

Report on the Sector Review of National Accounts in Belarus

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August 2017

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List of abbreviations

Belstat	National Statistical Committee of the Republic of Belarus
BoP	Balance of Payment
CIS	Commonwealth of Independent States
COFOG	Classification of the Functions of Government
ESA	European System of Accounts
ESCoP	European Statistics Code of Practice
ESS	European Statistical System
FISIM	Financial intermediation services indirectly measured
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GRP	Gross regional product
GVA	Gross value added
IMF	International Monetary Fund
IOTs	Input-output tables
NA	National accounts
NAD	National Accounts Department
NPISH	Non-profit institutions serving households
NRBR	National Bank of the Republic of Belarus
R&D	Research and development
SAQ	Self-Assessment Questionnaire
SDDS	Special Data Dissemination Standard
SNA	System of National Accounts
SR	Sector Review
SUTs	Supply and use tables
UN	United Nations
UNECE	United Nations Economic Commission for Europe

Preface

1. Eurostat supports enlargement countries (Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo¹, Montenegro, Serbia and Turkey) and European Neighbourhood Policy countries (ENP-East: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine; ENP-South: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria² and Tunisia) in aligning statistical production with EU and international standards and assessing statistical systems.
2. To assess and support partner countries' efforts, a number of tools have been put in place: peer reviews, global assessments and sector reviews. Sector reviews support the partner countries in their efforts to align core sectors of statistics (e.g. national accounts, business statistics and labour force surveys) with the European Statistics Code of Practice (ESCoP) and international and European standards. Sector reviews assess the administrative and technical capacity of the statistical systems to produce high-quality statistics in a particular sector, evaluate the statistical production in that sector in terms of the EU *acquis* and propose actions to improve and strengthen the statistical system.
3. Eurostat publishes reports on sector reviews, peer reviews and global assessments on the Eurostat website³. The present sector review assessed national accounts (NA) production by the National Statistical Committee of the Republic of Belarus (hereinafter Belstat), under the Eurostat project *Provision of global assessments, sector assessments and light peer reviews for enlargement and ENP countries*. Eurostat initiated this review following a request from Belstat. The lead contractor was DevStat in consortium with Statistics Lithuania (Contract No: 14467.2014.002-2014.742). The review was conducted by two experts: Ms Gailute Juskiene and Ms Jurate Sinkuniene.
4. This sector review (SR) assessed Belstat's compliance with international standards and practices for NA production. This report provides an overview of the NA structure in Belarus and the procedures, sources and methods Belstat uses to compile NA statistics. This report offers recommendations that could improve Belstat's compliance with international and European standards for NA production.
5. Prior to the mission, Belstat staff completed a self-assessment questionnaire (SAQ) that assessed how well NA production in Belarus complies with the relevant standards. Responses to the SAQ provided a starting point for this sector review, which took place in Minsk from 19 to 22 July 2016 at the Belstat central office.
6. The SAQ covered the following areas: institutional environment, statistical processes and statistical outputs. Belstat's compliance with ESCoP was evaluated for NA production. The SR addressed all 15 ESCoP principles.
7. The findings of the SR resulted from analysis of SAQ responses, documents from the Belstat website, and information collected and discussed during the in-country mission.
8. Cooperation with Belstat was excellent throughout the SR.

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence

² Syria's participation in regional programmes was suspended in September 2011, and the provision of loans and technical assistance through the European Investment Bank (EIB) was ceased in November 2011.

³ <http://ec.europa.eu/eurostat/web/european-neighbourhood-policy/publications/reports>

Executive summary

9. The SNA framework enables the compilation and presentation of national accounts (NA) data for economic analysis, decision-making and policy-making. Because of the importance of NA, Belstat prioritises the compilation of national and regional accounts.
10. Belstat is considered to be an independent body with a clear mandate (established by the Law on State Statistics⁴, adopted in 1997 and amended in 2004, 2008, 2009 and 2016) to collect data and use administrative sources for statistical purposes. Belstat is recognised as the national authority for developing, producing and disseminating statistics. The Law on State Statistics (Article 17) highlights the need for state statistics to comply with international standards and recommendations.
11. Quality assurance is an important part of Belstat's statistical processes and outputs (including NA). The main ESCoP principles are covered by the current Law on State Statistics, which offers a strong commitment to all users of statistics that are produced by state statistical bodies. The Belstat management takes responsibility for implementing its official Quality Policy⁵, providing resources, and monitoring and ensuring good performance of the Quality Policy.
12. Belstat has limited resources to allocate to NA production, despite substantial international and national demand for NA data. In particular, Belstat lacks the necessary resources to ensure the quality of disseminated NA data. Cost analysis and prioritisation of tasks is necessary for Belstat to manage the growing demands from the public, government institutions and the international community for high-quality, timely NA data.
13. The Strategy for the Development of State Statistics of the Republic of Belarus until 2017⁶ includes provisions to implement the main principles of SNA 2008 by 2016. However, only main users were informed about how the changeover to SNA 2008 would affect the main NA aggregates.
14. To produce NA, Belstat uses suitable methodology based on European and international standards, guidelines and recommendations. However, compared to the scope of data produced at the European level, NA produced and disseminated by Belstat are incomplete, i.e. supply and use tables (SUTs) and financial accounts are not yet produced and hence, not available to national and international users. Belstat needs to start producing SUTs and financial accounts, which are important tools to ensure data consistency with BOP data and enable economic analysis based on published NA.
15. Belstat publishes GDP data with statistical discrepancies in the estimates of GDP by expenditure. This does not allow consistent analysis of the published data and may raise concerns on the reliability of the data. The production of annual SUTs (i.e. balance of flows by product) should allow Belstat to reconcile GDP data produced by three approaches and thus to avoid the publication of statistical discrepancies in GDP data.
16. Belstat uses primary data sources to produce monthly GDP and GRP. In doing so, Belstat burdens respondents and compilers of NA and fails to comply with international guidelines and

