



**Mission Report**  
**from a short-term mission on**  
**National Accounts Strategic Planning**  
***30 November- 5 December 2003***

**TA for the Scandinavian Support Program to Strengthen the Institutional  
Capacity of the National Statistics, Mozambique**

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## **List of abbreviations**

|       |  |
|-------|--|
| CPC   | Central Product Classification             |
| CPI   | Consumer Price Index                       |
| FTS   | Foreign Trade Statistics                   |
| GDP   | Gross Domestic Product                     |
| HS    | Harmonized System                          |
| INE   | Instituto Nacional Estadística             |
| NA    | National Accounts                          |
| NPISH | Non-Profit Institutions Serving Households |
| SNA93 | System of National Accounts, 1993          |
| SUT   | Supply and Use Tables                      |

## 1 EXECUTIVE SUMMARY

During the mission the consultants have evaluated the Excel compilation system for the Mozambique National Accounts, the sources for the calculations and the plans for the introduction of 2002 as a new benchmark year in 2004. The main conclusion were

- A comprehensive integrated system's approach to national accounts compilation has been developed for Mozambique. The compilation system is methodologically sound, but difficult to understand and to operate caused by a high degree of complex interdependency between Excel worksheets.
- There are important shortcomings in the scope and quality of the source data for the national accounts. The situation should be improved by the introduction of 2002 as a new benchmark year.
- In 2004 work should be concentrated on establishing the new base year. This will be a huge task involving incorporation of new sources and redesigning of the technical system. The scope of the benchmark calculations of 2002 should be considered carefully, regarding the level of specifications of the institutional sector accounts and the level of detail in industries and products. To achieve this goal, routine calculations on the 1996-base should be reduced and other developments should be postponed.

In the view of the consultants, the above mentioned points and the international experience does suggest that the IT-framework should be modified or changed in order to make the system more efficient and penetrable.

The introduction of the new benchmark year 2002 in 2004 with new data sources and changed classifications for sectors, industries and products, will require changes in the compilation system. This creates a unique possibility for a change of the Excel-framework for a more sustainable system, which should be easier to operate.

The consultants propose that one of these three alternatives should be considered:

1. Review the structure of the compilation system designed with Excel-sheets in order to avoid technical errors. It is important also to improve the technical documentation and finish the Methodology and Training Manual in Portuguese. Simplification and technical documentation is necessary to avoid that the system is relying to a large degree on one person.
2. Change to the Excel system SNAPC, developed and introduced by Jan Redeby in different countries in Africa. SNAPC is in English; the cost of translating the SNAPC to Portuguese will depend on the methodology used when developing SNAPC. One advantage is that SNAPC has been designed with the spreadsheet programme Excel, which the national accounts section has been well trained in.
3. Change to the Norwegian software SNA-NT. The SNA-NT application has been developed and is used in the current production of the integrated national accounts in Statistics Norway. For the present, only the SNA-NT part covering SUT/IO in current and constant prices is translated to English. This English SUT/IO version is also introduced for current use in

Bulgaria, the Czech Republic and Slovenia. A simplified version of SUT/IO will be used in Malawi from 2004.

The SNA-NT has been developed as a Client-Server application, where the "Clients" are Windows-NT PCs and the "Server" is an "Oracle relational database". Excel worksheets are used to prepare the interlinked input tables and preparing reports, but the compilation, balancing, constant price compilation and updating are within the Oracle database.

On the basis of these, the consultants put forward the following recommendations:

**Recommendation 1:** A short-term mission by a NA -expert to evaluate alternative solutions for the future compilation of the comprehensive and integrated national accounts system in Mozambique. The expert should specify the structure of the existing system and evaluate the changes required to simplify the use of the system. The NA -expert should have good knowledge of IT solutions for compiling national accounts.

**Motivation:** The current totally integrated calculations and reconciliation methodology make it very difficult for the national accounts technicians to get an overview and causes a lot of errors. The basis for the evaluation should decide possible simplifications or a revision of the present software strategy. Alternative solutions should be evaluated.

**Recommendation 2A:** If the conclusion from the NA-expert is to keep the framework of the existing Excel solution, a short-term mission by an IT-NA-expert is recommended in order to reduce the interdependency between the individual calculations.

**Motivation:** One aim of the mission should be to divide the Excel calculations into sequential blocks and to introduce a standard of "good Excel conduct".

