COUNTRY REPORT ON IMPLEMENTING SNA IN VIETNAM

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1. INTRODUCTION

- Centralized Statistical System of Viet Nam is divided into two levels: Center statistics and provincial statistics.

The GSO is responsible for collecting, compiling, analyzing and publishing statistics of the social-economic fields such as: Agriculture; industry; construction; transportation; communication; population; environment; trade, service and price, etc. To gain the statistical information, GSO Vietnam has based on the statistical system from the centre to the provinces and districts.

- System of National Account of Vietnam

Since 1992, the System of National Account have been studied and implemented in Vietnam in order to replace the Material Product System (MPS), which had been in effect from 1960 to 1992. This conversion inherited old contents and methods which were in line with SNA and absorbed new concepts and methods of SNA. Vietnam has officially applied the SNA since 1993 under the Decision No 183/TTg, dated 25/12/1992, issued by the Prime Minister. Soon then, Vietnam has basically moved its integrated statistics system to SNA statistics.

System of National Accounts includes economic integrated indicators which are presented under the form of accounts and balances to reflect condition and result of production, allocation and secondary distribution of income among economics entities, use of production result for final consumption, capital formation, import and export of goods and services, etc.

After 20 years of studying and applying with assistance of UN Statistics Division and Asian Development Bank (ADB), Vietnam SNA statistics has gained remarkable progresses, which has met the management requirement of the government and other bodies, and also played an important role in economic planning and monitoring.
II. SOME MAIN ACHIEVEMENTS OF NATIONAL ACCOUNT OF VIET NAM

1. Source of information


The General Statistics Office and Provincial Statistics Office have responsibility in data collecting, processing and tabulating from administrative and business units, political organizations, social-political organizations etc, in all kinds of economic activity, by all type of ownership, provided that these units and organizations are resident of province/city.

From above information sources, the GSO calculated many indicators that are very important for different users such as policy - makers of the State Leaders, managers and economic researchers, international organizations, etc.

2. Some major economic indicators

2.1. Gross Domestic Product (GDP)

- Annual GDP: Annual GDP at current price and constant price (at the 2010 fixed price) have been calculated at the country and regional levels. This indicator is estimated firstly in September, revised in December of the present year, and officially calculated in September of the next year. At present, GDP is estimated by production approach and final consumption approach.

- Quarterly GDP: Quarterly GDP first calculated in 1999 at constant price and current price. At regional level, more than one third of provinces have been calculated quarterly GRP. This indicator is first estimated at the end of the last month of the reference quarter, and then revised for the second time at middle of the next month. The last revision of quarterly GDP is taken at the time that annual GDP is officially calculated.

- Source of input data:

  + Data from Enterprises Survey; Household’s non-farm production Survey Agriculture and Aquaculture survey; Household Living Standard Survey.
+ Typical statistic reports from other statistic department, such as gross output of agriculture and aquaculture; gross output of industry; Trading volume records; and price indices (Consumer’s price index, Producer’s price index...)

+ Other statistic information provided by ministries: National budget statistics, money and banking statistics and employment statistics.

