



PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES

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Number Eighteen

Second Semester 1983

Vol. X, No. 2

## NEDA-PIDS SEMINAR-WORKSHOP ON THE PHILIPPINE SYSTEM OF NATIONAL ACCOUNTS

Welcome Address

*T. A. Mijares*

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2. Objectives
3. Seminar Workshop Format
4. Problems and Issues
5. Recommendations

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System of National Accounts

*P. Q. Samson and T. P. Africa*

National Accounts Data Linkages

*M. Ono*

The Reconciliation of Government Transaction Statistics:  
National Accounts, Commission on Audit and Office  
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*A. M. Tetangco Jr. and  
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# WELCOME ADDRESS AT THE SEMINAR-WORKSHOP ON NATIONAL ACCOUNTS (WITH FOCUS ON FINANCIAL AND GOVERNMENT ACCOUNTS)

Tito A. Mijares

On behalf of the Authority, I welcome our participants and guests to this seminar-workshop on the system of national accounts. Special thanks have to be extended to the Philippine Institute for Development Studies (PIDS), whose president, Dr. Filologo Pante, and some of his staff are also here with us, not only for footing the bill we are incurring here but also for the substantive contribution they are going to make at our sessions.

I also take special note of the presence of the academic group led by Professors Romeo Bautista, Edita Tan and Angeles Buenaventura and some other interested groups from the U.S. Embassy, USAID, the IMF and Asian Development Bank and our colleagues from other agencies of the government.

This is the third workshop on national income accounts. The first, which was conducted in early October 1971, was held at the Continuing Education Center, Los Baños. Reports and recommendations of that seminar were published in the *Statistical Reporter*. Aside from the significant recommendations of the two groups of participants at that workshop, Professor Oshima's notes and a rather long list of suggestions provided some important guides to the subsequent revision of the manual on National Income Methodology, which was then very roughly and sketchily drafted by Peregrino Reyes, then Chief of the National Income Branch, just prior to his departure for Singapore. The second workshop, which was also held at the Continuing Education Center in early November 1976, included regional income accounts which were initiated in 1974. In that workshop, Elpidio Makanas presented a paper on major improvements in NI estimation and other developments in economic accounts and Pablo Samson presented a paper on the major deficiencies of our data and some problem areas of NI estimation. Also presented at the second workshop was an overall revision of the Philippine System of National Accounts whose base period was shifted from 1967 to 1972. The output of that second workshop provided a significant guide to the first printed *Manual on the*

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Deputy Director-General, National Economic and Development Authority.

*Philippine System of National Income Accounts, Framework, Sources and Methods*, published by the National Accounts Staff under the direction of Mr. Samson.

The development of the system of national accounts had its early beginnings shortly after World War II. Most of its early development can be traced to work of the Conference of European Statisticians which is a principal subsidiary body of the United National Economic Commission for Europe (ECE) and whose members are executive heads of national statistical offices of Europe and North America.

To various users, and especially to economists, the concept of gross national product (GNP) and its various supporting accounts are measures of the amount of activities generated in producing the goods and services within a given period of time. The major purpose of the U.N. System of National Accounts is to serve both as a program for the international reporting of national accounting data and as a framework for developing national statistics. Along with the input-output table which was promoted to improve, and serve as a check on, the consistency and completeness of economic statistics, that Conference in the early fifties also discussed the continual improvements of the SNA to provide a coherent system of official statistics. Their work also culminated in the revision of the U.N. System of National Accounts (UNSNA).

While the SNA published by the U.N. in 1952 was mainly designed for international data reporting, the revised SNA of 1968 could be considered as a blueprint for the development of macro-economic accounts, which include balance sheets, financial accounts, and the I-O distribution of income and wealth and employment.

The Philippine system of national accounts had its origins in the national income accounts of 1946-51 which William Abraham first set in 1952 at the Central Bank while working as adviser for the U.N. His compilation of the accounts also served as the material for his doctoral dissertation at New York University. In 1958, the responsibility of compiling those accounts was transferred from the Central Bank to the Statistical Coordination Office of the then National Economic Council, where it has remained to the present day. The format of the U.N. System of National Accounts published in 1952 and that of the system now being adopted in the Philippines are very similar. One could perhaps even assume that our present format had served and contributed to the old U.N. model from which the current revised model had emerged.

In spite of more than three decades of experience, we are not fully confident that we have resolved all of the issues raised as regards the level, structure and reliability of various estimates in our accounts. Old ones appear intractable and new ones are emerging. Mr. Samson here, who is presently the Director of the National Accounts Staff, will outline these problems in a paper to be presented tomorrow.

During the last two seminars, we covered rather widely different topics as we discussed methodologies and sources of data in the production and income originating sectors and the expenditures/financial and government accounts. A number of improvements have been made which have further strengthened estimates in a good number of the sectors. However, in our third seminar we are attempting to narrow down our topics to the financial and government accounts.

While the GNP has been and still is very useful in giving indications of economic progress in any country, it has also been admitted that there exist major weaknesses in the framework in that it can hardly be used for welfare measurement. Most countries address the problem through the development of an integrated system of social, demographic and economic indicators. One sector that is apparently being left out in all these efforts on statistical development, however, is the government sector. In a good many countries (especially the developing ones) in the world, the contribution of the "government" to total economic growth and its influence on the welfare of the population have not been sufficiently understood. The reason for this is that conventional government outlays and accounts often do not permit the examination of trends on some specific functions over time as they reflect more the organizational structure of the government. Statistical time series may therefore be distorted by changes in the organizational structure of government. Since government is a very important sector and catalyst for development, the understanding of their different functions is essential in policy formulation and action at all levels.