**Recommendation 2B:** If the conclusion from the NA-expert is to change the existing Excel solution, short-term missions by a NA/IT-expert are required to install and give training in the use of the new software.

**Motivation:** These actions should ensure an easy instalment process and make the staff familiar with the new system. Documentation and User-manual in Portuguese for a new system will also be required.

**Recommendation 3:** Install a server in order to improve the present IT-hardware situation where the system is copied in 11 pc's. Acquire new furniture and necessary upgrading of the pc's.

**Motivation:** This action will ensure the introduction of the new system and make necessary improvements in the working conditions.

**Recommendation 4:** Following this, a number of short-term missions assisting in the concrete compilations of benchmark figures should be conducted. Examples of these missions could be compilation of NA-figures based on the Household Budget survey, the new and improved Business Surveys and figures for General Government including figures for Local Government. Important is incorporation of VAT and the new BOP statistics from Banco de Mozambique, according to IMF 5<sup>th</sup> manual.

**Motivation:** These actions should give guidance on the principles and methodologies of the specific calculations and thereby assist the staff in order to ensure the complete calculations for 2002 are finished before the end of 2004. It is of course a precondition that the source data is available in due time.

**Recommendation 5:** Focus the work in 2004 on the introduction of 2002 as the new benchmark year. Reduce routine production on the 1996-base and postpone calculations of quarterly accounts.

**Motivation:** It is important to introduce the new benchmark year as timely as possible. The workload on changing/updating the existing Excel-sheets are considerable. Quarterly accounts should have the new levels for 2002 as departure.

**Recommendation 6:** Establish the new nomenclatures: Decide a new industry classification based on ISIC 2003. Decide a new product classification based on CPC and establish the link between the product classification and the HS used in the import and export statistics.

**Motivation:** When re-establishing the first final year with SUT for 2002, it is very important to specify industries and products relevant for the economy of Mozambique. The list of products should also be relevant for compiling price indices or quantity indices.

**Recommendation 7:** Update the SUT from the year 2002 to the year 2003 in current prices in 2005 and then compile the SUT for 2003 in 2002 prices. In 2005 when the base year 2002 and also the year 2003 have been compiled, a short-term mission to give advice on the compilation of the year 2003 in constant 2002 prices, will be required.

**Motivation:** Constant price figures should be calculated in the prices of the previous year and chain price indices should be compiled. The methodology to compile chain price indices is the recommended methodology in SNA93 and also for the European countries.

**Recommendation 8:** Improved methodology based on new data sources will probably require backwards revision of the time series before 2002.

**Motivation:** Long and comparable time series are very important for analysing a countries economic development.

## 2 INTRODUCTION

A mission from Statistics Norway and Denmark Statistics visited the Instituto Nacional Estatística (INE) from 30 November to 5 December 2003 in order to evaluate the future National Accounts development. The mission comprised Mr. Ole Berner, head of the National Accounts Division in Denmark Statistics and Ms. Liv Hobbelstad Simpson, senior advisor and former head of the National Account Division, Statistics Norway. Mr. Timmi Graversen, long term advisor for national accounts also joined the mission and assisted with the preparation, providing different relevant documentation before the mission and followed up during the mission,

See Annex 1. Terms of reference

During the mission it was agreed to add the following points

- Evaluate the necessary procedures and steps to make the project going.
- Evaluate the given human resources and equipment.

The mission did not look into the budget.

See also Annex 2. Persons met and Annex 3. Background documentation.

### **3 ACKNOWLEDGEMENTS**

The consultants would like to express many thanks to all the people we have met and had the pleasure to work together with during the stay in Mozambique. All the kind support from INE staff has highly facilitated the work and contributed to making the stay very pleasant.

### **4 ASSESSMENT**

#### **4.1 Methodology**

The Instituto Nacional Estatística (INE) has established a comprehensive Excel system of National Accounts (NA) during several years. Detailed tables were compiled for the years 1996 and 1997. For the later years, an updating procedure has been followed.

The focus in the construction stages has been on establishing the methodological framework and the gathering of the necessary statistical sources. The worksheets have been developed in accordance with the SNA 1993 compilation methodology.

We cannot find a good and clear technical documentation and a good technical description of the format of input data, the data flow and the compilation process. Back up is taken only once a week.

