

Current International Cooperation on National Accounts in China

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In recent two years, the Department of National Accounts (DNA) of NBS has developed an extensive communication and corporation with international organizations and counterpart countries. The jointly conducted projects certainly have promoted the progress of Chinese national accounts. Such currently finished or ongoing projects are as the follows:

1. Project on Improvement of Chinese Services Statistics cooperated with ADB

Started in December, 2003, the DNA of NBS initiated the project on Improvement of Chinese Services Statistics jointly with ADB (TA4125-PRC). The main purpose of this project is to explore a scientific survey system and established corresponding proper accounting method for services statistics in order to improve the coverage and the accuracy of the services data, therefore a better reflection of services development in China, with the help of both international and domestic experts by following other countries' best practice and combing the real situation of China.

Three meetings have been held since the initiation of the project. The first meeting is the initiation meeting. In which, the purpose of the project on Improvement of Chinese Services Statistics jointly with ADB (TA4125-PRC) was presented by an ADB official first. Then, Mr. XU Xianchun, the director-general of the DNA of NBS, Mr. Derek BLADES, and Mr. Michael WARD delivered speeches on "Chinese Services Statistics and Existing Problems", "Overview of Chinese Services Statistics", "Outlook on Development of Chinese Services Statistics", respectively.

The second meeting is the seminar on situation of Chinese Services Statistics, held from Apr. 20-22, 2004 in Beijing. While domestic experts were invited to introduce data availability in different administrative organizations, regional accountants from Beijing, Shanghai, Chongqing and Jiangsu were invited to introduce services statistics in daily practice. Also the issue of how to integrated data from the first Economic Census with regular services statistics, and how to make best use of current departmental administrative statistics and how to make improvement in the future were discussed as well.

The third meeting is the seminar on draft version of Chinese Services Statistics, held from Apr. Nov. 17-18, 2004 in Shanghai. In which, international consultants of the project presented papers on services questionnaire, sampling issue, financial intermediation services, housing services, and constant price estimation of services. Meanwhile, domestic consultants of the project presented their research on services statistics in Beijing, Jiangsu, Zhejiang etc. The next step of the project was also discussed in the seminar.

Since early this year, the regions and industries selected for the pilot survey were jointly determined by DNA of NBS, Services Survey Centre of NBS, and domestic consultants of the project through a

number of discussions. Currently, the Survey Plan and Sampling Method are being designed, a survey handbook is being compiled, and the investigators are being selected. The tasks for the coming two years are as follows:

1. By the end of Dec., 2005, complete the Survey Plan;
2. From Nov. to Dec., 2005, prepare data processing program;
3. In Jan., 2006, Training program on pilot survey;
4. From Feb. to Mar., 2006, pilot survey;
5. From Apr. to May., 2006, complete data processing;
6. From Jun. to Aug., 2006, estimating value added of service industries, data analyzing;
7. In Oct. 2006, project summary.

2. Project Cooperated with Statistics Canada

For the purpose of helping China to reform the current statistical system to adapt the requirement arising from the development of socialist market economy, Statistics Canada, with the support from Canadian International Development Agency, and NBS of China are going to start the second phase of the joint project on statistical information management, which has three sub-projects including poverty monitoring and household survey, enterprise survey and national accounts, and environmental statistics and accounting. DNA of NBS will be involved in the last two components. Regarding the enterprise survey, the main task of the DNA of NBS is to provide suggestion on data collection method from the perspective of a user; regarding the environmental statistics and accounting, the DNA of NBS will be the main undertaker. The main tasks regarding to the environmental statistics and accounting sub-project including (1) Establishing basic framework for Chinese Integrated environmental and economic accounts, with theoretical elaboration; (2) Assessing the current data bases in corresponding administrative agencies in charge of natural resources and environmental management; (3) Selected one or more set of indicators using in Chinese Integrated environmental and economic accounts; (4) Selected one region for one or more surveys and pilot work relating the environmental statistics and accounting. Up until now, this Sino-Canadian project is in the process of subscription. The agenda has almost been settled, and the project is expected to be formally initiated next year.

