



**UNITED NATIONS  
ECONOMIC AND SOCIAL COUNCIL**

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Distr.  
LIMITED  
E/ESCWA/STAT/1997/IG.1/7  
9 December 1996  
ENGLISH  
ORIGINAL: ARABIC

**Economic and Social Commission  
for Western Asia**

Statistical Committee  
Second session  
Amman, 24-26 February 1997

Item 8 of the provisional agenda

**REPORT ON THE IMPLEMENTATION OF THE 1993  
SYSTEM OF NATIONAL ACCOUNTS  
IN THE ESCWA REGION**

1. The 1993 System of National Accounts (SNA) was adopted by the United Nations Statistical Commission at its twenty-seventh session, held from 22 February to 3 March 1993, and was subsequently approved by the Economic and Social Council in its resolution 1993/5 of 12 July 1993. Since then, the Economic and Social Commission for Western Asia (ESCWA) has made serious efforts to prepare for the implementation of the System, bearing in mind the objectives described below.

**A. Building technical cadres**

2. In an effort to lay the groundwork and build the technical cadres required for the application of the 1993 System, the ESCWA secretariat has organized a number of training courses, workshops and seminars to clarify and deepen the understanding of the concepts, definitions and classifications related to the System; the changes made in the 1968 System; and the uses of the 1993 SNA for economic and social analysis within the context of its central framework and satellite accounts. ESCWA activities in this field have also aimed at clarifying the statistical requirements for the application of the System, including requirements for the development of survey programmes and those linked to the current work of statistical organizations, in a way that serves the objectives associated with national accounts and satisfies the analytical needs of each State.

3. The following is a summary of ESCWA efforts in this regard:

(a) The first workshop, organized by the ESCWA secretariat and held in Amman in December 1994, was attended by 16 participants working in the field of national accounts in the ESCWA member States;

(b) The ESCWA secretariat and the Arab Planning Institute in Kuwait cooperated in organizing a training course which was conducted in Kuwait City in May 1994. Fifteen participants from ESCWA member States and eight participants from other Arab countries attended;

(c) In September 1995, the ESCWA secretariat conducted a two-week training course in Cairo which was attended by 25 participants from the Department of National Accounts and other, related departments of the Central Agency for Public Mobilization and Statistics in Egypt;

(d) The ESCWA secretariat organized a training course which was held in Doha in October 1995 for staff working in the field of national accounts in Gulf Cooperation Council (GCC) countries. The course lasted 10 days and was attended by 21 participants from the member States;

(e) In cooperation with the Arab Planning Institute in Kuwait, the ESCWA secretariat organized a two-day training course which was held in Kuwait City in May 1996. The course was attended by 17 participants from ESCWA member States and 8 participants from other Arab countries;

(f) In cooperation with the Arab Monetary Fund, the ESCWA secretariat organized a training course which was held in Abu Dhabi in May 1996. Twenty-three participants from ESCWA member States and five participants from other Arab countries attended;

(g) ESCWA organized a two-week training course which was held in Damascus in June 1996 and was attended by 11 participants from the Department of National Accounts and other, related departments at the Central Bureau of Statistics.

4. The training courses and seminars organized by ESCWA served to clarify and deepen the understanding of the concepts, definitions, classifications and implementation methods of the 1993 SNA. In all, 128 participants from ESCWA member States and 21 participants from other Arab countries attended one or more of the training courses.

#### B. Implementation of the 1993 System of National Accounts

5. In coordination with the United Nations Statistics Division, ESCWA prepared a tentative project to test the implementation of the 1993 SNA in some of the countries of the region; Egypt, the Syrian Arab Republic and Jordan agreed to take part. ESCWA submitted the project to a number of regional and international funding agencies, including the United Nations Development Programme, but was unable to secure financing. The Governments of Egypt and Jordan subsequently expressed their desire to start implementing the project within the limits of their own resources rather than waiting for external funding. Consultations between ESCWA and the two countries started immediately, and the ESCWA Regional Adviser on national accounts undertook several visits to Egypt and met with the concerned parties in Jordan to assist in the organization of intensive training courses and practical studies.

6. The Regional Adviser prepared a programme for the practical implementation of the System in the two countries, as follows:

(a) Jordan began applying the 1993 SNA using the available data for 1994. Worksheets were prepared and work commenced on accounts connected with the public sector, banks and insurance companies. In the first stage, the objective was to identify the accounts that could be constructed from the 1968 System of National Accounts as well as the shortcomings of the data. This was done by the Department of Statistics in full and continuous coordination with ESCWA; the Regional Adviser on national accounts made frequent visits according to an agreed upon programme and ensured that the work and follow-up requirements were fulfilled;

(b) As a first step, the Central Agency for Public Mobilization and Statistics in Egypt targeted its 1991/1992 data based on the 1968 System for conversion to the 1993 System. Effective application of

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the System for 1992/1993 and 1993/1994 followed in order to identify the accounts that could be constructed from the data, the shortcomings of the System, and ways and means to correct them during the subsequent stage. Work is being carried out by the Central Agency for Public Mobilization and Statistics in coordination and cooperation with ESCWA through the programme of visits undertaken by the Regional Adviser for national accounts and according to the requirements and developments of the 1993 System.