#### **4.2 Scope of calculations and published data**

The National accounts are compiled according to the 1993 SNA. The current calculations cover GDP based on the production, expenditure and income approach. The production account is compiled for 43 industries and the account for goods and services are calculated disaggregated into 143 products. All figures except for the GDP according to the income approach, are compiled in current and constant (1996) prices.

At the moment final figures for 1996-2000 and preliminary figures for 2001 and 2002 have been calculated. Only GDP according to the three approaches and value added broken down by 15 industries are published on a current basis. In 2000 a special National Accounts publication was published including a breakdown by institutional sector (7 sectors) for the years 1996 and 1997 and simplified Supply and Use Tables for 27 products for 1996, 1997 and 1998. The complete compilations by institutional sector have not been conducted for the years after 1997.

#### **4.3 Plans for the production of National Accounts data in 2004.**

In 2004 the National Accounts section plans to

- Continue the routine calculations of National accounts based on the 1996 benchmark year
- Introduce experimental quarterly accounts calculations
- Introduce new benchmark compilations for the year 2002
- Engage in seminars presenting the Mozambique National Accounts system

## 5 EVALUATION

### 5.1 Evaluation of data sources

#### 5.1.1 Overview

There are important shortcomings in the data sources for the national accounts compiled for the last years. For an economy such as Mozambique reliable and timely data for the annual national accounts should be given priority before the quarterly national accounts,

A new economic questionnaire asking for rather aggregated figures is planned for the data collection for the year 2002. For establishing the base year 2002 with Supply and Use tables (SUT), we suggest that a more detailed questionnaire should be used for large statistical units in agriculture and manufacturing for the year 2002.

The new household survey for 2002 is very important for improving the national accounts in both current and constant prices.

The estimations for the household consumption and the agriculture production in the informal sector will be revised when the results from the household survey will be evaluated and used in the compilation for 2002.

The accounts for both central and local government have to be analysed at a detailed level concerning type of program, revenue, and expenditure etc. to be able to convert to SNA93 definitions. It is important that the accounts can be transferred to a file and into Excel worksheets.

#### 5.1.2 New nomenclature

##### ISIC-Rev 3

INE has changed to use the UN ISIC-Rev 3 classification for grouping activities when establishing the new benchmark year for 2002, this classification aggregated to a level relevant for Mozambique has to be introduced in the national accounts compilation.

##### CPC

UN's *Central Product Classification (CPC)* is a standard product classification to be used for statistics classifying products (both goods and services) in detail. The building blocks of the CPC are "the transportable goods" element of the HS. Important for a SUT project is to decide the relevant product classification to be used. One goal is to specify rather homogenous products for price compilation.

##### HS

The *Harmonised commodity description and coding system* (HS 1988) includes only goods (merchandise) and is used for external trade statistics. New conversion tables (encode lists) have to be established to give a link between the NA-product classification being developed and the detailed goods classification (HS-groups) used for the External Trade Statistics. The conversion table should be constructed at the same time as the NA-product classification based on CPC.

### 5.1.3 External trade statistics

The detailed monthly external trade statistics for Mozambique is a very important data source for the national accounts.

We refer to the final report "Foreign trade statistics (FTS)", from May 2003 by the short-term expert Hans Kristian Østereng. A high quality Foreign Trade Statistics should be one major cornerstone in the whole statistical system. Mr. Østereng recommendations should be followed up to improve the important data source both for balance of payment and of compiling quarterly and annual national accounts in both current and constant prices.

With "Automated Systems for Customs Data (ASYCUDA) and the interface to the software EUROTRACE, more timely and high quality data could be produced. The new version of EUROTRACE should have an interface to Excel for direct transfer of data. This will enable compilation of unit value price indices for homogeneous commodities for deflating imports and exports. Today the national accounts division has to use time checking import data against a publication with external trade statistic from South Africa.

### 5.1.4 Other data requirements for compiling SUT

*The data requirements for developing and improving the National Accounts with SUT should play an important role in the priority given to the development of the different parts of the economic statistics. This chapter gives a short overview and recommendations.*

#### **Manufacturing**

Manufacturing industries have been classified by 11 industry groups (two digits ISIC). When establishing 2002 with ISIC Rev 3, the economic structure in Mozambique should be taken into consideration to create as homogenous production units as possible. It should be possible to specify production and intermediate consumption expenditure by the NA-products (aggregates of the CPC products), giving relevant details for the output and input structure for the different industries.

