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Economic and Social Commission for Western Asia (ESCWA)

Report

**Meeting of the Technical Advisory Group on Economic Statistics (TAGES)
in the Arab region
Cairo, 9-10 November 2016**

Summary

The first Technical Advisory Group on Economic Statistics (TAGES) meeting was attended by 21 participants, of which were 10 countries and 8 regional and international organizations. Representatives from Bahrain, Egypt, Kuwait and Palestine presented their national strategies for the development of statistics, the implementation of related international standards and methodologies in relation to the system of national accounts (2008 SNA), and preparations for an economic census. Regional guidelines and related best practices produced by ESCWA, such as supply and use tables, short-term economic indicators, statistical business registers, and the framework for environmental economic accounting in the Arab region were shared. Work done by ESCWA on price statistics and the pilot work on consumer prices indexes, CPI integration and harmonized CPI for the region was presented.

ESCWA and other organizations presented their priorities and discussed synergies between them with regard to economic statistics and national accounts, and identified areas for capacity-building and combining resources at the regional and international levels.

The possibility of joint regional workshops on national accounts, supply and use, and training on related software were discussed, along with the definition of priorities in a matrix prepared by ESCWA. Further subjects include the contribution by members to the ESCWA Statistical Committee, such as papers and case studies, and the adoption of a core set of economic indicators, including ones related to the Sustainable Development Goals.

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Introduction

1. The ESCWA Statistical Committee 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 (2030 Agenda) and its Sustainable Development Goals (SDGs).
2. The present report sets out the main outcomes and recommendations to emerge from the meeting.

I. OUTCOMES AND RECOMMENDATIONS

A. OUTCOMES

3. Participants agreed on the following:
 - (a) Key functions of the Advisory Group;
 - (b) Priorities and proposed capacity-building activities for 2017;
 - (c) Voluntary contributions in terms of papers and case studies related to agreed priorities:
 - Supply and use tables (Egypt case study);
 - Statistical business register (Tunisia case study);
 - Business accounting for national accounts (Bahrain case study);
 - Economic surveys (Kuwait case study);
 - Islamic banking (ESCWA);
 - (d) Members will review the core set of economic indicators with a timeline (screening tool and feedback from countries) and links to related SDG economic indicators;
 - (e) Participating organizations (ESCWA, the United Nations Statistics Division (UNSD), the League of Arab States and the International Monetary Fund Middle East Technical Assistance Center (IMF-METAC)) will coordinate training on national accounts and supply and use tables (SUT), and work with non-participating regional organizations to assist countries with information systems such as Bench for quarterly national accounts (QNA), and data dissemination systems, such as the IMF's special data dissemination standard (SDDS) and general data dissemination standard (GDDS).

B. RECOMMENDATIONS

4. Participants made the following recommendations:
 - (a) To strengthen coordination between statistical offices, ministries of finance and central banks specifically to enable the use of financial reports as data sources for national accounts, within the bounds of confidentiality requirements, and to develop statistical business registers from tax registers;
 - (b) To redesign questionnaires and use statistical business registers (SBR) to update frameworks for economic surveys to meet the requirements of 2008 SNA;
 - (c) To improve estimates of the agriculture sector and its contribution to production;
 - (d) To provide guidance on harmonizing concepts, such as calendar or fiscal year reporting, and advice on methodologies for bridging the accounts of the types of calendars;

(e) To develop regional accounts starting with a production approach and statistical business registers for regional/administrative areas;

(f) To improve the comprehensiveness of gross domestic product (GDP) measures and to include small and medium enterprises (SMEs) and the informal sector by linking them to statistical business registers and supply and use tables;

(g) To organize a session at and contribute papers to the sixty-first World Statistics Congress of the International Statistics Institute, due to be held in Marrakesh, Morocco, in July 2017.

II. TOPICS OF DISCUSSION

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

5. The representative of ESCWA set forth its priorities for the Advisory Group's programme of work. They included: the national strategy for development of statistics (NSDS); implementation of 2008 SNA and the development of supporting economic statistic (supply and use tables (SUT), financial intermediation services indirectly measured (FISIM), and Islamic banking); software for SUT and QNA, such as ERETES and Bench; price statistics; short-term economic indicators; economic classifications and trade and industry statistics; infrastructure (business registers and economic/business surveys/questionnaires); a core set of economic indicators; the 2030 Agenda and the SDGs; and dissemination.

