

PRASC



**Project for the Regional
Advancement of Statistics
in the Caribbean**

**Projet régional pour
l'avancement de la statistique
dans les Caraïbes**



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CARIBBEAN NATIONAL ACCOUNT TRAINING PROGRAM

Project for the Advancement of Statistics in the Caribbean Region (PRASC)
National Accounts Training
Session 1 – Overview

January 2018



National Accounts Uses

In their textbook on economics, Paul Samuelson and William Nordhaus noted that “while the GDP and the rest of the national income accounts may seem to be arcane concepts, they are truly among the great inventions of the twentieth century.”

National Accounts - Uses



- National Accounting is known as one of the greatest inventions of the 20th century.
- More than ever these statistics are required to make informed decisions by businesses, governments and ordinary citizens.
- The demands on these statistics are becoming more important as the economy becomes increasingly complex.

National Accounts - Uses



➤ Course Objective

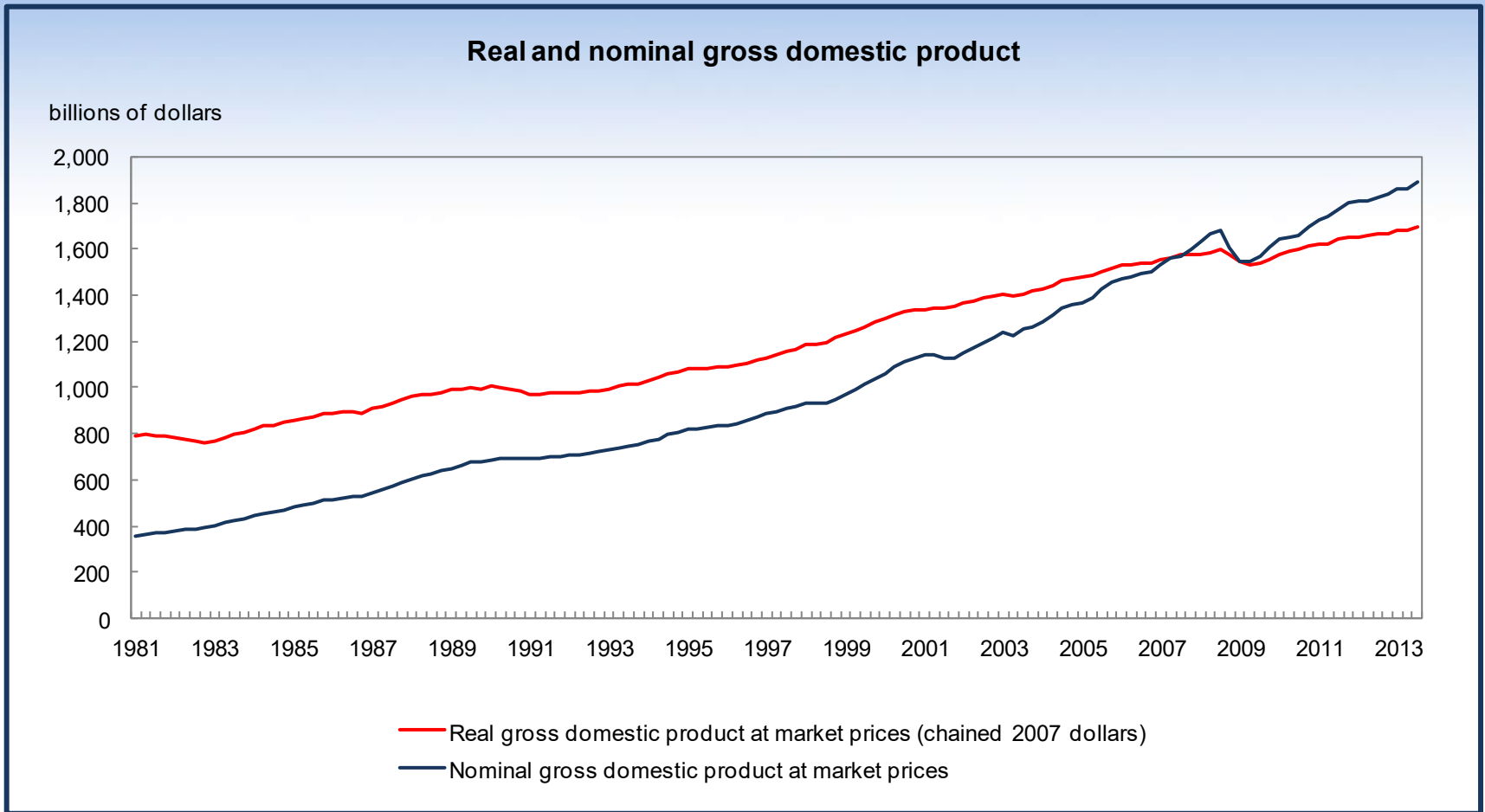
✓ Provide national account compilers with an overview of the uses of national account information.

National Accounts - Uses



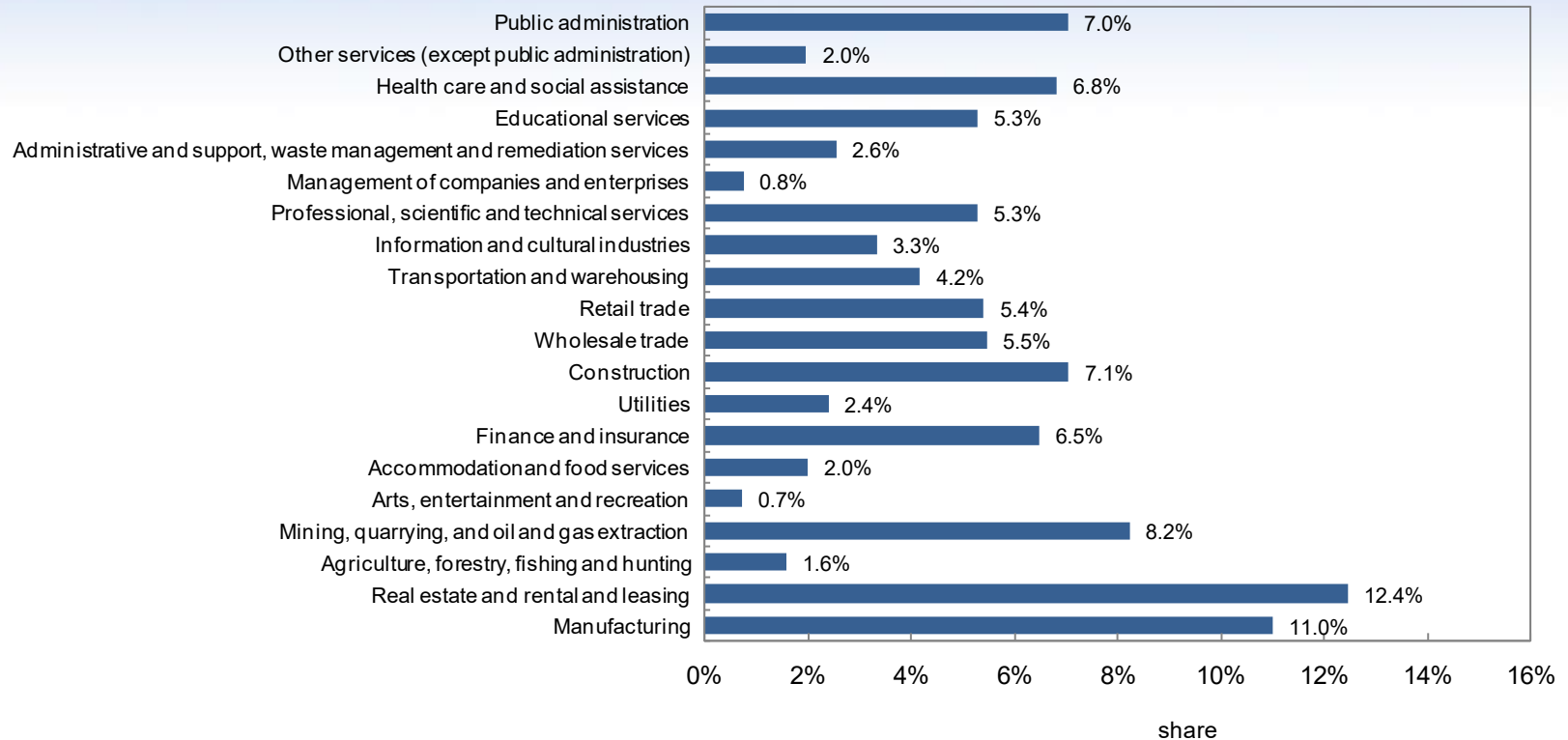
- ✓ The best way to explain national accounts is to look at the questions they serve to answer!