Annual economic surveys (Structure/Production statistics) should give basic information for establishing production accounts and capital formation accounts within a Supply and Use (SUT) framework. The annual survey should ask for turnover specified by type of income, current expenditure by type of expenditure, (excl. purchase of goods for resale), employment, compensation of employees (wages) and acquisitions and disposals of fixed assets (capital investment) by type.

To be able to establish the detailed SUT with product flows for the first base year, a special survey should be implemented for manufacturing to give product specification of production and intermediate consumption of raw materials and other main products (goods and services).

**Wholesale and retail trade.** Output is mainly defined as the total of trade margins. The first estimation of output for wholesale and retail trade compiled by balancing the SUT, must be checked and corrected against Annual Surveys for wholesale and retail trade or other data sources such as employment in wholesale and retail trade.

**Hotels, restaurants, canteens and catering.** For Mozambique where tourist industries are important, a detailed breakdown into relevant sub-industries will facilitate a direct conversion to later compilation of Tourism Satellite Accounts.

**Financial institutions.** The data source is finance statements (income statements and balance sheets) from banks and other financial institutions,

## **Non-market producers: Central and Local government services and Non-profit institutions serving households (NPISHs)**

Government accounts should cover both central government and the new local governments. Information about NPISHs should also be improved by the Italian project for the Informal economy.

### **5.1.5 Household income and expenditure survey for resident households**

The new "Household expenditure survey" for the year 2002 will be very useful for deciding the level of resident household consumption. An annual, small household expenditure survey would be an important data source for annual updating the household consumption figures and also for estimating the informal production.

### **5.1.6 Value added tax (VAT)**

Value Added Tax (VAT) was introduced in Mozambique from 1999. By a computer routine, VAT should be recorded according to theoretical VAT by using VAT rates by products and type of use. In the Norwegian NA an important checkpoint for the level of the compiled final use is that the theoretical VAT Exceed actual VAT receipts with a positive difference. A negative difference would have indicated exhaustiveness problems.

### **5.1.7 Price indices**

#### Consumer price indices

Good quality on detailed consumer price indices (CPI) are very important for compiling National Accounts in constant prices.

#### Producer price indices

For the constant price compilation producer price indices for agriculture, forestry, fishing, mining and manufacturing are needed.

## **5.2 Methodology and compilation system**

The core in the compilation system is the calculation and balancing of supply and use of 143 products. These compilations are carried out in current and constant prices in an integrated fashion. The detailed balances are made for products without the industry dimension, because they do not have reliable information for establishments giving data for production, intermediate consumption and value added. The industry dimension should be integrated in a complete SUT for the new base year 2002, by using information from the annual enterprise inquiry.

From a conceptual point of view, the principle followed in the compilation approach is very good and sound. The problem is that they are carried out in a highly interdependent Excel framework, which - as other short-term experts have pointed out - creates a number of difficulties. It is an internationally recognised experience that complex, integrated calculation systems should not be performed in an Excel-framework.

- The number of links – and deep links – makes it very difficult to get an overview of the individual calculations and makes it difficult to ensure correct calculations if all links are not updated.

- Excel has the property to automatically adjust links and references according to predefined rules and in some cases it will be possible to change formats and update references accordingly, but in most cases the operations will be very demanding and with great risk of creating system errors. Where one workbook for example has cells in the horizontal dimension referring to lists in other workbooks in the vertical dimension it is very difficult to introduce new rows or columns and maintain the correct references in the existing cells. Lacking knowledge of which cells in other spreadsheet is referring to specific cells in the workbook also makes it very difficult to predict and be in control of the consequences of changing the formats.
- The chance of making errors when updating an Excel sheet is rather large, in particular if there is a lot of links. This can to some extent be reduced by education and training but even the most educated and trained person will sometimes make errors. In this system errors are accumulating over time.
- The use of Excel framework makes it rather burdensome to implement more general changes since every Excel-sheet has to be changed.

In the view of the consultants, the above mentioned points and the international experience does suggest that the IT-framework should be changed in order to make the system more efficient and penetrable. However the consultants recognise that the system:

- does function to a certain degree
- is well known by the staff

The introduction of the new benchmark year 2002 could leave room for

- reducing the links between different Excel sheets
- reducing the interdependence by dividing the system in to separate blocks, for example, balancing of individual products, balancing the intermediate consumption, calculations of institutional sectors. This could also be an advantage in relation to planning of the work.
- a change the of the IT-hardware situation where the system is copied in 11 pc's by acquiring a server

A simplification or change of the IT system has to be carefully considered. The introduction of the new benchmark year 2002 creates a unique possibility for a change in to a more sustainable system, which should be easier to operate. If the current system were to be continued, it will demand a lot of work to redesign all the Excel-sheets in order to take account of new sources and classifications. In addition the current system relies to a large degree on one person and it will be difficult to get assistance from outside because the system is so unique.

