

## Statistics

### Technical Assistance in Fiscal Year 2017

METAC continued to build member countries' capacity in improving and developing macroeconomic statistics, in line the priorities set up for the Phase IV program period FY17-21, to strengthen their compliance with the international standards and good practices, and thus improve the quality of data used to assess fiscal and monetary policy settings.

The provided TA and training aimed at enhancing countries' statistical capacity to produce and disseminate (i) national accounts statistics, (ii) price statistics, and (iii) external sector statistics(ESS), with improved quality and timeliness, as well as extended coverage.

- METAC supported national statistics offices in improving their source data, and upgrading the methodological basis to compile national accounts. In this context, METAC' assistance supported: (i) the introduction of a new benchmark year and rebasing the GDP time series (**Jordan, WBG**); (ii) the extension and more efficient use of the available source data (**Afghanistan, Egypt, Iraq, Sudan**); and (iii) the adoption of better procedures for measuring volumes and the economic growth (**Afghanistan, Egypt, WBG**). Furthermore, areas for future cooperation were identified in new member countries (**Algeria, Djibouti, Morocco, and Tunisia**) as well as in **Libya**, where METAC has been inactive for the past few years.
- In price statistics, METAC focused on expanding the coverage of price indices (**Afghanistan CPI**), aligning their methodological soundness to internationally accepted standards for proper treatment of seasonal prices, better reflecting qualitative changes, and introducing newly emerged products on the market (**Iraq CPI and PPI, WBG PPI, Egypt CPI**).
- In the area of ESS, METAC provided TA to **Afghanistan and Iraq** to (i) address internal inconsistencies in ESS statistics to improve reliability (Iraq), develop source data and statistics techniques to record specific direct investment transactions and to estimate unrecorded trade (Iraq); (ii) assess major data gaps in IIP compilation and recording cross-border transactions of general government sector (Afghanistan); and  
  
(iii) set up data collections for secondary income transactions of household sector.

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<sup>1</sup> The 25 activities were in the form of TA (13 missions), a mix of TA and hands-on training (8 missions), two national workshops, and two regional workshops.

**Afghanistan:** (May 8-12, December 4-8, February 12-19)

As a part of its CD program to the Central Statistics Organization (CSO), METAC organized three off-site missions in Amman:

- The first mission provided TA on improving national accounts. It was organized jointly with the IMF's STA, within the project on Enhanced Data Dissemination Initiative (EDDI) Phase 2, funded by DfiD. The mission considered the recent developments in data sources (i.e., non-agricultural economic surveys and household income and expenditure surveys) as a good basis for introduction of a new benchmark year for national accounts, and provided recommendations for their integration. The mission also provided hands-on training on the volume estimates of GDP expenditure components, and designed standard compilation templates to be completed by the CSO staff, prior to the next mission.
- The second mission supported the CSO's efforts to improve price statistics. It assessed the last updates of the consumer price index (CPI) based on the 2011/12 living conditions survey and recommended enhancing the compilation system, including by: treating missing prices, improving the item sample, and collecting rent data. The mission also helped the staff in updating the description of sources and methods for compiling price statistics and assisted in revising the Enhanced General Data Dissemination System (e-GDDS) metadata for the Afghan CPI, to be posted on the IMF's Data Standards Bulletin Board (DSBB).
- The third mission assisted DAB in strengthening the quality of ESS. The mission welcomed improvements achieved since the last mission, including submitting revised balance of payments data in the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) format to the IMF's STA, the preparation of International Investment Position (IIP) data in BPM6 format, the reconciliation of balance of payments and IIP data, and the comparison of partner country trade data. The mission assisted the authorities in addressing the data gaps in the IIP, which are related to direct investment assets, direct investment liabilities, other assets and liabilities of the private sector, and trade credits. To this end, it developed a detailed work plan for conducting an enterprise survey, finalized the survey form, and provided hands-on training on how to complete the survey form and train the enterprises that will take part in the survey.

**Djibouti:** (November 13-17)

With the assistance from AFRISTAT, and after almost 15 years the Department of Statistics and Demographic Studies (DISED) resumed producing national accounts data. By end-2017, DISED expects to publish annual GDP series by production and final expenditure components at current and constant prices for the period 2008 – 2016. In this context, METAC's first mission to Djibouti reviewed and assessed the sources and procedures for compiling GDP by production and final expenditure components, at current and constant prices. In consultation with the AFRISTAT resident advisor and the authorities, the mission developed METAC's TA agenda on national accounts and price statistics in Djibouti, which includes: (i) developing capacity in national accounts after

2017, including a system for preliminary GDP estimates; (ii) producing import price index, to measure prices and volumes in national accounts; and (iii) organizing administrative and statistical sources for establishing statistical business register.

