topics such as reviewing the concepts and methods related to business registers, analysis and presentations of international guidelines of the UNECE, tackling all topics with technical presentations on the roles of the registers, their coverage, the statistical units, data sources, maintenance and updating, survey frame methodology and the quality framework.

1 https://www.unescwa.org/events/statistical-business-registers-arab-countries
ESCWA also developed a specific element of the E-Glossary of Statistical Terms for the Statistical Business registers developed through a partnership with the Palestinian Bureau of Statistics (PCBS), in accordance with the guidance issued by the United Nations Economic Commission for Europe (ECE). The Arabic/English web portal of about 5,000 statistical terms in 14 statistical areas spanning national accounts, economic, sectoral energy and environment and others.

ESCWA is preparing a Technical material on SBR development in the region to be published in 2018.

**IV. Core Set of Economic Indicators for Arab Countries and Links to SDGs**

A separate paper is prepared to present to TAGES the list of proposed Economic indicators, annual and short-term, and SDG-related economic indicators to discuss and agree on a common core.

**V. Agenda 2030 and SDGs**

The cooperation continued with the League of Arab States, the United Nations Environment on capacity building on the sustainable development indicators of priority to the Arab region and the way forward for the sustainable development goals. In that context, ESCWA organized a Regional Workshop on Integrated Environmental and Economic Accounting Systems to Support Sustainable Development Goals (SDGs) in the Arab Region in cooperation with ATRRS, United Nation Statistics Division (UNSD), United Nation Environment Statistics Canada and Statistical Office of Indonesia. 26 to 29 March 2019. Amman, Jordan with representatives from national statistical offices of 15 countries.

A Consultative Meeting on the Implementation Framework for the Environmental Dimension of the 2030 Agenda in the Arab Region, was organized from 18 - 21 September 2017 in Cairo, Egypt. The Meeting was attended by 84 experts and representatives of 20 regional organizations including Environment Ministries in Arab countries members of the Joint Committee on Environment and Development in the Arab Region (JCEDAR), representatives of National Statistical Offices (NSOs), regional organizations, and environmental research institutes.

A previous meeting was organized for the Arab Working Group on Sustainable Development Indicators from 13-15 March 2017 Geneva Hotel, in Amman, Jordan. Representatives from Arab Ministries of Environment, and National statistical offices as well as Regional organizations such as ACSAD and CEDARE participated. The main objective was to make the links between the Arab Sustainable Development Indicators of Priority with the SDGs and set a regional agenda for follow-up. The group decided to focus on environment related SDGs as the Social-related SDGs are being discussed by the working group LAS-UNFPA-ESCWA.

**Arabic Version of e-learning Course on the System of Environmental-Economic Accounting 2012 - Central Framework (SEEA CF)** that ESCWA provided for the E-learning course on the System of Environmental-Economic Accounting 2012 - Central Framework (SEEA CF) with an overview of the framework, which is a statistical standard, multipurpose conceptual framework for measuring the interactions between the environment and the economy. By providing an internationally agreed standard with agreed concepts, definitions and classifications, the SEEA is an invaluable tool for compiling integrated statistics on the economy and the environment and deriving coherent and comparable indicators to measure progress towards sustainable development. The leaning course contains five modules: 1 Introduction to SEEA, 2 Accounting for physical flows, 3 Accounting for environmental assets, 4 Environmental activity accounts, and 5 Subsystems : SEEA-Water, SEEA-Energy and SEEA Experimental Ecosystem Accounting. The
elearning and training programme on the System of Environmental Economic Accounting Central Framework (SEEA-CF) and environment-related Sustainable Development Goals (SDG) was launched in February 2018.

Given that the Climate change impacts represent a major challenge to sustainable development in Arab countries, reliable statistics are crucial for measuring and monitoring the economic and social impacts at the national and regional levels. In this special issue of the Compendium of Environment Statistics in the Arab Region: Climate Change-Related Statistics in the Arab Region, ESCWA presents the potential role of national statistical offices in leading and coordinating climate change statistics. With a view to improving climate change-related statistics collected by national statistical offices in the Arab region, the report proposes a set of climate change-related indicators for Arab countries. The set of indicators is relevant to the region, uncumbersome to compile, feasible given existing data and methods, and consistent with international recommendations in this area.

VI. Areas in priorities and not being tackled in the work in 2017-2018

ESCWA did not provide independent work on Household Expenditures and Capital Formation; and Informal sector. This was part of the development and as within the work on Supply and Use Tourism satellite accounts is being presented along the workshop on trade in services no specific capacity building activities have been provided. Agriculture and Education Accounts have not been addressed as other UN sister agencies provide capacity building in those statistical areas.