⁴ <http://www.belstat.gov.by/en/o-belstate/pravovye-osnovy-gosudarstvennoi-statistiki-respubl/zakon-respubliki-belarus-o-gosudarstvennoi-statist/>

⁵ http://www.belstat.gov.by/en/upload-belstat-en/pdf/about_belstat/5.2.%20Quality%20policy.pdf

⁶ <http://www.belstat.gov.by/en/o-belstate/pravovye-osnovy-gosudarstvennoi-statistiki-respubl/>

recommendations. Belstat should investigate whether there is well-founded demand for such data. Two alternatives could be considered: producing monthly GDP and GRP using new methods (econometric or mathematical models) or abolishing the production of monthly GDP and GRP. The second option would save time and resources, which could be invested in other high-demand areas of statistics.

1. Institutional environment

17. Compilation of NA relies on numerous data sources. NA compilation therefore depends heavily on the general institutional environment. This section of the report assesses the organisational factors that affect Belstat's effectiveness and credibility in developing, producing and disseminating NA statistics. The issues that are assessed are professional independence, mandate for data collection, adequacy of resources, commitment to quality, statistical confidentiality, and impartiality and objectivity.

1.1. Principle 1: Professional independence

18. The National Statistical Committee of the Republic of Belarus (Belstat) acts under the Law on State Statistics, which was adopted in 1997 and amended in 2004, 2008, 2009 and 2016⁷. According to Article 5, 'Independence in exercising state statistical activities' is a key principle of state statistics. As stated in Article 16, 'Interference of government bodies and other legal entities, of officials and other natural persons in state statistical activities shall be prohibited.' Belstat is responsible for developing statistical methodology and compiling official statistics in line with international standards.

1.2. Principle 2: Mandate for data collection

19. Belstat has the right to collect data in the Republic of Belarus, in accordance with Article 10 of the Law on State Statistics. The Law also grants Belstat the right to receive data free of charge. Such data include administrative data from government bodies and other organisations, data from the Single State Register of Legal Entities and Individual Entrepreneurs, other registers and databases, and data from respondents if these data are required to compile official statistics. The mandate for NA production is granted under the Statute of Belstat⁸ (Chapter 2, Paragraph 9.1).

20. The system of state statistics comprises Belstat and regional state statistical bodies (for the regions of Belarus and Minsk city). These regional bodies include statistical divisions in districts and cities (district of Minsk city). Belstat is the main producer of official statistics in Belarus. Belstat also coordinates the state statistical activities of other state bodies and organisations. Regional offices are heavily involved in compiling regional GDP, although the National Accounts Department (NAD) at the central office has the lead role and is responsible for coordinating regional offices.

1.3. Principle 3: Adequacy of resources

21. Production of official statistics is financed by the portion of the national budget allocated to Belstat. This budget allocation must also cover human resources and the development and maintenance of IT equipment. Belstat uses new data collection and processing technologies, including primary statistical data collection from respondents through e-documents, the creation of integrated statistical databases, and new ways and opportunities of obtaining official statistical information.

⁷ <http://www.belstat.gov.by/en/o-belstate/pravovye-osnovy-gosudarstvennoi-statistiki-respubl/zakon-respubliki-belarus-o-gosudarstvennoi-statist/>

⁸ <http://www.belstat.gov.by/en/o-belstate/pravovye-osnovy-gosudarstvennoi-statistiki-respubl>

22. Under the Law on State Statistics, the Chairperson of Belstat has the power to decide, within the limits of the staff numbers decided by the President of the Republic of Belarus, on the structure and personnel for Belstat central office and the number of employees in the regional offices.
23. In total, 44 people are involved in the production of NA in Belstat: 23 in the central office and 21 in the regional and Minsk city statistical offices. The NAD is responsible for producing NA. The NAD has three sub-units: a) production of GDP and GRP; b) coordination of macroeconomic statistics and international comparisons; and c) production of input-output tables (IOTs). The distribution of tasks seems reasonable, well organised and well managed to address NA user needs for users based in Belarus. The Chairperson of Belstat supervises the NAD.
24. NAD staff are motivated and knowledgeable. Belstat uses several tools to train staff, including national accounts compilers. Staff are also eligible to participate in international training courses and seminars organised by the IMF, Eurostat, EFTA and CISstat.
25. Although the competencies of the staff who compile NA are sufficient, the number of staff is insufficient to produce NA according to international standards. Capacity building is currently of utmost importance because of the major ongoing revision of NA to apply the latest international standards.
26. The experts recommend reallocating the tasks assigned to NA staff and re-evaluating priorities among the different areas of NA. Abolishing or simplifying monthly compilation of GDP and producing missing NA components such as SUTs and financial accounts are feasible and reasonable goals.

1.4. Principle 4: Commitment to quality

27. The system of official statistics of the Republic of Belarus follows international and European quality standards. The Belstat Quality Policy was approved by the Board of Belstat on 13 August 2015. The Quality Policy is designed to meet the growing demands of the public, the government and the international community for high-quality, relevant and timely official statistics. Belarus subscribes to the IMF SDDS. Belstat is governed by the state statistics principles defined by the Law on State Statistics.
28. The Belstat management takes responsibility for implementing the Quality Policy, providing resources and monitoring and ensuring implementation of the Quality Policy.
29. An assessment of data quality is foreseen every two years for all centralised state statistical surveys. This assessment includes analysis of compliance with quality requirements at all stages of the statistical production. Burden on respondents is monitored once every five years.
30. Aiming at continuous quality improvements, Belstat started introducing a quality management system in 2016 based on ISO 9001.
31. Belstat's improvements of quality in the area of NA are focused on meeting the methodological requirements provided by international standards (i.e. SNA 2008).