6. The representative of UNSD outlined priorities at the global level: the United Nations Statistical Commission agenda on economic statistics and national accounts, which included a transformative agenda to modernize statistical systems; the global working group on big data for official statistics; statistical data and metadata exchange (SDMX) activities and the role of the Task Force on International Data Cooperation (TFIDC); e-learning on measuring economic statistics related to SDG indicators (national accounts, SUT, SBRs, industry statistics, energy statistics); the international programme on short-term statistics; and guidance for improving the measurement of economic and trade statistics in a global context.

7. The ensuing discussion focused on the relevance of those priorities to national priorities. It was suggested that focus should be on economic surveys, frames and samples and redesigning questionnaires to meet the requirements of the 2008 SNA, in addition to SUT, the informal sector and satellite accounts. The importance of short-term indicators, GDP compilation software, non-produced assets and updating statistical frameworks was highlighted. It was noted that there was a difference between informal and non-organized sectors. The contribution of agriculture statistics to production required attention.

8. The representative of UNSD said that the integrated economic statistics approach consisted of a cross-functional holistic model, based on a common conceptual framework, institutional arrangements and the statistical production process. Its main benefits were: consistency, coherence, transparency, accuracy, reduction in reporting burden, increase in cost efficiency, relevance and timeliness, all of which led to a harmonized SBR.

9. The representative of the League of Arab States highlighted the importance of focusing on short-term statistics (CPI, producer price index (PPI), export and import price index (XMPI) flash estimates and tendency surveys) and, with regard to satellite accounts: tourism, health, environment, education, tourism, agriculture, energy, trade in services, e-commerce, investment and capital formation.

10. The representative of GCC-Stat said that, for the period 2015-2020, it was working mainly on: national accounts; monetary, financial and balance of payments statistics; price indices and short-term statistics; foreign trade, labour, energy and environment, and tourism statistics; development and sustainability indicators; and the use of administrative data sources.

B. NSDS AND STRATEGY FOR IMPLEMENTING 2008 SNA

11. The representative of ESCWA said that the Commission had been working with the Partnership in Statistics for Development in the 21st Century (PARIS21) of the Organisation for Economic Co-operation and Development (OECD), the United Nations Economic Commission for Africa (ECA) and the African Development Bank to help the Egyptian Central Agency for Public Mobilization and Statistics (CAPMAS) to carry out a technical needs assessment of the Egyptian statistical system in 2015. Similarly, it had participated in a review of the NSDS of Jordan in July 2016. The Commission assessed the status of sectoral statistics, and provided recommendations for use in national dialogues on new national statistical strategies for the period 2017-2021. Developing statistical business registers was of considerable importance.

12. A discussion ensued on progress made in designing the NSDS for Egypt, Iraq, Jordan and Palestine. It was noted that the data revolution would require new strategies for the development of statistics. Suggestions were made regarding the update of statistics legislation, developing statistical definitions and concepts, localizing national accounts in CAPMAS, harmonizing concepts such as reporting on calendar or fiscal year. It was noted that in Kuwait, quarterly GDP was included in that country's statistics strategy. Mention was made of the priorities of the Medstat programme, linked to information needed by the European Union on flows between southern and northern Mediterranean countries, such as migration, trade and transport, and remittances.

C. IMPLEMENTING INTERNATIONAL STANDARDS AND METHODOLOGIES RELATED TO 2008 SNA AND INTERNATIONAL CLASSIFICATIONS

13. Following presentations by UNSD and ESCWA on the implementation of 2008 SNA and its related research agenda, a discussion ensued on the differences between conventional and Islamic banking, the rapid growth of the latter in some economies and its statistical impact on national accounts, and the need for guidance on the treatment of Islamic banking; national accounts and their relationship with central banks; international guidelines on statistical business registers; and the place of financial production, flows and stocks in the system of national accounts (including how best to cover investment funds, the inclusion of dividends acquisition in the production cashiers and trading account securities, and FISIM). SUT manuals were also shared.