How has the economy been performing?

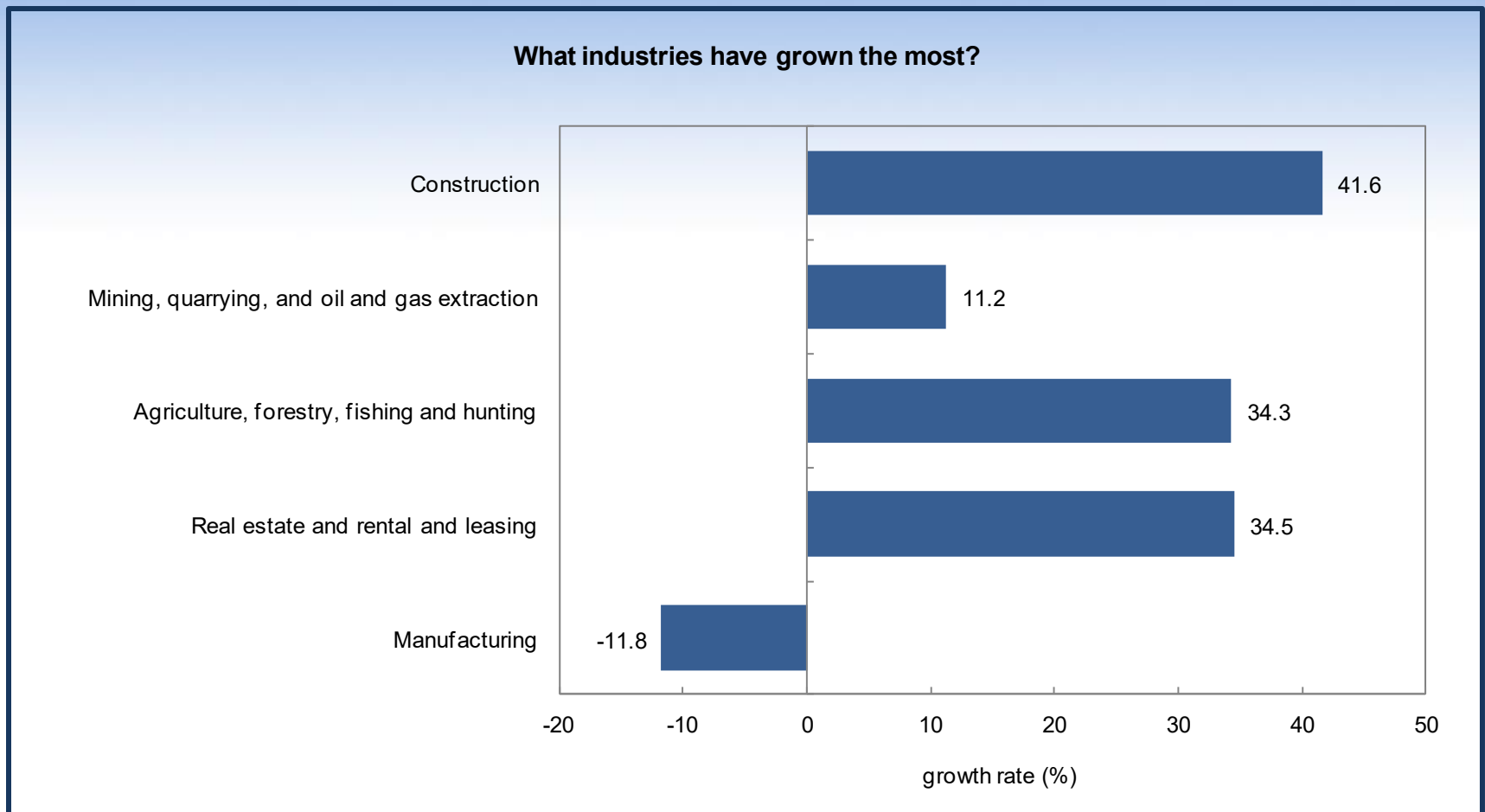


What are the most dominate industries in the economy

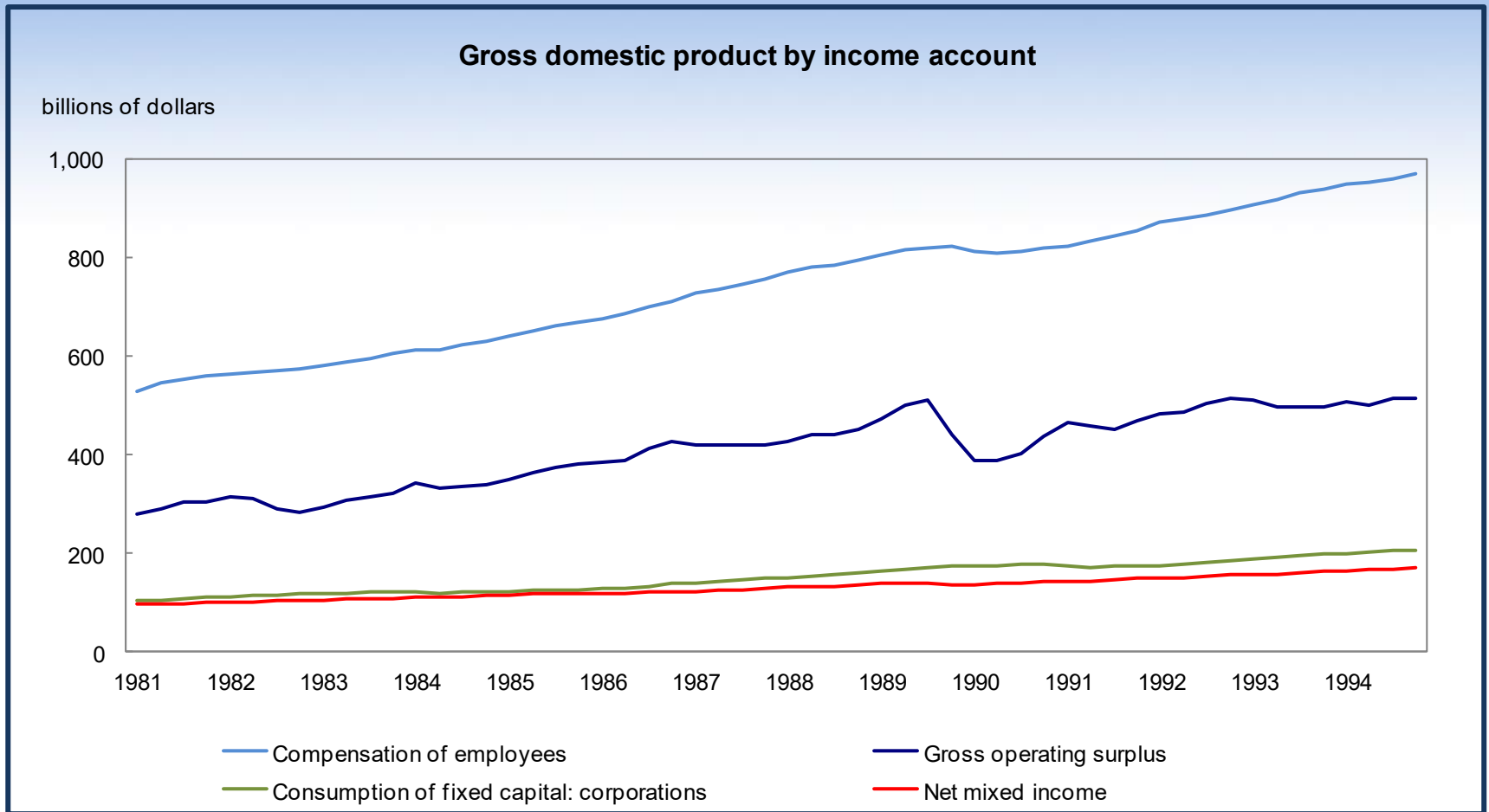