The consultants suggest a short-term mission investigating the preconditions for simplification or change of the IT framework for the future compilation of the comprehensive and integrated national accounts system in Mozambique. The expert should specify the structure of the existing system and evaluate the changes required to simplify the use of the system. The NA -expert should have good knowledge of IT solutions for compiling national accounts.

The consultants propose that one of these three alternatives should be considered:

- Review the structure of the compilation system designed with Excel-sheets in order to avoid technical errors. It is important also to improve the technical documentation and finish the Methodology and Training Manual in Portuguese. Simplification and technical documentation is necessary to avoid that the system is relying to a large degree on one person.

- Change to the Excel system SNAPC, developed and introduced by Jan Redeby in different countries in Africa. SNAPC is in English; the cost of translating the SNAPC to Portuguese will depend on the methodology used when developing SNAPC. One advantage is that SNAPC has been designed with the spreadsheet programme Excel, which the national accounts section has been well trained in.
- Change to the Norwegian software SNA-NT. The SNA-NT application has been developed and is used in the current production of the integrated national accounts in Statistics Norway. For the present, only the SNA-NT part covering SUT/IO in current and constant prices is translated to English. This English SUT/IO version is also introduced for current use in Bulgaria, the Czech Republic and Slovenia. A simplified version of SUT/IO will be used in Malawi from 2004.

Another short-term mission assisting in the concrete instalment and giving training to the staff should be conducted.

Following this a number of short-term missions assisting in the concrete compilations of benchmark figures for the year 2002 should be conducted. Examples of these missions could be compilation of NA-figures based on the Household Budget survey, the new and improved Business Surveys and figures for General Government including figures for Local Government. Important is incorporation of VAT and the new BOP statistics from Banco de Mozambique, according to IMF 5<sup>th</sup> manual.

### 5.3 The format of the national accounts system for Mozambique

*Six milestones for SNA93 implementation were formulated by the ISWGNA (the Inter-Secretariat Working Group on National Accounts), upon request from the UN Statistical Commission. According to these recommendations, the first milestone for the SNA93 implementation should be:*

Phase 1, Gross domestic product (GDP) at current and constant prices, by both industries and by final expenditure. Under Phase 1, the complementary data system giving "Supply and Use Tables" in current and constant prices is recommended in order to establish the consistency between the output approach, the expenditure approach and the income approach.

*The other milestones are:*

Phase 2, In combination with the external trade balance from phase 1, phase 2 should provide the rest of the world account, fully consistent with the IMF's BOP system (BPM5).

Phase 3, Production and generation of income accounts for all the institutional sectors and a full set of sector accounts for general government. The production and generation of income accounts cross-classified both by institutional sectors and industries should provide direct links between the sector accounts and the Supply and Use tables and ensure the consistency between these two parts of the national accounting system.

No country has been able to implement the whole SNA93. Priority has to be given to those parts of SNA93, which have the most immediate and general use for economic and policy planning in the country.

*Very few countries have these complete cross classification divided between non-financial enterprises and households .It should be considered to leave out this part of the very comprehensive national accounts compilation for Mozambique*

A consistent SUT, fully integrated with the compilation of the annual national accounts will in most countries first be produced in connection with the final national accounts 2-3 years after the years in question. In Denmark Statistics and in Statistics Norway, the SUT is also the basis for the more aggregated quarterly national accounts.

## 5.4 Plans for 2004

In the view of the consultants, work in 2004 should be concentrated on the necessary changes, which have to be made in order to introduce 2002 as a new benchmark year. The benchmark calculations for 2002 will almost certainly introduce new levels of all aggregates including GDP, and it is advised that this revision is introduced as quickly as possible.

In the view of the consultants this means that the routine calculations according to the 1996 base should be reduced. However in order to be able to identify the effects of the change of benchmark year final 2002 compilations according to the 1996 base year should be conducted. The calculations for 2003 in October 2004 could be of an improved flash calculation.

Besides that compilations of quarterly national accounts should be geared against the new 2002 benchmark-level. Perhaps staff working on the quarterly national accounts could help introducing the new benchmark year so they will get knowledge of the annual calculations.

