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Current Status of Economic Statistics in Cambodia

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I. Introduction

Development Plans in the Government

In July 2004, the Prime Minister launched the Rectangular Strategy (RS) for Growth, Employment, Equity and Efficiency, which will guide the implementation of the economic policy agenda of the Royal Government of Cambodia (RGC). The RS, which can be visualized as a series of interlocking rectangles, has good governance at its core. Quality statistical information that allows the monitoring of activities managed by the government is critical for improving the governance standard in Cambodia. The other rectangles focus on the desired environment to implement the strategy, and on promoting economic growth through agriculture development, rehabilitation and construction of physical infrastructure, Private Sector Development, and capacity building and human resource development.

To implement the development vision set out in the RS, the Government and development partners have agreed to prepare a single planning document, the National Strategic Development Plan (NSDP), for the period 2006–2010. The NSDP draws together the Cambodia Millennium Development Goals (CMDG), the Socio-Economic Development Plan 2001–2005, the National Poverty Reduction Strategy 2003–2005 (NPRS), the Governance Action Plan (including the National Public Administration Reform), and the Public Financial Management Reforms. The NSDP mandates the monitoring and reporting of the progress of priority activities laid out in the Plan, and this requires timely and reliable official statistics that are accessible to those who have stakes in the Plan. The implementation plan for the NSDP was discussed at a workshop on 27-28 July in Phnom Penh, immediately prior to the workshop on the Statistical Master Plan (SMP). A series of indicators to monitor progress in these areas has been formulated. Conclusions on indicators for monitoring and assessing the NSDP are the key determinant of the priorities for the work programme of the statistical system of Cambodia.

Statistical Developments

Official statistical infrastructure and activities were largely non-existent a decade ago in Cambodia, but significant efforts have been made in recent years to improve its statistical system. In particular, notable improvements have been made in Cambodia's statistical efforts in areas of formal structure, management, staff training, dissemination practices and accessibility of data. Hitherto, development of official statistics has been piecemeal, constrained by lack of funds and partly driven by availability of external funding resources. There has been little opportunity to develop a long term, sustainable, coherent and realistic strategy for the development of official statistics.

However, there has been a significant effort to collect, estimate, and report on the MDG indicators, largely due to the preparation of the Cambodia Millennium Development Goals (CMDG) Report and the desire to integrate the MDG monitoring framework into national policy evaluation, especially through NPRS monitoring. Successful completion of the 1998 and 2008 censuses and 2000 and 2005 Cambodia Demographic and Health Surveys (CDHS), in particular, has contributed to benchmarking important aspects of socio-economic conditions of the country. At the line ministries, a variety of management

information systems that process administrative and other data have been developed including Education Management Information System and Health Management Information System, although the inter-system coordination and the donor dependency issues need to be improved. The recent completion of the 2004 Cambodian Socio-Economic Survey (CSES) and the 2005 Cambodian Demographic and Health Survey means that more up-to-date measures of these indicators are now available to data users.

Statistics Law was enacted in 2005 and then a Statistics Advisory Council was established by sub-decree (Chaired by Minister of Planning) to “facilitate the development of the National Statistical System”. This will be a forum for stakeholders to influence the planning and priorities of official statistics and also be a mechanism for encouraging and monitoring coordination across the statistical system. Additionally, a Statistics Coordination Committee was established by sub-decree (chaired by Director General of NIS) to “assist...the technical coordination of the official statistics of the Royal Government”.

The Law will encourage an integrated NSS by making the NIS the official statistical policymaking body, with responsibilities to coordinate official statistical activities over all statistical units within the ministries and other government organizations.

Relationship with Development Partners

The official statistics system in Cambodia was seriously damaged by the long term political upheaval, but since 1990s, it has gradually been improved with the support of United Nations and the development partners agencies and countries.

The statistical system, and NIS in particular, has benefited significantly from various activities of the development partners. Most of the data collection, processing, analysis and dissemination activities are dependent on external financing. The Asian Development Bank (ADB) and the International Monetary Fund (IMF) have provided extensive support on capacity building and data collections for macro-economic and industry statistics. Training courses were conducted, and on-the-job training given, on a variety of topics in economic statistics. Establishment surveys were carried out in 1993, 1995 and 2000, with support received from ADB and the United Nations Development Programme (UNDP). The ADB support was provided over a ten-year period but ceased in 2003. The collection of prices in five provinces for the CPI (Consumer Price Index) was started with assistance from ADB but NIS has continued to collect these data.