Comparing industries in Canada



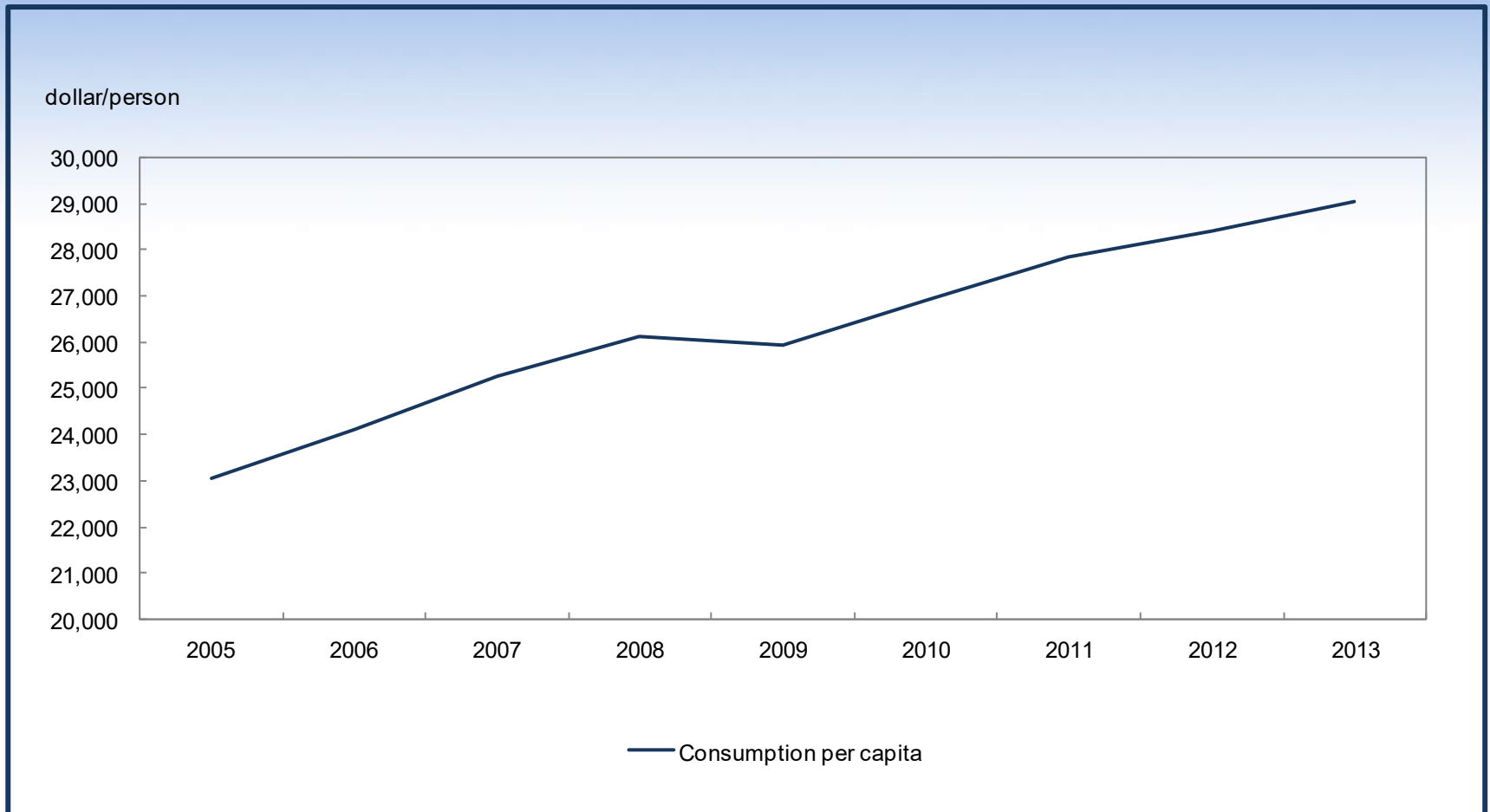
Which industries have grown the most in the last decade?



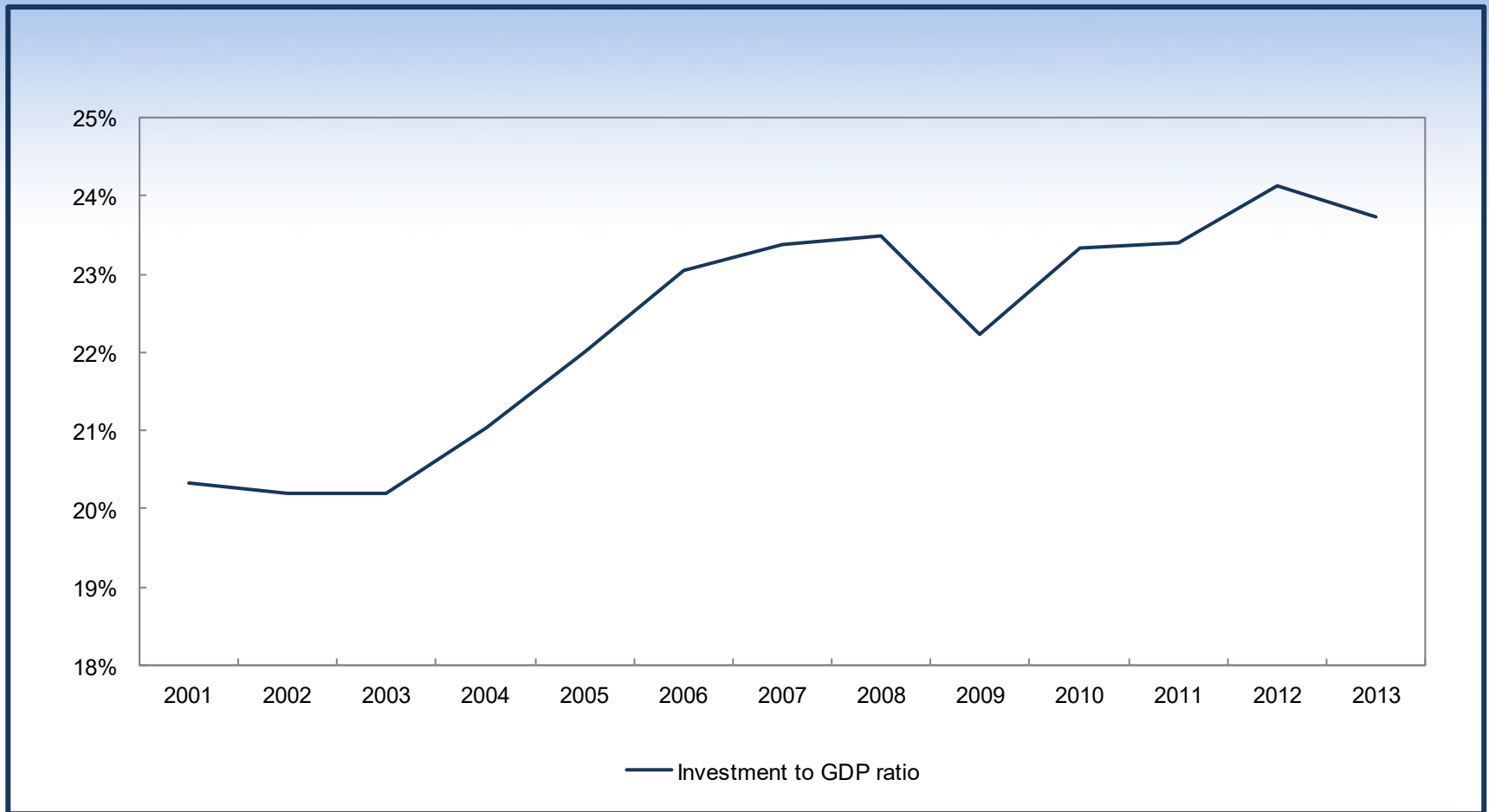
How is income distributed?