**Egypt:** (September 18-29, December 11-15)

As part of METAC's CD to Egypt on improving national account statistics, a mission worked closely with the national accounts compilers at the Central Agency for Public Mobilization and Statistics (CAPMAS) and Ministry of Planning (MOP) to ensure consistency in concepts, methodological procedures, and source data, for compiling GDP aggregates by the production, income, and final expenditure approaches in annual national accounts and SUT. The mission identified areas for better consolidating the sources and compilation procedures, and provided recommendations on reporting the transactions for calendar year; valuation of output and value added; measuring foreign trade; adopting coordinated procedures for verification and assessment of source data and measuring informal activity, as well as unified methods for estimating some specific transactions. The mission also helped the compilers to enhance the quarterly estimation procedures, to enrich the set of indicators needed to compile quarterly GDP aggregates, such as labor force and foreign trade statistics, and the tax returns of the recently introduced VAT.

METAC also assisted CAPMAS in improving data sources and compilation procedures for the CPI. In this context, a mission assisted the authorities in improving the organization of calculation procedures for elementary price indexes, integrating price observations in the compilation system, and addressing ongoing problems with collecting rent data. The mission agreed with the authorities to provide additional TA after the release of the updated CPI in 2017, to help them introduce measures to revise the CPI weights every two years.

**Iraq:** (January 8-14, January 29-February 2, February 26-March 2)

METAC undertook three off-site missions to assist Iraq on external sector, national accounts, and price statistics:

- The first mission on external sectors statistics was held in Baku, Azerbaijan. The mission found that some of the previous mission's recommendations were implemented, and the statistical discrepancy (net errors and omissions) in the preliminary balance of payments data for 2016 has declined substantially. The mission advised on how to treat imports financed by the foreign exchange auction and recommended introducing the enhanced international transactions reporting system; and enhancing the inter-institutional cooperation.
- The second mission on national accounts statistics was held in Amman, Jordan. The mission assisted the Iraqi Central Organization of Statistics and Information Technologies (COSIT) in improving the source data and integrating product balances in the core national accounts compilation system. It suggested a standardized template to be used on all product balances, allowing the simultaneous compilation of values and volumes, specifying the valuation elements from supplier to the final user. While the challenging political and security conditions are considered as serious constraints, the

mission observed some areas where concrete actions (with adequate political support) can be taken, including the treatment of foreign companies in the Iraqi economy, strengthening the data exchange and the use of available administrative data.

- The third mission in Amman, Jordan, provided follow-up assistance to COSIT in enhancing price statistics. The mission trained COSIT staff on the weighting procedures in compiling the national CPI, adopting appropriate indexes at the elementary level of aggregation, both for the CPI and PPI, treating missing prices, and introducing new and replacing the old products. The mission agreed with the authorities on a time table for the implementation of the recommended improvements, taking into account the planned updates of the base year.

**Jordan:** (July 17-28, October 28-November 3)

Two METAC missions assisted DOS of Jordan in improving National Accounts. These were a continuation of METAC's assistance to replace the 1994 base year in the national account statistics.

The first mission reviewed and assessed the sources and procedures for the rebased GDP series to 2010, and provided recommendations for finalizing and disseminating the updated annual and quarterly GDP data sets. The mission also assisted DOS in updating the questionnaires needed for developing further the national account statistics, particularly for enhancing the compilation of quarterly GDP by final expenditure components; and for collecting information needed for implementation of the 2008 SNA methodological standards.

The second mission helped to DOS finalize the annual GDP estimates by activity at current and constant 2010 prices for 2008-2014. As a result, the first set of annually compiled GDP data in line with the latest version of the International Standard Industrial Classification (ISIC Rev. 4) are now available. The mission discussed and agreed with the DOS that 2017 shall be the next base year. The mission also assisted the DOS in compiling SUT for 2013, which is expected by end-2016.

METAC will continue to support the national accounts compilers in reconciling the old quarterly series to the rebased annual estimates, to upgrade the benchmarking system, and update the underlying indicators. It will also provide further assistance to assess the results of the SUT and to integrate its structures as a benchmark for the regular national accounts estimates.

**Lebanon:** (July 25-August 5, March 6-17, April 24-28)

During FY17, METAC organized three missions in Lebanon, of which one was combined with a national workshop.

The first mission assisted the CAS with further improvement of sources for and compilation of CPI, particularly for better treatment of missing prices, enhanced data collection methods, and the treatment of rent. The mission also helped CAS to develop contingency plans for the collection of prices during August 2016, in case of eventual

budgetary constraints—as those experienced during the price collection for January 2017 CPI. The authorities at all levels have demonstrated full commitment to compiling a CPI that broadly reflects the international standards and best practices.

The mission was followed up by a four-day workshop on the PPI compilation methods for CAS staff. A work program has been agreed for the development of a PPI for Lebanon, with initial coverage including quarrying, manufacturing, and utilities. Value-added tax data will be used to develop weights and, the 2008 survey of economic activity will be used as the basis for selecting a sample of establishments, as this is the only source of establishment data available.