**Key Indicators on SNA 2010-2015**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Prel. 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product (at 2010 constant price) - Bill. Dongs</td>
<td>2.157.828</td>
<td>2.412.778</td>
<td>2.543.596</td>
<td>2.695.796</td>
<td>2.875.856</td>
</tr>
<tr>
<td>Growth rate of GDP (Previous year = 100) - %</td>
<td>5,25</td>
<td>5,42</td>
<td>5,98</td>
<td>6,68</td>
<td></td>
</tr>
<tr>
<td>Gross domestic product (at current price) - Bill. dongs</td>
<td>2.157.828</td>
<td>3.245.419</td>
<td>3.584.262</td>
<td>3.937.856</td>
<td>4.192.862</td>
</tr>
<tr>
<td>Final consumption - Bill dongs</td>
<td>1.565.602</td>
<td>2.285.623</td>
<td>2.566.803</td>
<td>2.838.048</td>
<td>3.115.085</td>
</tr>
<tr>
<td>Gross capital formation - Bill dongs</td>
<td>770.211</td>
<td>884.160</td>
<td>956.124</td>
<td>1.056.632</td>
<td>1.160.447</td>
</tr>
<tr>
<td>Trade balance (goods &amp; services)</td>
<td>-177.215</td>
<td>113.697</td>
<td>77.350</td>
<td>128.965</td>
<td>33.169</td>
</tr>
<tr>
<td>Statistical discrepancy</td>
<td>-770</td>
<td>-38.061</td>
<td>-16.015</td>
<td>-85.789</td>
<td>-115.839</td>
</tr>
<tr>
<td>Final consumption (%)</td>
<td>72.55</td>
<td>70.43</td>
<td>71.61</td>
<td>72.07</td>
<td>74.29</td>
</tr>
<tr>
<td>Gross capital formation (%)</td>
<td>35.69</td>
<td>27.24</td>
<td>26.68</td>
<td>26.83</td>
<td>27.68</td>
</tr>
<tr>
<td>Trade balance (goods &amp; services) (%)</td>
<td>-8.21</td>
<td>3.50</td>
<td>2.16</td>
<td>3.28</td>
<td>0.79</td>
</tr>
<tr>
<td>Statistical discrepancy (%)</td>
<td>-0.03</td>
<td>-1.17</td>
<td>-0.45</td>
<td>-2.18</td>
<td>-2.76</td>
</tr>
</tbody>
</table>

### 2.2. Other economic statistics

- Use of GDP:

  + Final consumption: Final consumption of households and the government, Gross Capital Formation (fixed assets and inventories); Export, Import. These indicators are calculated annually.

  + At the national level, these indicators are valued at current price and at fixed price (2010 price). At the regional disaggregated level, they are not computed regularly due to the lack of information and its inaccuracy.

- Distribution and redistribution of GDP
SNA Statistics Division in GSO has been tabulating a set of indicators that reflect process of distribution and redistribution of GDP, such as Gross National Income (GNI); National Income (NI); National Disposable Income (NDI); Gross Saving; Gross Capital Formation Income; Current Transaction, etc., at the national scope and by institutional sectors. These indicators are disseminated annually.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross national income (GNI) (Bill. VND)</th>
<th>Of which</th>
<th>GNI over GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gross domestic Product (GDP) (Bill. VND)</td>
<td>Net income from Abroad (Bill. VND)</td>
</tr>
<tr>
<td>2005</td>
<td>914.001</td>
<td>897.222</td>
<td>-16.779</td>
</tr>
<tr>
<td>2006</td>
<td>1.061.565</td>
<td>1.038.755</td>
<td>-22.810</td>
</tr>
<tr>
<td>2007</td>
<td>1.246.769</td>
<td>1.211.806</td>
<td>-34.963</td>
</tr>
<tr>
<td>2008</td>
<td>1.616.047</td>
<td>1.567.964</td>
<td>-48.083</td>
</tr>
<tr>
<td>2009</td>
<td>1.809.149</td>
<td>1.731.221</td>
<td>-77.928</td>
</tr>
<tr>
<td>2010</td>
<td>2.157.828</td>
<td>2.075.578</td>
<td>-82.250</td>
</tr>
<tr>
<td>2011</td>
<td>2.779.880</td>
<td>2.660.076</td>
<td>-119.804</td>
</tr>
<tr>
<td>2012</td>
<td>3.245.419</td>
<td>3.115.227</td>
<td>-130.192</td>
</tr>
<tr>
<td>2013</td>
<td>3.584.262</td>
<td>3.430.668</td>
<td>-153.594</td>
</tr>
<tr>
<td>2014</td>
<td>3.937.856</td>
<td>3.750.823</td>
<td>-187.033</td>
</tr>
<tr>
<td>Prel.2015</td>
<td>4.192.862</td>
<td>3.977.609</td>
<td>-215.253</td>
</tr>
</tbody>
</table>

3. Major national accounts

The General Statistics Office has been compiled several accounts, such as Production Account, Income Account, Rest of the World Account and a part of Financial Account. Besides, Vietnam has also implemented a pilot for the institutional accounts in 2002.

4. Input - Output Table

Since 1989, Vietnam has been compiled four IO tables: 1989 IO table with 54 commodities; 1996 IO table with 97 commodities; 2000 IO table with 112 commodities; 2007 IO table with 117 commodities and 2012 IO table with 168 commodities. The compilation of IO table requires a large volume of detailed information and a certain level of statistics and information technology. This is a proof for the success of SNA
statistics in Vietnam. IO tables have played an important role in quantitative economic forecasting and economic impact analysis in Vietnam.