On dissemination of national accounts according to the SDMX, ESCWA did not provide capacity building activities to member countries in this area. More cooperation with partners is needed.

VII. New Areas of work

Besides the work with The Committee of Experts on Global Geospatial Information Management (GGIM), ESCWA started a pilot programme to identify relevant geospatial information available, develop national workflows to monitor SDGs, build geospatial skills nationally and address country challenges to SDG monitoring with technical assistance from the European Topic Centre of the University of Malaga, Spain (ETC-UMA) This capacity enhancement will lead to adoption of consistent approaches, methodologies and indicators to be used at national level linked to with GIS-based population and housing Census conducted by several countries in the region. It will enable regional comparisons and assessments of progress in reaching the SDGs. The geospatial information is an important element in the modernization of NSOS in general and for linking economic, social and environmental data.

ESCWA presents in Annex 1 a proposal for “Collection and Dissemination of Transport Statistics” and in Annex 2 a proposal for “Measuring the Digital Economy and National Accounts”

TAGES is invited to advise whether ESCWA should include them in its capacity building programme.
Annex 1- Proposal for Collection and Dissemination of Transport Statistics by ESCWA Statistics Division

- **The Case for Transport Statistics:**

The transport sector is large, diverse and complex. Transport infrastructure decisions and investments have a long run life impact on individuals, peoples’ lives, economies, societies, and environment. It fulfills the individuals and peoples’ needs for mobility as well as for exchange, carrying out transactions, leisure and trade. It also impacts heavily the environment and climate change, employment, and energy consumption. Associated with it are risks of health, safety, and deaths. Inefficient or absence of effective transport systems can also cause loss of expensive time, increase in costs of transactions or activity.

The United Nations Secretary-General appointed in 2014 an Independent High-Level Advisory Group on Sustainable Transport (HLAGST) with main objective to provide a focused set of recommendations on how the transport sector can advance sustainable development with poverty eradication at its core, promote economic growth, and bolster the fight against climate change. The outcome of its efforts was embodied in the document “Mobilizing sustainable Transport for Development Analysis and Policy Recommendations from the United Nations Secretary-General's High-Level Advisory Group on Sustainable Transport;” 1. The document was considered a “first ever Global Sustainable Transport Outlook Report, addressing all modes of transport, in developing and developed countries.” 2 In the report it was noted that transport is a main driver of development and sustainability. It provides the necessary linkages for mobility of people and goods and services, connects regions and local communities with urban centers. The HLAGST defined sustainable transport as the “provision of services and infrastructure for the mobility of people and goods— advancing economic and social development to benefit today’s and future generations—in a manner that is safe, affordable, accessible, efficient, and resilient, while minimizing carbon and other emissions and environmental impacts.” 3

The results of the HLAGST report were echoed in the UN 2030 Agenda for Sustainable Development, in which it was emphasized that sustainable transport can make significant progress in achieving the Sustainable Development Goals. Although transport is not addressed as a standalone goal in the sustainable development goals (SDGs) of the UN 2030 Agenda for Sustainable Development, it is reflected among the targets of 8 goals out of the 17. 4 Transport related indicators are found to relate to eight SDGs because of their direct and indirect linkages to transport systems. The themes relate mainly to accessibility; affordability; environment and climate change; production and employment, connectivity (including rural-urban), tourism, sustainability and energy.

The SD targets and goals related to transport address the following:

**Goal 3:** Target 3.6: road safety
**Goal 7:** Target 7.2 renewable energy; Target 7.3 access to clean energy and promote investment in energy infrastructure and clean energy technology
**Goal 8:** Targets 8.1, 8.3 and 8.9 promote employment, employment-intensive investments, SMEs and sustainable tourism.

**Goal 9:** resilient infrastructure, sustainable industrialization and innovation. Targets 9.1, 9.3, & 9.4
**Goal 10:** Reduce inequality within and among countries. target 10.2 empowering and promoting the social, economic and political inclusion of all

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2 Ibid
3 ibid
4 For the 2030 Agenda and the 17 SDGs and related targets refer to the following: www.un.org/sustainabledevelopment
Goal 11: Make cities inclusive, safe, resilient and sustainable. Target 11.2 access to safe, affordable, accessible and sustainable transport systems for all;
Goal 13: combat climate change. Target 13. integrate climate change measures into national policies, strategies and planning (reduction of transport emissions)
Goal 14: Conservation and sustainability of the oceans, seas and marine resources. Target 14.1 reducing marine pollution of all kinds.

