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Activities implemented in the field of statistics**Activities of the Technical Advisory Group on Economic Statistics****Note by the ESCWA secretariat**

The secretariat of the Economic and Social Commission for Western Asia (ESCWA) transmits to the Statistical Committee the report of the Technical Advisory Group on Economic Statistics (TAGES) on its second meeting, which was held in Beirut on 27 and 28 August 2018.

The meeting was attended by 11 representatives of member States and a number of experts. State representatives from Egypt, Jordan and Libya presented their national strategies for the development of statistics, representatives from Iraq, Lebanon and Morocco shared implementation progress and challenges related to the 2008 System of National Accounts and representatives from Saudi Arabia and Tunisia shared their experiences in business registers and economic surveys. Discussions focused on promoting supply and use tables, developing statistical business registers, improving short-term economic statistics and supporting transport and digital economy statistics. The ESCWA Statistics Division and the United Nations Statistics Division also shared results of recent work done in the various areas of economic statistics and related guideline manuals and tools.

Participants agreed on shifting to a holistic approach to statistics by involving all data producers and setting up a statistical infrastructure that will allow the efficient sharing of data and improved production of economic statistics based on international recommendations and methodologies. ESCWA and other organizations presented priorities in the fields of economic statistics and national accounts and identified synergies, areas for capacity-building and ways to combine resources at the regional and international levels. The meeting also discussed the selection of priority economic indicators for the region from the economic indicators of the Sustainable Development Goals and other lists of short-term economic indicators.

The Statistical Committee is invited to take note of the meeting's report with a view to endorsing its recommendations.

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Introduction

1. The Statistical Committee of the Economic and Social Commission for Western Asia (ESCWA) recommended the establishment of the Technical Advisory Group on Economic Statistics (TAGES) in the Arab region at its eleventh session in 2015. Its tasks include highlighting priority issues with regard to regional economic statistics programmes; providing guidance to the ESCWA secretariat on methodological and technical issues related to the development and periodic revision of such programmes; helping to enhance coordination and cooperation at the national, regional and international levels; and producing and disseminating economic indicators for use in implementing the 2030 Agenda on Sustainable Development and its Sustainable Development Goals (SDGs).
2. The present report sets out the main recommendations of the second meeting of the TAGES, which was held in Beirut on 27 and 28 August 2018.

I. RECOMMENDATIONS

- (a) Requesting countries to adopt the System of National Accounts (SNA) as an overarching framework for the integration of economic statistics and using the supply and use tables and satellite accounts of the System of Environmental Economic Accounts (SEEA), mainly water and energy accounts, for the integrated compilation of recurrent national accounts and business, trade and economy-related SDG indicators for the region;
- (b) Approving the priorities agreed upon during the first TAGES meeting held in 2016 and adding the areas of transport statistics and digital economy to the work programme of the Group, and requesting the provision of support by the ESCWA Statistics Division and the United Nations Statistics Division (UNSD) to build statistical capacities in those areas;
- (c) Requesting the ESCWA secretariat to develop an annual TAGES work programme based on the recommendations of the current meeting, in close consultation with TAGES members and in line with the common priorities stemming from national work programmes on economic statistics and national strategies for the development of statistics (NSDSs);
- (d) Requesting the ESCWA secretariat and UNSD to continue providing technical support to countries working on the preparation of new NSDSs or on the update of existing ones in the area of economic statistics, and emphasizing the importance of political support for decision makers in these countries;
- (e) Requesting the ESCWA secretariat and UNSD to provide technical support to countries in conflict in referring to specific data sources and applying suitable compilation methods on economic statistics, in order to produce a minimum viable data set of economic statistics for decision-making and policymaking, for example, the use of geospatial data and satellite imagery to estimate statistics regarding agricultural production or damaged buildings, in addition to holding a workshop to design a clear and suitable plan of action for the concerned countries as soon as possible;
- (f) Requesting the ESCWA secretariat and UNSD to provide additional support for the implementation of the 2008 SNA and supporting statistics, taking into consideration the regional gaps and needs assessed through several questionnaires and evaluations, and utilizing all available data accessible from various sources, such as existing surveys, administrative records, business registers and other potential sources, before deciding to undertake new economic surveys;
- (g) Stressing the importance of developing supply and use tables in Arab countries and drawing on the experiences of countries with similar economies, and adopting the recommendations of the Regional Seminar on Supply and Use Tables, in which TAGES members would participate (Beirut, 29-30 August 2018);
- (h) Urging countries to develop statistical bulletins using modern technologies, such as those used by the ESCWA secretariat to publish and analyse foreign trade statistics, and requesting the ESCWA secretariat to provide support to countries wishing to use similar tools;

