A. Current Practices and Status

The current base period of Maldivian GDP is 2003. In April 2011, GDP was rebased to the year 2003, from the previous base year of 1995. Since rebasing of GDP to 2003, the guidelines of SNA 93 are broadly followed in preparation of national accounts, nonetheless gaps remain in implementation.

The current framework, “Macro-Economic Budget” (MEB) consisting of a system of spread sheets and equations, used in the compilation of the annual national accounts in the 2003 base year series. The spreadsheets include; monthly the short term volume indicators, data from the financial statements of enterprises, price indices such as PPI, CPI, CMI, and unit-value indices of imports and exports. Actual government budget is also incorporation in to the framework to estimate the production of government administration, health, education and social services. The MEB enables compilation of GDP and value added by industry at current and constant prices using single deflation method, through the production approach.

With regards to the scope of implementation, Maldives only produced four of the seven MRDS tables. The biggest short coming, with regards to scope of implementation is the lack of annual GDP by expenditure approach, in current and constant prices. Although, GDP by expenditure approach is prepared under the new framework, it is not published, due to concerns over its reliability, and consistency with other statistics. Conceptual compliance gaps, such as the allocation of FISIM to intermediate consumption and final consumption, also needs to be addressed to strengthen the compilation of national accounts.

However, Maldives has recently compiled a supply and use table for 2014 following the SNA 2008 recommendation. The deficiencies in human resource capacity and the paucity of business statistics are the most significant factors that hinder the progress of national accounts in meeting the requirements of SNA 2008. NBS seeks to address the implementation of MRDS by rebasing the GDP to 2014 using the SUT compiled.
B. Challenges

Currently the biggest challenge Maldives faces is due to the resource constraints. One of the resource constrain is the lack of staff to undertake the work and the limited knowledge and experience of the current staff in the national accounts compilation. Although international bi-lateral organizations has funded for the development of National Accounts of the country, staff turnover is a key issue in retaining the knowledge and experience within the organization. Even though NBS was part of ADB’s RETA 6483 project, due to high staff turnover, the NBS was unable to retain a single staff who worked in the Project. Also in the past, Maldives has worked on 3 SUTs, extensive reliance on foreign consultants and poor transfer of knowledge, along with the changes in SNA recommendations since then, meant that the process of compiling this SUT was a bit more challenging than expected. Currently Maldives has only two trained staff in national accounts compilation.

Another challenge was the data limitation of the breakdown of output and intermediate consumption. Due to the lack of frequent surveys, Maldives faces a lot of challenges in meeting the data requirements of national accounts compilation. The data challenges in meeting the SNA 2008 requirement include;

- Government budget data available only in cash basis
- No data of the informal activities
- No data of the illegal production
- No information of underground production
- Limited data to compute imputed rent

Thus, currently it relies more on the indicators.

C. Quality practices

Among the quality practices NBS follows include the consistency of the estimates.

Firstly it is of importance that the figures of the national accounts are consistent, i.e. they have to satisfy a set of basic well-known identities.
Secondly, underlying concepts and definitions in the national accounts system have to be consistent. Maldives currently, broadly follows SNA 1993. The recent supply and use table, which is compiled for the rebasing purpose, broadly follows SNA 2008 concepts.

Thirdly, NBS makes sure the estimates are published on time.