



# **Use of Administrative Data in National Accounts Compilation**

## **Enhancing Accuracy and Efficiency in National Accounts**

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# Overview

- Introduction to National Accounts
- Administrative Data Sources
- Challenges in Using Administrative Data
- METAC RSS CD Overview
- Case Studies of Administrative Data Use
- Conclusion

# Introduction to National Accounts

The System of National Accounts provides a framework for integrating different sources to compile a set of harmonized and consistent national accounts to measure the economic activity of a nation.



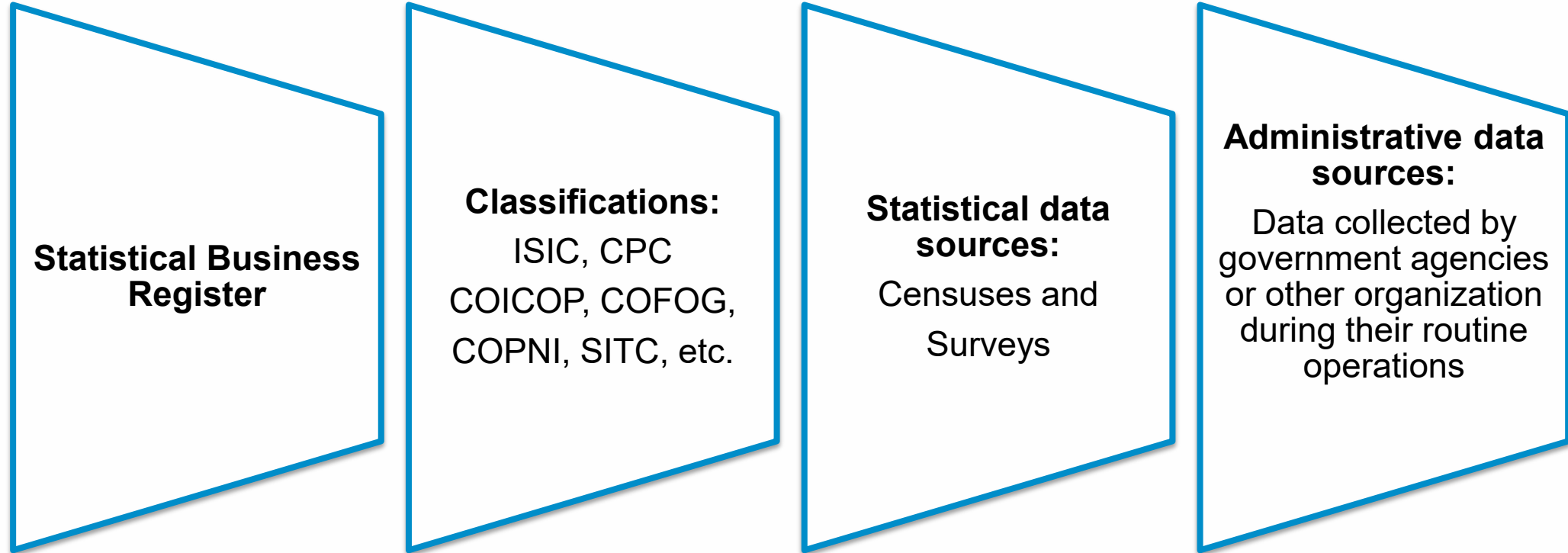
It provides data on GDP, government spending, household income, production and more.

The accounts are compiled from a variety of statistical data sources, including surveys, administrative and census data, and regulatory data.

Reliability of national accounts depends largely on the quality and coverage of the statistical infrastructure.

# Introduction to National Accounts

The main pillars of statistical infrastructure for national accounts are:



# Administrative data sources

- ❖ Administrative sources are data holdings containing information which is not primarily collected for statistical purposes but is used by statistical offices.
- ❖ The term 'administrative record' encompasses any record resulting from fiscal, taxation or other authority requirements, created to facilitate the administration or operation of government programs, or to supervise and oversee compliance with legal obligations by certain segments of society
- ❖ The administrative source is the register of units and data associated with an administrative regulation (or group of regulations), viewed as a source of statistical data.