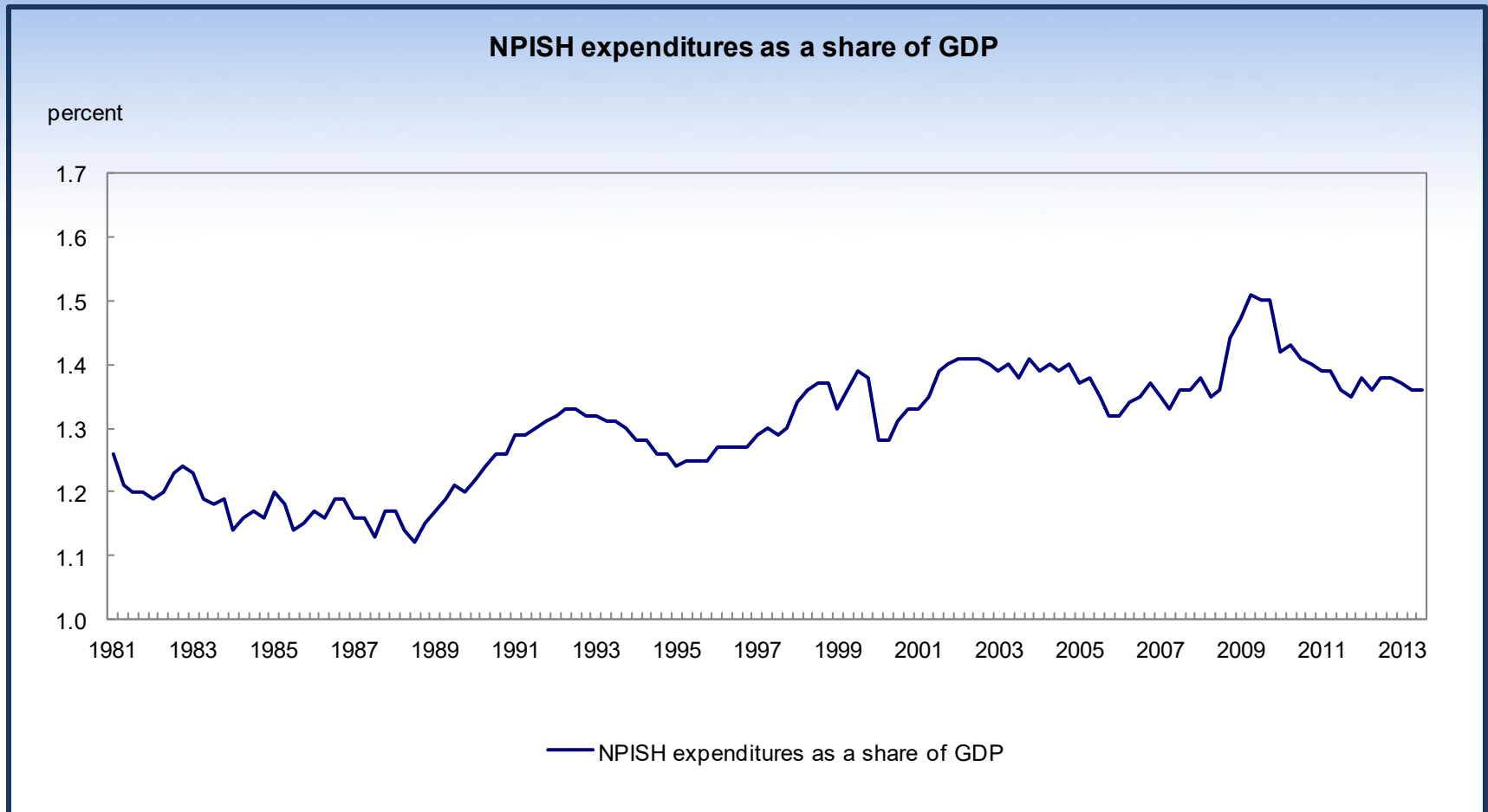
How much do households consume?



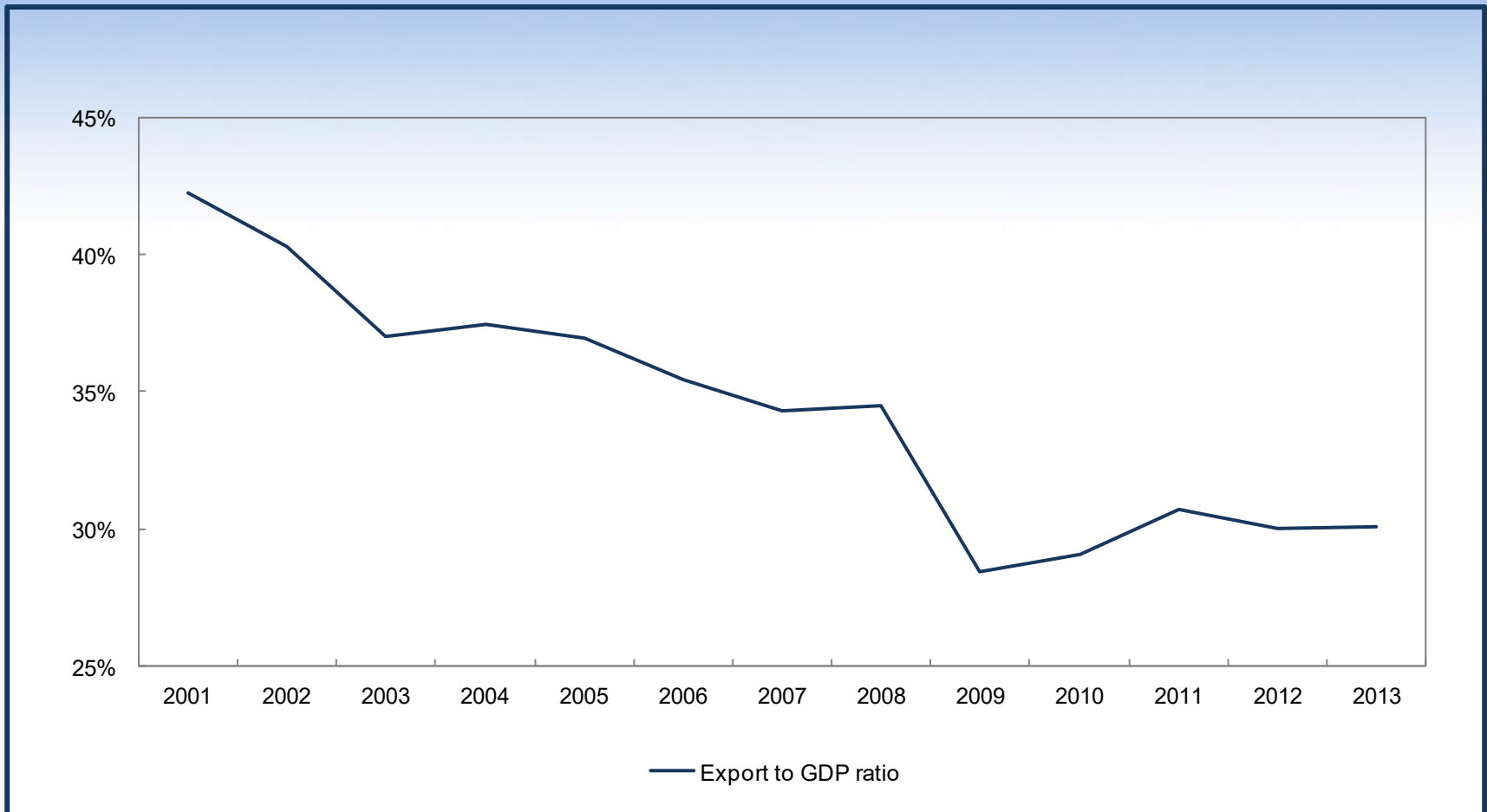
What is the level of investment as a share of gross domestic product?