## 6 RECOMMENDATIONS

**Recommendation 1:** A short-term mission by a NA -expert to evaluate alternative solutions for the future compilation of the comprehensive and integrated national accounts system in Mozambique. The expert should specify the structure of the existing system and evaluate the changes required to simplify the use of the system. The NA -expert should have good knowledge of IT solutions for compiling national accounts.

**Motivation:** The current totally integrated calculations and reconciliation methodology make it very difficult for the national accounts technicians to get an overview and causes a lot of errors. The basis for the evaluation should decide possible simplifications or a revision of the present software strategy. Alternative solutions should be evaluated.

**Recommendation 2A:** If the conclusion from the NA-expert is to keep the framework of the existing Excel solution, a short-term mission by an IT-NA-expert is recommended in order to reduce the interdependency between the individual calculations.

**Motivation:** One aim of the mission should be to divide the Excel calculations into sequential blocks and to introduce a standard of “good Excel conduct”.

**Recommendation 2B:** If the conclusion from the NA-expert is to change the existing Excel solution, short-term missions by a NA/IT-expert are required to install and give training in the use of the new software.

**Motivation:** These actions should ensure an easy instalment process and make the staff familiar with the new system. Documentation and User-manual in Portuguese for a new system will also be required.

**Recommendation 3:** Install a server in order to improve the present IT-hardware situation where the system is copied in 11 pc's. Acquire new furniture and necessary upgrading of the pc's.

**Motivation:** This action will ensure the introduction of the new system and make necessary improvements in the working conditions.

**Recommendation 4:** Following this, a number of short-term missions assisting in the concrete compilations of benchmark figures should be conducted. Examples of these missions could be

compilation of NA-figures based on the Household Budget survey, the new and improved Business Surveys and figures for General Government including figures for Local Government. Important is incorporation of VAT and the new BOP statistics from Banco de Mozambique, according to IMF 5<sup>th</sup> manual.

**Motivation:** These actions should give guidance on the principles and methodologies of the specific calculations and thereby assist the staff in order to ensure the complete calculations for 2002 are finished before the end of 2004. It is of course a precondition that the source data is available in due time.

**Recommendation 5:** Focus the work in 2004 on the introduction of 2002 as the new benchmark year. Reduce routine production on the 1996-base and postpone calculations of quarterly accounts.

**Motivation:** It is important to introduce the new benchmark year as timely as possible. The workload on changing/updating the existing Excel-sheets are considerable. Quarterly accounts should have the new levels for 2002 as departure.

**Recommendation 6:** Establish the new nomenclatures: Decide a new industry classification based on ISIC 2003. Decide a new product classification based on CPC and establish the link between the product classification and the HS used in the import and export statistics.

**Motivation:** When re-establishing the first final year with SUT for 2002, it is very important to specify industries and products relevant for the economy of Mozambique. The list of products should also be relevant for compiling price indices or quantity indices.

**Recommendation 7:** Update the SUT from the year 2002 to the year 2003 in current prices in 2005 and then compile the SUT for 2003 in 2002 prices. In 2005 when the base year 2002 and also the year 2003 have been compiled, a short-term mission to give advice on the compilation of the year 2003 in constant 2002 prices, will be required.

**Motivation:** Constant price figures should be calculated in the prices of the previous year and chain price indices should be compiled. The methodology to compile chain price indices is the recommended methodology in SNA93 and also for the European countries.

**Recommendation 8:** Improved methodology based on new data sources will probably require backwards revision of the time series before 2002.

**Motivation:** Long and comparable time series are very important for analysing a countries economic development.

## **7 ANNEX 1.**

### **TERMS OF REFERENCE**

Within the Scandinavian Support Program

**for a short-term mission 30 November1 - 5 December 2003**

### **ON National Accounts Strategic Planning**

#### **1. Background**

The Instituto Nacional Estadística (INE) has established a comprehensive system of National Accounts (NA) in the recent years. The focus in the construction stages has been on establishing the methodological framework and the gathering of the necessary statistical sources. An element of the Scandinavian program is to shift focus more towards consolidation of the obtained results and to continue the development into a stage of stable current production. This mission will be a part of this consolidation process.

