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Economic Commission for Africa

ADMINISTRATIVE SOURCES: MAKING GOOD USE OF ADMINISTRATIVE DATA FOR THE COMPILATION OF SUPPLY AND USE TABLES

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Outline of the Presentation

- Definition, examples, and advantages of administrative sources

- Transition from administrative data to national accounts indicators

  - Bridge table

  - Adjustments

  - Examples

- Summary and conclusions

Definition

The administrative source is the register of units and data associated with an administrative regulation (or group of regulations), viewed as a source of statistical data.

Source: Glossary of Statistical Terms, OECD, 2007
http://www.oecd.org/dataoecd/9/20/1963116.pdf

Examples of Administrative Sources

- Value Added Tax (VAT) data;

- Personal income tax data;

- Business (including corporate) taxation data;

- Social security data;

- Business registration and administration records;

- Business accounts of corporations;

- Records held by Central Banks;

- Records (other than VAT) held by Customs and Excise Authorities;

- Records of government (central and local);

Examples of Administrative Sources (Cont'd)

- Records held by associations of employers, of employees and of businesses and professions;
- Records held by other private sector bodies, e.g. credit rating agencies, non-profit units, etc.
- Identity cards / passports / driving licenses
- Electoral register
- Register of farms
- Local council registers
- Building permits
- Licensing systems e.g. television, sale of restricted goods, import / export

Background: Why Admin Data?

- Administrative sources constitute a key component in national accounts compilation in most countries.

- Advantages of administrative data
  - Reduced costs; better coverage; improved timeliness; reduced response burden; generally available, and can be efficiently used to improve the national accounts and implement 2008 SNA.

- Identified by AGNA as a priority area
  - To develop an operational guidebook on processing data from administrative sources in national accounts

Framework to Access to Administrative Data

- **Access**
  - **Key barrier to the use of administrative data**
- **Ways**
  - **Depend of the existing conditions in each country**
- **General dimension of the frame**
  - **Legal**
  - **Policy**
  - **Organizational**

Figure 2. Ten Most Important Data Sources for GDP

(Number of countries citing source)

	GDP(P)	GDP(E)	GDP (I)	All GDP estimates
STATISTICAL SOURCES				
Household income and expenditure survey		40	17	79
Agriculture census/survey	37			
General economic census/survey			15	
Wages of private sector employees			21	
Consumer prices	34	31		72
Unit values or price indices for imports		22		
Unit values or price indices for exports		23		

Figure 2. Ten Most Important Data Sources for GDP
(Number of countries citing source) (Cont'd)

	GDP(P)	GDP(E)	GDP (I)	All GDP estimates
ADMINISTRATIVE STATISTICS				
Wages of government employees		18	21	67
Wages of other public sector employees			18	
Number of employees in government	35			
Value added taxes	37			62
Other taxes on products	40			68
Income tax on persons			13	
Income tax on businesses			15	
Government accounts	38	26	17	81
Government Finance Statistics (GFS)		25	13	68
Company accounts	39	20	20	79
Utility company records : water and electricity	38			
Transport company records rail, roads, and air	37			
Bank supervisory statistics	35			
Insurance supervisory statistics	34			
Balance of payments		31		70
Merchandise trade statistics		30		65

Transition from administrative data to national accounts indicators
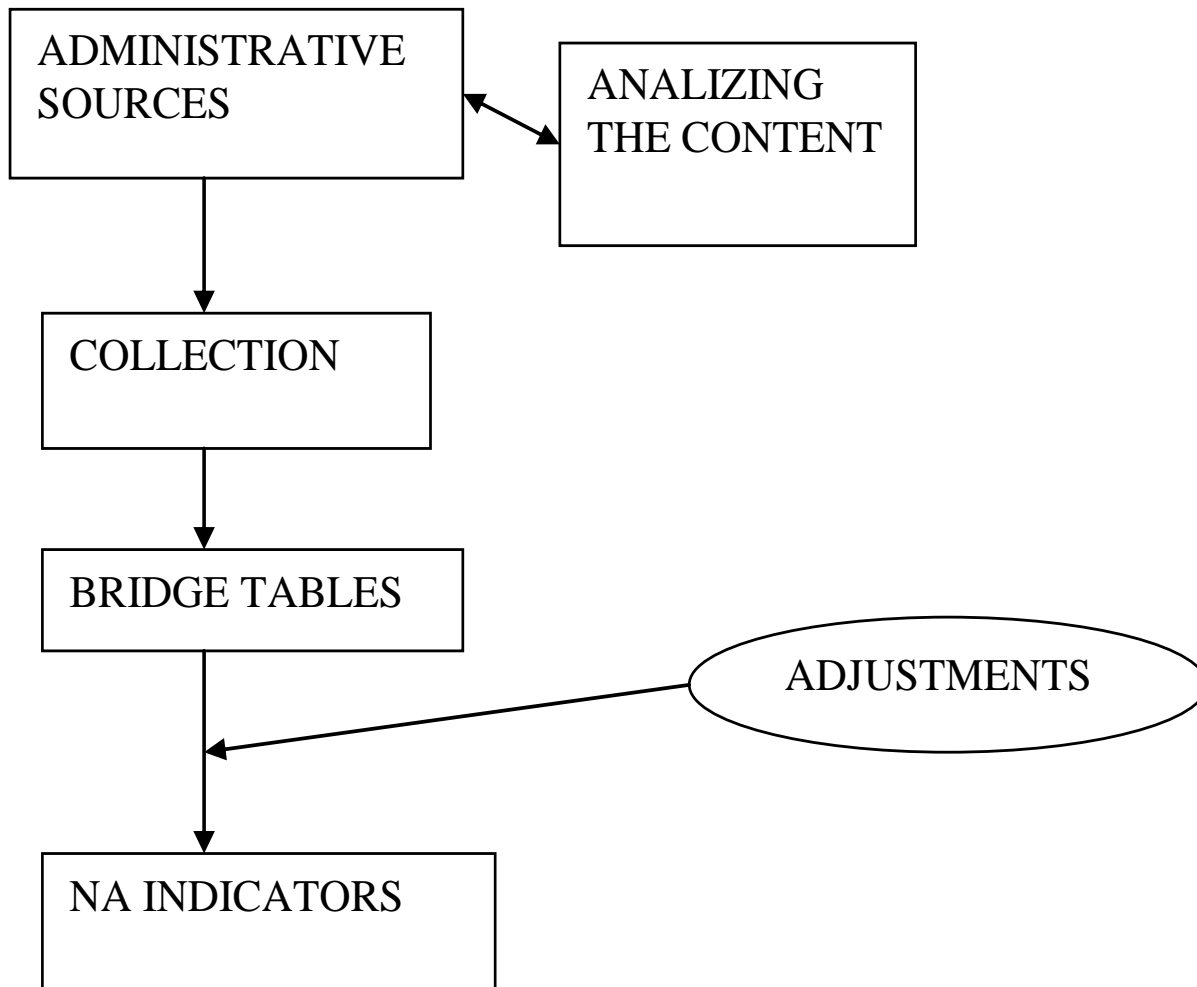
1. Bridge Table

