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**REPORT ON THE ACTIVITIES OF THE WORKING GROUP
ON NATIONAL ACCOUNTS ***

* This report was prepared by Brazil, the coordinator of the Working Group on National Accounts.

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CONTENTS

	<i>Page</i>
A. Introduction	1
B. Objectives.....	1
C. Activities conducted in 2007-2009	1
1. Analysis of the current status of basic statistics	1
2. Seminars to develop comparable, quality economic statistics.....	3
D. Activities scheduled for 2009-2011	4
E. Ending of coordination activities	5

A. INTRODUCTION

The Working Group is composed of the Economic Commission for Latin America and the Caribbean (ECLAC); the International Monetary Fund (IMF); the United Nations Statistics Division; the National Institute of Statistics and Economic Studies (INSEE), France; and the United Nations Industrial Development Organization (UNIDO). The Brazilian Institute of Geography and Statistics (IBGE) is the coordinator of the Working Group on National Accounts.

B. OBJECTIVES

The objective of the Working Group on National Accounts is to contribute to the implementation of the System of National Accounts 1993 (SNA 1993) in the region and to promote greater integration between the production of basic economic statistics and national accounts.

C. ACTIVITIES CONDUCTED IN 2007-2009

1. Analysis of the current status of basic statistics

First, the current status of basic statistics in the region was assessed, in order for the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean (ECLAC) to adopt a working strategy to strengthen the capacity of national statistical offices.

To this end, a seminar on the system of national accounts in Latin America and the Caribbean, organized by IBGE, IMF and ECLAC, was held in Rio de Janeiro, Brazil, on 5 and 6 June 2007. Participating in the seminar were Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

A status report on the development of basic statistics used in the construction of the system of national accounts of the countries of the region had been prepared by IBGE¹ and sent out beforehand to the national statistical offices and central banks of the region's countries for their consideration. The document was presented at this seminar.²

The country representatives concurred with the analysis presented in the report, according to which perfecting the system of national accounts was closely linked to improving basic economic statistics, and agreed to complete a questionnaire in which they would highlight the greatest shortcomings in this regard in their respective statistical systems. The purpose of this study was not to compile an

¹ The document is based on the following reports: ECLAC, "Estado de avance en la implementación del Sistema de Cuentas Nacionales en América Latina y el Caribe al 2006", Santiago, Chile and IMF, "Informe sobre la Observancia de los Códigos y Normas (IOCN) en conformidad con el Marco de Evaluación de la Calidad de los Datos (MECAD)", Washington, D.C.

² See IBGE, "Estágio de desenvolvimento das contas nacionais na América Latina, IBGE-ECLAC-IMF", first version, 13 April 2007.

inventory of the countries' statistical tools, but to identify those tools that are lacking and that the countries consider important to acquire, as well as those that they wish to improve.

The preliminary results of the questionnaire were presented at the fourth meeting of the Statistical Conference of the Americas of ECLAC.³ The analysis was based on the responses provided by 15 countries: Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Honduras, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Given the complex and varied nature of the countries' needs regarding basic statistics with which to prepare national accounts, it was proposed that the analysis performed in 2007 with the collaboration of INSEE be furthered using the countries' responses to the questionnaire circulated that year. The proposed analysis was included in the document "Contribución a la interpretación de la encuesta realizada en Río de Janeiro (junio de 2007) por el grupo de trabajo sobre cuentas nacionales de la CEA-CEPAL" [Spanish only], presented at the eighth meeting of the Executive Committee of the Statistical Conference.⁴

The document's conclusions are that:

- Regional action should continue to be promoted in favour of national accounts in the region and of the work of the statistical offices and central banks so as to encourage the work of the countries and the exchange of experiences, technical research and methodological proposals of the institutions in charge of producing the accounts and their sources of information.
- Information on statistical needs should be available to complement the research conducted in order to devise a strategic focus, while an attempt is made to improve the representation of the countries.
- The survey findings point to many needs in highly diverse fields such as business directories; methodologies for indirectly measuring unrecorded data; and prices. Research on statistical needs should therefore continue in order to comply with the principal recommendations of SNA 1993 and its 2008 revision, and existing work on industrial and services surveys should continue.
- The quality of national accounts depends on available statistics and the methods for using them, as well as on the methodological advances that the countries wish to implement. For example, this might include the creation of a matrix of employment by economic activity and sector or the distribution of financial intermediation services indirectly measured (FISIM), by sector and activity.
- Three training levels be established: (i) initial training; (ii) advanced training on the concepts of the SNA (for example, the course on statistics and national accounts organized jointly by ECLAC and IMF); and (iii) training on preparation methods. Until now, there is a lack of teaching material for this proposal.

³ "Informe de avance de las actividades del grupo de trabajo sobre cuentas nacionales. Seminario Estágio de desenvolvimento das contas nacionais na América Latina" (DDR/13).

⁴ DDR/1, October 2008 [online] <http://www.eclac.cl/deype/ceacepal/documentos/CE8DDR1e.pdf>.

- Given that several countries, especially in the Caribbean area, do not normally participate in the scheduled meetings, that the replies to the survey reveal distinct approaches to the topics, depending on the level of progress in adopting SNA 1993, and that language barriers hinder communication among the countries, it would be desirable to determine actions to be carried out by category of countries. Various classifications should be considered, according to the action to be undertaken: the size of the country and its financial means, language, geographic distance and progress in adopting SNA 1993.
- Based on previous experience, the following actions may be carried out: (i) meetings among countries with the same level of SNA development, to discuss and define methodological options on the basis of documents prepared and disseminated in advance; (ii) training workshops; and (iii) horizontal cooperation through internships and technical assistance.

