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Progress in the implementation plan for the System of National Accounts 2008 and supporting statistics

Note by the State Statistical Office of the Republic of Macedonia

Summary

In this paper, the State Statistical Office of the Republic of Macedonia provides an overview of the current activities on the implementation of the 2008 SNA. The paper also gives the priorities of the country in terms of national accounts and the operational planning and promotion of the 2008 SNA.

I. Introduction

1. The aim of this paper is to describe the current activities of the State Statistical Office of the Republic of Macedonia on the harmonization of statistics and activities concerning the implementation of SNA 2008.
2. SSO as a coordinator of the national statistical system is concentrated on further harmonization in all domains in statistics according to international regulations, methodologies, methods and classifications.
3. Progress in harmonization of statistics with European legislation is monitored and evaluated by many programmes. One of them is the National Programme for Adoption of Acquis (NPAA), where separate chapter is dedicated to statistics. In the Programme, activities on basic statistics, statistical infrastructure and ESA are planned in short-term (one year) and medium-term period (2 years). These planned activities are a good basis for mobilization of the efforts of the actors in all statistical domains and, at the same time, they serve as a basis for monitoring the progress in harmonization of statistics at national level. This programme is adopted by the Assembly and monitored by the Government of the Republic of Macedonia.
4. In 2010, the State Statistical Office underwent the process of Light Peer Review (LPR) whose objective was to determine how much SSO in its work is harmonised with the principles 1-6 and 15 of the Eurostat's Code of Practice. As a result of this activity, an action plan was prepared with improvement recommendations SSO has to fulfill. This action plan refers to the period 2011 – 2013 and all the recommendations given in it have to be taken in consideration when setting up the priorities.
5. SSO dedicates special attention to continuous training of its employees and their education, in order to be introduced to the international regulations, standards, methodologies, classifications and methods. Therefore, internal and external trainings are organised and many of the staff, as well as employees from other institutions from the national statistical system take active part. The need for continuous training and education is strategic determinant of SSO and it has been part of the Strategic Plans for the period 2010-2012 and 2012-2014.
6. Through international programmes for capacity building (IPA, TAIEX etc.), more than 100 statisticians from SSO, National Bank, Ministry of Finance and other staff were trained in statistical methodologies for basic statistics, BoP, SNA and ESA.
7. Republic of Macedonia in 2011 subscribed for the Special Data Dissemination Standard (SDDS) of IMF. Metadata were posted and national data page is available to the users. SDDS is the best example of data integration in the stage of dissemination.

II. Current activities and progress

8. In the period 2010-2011, SSO as a result of its experience in assessing user needs and cooperating with them, as well as using its own position in the statistical system of the country, paid attention on establishing strategies for dissemination and data quality, and adopted documents on implementation of the principles of Eurostat's Code of Practice. This is a good base for recognizing the goals of the system, as well as for making priorities in the strategic planning.
9. Progress was made in the area of classifications and registers. The following classifications were adopted by SSO:

- In 2011, NACE Rev. 2 was implemented in most statistical areas including national accounts data for 2010. This process related to back casting of series in NA is planned for 2012
- National Nomenclature of agricultural products, products of forestry, hunting and fishing and related services, 2011
- National Classification of occupations, 2008 (NKZ 2008) harmonised with the International Standard Classification of Occupations (ISCO-08)
- List of energy commodities and types of energy commodities was harmonised with the Classification of products by activities and the Combined nomenclature.
- SSO applied the National Nomenclature of industrial products (NNIP 2008)

10. The business register is completed and regularly updated, the farm register is put into function. These two actions are essential for further conducting of surveys in SSO. It continuously works on introducing of the statistical unit - group of enterprises (the variables linked to the group of enterprises are determined and the administrative sources are detected) in accordance to the Regulation 177/2008, and also it works on calculating the population of newly born and surviving enterprises in accordance to the Regulation 295/2008.

