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Towards More Coordinated and Synchronised Implementation of the 1993 System of National Accounts in ASEAN¹

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Introduction

1. The System of National Accounts (SNA), as one of the most comprehensive statistical frameworks, should guide national statistical systems in the design, coordination and conduct of major statistical activities such as censuses and surveys as well as administrative data collection. The absence of a proper system of economic accounts that is strictly guided by SNA Framework as commonly seen, has caused additional problems for the national accountants as it required more time, efforts and costs to fill in data gaps and ensure consistency. It has led to many aspects of the SNA that could not be implemented. The Supply and Use Table, one important requirement for SNA 1993, for example, has been found to be difficult to construct as with the six (6) internally-consistent institutional accounts.
2. Key infrastructures such as standard classifications are also required to ensure consistency of the framework. These range from activity and product classifications such as industry classification (ISIC), commodity classification (CPC), and commodity classification by functions (COFOG, COICOP, COPNI, COPP), among others. Problems tend to persist as traditionally less attention is given to developing classifications.
3. The SNA 1993 Framework has introduced new methodologies for compiling value added of some sectors and strengthening others. In addition to upgrading many data systems, capacity building, therefore, clearly becomes an issue needing immediate attention. The problem related to turnover and promotion makes capacity building more urgent.
4. Full implementation of the SNA 1993 recommendations will produce estimates of gross domestic product, income, capital, consumption, and national savings that are consistent with one another and with other institutional accounts. It should eventually prompt better planning and organisation of data collection activities.
5. With the goal to establish an ASEAN Economic Community by 2015 in support of the envisioned ASEAN Community, monitoring of economic performance and development of the individual ASEAN member states and the region as a whole has become more imperative. A regional cooperation on SNA could facilitate the continuous production and improvement of basic economic statistics and derived indicators that can help measure economic progress towards the attainment of the ASEAN vision, part of which is having a stable, prosperous and dynamic economic region that promotes equitable development, and one that is integrated with the rest of the world economy.
6. This paper aims to present the rationale, goals and objectives and strategies of the proposed ASEAN Cooperation and Development Programme on SNA towards more

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coordinated and synchronised implementation of the SNA 1993. It stresses the crucial need for ASEAN to work in partnership with and with assistance from international statistical agencies and non-ASEAN statistical systems.

Recent developments

7. The UN Statistics Division (UNSD), International Monetary Fund (IMF) and other international and national statistical organisations, through an Inter-Secretariat Working Group on National Accounts (ISWGNA), have been finalising the 1993 SNA Revised Framework and have been providing countries with updates and capacity building in collaboration with other regional organisations such as UNESCAP, UNSIAP and Asian Development Bank and selected national statistical offices. These initiatives and the diverse country circumstances pose a number of challenges that may lead to differences in implementation of the recommendations.
8. Cognizant of the importance of the national accounts in measuring key ASEAN Community goals, the ASEAN Secretariat and IMF, with some funding support from the ASEAN-US Technical Assistance and Training Facility (based in ASEAN), collaborated for the conduct of an Inception Workshop on the Establishment of an ASEAN SNA Forum in Bangkok, Thailand in October 2007.
9. Drawing from the recommendations of the above ASEAN SNA workshop, the ASEAN Heads of Statistical Offices Meeting (AHSOM 8) held in Phnom Penh, Cambodia in December 2007 agreed to adopt the SNA 1993 Framework as the general framework for economic statistics in ASEAN and to pursue a cooperation and development programme that will enhance its implementation and address quality issues of basic economic statistics. AHSOM also endorsed a catch-up programme for CLMV countries (Cambodia, Lao PDR, Myanmar and Viet Nam) that will identify minimum targets and standards and assist in meeting at least the minimum requirements.

Rationale for regional strategic planning and cooperation

10. Addressing the absence of an integrated system of economic statistics by using the SNA as a guiding framework is fundamental to better implementation of the recommendations. It is certainly a long-term undertaking requiring major changes in the culture and system of data collection. Traditionally, factors other than the SNA itself are more pronounced in guiding data collection. Sampling frame, sampling design, questionnaire design and tabulation plan are oftentimes designed with minor consideration of the needs to compile the national accounts, much more for those that are compliant with SNA 1993. This new culture of data collection needs to be pursued with an enhanced system of basic economic statistics as foundation and SNA 1993 as main reference. Such a system has to be an integrated part of any strategic plan for SNA 1993 compilation; otherwise it would go back to the same old culture and implementation of SNA 1993 would only be but a dream.
11. A strategic plan is urgently needed to facilitate and expedite implementation of SNA 1993, one that is built on a proper system of basic economic statistics and provided with adequate key infrastructure, more efficient compilation techniques, including the use of relevant and up-to-date ratios or technical coefficients and reconciliation methods that ensure consistency.
 - a. Data collection systems need to be enhanced/refined to be able to provide appropriate details of information based on the recommended classifications in SNA 1993.

