



# United Nations Economic Commission for Africa

## E-Training on GDP Rebasing

October, 2018

Session 7: Documenting the data sources and methods  
used in rebasing

Economic Statistics and National Accounts Section  
ACS, ECA

# Content of the presentation

- Introduction
- Documentations
- FAQs



# Introduction (1/3)

- Documentation facilitates in preparing publications for dissemination purpose
- It improves the transparency of data compiled
- Documentation of rebased national accounts is useful to the data producers, source data agencies and to the users.
- **For the data compilers**, documentation serves as a guide in their day-to-day job, to respond to user queries, to the new staff, and to review the sources and methods as and when an occasion arises
  - for example, when a source agency stops supplying data or when better quality data with improved coverage becomes available or when a new survey results become available or a new method to estimate informal sector or illegal activities is facilitated



# Introduction (2/3)

- **For the data providers**, documentation helps in understanding how their data is relevant and how it has been used in the compilation of national accounts.
- This also facilitates in reviewing whether the data produced by them is in alignment with that of national accounts in terms of scope, coverage and concepts, whether the source data has been appropriately used in national accounts compilation and whether the contribution of their activities is properly reflected in the GDP estimates.
- Based on the outcome of assessment, data providers can initiate steps to fill the data-gaps



# Introduction (3/3)

- **For the user community**, documentation helps in improving the user awareness of sources and methods used in the compilation of national accounts.
- Some of these users, for example, the Ministry of Finance and the Central Bank use the data extensively for policy purposes and for them it is important to have full insights into the scope, coverage, definitions, classifications, concepts and the data and methods used in these estimates.
- Similarly, for researchers, econometricians and forecasters, understanding the metadata of national accounts is of immense importance.
- Comprehensive documentation on the compilation practices of national accounts helps the users in using the data appropriately in their analysis and policy making.



# Documentations

- Broadly, documents to be prepared as part of rebasing exercise can be placed under two categories:
  - **those that should be released before rebasing**
    - Review and assessment of current national accounts
    - Strategy and action plan to implement 2008 SNA in a phased manner with focus on the tasks identified for implementation in the rebasing exercise together with an indication on the possible changes in methods and estimates
  - **those that should be released along with the rebased NA data**
    - Sources and methods used for the base year in the rebased national accounts together with the estimates for the base year, with explanation for changes in methods and estimates
    - Sources and methods used for compiling annual/quarterly national accounts together with the estimates for the years for which data has been compiled
    - Sources and methods used for linking the past data (before the base year or back casting) of the previous base year series together with the estimates for the past years
    - A user guide in the form of *frequently asked questions*
- The above documents can be separate or some of them can be combined



# Before the release of rebased national accounts

## A.1 Review and assessment of current national accounts

- The review and assessment of current national accounts should be properly documented and published.
  - This helps in understanding the current status of national accounts, its scope and coverage, areas of weaknesses, data gaps, and deviations in concepts with reference to the international standards, besides ascertaining the gaps in statistical capacity.
  - The assessment helps in preparing a road map for full implementation of 2008 SNA in the medium or long-term depending upon the resources available
- The contents of this documentation on Review and Assessment of current national accounts should follow the same items as discussed in earlier presentation,
  - Institutional arrangements
  - Scope and coverage
  - Concepts and definitions followed
  - Classifications used
  - Data sources used in the compilation
- The documentation under each of these headings, should include the current practices and an assessment of these practices in comparison to the required standards with an indication of the extent of deviation from the standards.



# Before the release of rebased national accounts

## A.2 Strategy and action plan to implement 2008 SNA

- The recommendations and action plan emanating from the review and assessment phase should be documented here, both for monitoring their implementation and for the information of the data providers and users.
- The document sets the tone for future direction of improving national accounts in compliance with 2008 SNA in a phased (short, medium and long term) and time bound manner, with clearly laid down timelines.
- This document is also useful in many other areas, for example, for securing resources (financial and manpower) from the government, for seeking technical assistance from international/donor agencies, for capacity building of the data compilers, and for negotiating with data providers for additional data that is needed for implementing 2008 SNA.
- As a supplement to this document, it is preferable to provide information to the users on the possible changes in rebased national accounts data, extent of changes (indicative), and the reasons for the changes.