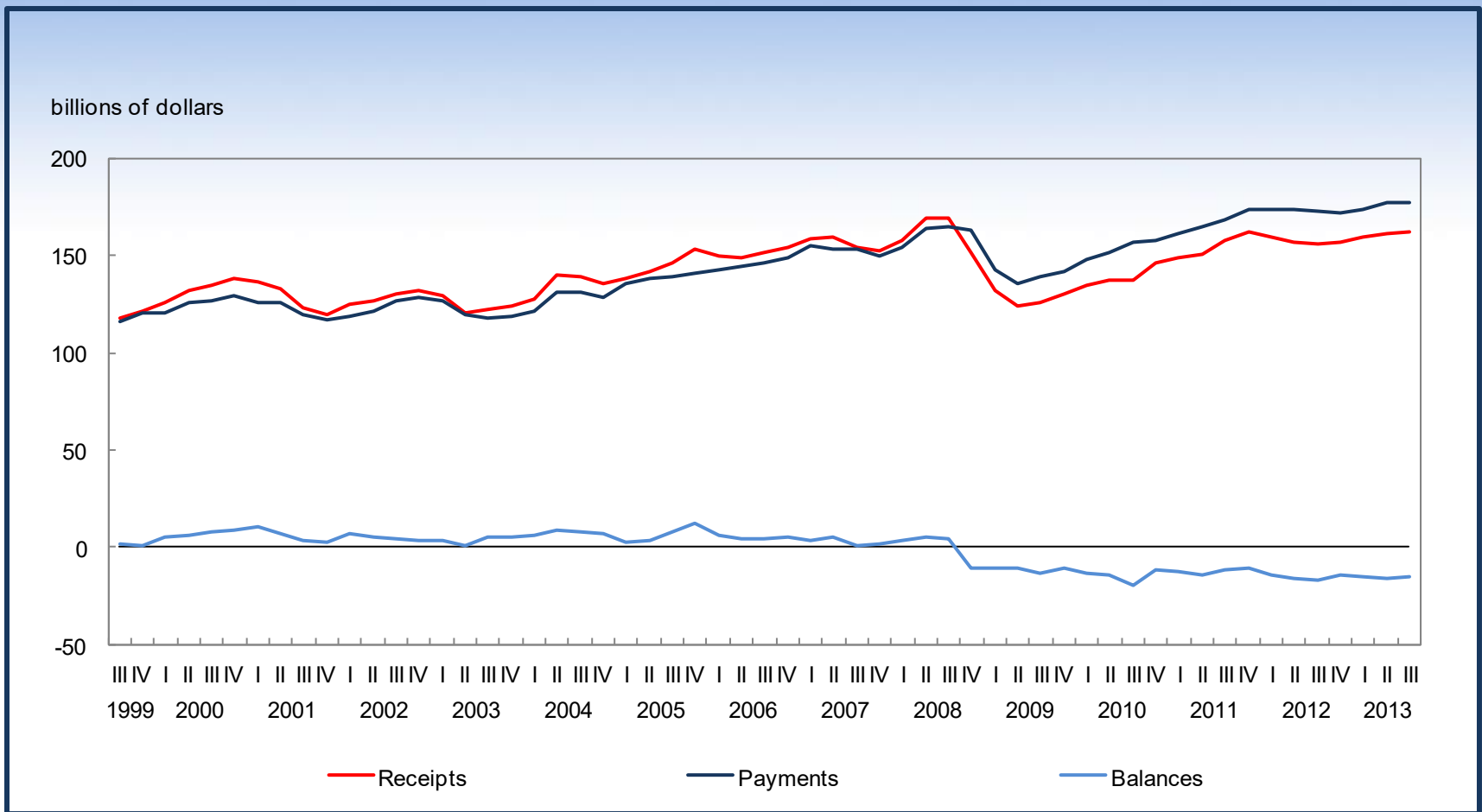
What role do non-profit institutions serving households play in the economy?



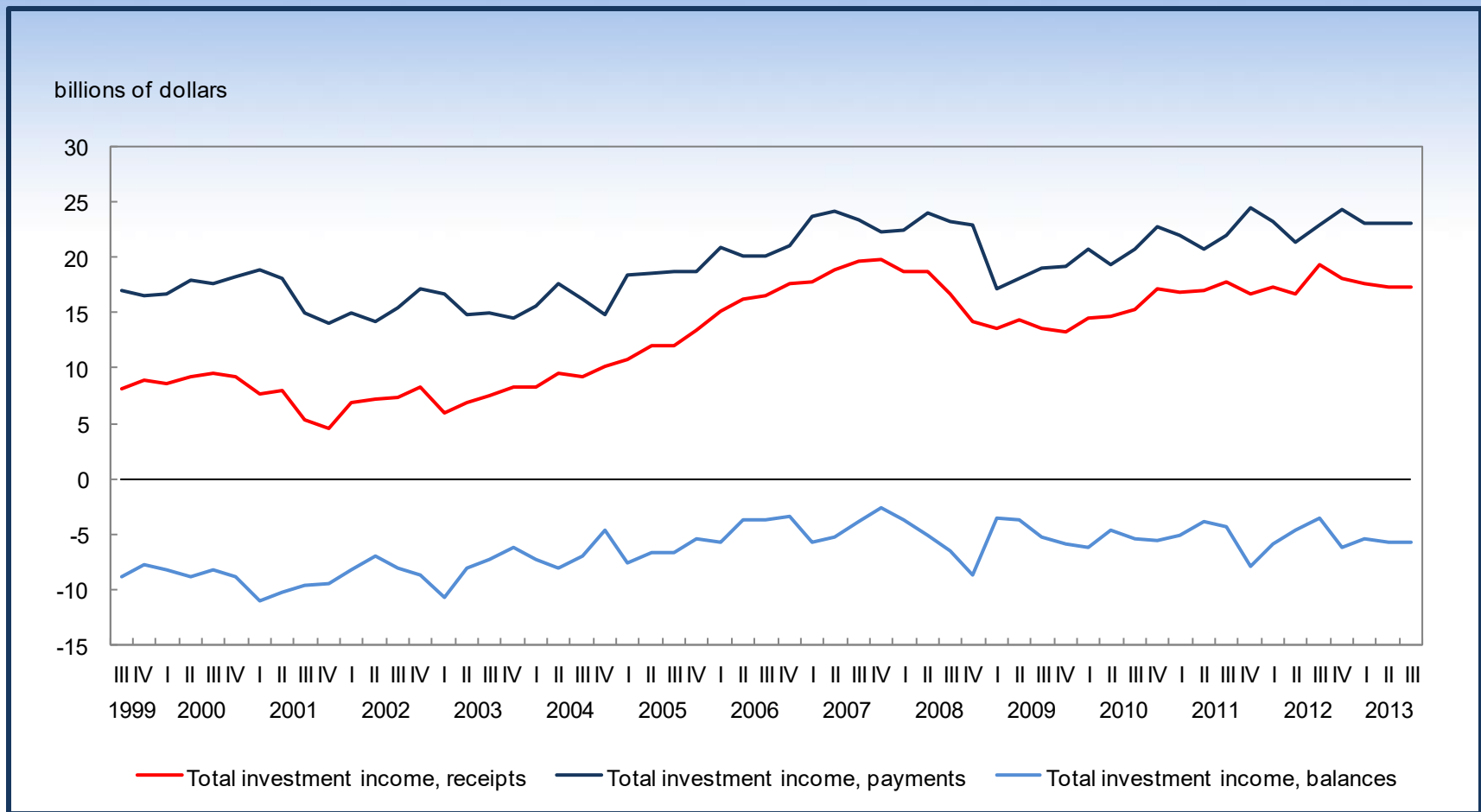
How open is the economy?



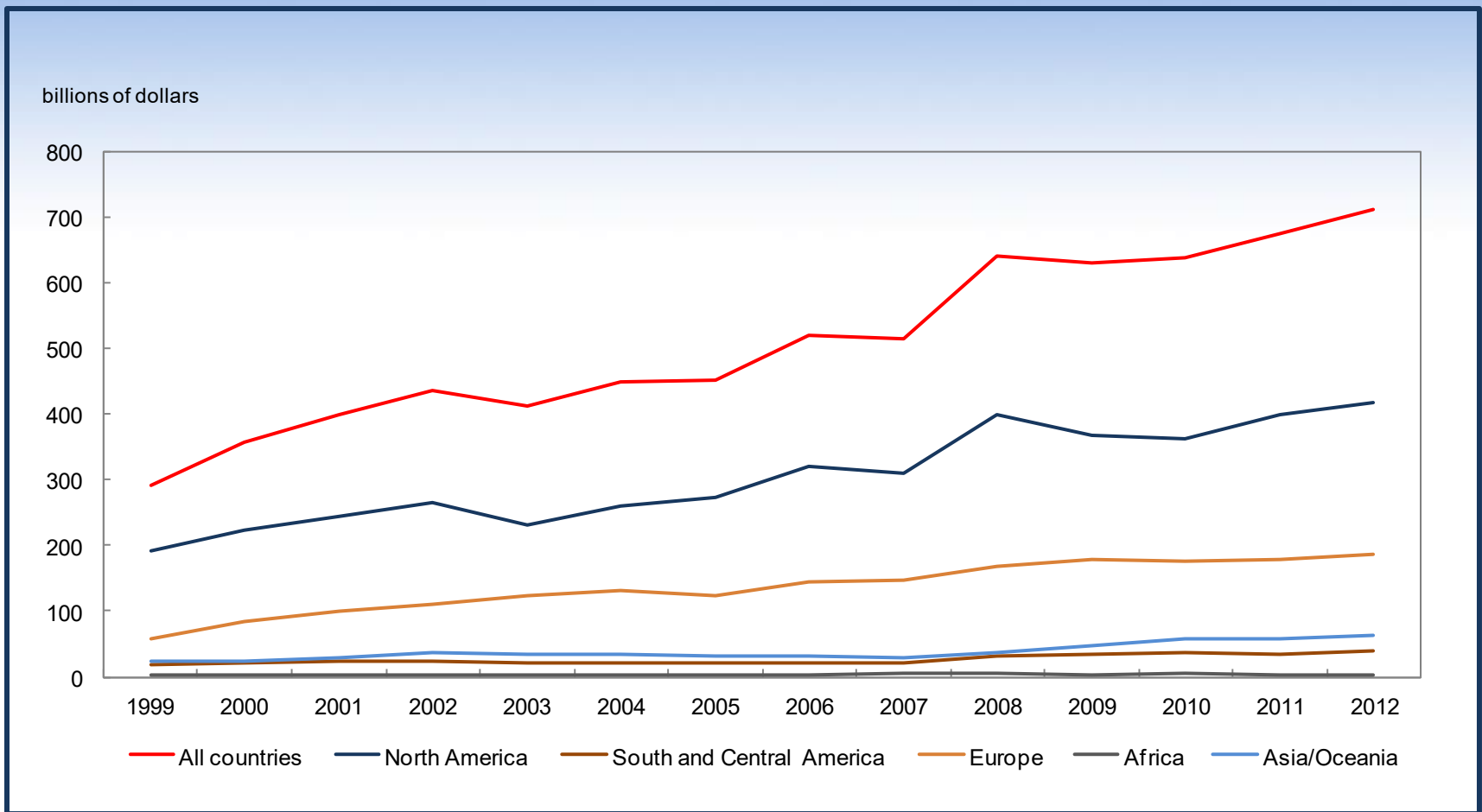
What is the Balance of International Payments?