# Why administrative data sources?

- ❖ The increased demand for timely data along with a continued reduction of good quality survey data has forced countries over the last decades to rely more heavily on administrative records
- ❖ Administrative data can significantly enhance the quality of national statistics, thus contributing to better policymaking and economic performance.
- ❖ Statistical agencies worldwide are increasingly turning to the use of administrative data to improve statistical coverage.
- ❖ Administrative data can be used as a source to enhance traditional macroeconomic statistics.
- ❖ Administrative data can enhance a wide range of datasets.
- ❖ Greater recognition of and access to the benefits of administrative data have led to their adoption in an increasing number of countries

# Advantages of Using Administrative Data



**Cost Efficiency:** Reduces the need for expensive and time-consuming surveys. They are cheaper (free for the statistics agency). Reduce the response burden on businesses.

**Accuracy:** They are generally timelier. Provide more up-to-date and detailed data compared to traditional surveys.

**Coverage:** Ensures comprehensive coverage across sectors and regions. They cover the entire formal sector.

**Consistency:** Uniform and standardized data over time.



# Key Administrative data sources from National accounts perspective

- Records of government (central and local) containing revenue and expenditure details
- Value Added Tax (VAT) data
- Personal income tax data
- Business (including corporate) taxation data
- Records (other than VAT) held by Customs and Excise Authorities
- Social security data
- Business registration and administration records
- Business accounts (financial and non-financial companies)
- Records held by Central Banks
- Records held by associations of employers, of employees and of businesses and professions
- Records held by other private sector bodies (e.g., credit-rating agencies, non-profit units).

# How Administrative Data Supports National Accounts

## Income and Production

- Administrative data can help in estimating production, value-added in various industries, and national income.