5. Integrated indicators in SNA by region

In Vietnam, integrated indicators in SNA are estimated not only for the whole economy but also at regional level. Statistics information system, including integrated indicators, helps local government understand real economic situation of a province/city and help them plan strategies for development, implement and monitor these strategies and policies in practice.

The General Statistics Office has 63 provincial offices which play an important role in data collection and processing. They also have duties to calculate major economic indicators within province’s scope, such as Gross Output and Valued Added by industries and by economic sectors, and Gross Regional Production by production approach. The estimation of integrated indicators at local level, especially GRDP is one of the main tasks of statistics organizations to meet the demand of statistics information for local governments.

6. Pricing

SNA statistics at constant price are used for the purpose of comparing over time. Valuation of GDP/ National Income at constant price aims to exclude the effect of price changes due to inflation, thereby reflecting the change of production volume.

Basing on information source and specific features of each sector (kind of economic activity) to set up the methodology of estimation of GDP at constant price; different estimation methods are use to exclude the effect of price change from valuation of GDP. In Viet Nam, the following methods are applied:

- Set up “the fixed price table of base year” for major products in Agriculture; Forestry; Fishery. Gross output of one sector can be estimated by multiplying the base year price of products in that sector and product’s volume. The current table is 2010 price table.

- Use System of Price indices to estimate Gross output at constant price for other sectors in VSIC2007 except for Agriculture, Forestry, Fishery.

- Industry sector: Mining and quarrying, Manufacturing and Electricity and Water supply sector at constant price have been calculating based on Production Price Index (PPI).
- Services activities is based on CPI and PPI to calculate in constant price.
- After estimation of Gross output and Intermediate consumption at constant price, Value added at constant price is residual between Gross Output and Intermediate consumption.

Indicator of National Income in the past and GDP was estimated by two approaches: Production and Expenditure approach and it appears a statistical discrepancy item between two approaches. In order to avoid big statistical discrepancy and to link logically time series data among the indicators: GDP, Final consumption, Gross capital formation, Export and Import of goods and services, it should be noted that:

- Fixed price/price index of commodity using in deflating should be average price / average price index of period; these are not those at one moment of time. In the case of trade and other service sectors, consumer price index should be used to deflate.

- Price of commodities or price index used to deflate indicators in the resource side (GDP and Import indicator) should be used for deflating indicators in the use side (Final consumption, Gross capital formation and Export). It means that Price of commodities or price index using to deflate Gross output and GDP are also used to deflate Intermediate consumption, Final consumption, and Gross capital formation.

Results of final estimation at constant price were often checked in both absolute figures and deflated indexes among indicators in the source and the use sides for estimated year and time series data.

III. SOME PROBLEMS OF SNA STATISTICS IN VIETNAM

1. Quality of calculating GRDP at provincial level and the need to harmonize of GDP at nation-wide scope

Integrated indicators in SNA are not only estimated for whole economy but also by provinces. However, lack of methods and experiences in compiling SNA statistics at regional level lead to inconsistent in trend, volatility and real volume between nation-wide GDP and GRP from 63 provinces.

Two problems should be solved in estimation of GRDP as follows:

- Reconciling the difference between nation-wide GDP and summing-up GDP of provinces. Although PSO has responsibility to collect data of all business units that are located in province, the following data are insufficient: (i) Operation of nation-wide corporations, data of conglomerates, such as: railway corporation, airline corporation, post and communication corporation, banks and insurance corporation; (ii) Value of
such activities as administrative management, defense and security at central level.... (iii) Information reflecting informal sector.

- Adjusting data by province, by economic region at the same price level instead of different deflators. Currently, prices and general price indexes by regions have big difference, compared to that of the whole economy. Price level and level of changes of prices among regions are inherent, but the question here is how to deal with the difference between the growth rate of total economy and the growth rate that is calculated from data estimated by PSO. To estimate regional integrated indicators at constant price, it needs to have a system of producer price index for region. This system of price index should be consistent with movement of regional prices and meet the demand of comparison among regions.