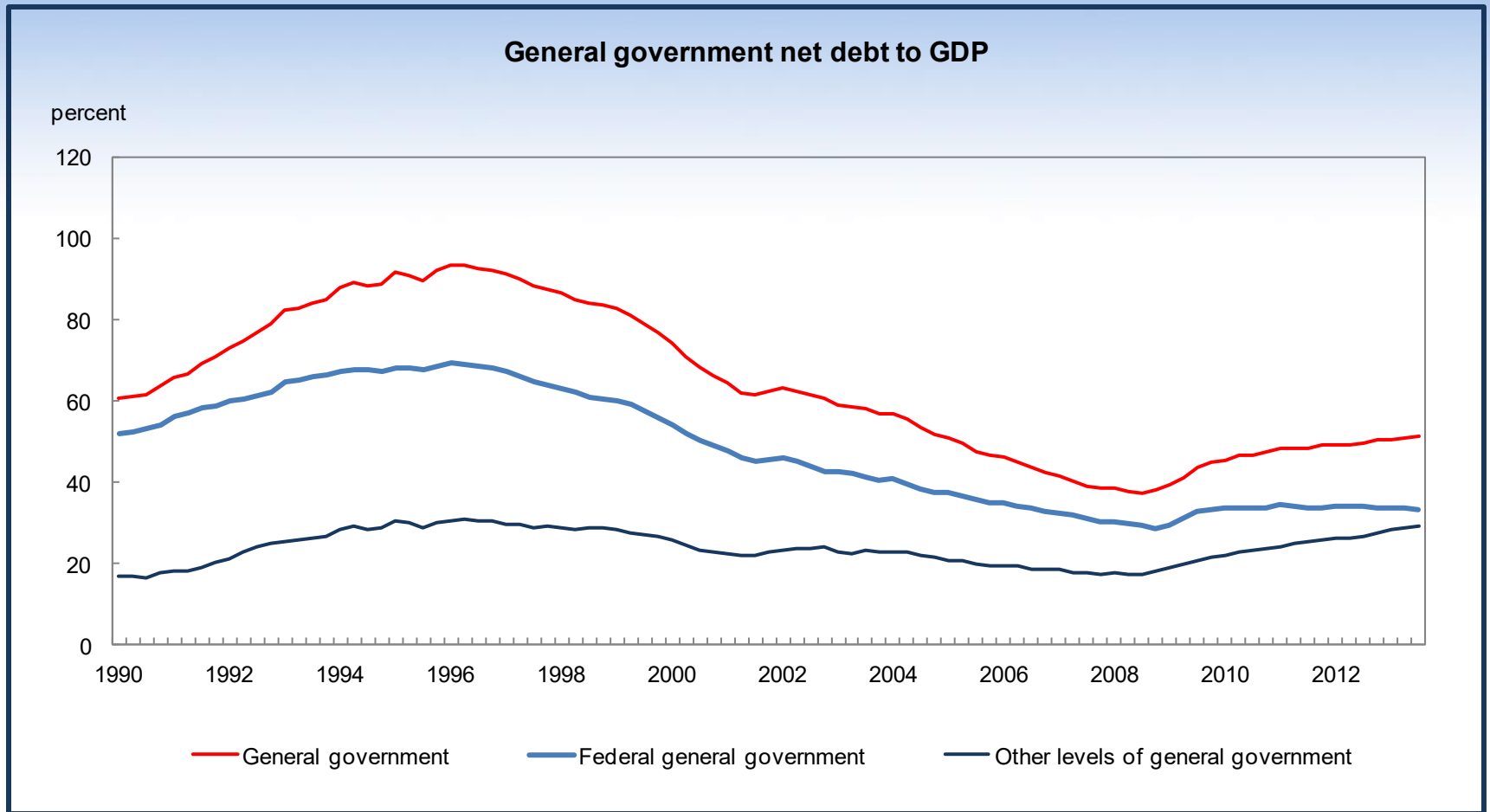
How much income do we earn on our investment with non-residents?



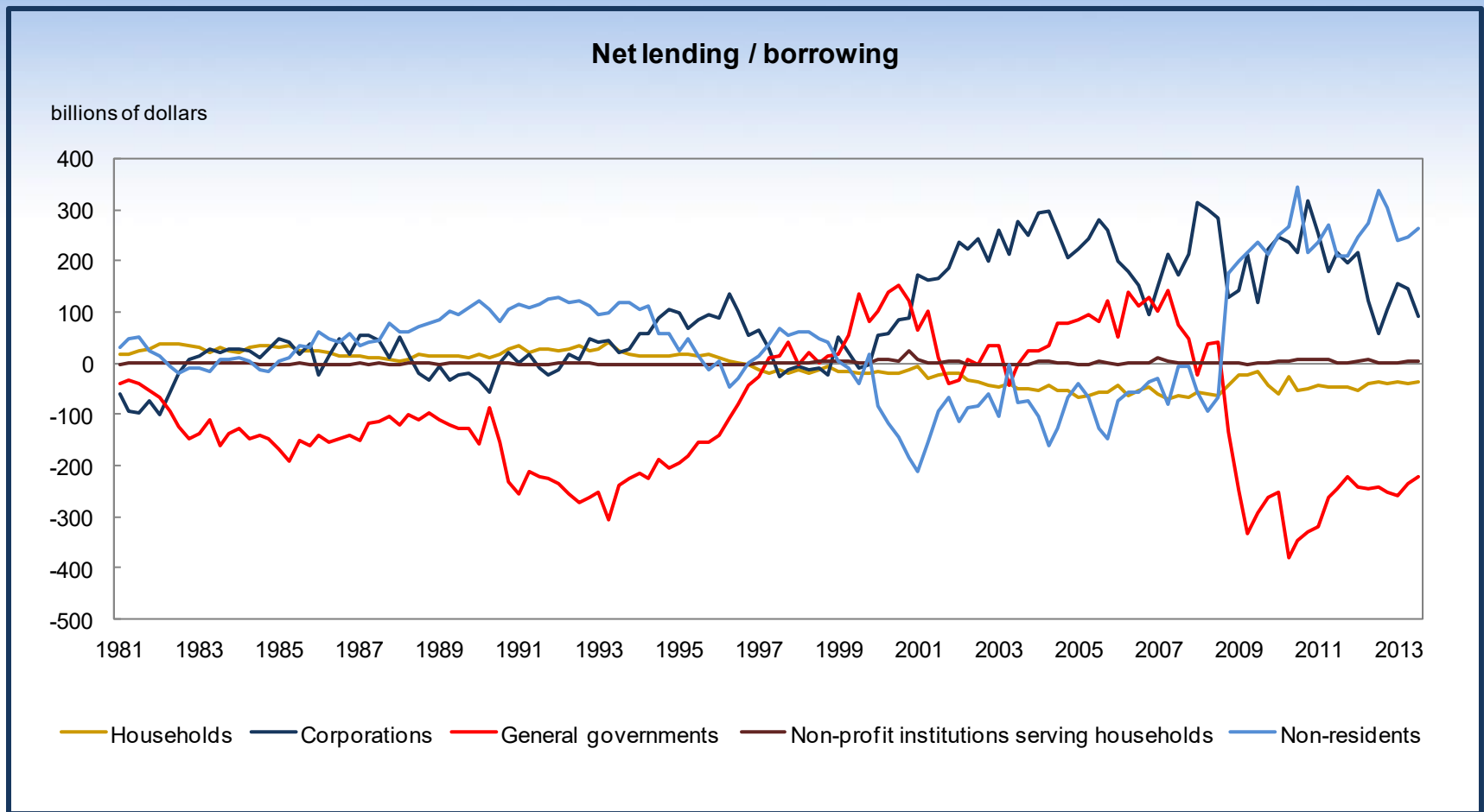
Where do companies invest?