14. The IMF-METAC regional advisor presented the priorities for its capacity development programme for the financial years 2016 and 2017, which focused on national accounts and price statistics. METAC would continue to assist with external sector statistics. The focus in 2017 would be on improved compliance with international standards for the compilation of: national accounts (SUT, rebasing of GDP annual and quarterly time series, price and volume measures, exhaustiveness of the estimates); price statistics (updating weights, outlets and item selection, dealing with missing prices and quality changes in compiling CPI and PPI); and external sector statistics (collection of data on trade in goods, aid flows, services and inward direct investment).

15. In the ensuing discussion, it was suggested that IMF-METAC could assist countries with the Bench programme for QNA. The experience of Bahrain in updating from ISIC3.1 to ISIC Rev 4 and progress on the transition to SNA 2008 in Palestine were also discussed.

D. KNOWLEDGE-SHARING ON METHODS, BEST PRACTICES AND RELATED GUIDELINES IN THE REGION

16. Presentations were made by representatives of ESCWA on regional guidelines for economic statistics and purchasing power parities (PPPs). ESCWA was striving to produce PPPs regularly and build a continuous PPP time series in the region through pioneering strategies such as the extrapolation/retrapolation of PPPs for non-reference years and the implementation of a regional round for PPP production in 2016. ESCWA was piloting a project in three countries to develop price statistics on the sub-national level through the computation of sub-national PPPs. A regional and sub-regional harmonized consumer price index (HCPI) was being implemented in member countries with similar consumption patterns.

17. The representative of Tunisia noted that the National Statistics Institute of that country had agreed with the Ministry of Finance on the electronic exchange of tax data for statistical purposes. The Institute's French and Italian counterparts were working with it to draft new statistical legislation in 2016 and implement 2008 SNA by the end of 2019.

18. Participants discussed the importance of computing the contribution of a country's provinces to national GDP, the cost of undertaking surveys at the provincial level, and the need to link provincial or state accounts to the SDGs. Exhaustive economic surveys conducted under the 2015-2020 five-year plan in Kuwait were, it was contended, characterized by inclusiveness in coverage and content. They would lead to implementation of the national endowment for the development of small and medium enterprises.

E. CAPACITY-BUILDING AND COMBINING RESOURCES AT THE REGIONAL AND INTERNATIONAL LEVELS

19. The representative of the United Nations Development Programme (UNDP) said that it could work with members on national data dissemination using SDMX. It emerged that enhanced GDDS was a priority for the IMF.

20. Representatives of ESCWA requested that member countries provide feedback on a priority areas matrix distributed at the meeting. Members of the group should detail capacity-building needs in the matrix.

21. Participants noted that financial support was needed to fund the field surveys required in order to pursue priorities in economic statistics and national accounts. National statistics offices should obtain funding from their Governments, but also needed to modernize and become more cost effective. The Advisory Group's terms of reference referred to seeking funds in order to develop the specific areas of economic statistics and national accounts.

F. PROPOSAL FOR A CORE SET OF ECONOMIC INDICATORS AND SDG-RELATED INDICATORS

22. Participants agreed to seek feedback from countries represented in the Advisory Group on a core set of indicators using a background paper prepared by ESCWA (E/ESCWA/SD/2016/EGM/2/4). The process of adopting such a list could be lengthy.

23. With regard to economic indicators related to the SDGs, it emerged that ESCWA would focus on priorities identified in regional workshops, as well as training material and technical assistance. It would cooperate with other agencies to implement a Development Account project on statistics and data. More information was required on the regional mechanism and template for SDG data collection. UNDP would assist countries with dissemination indicators using open source systems.

24. Participants discussed the importance for SDG indicators of the data revolution and sharing experiences between countries. It was important to calculate the contribution of tourism and agriculture to national GDP and to disaggregate employment data by gender. A lack of data on SMEs and the informal sector could distort GDP figures. SBRs and SUTs could be used to make GDP data more comprehensive. Calculating regional averages was difficult but PPP work could be helpful in that regard.

