Quarterly National Accounts of the Kyrgyz Republic

COUNTRY REPORT
Asanbekova Asel
Main specialist of National Accounts and Economic Balance Division
Regional Course on SNA 2008 (Special Topics):
Improving Exhaustiveness of GDP Coverage

22 – 30 August 2016
Daejeon, Republic of Korea

Kyrgyz Republic

- Territory: 199.9 thsd. km²
- Population: 6 019.5 thsd. people (01.01.2016)
- GDP at current prices 2014: 400.7 billion soms.
- Capital: Bishkek
The current state of national accounts

Classification

• economic activities GKED-3 (NACE Rev.2) - since 2010;
• products of SCPC-3;
• individual consumption by COICOP objectives (COICOP);
• the functions of general government (COFOG);
• institutional units by sector GKSE (KIES).

The current state of national accounts

Coverage / compiled annually

• goods and services account
• production account;
• generation of income accounts;
• allocation of primary income account;
• secondary distribution of income account;
• redistribution of income account;
• use of disposable income account;
• use of adjusted disposable income account;
• capital account;
• balance of payments (rest of the world)

• completed a pilot calculation of financial account for reserves for the period 2009-2014
The current state of national accounts
Method of calculation of GDP

<table>
<thead>
<tr>
<th>Method</th>
<th>ANA</th>
<th>QNA</th>
<th>MNA</th>
<th>Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>by production</td>
<td></td>
<td></td>
<td></td>
<td>-at current prices</td>
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<tr>
<td></td>
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<td></td>
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<td>-at prices of the previous year</td>
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<td>-at constant prices (2010)</td>
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<tr>
<td>by expenditure</td>
<td></td>
<td></td>
<td></td>
<td>-at current prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-at prices of the previous year</td>
</tr>
<tr>
<td>by income</td>
<td></td>
<td></td>
<td></td>
<td>-at current prices</td>
</tr>
</tbody>
</table>

The national accounts of the Kyrgyz Republic are based on the System of National Accounts 1993 (SNA 93).

1. Annual Account ANA | Since 1993
                       | Since 2010 (NACE Rev.2)
2. Quarterly Account QNA | Since 1995
                         | Since 2010 (NACE Rev.2)
3. Input – Output tables | Since 1994
                          | while for 1998 it was broadened to 34*91 and for 2003 – to 54*91
4. Table of the integrated account for the total economy | Since 1995
5. Satellite accounts   | SEEA - starting
6. Regional accounts    | Since 1995
7. Calculation of the non-observed economy | Since 2009
                                                  | 2015
The main sources for the calculation of GDP by the production approach

- Annual and quarterly reporting on income and expenditures of state and private enterprises covering all types of enterprises – juridical persons and all types of economic activity of the real sector of economy;
- Integrated sample survey of households and labour force and other surveys conducted by the NSC;
- Employment and wage survey;
- Banking statistics provided by the National Bank of the Kyrgyz Republic (NBKR) and commercial banks;
- Report on state budget execution provided by Central Treasury of the Ministry of Finance of the Kyrgyz Republic;
- Reports on customs payments and taxes provided by the Customs and Tax Inspection;
- Special sample surveys on peasant farms and individual entrepreneurs.
Calculations of GDP by expenditure approach

- data of integrated sample survey of households and the workforce;
- retail trade turnover and surveys of market services;
- balance of agricultural products for calculation of the volume of agricultural production for own consumption;
- administrative data from the Ministry of Finance, the Social Fund, FOMS - used to calculate public administration costs;
- records of the enterprises - for the calculation of gross capital formation and changes in inventories;
- Balance of payments data of the National Bank - for the calculation of exports and imports of goods and services (slide).

Indicators for assessing quarterly GDP at current and comparable prices by type of economic activity

<table>
<thead>
<tr>
<th>Types of economic activities</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>Gross industry output, volume indices. Оплата труда. Wages, the index of employment from labor statistics, equivalent to 100% if data are missing.</td>
</tr>
<tr>
<td>Mining</td>
<td>Production from goods made on commission. Volume indices of mining production from statistics of industry and innovations</td>
</tr>
<tr>
<td>Manufacturing industry</td>
<td>Production from goods made on commission. Volume indices of manufacturing production from statistics of industry and innovations</td>
</tr>
</tbody>
</table>
### Indicators for assessing quarterly GDP at current and comparable prices by type of economic activity