1.5. Principle 5: Statistical confidentiality

32. According to Article 5 of the Law on State Statistics, confidentiality of primary statistical data is a key principle of state statistics. Belstat is committed to ensuring the confidentiality of primary statistical data and their use in state statistics.
33. As per Article 24 of the Law on State Statistics: ‘Officials and other employees of state statistics bodies and other producers of official statistical information, officials of government bodies and other legal entities who have received primary statistical data, as well as other persons who by virtue of office or occupation have had access to primary statistical data shall be liable, under legislative acts, for their loss or disclosure.’

1.6. Principle 6: Impartiality and objectivity

34. Statistical authorities shall develop, produce and disseminate statistics respecting scientific independence and acting in an objective, professional and transparent manner in which all users are treated equally. Article 5 of the Law on State Statistics of the Republic of Belarus stipulates independence in exercising state statistical activities. Article 10 states that producers of official statistics ‘provide official statistical information to government bodies as well as disseminate official statistical information among other users under the legally established procedure’, and ‘ensure equal access of users to official statistical information and methodology of its compilation’.
35. Belstat pre-announces statistical release dates for NA data. An advance release calendar on the Belstat website provides release dates for the current and the next three months.
36. For the latest major revision of NA (SNA 2008), all users were informed in advance of changes in methodology and the expected effect on the main NA aggregates. A press release detailing this major revision of NA was issued.

2. Statistical processes

37. Based on ESCoP principles, this section of the report describes NA production processes in Belstat and assesses their compliance with international standards, guidelines and best practices adopted within the ESS.

2.1. Principle 7: Sound methodology

2.1.1. General overview

38. NA compilation in Belstat follows the methodological requirements stipulated in international standards and guidelines. Definitions and classifications are consistently applied across all NA aggregates that are produced. While the sector review took place, NA production was moved from using SNA 1993 to SNA 2008.
39. As of Q1 2016, Belstat has compiled data in accordance with the System of National Accounts 2008 (SNA 2008) and has stopped publishing NA data based on SNA 1993. Data for 2010–2015 were revised to comply with SNA 2008. The changeover was implemented in such a way that NA data for 2010-2015 are available according to both standards.

40. To compile NA, Belstat uses the following classification systems, which are compatible with SNA recommendations.
- Economic activities are classified according to the National Classification of Economic Activities (OKED (OKPB 005-2011)), which is compatible with the International Standard Industrial Classification (ISIC Rev. 4) at the four-digit level.
 - The national classification of industrial and agricultural products is compatible with the classification of economic activities at the four-digit level.
 - The Classification of Individual Consumption by Purpose (COICOP) is used in household surveys, and is thus used in the computation of household final consumption expenditure.
 - Data on budget expenditure are classified in accordance with the Classification of the Functions of Government (COFOG).
 - The main economic activity of organisations is classified according to the National Classification of Economic Activities (OKED).
41. Many data sources are used for the production of NA aggregates, including data from statistical surveys and from administrative sources.
42. Business surveys are based on the statistical register. Together with the regional statistical offices, Belstat maintains and updates the statistical register using data provided under the legislation of the Republic of Belarus, data from the Single State Register of Legal Persons and Individual Entrepreneurs, and data from other registers and databases maintained by government bodies. The statistical register is updated at least once a month using administrative sources and statistical surveys.
43. The statistical register contains the list of state statistical survey respondents, including the information required for organising and conducting statistical surveys.
44. Belstat had planned to implement the new methodological requirements stipulated in SNA 2008 using a step-by-step approach. Belstat established priorities and included the necessary steps in the Strategy for the Development of State Statistics of the Republic of Belarus until 2017⁹.
45. When major revisions take place in the EU, the European Commission and EU Member States prepare long-term plans for implementing them. For the implementation of ESA 2010, the deadline as established by EU law is 2020. Methodological requirements are prioritised by their significance or impact on GDP.
46. Belstat has implemented the following methodological changes into its NA:
- calculation and distribution of financial intermediation services indirectly measured (FISIM) among institutional sectors;
 - capitalisation of R&D according to SNA 2008;
 - capitalisation of military expenditures according to SNA 2008;
 - improvement of estimates of output of financial institutions, including the National Bank of the Republic of Belarus (NBRB);

⁹ <http://www.belstat.gov.by/en/o-belstate/pravovye-osnovy-gosudarstvennoi-statistiki-respubl/>

- improvement of methodology for estimating the non-observed economy;
 - estimates of imputed rent for owner-occupied dwellings.
47. Introducing these methodological requirements increased the calculated value of the GDP of the Republic of Belarus by 3.4 % on average for 2010-2014.
48. The experts recommend that the NAD continues using the step-by-step approach for introducing SNA 2008. Given Belstat's limited resources, introducing new methodological changes will require task reallocation and priority setting. New methodological requirements should be introduced systematically. For instance, some of the SNA 2008 requirements that have not yet been implemented could be provided for in Belstat's next strategic plan.

2.1.2. GDP estimates

49. As per the SNA methodological guidance, GDP can be measured using three approaches: production, expenditure and income. Based on the availability and reliability of data sources, the NAD decides which should be the main approach. In Belstat, the production approach is the main approach for determining nominal value and growth rates of GDP. In Belstat, statistical discrepancy is used for estimating GDP by expenditure. This practice is non-compliant with EU practice, under which the GDP figures calculated by the three approaches are reconciled.

