

TECHNICAL MEETING ON NATIONAL ACCOUNTS DATA REQUIREMENTS

ICP 2021 CYCLE: MEETING ICP NATIONAL ACCOUNTS EXPENDITURE DATA REQUIREMENTS DURING THE COVID-19 PANDEMIC



Introduction

- Guidance Note on Meeting ICP National Accounts Expenditure Data Requirements During the COVID-19 Pandemic
 - Guidance Note to all ICP 2021 participating countries and ICP Regional Implementing Agencies (RIAs)
 - The ICP Inter-Agency Coordination Group (IACG) is constituted by the World Bank, IMF, UN-ECLAC, OECD and other ICP RIAs
- This Guidance Note does not replace the National Accounts Standards set by the SNA 2008, which remains the conceptual framework of the ICP.

COVID-19 and NA requirements for ICP

- The ICP requires a detailed breakdown of GDP expenditures for the years 2017-2021.
- COVID-19 will pose major challenges to compiling National Accounts expenditure data.
- Expenditure data should reflect real expenditure patterns for each year. Otherwise, we will have inaccurate or even wrong PPPs.
- In normal circumstances, GDP spending structures do not change dramatically in a few years. However, the change in consumption patterns due to COVID-19 has little precedent.
 - Pre-pandemic years: 2017, 2018 and 2019
 - Pandemic years: 2020 and 2021

Challenges

Participating countries may encounter multiple challenges in estimating the required (detailed) national accounts values required by the ICP, i.e. completing the MORES.

- **Availability/completeness of source data**
- **Reliability/consistency of source data**
- **Relevance of conventional extrapolation in splitting exercises**
- **Difficulties in validating anomalous changes**
- **Consistency between prices and expenditures**
- **Limitation in resources**

Potential responses & recommendations

- ✓ **Start compiling GDP expenditures early.** First with the pre-pandemic years (2017-19) and then the pandemic years (2020 and 2021).
- ✓ **Identify areas heavily impacted by the pandemic,** e.g. what [economic activities/geographical areas/months] were most impacted?
- ✓ **Identify ICP headings impacted by the pandemic,** e.g.:

Government orders, restrictions, or recommendations	Potentially heavily impacted ICP categories	Potentially heavily impacted ICP basic headings
School and workplace closures	Transport; Education	Passenger transport by railway, Passenger transport by road, Education
Public events and gatherings restriction or cancellation	Recreation and culture	Recreational and sporting services, Cultural services
Restaurants and cafes restriction/cancellation	Restaurants and hotels	Package holidays, Catering services, Accommodation services
...

Potential responses & recommendations (cont)

- ✓ The **GDP structure of revised 2017, 2018 and 2019 should be estimated with care**. They will be the benchmark for comparing and in some special cases estimating the GDP structure for 2020 and 2021.
- ✓ **Cross-country** (country A vs country B), **sub-national** (regional 1 in A vs. region 2 in A) and **cross-temporal** (country A in 2019 vs country A in 2020) **comparisons** of ICP heading expenditures.
- ✓ If needed, **augment regular data sources with alternative data sources**, e.g. websites activities, administrative records, mobile transactions, etc.
- ✓ **Adjust impacted components or headings if they do not reflect actual expenditures**. Hard to tell though due to lack of counterfactual. Seek expert opinion for these adjustments.
- ✓ **Record country specific metadata on any special data treatments for the pandemic period**, e.g. areas impacted, mitigation actions, imputed data, observed data quality issues, etc.

Concluding remarks

- Important to again highlight that expenditure data for the pandemic years must reflect *actual* expenditure patterns.
- Response to the pandemic requires increased international statistical cooperation across countries and regions.
- Each ICP region and country faces (in many cases) unique challenges. However, some commonalities exist and certain responses can be adapted to different circumstances and contexts.
- The note is a 'work-in-progress'. As experience on the annual estimation of GDP expenditures for COVID-impacted years accumulates, recommendations will be updated through 2021 and 2022 to enrich this guidance note, include examples, and reflect new challenges and solutions.

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Thank you! | Gracias!