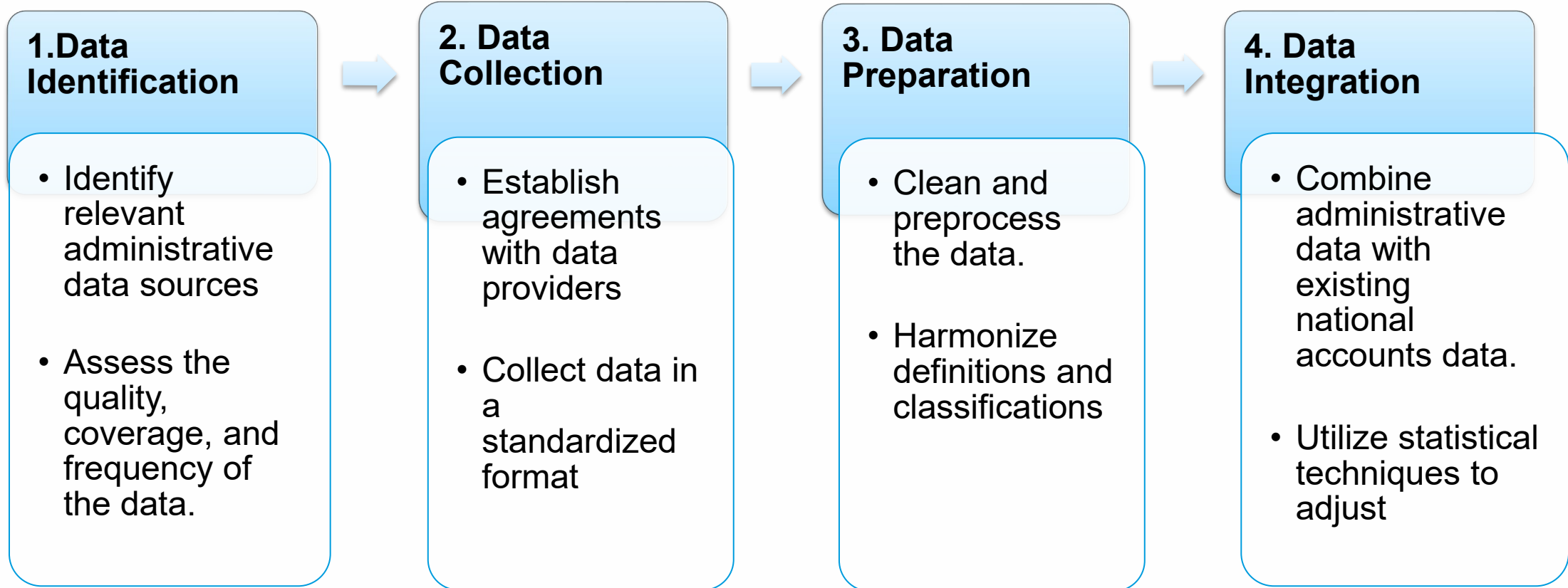
## Expenditure Estimates

- Data from government expenditures and tax collection help calculate national final consumption and investment estimates

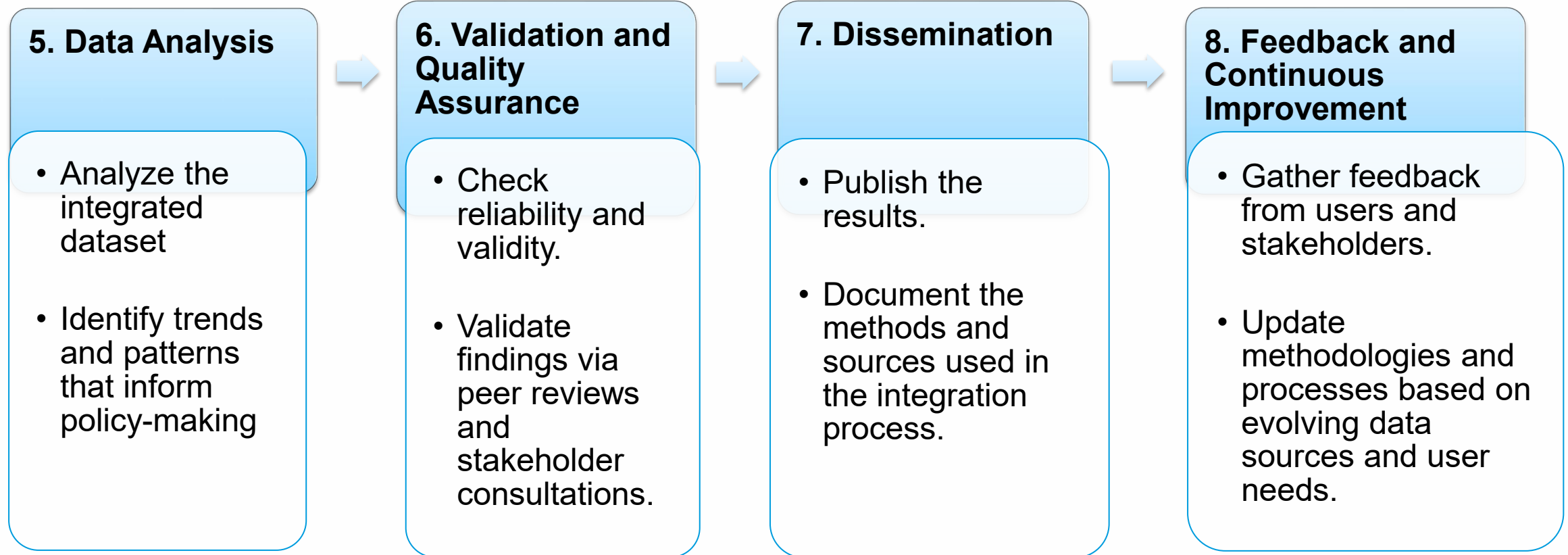
## Sectorial breakdowns

- Provides detailed sectoral data (i.e., public administration, health, education).

# Integration of Administrative Data in National Accounts



# Integration of Administrative Data in National Accounts



# Challenges in using administrative data



**Data quality:** Incomplete or inconsistent records may require adjustments



**Confidentiality:** Ensuring privacy and protection of sensitive data



**Methodological issues:** Challenges in aligning administrative data with national accounting standards (time of recording (cash vs. accrual), valuation) and classifications. Data too aggregated.



