

SECRETARIAT OF THE PACIFIC COMMUNITY

REGIONAL MEETING OF HEADS OF PLANNING AND HEADS OF STATISTICS (HOPS)
(Noumea, New Caledonia, 22–26 July 2013)

Session 2: Progress of work on Business Statistics in Pacific Island Countries and Territories (PICTs)
(Document presented by the Secretariat of the Pacific Community)

EXECUTIVE SUMMARY

1. Quality data on business activities is lacking in PICTs. Business activities account for a substantial proportion of the total economic activity, whether in terms of the sector contributing to GDP, or in terms of its share of total employment and *Gross Fixed Capital Formation* (GFCF). *The Pacific Statistics Strategy Action Plan, Phase 1* (2011–2014) recommends for establishment surveys to be conducted in a five yearly cycle, so that more regular GDP re-bases can reflect more accurately on structural developments in national economies. SPC is taking the lead in assisting countries setting up systems for the collection and dissemination of business statistics through establishment surveys.

Key achievements

2. The work involves compiling the national industry classification based on the UNs International Standard Industry classification, using MS Access to set-up the business register from which business survey frames can be drawn and designing industry-specific questionnaires. Work completed thus far concentrated on Fiji and PNG.
 - a. Fiji: (a) review of industry-specific business survey questionnaires, and (b) upgrade of the business register (a joint project with the ABS); Draft Business Register Manual completed and available.
 - b. PNG: (a) compilation of the PNG Standard Industrial Classification (draft PNGSIC available); (b) set-up business register with Fiji providing south-south type technical collaboration (draft Business Register Manual is available); (c) design of 19 industry-specific business survey questionnaire – all 19 draft questionnaires available.

Main challenges faced

3. Major challenges include the lack of national funds to carry out much needed survey work; weak legal powers as the authority for statistical collection; and skills required to conduct business surveys.

Proposed way forward / Recommendations

4. SPC is committed to standardizing business statistics collection system in PICTs, with three additional confirmed missions to Vanuatu in late 2013, and Tonga and Solomon Islands in 2014.
 - Given the importance of private-sector led economic development, it is imperative for Governments to have regular access to up-to-date business registers. HOPS is invited to recommend to countries to engage in greater public-private sector partnerships to allocate sufficient resources to allow for a regular conduct of establishment surveys.

INTRODUCTION

1. Quality data on business activities is lacking in PICTS. The use of administrative data is good, but on an ad hoc basis, particularly for the rebase of the Gross Domestic Product (GDP), business statistics data sourced through business surveys is crucial. Business activities account for a substantial proportion of the total economic activity, whether in terms of the sector to the GDP or in terms of its share of total employment and Gross Fixed Capital Formation (GFCF). Pacific Statistics Strategy Action Plan, Phase 1 (2011 – 2014) recommends that establishment surveys be conducted in a five yearly cycle so that more regular GDP re-bases can reflect more accurately on structural developments in national economies. SPC is taking the lead in assisting countries setting up systems for the collection and dissemination of business statistics through establishment surveys. The two major infrastructure being:

Industry classification

2. Industry classification provides a comprehensive framework within which economic data are collected and reported for purposes of economic analysis, decision-taking and policy-making.

Business Register

3. Business Register (BR) is a central resource which provides identification, stratification and demographic variables of all registered businesses operating in a country. Consistent structural information of businesses is crucial for the BR since it is the source of frames for all the establishment surveys. The effective use of the business register allows coherence in business statistics across a range of subject matter areas.

KEY ACHIEVEMENTS

4. Work completed thus far concentrated on Fiji and PNG.

Fiji:

- a. upgrade of the business register (a joint project with the ABS); Draft Business Register Manual completed and available.
- b. Reviewed the industry-specific business survey questionnaires currently in use and suggested refinements required. Output: all refinements suggested incorporated into the questionnaires.

Papua New Guinea:

- a. completed work on nationalising the United Nations (UN) International Standard Industrial Classification (ISIC) Rev. 4 which will be used for classifying data according to kind of economic activity in the fields of economic and social statistics, such as for statistics on production or national income, demography of enterprises, employment, population and others. Major output is the draft Papua New Guinea Standard Industrial Classification (PNGSIC) 2013. PNGSIC 2013 has concordance with PNGSIC 2000 which was previously used.
- b. set-up Business Register with Fiji providing south-south type technical collaboration with MS Access. Draft Business Register Manual is available.
- c. designed 19 industry-specific business survey questionnaires, the industries being:

PNGSIC 2013 Section	
A	Agriculture, forestry and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air-conditioning supply
E	Water Supply; sewerage, waste management and remediation activities
F	Construction

PNGSIC 2013 Section	
G	Wholesale and retail trade; repair of motor vehicles and motor cycles
H	Transport and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and Insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities

All 19 draft questionnaires are available.

CHALLENGES FACED WITH IMPLEMENTATION

5. Major challenges include:
 - a. Lack of national funds to carry out much needed survey work.
 - b. Weak legal powers as the authority for statistical collection
 - c. Skills required to conduct business surveys.

Proposed way forward during final years of Phase-1 (2013-2014) and upcoming Phase-2

6. SPC is committed to standardizing business statistics collection system in PICTS, with three additional confirmed missions to Vanuatu in late 2013 and Tonga and Solomon Islands in 2014.

Recommendations for consideration by HOPS

- Given the importance of private-sector led economic development, it is imperative for Governments to have regular access to up-to-date business registers. HOPS is invited to recommend to countries to engage in greater public-private sector partnerships to allocate sufficient resources to allow for a regular conduct of establishment surveys.