Development partners have tended to provide funding and technical assistance for large-scale statistical collections, most notably the 1998 and 2008 population censuses. UNDP, the World Bank, and the Swedish International Development Cooperation Agency (SIDA) have funded the 2003/2004 and 2007 Cambodia Household Socio-Economic Surveys, which includes an income and expenditure component. The United States Agency for International Development (USAID) has largely financed rounds of the Cambodia Demographic and Health Survey (CDHS). Most earlier data collection activities have been financed by development partners rather than by RGC.

The NIS was conducting various economic surveys such as the Labour Force Survey, the Establishment Survey and the Production Survey for Manufacturing Industry so far with the assistance of the Asian Development Bank (ADB), which unfortunately ended in 2001. The NIS want to resume these economic surveys by training its staff in this field.

Under these circumstances, a Japanese delegation headed by the Director General of Statistical Training Institute of Ministry of Internal Affairs and Communications visited NIS and had a meeting with Director General of NIS in October 2004. In the meeting, the delegation expressed their interest in providing technical assistance for the capacity building in NIS. Following the meeting, RGC requested the Government of Japan for a technical assistance project for the 2008 population census, the capacity development in NIS (both in the headquarter in Phnom Penh and its provincial offices) and the improvement of economic statistics needed for improving the national accounts. A document containing the Minutes of Discussions was exchanged between the Director General of NIS and the Resident Representative of JICA Cambodia Office.

After another evaluation study in May 2005, JICA reached an agreement with NIS on implementing the first phase of the Project on Improving Official Statistics in Cambodia, which was to improve statistical capacity by providing training program for staff in NIS, the statistical staff in provincial offices of Ministry of Planning and statistical staff in other line ministries. In August 2005, short term official experts were dispatched from the Statistics Bureau and the Statistical Research and Training Institute of the Ministry of Internal Affairs and Communications of Japan and the Project (phase 1) was also started by the experts of the JICA from October 2005. The Project now is continued its phase 2 and will be continued to phase 3 for implementing the economic census in 2011.

II-Economic Statistics Outputs and Data Quality

The statistical outputs have been reviewed in detail in several previous reports. Here, only a brief summary has been included. In recent years there have been several notable achievements. National population censuses were conducted successfully in 1998 and 2008, several surveys such as the 2000 and 2005 Cambodia Demographic and Health Surveys have been carried out, and the standing of the NIS in the eyes of the other ministries and of the public at large appears to have improved.

ADB gave considerable technical and financial support to NIS for economic statistics during 1993-2003, but since then there has been a dearth of resources for economic statistics, and only limited developmental work has been possible, using IMF technical assistance. Although NIS does provide official estimates of gross domestic product (GDP) and its components, the database used for its compilation is still weak and fragmentary, despite significant improvements under the ADB and IMF technical assistance projects. Information for most sectors is not collected on a systematic basis. An establishment survey was conducted in 2000, and a labour force survey in 2001, in an attempt to strengthen the underlying data sources.

The national accounts consist of the minimum set of tables that cover the period 1993-2007. GDP is estimated annually on both production and expenditure approaches and at current as well as constant 2000 prices. Experimental estimates of GDP by factor income and Gross National Income are also released annually. A publication on concepts, sources and methods used in the compilation of the national accounts was released in 2004. The implementation of the System of National Accounts 1993 as a general framework is in progress, but is expected to take several years to fully implement.

Agriculture is a major area of economic activity in Cambodia, but surprisingly no benchmark census of agriculture has ever been conducted. Under the new Statistics Law, agricultural censuses are required to be undertaken at least once every ten years. To save on costs, it may be necessary to do this as a partial census, with all large establishments being covered, but only a sample of the smaller establishments. We are planning the agriculture census immediately after the current population census 2008. In future close collaboration between NIS and MAFF will be needed, both in the conduct of agricultural surveys (such as the recently completed crop and livestock survey) and to help improve MAFF's administrative data sources.

Similarly, NIS is required by law to carry out a census of establishments every ten years. This census will provide comprehensive information about all sectors of industry, and will enable NIS to set up a comprehensive register of establishments, for use as a sampling frame for future surveys. Previous attempts to construct a sampling frame of industrial establishments, in preparation for earlier surveys of industrial establishments, had resulted in a fairly complete frame for Phnom Penh Municipality at the time of listing, but less complete frames for the rest of the country, particularly for smaller establishments. One critical issue would be to maintain the register over time using a feedback mechanism linked to company and tax registration, so that it can be used regularly for surveys. A related issue is to ensure that all ministries with an interest in establishment data use the same industrial classifications (i.e. UN International Standard Industry Classification) for identifying the industry group to which each establishment belongs.

. A monthly Consumer Price Index is prepared for Phnom Penh (since 1994), as well as a quarterly urban CPI based on price collections for Phnom Penh and for five provincial centres (since 2000). The aim in the near future is to expand price collection to cover all 18 other provincial centres. If no funds are available to support this larger data collection exercise, the monthly price collection could be changed to quarterly in order to extend the geographic coverage. An experimental Producer Price Index was published on a quarterly basis over three years (March quarter 2000 to September quarter 2003), but the NIS does not have the resources for an ongoing PPI.