(i) Elaborating on foreign trade statistics, placing focus on the multinational enterprises operating in global value chains in the Arab region, by sharing and analysing customs data;

(j) Requesting the ESCWA secretariat and UNSD to continue to support the development of statistical business registers and related economic classifications, building on the experience of the State of Palestine in linking administrative files with statistical business registers, and on the success of the ESCWA secretariat in implementing regional programmes for the development and harmonization of price statistics such as the International Comparison Programme (ICP) and on the development of harmonized consumer price indices (CPIs); and noting that similar work could be developed for the harmonization of supply and use tables for selected countries, in the compilation of national accounts and in developing statistical business registers;

(k) Requesting the ESCWA secretariat and UNSD to support accession of countries to membership of the United Nations Committee of Experts on Business and Trade Statistics, the Advisory Expert Group on National Accounts and the United Nations Global Working Group on Big Data for Official Statistics;

(l) Requesting TAGES members to review the priority short-term economic indicators presented by the ESCWA secretariat during the meeting and the set of economic indicators related to the SDGs proposed by UNSD, the League of Arab States and the Palestinian Central Bureau of Statistics, and allowing TAGES a period of one month to provide the ESCWA secretariat with final review and feedback.

II. TOPICS OF DISCUSSION

A. PRIORITIES, IMPLEMENTATION OF PROGRAMMES AND PERIODIC REVIEW OF PROGRESS

3. Mr. Saleh al-Kafri, representative of the State of Palestine from the Palestinian Central Bureau of Statistics, chaired the first day of the meeting. He reiterated its importance in identifying gaps and challenges facing Arab countries in the area of economic statistics. According to the speaker, many of the challenges revolved around methodological issues, as well as know-how in constructing and managing statistics tools and means of compilation. Knowledge and expertise-sharing in platforms such as the current meeting were extremely beneficial to address them. It was also important to improve decision makers' analytical skills for understanding and utilizing statistics in policymaking.

4. Participants then highlighted the agenda items they considered as priorities for their countries, in particular the implementation of the System of National Accounts 2008 (SNA 2008) and the measurement of the informal sector. They stressed that countries in conflict should be given special attention in terms of capacity-building. Mr. Al-Kafri responded by mentioning that different tiers of indicators had been identified to enable the consideration of diverse economic and political situations.

5. Mr. Omar Hakouz, Regional Adviser on National Accounts and Economic Statistics at ESCWA, highlighted the importance of establishing a strong and sound statistical infrastructure by using business registers, constructing supply and use tables and implementing the international standards and classifications. Such practice, he claimed, would better facilitate data production in various sub-areas as well as assist in measuring the informal sector. Ms. Wafa Aboul Hosn, Chief of the Economic Statistics Section at ESCWA, then gave a presentation on progress made in previously identified priority areas. She also presented the rationale for developing two new priority areas of work, transport statistics and digital economy, both in the programme of ESCWA and in the national statistical offices with the support of international and regional organizations (annex I). In the discussions, the representative of Lebanon agreed that transport statistics should be among the priority areas and shared the country's experience in the field, as a current participant in the MEDSTAT programme for producing transport statistics.

B. INSTITUTIONAL SET-UP

6. The first session was dedicated to an overview and discussion of the institutional statistical set-up of member States. The representatives of Egypt, Jordan and Libya made presentations on the status of their NSDS

programmes, which covered the preparation phases of the strategy, the reasons behind the strategic goals as well as the recommendations and future vision.

