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.:

<table>
<thead>
<tr>
<th>Government orders, restrictions, or recommendations</th>
<th>Potentially heavily impacted ICP categories</th>
<th>Potentially heavily impacted ICP basic headings</th>
</tr>
</thead>
<tbody>
<tr>
<td>School and workplace closures</td>
<td>Transport; Education</td>
<td>Passenger transport by railway, Passenger transport by road, Education</td>
</tr>
<tr>
<td>Public events and gatherings restriction or cancellation</td>
<td>Recreation and culture</td>
<td>Recreational and sporting services, Cultural services</td>
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<td>Restaurants and cafes restriction/cancellation</td>
<td>Restaurants and hotels</td>
<td>Package holidays, Catering services, Accommodation services</td>
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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.
Thank you! | Gracias!