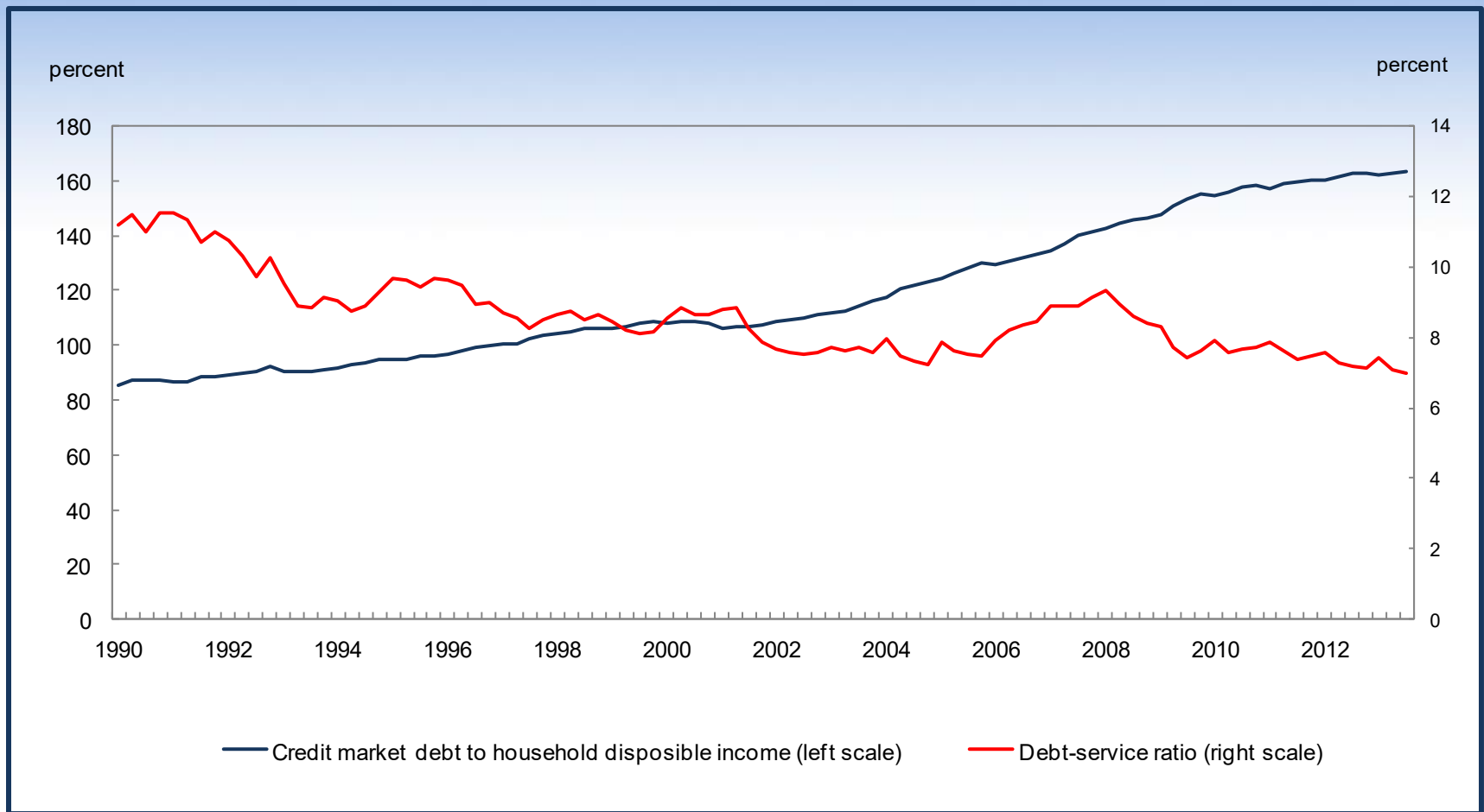
What is the level of government debt?



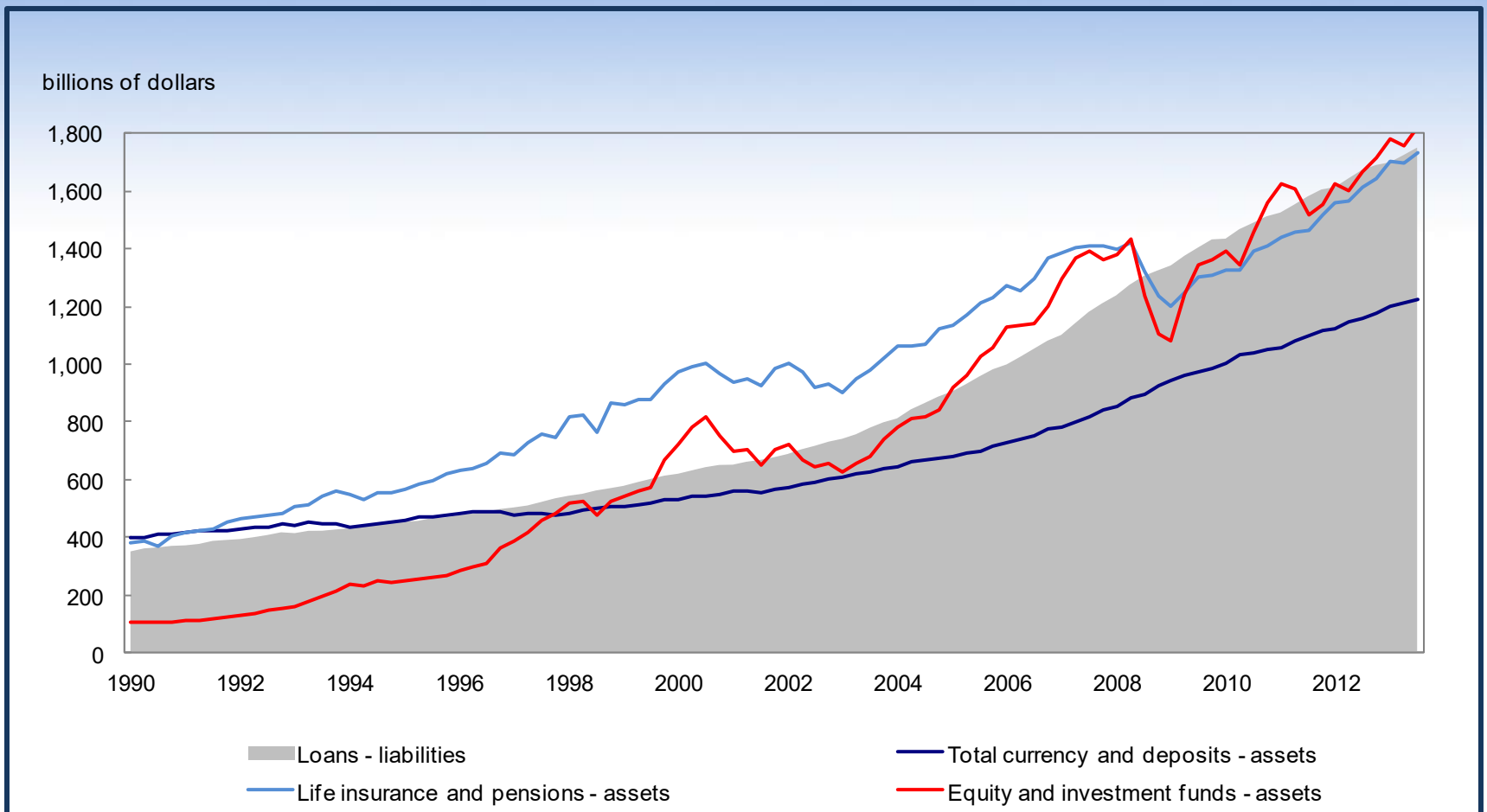
Who is borrowing and who is lending?



What is the level of household debt relative to it's income?