7. The representative of Egypt elaborated on the different phases the country had undergone in setting up the NSDS, which had been halted to conduct the national census. Discussions were underway with various stakeholders to complete and pursue the strategy. The representative of Jordan explained that their 2008-2012 NSDS had been revised and experts were being brought in to evaluate it. The priority areas of their future strategy would largely focus on Jordan's 2025 development plan and its needs in terms of statistical monitoring. The representative of the State of Palestine mentioned that the country's first strategy was developed by external experts and private companies while the second strategy, covering the 2017-2022 period, was developed through in-house efforts. It allowed for a better understanding of the responsibilities of each data producer and constructed a simplified network for communication and cooperation. The speaker added that the strategy enabled them to unify the statistical infrastructure and improve the quality and quantity of statistics produced. Training of various data producers was being provided on the different standards and classifications.

8. In the ensuing discussions, Mr. Hakouz mentioned that it was imperative for the NSDSs to take the definitions and concepts of the 2008 SNA into consideration in order to retrieve data more accurately and easily from various data producers, and to adopt a quality assurance framework in terms of methodologies. Answering a question about statistics and conflict, the representative of the Syrian Arab Republic clarified that much of the work in the country had shrunk to safe areas and many surveys had either been halted or not conducted as frequently during the conflict period. Much of the data published had relied on estimations instead of surveys, but with the current reduced level of conflict, many surveys would be reintroduced.

C. 2008 SNA IMPLEMENTATION AND SUPPORTING STATISTICS

9. The second session of the meeting discussed the progress made in 2008 SNA implementation and supporting statistics. Mr. Micheal Smedes, National Accounts Interregional Adviser at UNSD, began by presenting the global view on economic statistical work and the achievements made in the implementation of the 2008 SNA in terms of the number of implementing countries, the resolution of issues on the research agenda and the completion of handbooks and manuals. He also presented the findings of the national accounts questionnaire which was sent to countries by UNSD and highlighted the progress made in terms of conceptual compliance with the SNA, compliance with the minimum required datasets and the timeliness of producing the figures. The presentation focused on what should be done in the future to assist countries that were lagging in the implementation of the SNA as well as how to identify and address their symptoms. The speaker ended by sharing the various elements of the work programme of UNSD for the coming years. Mr. Majed Skaini, ESCWA Statistician, took the floor next and presented the results of the questionnaire conducted by UNSD and the League of Arab States on the assessment of the implementation of the 2008 SNA in Arab countries. He explained the different sections of the questionnaire and talked about the challenges and gaps it identified.

10. Mr. Hakouz then made a presentation about the gaps in and needs for developing economic surveys in the region, which was followed by country presentations from Lebanon, Morocco and Iraq depicting their experiences and practices in economic surveys and research as well as their progress in implementing the 2008 SNA.

11. The discussions following these presentations included a proposal from the State of Palestine for ESCWA to establish a road map for implementing the 2008 SNA. Other comments mentioned that the 1993 SNA had had an implementation manual that allowed for a more practical approach, and such a manual for the 2008 SNA would be very helpful. It was important to make use of the available data and discover new data sources such as satellite accounts and tax data. There were solutions for the problems facing customs data in terms of classifications and quality.

12. The session continued with a presentation by UNSD on Islamic finance and how it was accounted for in the SNA. The presentation provided examples of the issues and challenges that had been faced when treating some Islamic banking activities and provided participants with the key conclusions and recommendations reached in the previous workshop that had taken place in Beirut in October 2017. Discussions highlighted that there was no ongoing communication or dialogue between organizations on the practice and treatment of Islamic banking. Much could be learned from countries like Indonesia and Malaysia, which were advanced in accounting for Islamic banking activities.

13. The next presentation was conducted by Mr. Ramzi Fanous from ESCWA on the dashboards created as a dissemination tool for trade and industrial statistics. The presenter showcased the step-by-step process of compiling, treating and disseminating these figures and data visualizations. Mr. Majed Hamoudeh from ESCWA also gave a briefing on the external trade bulletin that the ESCWA Statistics Division (SD) published and explained the challenges that had been faced and recent improvements that were done. He mentioned that in addition to the country trade profiles that have been created, SD would be continuously developing new products such as product profiles for exports and imports which would provide users with information on most externally traded commodities. Mr. Ivo Havinga, Assistant Director of Economic Statistics at UNSD, commended ESCWA on the efforts leading to the further development of the external trade bulletin and on having used advanced dashboard technologies to publish them. He also added that UNSD utilized the same technologies, allowing for cooperation to further promote these publishing platforms. The reliability and importance of the United Nations Comtrade database as well as the discrepancies identified between the database and national data were also among the topics discussed. Transport statistics could be largely supported by aviation data. Cooperation with customs agencies was needed for an easier and more accurate exchange of data through enlisting better classification and reporting methods.