- b. Capacity building is imperative to keep statisticians updated on the new methodologies.
 - c. Experience sharing needs to be enhanced and guided by clear focus and ensuring accessibility to best practices as basic data can never be enough. National accountants will have to rely on each others' experiences and approaches.
 - d. A regular forum on SNA is deemed imperative to support implementation of SNA 1993. With the wide range of aspects of the SNA 1993 framework, the forum should be able to define the minimum targets and milestones that the region should aim for, taking into account international developments and commitments as well as national and regional concerns.
12. One particular aspect that SNA 1993 may very well require is the development of a Food Balance Sheet, which may be used as an integrating tool for agriculture statistics. Such a framework will not only ensure internal consistency of agriculture statistics but also ensure consistency with other statistics in related sectors such as manufacturing and trade. There may be other consequences of SNA implementation on other sectoral statistics but may have yet to be defined and taken into account in the overall plan. Likewise, survey design, questionnaire design, business frames, and other survey instruments may need to be developed or improved in the most efficient and optimal way so that statistical activities can provide the statistics to support SNA.
13. With the limited data available, most national accounts compilation has relied more on the use of technical coefficients and derived parameters and whatever techniques available to fill in the gaps as well as reconcile estimates for consistency. Although practices vary across countries because of differences in the availability of basic data and national circumstances, experience sharing could greatly facilitate compilation, especially when supported with best practices, in particular in the compilation of internally-consistent institutional accounts and Supply and Use Tables.
14. With such a wide range of challenges in implementing upstream activities (towards better and more organized data collection) and downstream activities (to improve compilation techniques), the implementation of SNA clearly requires a long-term solution. Several short-term actions and results may also be needed to establish the foundation for sustained, more coordinated and synchronised system. A strategic planning on SNA implementation in ASEAN is deemed important so that countries in the region could progress in a more synchronised and comparable manner, with clear and measurable milestones.

General plan, goals and strategies

15. To implement the AHSOM decision, the ASEAN Secretariat has proposed to pursue the following activities within the existing ASEAN Framework of Cooperation in Statistics:

Short-Term

- a. Development of a Strategic Plan on SNA and Guidelines for an Integrated System of Economic Statistics, 2008-2010

Objectives:

- To identify key requirements for the implementation of SNA 1993 including the key infrastructures and instruments, supporting regulation/legal systems, and capacity building in support of the SNA implementation, as a component of the strategic plan;
 - To set minimum targets for the region and the milestones that AMS' need to achieve towards a wider and more synchronised implementation of the SNA, as a guide in the SNA Forum;
 - To formulate national strategic plans on SNA implementation in each of the ASEAN Member States;
 - To formulate guidelines for development of an integrated system of basic economic statistics that is guided by SNA 1993, as a reference in the collection and production of basic data; and
 - To develop instruments for monitoring of the implementation of SNA as a component of the strategic plan, taking into account the existing instruments such as those developed by the IMF.
- b. Creation of an ASEAN Advisory Expert Group on SNA, to be composed of senior staff of the National Accounts Department, with the following major tasks:
- To identify and help find solutions to key/common issues;
 - To define strategic/priority measures to implement SNA 1993, including capacity building strategies;
 - To provide technical guidance and recommend solutions to practical/operational problems;
 - To promote and monitor implementation, in coordination/collaboration with the AMS' statistical systems and concerned international agencies; and
 - To guide and promote the activities of the SNA Forum, in collaboration with international experts concerned.
- c. Kick-off activity towards implementation of an ASEAN Catch-up Programme, 2008 through the ASEAN-US Technical Assistance and Training Facility.
- Objectives:
- To identify and set common minimum targets towards implementation of the SNA in CLMV in the next three years;
 - To identify the minimum requirements for meeting the low-end targets in terms of --- integration of basic data production in the national strategies for the development of statistics (NSDS), infrastructure support, supporting regulation/legal systems, and capacity building;
 - To formulate an ASEAN cooperation and development programme on SNA – Catch-up Program, 2009-2010 to address minimum targets and requirements; and
 - To recommend suitable mechanisms for implementation and monitoring.

Medium-Term

- d. Formulation of a medium-term (2011-2013) ASEAN Cooperation and Development Program on the SNA
- To be developed based on the strategic plan, minimum requirements, minimum targets and milestones formulated under the strategic plan;
 - To recommend suitable mechanisms for implementation and monitoring.
- e. Implementation of the ASEAN SNA Catch-up Programme, 2009-2010
- Following the programme developed under the Kick-off Programme.

f. Implementation of the medium-term (2011-2013) ASEAN Cooperation and Development Program on SNA

16. The establishment of an ASEAN forum and cooperation programme on SNA will require substantial human and financial resources. It is thus essential for ASEAN to build on previous gains and parallel activities, set priorities in implementing new strategies and engage technical cooperation and assistance within the region and from the international community. The ASEAN Secretariat needs to closely coordinate with international organizations and donors as well as dialogue partners, in undertaking basic data development and capacity building activities.
17. Some AMS' have initiated and undertaken measures to enhance data sources and implement at least aspects of a few of the recommendations, albeit with much difficulty due to inadequate resources and lack technical capabilities. In general, however, ASEAN still needs international assistance to augment the modest resources available, and urgently so to expedite the implementation of the envisioned ASEAN Cooperation and Development Programme and to enable the support infrastructure.
18. Following are the major activities that will need support from the international community:
 - a. Design and conduct of the ASEAN SNA Forum, including the terms of reference and mechanics of the proposed Advisory Group on SNA (international expert services and financial resources to support country consultations and regional workshops);
 - b. Formulation of a medium-term (2011-2013) ASEAN Cooperation and Development Program on SNA (International and national expert services and financial resources for national consultations and regional workshops/training); and
 - c. Implementation of key activities/projects under the 2009-2010 Catch-up programme and the medium term (2011-2013) ASEAN Cooperation and Development Program on SNA (International and national expert services and resources for specific projects)
