

# **TWINNING CONTRACT**

**JO/13/ENP/ST/23**

## **Strengthening the capabilities of the Department of Statistics in Jordan**



### **STUDY VISIT REPORT**

**on**

**National Accounts**

**Activity no 1.12 Study visit to Member State**

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## List of Abbreviations

DoS	Department of Statistics
Istat	The Italian National Institute for Statistics

## 1. General comments

This study visit report was prepared within the Twinning Project „Strengthening the Capabilities of the Department of Statistics in Jordan”.

The concrete objectives of the study visit were:

- Viewing the experience of the Italian Statistical Institute (ISTAT) in the field of national accounts.
- Gaining knowledge on how to apply the System of National Accounts (SNA) 2008.
- Becoming familiar with the informal sector experiment.
- Identifying the software used for applying the System of National Accounts (SNA) 2008.
- Getting introduced to Directorate of National Accounts in (ISTAT) in general, its various divisions and related functions with the aim to gain additional experience in the field of National Accounts.

The participants of the study visit would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during their stay.

The views and observations stated in this report are those of the participants and do not necessarily correspond to the views of EU, Statistics Denmark, Istat, NI-CO, CBS or The Department of Statistics in Jordan.

## 2. Lessons learned

Several topics were studied and discussed during the study visit.

- The informal sector has been discussed with the Italian experts who came to Jordan on a mission for the same reason. In cooperation with them, we have applied an example for 2009 to calculate one component from the components of the informal sector concerning employment in Jordan.

In Rome, the DoS staff learned the experience of Italy in this field. They gained further and good knowledge concerning this aspect, as well as the difficulties that restrict its calculation noting that it is one of the biggest problems facing many countries worldwide.

The staff also discussed the subject of an expert mission by these experts to Jordan during the period 16 – 20 NOV 2014 within the framework of TWINNING PROGRAMME in order to accomplish calculation of the informal sector and how to add this accruing value-added to the estimated Gross Domestic Product (GDP).

It was also agreed to try to calculate the informal employment sector for 2010 and also for several years during the next mission through the data of the *Labor force Survey* as well as the *Employment survey*.

- There was a lecture dedicated to the history of the Italian statistics (ISTAT), the statistical law / or constitution in addition to the Organizational Structure. Other matters presented were the internal and external relations with various national and international departments, institutions and organizations as well as the *European National Accounts System* and its most important laws.
- There was a dialogue with the National Accounts Directorate in (ISTAT) on its various divisions, its staff numbers who exceed 100 employees, the functions of each division, the relationship of this Directorate with other directorates in terms of data sources and cooperation in most cases.

Furthermore, certain matters concerning the functions of the National Accounts Directorate have been discussed in addition to a special explanation pertaining to some of the Articles in the System of National Accounts - 2008.

They also discussed the changes that have occurred between the System of National Accounts-1993 and the System of National Accounts- 2008,

Most of these matters focus mostly on changes in capital formation, such as research and development activity and other activities. Previously, the research & Development activity used to be addressed as an intermediate consumption according to SNA - 1993 and became to be addressed as (*Capital Formation*) in the SNA- 2008.

- There was a lecture also on applying the three methods to calculate the GDP. Namely, the *Production, Expenditure and Income Methods* and how they are treated according to the System of National Accounts - 2008.
- Moreover, the staff learned about the experience of the National Accounts in the field of *QUARTERLY ACCOUNTS*. It is worthy to note that calculate the GDP in three methods: *The Production, Expenditure and the Income methods*. There was a presentation on how to calculate each component of the three methods at current and constant prices.
- There was a lecture, too, on predicting and forecasting of the GDP estimates. It was noted that they have a special division at (ISTAT) on **PREDICTIONS**. There was a special explanation on how to estimate these indicators through special software. Advantages and disadvantages of these predictions tackled.
- Another important topic (i.e., the software for applying the SNA – 2008) has been discussed, keeping in mind that they have more than a computer system for applying this system. The staff learned how to obtain the data, how to enter this data into programs, extraction of the results easily in accordance with the SNA 2008.

The DoS staff also discussed with them and asked them how to obtain, use and train on these programs in order to operate / apply them in Jordan. The answer was possibly through persuading administrators of the *Twinning Project* to add a new activity concerning these programs to the previously agreed activities with the coordinators of the *Twinning Project*. The experts expressed their readiness to come to Jordan and teach the staff in( the Directorate of national Accounts / DoS ) on these programs, should an understanding on the inclusion of this issue within the *Twinning Project* is reached.

*In the last day of the meetings, several issues were discussed, in summary they were as follows:*

1. To get maximum possible advantage from the Italian experience on the application of SNA-2008.
2. It is necessary to apply the SNA - 2008.
3. Working to identify the informal sector and try to calculate it as much as possible.
4. It is necessary to have computer programs to apply the SNA – 2008.

Finally, the DoS staff expressed their thanks and gratitude to the Director of the National Accounts as well as the employees of the (ISTAT) / Rome for all their efforts and hospitality.

### **3. Conclusions and recommendations**

The main conclusions relates to how to estimate the informal sector as well as having learned about the software that ISTAT uses for obtaining the SNA 2008 aggregates.

## **Annex 1. Programme**

### *Agenda of the Study Visit*

#### **EU Twinning Project:**

#### **‘Strengthening the Capabilities of the Department of Statistics of Jordan’**

**The Italian experience with ESA10/SNA08 revision and National Accounts including the informal sector 20 - 23 October 2014**

**Istat - Piazza Indipendenza, 4 - Rome**

#### **Monday, 20 October – Room 101, 1st floor**

10.00 – 11.30 Welcome and Introduction to Istat.

Carlo VACCARI, Technical Cooperation Unit, Chief

11.30 – 12.30 Overview of NA system in Italy.

Gian Paolo ONETO, National Accounts Directorate, Director

12.30 – 13.30 *Lunch break*

13.30 – 15.30 Macroeconomic forecasting: databases and programs

Fabio BACCHINI, Econometric Studies and Economic Forecasting Division, Chief

**Tuesday, 21 October – Room 101, 1st floor**

10.00 – 12.30 Expenditure approach at constant prices: the general framework

Antonella BALDASSARINI, Final Demand for Goods and Services, Input Use, Productivity Measures Division, Chief

Capitalisation of intellectual property products in the SNA2008/ESA2010: the Italian experience

Massimiliano IOMMI, Investments, capital stock and productivity measure Unit, Chief

12.30 – 13.30 *Lunch break*

13.30 – 15.30 Informal sector. Hidden economy and its inclusion in gross value added.

Stefano PISANI, Italian Revenue Agency, Head of Statistical and Econometric Analysis of the compliance Office

Alessandro FARAMONDI, Structural Business and Institution Statistics Division, Unit Chief

**Wednesday, 22 October – Room Baffi, ground floor**

10.00 – 11.00 Quarterly national accounts in practice: elements from the Italian experience.

Claudia Cicconi, National Accounts Directorate, Researcher

11.00 – 11.30 *Break*

**Thursday, 23 October – Room Baffi, ground floor**

10.00 – 11.00 Real estate estimations other than household data.

Roberto Iannaccone, Service Sector Statistics Division, Unit Chief

11.00 – 11.30 *Break*

11.30 – 13.30 Final discussion. Questions and answers round.

Gian Paolo Oneto, National Accounts Directorate, Director.