The second mission assisted CAS in assessing and organizing the source data for re-establishing the Rest of the World (ROW) account, as a part of the integrated economic accounts for Lebanon. The mission strongly encouraged coordination between the national accountants at CAS and the balance of payments compilers at the Banque Du Liban (BDL), to enable CAS to resume the compilation and publication of critical macro-economic aggregates, such as Gross National Income and Gross Disposable Income.

Following the mission's recommendations, these data were published for the first time (after 2010) in March 2017, together with the national accounts data set for 2014 and 2015.

The third mission was in response to a new request from BDL. METAC assisted in establishing a system for the regular compilation of residential property price index (RPPI) for Lebanon. The mission provided hands-on expertise on the process of the RPPI construction, including: validation of the data sourcing and means to improve them in future; assessment of the stratification technique used, and BDL's hedonic regression modeling. The mission agreed with the authorities on a program for the implementation of the recommended improvements and the adoption of appropriate modeling techniques for the regular compilation of RPPI.

**Libya:** (January 8-12)

METAC undertook an off-site mission in Amman, Jordan to assist the Bureau of Statistics and Census of Libya in developing capacity for re-establishing national accounts statistics. The mission reviewed the status and designed a program to develop the national accounts compilation system. Strengthening the staff's capacity was priority, and METAC provided intensive training to the officials participating in the mission.

**Morocco:** (January 30-February 3)

METAC undertook its first mission to the Statistics Directorate of High Planning Commission of Morocco (HPC) to assess the status of national accounts system and its coherence with other macroeconomic statistics. The mission discussed the ongoing developments, and defined areas on which METAC support would be required, particularly to help the authorities to comply with the requirements for subscribing to the IMF Special Data Dissemination Standard Plus (SDDS+), including by introducing financial balance sheets by institutional sectors and developing quarterly accounts by institutional sectors (non-financial, financial, and balance sheets). Opportunities for

exchanging the HPC experience in compiling national accounts statistics with other METAC countries were also discussed.

**Sudan:** (July 24-28, April 2-6, April 24-27)

Two METAC missions supported the Central Bureau of Statistics in upgrading the methodological basis of the national accounts, improving the data sources, and addressing the institutional challenges that hinder data collection.

- The first mission assisted the authorities in verifying, organizing, and integrating the ongoing survey results in national accounts compilation, notably the 2014/15 household budget and poverty survey, the 2014/15 regional surveys, and the 2015/16 agricultural census. The mission encouraged the authorities (including the CBoS and Tax Chamber at the MoF) to enhance the inter-institutional cooperation and to establish a coordinated data exchange mechanism for efficient use of administrative data for statistical purposes, in particular for regular compilation of national accounts and other macro-economic statistics.
- The second mission continued with integrating the available source data in the national accounts compilation framework, following the requirements of 2008 SNA. The mission supported the efforts of national accounts staff in assessing and organizing the results of the 2014 household expenditure and poverty survey for measuring the informal economy, as well as to estimate final consumption expenditures of the households.

METAC also assisted the Central Bureau of Statistics in updating the weights of CPI, based on the results from 2014 HEPS. It also helped to enhance the index calculations in compliance with the international methodological requirements, particularly: to apply appropriate index calculations at the elementary aggregation level; to update the sample and organize the rents collection, and to adopt appropriate procedures for treating missing prices and replacing product items.

**Tunisia:** (January 23-27)

METAC undertook its first mission to the National Institute of Statistics (NIS) to review and assess Tunisia's national accounts compilation system. The mission discussed areas in which METAC could support the NIS to ensure a sustainable compilation system, in line with international methodological requirements, including by introducing financial balance sheets, enhancing quarterly GDP estimates, and improving the price statistics needed for national accounts.

**West Bank and Gaza:** (August 28-September 1, October 2-6)

As part of METAC's CD program to the PCBS, METAC undertook two missions on improving national account statistics and the producer price index.

- The first mission reviewed data sources and methods for measuring GDP volumes by production and expenditure approaches. The mission assisted the PCBS in estimating GDP volumes and adopting the chain-linking technique for constructing time series.

Together with the PCBS staff, the mission tested the feasibility of the recommended procedures with the available economic data and recently re-weighted price indices. The test enabled compilers to detect and prevent eventual shortcomings and deficiencies during the actual compilation process. The mission also followed up on progress in adopting procedures for independent quarterly estimates of the household final consumption expenditure (HFCE) and gross fixed capital formation (GFCF).

- The second mission reviewed the concepts and methods applied to compile the current PPI and observed that the PCBS fulfilled in a satisfactory manner most of the requirements of the previous mission in December 2014. Recommendations were provided to complete remaining tasks, notably to update the weights of elementary aggregates to the index reference period (December 2015) and to revise the PPI upon its release in January 2016. The PCBS should reflect the improvements in the description of PPI metadata at the IMF Special Data Dissemination Standard web page.