



**Report from work at the National Statistical Institute of  
Mozambique,**

*August – October 2004*

**TA for the Scandinavian Support Program to Strengthen the  
Institutional Capacity of the National Statistics, Mozambique**

*Jan Redeby*



Instituto Nacional de Estatística

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## Executive summary

I have been engaged for a series of missions from August 2004 to December 2005 to support the national accounts, in total about 42 weeks. This report covers the period from August 16 to October 23, 2004. My tasks during this period have been: preparations and discussions concerning the change of base year and benchmark estimates for 2003; and preparations and discussion on the development of quarterly national accounts. I also participated in a course in national accounts organised by the IMF for the PALOP-countries.

The work on the revised and rebased annual national accounts is behind the schedule originally planned, and a revised plan was adopted in October. Revised national accounts for 1991-2005 are now planned to be published in June 2006. To achieve this it is important that a framework and IT-system is available by March 2005. I have been dealing with tasks related to this as well as with the classifications of products and industries.

Quarterly estimates are now planned to be published for the first time in June 2006. As a start, I suggest that the quarterly national accounts be limited to estimates of GDP by activity at constant prices, possibly also at current prices.

## 1 Introduction

I have been engaged by the Scandinavian project for support to the Statistical Institute of Mozambique (Instituto Nacional de Estatística, INE) for a series of missions from August 2004 to December 2005 to support the national accounts, in total about 42 weeks. The terms of reference are attached as Appendix 1 and a time schedule as Appendix 2. This report covers the period from August 16 to October 23, 2004. I have been dealing with the following tasks.

- Preparations and discussions concerning the change of base year and benchmark estimates for 2003. This also includes the computer system for the compilation of national accounts. See section 2 of the report.

- Preparations and discussion on the development of quarterly national accounts. See section 3 of the report.
- Participation in a training course in national accounts organised by the International Monetary Fund for the African countries with Portuguese as an official language (PALOP).
- Training in the Portuguese language at a language institute in Maputo, altogether 19 sessions of two lessons.

The first two tasks above are major tasks in the planned national accounts activities for the years 2004-2006.

I have worked with Ms. Mónica Magaua, Head of the Department for National Accounts, and Dr. Fernanda Teixeira, long-term advisor (IMF) in the GDDS-project for Lusophone Africa. I have also had discussions with Mr. Said Dade, Director of National Accounts and Global Indicators.

The next mission will take place from November 15 to December 12. The major tasks will be continued work on the framework for the annual estimates as well as the development of a framework for the quarterly estimates.

## 2 Benchmark estimates and change of base year

The new benchmark estimates will be done for 2003, which is also the new base year. Two tasks are crucial for these estimates.

*a) Design of the framework and the compilation system.* INE has adopted a software developed in Microsoft Excel by the United Nation Statistical Department. It is based on a Systems Approach to National Accounts Compilation<sup>1</sup>. The general design and ideas of this system will be kept. However, the IT-solution needs to be improved by using a database software such as Microsoft Access. Work in this respect has started and two missions have been carried out<sup>2</sup>.

*b) Design of a simplified system for preliminary estimates.* Preliminary estimates for the past year should be available in March/April. A simplified system is needed for that purpose.

Work has started at INE and some important tasks have been carried out, for example the analysis of the 2002/3 Household Budget Survey. However, the work is behind the schedule originally planned and a revised plan was adopted in October. The following are milestones in that plan:

November 2004	Classifications and concordances prepared for products, industries, institutional sectors, consumption purposes, government expenditure, and transactions.
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<sup>1</sup> Published in the series Studies in Methods, Handbook of National Accounting, Series F , No 77, United Nations, New York, 1999

<sup>2</sup> Søren Netterstrøm and Jan Redeby, March/April 2004; report no. MZ:2004:10. Søren Netterstrøm, June 2004; report no. MZ:2004:14.

March 2005	Framework and IT-system for final annual estimates (and benchmark) completed.
May 2005	Simplified framework for preliminary annual estimates completed.
October 2005	Benchmark estimates for 2003 completed.
December 2005	Preliminary estimates for 2004 complete using the simplified model.
April 2006	Revisions (retropolation) of back years (1991-2002) complete
June 2006	Publication of revised national accounts on the 2003 base year for the years 1991-2005, the last two years using the simplified model.

I have been working on the classifications of products and industries as well as on the design of the worksheets for products. The classifications are by and large the same as previously although the codes are different. As far as possible, the codes follow the classification systems adopted by Mozambique: CAE for economic activities and CNBS for products. Thereby, it is easier to adjust the classifications and add or delete categories. In fact, it would be advantageous to make adjustments in the course of the compilation of the base year. It is also an advantage with flexible codes based on existing schemes in building the database application.

The design of the product worksheets is similar to the previous one. However, the organisation with different years on different sheets in the same file is different. The facilities in Excel to protect worksheets will also be used in order to prevent accidental changes. The coding of transactions in products has also been considered.

## 4 Quarterly national accounts

There is an increasing user demand for quarterly national accounts and the development of this is included in INE's work plan for 2004 and 2005. However, the work is behind the schedule originally planned and a revised plan was adopted in October. The following are important dates in this plan.