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<tbody>
<tr>
<td>Electricity, gas, steam and air conditioning supply</td>
<td>Production from goods made on commission excluding electricity purchase. Volume indices of industrial products for the production and distribution of electricity, gas and water from statistics of industry and innovations</td>
</tr>
<tr>
<td>Water supply; sewerage, waste management and remediation activities</td>
<td>Volume indices of industrial products for the distribution of water from statistics of industry and innovations</td>
</tr>
<tr>
<td>Construction</td>
<td>Gross output of construction. Growth rates of construction from investment and construction statistics</td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles and motorcycles</td>
<td>Turnover. Volume indices and prices by modes of trade and services from consumer market and services statistics</td>
</tr>
<tr>
<td>Public administration</td>
<td>Labor remuneration. The index of employment from labor statistics, data on the national and local budgets.</td>
</tr>
<tr>
<td>Education</td>
<td>Labor remuneration. The index of employment from labor statistics, data on the national and local budgets, price indices for education.</td>
</tr>
<tr>
<td>Health and social services</td>
<td>Labor remuneration. The index of employment from labor statistics, data on the national and local budgets. Average CPI for health care, veterinary services.</td>
</tr>
<tr>
<td>Public utilities, social and personal services</td>
<td>Labor remuneration. The index of employment from labor statistics, data on the national and local budgets. Average CPI for recreation and cultural events, dry cleaning, sauna, hairdressers, funeral services.</td>
</tr>
</tbody>
</table>
### Components and Deflation

<table>
<thead>
<tr>
<th>Components</th>
<th>Deflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>Price Index (CPI) for goods and services</td>
</tr>
<tr>
<td>NPISH</td>
<td>Index-deflator for specific industry in the production account</td>
</tr>
<tr>
<td>General government</td>
<td>Index-deflator for specific industry in the production account</td>
</tr>
<tr>
<td>Gross fixed capital formation</td>
<td>Price Index on capital investments</td>
</tr>
<tr>
<td></td>
<td>Index of selling prices for cattle. Price Index на капитальный ремонт</td>
</tr>
<tr>
<td>Net acquisition of valuables.</td>
<td>CPI</td>
</tr>
<tr>
<td>Changes in inventories</td>
<td>PPI, CPI</td>
</tr>
<tr>
<td>Exports (f.o.b.)</td>
<td>Price Index of Exports</td>
</tr>
<tr>
<td>Imports (f.o.b.)</td>
<td>Price Index of Imports</td>
</tr>
</tbody>
</table>

The production method is considered basic for the quarterly and annual GDP estimates.

The difference between GDP by production and expenditure methods is taken into account in the accounts as a statistical discrepancy in preliminary calculations and smoothed with refined calculations.

**Quarterly estimates of GDP by production approach are reviewed / formed 3 times:**

- *preliminary*
- *amended*
- *final*

**Quarterly Estimates of GDP by expenditure approach are also reviewed / formed 3 times**

All quarterly calculations are adjusted on the basis of the annual reporting.
Problems of quarterly estimates of GDP

- Currently, quarterly estimates of GDP by production continue to be based on cumulative data from the beginning of each year. Discrete quarterly data at current prices are derived from the cumulative accounts by subtracting the corresponding values of the precedent period, thus, the accounts for the third quarter are obtained as the difference between the value for January-September and the value for January-June.

- In this connection, there is no way to determine the changes in the data so prior periods. Therefore, any such changes will be reflected in the data for the last quarter and not the quarter to which they relate.

Problems of quarterly estimates of GDP (continue)

- Comparative (benchmark) approach to the preparation of quarterly accounts not apply.

- In Kyrgyzstan, in the previous year adopted as the base year.

- Quarterly Estimates of GDP taking into account seasonal adjustments are not made.

- Currently, work has been started by the Office of the National Assembly on the calculation of the GDP production approach by quarters with the transition from discrete to cumulative data (base year, 2010.) under the IMF's technical assistance.
Possible solutions to the problems

- Quarterly estimates need to be compiled based on discrete data.
- Compilation should be made at a detailed level; (GDP by production, the estimates should be compiled at least at the two-digit level of the industrial classification).
- Quarterly estimates should be compiled at average prices of the previous year and as chain-linked volume values with reference to a selected year.
- The NAD should organize meetings with the main users of the quarterly national accounts (QNA) data to explain and convince the users of the benefits of having quarterly data based on international standards.

Monitoring and management of quality

The Kyrgyz Republic became the 57th country in the world and fourth among the CIS countries, which has signed the IMF Special Data Dissemination Standard (SDDS). The NSC provides the collection and dissemination of data in compliance with the IMF SDDS information concerning four quality parameters:

- coverage, periodicity and timeliness of data;
- public access;
- data reliability;
- the quality of data.

In the State Statistics of the Kyrgyz Republic, the quality monitoring is the responsibility of the heads of the substantive organizational units according to the hierarchical principle.
Thank you
Asanbekova Asel

asel.izat_68@mail.ru
icd@stat.kg