

CARIBBEAN

COMMUNITY

SECRETARIAT

**TWENTY-NINTH MEETING OF THE
STANDING COMMITTEE OF
CARIBBEAN STATISTICIANS**

SCCS/2004/29/10

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**COMPILATION OF REGIONAL DATABASE IN NATIONAL ACCOUNTS
AND THE IMPLEMENTATION OF THE 1993 SYSTEMS OF NATIONAL ACCOUNTS
(1993 SNA)**

1. Status Report – Compilation of Regional National Accounts Database

The CARICOM Secretariat in its ongoing developmental work in National Accounts continues to maintain a database in National Accounts. This database currently comprises a set of Microsoft Excel spreadsheets with data on Gross Domestic Product (GDP) by Kind of Activity in current and constant prices, GDP by Expenditure components, Gross National Income and the consolidated accounts of 14 CARICOM Member States.

In March, the Secretariat sent three prepared formats to Member States requesting data on GDP at current and constant prices, by industry and expenditure components as well as, the consolidated accounts for the year 2003. Detailed sub-industry breakdowns were requested where these were available using the International Standard Industrial Classification Rev 3 (ISIC Rev. 3). The submission of the data to the Secretariat has been very encouraging. With the exception of four Member States, all of the other countries, including the entire OECS, have submitted estimates for 2003. The Bahamas, with the *proviso* that the data are not disseminated; Barbados, Jamaica and

Suriname have supplied data to 2002. Special mention should be made of the Eastern Caribbean Central Bank's (ECCB) efforts to provide preliminary estimates for 2004 on their web site. The Secretariat would also like to encourage member states to make available to the Secretariat preliminary estimates as soon as they become available.

Recognising that Member States are not all using the strict ISIC Rev. 3, and the fact that some Member States are still using an adaptation of the Rev. 2, the Secretariat has been attempting to redistribute the data submitted to approximate the ISIC Rev. 3 format. While this may not be the best approach and is certainly not without its problems, it is an attempt to compile a harmonised regional National Accounts database. In addition to classification issues, the other major concerns at the regional level were:

- (i) the level of details available in Member States;
- (ii) the prices at which the estimates were prepared, whether basic prices or market prices; and
- (iii) the differing base years for constant price data.

While these problems are not insurmountable, they highlight the importance for harmonisation in this area of statistics. Member States are urged to conform to the international classifications and methodology for compiling National Accounts statistics, even as they seek to produce data relevant to their socio-economic and industrial structures. For the **very least**, the national accounts data should be **capable of being transformed to the applicable categories of the international classifications** and should be **consistent with the approved international methodologies**. There is need too in the Region for departments and organisations to work closely together when changing base years and classifications. Through the coordinating work of the ECCB, the OECS Member States have all managed to prepare GDP estimates with the same base year, 1990.

At present, the data that we have in our databases indicate that with the exception of the OECS, all the other Member States use different base years with Barbados' being as far back as 1974. Belize has recently re-based to 2000 and Jamaica to 1996, while Guyana uses 1988 as its base year and Trinidad and Tobago has estimates both at 1985 and 2000. The Bahamas and Suriname prepare constant price estimates using a 1991 and a 1990 base year, respectively. The Secretariat recognises that there are logical reasons for the choice of base years across Member States and it would take some time and effort in the future for Member States to come to agreement to a common base year. Such an issue the Secretariat would refer to the Technical Advisory Group, the SNA93 Advisory Group, for future consideration. The Secretariat will also be undertaking developmental work on its National Accounts Databases in order to make them fully searchable.

2. Advancing the Implementation of 1993 SNA in the Region

The Secretariat would like to remind Member States of the main conclusions, findings and recommendations emanating from the last National Accounts Workshop held in St. Kitts and Nevis in 2002. During this workshop, the SNA93 Advisory Group met and mapped out a programme to be followed by all Member States as they seek to implement the 1993 System of National Accounts (1993 SNA). The findings, conclusions and recommendations of Module I of this workshop are once again given in **Attachment I to this Paper** to emphasise the need to continue the thrust in advancing the implementation of the 1993 SNA. It was recognised that as a Region, all countries should meet the recommended and agreed minimum core set of national accounts statistics in the near future i.e. the extended Minimum Required Data Set (MRDS) which comprises Gross Domestic Product by industry and Final Expenditure at current and constant prices, GNI, Supply and Use Tables (SUT), CCIS, and the Rest of the World account.

It was recognised during the SNA93 Advisory Group Meeting in 2002, that countries were at varying levels of development with respect to the implementation of SNA 1993.