3. Communication and Corporation with Germany Statistical Agencies

This year, two bilateral visits between DNA of NBS and Germany Statistical Agencies have been conducted. One visit is on environmental statistics and accounting. The delegation of DNA of NBS on environmental statistics and accounting visited the Federal Statistical Office of Germany during 20 Feb.-7 Mar. this year. During which, a systematic introduction on German official statistical system, overview of German environmental statistics, and progress of German environmental accounting were presented by

German experts. Correspondingly, Chinese experts presented the basic situation on the development of environmental statistics and accounting in China. Mr. Walter Radermacht, vice president of Federal Statistical Office of Germany, specially delivered a lecture on Further Development of Environmental Statistics and Accounting for Chinese delegation. The visit has provided both sides a better understanding of environmental statistics and accounting, which lays good foundation for further Sino-Germany cooperation in the future. The other visit is on regional GDP accounting. During 25-29 Apr. this year, a Germany delegation of two on regional GDP accounting, Mr. Bernd Struck, deputy director of the Statistical Office of the State Schleswig-Holstein and Mr. Dlaus-Dieter Voy, deputy director of the Statistical Office of the State Berlin visited NBS. During the week of visit, experts of Germany conducted communication in depth with experts from regional statistical offices of Tianjin, Shandong, etc. German experts focused on the introduction of regional GDP accounting, integrated regional with federal GDP estimates, and release and revision of regional GDP estimates in Germany. Correspondingly, Chinese participants introduced the practice of regional GDP accounting in China. Through the communication, a better bilateral understanding of regional GDP accounting has been achieved. German experiences on regional GDP accounting will benefit accordingly the ongoing reform of Chinese regional GDP accounting.

4. Communication and Corporation with Bureau of Economic Analysis and Federal Reserves Board of the United States

On June 30 this year, Mr. J. Steven Landefeld, Director of U.S. Bureau of Economic Analysis, visited NBS and delivered a presentation entitled “Updating Concepts and Methods for National Accounts: The Intersection of Economic Policy and Statistics “ on the occasion of his attendance at the 15th IIOA conference, Beijing, 27 June - 1 July, 2005. There are three topics in Mr. Landefeld’s lecture, which are history of the development of US national accounts; users of US national accounts; US historical data revision and relevant experiences. Mr. Landefeld’s lecture enables Chinese accountants to form a relative comprehensive view on the history and experience of US national accounts.

From July 9 to July 23 this year, a NBS delegation on flow of funds accounts visited US Federal Reserve Board and mainly focused this study trip on the classification of institutional sectors, the design of indicators, the data sources, the compilation methods, the system of data dissemination and data revision, etc. related to the Flow of Funds Accounts; the reconciliation of Flow of Funds Accounts with other national economic accounts; and the application of Flow of Funds Accounts in macro-economic management.

In November this year, some experts from BEA were invited to take a one-week work visit to NBS, and provided consultancy in the method of American historical data revision, and the method of input-output table compilation.

5. Project on Water Resources Accounting Cooperated with UN Statistical Division

Recently, UN Statistical Division is going to start a project on water resources accounting project jointly with NBS, which mainly includes physical accounting of water resources, wastewater discharge and

treatment accounting, water resources protection expenditure accounting etc. Preliminarily, both sides agreed to apply the research over Haihe River area first. As part of the implementation, some UN experts in this field will visit China in November this year and discuss relevant issues on the cooperation with NBS, MWR (Ministry of Water Resources), and other related administrative organizations.

6. Project on Cyclical Indicators Analysis and Application Cooperated with OECD

The cooperation between NBS and OECD on cyclical indicators started in 1998. In the first stage of the cooperation, the focus was laid on the construction of the national complex leading indicators, and with the instruction and help of the OECD experts, the bilingual *Business Cycle and Cyclical Indicators* was jointly published in March 2001. In the second stage of the cooperation, the possibility of construct regional complex leading indicators was explored, and another bilingual book, *Regional Complex Leading Indicators of Shanghai, China*, was jointly published in April 2004.

From April 25-26, 2005, a seminar on leading indicators in main non-OECD member countries was held in Paris by OECD. Delegates from China, Brazil, India, Indonesia, and South Africa attended the seminar. The cooperation between NBS and OECD on the analysis and application of cyclical indicators was mainly focus on the further improvement of the identification of potential leading indicators and the construction of complex leading indicators in main non-OECD member countries (China, Brazil, Russia, India, Indonesia, and South Africa), including achieving agreement on the selected leading indicators, establishing data reporting channel, preparing indicator explanatory, establishing quality assessment system for the selected leading indicators. OECD intends to include complex leading indicators for non-OECD countries in its monthly publication, *Main Economic Indicators*, by the end of 2005.

(Translated by ZHAO Hong)