The Institutional Framework Project
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Activities of the group

- The 2008 SNA represents a serious challenge for national statistical system (NSS) for African countries, still behind in adopting 1993 SNA.

- Opportunity to reestablish the level & format of collaboration between National Statistical Offices, Central Bank, Ministry of Finance and line ministry with a view to make improvements.

- The weakness of the statistical system should not be a excuse for delay in the rebuilding of the series of SNA.

- Although the quality of SNA rely upon the data that the statistical systems are able to generate, frequently, the pressure applied by the compilation of new series of SNA with a base year will improve the statistical infrastructure, data collection, surveys, censuses and access to administrative data sources.
Activity of the Group

- Review data sources, including coverage, classification used and processing into SNA.
- Review access policy and confidentiality issues of the data sources, other legal issues such as fiscal and financial disclosure.
- Design an access policy, develop memorandum of collaboration or service level agreements among custodian of data.
- Design bridge tables between data sources and 2008 SNA, using the methodology developed by the application group.
Activity of the Group

- Inventory of data sources and requirements,
- For each data sources, review the custodian of each database, including policy access, confidentiality for information sharing such as legal, fiscal return and financial disclosure.

- The group will review the data and determine the policy and access of administrative data, surveys and censuses.

- Concerning administrative data, the group should review the policy on database with exhaustive coverage, sample of units and lists of units limited.

- Special attention - but not limited to - two main administrative data sources of high interest for SNA: the business registers and the financial statements. The process described below may be applicable to others frame, lists and other database.
Financial Statements

- Special consideration and central role of financial statements, due to:
  - Compilation strategy of SNA in African countries based on production approach focusing on the accounts of sectors
  - Extensive and systematic use of administrative data, to reduce response burden and low response rate
  - Limited information for I/O tables and SUT.

Reminder !!

Overall objective of this implementation Guide: to enable countries to compile GDP and reach the milestone III of implementation phases with existing human, financial resources with limited data sources
Financial Statements database

- The rule and regulation on financial statements
- Submission of financial reports depend on the law and process of creation of companies and the financial reporting requirements.
- Different practices/laws on submitting financial statements for companies, deadline for submissions, the number of copies:
  - Three copies of financial reports: one main copy for the tax revenue copy for the central bank and one copy for the national statistical offices. In this case, each organization use the financial statements for their own purposes, the ministry for taxation purposes, the central banks for the approval of loans and other studies and the NSOs for statistical purposes.
  - Place of submission: at the Ministry of finance is the recipients of the financial statements, therefore the Central Bank and Statistical Offices collected one copy each from the Ministry.
Financial Statement

- Two copies: one to tax revenue and one to the central Bank, in addition some companies on voluntary basis, when applying for financial loans to commercial banks which forward these reports to the central bank.

- Potential collaboration: the central bank maintains a financial statement databases. The NSO provide trainings and staff to work on the databases and the NSOs will receive the final products.
Financial Statement

- Last resort: the NSO is obliged to collect financial statements directly for some companies.
- This involves further resource requirements in terms of data collection, data processing, training of surveyors and additional operating costs, transportations, mailing and salaries.
- The scope of this survey is limited to major companies without a prior phase related to questionnaire design.
At the end, the country practice is a combination of the above cases: the NSOs receive regularly from companies, some from central banks and Ministry of Finance and finally some proportion through data collection.

The exact proportion depends on national circumstances.
Financial Statements

- Computerization of financial statements, tax revenue maintains databases on financial statements
- The agreements between NSO and the Ministry will allow the NSOs to collect or access part of the databases with the variables of interest for the compilation of SNA and for companies over a threshold and therefore important for the economy.
- According to country reports, the countries in this category are from the Anglophone countries, (South Africa).
- The memorandum of understanding/service level agreements were developed in such a way to ensure the confidentiality of financial statements for individual companies, for the use of tax returns.
- The NSO may provide trainings and develop programs of tabulations to the Ministry of Finance, in some case the NSO doesn't have access to the individual companies, but will received aggregates SNA branch by sectors
Collection of Financial Statements

Central Banks Financial Database

Submission of copies of statement of profit and loss as reporting requirements of companies

Tax authorities
VAT database Fiscal database,

Agreements/memorandum and statistical acts

Critical mass of financial Statements Database at NSO, individual reports per companies and consolidated by group of companies

Law on financial Reporting of companies

Financial statements, request for loan purposes at commercial banks

NSO undertake data collection of financial statements

Other sources of financial reports

Industrial surveys (NSO)
Way forward

- The chapter 3 is limited to VAT databases or statements of profit and loss from companies, due to available documentation on this practices!!

- Countries should provide practices on how to access other databases for SNA including social security (Ghana) and local governments agencies (Nigeria)
Thank you