- "Bridge tables" – to be developed for all administrative sources, including:
  - Financial statements of enterprises (financial and non-financial);
  - Budgetary statements of general government institutional units;
  - Balance of payments.
- "Bridge tables" are specific to each country, depending on the content and availability of data sources.

Application of the "bridge table"

- Identification of administrative data sources;
- Analysis of content in respect of national accounting methodological requirements;
- Collection of data source indicators;
- Translation of each indicator from administrative data sources into national accounts concepts;
- Application of adjustments to meet national accounting requirements;
- Estimation of the national accounts indicators.
- Applying adjustments in order to fulfill the SNA conceptual requirements, when needed.

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┌─────────────────────┐          ┌──────────────────┐
│ ADMINISTRATIVE      │ ◄──────► │ ANALIZING        │
│ SOURCES             │          │ THE CONTENT      │
└─────────────────────┘          └──────────────────┘
          │
          ▼
┌─────────────────────┐
│ COLLECTION          │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ BRIDGE TABLES       │              ╭──────────────────╮
└─────────────────────┘             │   ADJUSTMENTS    │
          │         ◄───────────────╰──────────────────╯
          ▼
┌─────────────────────┐
│ NA INDICATORS       │
└─────────────────────┘
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2. Adjustments

The adjustments, could be:

- conceptual adjustments,

- adjustment to achieve accounting consistency with other sectors

- adjustments for exhaustiveness

In general, the quality of the transition system depends on the stability and harmonization (nationally, internationally) of administrative sources

Bridge Table: From financial statements of enterprises to SNA

Example

- Output = 32200 (1) + 500 (2) + 80 (3) + 300 (4)- 100 (5) = 32 980
- Intermediate consumption = 15 000 (6) + 10000 (7) – 300 (8) = 24700
- Gross value added = Output (32980) – IC (24700) = 8280

No. Crt	Financial statement indicators	Financial Statement (code)	Thou. currency	SNA aggregates
1	Net turnover	IS	32 200	P.1
2	Other income (e.g. from licences)	IS	500	P.1
3	Own production of non-mobile assets	IS	80	P.1
4	Changes in stocks of finished products and work-in-progress	IS	300	P.1
5	Cost of goods bought (for resale)	IS	100	P.1
6	Cost of sales (goods & services)	IS	15 000	P.2
7	Other operating expenses (less personnel expenses)	IS	10 000	P.2
8	Increase in provisions (they should be removed, since they are not real expenses)	CFS	-300	- P.2

Adjustments: From financial statements of enterprises to SNA

- Output _ adj.= 32980 - 1800 + 80 -310 + 300 +2100 +900 = 34250

- IC_adj.= 24700 + 400 + 150 +230 + 650 = 26130

- GVA_adj.= Output (34250) – IC (26130) = 8120

	Output	Intermediate consumption	Gross value added
Total accounting	32 980	24 700	8 280
Conceptual adjustments:			
~Taxes on products	-1 800		
~Subsidies on products	80		
~Holding gains	-310	400	
~FISIM allocation		150	
~Intra-unit deliveries	300	230	
Exhaustiveness adjustments:			
~Black labour	2 100	650	
~VAT fraud	900		
TOTAL National accounts indicators	34 250	26 130	8 120

Main Administrative Sources for NA Estimation

Administrative sources	Used for the estimation of
Financial statements of non-financial and financial corporation	Production, intermediate consumption, gross fixed capital formation, changes in inventory.
Financial statements of government (income and expenditure)	Production and intermediate consumption of government; gross fixed capital formation; changes in inventory; final consumption of government; taxes and subsides on products; taxes and subsides on production.
Custom declaration for import and export	Import and export of goods
Balance of Payments	Import and export of services

Structure of the Guidebook

- Chapter 1: Introduction
- Chapter 2: government accounts
- Chapter 3: financial Corps
- Chapter 4: non-financial Corps
- Chapter 5: use of external trade statistics for national accounts
- Chapter 6: use of tax data in national accounts (e.g. value added tax and income tax)

Lessons learned and good experience of the Guidebook

- It is another type of capacity building for participating countries
    - "Community of Practice": Active learning and learned from each other *and*
    - To learn international standards and recommendations through writing/documenting experience and practice in the field
- It will be circulated to all the African countries for comments and inputs
    - Sharing the public goods: contributed by countries and used by countries

Thank you for your attention!