To solve the problem of disparity between the central figure and local, GSO will estimate GRDP for 63 provinces and cities from 2017. PSOs are responsible for collecting input data which is volume and value of production of some sectors. For the nation-wide corporation, data of conglomerate, GSO will collect and allocate to 63 provinces and cities. GSO also calculates price index and intermediate consumption and set the common regulation to calculate GRDP.

2. Residence by regions or provinces

Statistics and observation of the movement of residents is still weak and haven’t been took shape to a system from the center to the local. In order to ensure the rule of activities and area, statistics of national account has base on statistic unit which is enterprise. Up to now, a list of enterprises for the whole country by activities and local area is not available.

3. Lack of an united process for calculating national account indicators.

An united process from center to local for calculating national account indicators, in which, input information, IC ratio, and output indicators are linked by clearly and science steps hasn’t been built. That is significant base for the user to well understand the information source and approach of national account statistics.

4. Application of 1993 SNA and preparing application 2008 SNA

Until now, national account statistics hasn’t thorough performed some contents suggested by 1993 SNA such as statistics of output of informal sector; quarterly GDP by institutional sector, by region, export and import by provinces...

The General Statistics Office is being in the process of preparing conditions for applying the 2008 SNA in Vietnam national account system, which is supposed to be carried out in 2017. Staff off the National Account Department translated the 2008 SNA
to Vietnamese and are revising the Handbook on sources and methods of the Vietnam System National Accounts.

However, there are some challenges, such as:

- There is no information relating to expenses on military weapon; it is considered as secret information in State budget.

- Lack of information to compile the output of Science and development, current information is mainly collected from State budget

- Lack of information of estimate and allocate according to the suggested method in 2008 SNA

- Lack of almost all information on non-observed sector

Plan in future:

- Learn experiences of other countries in order to apply in Vietnam

- Carry out the project of calculating gross regional domestic products for provinces, allocate output of national corporations for their branches

- Prepare to apply SNA 2008: Complete the guide book on applying SNA 2008, set up input information base; revise the statistic report regulation, add more questions to surveys in order to get further information...

IV. OBJECTIVES OF ORIENTATIONS FOR THE DEVELOPMENT OF SNA IN VIET NAM

- Enlarging coverage of application of SNA in accordance with methodology of the United Nations Statistics in term of estimates of GDP, GNI, NDI, Saving; compiling Production account, Generation of income account, Secondary distribution of income account, Use of Income account, Capital and finance account, Goods and services account, Rest of the world account and compiling of input-output table for every five year for the whole economy and some major regions. Studying and experimental compiling satellite accounts, such as: Environmental satellite account, Tourism satellite account, National health account and Agriculture economic account.

- Improving the calculation procedure of some indicators following the United Nations Statistics methodology and consistency with practical situation of Viet Nam for whole country as well as provinces and cities.
- Consolidating and improving of national account statistics in all levels consistency with requirement of compilation of the System of National Accounts.

**Questions for teachers and expectations from the course:**

- Which information is needed to be set up into questionnaire of enterprises survey in order to cover full coverage of research and development?
- How to allocate Fisim? Which information is needed to do this?
- How to allocate output of national corporations to provinces?
- How to collect information to estimate output of informal sector?
- Study about practical model of KOSTAT;
- Obtain knowledge about sampling and questionnaire designs;
- Methods and experiences in organizing surveys in different fields to limit errors in surveys and get data highly reliable as well as methods to process and correct survey errors;
- Get knowledge on statistical analysis using STATA, SPSS, especially advanced analytic techniques. It is expected to obtain knowledge on data analysis using STATA software fluently;
- To contract plans and perform the training and improving the Department staffs’ knowledge and skills.
CONCLUSION

In general, SNA statistics in Vietnam still remains at a low rank compared with other countries. Several national accounts have been compiling, but the others still need more adequate experience, practices and skills to be fulfilled. The collection of data and methods are insufficient in quantity, quality and time for SNA compilation purposes. SNA statistics requires capable staffs and need to enlarge to provide quality and timely statistics information to users.

Besides these problems, some main issues GSO realized by time of writing for SNA statistics in Vietnam are the need to improve quality of estimation of main economic indicator at regional level.