2.1.3. GDP – production measure

50. The main approach used by Belstat to produce GDP is the production approach. GDP and GRP are calculated monthly, quarterly and annually at current and constant prices. Until end 2015, GDP was calculated according to SNA 1993, while as of 2016 GDP data is based on SNA 2008. The change to SNA 2008 ensures an increased comparability of NA data for the Republic of Belarus with European and international data.
51. The national classifications used in NA are consistent with internationally standard classifications¹⁰. As of 1 January 2016, the National Classification of Economic Activity (OKED), which is harmonised with NACE Rev. 2, has been used together with the National Classification of Products by Economic Activity (OKP RB), which is harmonised with the Statistical Classification of Products by Activity in the European Economic Community (CPA 2008).
52. Belstat has exhaustive data sources for calculating the production components of GDP. Belstat uses statistical data on large, medium-sized, small and micro enterprises, household survey data, and data from various administrative sources. Business surveys are based on the statistical register, which is regularly updated. Belstat implements monthly, quarterly and annual surveys to collect data for estimates of gross output (GO), intermediate consumption (IC) and gross value added (GVA). Micro and small enterprises and individual entrepreneurs are usually surveyed once a year. For some selected economic activities, surveys are performed quarterly.
53. Various surveys are conducted to measure GDP components using the production approach. Doing so enables estimates of GO, IC and GVA for a range of economic activities, as described below.

¹⁰ <http://www.belstat.gov.by/en/classifiers/list-of-classifications-used-by-state-statistical-bodies/>

54. For estimates of GO, IC and GVA in the agricultural sector, data collected through statistical surveys are used. Various statistical questionnaires on specific agricultural activities are sent to agricultural producers. Data on the following agricultural activities are collected:
- production of vegetables in protected ground; growing of mushrooms and flowers;
 - animal husbandry;
 - number and turnover of livestock and poultry; supplies of raw hides;
 - agricultural crop harvesting;
 - fur farming.
55. Estimates of GO, IC and GVA in construction are based on the following data:
- volume of completed buildings and assembly works;
 - commissioning of facilities; fixed assets and use of fixed capital investment;
 - single-family houses built by individuals;
 - volume of completed contracted repair works and performance of contract work.
56. To estimate GO and IC for other economic activities, aggregated statistical data from several surveys are used. Data on the volume of production and on production costs are collected using separate questionnaires. Special questionnaires collect data from small and micro enterprises.
57. If statistical data on small and micro enterprises are not available, imputations are made to compile monthly and quarterly GDP. GVA by small and micro units represents about 20 % of total GVA.
58. In some cases, sub-annual statistical data are produced cumulatively. This practice is non-compliant with principles of calculating and disseminating NA data and forces the NAD to implement additional adjustments, which could lead to statistical distortions.
59. Administrative data sources are made available to Belstat on a monthly, quarterly and annual basis. The following institutions represent the principal data sources.
- The Ministry of Finance provides budget execution reports.
 - The Ministry of Taxes and Duties supplies data on taxes and subsidies on production and imports. The Ministry provides data on the number of individuals not engaged in entrepreneurial activities but paying a single tax for self-employed activities, the number and revenue of individual entrepreneurs, and many other data.
 - The National Bank provides data on the output of banking services and data for calculating FISIM.
 - Certain other ministries and agencies provide additional information for GDP compilation based on the aforementioned inter-institutional agreements.
60. To ensure exhaustiveness of GDP estimates, the NAD makes adjustments to production components and considers hidden and informal activities in the economy¹¹.

¹¹ <http://www.belstat.gov.by/metodologiya/metodiki-po-formirovaniyu-i-raschetu-statistichesk/>

61. The main data sources used by Belstat are census-type surveys and administrative data, so adjustments for exhaustiveness are made for micro and small enterprises and natural persons (entrepreneurs).
62. Adjustments are made to NA aggregates to account for small producers who are engaged in economic activities (production, circulation, and use of goods and services) that are legal but are intentionally hidden (fully or partially) to conceal income and reduce tax payments.
63. According to SNA 2008, ‘the fact that some activities are illegal themselves or may be carried out illegally does not exclude them from the production boundary. Exercises to measure the non-observed economy should also, in principle, cover such illegal activity.’ Belstat has not yet addressed this issue. Investigation of illegal activities should be among Belstat’s planned NA improvements.
64. Chain linking is applied in NA when producing volume estimates of GDP and its components. This practice is consistent with international practice and recommendations at the EU level and means that GDP growth rates for Belarus are comparable.
65. Belstat’s practices differ from standard European practices in terms of the frequency of releasing GDP data (monthly, quarterly and annually) and in terms of details of breakdowns by branches (economic activities), regions and at current and constant prices. Furthermore, the data that are produced are based on primary data sources. This is burdensome for Belstat staff because they are overloaded by the analysis and processing of these primary data to estimate short-term NA aggregates, which need to be revised with subsequent releases of GDP or GRP. This approach also burdens respondents, who frequently have to complete questionnaires. According to international practice, short-term statistics are produced using mathematical and econometric models and methods. Doing so saves resources and reduces the burden on respondents.

2.1.4. GDP – expenditure measure

66. GDP data produced by using the expenditure approach are published quarterly and annually with the same breakdown as for use elements (no monthly data (see Appendix 1)). GDP and its components are available at current and constant prices.
67. The classifications used to compile GDP by expenditure are compatible with those that are used internationally. The Classification of Individual Consumption by Purpose (COICOP) is used for household surveys and hence for computing household final consumption expenditure. Data on budget expenditure are classified according to the Classification of the Functions of Government (COFOG). Components of Gross Fixed Capital formation and Exports and Imports of goods and services are classified according to SNA 2008.
68. Expenditure components differ greatly in nature, so specific data sources are used to compile each component.
69. **Household final consumption expenditure** estimates are based on a sample household living standards survey and the following data sources.
 - For estimates of goods and services received in kind, data from the survey on payroll and other pay-outs are used.