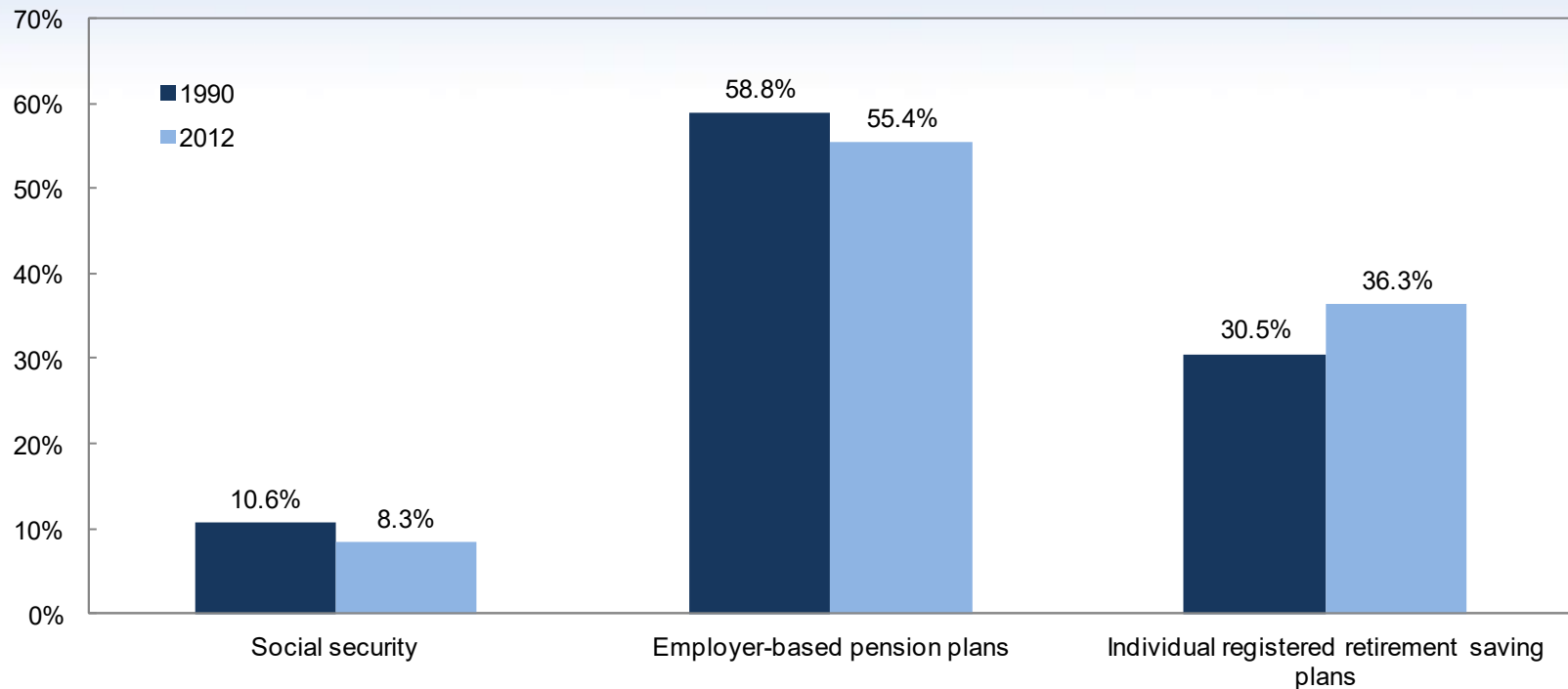
How vulnerable is the household sector?



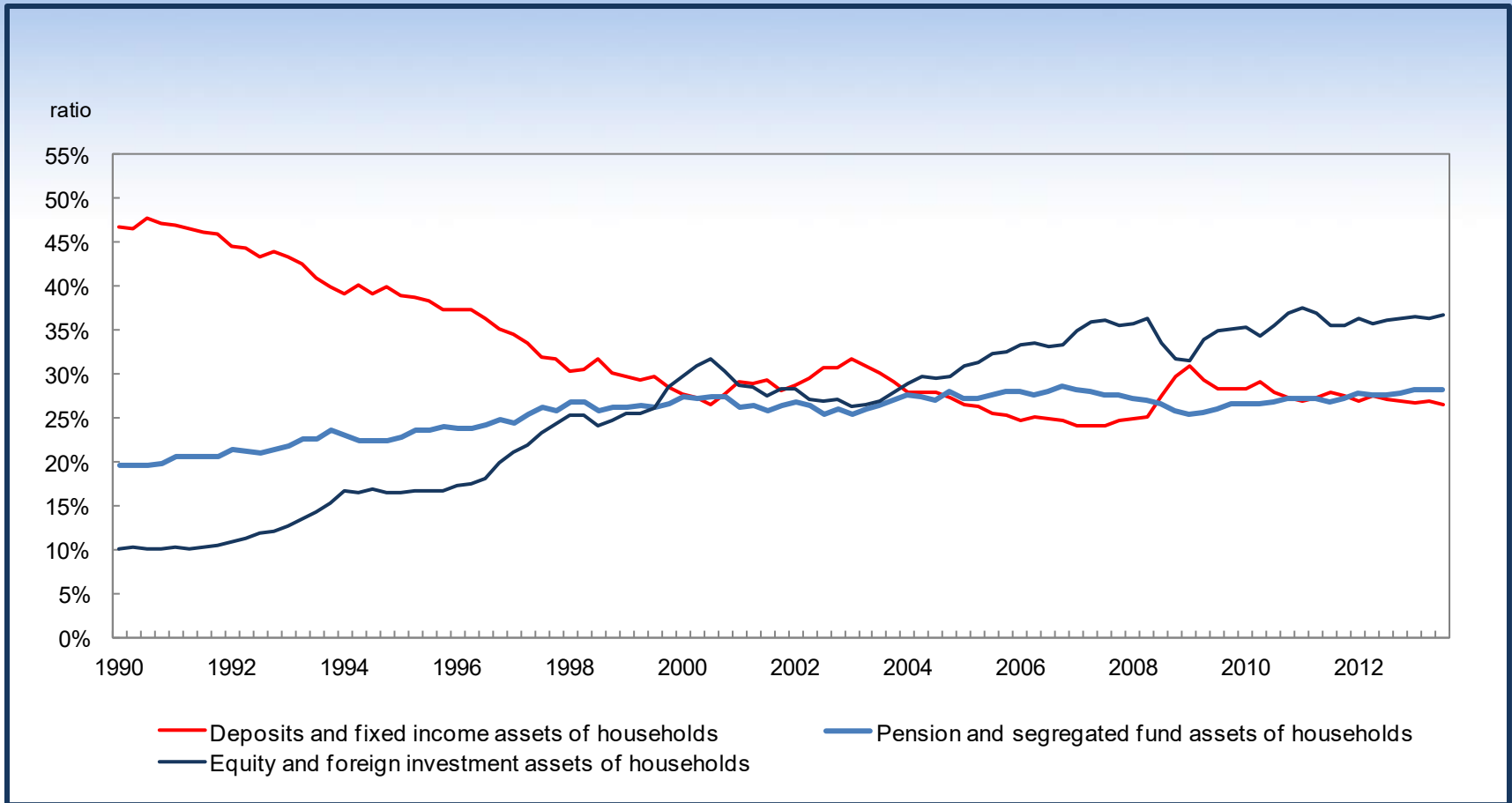
What type of pension assets does the household sector hold?

Pension assets in Canada, 1990 and 2012

share total pension assets (%)



How risky is the household sector portfolio?



National Account Uses



➤ **What do all these questions have in common?**

- They can all be answered using information drawn from the national accounts.
- Most people have never heard of the national accounts ... but most people are aware of the statistics embedded in these accounts and use these data to help shape their views about the economy

National Account Uses



➤ National Accounts also have some other key uses.

- They are often used to administer tax and other government social programs.
- They are used by international agencies (government and non-governmental) to assess a countries' credit risk.
- They are used by international organizations to determine budget contributions (e.g. European Union and OECD).

National Accounts - Uses



➤ Key takeaways

- ✓ The national accounts can answer many of the important questions governments, businesses and individuals have regarding the structure and evolution of an economy.
- ✓ Users trust national accounts information to such an extent that they use it to establish payments and disbursements
- ✓ It is important that the compiler (person putting the numbers together) understands all the uses to ensure maximum use of the data.

National Accounts - Uses



➤ Activity

- ✓ Write down all the uses and users of national accounts data in your country.



Thank you!