Few had completed SUT, CCIS and Institutional Sector Accounts, while the majority had so far not made any significant headway. The Secretariat would also therefore like to remind the meeting of some of the conclusions of the Advisory Group that countries that were lagging should be brought up to the **basic minimum level** needed to initiate the 1993 SNA. They should at least have an adequate Business Establishment Register that is up-to-date and a well-designed questionnaire to collect the information in the annual establishment surveys. However, the view was also expressed that most countries needed to take a **bold step** in using the data at their disposal to implement some aspect of SNA 1993 and in this process they would have gained confidence in implementation.

The Secretariat is aware that of initiatives towards advancing the process of 1993 SNA implementation in a few countries with technical assistance from CARTAC and other sources. The future outlook to intensifying the process of advancing 1993 SNA implementation regionally rests in **the activation of the Statistical Capacity Building and Harmonisation Project of the Ninth European Development Fund (Ninth EDF) which include also the financing of the Advisory Group** to advance the technical work in National Accounts across Member States. The UNSD had previously indicated its support to the Ninth EDF process in general and the Secretariat hopes that this organisation will continue to support the advancement of the 1993 Implementation process in the Region.

Therefore, the convening of the next regional workshop that was intended to focus on the areas of SUT and Tourism Satellite Account **has been postponed until such time that the Ninth EDF Project can be activated**. Such a workshop would continue to follow the approach of **a mix of theory and practical applications of 1993 SNA implementation through the presentation of the pertinent SNA methodology along with country experiences**. It is also hoped that the UNSD as a significant partner that has supported the implementation thrust of the 1993 SNA, would be able to participate. CARTAC has already been approached in a meeting between the Secretariat and itself in Guyana in 2004 about the need for a workshop.

The importance of National Accounts to the developmental perspective in the Region cannot be underestimated and every opportunity must be taken to **harmonise this area of statistics for the highly important task of intelligibly monitoring the establishment of the CSME**. The critical need to continue to advance the implementation of the 1993 SNA is that it also fits into the developmental work being put in place in other areas including **International Trade in Services** and it can lead to the achievement of **effective integration and analytical capabilities of Economic, Social and Environmental Statistics and informing the developmental and inter-sectoral thrusts**. In this regard, the Secretariat will continue to work with other agencies in enabling the implementation of the 1993 SNA.

3. Tourism Satellite Accounts

Because of the importance of this area of Statistics to the Region, the Secretariat would also like to comment on the status of sustaining this process post the two workshops that were held in 2003. The Meeting will recall the conduct of two workshops in the area of Tourism Satellite Accounts (TSA), one of which was convened by Economic Commission for Latin America and the Caribbean (ECLAC), Santiago, Chile, the World Tourism Organisation (WTO) and the Canadian Tourism Commission (CTC) in March 2003 and the other convened through by the Secretariat in 2003 as a CARICOM-Spain initiative.

There have been follow-up discussions among the various organisations relative to the future outlook for this area and an approach was made by a representative of the Organisation of American States (OAS) to fund development in this area. It was agreed that the Member State of Jamaica submit a proposal on behalf of Jamaica and selected Member States. A late response received in November to this proposal requested refinement of the proposal relative to the OAS format and also letters of commitment from the selected Member States of their commitment to this Project. Jamaica requested the assistance of the Secretariat in refining this proposal which must be submitted by the end of November this year. It is anticipated that provided all the

conditions for submission are met that activity would resume in this very important area of statistics.

In recognition therefore of the critical importance of this sector in the Region, the Secretariat will continue activities with collaboration with organisations such as the Caribbean Tourism Organization, the CDB, ECCB, UNECLAC, WTO, CTC, OAS and others to ensure that the development of a system of tourism statistics is enhanced through the development of the TSA; to make progress in the measurement and analysis of the impact of tourism and to begin the tasks recommended by the WTO for the development of the TSA.

ACTION REQUIRED

The **Meeting** is **invited** to -

- (i) **consider** the progress of work at the regional level in compiling National Accounts during 2004;
- (ii) **commend** those Member States who have submitted National Accounts 2003 estimates;
- (iii) **urge** Member States to submit outstanding 2003 and any preliminary estimates available for 2004 to the Secretariat;
- (iv) **note** the intention of the Secretariat to streamline its National Accounts database format;
- (v) **also urge** Member States to follow the recommended approach to 1993 SNA as the minimum programme to enable a harmonised approach to the implementation of 1993 SNA;

- (vi) **also note** the future prospects and approaches at the regional level for advancing the 1993 SNA mainly under the Ninth EDF and the relationship for this body of work to informing the development and sectoral thrust in the Region;
- (vii) **further note** the prospects for TSA development through the project to be submitted by Jamaica.