- For estimates of produced goods and services for own final use, data from the specific household sample survey conducted by Belstat for permanent rural residents are used.
 - The value of owner-occupied housing services produced for own final consumption is measured using the consumption expenditure method. This method estimates all costs that house owners must consider when establishing rent charges for rented dwellings. These costs include intermediate consumption, other taxes on production and gross profit.
70. The sample survey on household living standards is carried out annually. The sampling frame is based on the following sources: a) results of the latest population census (for the period 0–4 years after the census); b) information from the Central Commission of the Republic of Belarus on Elections and National Referendums (for the period 5–9 years after the census); and c) data from rural household records for rural areas. Population censuses are carried out every 10 years. Information from the Central Commission on Elections and National Referendums and data from rural household records are updated annually. To improve its quality, the sampling frame is updated annually based on a household address list prepared by survey specialists. The sample survey covers 6,000 households (0.2 % of the household population).
71. **General government final consumption expenditure** data is based on administrative data sources from the Ministry of Finance. These sources provide information on the execution of the budget and the social protection fund. Data are classified according to COFOG. A breakdown by sector is available. The budget execution reports are cash based. Therefore, adjustments for accruals are necessary.
72. Estimates of **final consumption expenditure by NPISHs** are based on data from state statistical reports on selected financial indicators and labour.
73. **Gross fixed capital formation (GFCF)** is estimated using the following data.
- Data on fixed capital investment are gathered from the survey *Annual report on commissioning of facilities, fixed assets and use of fixed capital investment*. Quarterly estimates are based on the respective quarterly reporting.
 - Data on government expenditure on weapon systems are gathered from the corresponding ministries and agencies.
 - Data on R&D expenditure are received from the state statistical report on R&D.
 - Certain other data sources are used for calculating specific GFCF components.
74. **Changes in inventories** are estimated using data collected from various statistical surveys. To ensure consistent valuation, all goods held in inventories are revalued from acquisition prices to average prices for the accounting period.
75. **Exports and imports of goods and services** are estimated using administrative data (i.e. Balance of Payments (BoP) from the National Bank of the Republic of Belarus¹²). The BoP is compiled according to the methodological requirements of BPM6, which is harmonised with SNA 2008. Exports and imports from the BoP are used to compile NA without adjustment. As required by SNA 2008 and BPM6, the principle of change of ownership was simultaneously introduced in the BoP and

¹² <https://www.nbrb.by/eng/statistics/BalPay/>

the NA. Exports and imports of goods and services are estimated at current and constant prices. Exports and imports in NA are measured following international standards.

76. A specific feature of Belstat's GDP estimates is that statistical discrepancy is used in GDP estimated as a sum of use elements. Statistical discrepancy is not used in the EU. Although SNA 2008 permits the use of statistical discrepancy (paragraphs 18.14–18.19), it explains how statistical discrepancy can be avoided using the supply and use framework.

2.1.5. GDP – income measure

77. Belstat issues quarterly and annual estimates of GDP by income approach with a detailed breakdown by kind of economic activity at every stage of compilation. Different data sources are used in the compilation process to measure all necessary subcomponents. **Compensation of employees** is split into two subcomponents: **wages and salaries** and **employers' social contributions**. Wages and salaries (in cash and in kind) are estimated using data from statistical surveys. Data on state social insurance contributions are gathered from the Social Protection Fund. For imputed social contributions, data from statistical surveys on the composition of payroll and other pay-outs are used.
78. The Ministry of Finance supplies data **on taxes and subsidies on production and imports**. Based on data from statistical surveys, taxes are broken down by economic activity.
79. **Gross operating surplus** and **mixed income** are calculated as the residual item. This is common practice in countries where the production and expenditure approaches are the main approaches for GDP estimation.

2.1.6. Regional GDP

80. Belstat produces and disseminates monthly, quarterly and annual GRP (regional GDP) estimates at current and constant prices. The six regional and Minsk city statistical offices are involved in producing GRP estimates.
81. GRP data are compiled using the production approach only. The monthly estimate is available 18–20 days after the reference period. The quarterly estimate is available 90 days after the reference period. The annual estimate is available in December of the year after the reference period.
82. Data are collected from large, medium-sized, small and micro enterprises, and administrative data are gathered from the Ministry of Finance, National Bank and Ministry of Taxes and Duties.
83. Regional estimates have been produced at current prices since 2008 and at constant prices since 2009.
84. Compiling monthly and quarterly GRP consumes considerable resources and burdens respondents. Internationally, only annual regional macroeconomic aggregates are produced. International practice shows that short-term statistics are usually produced using mathematical and econometric models and methods. Doing so saves resources and reduces the burden on respondents.

2.1.7. Compilation of supply and use tables and input-output tables

85. According to international standards, national statistical institutes should compile supply and use tables (SUTs) annually and input-output tables (IOTs) every five years. Belstat produces IOTs annually and does not produce SUTs.