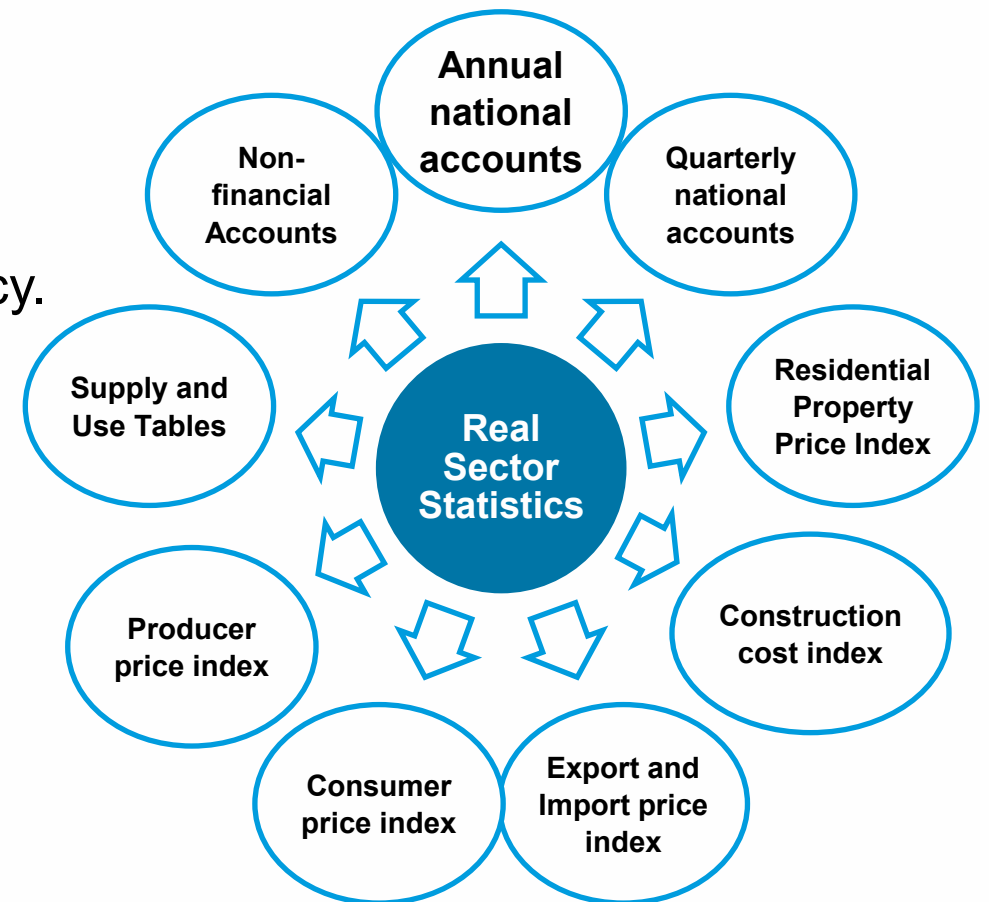
**Timeliness:** Some administrative data may be collected on a different schedule that needed for national accounts

# METAC Real Sector Statistics: CD Overview

**Objective:** Strengthen Compilation and Dissemination of Real Sector Statistics

## Target Outcomes and priorities:

- A new data set has been compiled.
- Improved periodicity, timeliness, and consistency.
- Improved methodological basis.
- Source data are adequate.
- **Increase use of administrative data**
- Statistical techniques are sound.
- Staff capacity increased through training.



# Case Studies of Administrative Data Use

## JORDAN: Production of Financial Corporations Estimates Using Administrative Data



The Department of Statistics (DOS) used to collect data on financial corporations through the Annual Economic Survey (AES) of Financial Corporations.



The Central Bank of Jordan (CBJ) also collects quarterly and sometimes monthly data on deposit-taking corporations and insurance companies, and annual data on currency exchange companies.



Bilateral meetings between DOS and CBJ on the need for access to bank data.