14. Mr. Skaini took the floor again to present the work of SD in the development of price statistics. He explained how SD had been continuously developing the area of price statistics in the Arab region through different initiatives such as the production of annual purchasing power parities (PPPs), the production of subnational PPPs and the harmonization of CPIs. The presenter then highlighted the increased importance and utilization of PPPs in various statistics as well as the benefits brought about from the various capacity-building activities that had led to the integration of price statistics, and shed light on the original initiative to build an annual PPP series, which ESCWA was now pioneering and introducing into other regions. Mr. Al-Kafri then made a presentation on how integrating the International Comparison Program (ICP) into the regular work of the Palestinian Central Bureau of Statistics had benefited and helped to develop their ongoing national statistical work. He underlined the role of ESCWA in the experience and talked about the importance of regularly producing PPPs for a more realistic and accurate view of various variables.

15. In the ensuing discussions, Mr. Havinga commended the success in the implementation of the ICP and the development of the price statistics area through the commitment and efforts that had been made for integrating PPPs into regular statistical work, both by ESCWA and member States. The management of the ICP in ESCWA was a best practice and should be followed in other projects, and efforts should be exerted to harmonize other areas of economic statistics similar to the harmonization of prices. Countries could unify their production methods for data on expenditure as a share of gross domestic product (GDP) through supply and use tables. It was important to develop them through identifying country gaps and treating them. Use of scanner data was also mentioned as one of the tools that could help countries to collect data faster. UNSD supported this tool and worked on utilizing big data technology and analytics in collecting price data.

D. INFRASTRUCTURE AND OPERATIONS

16. The second day of the meeting was chaired by Mr. Ali Grera, representative of Libya from the Libyan Bureau of Statistics and Census. Mr. Hamoudeh made a presentation on statistical business registers (SBRs) and economic classifications. He explained what business registers were, the international recommendations, the status of business registers in Arab countries as well as the challenges countries faced. The presentation also briefed participants on cooperation efforts between national statistical offices and other entities, what was

needed to develop these registers as well as ESCWA activities that supported and promoted their development. In the ensuing discussions, the representative of Morocco mentioned that the country had set up a business register but regularly updating remained a problem. Participants then discussed the importance of maintaining and updating business registers, the role that international organizations could play in building capacities and sharing country experiences and the importance of legitimizing the process of collecting business registers data by law. Participants also discussed database software and technological needs for developing and maintaining business registers, as well as the required cooperation between national statistical offices and other governmental entities to retrieve data.

17. The representative of Tunisia presented the country's experience with the establishment of business registers and described the legal process leading up to it, how they were updated and their objective. The representative also talked about the linkages they created between various data inputs as well as what information the registers gathered and the processes to gather and validate the data. He explained how product and activity classifications were developed and how they came to be adopted and mainstreamed into statistical systems.

18. The representative of the State of Palestine then presented an update on the MEDSTAT Working Group on Business Registers and Business Statistics, led by the State of Palestine and Tunisia, in which he briefed participants on the activities that were undertaken to support countries in creating those registers. He explained that business registers required an electronic network between the national statistical offices and various government entities to gather data and noted the European Union's work as a best practice. He further explained that the European model and networks employed in many developed countries were automated unlike in Arab countries, where much of the work needed to be done manually. The discussion opened with a comment from the representative of Libya who mentioned the lack of cooperation among different entities in sharing data as part of their problem in collecting SBR data. The representative of the ESCWA secretariat stated that statistical areas and entities needed to update their understanding statistical concepts and classifications, and that a lot of work could be done immediately without legislative backing. The representative of Jordan reiterated the importance of having legislative backing to retrieve SBR data and looked to ESCWA and other international organizations to support this legislative request from decision makers.