There have been improvements in the timeliness and regularity of *export and import data*, and bulletins are produced twice a year, showing the data analyzed according to the UN Harmonised Commodity Description and Coding System. However, detailed monthly data showing commodity by country are needed. Again, NIS will work closely with the Customs and Excise Department to help improve the quality of data.

There has been some improvement in the reporting of *communications* data collected by NIS from the Ministry of Posts and Telecommunications, but closer cooperation is needed to assess the value of the data produced. Similarly, NIS has had improved access to the data on *building permits* available at the Ministry of Land Management, Urban Planning and Construction. Some work has recently been done to improve *environmental statistics*, with assistance from ADB.

As one would expect, the NBC maintains a good system of *financial sector statistics* relating to its own operations and that of commercial banks, but there is inadequate data on related issues such as micro-finance, moneychangers, and insurance. The NBC also produces quarterly *external sector statistics* on external debt, balance of payments and the international investment position; however, there are still significant data gaps and weaknesses in the source data due to the lack of regular international investment and trade in services surveys. The MEF produces monthly government *fiscal* operations data, however data on government debt or on public finance are not available. The *industry* data available in the Ministry of Industry, Mines and Energy is used by NIS staff for national accounts purposes. The data relate to registrations, and there is some data available on employment and fixed assets, though it is of poor quality. It is now difficult to get data on *mining and energy*, because the Division responsible for producing the statistics for these sectors have been disbanded.

There is some collection of *tourism* statistics at the provincial level. Attempts have been made to collect tourism statistics from hotels, but some of them have proved uncooperative. In addition, there has been no recent international visitors' expenditure survey because of the ending of funding from ADB. Similarly in the area of *transportation*, there is only limited data on the number of vehicles and very little current data available on the quantity, quality and use of transport facilities. The Council for the Development of Cambodia produces annual data on the level of *development aid* and monthly data on the *investment* approvals. However, both datasets have significant coverage and data quality shortcomings.

III- Skill Levels and Training

There has been some improvement in the quality of NIS staff over the course of the last 10 years, but there is still a long way to go before NIS can say that all its staff are qualified to carry out their functions. In 1995 not a single member of NIS had a master's degree, but by 2006 there were 12 staff who had done a course at this level (mainly in the Philippines). There were similar improvements at lower levels as well. By 2006 there were 10 staff who had obtained a diploma overseas (mostly from India) and 47 others who had done short training courses overseas (mostly in Japan).

In addition to this overseas training, the Training Unit within NIS has delivered a substantial amount of formal training at a lower level. For instance, as part of the Second In-house Training Programme, 15 courses were delivered, on subjects such as the national statistical system, Excel, and English. The length of these courses varied from 15 hours up to 96 hours, and so did the number of participants on each course (11 up to 56).

The NIS needs to continue upgrading the quality of its staff, especially in provincial and district offices, by providing training opportunities inside and outside the country. As with many other statistical offices worldwide, the major weakness of the NIS is in the area of data processing and data analysis.

Even more important than the provision of formal training is the use of on-the-job training, or 'mentoring', where the trainee works alongside an 'expert' and learns by doing. This type of arrangement can provide a valuable learning experience for trainees, but it needs to be well structured, so that the trainees themselves do all the hands-on work, and the 'expert' merely advises. There is much less value to be gained from the trainee simply watching the 'expert' perform some statistical operation. It is important for the NSS, users and donors to realize that there is a short-term trade-off between capacity building and timeliness of statistical outputs. Learning on-the-job requires time and patience by all parties. If a quick output is desired, then technical assistance can be employed, but there will be very little lasting benefit to the statistical service in terms of building capacity.

A small survey carried out under the UNDP project "Capacity Development: National Statistical System" has attempted to collect information about the skills and facilities available in other statistical units outside NIS. For the 31 ministries and institutions involved in collecting, producing and using statistics, there were about 230 statistical staff. Half of them were graduates, and a further quarter had a diploma or certificate. Their expressed needs for training covered mainly basic statistics, statistical analysis, and computer skills.

IV- Constraints

A major constraint for the work of NIS, as for many if not all the statistical units in line ministries and institutions, is the relatively low level of its budget allocation from Government. In order to achieve its work programme, NIS and other statistical units have to rely heavily (80 percent of total budget) on the goodwill of international development partners in supporting their programmes.

The issue is also bound up with the question of salaries for government employees. As with nearly all civil servants, those working in NIS receive only a very small salary, and are forced to take additional outside work in order to survive.