#### C. Economics statistics development

7. Within the context of preparations for the application of the 1993 SNA, ESCWA provided the advisory services needed for the development of economic statistics in many countries of the region. These services were provided by the Regional Adviser in a way that served the objectives of national accounts and the statistical needs of the 1993 SNA during its first stage of implementation; particular attention was given to industrial surveys, household expenditure and income surveys, prices and price indices.

#### D. International Comparison Programme for the ESCWA region

8. The International Comparison Programme (ICP) was implemented by ESCWA for the first time in 1995 and 1996 with the participation of nine countries of the region. There is a clear and strong link between the SNA and the ICP with regard to definitions, concepts and classifications. The SNA and the ICP are complementary, with each contributing to the other's development, facilitating the eventual implementation of the SNA in the countries of the region.

#### E. Advisory services

9. ESCWA provides advisory services in the fields of national accounts and economic statistics through its Regional Adviser with the aim of encouraging the member States to implement the System and to move from the 1968 SNA to the 1993 SNA, to remove obstacles and to find solutions to the problems facing staff working in this field. The missions of the Regional Adviser have covered most of the countries in the region. Egypt and Jordan have already begun to apply the System methodology, and most of the other countries have started taking steps in this direction.

#### F. Coordination with other United Nations organizations and agencies

10. ESCWA carries out coordination and follow-up activities on a continuous basis with the United Nations Statistics Division and the other regional commissions, attending expert group meetings at United Nations Headquarters, in Bangkok (ESCAP) and in Morocco (ECA), to exchange information for the benefit of the countries of the region.

#### G. The Arabic translation of the 1993 System of National Accounts

11. Immediately after the 1993 SNA was published, ESCWA began work on its translation into Arabic; once completed, the professionally formatted, easy-to use translation was made available to specialized national accountants in the countries of the region. The Arabic version was the first translation of the 1993 SNA to be issued; its translation into other languages is planned (it is worth noting that the English version of the 1993 SNA has been stored on compact discs for easy manipulation).

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H. Strategy for the implementation of the 1993 System of National Accounts  
in the countries of the region

12. ESCWA proposes that the implementation of the 1993 SNA in the member States be carried out in cooperation with ESCWA in three phases, preceded by a short sequence of preparatory activities which includes retraining national accounts staff and reviewing any matters that require a deeper understanding of concepts and principles, to be followed by the identification of available data, their statistical sources and accounts that can be constructed.

13. The three proposed phases would incorporate the following activities:

(a) Phase I would include the use of available data for a relatively recent year, especially data relating to production, GDP, consumer expenditure at current and constant prices, the classification of output according to industrial origin, supply and use tables, external transaction accounts, and government statistics. Thus, phase I would focus on the supply and use tables, integrated accounts and the current accounts in the System ranging from the production account to the capital account of the accumulation accounts. At the end of phase I, a report would be prepared to assess the experiment and identify shortcomings in the statistics. The report would also contain recommendations for improving statistics and the statistical questionnaires, methods, concepts and definitions used by the statistical agencies;

(b) Phase II would cover the details of external transaction accounts and balance-of-payments accounts especially capital transactions. It would also focus on improving statistical data (according to the findings and recommendations of the report carried out in phase I) by carrying out additional statistical surveys, improving existing questionnaires and/or revising the definitions and concepts used. During this phase, the full preparation of accounts would be carried out according to their order in the System, and summary accounts would be determined. The latter accounts would be prepared on a regular basis at current or constant prices. This phase could also include the preparation of financial flow tables, input and output tables and the social accounting matrix, as they represent an integral part of the System. At the end of the phase, a report would be prepared to evaluate the work achieved in this regard;

(c) During phase III, some of the satellite accounts of interest to the State that are related to the work done in phase II would be studied and applied according to the economic and social analysis needs of each State. Among the most important of these are environmental, natural resources, education and health accounts. Quarterly and regional accounts should be studied and applied as well.

I. Concluding observations and recommendations

14. In view of the above, it can be said that cadres of national accounts staff now exist in the countries of the region that can, in cooperation with ESCWA, proceed with the application of the 1993 SNA. ESCWA calls upon both Egypt and Jordan to provide more support for the implementation of the System since their experience can serve the whole region. ESCWA will not spare any effort in providing advisory services and cooperating with the two countries to make their experiences a success. ESCWA also calls upon countries which have not yet begun to apply the System to express their desire to do so and to cooperate with ESCWA in the preparation of the executive programme and the provision of the required technical support.

15. ESCWA is prepared to cooperate with the member States in developing their current statistics and in conducting surveys (on the definitions, concepts, models and/or methods used in the collection and classification of data) that will facilitate the application of the 1993 System.