19. The representative of the Syrian Arab Republic then took the floor to share the country's experience in conducting economic surveys under conflict conditions. The delegate explained that economic surveys had been conducted only in five governorates, and that survey data were complemented with administrative records from the Ministry of Finance, which classified companies as closed, temporarily closed or operational. Mr. Havinga noted the importance of the MEDSTAT trainings on the desired statistical outputs, which required identifying priorities and outputs needed to establish a complete business register within three to four years' time. He added that there were different aspects of the SBRs that needed to be addressed, such as linkages with customs and developing an SBR for trade, and explained the importance of having an SBR to fully understand and realize the impact of various economic fluctuations on output, employment and other variables. He then concluded by calling for an integrated approach in developing national SBRs as well as using supply and use tables and practical rounds of training. The representative of the United Arab Emirates commented, stating that the country has had a lot of gaps between survey data and their administrative records and that it would be hard to rely on and continuously update business registers in the absence of legislative support. Mr. Hakouz added that there had been problems in the business register differentiating between an "establishment" and a "unit", which had led to mistakes in cases where an establishment owned several business units. He also mentioned that an integrated approach linking the SBR to several data producers first required a unification of classifications among the national statistical offices and various data sources.

20. The second half of the third session was dedicated to discussing economic and business surveys in ESCWA member States. The representative of Morocco conducted the first country presentation which addressed economic and business surveys and studies, as well as the implementation of the 2008 SNA. The presentation looked into Morocco's economic statistics studies, the annual study on establishments, economic statistical surveys and their statistical business registers. It concluded with a brief on the 2008 SNA

implementation, in line with international recommendations and the proper classifications of activities and products, as well as definitions of establishments and units in registers. The representative of Saudi Arabia presented on the country's economic surveys starting with their objectives, explaining the methodologies that had been used, the field work required and the challenges faced, which revolved around a lack of human resources, statistical awareness and issues relating to mismatch in classification and business practices. The representatives of countries who had business registers and experts then discussed their experiences, sharing the frequency of economic surveys conducted as well as the implementation of establishment censuses and the method and frequency of updating them.

21. Mr. Hakouz then gave a presentation on the need to change the methodology for carrying out economic surveys. The presentation started off with the considerations and requirements that needed to be addressed before conducting an economic survey and explained how the questionnaire itself could be designed to be less burdensome on the respondents. The speaker concluded by presenting the suggested methodology and requirements for conducting a structural survey. Discussions included the need to set up an integrated business statistics programme to provide a common statistical business frame. A manual was being developed by UNSD on SBRs and there were new methods to maximize administrative data use instead of conducting surveys. Participants also discussed the need to move towards standardized e-questionnaires and the need to standardize sampling methods. Experts and country representatives concluded the discussion by agreeing that they should identify, with the rest of the member States, priorities for the region and propose an integrated business statistics programme.

E. ECONOMIC INDICATORS: SHORT-TERM, CORE SET AND SDG-RELATED

22. The fourth and final session of the meeting commenced with a presentation by Mr. Roy Doumit from ESCWA who briefed participants on the three-year project aimed at strengthening statistical capacities for producing short-term economic statistics in the region to create an early warning system to respond to various economic fluctuations. The presentation shed light on the various capacity-building activities such as trainings, technical assistance, study tours and fellowships that had been conducted throughout the project and the indicators and areas that had been targeted. It concluded with a briefing on the project's evaluation results, which showed that the project was found to be of great value and relevance to countries which considered the effort mostly effective and partially sustainable. Participants and experts discussed the results of the project and asserted that it had been a good start and had created a valuable network of expertise, but that it would need to be integrated in the statistical work programmes as it could not remain a stand-alone effort. The representative of Jordan commented that some of the indicators they had identified as priorities during the project had not been considered, to which the representative of the ESCWA secretariat responded that the indicators selected were ones that had overlapped among pilot countries. ESCWA would continue to work on promoting the infrastructure for short-term economic statistics and to address the gaps and challenges in member States. Mr. Havinga also mentioned that, at the global level, UNSD was thinking about automating the collection of short-term economic indicators from countries in the platform.