86. Belstat compiles an IOT once a year for 31 x 31 products. The IOTs are compiled annually and are released 16 months after the reference period. The IOTs published by Belstat are at the aggregate level. The EU requirement is to provide IOTs for 64 x 64 products.
87. The data sources used for IOT compilation are the same as the sources used for GDP by production:
 - data (aggregated and extrapolated) from large, medium-sized, small and micro enterprises;
 - data from the household sample survey;
 - administrative data from government institutions.
88. Data have been produced since 2003. IOTs for 2012–2014 are available on the Belstat website.
89. Belstat has started preparations to compile SUTs. The data sources used for IOT compilation can also be used for SUT compilation. Pilot SUTs for 2016 are planned, although Belstat does not envisage their publication. International practice is to compile annual SUTs and publish SUTs for 64 x 64 (activities by products).
90. The experts recommend that Belstat invests sufficient efforts and resources in producing and disseminating SUTs.

2.1.8. Institutional sector accounts

91. Belstat releases annual non-financial sector accounts. The following accounts are consistent with the accounts specified in the SNA:
 - production account
 - generation of income account
 - allocation of income account
 - secondary distribution of income account
 - use of income account
 - capital account.
92. Each account is compiled for the total economy, four institutional sectors and the rest of the world.
93. The main data sources used to compile these accounts are the same as those used to compile GDP by production, expenditure and income. Belstat publishes sector accounts 12 months after the reference period. Time series of sector accounts from 2010 onwards (based on SNA 2008) and from 2005 onwards (based on SNA 1993) are available on the Belstat website.
94. Belstat does not yet produce financial accounts by sector or balance sheets for financial assets and liabilities. The Strategy for the Development of State Statistics until 2017 foresees the integration of financial accounts in the system of NA, but financial accounts are not yet published. Financial accounts by institutional sector (consolidated and non-consolidated) and balance sheets for financial assets and liabilities are compulsory in the EU. Within the EU, special attention is paid to financial accounts for the General Government sector.
95. Belstat should prioritise production of this domain of NA. Introduction of financial accounts could improve the international comparability of NA of Belarus.

2.2. Principle 8: Appropriate statistical procedures

96. Many data sources are used for producing NA aggregates. In the compilation of NA, data from statistical surveys and administrative sources are used. Belstat has a clear mandate for data collection and the statutory right of access to administrative data in many ministries and agencies. A strong legal basis enables the collection of data from respondents. Belstat also has 32 signed agreements with public institutions to enable access to administrative data.
97. Data sources for compiling NA are comprehensive, reliable and provided on a timely basis. A significant number of surveys are implemented using electronic data collection. Almost all statistical surveys are census-type (complete) surveys. Sampling surveys are usually only used for surveying small business units and households.
98. Data collected from surveys and administrative sources are of a high quality and comply with NA requirements, according to NA staff in Belstat. According to the Law on Statistics (Article 10, Paragraph 1), the state statistical bodies can use various measures to ensure the quality of collected data.
99. Belstat has the right to visit government bodies and other organisations to check the validity of primary statistical data, request clarifications from respondents, provide respondents with mandatory instructions on how to correct any data distortions detected in statistical reports, and so forth.

2.3. Principle 9: Non-excessive burden on respondents

100. Belstat uses new data collection and processing technologies. These technologies include e-documents to collect primary statistical data from respondents.
101. Belstat frequently collects and produces NA aggregates. Collecting and producing monthly, quarterly and annual GDP and GRP data requires monitoring of huge data flows. Because these estimates are based on primary data sources, the burden for respondents is most likely very high.
102. Belstat should reconsider the compilation of monthly GDP and GRP, perhaps compiling these data using econometric models or some other mathematical technique, if there is a strong and well-grounded demand for such data.

2.4. Principle 10: Cost effectiveness

103. The Adapted Global Assessment (AGA) of the national system of official statistics of the Republic of Belarus was undertaken as part of the Eurostat-funded project *Global assessments of statistical systems of candidate and potential candidate countries as well as ENP countries* during the strategic period of 2012 to 2017. The assessment team provided recommendations that could help Belstat monitor the use of resources.
104. The official goal of the Strategy for the Development of State Statistics of the Republic of Belarus until 2017 is *'to create prerequisites for further development of state statistics – to improve the quality of statistical products and services, to ensure efficient processes of statistical production, and to increase the professional level of the personnel.'* Implementing the Strategy would improve the cost effectiveness of producing statistical products and services.

105. The Strategy targets greater efficiency in Belstat's use of resources. Improving the organisational structure of state statistical bodies and their computing system is also foreseen. The Integrated Information System of State Statistics has been under development during the strategic period of 2012 to 2017. The introduction of modern information and communication technologies is also targeted.
106. The Strategy targets the active use, where possible, of administrative data for statistical estimates to replace data from statistical surveys. Such measures are relevant for NA compilation.
107. The experts recommend the following actions.
- Belstat should abolish the frequent production of GDP and GRP. Instead, Belstat should use mathematical and econometric methods to estimate monthly aggregates (GDP and GRP) rather than basing these aggregates on primary statistical data.
 - Belstat should review the structure and role of regional offices that deal with GRP to introduce more sophisticated methods and continue IT development. The corresponding savings could allow Belstat to reallocate resources to NA domains that have not yet been introduced.

3. Statistical output

3.1. Principle 11: Relevance

108. Belstat strives to meet user needs, provide users with data and corresponding metadata and release statistical data in a timely manner.
109. The main users of the NA data produced by Belstat are government institutions, mass media, research institutes, international organisations and society.
110. At regular meetings, the Interagency Council on State Statistics discusses how to address user needs most efficiently. The Interagency Council has the right to make proposals for the Strategy for the Development of State Statistics and for the annual Work Programme of state statistics. User requests are considered when the programme is drafted.
111. As per the Quality Policy, Belstat monitors user satisfaction and confidence in official statistical information (including NA) every quarter via the official website. Every year, Belstat assesses satisfaction and confidence of individual user categories (government institutions, mass media, research institutes, international organisations and society). The user questionnaire, which is available on the Belstat website¹³, lets users provide feedback and recommendations regarding the work of state statistical bodies, including issues relating to NA.