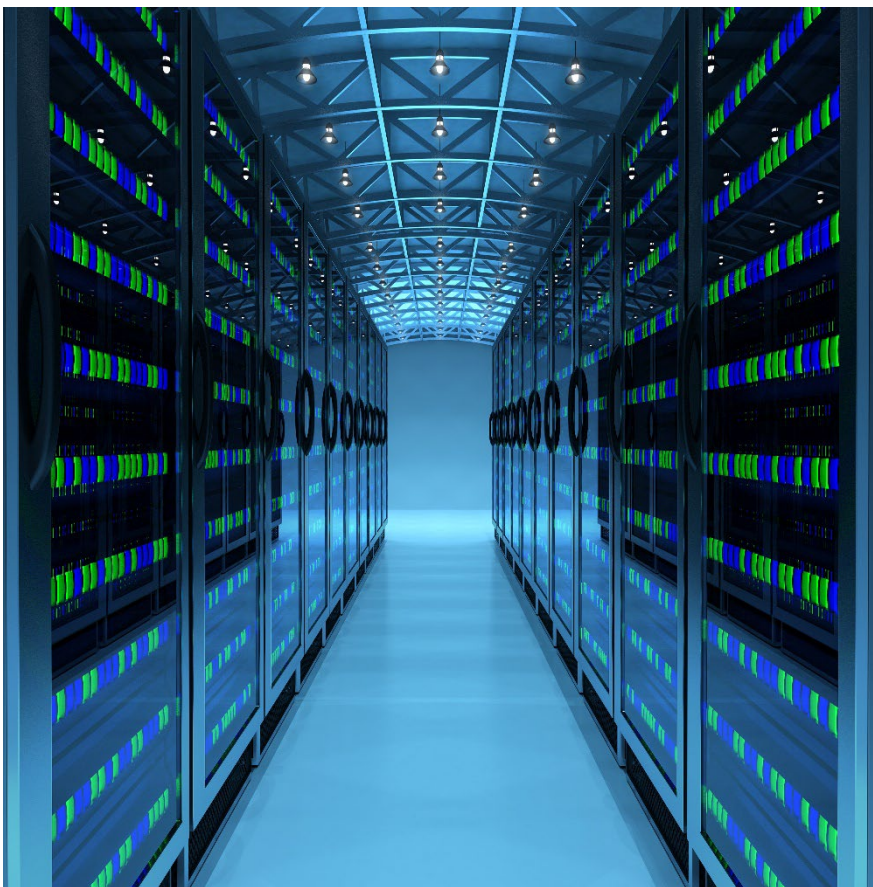


A memorandum of understanding (MOU) was set up between the DOS and the CBJ to institutionalize receiving the data at specified times and in the requested format.



No longer survey needed, and national accounts estimates for financial corporations are compiled using administrative data.

# Case Studies of Administrative Data Use



## WEST BANK and GAZA: Production of Financial Corporations estimates using Administrative Data

- Financial statements of all banks and insurance companies provide the most complete and most detailed information for national accounts purposes
- They are used to calculate output and value added for financial corporations.



