

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

SCCS/2006/31/9

**Port of Spain, Trinidad and Tobago
6-8 November 2006**

27 October 2006

**THE IMPLEMENTATION OF THE 1993 UNITED NATIONS
SYSTEMS OF NATIONAL ACCOUNTS (1993 SNA)**

1. Status of Regional National Accounts Database

In 2006, the CARICOM Secretariat continued to maintain its regional National Accounts database. During the year, preliminary estimates for **2005** were received from three Member States, **The Bahamas, Guyana and Trinidad and Tobago**. While all three countries submitted estimates of Gross Domestic Product (GDP) by industries at constant prices, the Bahamas also submitted its consolidated accounts and expenditure estimates. Data for most of the other Member States are available up to 2004. The Secretariat did not formally request data from Member States until October due to a change in the approach to data collection which will be discussed later in this Paper.

2. Compilation of Quarterly GDP Data

The CARICOM Single Market came into effect in January 2006 with six Member States, Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago signing a Declaration of the Caribbean Community marking the coming into being of the CARICOM Single Market. Six other Member States signed the Declaration of participation of their countries in the CARICOM Single Market and these were Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, Saint Lucia and St. Vincent and

the Grenadines. The establishment of the CARICOM Single Economy is anticipated in 2008. It is therefore critical that Member States be in a position to be able to provide timely data on the state of regional economies to be able to inform decisions and guide policy at the national and regional levels. Traditionally, the Secretariat has been compiling the regional National Accounts database based on annual data. However, due to the lag normally associated with the compilation of these annual estimates, there is no mechanism currently in place at the regional level to be able to respond quickly to events that may have an economic impact on the Region.

The approach the Secretariat has adopted is to start compiling quarterly data on key economic indicators such as GDP, among others. In this regard, initial activities have focussed on extracting and compiling available quarterly GDP indicators from national sources such as statistical reports published by the National Statistical Offices or Central Banks and their web sites. The Secretariat has been able to collect 2005 quarterly GDP estimates at constant prices for two Member States using this approach. Indications are that a third Member State has the required data but these were not available in any of the sources mentioned above.

The Secretariat would like to acknowledge those Member States that have already instituted a system to produce quarterly GDP indicators, and urges the others, which may not have the capacity at present, to explore the possibility of preparing these indicators, notwithstanding the resource constraints. It would be extremely useful to have these data series available, to be able to quickly and effectively monitor and assess the economies of the Region on a timely and continuous basis.

It is anticipated that a regional quarterly database will be beset by the same issues currently encountered when compiling the annual data, namely, differences in classifications being used across Member States, level of details available, values at which the estimates are prepared and the base years. These issues underscore the need for harmonisation, not restricted to this area of statistics, if the Region is to develop databases that are comparable regionally and internationally. The Secretariat

therefore, continues to urge Member States, to the extent possible, to conform to the international classifications and methodology for compiling national accounts statistics. At 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.

3. Joint Approach to the Submission of Data to the Secretariat to Inform a Regional Database

In March 2006, during the United Nations Statistical Commission Meeting in New York, the CARICOM Secretariat and the United Nations Statistics Division (UNSD) initiated discussions on possible collaboration between the two organisations relative to the joint collection of national accounts data from CARICOM Member States and the Associate Members of CARICOM, through the administration of a single United Nations National Accounts Questionnaire (NAQ). The rationale for this approach was to seek to reduce the response burden of Member States in having to submit the same or similar data to the two organisations each year. This would also ensure that both the CARICOM Secretariat and UNSD have the same datasets.

To advance the process, the UNSD submitted to the Secretariat NAQs for the period 1997-2006 along with other supporting documentation. The NAQs were designed by the UNSD in cooperation with the UN Regional Commissions and are based on the System of National Accounts 1993 (1993 SNA) taking into consideration the recommendation of the UN Economic and Social Council that Member States should consider using the 1993 SNA as the standard for compiling their national accounts statistics; to promote the integration of economic and related statistics; and as an analytical tool. The questionnaire is divided into five parts, namely, main aggregates, domestic production by industries, classifications of expenditure according to purpose, integrated economic accounts and cross classification of gross value added by industries and institutional sectors. These sections are further sub-divided into a number of more detailed tables.

Due to the volume of data to be provided, it was decided that countries could limit the reporting of national accounts data to the Minimum Required Data Set (MRDS) and that the remaining tables may be provided if and when data becomes available. This will therefore require Member States to submit the following data to the Secretariat as well as to UNSD:

- (i) GDP by expenditure in current and constant prices;
- (ii) Value added by industries in current and constant prices;
- (iii) Output, gross value added and fixed assets by industries;
- (iv) Integrated economic accounts for the total economy;

and, if possible,

- (i) Relations among product, income, savings and net lending;
- (ii) Integrated economic accounts for rest of the world.

In its present format, the questionnaire would be able to provide the Secretariat with the information that is required for compiling regional databases in National Accounts, but there is the added advantage of the presence of item codes, which would be extremely useful in easily assembling the data according to any format required. Moreover, the UNSD has extended its collaboration to provide the Secretariat with technical support in processing, capturing and validating the data through its dedicated software on national accounts statistics.

Appropriate cover letters were prepared by the Secretariat and UNSD, which were then dispatched by the Secretariat along with the NAQs to all the CARICOM Member States and Associate Members in mid-October 2006. The deadline for submission of data to both organisations was set at 8 December 2006.

At the time of preparation of this Paper, one Member State has so far responded to the questionnaire indicating support for the joint administering process. This Member State concurred that this approach avoided duplication of efforts and ensured that both organisations were in possession of the same data.

4. Training Workshops

It was not possible to convene nine training workshops relative to specific areas in the 1993 SNA. However, it is hoped, that under the Ninth European Development Fund (9th EDF) and in collaboration with the Caribbean Technical Assistance Centre (CARTAC), such training would be continued in 2007 to explore issues such as the compilation of Supply and Use Tables (SUT) and GDP re-basing.

ACTION REQUIRED

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

- (i) **note** the collaboration of the CARICOM Secretariat and the United Nations Statistics Division in the joint administration of the National Accounts Questionnaire to collect these statistics from all CARICOM Member States and Associate Members;
- (ii) **commend** those Member States who have already submitted their National Accounts Questionnaires to the Secretariat and the UNSD;

- (iii) **urge** Member States to submit their questionnaires to both the Secretariat and the UNSD by the 8 December 2006 deadline;
- (iv) **also urge** Member States to note the importance of compiling quarterly GDP estimates and where possible to start to compile these statistics;
- (v) **further urge** Member States to follow the recommended approach of 1993 SNA as the minimum programme to enable a harmonised approach to the implementation of 1993 SNA.