May 2005	Investigation of source completed.
June 2005	Framework and compilation system for quarterly accounts completed.
August 2006	Quarterly estimates published for the first time.

As a start, I suggest that the quarterly national accounts be limited to estimates of GDP by activity at constant prices, possibly also at current prices. The general method will be to extrapolate values added with output indicators and then benchmark the results with the annual estimates. The Denton method will be used for the benchmarking. The suggestion will be presented in more detail in November or December.

## **Terms of reference – national accounts adviser (Jan Redeby)**

### **General responsibilities and tasks**

The adviser shall assist INE in the elaboration of plans, guidelines and procedure for the compilation of annual and quarterly national accounts. He will report to the Team Leader and shall collaborate with and assist the Vice-President, the Head of the Directorate for National Accounts and Global Indicators and other staff at INE. The adviser shall provide assistance, guidance, advice and training related to national accounts.

The adviser will work at INE for about ten months during the period August 2004 – December 2005.

### **Specific tasks**

The specific tasks shall include but not necessarily be limited to:

- Support the improvement of source data for the national accounts;
- Consolidate and improve the current production of the annual national accounts, in particular the compilation of a new benchmark estimate for 2003;
- Support the review of the current compilation system aiming at making it easier to handle and overview; and
- Support the establishment and production of quarterly national accounts.

### **Qualifications**

- A masters degree in economics;
- At least 10 years working experience with national accounts;
- Substantial experience of statistical systems and the development of national accounts systems in particular;
- Substantial experience of the 1993 SNA;
- Experience from advisory positions and/or training;
- Familiarity with Scandinavian development assistance in general; and
- Fluency in written and spoken English and adequate working knowledge of Portuguese.

### **Working language**

Portuguese and English

## Schedule

Year	Week no	Dates				Working days at INE	Remarks
<b>2004</b>	34	16	Aug	22	Aug	5	Contract starts
	35	23	Aug	29	Aug	5	
	36	30	Aug	5	Sep	5	
	37	6	Sep	12	Sep	3	Two days off
	38	13	Sep	19	Sep	5	
	39	20	Sep	26	Sep	5	
	40	27	Sep	3	Oct	5	
	41	4	Oct	10	Oct	3	Two days off
	42	11	Oct	17	Oct	5	
	43	18	Oct	24	Oct	5	
	44	25	Oct	31	Oct		
	45	1	Nov	7	Nov		
	46	8	Nov	14	Nov		
	47	15	Nov	21	Nov	5	
	48	22	Nov	28	Nov	5	
	49	29	Nov	5	Dec	5	
	50	6	Dec	12	Dec	5	
	51	13	Dec	19	Dec		
	52	20	Dec	26	Dec		
<b>2005</b>	53	27	Dec	2	Jan		
	1	3	Jan	9	Jan		
	2	10	Jan	16	Jan		
	3	17	Jan	23	Jan		
	4	24	Jan	30	Jan		
	5	31	Jan	6	Feb	5	
	6	7	Feb	13	Feb	5	
	7	14	Feb	20	Feb	5	
	8	21	Feb	27	Feb	5	
	9	28	Feb	6	Mar	5	
	10	7	Mar	13	Mar	5	
	11	14	Mar	20	Mar	5	
	12	21	Mar	27	Mar	5	

## Schedule (continued)

Year	Week no	Dates				Working days at INE	Remarks
	13	28	Mar	3	Apr		
	14	4	Apr	10	Apr		
	15	11	Apr	17	Apr		
	16	18	Apr	24	Apr	5	
	17	25	Apr	1	May	5	
	18	2	May	8	May	5	
	19	9	May	15	May	5	
	20	16	May	22	May	5	
	21	23	May	29	May	2	Half week
	22	30	May	5	Jun		
	23	6	Jun	12	Jun		
	24	13	Jun	19	Jun		
	25	20	Jun	26	Jun		
	26	27	Jun	3	Jul	5	
	27	4	Jul	10	Jul	5	
	28	11	Jul	17	Jul	5	
	29	18	Jul	24	Jul		
	30	25	Jul	31	Jul		
	31	1	Aug	7	Aug		
	32	8	Aug	14	Aug		
	33	15	Aug	21	Aug	5	
	34	22	Aug	28	Aug	5	
	35	29	Aug	4	Sep	5	
	36	5	Sep	11	Sep	5	
	37	12	Sep	18	Sep	5	
	38	19	Sep	25	Sep	5	
	39	26	Sep	2	Oct	5	
	40	3	Oct	9	Oct	5	
	41	10	Oct	16	Oct	5	
	42	17	Oct	23	Oct	5	
	43	24	Oct	30	Oct		
	44	31	Oct	6	Nov		
	45	7	Nov	13	Nov		
	46	14	Nov	20	Nov		
	47	21	Nov	27	Nov	5	
	48	28	Nov	4	Dec	5	
	49	5	Dec	11	Dec	5	
	50	12	Dec	18	Dec	5	
	51	19	Dec	25	Dec		
	52	26	Dec	1	Jan		Contract ends
						218	
						8	Occasional days off
						210	Total number of working days
						42	Weeks