11. In the area of sector statistics progress was also achieved. The most noteworthy achievements are the following:

Social statistics

- The Structure of Earning Survey was conducted
- The Pilot Survey on Job Vacancy was conducted
- The Harmonised Index of Consumer Prices is prepared on a regular monthly basis
- The Survey on Income and Living Conditions was conducted

Business statistics

- Retail trade statistics are harmonized according to the EU Regulation 1165/98 on short-term statistics and monthly indices are produced
- Monthly survey on trade turnover was conducted in accordance to the Regulation 1165/98 on short-term statistics
- The economic accounts in agriculture at constant prices are prepared for the period 2006-2009
- The Farm Structure Survey is conducted and the data are published
- Methodological guideline was prepared for agro-monetary statistics

Macroeconomic statistics

- The ad-hoc Survey on Gross Fixed Capital Formation was conducted for business units with less than 10 employees for the period 2007-2009
- The supply/use tables for 2009 were prepared
- The data on GDP by regions are prepared for 2009
- The prepared description of national accounts from 2009 was updated for the parts for calculations of the sector tourism, imputed rents and investments

- In the field of national accounts, two methodological improvements were made. First, in the area of Financial Intermediate Services Indirectly Measured (FISIM), which are calculated and allocated by industries, and in the area of Final Household Consumption and second imputed rents of dwellings, where calculation was made by harmonization of the structure of cost calculation according to EU Regulations
12. This progress is important for further improvements in national accounts.
13. Within its responsibilities, the National Bank made several improvements:
- Further adjustment of the balance of payments statistics with the international standards through defining the methodology for calculating the import and export of financial intermediation services indirectly measured (FISIM)
 - External debt stock data were calculated and presented on accrual basis, thus replacing the previous due for payment basis principle
 - Within the activities for establishment of investment and private pension funds statistics and achieving better statistical coverage of financial sector data, NB adopted a bylaw for determining the type, form and terms by which other financial institutions (private pension and investment funds and insurance companies) will report statistical data for their assets and liabilities to the NB
14. Within its responsibilities, the Ministry of Finance provided the budgetary data for preparation of Government account and these data were fully integrated in this process.

III. Work on National accounts, SNA 2008 and priorities

15. Having in mind the importance of the harmonization in the field of national accounts and following the priorities in the plan prepared for implementation of SNA 2008, SSO strategically decided to make further efforts in 2010-2011. First, to improve and implement the existing methodologies according to SNA 1993 - sector accounts and quarterly GDP calculations. Second, to start the first phase of the trainings of the experts' network in the country on SNA 2008.

16. Working within the IPA 2007 EU project in 2010-2012, SSO put in the center of the project sector accounts. This work gave very good progress in the compilation of all sector accounts by integration of the data from all available sources. Full set of accounts by sector was prepared experimentally for one year, but the work will be a basis for further cooperation between SSO, National Bank and Ministry of Finance in the area of data exchange and implementation of the principles of SNA and ESA in each institution. Further work on sector accounts is important part of the upcoming project for the period 2012-2014.

17. In constant prices, calculation of GDP at quarterly and annual level, a lot of improvements are done. In the Multi-beneficiary programme IPA 2009, the topic of constant price calculations of quarterly and annual data is subject of work in SSO. The work is concentrated on improving the methods of double deflation at constant prices using S/UT framework.

18. Because of the need for further improvements of financial services statistics, within the national project IPA 2007, training was organized in 2011 with participants from SSO, National Bank, Ministry of Finance, insurance companies and supervisory agencies. The new approaches were discussed, the need of statistical data was explained and methods of data harmonization were discussed. In this area, new agencies and bodies became subjects

of data collection. Further efforts are needed for coordination of the sources, timeliness and possibilities to access the data.

19. Improvements are made in BoP statistics and work on financial accounts is set as priority for the next 2 years.

20. Following the implementation plan related to the implementation of SNA 2008, SSO in 2010 - 2011 worked on examination of the quality of the source data on Gross Fixed Capital Formation (GFCF) and conducted a special survey on GFCF for small business enterprises. For 2011, data for own produced software were collected from the financial reports of the companies i.e. the part of the report used for statistical purposes. The analysis is underway. In 2012, SSO plans to start discussion with the companies and accounting agencies about the possibilities for recording of data on improvement of land and possibilities to get information on databases.