3.2. Principle 12: Accuracy and reliability

112. In the regular press releases on GDP and GRP, Belstat comments on changes in the published NA data compared to previous releases. The reasons for corrections / changes are explained. Because of the frequent release of NA data (monthly and quarterly GDP and GRP), more accurate information

¹³ <https://docs.google.com/forms/d/e/1FAIpQLSdq5TcCXYIbexj51ce6j04Ci1HkYu6bEpBIqzJXe-2ytm1XeA/viewform?emb>

becomes available frequently and Belstat informs users on changes coming from the availability of more information. If errors are detected, data are corrected accordingly.

3.3. Principle 13: Timeliness and punctuality

113. During the SR, Belstat had not yet completed the transition from SNA 1993 to SNA 2008. Reporting year 2015 was the last year during which NA data were published under SNA 1993. NA time series that were revised according to SNA 2008 had not yet been published and were unavailable during the SR. According to Belstat, NA aggregates based on SNA 2008 will be available as of 2010 onwards. However, international practice shows that much longer time series of the main NA aggregates are required to meet the needs of all users.
114. Main NA aggregates are released according to a publicly available timetable. An advance release calendar that provides release dates for the current month and the next three months is available on the Belstat website. The catalogue of publications is sent to users and is available on the Belstat website. Annex 1 shows the schedule of GDP and GRP data releases.
115. The public can access NA data and metadata free of charge. Users of NA data can find methodological descriptions^{14,15} and the calendar of publications¹⁶ on the Belstat website. The published database, however, does not contain direct links to the corresponding metadata.
116. NA data are published using various means of data dissemination. Time series of NA data are available in the database and paper format. Questionnaires from international organisations are completed, and individual needs of specific users are answered upon request.
117. Belstat produces and publishes monthly, quarterly and annual GDP and GRP data using the production approach and quarterly and annual GDP data using the income and expenditure approaches.

1st estimate: Monthly GDP and GRP at t+18 to t+20 days

Monthly GDP and GRP data are available 18–20 days after the reference month. Every month, Belstat publishes GDP and GRP data by production at current and constant prices broken down by 19 economic activities and seven regions¹⁷.

2nd estimate: Quarterly GDP and GRP at t+90 days

Quarterly GDP and GRP data are available 90 days after the reference quarter. Every quarter, Belstat publishes GDP and GRP by production and GDP by income and expenditure broken down by components¹⁸. These quarterly data are more detailed than the monthly data.

¹⁴ <http://www.belstat.gov.by/metodologiya/metodiki-po-formirovaniyu-i-raschetu-statistichesk/>

¹⁵ <http://www.belstat.gov.by/en/ofitsialnaya-statistika/macroeconomy-and-environment/natsionalnye-scheta/>

¹⁶ <http://www.belstat.gov.by/en/ofitsialnaya-statistika/for-users/calendar-for-statistics-users/>

¹⁷ http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/natsionalnye-scheta/operativnaya-informatsiya_5/

¹⁸ http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/natsionalnye-scheta/operativnaya-informatsiya_5/o-vtoroi-otsenke/

3rd estimate: Quarterly GDP and GRP in December

In December every year, Belstat revises and publishes quarterly GDP and GRP aligned with the final annual data for the previous year. **Annual GDP and GRP publications match with 1st and 3rd estimates of GDP and GRP**¹⁹. In December, the previously available breakdowns are expanded with a breakdown by institutional sectors. These breakdowns are compatible with those provided in annual sector accounts. Every year, Belstat issues a statistical publication on annual NA²⁰.

118. The timeline for producing NA aggregates and non-financial sector accounts seems to meet the requirements of national and international users (i.e. the UN). In the EU, however, the deadlines for producing annual NA statistics are shorter. Data must be provided nine months after the reference period. Although the deadline for releasing quarterly GDP is two months after the reference period, the EU requests fewer data breakdowns than the number that Belstat produces and publishes. Balancing the needs of users, the burden on respondents and statisticians, and data quality is the main factor that determines production and dissemination deadlines. Short-term statistics should reflect changes, while annual statistics offer a tool for analysing nominal values and changes or trends.

3.4. Principle 14: Coherence and comparability

119. Belstat considers consistency issues when compiling NA statistics. Quarterly NA data are coherent with annual data, and estimates of GRP are harmonised with estimates of GDP. As previously discussed, however, the expenditure components of GDP do not sum up to the total. Statistical discrepancy is included.
120. The data from the different sources used to compile NA are comparable and consistent. Administrative data from the BoP are used in NA without any adjustment. The Ministry of Finance provides administrative data on budget execution. These data are adjusted to comply with SNA requirements for recording data on an accrual basis.
121. Belstat ensures that NA data are internationally comparable by following international standard classifications, definitions and methodological recommendations. After changing to SNA 2008, Belstat revised NA time series back to 2010. However, international practice shows that longer time series of the main NA aggregates are needed to meet all user requirements.
122. To improve the coherence of NA, the experts recommend the use of SUTs, which enable reconciliation of GDP by three approaches. Introducing annual SUTs would also improve international comparability.