# Case Studies of Administrative Data Use

## **Jordan:** Use of tax records and financial statements for GDP estimates

### **Current situation:**

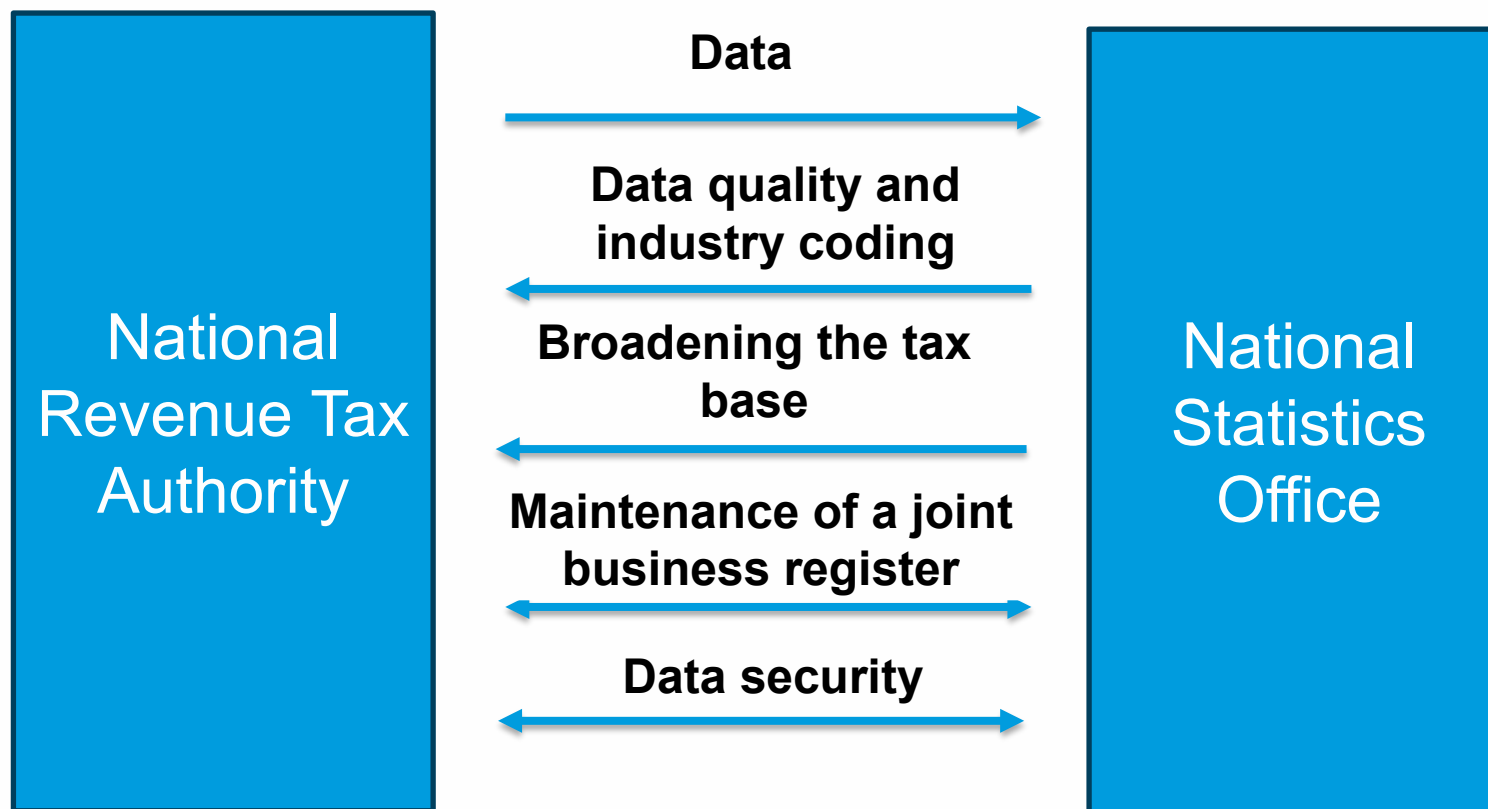
- ❖ MoU is in place between DOS and Tax Authority
- ❖ Tax data are at enterprise and product level at Tax Authority
- ❖ Tax data provided to DOS at a very aggregated level, by three main sectors
- ❖ Different economic activities classifications are used
- ❖ Tax data are highly sensitive to be shared at detail level with DOS

## **Egypt and Tunisia**

- ❖ Working with Tax Authorities to collect tax data for producing quarterly indicators for QGDP by the production and expenditures approaches

# Confidentiality: one of the main challenges to obtain detailed administrative tax data in METAC countries

Collaboration between Tax Authorities and National Statistics Offices



Source: IMF staff

## Conclusion and Future Outlook

**Growing role:** The use of administrative data is becoming more integral to national accounts compilation, driven by technological advancements and data accessibility. NSOs are increasingly relying on administrative data to enhance statistical reporting in a wide range of datasets and sidestep a growing resistance to the collection of economic censuses and business surveys.

**Key considerations:** Several concerns may need to be addressed before using administrative data for statistical purposes. Cooperation between NSOs and providers of administrative data, including tax authorities, is key and should be mutually beneficial

**Future trends:** Increased automation, big data analytics, and enhanced data-sharing frameworks.

**Impact:** The adoption of administrative data will continue to improve accuracy, timeliness, and cost-effectiveness of national accounts.

**Thank you!**