One of the main challenges for the transport sector is that it needs a holistic systems’ approach to planning and implementation, and as such, requires adequate information systems and data availability to inform the planners and policy makers in a timely manner to be able to plan, forge policies and implement in a systemic, evidence based and efficient manner. Comprehensive data availability, comparability and timeliness continues to be one of the main challenges facing the countries and especially developing ones. However, with the advent of new traditionally through censuses, surveys and administrative data.

- **ESCWA’S CURRENT WORK ON TRANSPORT DATA AND STATISTICS:**
ESCWA has started lately to give transport statistics more attention noting its importance as a sector and its cross-cutting nature and importance to other sectors and indicators, and especially those indicators relating to the SDGs. focus of work is on 1) Data compilation; 2) Glossary of terms and metadata; 3) Partnerships; and Technical cooperation. Below is a summary of those activities and future prospects.

**A- Data compilation:**
ESCWA has started lately to consider and update the data base it had earlier set up on transport. It started revising, reviewing and updating the data for 18-member countries from the year 2010 as a base year. Compilation included the following transport sectors:

<table>
<thead>
<tr>
<th>1. Transport by railways:</th>
<th>4. Number of Road Accidents and Number of Casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of operating railways (km)</td>
<td>Number of Road Accidents</td>
</tr>
<tr>
<td>Passengers (Mn. passenger.km)</td>
<td>Number of Casualties (Deaths + Injuries)</td>
</tr>
<tr>
<td>Freight (Mn. ton.km)</td>
<td></td>
</tr>
<tr>
<td>2. Motor vehicles in use</td>
<td></td>
</tr>
<tr>
<td>Total vehicles</td>
<td></td>
</tr>
<tr>
<td>Passenger cars</td>
<td></td>
</tr>
<tr>
<td>Trucks &amp; pick-ups</td>
<td></td>
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<tr>
<td>Buses</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>3. Length of roads (km)</td>
<td>5. Sea-borne Transports</td>
</tr>
<tr>
<td>Length of roads</td>
<td>Vessels (Arrivals, Departures)</td>
</tr>
<tr>
<td>Asphalted</td>
<td>Goods in: 000 tons (Loaded, Unloaded)</td>
</tr>
<tr>
<td>Paved</td>
<td>Passengers in: 000&quot; (Arrivals, Departures)</td>
</tr>
<tr>
<td>Unpaved</td>
<td></td>
</tr>
</tbody>
</table>

From a quick review on available data, the following preliminary insights can be noted:

- **Sources of data:** It is to be noted that the data is mainly extracted from the databases and publications of the NSOs and other referenced material. (check);

- **Comprehensiveness, reliability, timeliness and completeness of Data:** Many countries are still lacking in data over years, over sectors, and subsectors in the sectors and sub sectors they chose to report on. Many suffer from interruptions in reporting data, reporting dates of updates, and whether the data is revised over the years. Inconsistency in reporting among countries on sectors and subsectors resulted in incompleteness of the datasets. Most countries report on first level subsectors without going in detailing of information and data, especially those needed for SDG transport
indicators. Many public transport facilities are also absent in some countries or not available in a formal manner or are not operated in a systemic manner, these tend to reflect heavily on the data provided.

- **Definitions, Harmonization and Comparability of Data:** Often comparability of data is contentious due to lack of providing the necessary definitions, methodology, metadata and consistency with international standards. Disparity in definitions for the same item can be found among countries, especially those relating to land transport. Often, cut off dates of updating are not mentioned. Online interactive databases are not available in most countries. There is a need to harmonize the glossary of terms used by the member countries among themselves as well as with those used internationally and with other regions.

**B- Glossary of terms:**
ESCWA has started reviewing the glossary of terms it had developed earlier which was comparable with an earlier version of the Economic Commission for Europe (ECE) glossary on transport. ESCWA in the process of updating the glossary to match the English fourth edition of ECE’s. Collaborative work between ESCWA secretariat and member countries needs to be made to verify the terms and definitions in both the English and the Arabic languages.

**C- Partnerships:**
ESCWA started to forge relations with national, regional and international bodies involved in transport statistics to strengthen and harmonize the collection and dissemination of transport data in the region. In view of the none availability of data needed for SDGs’ transport indicators in developing countries, ESCWA intends to pursuing the latest developments in this regard by means of strengthening cooperation with specialized agencies and organizations. Future targeted partnerships include: League of Arab States, Regional commissions, MEDSTAT, EUROSTAT, UN Habitat, and National Statistical Offices in the Arab Region. Internally, the Statistics Division collaborates with the transport and infrastructure team in ESCWA that works on GIS mapping of transport networks,

**D- Technical Cooperation:**
Under the umbrella of the technical cooperation program at ESCWA and UN Development Account ESCWA is considering capacity building regional workshops on Transport. It already held a workshop on human settlement indicators, co-organized by ESCWA and UN Habitat in which transport related to human settlement indicators were addressed. ESCWA is considering disseminating and pursuing exchange of knowledge, and capacity building with both NSOs and partners through technical cooperation activities.