21. SSO put as a priority to improve the statistics on R&D in relation to the improvement of the existing surveys, and additionally to examine administrative data in that area in the period 2012-2013. This topic is drafted as part of the new EU funded project IPA 2012/2013, Private Sector Development. This project is prepared under the new sector-based approach, which includes several state institutions as beneficiaries.

22. Additional efforts are made by SSO to integrate more tax office data for the need of making better business register and for compilation of national accounts. The discussions are underway.

IV. Promotion and planning of SNA 2008

23. SSO established Groups of experts, which will be focal groups for multiplication of the knowledge on SNA 2008 (one Group for financial accounts and one Group for sectorization of the units). For better coordination of the implementation of SNA 2008 a Commission for coordination of the activities for implementation of SNA 2008 was established. Members are representatives of SSO, the National Bank, the Ministry of Finance and the Universities.

24. SSO prepared and presented the information on the necessary activities, the new challenges in SNA 2008 and the needs of resources before the Statistical Council meeting in September 2011. The members of the Council are representatives of the State University, the National Bank, the Ministry of Economy, the Ministry of Justice, the Ministry of Interior, the Assembly, the local self-government, the Pension and Disability Insurance Fund and NGO. This information presented the needs of further development in supporting statistics, more detailed data, new accounting perspective and revisions of data.

25. The Programme for work of the National Bank, contains activities related to harmonisation with BoP Manual 6th edition and manuals for external and financial statistics. This Programme is adopted by the Council of the Bank and by the Assembly of the Republic of Macedonia.

26. In June 2010, training on sector and integrated accounts was organized by SSO within the EU funded programme IPA 2007, for 20 participants from SSO, National Bank and Ministry of Finance. Within the same programme, a big seminar is already agreed to be organized in February on the New SNA 2008 and ESA 2010. Participants will be experts from SSO, the ministries, university community, National Bank and independent agencies working on insurance, supervision and accounting.

V. Conclusion

27. SSO will have a main obligation, but also a coordinating role in the implementation of SNA 2008 in the country. Because it is necessary for other institutions to be active, SSO will present and promote the goals of the activities needed for further efforts and their synergy in the country through available formal and informal bodies and programmes in the country.

28. This year, the new Five-Year Programme of the national statistical system for the period 2013-2017 will be prepared. SSO as coordinator of the statistical system will undertake activities for inclusion of priority topics for implementation of SNA 2008 in regard to further development of basic statistics, financial statistics and monetary statistical areas. This Programme will define new variables or new surveys that are important basis for better harmonization of statistics in the next period. In the process of preparation of this Programme, many workshops/preparatory meetings will be organized with other producers and users of statistics. The main purpose of these meetings will be to explain the plans for further harmonization of statistics and to discuss users' needs.

29. For the implementation process SSO should improve its own capacities related to the negotiations with other producers of administrative data and to make more efforts in adoption of statistical standards in different institutions and agencies. These efforts are precondition for easy implementation of SNA 2008.

30. SSO will continue to organize trainings for its staff and the staff of other responsible institutions in the process of implementation of SNA 2008. Participation in international trainings will be very important part for the further work on implementation of the SNA methodology.

31. In resources perspectives, the process of implementation will need more financial resources for new data collections in SSO, and also it will need improvements of institutions' IT performance for data exchanging which is related to the further decreasing of enterprises' burden in data providing and for making the process more consistent.

32. Further progress in improvements in basic statistics and registers is a big part of data collection and production process. Some basic surveys are very expensive and some should be developed, which is a new challenge not only from human resources and financial point of view, but also for introducing of new approaches for changing the data collection methods.

33. Back casting of series of data, including integration of the changes in other institutions, will be the more difficult part of the work in a time perspective.