III. ORGANIZATION OF WORK

A. DATE AND VENUE

25. The Advisory Group held its first meeting in Cairo on 9 and 10 November 2016.

B. OPENING

26. The meeting was opened by representatives of ESCWA, UNSD and CAPMAS.

27. The Chief of the Economic Statistics Section of the ESCWA Statistics Division said that the Advisory Group would help to set programme priorities for ESCWA and to develop and exchange knowledge in economic statistics and national accounts. Countries in the region must keep pace with global and national requirements in terms of the production of reliable official statistics on the economy, society and environment in order to monitor the progress towards implementation of the 2030 Agenda, which required the production of around 230 indicators.

28. The representative of UNSD, speaking on behalf of its Director, Mr. Stefan Schweinfest, said that developing economic statistics was crucial for economic policymaking, business development, regional integration, the distribution of wealth and social well-being. The use of international standards, classifications, guidelines, concepts and definitions in the compilation and dissemination of statistics was critical to ensuring their relevance, quality, timeliness and consistency. That would be all the more the case in efforts to meet the goals and targets of the 2030 Agenda. The establishment of the Advisory Group was an important step towards addressing those matters.

C. ATTENDANCE

29. The meeting was attended by 21 participants, including representatives of 10 countries and 8 regional and international organizations.

D. ELECTION OF OFFICERS

30. The representatives of the Palestinian Central Bureau of Statistics and of Morocco were elected as co-chairs of the Advisory Group with a mandate of two years renewable. Iraq was named as substitute for Morocco should the need arise. ESCWA acted as rapporteur for the first meeting.

E. ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

31. Members adopted the Advisory Group's terms of reference, as contained in document E/ESCWA/SD/2016/EGM/2/2.

Annex*

LIST OF PARTICIPANTS

Bahrain

Sivaramakrishna Kanteti
Economic Statistician
Phone: (0973) 36125468
E-mail: kantetisv@iga.gov.bh

Egypt

Tarek Rachad
Chief of Central Administration for Economic
and Mobilization Studies
CAPMAS
Office: +202-24032162
Mobile: +20-1006092221
E-mail: tarek_a@capmas.gov.eg

Raymon Goda
Statistician
Phone: 201228942743
E-mail: raymon_andrawes@yahoo.com

Kariman Talaat
General manager
Phone: 02 01118701593
E-mail: karimantallat@yahoo.com

Adel El-Sherif
Central Bank General Manager
Phone: 2011224037477
E-mail: adel.abdellatif@cbe.org.eg

Iraq

Mostafa Al-Nidawiy
National Accounts
Phone: 9647704555991
E-mail: mustafa_accountant@yahoo.com

Jordan

Moawiah Zghoul
Director of National Accounts
Phone: 9625300700
E-mail: zghool@dos.gov.jo

Kuwait

Ebtesam Alrabah
Vice director economy survey
Phone: 96566903373
E-mail: E.alrubah@Hotmail.com

Morocco

Abdelkader Choqiri
Phone: 212661154924
E-mail: choqirikader@yahoo.fr

Palestine

Saleh al-Kafri
Director of Economic statistics
Phone: 0097222982700
E-mail: saleh@pcbs.gov.ps

Sudan

ElAlim mohamed Hassan
Director of Economic statistics
Phone: 249912690772
E-mail: alimmohamed575@hotmail.com

Tunis

Atef Ouni
Deputy director
Phone: 00 216 96 533 299
E-mail: Atef.ouni@gmail.com

IMF

Todor Todorov
Regional Advisor
Phone: 9611962908
E-mail: TTodorov@imf.org

GCC-Stat

Ahmed Al Farid
Director of Economic Statistics
Muscat, Oman
Phone: 96824346409
Fax: 96824343228
E-mail: aalfarid@gccstat.org

* Issued as submitted.

LAS

Nadia Chtioui
Director of Statistics
Phone: 0020 1222280022
E-mail: Nadia.chtioui@las.int

World Bank

Sara B. Alnashar
Economist
Phone: +202 2574 1670
E-mail: salnashar@worldbank.org

UNDP

Nader Keyrouz
Advisor for the Arab Development Portal
Phone: 9613433127
E-mail: nader.keyrouz@undp.org

UNSD

Benson Sim
Statistician
Phone: +1 212 963 4483
E-mail: Simb@un.org

ESCWA

Wafa Aboul Hosn
Omar Hakouz
Majed Skaini
Wassim Hammoud