- **PROPOSED FUTURE SCOPE OF WORK ON TRANSPORT STATISTICS:**
In line with the above, it is proposed that ESCWA secretariat, in close collaboration with member states and other regional and international bodies, agencies and organizations, will promote and foster the following:
1. Improvement of availability, comprehensiveness and reliability of statistics for inland and sustainable transport (in line with the SDG indicators);
2. Improvement of regional and international comparability of transport statistics through the development of appropriate methodologies and terminologies for the harmonization of statistics on inland transport in the ESCWA region. This will necessitate devising the necessary methodologies and means in close collaboration with Member countries to ensure that the compiled transport data is of good quality, relevant, regularly updated, timely and internationally comparable;
3. Development of an online interactive site with Member States for the compilation of transport statistics, including data on motor traffic, road traffic accidents and rail traffic.
4. Dissemination of regional inland transport statistics through publications and online;
5. Provide technical assistance and capacity building for Member states on methodologies for the collection and compilation of statistics on road, rail, inland waterway, pipeline and combined transport as well as on road traffic accidents, in cooperation and coordination with other regional and international organizations with the objective of realizing comprehensive, reliable, comparable and timely statistics for sustainable transport statistics.
6. Promotion of best practices, success stories and lessons learned across the ESCWA region.
7. Strengthen partnership with regional and international related organizations to streamline, harmonize and ensure the comparability of collected and compiled data at the regional and international levels.

• **THE WAY FORWARD:**
  Members of the committee are invited to
  a. take note of ESCWA’s current work on Transport statistics and data.
  b. to facilitate to ESCWA’s secretariat to obtain the necessary mandates to work on Transport statistics and ensure the collaboration of the member countries’ NSOs in the collection and dissemination of transport data.
  c. take note of the items proposed under section 3 of this document, Members of the committee are invited to give their comments and views on the future ESCWA’s proposed scope of work, and give guidance on member countries priorities and advice on means of collaboration among member countries and ESCWA’s secretariat to achieve the targeted objectives.

Recent Developments in the Progress Made to Measure the Digital Economy

Rapid and massive technological advancements have resulted in new information technologies which had, and continue to have, great impact on economic activity worldwide. It has led to the emergence of new goods and services, new processes, rapid transactions and new modalities for the exchange of goods and services within the economy and globally. It impacted the way things are produced or provided, the nature of the goods and services themselves as well as the emergence of new products, processes and market channels. These developments have raised many methodological questions among which the questions of: capturing such activities in the current macroeconomic frameworks; adequacy of compilation methods and the price/volume split of nominal developments and; the measurement of the digital economy.

The Advisory Expert Group on National Accounts (AEG) addressed these issues in its 11th Meeting held during 5-7 December 2017, at UN headquarters in New York. AEG requested that its conclusions be communicated directly to the Chairs of the various taskforces, committees, working and expert groups related to macroeconomic accounts and economic statistics by the Chair of the Inter-secretariat Working Group on National Accounts (ISWGNA). These conclusions reconfirmed that there is no desire at present for an update of the SNA, but recognized the need to advance the research on issues that may go beyond the 2008 SNA in addition to guidance on practical implementation issues. Among the priority areas on the SNA research agenda identified requesting further research was digitalization.

AEG welcomed the initiative undertaken by the OECD Advisory Group to develop a satellite framework to measure the digital economy. and recommended that the OECD Advisory Group, in conjunction with Eurostat, elaborate on concrete examples on how digital production activities fit in the conceptual framework of the SNA alongside the broader analytical satellite account framework. It also emphasized the need to involve the developing countries in the formulation of the satellite account framework for the digital economy while noting that further work needs to be done to measure the impact of digitalization on the economy. It also noted that the OECD proposed framework is consistent with the framework put forward on digital trade by the IMF Committee on Balance of Payments Statistics (BOPCOM). Close collaboration between AG and the Task Force on International Trade Statistics (TFITS) is envisaged. The AG will be producing a final report recommending a typology for the digital economy as well as an agreed satellite account framework by the end of 2018.