2. Seminars to develop comparable, quality economic statistics

(a) Industry statistics

A work programme is expected to be adopted on industry statistics, in conjunction with the countries of the region. The objectives of this programme will be: to incorporate international recommendations for industry statistics (IRIS-2008) and index numbers of industrial production; to harmonize a minimum set of regional data to ensure that analyses can be performed at the maximum level of detail required at the international level; and to apply the recently revised International Standard Industrial Classification of all Economic Activities (ISIC Rev.4) and the Central Product Classification system (CPC Ver.2).⁵ Three workshops were organized for this purpose, by ECLAC and IBGE.

In addition, a workshop on industry statistics was held in Rio de Janeiro, Brazil, from 24 to 26 September 2007. The event was organized by the United Nations Statistics Division in conjunction with IBGE. Participants included representatives of 12 countries of Latin America and the Caribbean, two specialists from the United Nations Statistics Division and three international experts.⁶

The main goal of the workshop was to begin implementing a programme to compare industry statistics in the countries of Latin America and the Caribbean. As a first step, the industry statistics of the participating countries, including the definitions, measurements and methodologies used, were presented and discussed with a view to standardizing information on the current status of industry statistics in the region. It was also suggested that a forum should be arranged for sharing experiences and knowledge in this area.

A structure to evaluate the production of statistical information was used, in order to compile a detailed diagnosis of business directories in different countries. The evaluations were the basis for the second workshop on industry statistics, held in Lima, from 19 to 22 August 2008. Representatives of the Bolivarian Republic of Venezuela, Brazil, Canada, Chile, Colombia, Cuba, the Dominican Republic, Mexico, Paraguay, Peru, the Plurinational State of Bolivia, Uruguay and UNIDO participated. A third workshop was held subsequently, in Santiago, Chile, from 1 to 4 June 2009, with the participation of the following countries: Argentina, the Bolivarian Republic of Venezuela, Brazil, Canada, Chile, Colombia,

⁵ See [online] <http://unstats.un.org/unsd/cr/registry/isic-4.asp> and <http://unstats.un.org/unsd/cr/registry/cpc-2.asp>.

⁶ The documentation for the workshop can be found at <http://unstats.un.org/unsd/industry/meetings/eclac2007/eclac07-3.ASP>.

Cuba, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.⁷ The participants discussed the methodologies used for their short-term and annual industry surveys, as well as the methods used historically to conduct surveys and data-gathering techniques regarding large, medium-sized and small enterprises, to design sampling frames and questionnaires and to use administrative data.

(b) Sources and methodologies applied to services in national accounts

A seminar on services statistics in national accounts was conducted in Rio de Janeiro, from 26 to 28 November 2008, with the support of IMF, the United Nations Statistics Division, ECLAC and IBGE. There are plans for a programme similar to the industry statistics programme to be developed, with the participation of the Bolivarian Republic of Venezuela, Canada, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Spain, the United States and Uruguay.

(c) Classification of economic activities and products

The Classification of Economic Activities of MERCOSUR was developed as part of the activities of the GT 7 working group (Classifications and Nomenclatures) of the agreement on MERCOSUR European Union financing for the Project on Statistical Cooperation – Project II. The Classification of Economic Activities of MERCOSUR is designed as a tool for classifying the economic activity of the enterprise or economic unit. This is the first MERCOSUR common classification developed by the countries that belong to the trading bloc that may be adopted and should serve as a reference to compare economic information from members' statistical systems. It is available for the countries of the region.⁸

The Classification of Economic Activities of MERCOSUR is structured in four levels:

- Tabulation section or category: represented by an alphabetic code, this is the same as ISIC Rev. 4.
- Division: represented by a two-digit numeric code, which is the same as ISIC Rev. 4.
- Group: represented by a three-digit numeric code, defined through aggregations or disaggregations of the ISIC Rev. 4 category or group, maintaining the possibility of reconstructing the level of the international classification.
- Class: represented by a four-digit numeric code, level agreed by the countries and defined in keeping with the characteristics of the economic activities and the possibilities for regional comparison.

D. ACTIVITIES SCHEDULED FOR 2009-2011

- Creating an Internet portal to expand technical cooperation.
- Continuing to promote the industry and services statistics programme.

⁷ The documentation for the workshop can be found at <http://unstats.un.org/unsd/industry/meetings/eclac2009/ac177-2.asp>.

⁸ See [online] <http://www.fazenda.pr.gov.br/UserFiles/File/I%20Seminarario/MaraRiestra.pdf> and <http://unstats.un.org/unsd/industry/meetings/eclac2009/ac177-2.asp>.

- Making headway in diagnosing statistical needs, making use of the annual meetings organized by the Statistics and Economic Projections Division of ECLAC.
- Classifying training needs into three levels: (i) initial training, using the KANGARE tool; (ii) advanced training in SNA concepts, such as the course on national statistics jointly organized by ECLAC and IMF, and (iii) practical training in preparation methods, with the support of INSEE.
- Examining the needs of the countries in order to organize meetings to debate on and define methodological options, hold training workshops and implement horizontal cooperation through internships and technical assistance.

E. ENDING OF COORDINATION ACTIVITIES

Following the commitments undertaken and the activities conducted in 2007-2009, IBGE considers that its functions as the coordinator of the Working Group on National Accounts have been concluded.