¹⁹ http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/natsionalnye-scheta/godovye-dannye_11/

²⁰ http://www.belstat.gov.by/ofitsialnaya-statistika/makroekonomika-i-okruzhayushchaya-sreda/natsionalnye-scheta/ofitsialnye-publikatsii_4/

3.5. Principle 15: Accessibility and clarity

123. Time series of NA data are available in database format and in paper format in annual, quarterly and other publications. The contents of the website and most publications are available in Russian and English.
124. The corresponding metadata are available on the Belstat website in the *Methodology* section (available in Russian), in an annual publication on the NA of Belarus and in other publications containing these data.
125. Belstat also provides NA metadata as per IMF SDDS standards. These metadata are available on the Belstat website.
126. The experts recognise that Belstat has recently improved the availability and accessibility of NA metadata.

4. International organisations and activities related to national accounts

127. Belstat cooperates with international organisations, principally by taking part in training seminars held by the IMF, Eurostat, EFTA and other international organisations.
128. NA staff participates in CISstat and IMF NA development activities, particularly the introduction of SNA 2008. They also participate in the UNECE meetings for NA experts.
129. Belstat adheres to IMF SDDS standards and provides data and metadata updates to the IMF every year. Belstat compiles and submits the standardised NA questionnaire to the UN. Data on financial transactions and assets, however, are still missing.

5. Further developments

130. Like other statistical domains in Belstat, NA are developed according to the Strategy for Development of State Statistics and the annual Work Programme. The current strategic period ends in 2017. This has been an atypical period because of the introduction of SNA 2008.
131. Belstat needs to continue to develop NA, extending the scope of its NA by introducing SUTs, financial accounts and balance sheets and improving the methodology and international comparability of disseminated NA data.
132. This SR and the following recommendations offer strategic guidelines to help Belstat develop its NA.

6. Conclusions and recommendations

This section presents conclusions and recommendations that could improve Belstat's compliance with international standards for NA production.

133. NA production is currently undergoing major changes. During the first stage of transition from SNA 1993 to SNA 2008, Belstat introduced several methodological changes. These changes were made in accordance with Belstat's Strategy for the Development of State Statistics. Given Belstat's limited resources, introducing new methodological changes will require task reallocation and priority setting. New methodological requirements should be introduced systematically. For instance, some of the SNA 2008 requirements that have not yet been implemented could be provided for in Belstat's next strategic plan.

Recommendations

134. Address the following methodological requirements in the next strategic plan: compilation of SUTs, estimates of non-produced non-financial assets and estimates of illegal activities.
135. Introduce mathematical (econometric) methods for producing monthly and quarterly GDP and GRP estimates instead of using detailed survey data. Many staff in regional offices and the central office are involved in producing short-term (monthly and quarterly) GDP and GRP data, which are produced from primary data sources.
136. Reallocate resources from monthly GDP and GRP production to domains that need further development (mathematical and econometric methods, SUTs, financial accounts, revisions of time series, etc.). Belstat compiles IOTs annually instead of producing SUTs. Producing SUTs is standard practice in European countries. The SUT framework enables the reconciliation of data flows (transactions by products) for GDP calculated using three approaches.
137. Investigate how much demand there is for annual IOTs. Consider producing IOTs every five years only (European practice).
138. Introduce annual SUTs at current and constant prices.
139. Belstat calculates GDP using three approaches, but the expenditure approach includes statistical discrepancy. This publication of statistical discrepancy is inconvenient for users, particularly when forecasting. Analyse the reasons for discrepancies between the three GDP estimates (production, expenditure and income). When the balanced SUTs are available, GDP should be published without discrepancies.
140. Belstat revised GDP time series by kind of economic activity (NACE Rev. 2) back to 2010 and published these revised time series in 2016. According to Belstat, NA aggregates based on SNA 2008 will be available back to 2010. However, international practice shows that longer time series of the main NA aggregates are needed to meet all user requirements.
141. Regarding major revisions, longer revised time series of NA aggregates should be produced to satisfy user needs and ensure data are internationally comparable. Belstat has a schedule for publishing annual NA aggregates and non-financial sector accounts. In the EU, the deadlines for producing annual GDP and institutional sector accounts (both non-financial and financial) are shorter than Belstat's deadlines. Data must be provided nine months after the reference year.
142. Revise the timing of production and dissemination of annual NA aggregates and institutional sector accounts.

Appendices

Appendix 1. Publication calendar for main NA aggregates

	GDP by production	GDP by expenditure	GDP by income	GRP by production
Monthly data (1 st estimate)	On 18 th –20 th day after reference month; for 19 economic activities; at current and constant prices	X	X	On 18 th –20 th day after reference month; for 19 economic activities; at current and constant prices; for 7 regions
Quarterly data (2 nd estimate)	On 90 th day after reference quarter; for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices	On 90 th day after reference quarter; by use elements; at current and constant prices	On 90 th day after reference quarter; for 19 economic activities, 21 subsections, 69 divisions; at current prices	On 90 th day after reference quarter; for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices; for 7 regions
Quarterly data (3 rd estimate)	December following the reference year; for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices; revised to ensure alignment with final annual data	December following the reference year; by use elements; at current and constant prices	December following the reference year; for 19 economic activities, 21 subsections, 69 divisions; at current prices	December following the reference year; for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices; for 7 regions
Annual data (1 st estimate)	On 18 th –20 th day after reference year; for 19 economic activities; at current and constant prices	On 90 th day after reference year; by use elements; at current and constant prices	On 90 th day after reference year; for 19 economic activities; at current prices	On 18 th –20 th day after reference year; for 19 economic activities; at current and constant prices; for 7 regions
Annual data (2 nd estimate)	December following the reference year; for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices; by sector	December following the reference year; by use elements; at current and constant prices	December following the reference year; for 19 economic activities, 21 subsections, 69 divisions; at current prices; by sector	December following the reference year; at current prices for 19 economic activities, 21 subsections, 69 divisions; at current and constant prices; for 7 regions