It is hoped, therefore, that this seminar can bring about a better understanding of the functions of the government — at least in the context of the Philippine setting — to enhance an early reconciliation and integration of the various accounts maintained by the different agencies of the government.

I thank you. Again, my warm greetings.

## 2. SEMINAR WORKSHOP PROGRAM

April 28 (Thursday)

5:00 – 7:00 p.m. – Registration and Cocktail

7:00 – 8:00 p.m. – Dinner and Welcome

Welcome Address – Dr. Tito A. Mijares

April 29 (Friday)

8:30 – 12:00 a.m. – Session I

Towards a More Articulated and Relevant System of National Accounts – Pablo Q. Samson and Tomas P. Africa

National Accounts Data Linkages – Mitsuo Ono

Moderator – Elpidio D. Makanas

Rapporteur – Tomas P. Africa

1:30 – 5:30 p.m. – Session III

The Reconciliation of Government Transaction Statistics: National Accounts, Audit and Budget

Moderator – Edgardo Zialcita

Rapporteur – Corazon R. Buenaventura

April 30 (Saturday)

8:30 – 12:00 – Session IV

The Reconciliation of Foreign Transaction Statistics: National Accounts and Balance



of Payment	— Amado Tetangco and Carmelita M. Arenas
Moderator	— Tito A. Mijares
Rapporteur	— Manuel A. Superticioso
Closing Remarks	— Tito A. Mijares

### 3. LIST OF PARTICIPANTS

1. Tomas P. Africa – NEDA, National Accounts Staff
2. Bienvenido Alano, Jr. – Bureau of Customs
3. Armi-Corazon Albeus – Commission on Audit
4. Juanita Amatong – Ministry of Finance
5. Heidi R. Arboleda – NEDA National Accounts Staff
6. Carmelita Arenas – Central Bank of the Philippines
7. Maria Teresa Austria – NEDA Economic Planning & Research Staff
8. Virginia Banados – NEDA National Accounts Staff
9. Romeo Bautista – UP School of Economics
10. E. Buenaobra – US Embassy
11. Olivia Bernardo – NEDA National Accounts Staff
12. Angeles R. Buenaventura – UP Statistical Center
13. Corazon R. Buenaventura – NEDA National Accounts Staff
14. Prospero Castro – NEDA Stat. Prog. & Standard Staff
15. Winifredo Constantino – NEDA Eco. Planning & Research Staff
16. Irene Daleja – Office of the Budget & Management
17. Isidoro David – Asian Development Bank
18. Peter Davis – US Agency for Int'l. Development
19. Sylvia de Perio – NEDA National Accounts Staff
20. JuliaLynn dela Cruz – Office of the Budget & Management
21. Estrella Domingo – NEDA National Accounts Staff
22. Gil Dy-Liaco – US Agency for Intl. Development
23. Carmelita Fricta – NEDA National Accounts Staff
24. Norman Genato – NEDA Eco. Planning & Research Staff
25. Celia Gonzales – Central Bank of the Philippines
26. Generoso G. de Guzman – NEDA National Accounts Staff
27. Beenvenuto Icamina – NEDA Eco. Planning & Research Staff
28. Jennifer Liguton – Philippine Inst. for Dev. Studies
29. Rodolfo Madamba – National Census & Stat. Office
30. Rosario Manasan – Phil. Inst. for Dev. Studies
31. Erlinda Medalla – Phil. Inst. for Dev. Studies
32. Tito A. Mijares – NEDA Stat. Coordination Office
33. Andrea Morales – NEDA National Accounts Staff
34. Honorata Moreno – UP School of Economics
35. Mitsuo Ono – Asian Development Bank
36. Filologo Pante, Jr. – Phil. Inst. for Development Studies
37. Laura Pascua – Office of the Budget & Management
38. Alvin Pritchard – International Monetary Fund
39. Nonito Punzalan – NEDA Project Monitoring Staff
40. Nolasco Reyes – Commission on Audit
41. Dir. Peregrino Reyes – NEDA Stat. Prog. & Standard Staff

- |                             |   |
|-----------------------------|---|
| 42. Manuel Superticioso     | – NEDA National Accounts Staff            |
| 43. Pablo Q. Samson         | – NEDA National Accounts Staff            |
| 44. Elpidio D. Makanas      | – NEDA National Accounts Staff            |
| 45. Edita Tan               | – UP School of Economics                  |
| 46. Herminia Tayco          | – Tariff Commission                       |
| 47. Amando Tetangco, Jr.    | – Central Bank of the Philippines         |
| 48. Margarito Teves         | – Ayala Corporation                       |
| 49. Alfredo Torres          | – MTI, Bu. of Industrial Development      |
| 50. Emmanuel Trinidad       | – NEDA National Accounts Staff            |
| 51. Dir. Ruben Trinidad     | – National Tax Research Center            |
| 52. Francisco Trinidad, Jr. | – Center for Research & Communication     |
| 53. Villamor G. Vital       | – Private Development Corp. of the Phils. |
| 54. Johnny Yang             | – Office of the Budget & Management       |
| 55. Edgardo Zialcita        | – Central Bank of the Philippines         |

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