#### **2. Main reasons for the mission**

The present system for compilation of NA presents a number of challenges that have to be encountered in order to secure the regular production of quality estimates in the near future. The planned change of base year (2002) is a troublesome operation and it makes it therefore even more urgent to analyse the situation and find out how it can be improved. A change of base year is also an opportunity to consider changes in the compilation system and the scope of future NA compilation.

#### **3. Beneficiaries of the mission**

The mission will primarily benefit the management at INE and especially the National Accounts Directorate by providing knowledge and framework for improved efficiency in management of the activities necessary to produce and further develop NA. The beneficiaries in the long run will be the users of NA through improved regularity, timeliness and contents quality of the National Accounts.

#### **4. Objectives of the mission**

- Provide a solid foundation for planning of future NA development
- Promote strategic planning as a tool for management of NA activities

#### **5. Expected results**

- Status report on the NA system including an evaluation of:
  - Its advantages and disadvantages in current production
  - The possibilities for the further use (if the whole system or only parts of it should be used)
  - The possibilities to further develop the system (and in which directions)
  - Relevance in relation to users needs for NA estimates
- Depending on the progress during the mission: Initiatives to draft a strategic plan for the future National Accounts activities with suggestions on:
  - How to overcome the change of base year and establishment of new bench-mark year
  - A tentative time table for the development activities
  - The scope of regular NA dissemination in the future
  - The future internal working procedures
  - How the quarterly NA can be invoked in the process
  - Other relevant items for the future NA production in INE
- Recommendations on future short-term missions (including specifications on how the strategic plan should be further developed)

#### **6. Work to be carried out by the consultants**

Meet with the management, consultants, users and other key-persons related to NA and make an assessment of the present situation for National Accounts and discuss future development.

The duration of the mission at INE is very short so preparation is a priority. Emphasis should be on taking the status paper enclosed in appendix as a starting point and use the reports mentioned there as a supplement to the on-site assessment.

## **7. Agenda for the mission**

Final timetable will be discussed on the first day of the mission. The arranged meetings will follow this principal schedule:

1. Interviews and meetings to gather information
2. Assessment, evaluation and elaboration of suggestions in cooperation with NA director, Head of department and consultants
3. Discussions of suggestions with INE management

## **8. Tasks to be done by INE to facilitate the mission**

- Elaborate ToR for the mission
- Prepare and supply the consultant with necessary documents and information
- Arrange meetings with key persons
- Supply good working conditions for the consultant

## **9. Consultants and Counterpart**

Consultant: Liv Simpson, Statistics Norway and Ole Berner, Statistics Denmark

Main counterpart: Said Dade

## **10. Timing of the mission**

30 November1 - 5 December 2003

## **11. Report**

The consultants will prepare a draft report to be discussed with INE before leaving Maputo. They will submit a final draft to INE for final comments within one week of the end of the mission. Statistics Denmark as Lead Party will print the final version within 3 weeks of the end of the mission.

## **8 ANNEX 2. Persons met**

Mr. Joao Dias Loreiri, President

Mr. Said Dade, Director, National Accouns and Global Indicaors

Ms. Elisa Mónica Magaua, Head, Department for National Accounts

Claudio Cipriano

Paula Dava

Sandre Macia

Manuel Magaia

Perpétua Medonça

Milagre Mula

Constância Nhalivilo

Benuesse Paulo

Afonso Uarte

Mr. Timmi Graversen, Long-term advisor, National Accounts,

Maria Fernanda Teixeira, Long-term advisor, GDDS project,

Mr. Hans Erik Altvall, Team leader

Mr. Mogens Nielsen, Long-term advisor

## 9 ANNEX 3. Selected background documentation

"The Mozambique approach to 1993 SNA COMPILATION",  
By Saide Dade, Director of National Accounts, INE.

"Report of a consultancy mission to INE, Mozambique", Report from a short-term mission 7-25 July 2003, by Antonio H. Lazo.

"Consultancy mission at INE, Department of National Accounts and economic studies, 7 to 25 July 2003", by Antonio Lazo.

Handbook of National Accounting. A System Approach to National Accounts Compilation, A Technical Report, United Nations.

"UNSDs System approach to SNA compilation". Different papers by Jan W van Tongeen.

Mission Report from a "Short-term Mission on National Accounts in Mozambique", 15-24 September 2003, by Jan Redeby.

"SNAPC. System of National Accounts on a Personal Computer", Different papers by Jan Redeby

"Final report. Foreign Trade Statistics" May 2003, by Hans Kristian Østereng