

# THE IMPLEMENTATION OF SNA IN VIETNAM

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# THE IMPLEMENTATION OF SNA IN VIETNAM

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- Questions and expectations from the course

# THE IMPLEMENTATION OF SNA IN VIETNAM

## ● Introduction:

- + Since 1989, SNA have been studied and implemented in Vietnam in order to replace the old Material Product System (MPS), it had been in effect from 1960 to 1992.
- + Vietnam has officially applied the SNA since 1993.

## ● Main results:

### a. Compiling major economic indicators

#### *Gross Domestic Product (GDP)*

- Annual GDP
- Quarterly GDP

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## **Sources of input data:**

- Data from variety Surveys such as enterprise survey; Household's non-farm production Survey Agriculture and Aquaculture survey.etc.
- Typical statistic reports from other statistic departments
- Other statistic information provided by ministries

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## ➤ *Other economic statistics*

- Use of GDP:

  - + Final consumption

  - + For the country, these statistics are valued in current price and in fixed price (1994 price and 2010 price after 2010).

- 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... on national scope, by institutional sectors. These indicators are disseminated annually.

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- **b. Compiling major National Accounts**

The General Statistics Office have been compiled several accounts, such as Production Account, Income Account, Rest of the World Account and Financial Account.

- **c. Input/Output Table**

Since 1989, Vietnam have been compiles four IO tables:

- 1989 IO table with the dimension of 54 products x 54 products;
- 1996 IO table with the dimension of 97 products x 97 products;
- 2000 IO table with the dimension of 112 products x 112 products
- 2007 IO table with the dimension of 138 products x 138 products.
- 2012 IO table with 168 products is in the stage of publishing.

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## **d. Integrated Indicators in SNA by region**

In Vietnam, integrated indicators in SNA are not only estimated for whole economy but also at regional level.

The General Statistics Office has 63 provincial offices, who plays an important role in data collection and processing. They also have the 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 (Provincial) Production by production approach.

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## e. Pricing

In Viet Nam, the first year of economic - development planning period of country (of five or ten years) was often chosen as base year in estimation of GDP at constant price.

For example, long time ago, National Income indicator (in MPS's term) was estimated at 1960, 1970 and 1980 prices.

For the period of 1989 - 1994, base year of 1989 was chosen to estimate GDP at constant price and was base year of 1994 for period of 1995 onward- Although in short period (1989 - 1994) two base years was selected in consistent with economic development period to meet the demand of economic studying and management.

At present, 2010 is chosen to be the base year for the period after 2010.



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- ❖ In Viet Nam, following methods were applied:
  - Set up “the Fixed Price Table of Base Year” for major products in Agriculture; Forestry; Fishery sectors. Gross output of one sector is estimated by multiplying product’s volume with base year price of products in that sector . The current table is 2010 price table.
  - Industry sector: Mining and quarrying, Manufacturing and Electricity and Water supply sector at constant price have been calculating based on Production Price Index (PPI).
  - Almost all services activities is based on CPI and PPI to calculate in constant price
  - Value added at constant price is the residual between Gross Output and Value Added .

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- **Some Problem areas of SNA statistic in VietNam**
  - a. Quality of calculating GRP at provincial level and the need for the harmonization of GDP at national level
    - GSO will calculate GRP of 63 provinces and cities from 2017
    - PSOs are responsible for collecting some field of input data.
    - For the nation-wide corporation, GSO will collect and allocated to 63 provinces and cities.
    - GSO will also compile price index and Intermediate consumption by region and set the common regulation to calculate GRP.

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- **Application of 1993 SNA and making plan to change 2008 SNA**

VietNam is applying 1993 SNA

The GSO is being in the process of preparing conditions for applying the 2008 SNA in Vietnam, which is supposed to be carried out in 2017-2018.

As well as 1993 SNA, in order to implement 2008 SNA, we face the problem in lack of information, such as:

Information relating to expenses on military weapon: it is considered as secret information in State budget.

Information to compile the output of R&D, current information is mainly collected from State budget and enterprise survey.

Information of estimate and allocate according to the suggested method in 2008 SNA

Information on non-observed sector ...

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## ❖ *Conclusion*

- National account statistics in Vietnam gain some achievement, but it is still ranks low in comparison with that of other countries. Several national accounts have been compiling, but the others are still lack of adequate experience, practice and skill to be fulfilled. The collection data and methods are insufficient in quantity, quality and timing for SNA compilation purposes. SNA statistics requires capable staffs and need to enlarge to provide quality and timing statistics information for users.

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## ● **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 2008 SNA : Complete the guide book on applying SNA 2008, set up input information base; revise the management statistic report, add more detail questions to surveys in order to get further information...

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## ● **Questions and expectations from the course**

- Study about practical model in the implementation 2008 SNA, such as : How to collect full information for the R&D; Understand more about the allocation of Fisim, what different between 1993 SNA and 2008 SNA? How to allocate output of national corporations to provinces?...
- Experiences on building the action plan for implement 2008 SNA.

**Thank for your attention!**