23. Ms. Aboul Hosn then took over to discuss the core set of economic indicators for Arab countries which would be derived from the League of Arab States' list of priority economic indicators, the SDG economic indicators and the priority short-term economic indicators identified in the ESCWA project. All three lists of indicators were presented to participants, after which the speaker presented a data availability assessment on SDG indicators to help identify the gaps and mentioned that many SDG indicators found on the UNSD database were not found in national statistical office websites. After pointing out the availability of some of the SDG metadata in Arabic and the importance of adopting it for cross-country comparability, she discussed the criteria upon which the core list of priority indicators would be selected. The representative of Lebanon added that choice of the indicators would depend on the feasibility of producing them. The representative of the State of Palestine suggested that a clear plan detailing the capacity-building activities for the core set of economic activities be developed on a yearly basis, and he also stated the importance for TAGES members to be continuously engaged and stay active in terms of communication and participation regarding the issue. The representative of Egypt asked why the League of Arab States had developed another list of short-term

economic indicators and had not abided by the international list, to which the ESCWA secretariat responded that it had already communicated that point, as well as the international list of indicators along with its metadata. The following part of the session was dedicated to identifying a set of recommendations and priorities for the TAGES to adopt.

24. Participants agreed to further study and evaluate the indicators with their respective offices and communicate their feedback accordingly. The recommendations produced during this meeting for future work in economic statistics were then reiterated and discussed among participants. The ESCWA secretariat would draft the list of recommendations along with the report and communicate it to all for final feedback. It stressed the importance of maintaining communication through e-mail and video conference after the meeting to keep the TAGES active and share additional discussions and review meeting recommendations.

III. ORGANIZATION OF WORK

A. DATE AND VENUE

25. The Technical Advisory Group on Economic Statistics held its second meeting in Beirut, on 27 and 28 August 2018.

B. OPENING

26. The meeting was opened by the Executive Secretary of ESCWA, Mr. Mohamed Ali Alhakim, who welcomed the participants and wished them a fruitful outcome. He stressed the importance of the meeting in promoting economic statistics in the region based on international standards and recommendations. He called for more cooperation, and for political and financial backing to improve the quality and frequency of producing economic statistics in member States.

27. The Assistant Director of Economic Statistics at UNSD, Mr. Ivo Havinga, thanked the ESCWA secretariat for their collaborative efforts in organizing the meeting. He elaborated on the importance of focusing on an integrated economic statistics approach, stating that such statistics were at a level of maturity that would allow countries to more accurately and less costly measure and understand the interrelationships between various economic entities, which would in turn enable the analysis of such dynamics.

C. ATTENDANCE

28. The meeting was attended by representatives of 11 countries and a number of experts (annex II).

D. ELECTION OF OFFICERS

29. The representative of the State of Palestine continued in the role of Chair of the TAGES as per the mandate that ends in 2020. The representative of Libya was elected as co-chair. The ESCWA secretariat acted as rapporteur for the meeting.

Annex I

NEW PROPOSED ECONOMIC STATISTICS AREAS OF WORK

Transport statistics and the digital economy

1. Collection and dissemination of transport statistics

(a) *The case for transport statistics*

Noting the importance of the transport sector and how it impacts peoples and individuals' lives, economies, societies and the environment, the United Nations Independent High-Level Advisory Group on Sustainable Transport (HLAGST) was appointed by the Secretary-General in 2014 to provide a focused set of recommendations on how the transport sector can advance sustainable development with poverty eradication at its core, promote economic growth, and bolster the fight against climate change. Sustainable transport was defined as the “provision of services and infrastructure for the mobility of people and goods— advancing economic and social development to benefit today’s and future generations—in a manner that is safe, affordable, accessible, efficient, and resilient, while minimizing carbon and other emissions and environmental impacts”.¹ Transport is considered a main driver of development and sustainability, and moving the focus on transport away from providing mobility based on individual motorized transport and improved traffic speed, to the idea of access through transport, is a paradigm shift in putting people first.

