

Revision of National Accounts Statistics

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Background

- Kenya's Previous national accounts were based on the 1968 SNA guidelines and were rebased in 1982.
- The process of revising the national accounts has been ongoing since 2001 with three main objectives:
 - Implement new international guidelines issued by UN System of National Accounts agreed on in 1993: The 1993 SNA.

Background (Cont'd)

- Change of the base year for the estimates at constant prices.
- Improvements in the methodology of computing the accounts.
- Availability of new data sources.
- The outcome of the revisions were reported in the *2004 Economic Survey*.

What is the System of National Accounts (SNA)?

- Is a coherent, consistent and integrated set of macroeconomic accounts measuring the performance of economy.
- Is based on a set of internationally agreed concepts, definitions, classifications and accounting rules.

What is the System of National Accounts? (cont'd)

- The 1993 SNA is the revised international guideline on national accounting standard published by the UN in 1993. It is the 3rd revision of international guidelines for national accounts.
- The 1993 SNA has been harmonised with other related statistical systems, e.g. BoP and GFS.

Major effects of the Revisions

Revision of national accounts has the following effects:

- Increased level of GDP
- Increased level of GFCF
- Changed growth rates

What is new in the Revised Accounts?

GDP level went up because of inclusion of:

- Production from EPZ
- Horticultural production
- Informal sector

GFCF level went up as result of inclusion of:

- Government expenditure on military equipments that are not purely for war.
- Output of construction for capital goods was revised upwards.

What is new in the Revised Accounts? (Cont'd)

- Change of base year, from 1982 to 2001 prices, partly contributed to the change of GDP growth rates.
- Because of change in weights of the contributing economic activities.
- Definitional change in GDP; from GDP at factor cost to GDP at market prices.
- GDP market prices includes taxes less subsidies while GDP factor cost does not.

Are we alone in Implementing the 1993 SNA?

No. Several African countries have made major progress in the implementation of 1993 SNA including Botswana, Egypt, Mozambique, South Africa, Niger, Tunisia and Morocco.

Future Plans

- Production of Quarterly GDP
- Construction of Input-Output tables
- Construction of a Social Accounting Matrix



The End

Thank You