1 The aim of the AEG is to assist the ISWGNA in carrying out its work programme, to resolve issues on the research agenda of the SNA and to review documents and tools for the SNA implementation programme. SNA/M1.17/RM.1
3 The mandate of the ISWGNA is to: (a) provide strategic vision, direction and coordination for the methodological development and implementation of the System of National Accounts (SNA) in national, regional and international statistical systems; (b) revise and update the SNA and develop supporting normative international statistical standards and other methodological documents on national accounts and supporting statistics; (c) promote the development of databases at international, regional and national level on national accounts statistics; (d) promote the implementation of the SNA and supporting statistics; and (e) promote the use of national accounts and supporting statistics in policy formulation. SNA/M1.17/RM.1
4 In 2016, in response to growing concerns that digitalisation has created new measurement challenges in estimating GDP, the OECD’s Committee for Statistics and Statistical Policy (CSSP) created an Advisory Group (AG) on Measuring GDP in a Digitalised Economy, consisting of national experts, and representatives from other international organisations, including the Eurostat, IMF, and UN. SNA/M1.17/4.1
5 SNA/M1.17/4.1
The Conceptual Framework and the Satellite account:
Earlier consultations have resulted in a broad Conceptual Framework\(^1\) of actors, products transactions and enablers, for the measurement of the digital economy (Figure 1). The Framework differentiates between those transactions within and outside the SNA production boundary; each of the dimensions can be further disaggregated. It also identifies producers breakdowns by categories of industries and ‘product’ information, capturing information on the full value of knowledge based assets even when there is no monetary exchange. The nature of the transaction is also accounted for determining modes of delivery used.

Figure 1. Dimensions of the digital economy


The Framework which was circulated for discussion during the Meeting of Advisory Group on Measuring GDP in a Digitalised Economy 10 November 2017, Paris\(^2\) was, from the outset, designed to provide a broadly holistic view of the digital economy, from which a satellite account could be developed – largely but not exclusively – in line with the needs of the current national accounts production boundary. The development of a satellite account based on the conceptual framework was intended primarily to respond to two important concerns relating to the representation of and or the presence of the digital economy within the core accounts, and to ensure that important transactions are properly accounted for in the National accounts. The proposed satellite account\(^3\) uses the nature of the transaction as the organising principle and attempts to advance the design of its key characteristics as related to digital industries, digital enablers, digital goods, digital services and platforms\(^4\) as well as to begin to consider the parameters around which such definitions could emerge.\(^5\) The proposal notes that much work still needs to be done to fulfil these transactions and their respective parameters and that the level of information prescribed may currently be beyond the capabilities of many national statistical information systems, requiring a more thorough investigation and reflection on feasibility, confidentiality and meeting policy needs.

Concluding remarks

\(^{3}\) See Annex
\(^{4}\) SNA/M1.17/4.1
The intention of this memorandum was to brief the participants on the recent developments that are taking place in the realm of measuring the digital economy and the modalities proposed to incorporate its transactions in the national accounts. Based on the above the following needs to be highlighted:

- A conceptual framework has already been developed.
- A satellite account based on the conceptual framework is being developed based on the conceptual framework with the intention to respond to two important concerns relating to the representation of and or the presence of the digital economy within the core accounts, and to ensure that important transactions are properly accounted for in the National accounts.
- The proposal notes that much work still needs to be done to ensure that all the transactions are accounted for and that their respective parameters are well developed.
- The proposal notes that the level of information prescribed may currently be beyond the capabilities of many national statistical information systems, and might require a more thorough investigation and reflection on feasibility, confidentiality and meeting policy needs.
- While noting that it may go beyond the 2008 SNA The AEG recognized the need to advance the research on digitalization in addition to guidance on practical implementation issues, and the need to measure the impact of digitalization on the economy.

- The OECD Advisory Group, in conjunction with Eurostat, to elaborate on concrete examples on how digital production activities fit in the conceptual framework of the SNA alongside the broader analytical satellite account framework.
- The AEG also emphasized the need to involve the developing countries in the formulation of the satellite account framework for the digital economy;
- OECD Advisory Group will be producing its final report recommending a typology for the digital economy as well as an agreed satellite account framework by the end of 2018.

**THE WAY FORWARD:**

Members of the committee are invited to take note of the developments made in measuring the digital economy and the need to account for its transactions in the national accounts’

a. To assess whether the level of information prescribed by the proposed satellite framework may be within the current needs and capabilities of national statistical information systems, and to reflect on its feasibility, confidentiality and its meeting the policy needs of the developing countries.

b. To advise if ESCWA should include in its work programme on economic statistics capacity building activities on the digital economy and national accounts.====
### Annex 3 - Matrix of Priorities

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<th>IMF</th>
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**NEW PROPOSED AREAS**