The HLAGST outcome document called for making transport planning, policy and investment decisions based on the three sustainable development dimensions: social development, environmental impact and economic growth with a full life cycle analysis and integrating all sustainable transport planning efforts with appropriately-balanced development of transport modes. It also called for the creation of supportive institutional, legal and regulatory government frameworks to promote effective sustainable transport and to establish the necessary monitoring and evaluation frameworks for sustainable transport. The need to build capacity for gathering and analysing sound and reliable data and statistics and to build technical capacity of transport planners and implementers, especially in developing countries, was also emphasized.²

These results were strongly echoed in the 2030 Agenda for Sustainable Development, which emphasized the role of sustainable transport in realizing significant progress in achieving the Sustainable Development Goals (SDGs). Sustainable transport in SDGs is not addressed as a stand-alone goal: it is reflected in the targets of 8 out of the 17 goals. There are transport-related indicators for eight SDGs because of their direct and indirect linkages to transport systems. The issues relate mainly to accessibility; affordability; environment and climate change; production and employment: connectivity (including rural-urban); safety; tourism; sustainability and energy.

Adequate sustainable transport information systems and data to inform the planners and policymakers in a timely manner will equip them with the necessary means to plan in a more holistic way, forge policies and implement in a systemic, evidence-based and efficient manner. Comprehensive data availability, comparability and timeliness continues to be one of the main challenges facing many countries, especially developing ones, including ESCWA member States. The advent of new technologies and advances can better equip member countries in the collection and dissemination of such data and indicators.

(b) *Proposed future scope of work on transport statistics*

The ESCWA secretariat has started to give transport statistics more attention, noting its importance as a sector and its cross-cutting nature and importance to other sectors and indicators, especially those relating

¹ See <https://sustainabledevelopment.un.org/content/documents/2375MobilizingSustainableTransport.pdf>.

² Ibid.

to the SDGs. The focus of work is four-pronged: data compilation; glossary of terms and metadata; partnerships; and technical cooperation.

In its review and update of inland transport data for the 18 member States, from the year 2010 as base year, shortcomings were noted relating to sources, definitions, harmonization and comparability of data as well as comprehensiveness, reliability, timeliness and completeness of data sets. This created much room for collaborative work among ESCWA member States together with the ESCWA secretariat, UNSD and other regional and international organizations, to produce more reliable, timely, standardized and comparable data.

In line with the above, it is proposed that the ESCWA secretariat, in close collaboration with member States' national statistics offices (NSOs), UNSD and other regional and international bodies, promote and foster the following:

- Harmonization of transport inland statistics across ESCWA member States and in the Arab region as a whole, and the international community;
- Ensuring the collection, availability, comprehensiveness and reliability of statistics for inland and sustainable transport in member States, in line with the SDG indicators;
- Improvement of regional and international comparability of transport statistics through the development of appropriate methodologies and terminologies for the harmonization of statistics on inland transport;
- Dissemination of regional inland transport statistics through publications and online;
- Provision of technical assistance and capacity-building for member States on methodologies for the collection and compilation of statistics on road, rail, inland waterways, pipeline and combined transport as well as on road traffic accidents, in cooperation and coordination with other regional and international organizations with the objective of realizing comprehensive, reliable, comparable and timely statistics for sustainable transport;
- Promotion of best practices, success stories and lessons learned across the Arab region;
- Strengthening collaboration with regional and international organizations to streamline, harmonize and ensure the comparability of collected and compiled data at the regional and international levels.

(c) *The way forward*

Members of the TAGES are invited to take note of the current work of ESCWA on transport statistics and data; provide the ESCWA secretariat with the necessary mandate to work on transport statistics while ensuring the collaboration of member States' NSOs in the collection and dissemination of transport data; advise on their priorities and actively collaborate with the secretariat to achieve the targeted objectives.

2. Measuring the digital economy

(a) *Recent developments in measuring the digital economy*

Rapid and massive technological advancements have resulted in new information technologies which have had, and continue to have, great impact on economic activity worldwide. This has led to the emergence of new goods and services, processes, rapid transactions and modalities for the exchange of goods and services within the Arab economy and globally. It has impacted the way things are produced or provided, the nature of the goods and services themselves as well as the emergence of new market channels. These developments have raised many methodological questions such as: how to capture activities in the current macroeconomic framework; what are adequate compilation methods and the price/volume split of nominal developments; and how to measure the digital economy.