# Along with the release of rebased national accounts

## **B1. Estimates and sources and methods used for the base year in the rebased national accounts**

- This is an important document in the rebasing exercise and is expected to provide detailed information on rebased national accounts and the changes made in these data along with the reasons for the changes.
- This document will be referred frequently by the compilers and other users in explaining/ understanding the sources and methods used and changes made in the new national accounts
- Broadly, the contents of this publication may include
  - Historical background of national accounts of the country
  - The practice of changing base years in the country
  - Why the particular year has been chosen as the base year
  - Steps taken towards compliance with 2008 SNA in the new national accounts series
  - Consultations held with stakeholders in the rebasing process



# Along with the release of rebased national accounts

- Assurance of data quality (for example validation of source data, compiling estimates using micro-data after applying scrutiny checks, components adding up to aggregates, consistency of same data presented in different tables, and validating estimates with previous data, etc.)
- Brief description of data sources used
  - Estimates (with shares) of different aggregates, by type of source data. For example, industry output disaggregated by each source: administrative data, establishment survey, informal sector survey, employment based (labour input method), commodity flow methods and other sources
- Compilation methods, including the concepts, definitions, scope and concepts used
- Brief economic analysis based on the new data
- Tables showing new base year estimates and comparing them with earlier estimates at detailed level, alongwith explanation of changes in the two sets of data
- Presentation of SUTs, if they have been compiled as part of rebasing, alongwith summary data compiled from SUTs (such as goods and services account, production and generation of income accounts) and a brief economic analysis based on SUTs. It is preferable to prepare a separate document on SUTs, as it has additional focused users (for example, input output table compilers, econometricians, etc.).
- Concepts and definitions, including glossary of terms used in national accounts



# Along with the release of rebased national accounts

## **B.2 Sources and methods used for compiling annual/quarterly national accounts and the estimates for the years for which data has been compiled**

- This is another documentation that is extremely useful to both national accountants and users. This document presents the sources and methods used for compiling the annual/quarterly national accounts
- The contents of this document should include
  - Concepts used in national accounts
  - Scope of national accounts compiled
  - Special efforts made to estimate non-observed economy problem areas
  - Data sources and estimation methods including the weak areas and future plans to improve the estimates:
    - Production and income approach GDP
    - Expenditure approach GDP
    - Sequence of accounts
    - Supply and use tables (if this is not included in a separate document)
    - Quarterly estimates of GDP



# Along with the release of rebased national accounts

- Annual and quarterly estimates both at nominal prices and in volumes (where applicable)
  - Production and income approach GDP (gross value of output, intermediate consumption, gross value added, compensation of employees, other taxes less subsidies on production, consumption of fixed capital, net operating surplus/mixed income and employment), by activities and taxes on products less subsidies on products for the total economy
  - Expenditure approach GDP (with details of each expenditure aggregate
  - Tables showing growth rates, shares in GDP, implicit price deflators (IPDs) and inflation estimated from IPDs
  - Sequence of accounts
- Concepts and definitions, including glossary of terms used in national accounts



# Along with the release of rebased national accounts

## B.3 Sources and methods used for linking the past data

- This document presents the sources and methods used for back casting of national accounts together with the estimates for the past years (before the base year) both in nominal and in volume terms.
- Both annual and quarterly estimates should be presented in this document
- The contents of this document should include:
  - Purpose of back casting data and presenting the estimates
  - Data sources and methods used for current and constant price estimates
    - Production and income approach GDP
    - Expenditure approach GDP
    - Other aggregates/accounts (if compiled)
    - Quarterly estimates of GDP



# Along with the release of rebased national accounts

- Estimates, annual and quarterly both at nominal prices and in volumes (where applicable)
  - Production and income approach GDP (gross value of output, intermediate consumption, gross value added, compensation of employees, other taxes less subsidies on production, consumption of fixed capital, net operating surplus/mixed income and employment), by activities and taxes on products less subsidies on products for the total economy
  - Expenditure approach GDP (as detailed as possible for each expenditure aggregate)
  - Tables showing growth rates, shares in GDP, implicit price deflators (IPDs) and inflation estimated from IPDs
  - Other aggregates/accounts (if compiled).



# FAQs

- FAQs can include questions on, for example
  - What is GDP?
  - How it is compiled and what are the data sources?
  - Which agency is responsible for compiling GDP?
  - What is the revision policy of GDP estimates?
  - How reliable are the estimates?
  - Where can users obtain information on GDP?
- There can also be questions specific to implementation of 2008SNA, GDP rebasing and backcasting, etc. for example,
- Implementation of 2008SNA
  - What is 2008SNA and why is it mandatory for countries to follow its recommendations?
  - When is the country fully implementing 2008SNA?
  - To what extent, 2008 SNA is implemented in the current rebasing?
  - Which agency is providing Technical Assistance to the country?



# FAQs

- GDP rebasing
  - Q1. What is GDP rebasing?
  - Q3. Why does GDP need to be rebased?
  - Q4. What are the benefits of rebasing GDP?
  - Q5. What are the implications of GDP rebasing?
  - Q6. Why a special year is used as the reference year?
  - Q7. How often should a country rebase?
  - Q8. How long is taken to complete the exercise?
  - Q9. Which are the results?
  - Q10. Where the users can find the results?
- GDP backcasting
  - Q1. For how many years in the past, GDP series has been backcast?
  - Q3. Which aggregates are covered in the backcasting?
  - Q4. What methods are used to prepare backcasting?
  - Q5. What data sources were needed to prepare backcast data?
  - Q6. Have there been any changes in growth rates at constant prices?
  - Q7. Why are there changes in the data at current prices in the backcast data?





THANKS / MERCI