The Advisory Expert Group (AEG) on National Accounts³ addressed these issues in its eleventh meeting held during 5-7 December 2017, at United Nations Headquarters in New York. AEG requested that its conclusions⁴ be communicated directly to the Chairs of the various task forces, committees, working groups and expert groups related to macroeconomic accounts and economic statistics by the Chair of the Inter secretariat Working Group on National Accounts⁵ (ISWGNA). These conclusions reconfirmed that an update of the System of National Accounts (SNA) was not desired currently, but recognized the need to advance the research on issues that may go beyond the 2008 SNA, in addition to guidance on practical implementation issues. Digitalization was among the priority areas identified for further research on the SNA.

The AEG welcomed the initiative undertaken by the Organisation for Economic Co-operation and Development (OECD) Advisory Group to develop a satellite framework to measure the digital economy and recommended that the OECD Advisory Group, in conjunction with Eurostat, elaborate on concrete examples for how digital production activities fit in the conceptual framework of the SNA alongside the broader analytical satellite account framework. It also emphasized the need to involve the developing countries in the formulation of the satellite account framework for the digital economy, while noting that further work needs to be done to measure the impact of digitalization on the economy. It also noted that the OECD proposed framework is consistent with the framework put forward on digital trade by the International Monetary Fund (IMF) Committee on Balance of Payments Statistics (BOPCOM). Close collaboration between OECD Advisory Group⁶ and the Task Force on International Trade Statistics (TFITS) is envisaged. The OECD Advisory Group will produce a final report recommending a typology for the digital economy and agreed satellite account framework by the end of 2018.⁷

(b) *Concluding remarks and the way forward*

The intention of this memorandum is to brief the participants on the recent developments that are taking place in the realm of measuring the digital economy and the modalities proposed to incorporate its transactions in the national accounts. The following needs to be highlighted:

- A conceptual framework has already been developed;
- A satellite account based on the conceptual framework is being developed with the intention to respond to two important concerns relating to the representation of and/or the presence of the digital economy within the core accounts and to ensure that important transactions are properly accounted for in the national accounts;
- The level of information prescribed may currently be beyond the capabilities of many national statistical information systems and might require a more thorough investigation and reflection on feasibility, confidentiality and meeting policy needs;
- While noting that it may go beyond the 2008 SNA, the AEG recognized the need to advance research on digitalization in addition to guidance on practical implementation issues, and the need to measure the impact of digitalization on the economy;

³ The aim of the AEG is to assist the ISWGNA in carrying out its work programme, to resolve issues on the research agenda of the SNA and to review documents and tools for the SNA implementation programme (see SNA/M1.17/RM.1).

⁴ Conclusions of the eleventh meeting of the Advisory Expert Group on National Accounts, 5-7 December 2017, United Nations, New York. Available at https://unstats.un.org/unsd/nationalaccount/aeg/2017/M11_Conclusions.pdf.

⁵ The mandate of the ISWGNA is found on <https://unstats.un.org/unsd/nationalaccount/docs/mandate.pdf> (SNA/M1.17/RM.1).

⁶ In 2016, the OECD Committee for Statistics and Statistical Policy (CSSP) created an Advisory Group (AG) on Measuring GDP in a Digitalised Economy, consisting of national experts and representatives from international organizations, Eurostat, IMF and the United Nations. (SNA/M1.17/4.1).

⁷ SNA/M1.17/4.1.

- The OECD Advisory Group, in conjunction with Eurostat, are to further elaborate on concrete examples on how digital production activities fit in the conceptual framework of the SNA alongside the broader analytical satellite account framework;
- Developing countries are invited to be involved in the formulation of the satellite account framework for the digital economy;
- The OECD Advisory Group will be producing its final report recommending a typology for the digital economy as well as an agreed satellite account framework by the end of 2018.

Noting all the above, members of the committee are invited to take note of the latest developments made in measuring the digital economy and the need to account for its transactions in the national accounts; to keep abreast of further developments in this realm; to assess whether the level of information prescribed by the proposed satellite framework responds to their needs and capabilities; and to consider collaborating with regional and international organizations in the formulation of the satellite account framework for the digital economy.

Annex II*

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