



Report on the National Accounts of Mongolia: Part II

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
ANA	Annual National Accounts
BoM	Bank of Mongolia
BoP	Balance of Payment
BR	Business Register
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
CIF	Cost, insurance, freight
CPC	Central Product Classification
CPI	Consumer Price Index
DQAF	Data Quality Assessment Framework
EPRC	Economic Policy Reform and Competitiveness Project
EUROSTAT	Statistical Office of the European Union
FRC	Financial Regulatory Commission
Fob	Free on board
FISIM	Financial Intermediation Services Indirectly Measured
GDDS	General Data Dissemination System
GDE	Expenditure on Gross Domestic Product
GDP	Gross Domestic Product
GNI	Gross National Income
HH	Household
HIES	Household Income and Expenditure Survey
HS	Harmonized System
IC	Intermediate consumption of producers
IMF	International Monetary Fund
INA	Integrated National Accounts
I O	Input Output Matrices
IPC	International Comparison Project
IPI	Index of Industrial Production
ISIC	International Standard Industrial Classification
MoF	Ministry of Finance
MoCUP	Ministry of Construction and Urban Planning
MPS	Material Product System
MRTT	Ministry of Road, Transport and Tourism
NGO	Non-government Organization
OECD	Organization for Economic Cooperation and Development
PPI	Producer Price Index
QNA	Quarterly National Accounts

SNA	System of National Accounts
SITC	Standard International Trade Classification
TSA	Tourism Satellite Account
UNSO	United Nations Statistical Office
USAID	United States Agency for International Development
VAT	Value Added tax
WB	World Bank

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SECTION I: INTRODUCTION

Background

This report presents the findings and recommendations of a short-term national accounts follow-up assignment undertaken at the request of the National Statistical Office of Mongolia. The assignment was supported by the USAID/EPRC Project, with coordination and supervision of the assignment provided by Mr. Fernando Bertoli, Chief of Party.

Purpose and objectives of the consultancy

The purpose of the assignment was to assist NSO with the implementation of the recommendations concerning reconciliation, analysis, improvement and integration of source data and the incorporation of new or revised methodologies for national accounts.

Indicative activities of the consultancy

The following were the main tasks of the consultancy

National Accounts:

1. Assist the national accounts with the improvement and/or development of major source data sets from other government agencies, in particular, data drawn from the balance of payments and the Ministry of Road, Transport and Tourism (MRTT) dealing with exports and imports of services, as well as with the compilation of data for gross fixed capital formation and inventories and the calculation of capital stock and depreciation estimates
2. Develop, with the national accounts, a systematic approach to reconciliation and analysis of the estimates and of successive revisions to the estimates
3. Assist the national accounts with the development of documentation and suitable metadata for internal use and publication
4. Assess the requirements for the improvement of quarterly GDP, specify additional requirements for compiling and disseminating the estimates and recommend appropriate action

NSO – economic statistics

5. Assist NSO with the implementation of improved economic surveys, including small household businesses, as well as questionnaire redesign, delineation of enterprise operating and accounting structures and development of commodity detail, based on the recommendations of the first phase of the project
6. Assist NSO in the process of reexamining and restructuring the work of national accounts and economic statistics.

Deliverables

Expected products of the consultancy, done in close collaboration with NSO's National Accounts staff, include the following:

- *NSO Internal Procedures for National Accounts:* Detailed structure for a manual documenting data definitions, data sources, validation, reconciliation, and correction procedures, and data revision, retention, and access policies and procedures.
- *Quarterly plan of action:* A prioritized schedule of actions to improve national accounts and GDP estimation, including their schedule and staff responsible for their implementation
- *Source data sets for a tourism satellite account:* Assist NSO and MRTT and BOM in developing workable procedures to gather, validate, and reconcile necessary data for this

account as a pilot test for improved inter-agency coordination and collaboration in the generation, processing, and analysis of needed national statistics

- Written report and presentation to the NSO and USAID/EPRC.

I would like to express my appreciation and thanks to all the colleagues at NSO who shared their expertise under severe time constraints and work pressure. Without their input the work could not have advanced.

SECTION II: SUMMARY OUTCOMES

This section of the report summarizes the main findings in order of the tasks as listed in the TOR. A more detailed discussion with specific recommendations for each of the areas covered is presented by topic in Section III, Annexes.

1. *Improvement of major source data sets through improved cooperation with other data supplying agencies.*

A brief meeting was held with the Balance of Payments staff to clarify the methodology and available detail for the components published. The national accounts staff have now received the data at a more detailed level, which is still quite aggregative, but have been unable to obtain any documentation on the methodology and data sources used. Because of pressure of work and/or absences from the office, the BoP staffs were not able to attend further meetings to clarify the issues, especially in the area of imports and exports of services.

Follow-up action by NSO is required in order to revise and improve the expenditure estimates and the documentation for the Mongolian System of Tourism Statistics (STS) in preparation for the development of a TSA.

A meeting with the Ministry of Road, Transport and Tourism, in the context of the TSA working group meeting revealed that a more focused and concerted effort by all agencies involved is required if progress is to be made. The details are reviewed below under Tourism statistics.

It was not possible for NSO to arrange further discussions concerning capital formation, capital stock and depreciation estimates; therefore no progress was achieved in this area.

2. *Develop, with the national accounts, a systematic approach to data reconciliation and revision.*

The existing national accounts annual estimates were again reviewed with the national accounts staff from the point of view of time series consistency and problems identified on the worksheets pointing back to breaks and discontinuities in the source data. As a result, for example, the HIES estimates for the year 2005 which underlie the household consumption data, were re-opened for review and revision because of the discontinuities introduced during the year by a new survey instrument. Reconciliation of the expenditure estimates with comparable production side estimates was discussed, including the commodity flow approach where possible. Reconciliation and adjustment of quarterly indicators with annual benchmarks was reviewed and put in place. The need for analysis of revisions and routine documentation on worksheets was emphasized. Unfortunately, because of the heavy work-load of national accounts staff sufficient time could not be spent on documenting particular cases.

3. *Assist NSO to develop suitable documentation of sources and methods.*

A general metadata template for use in documenting NSO surveys was developed and presented to Economic Statistics and national accounts staff. The template was distributed in the hope that it would be completed, however incompletely, for several areas in order to test its suitability for NSO. However, only in one instance was the work done by NSO staff, namely for the hotel and restaurant industry in the context of the work on collecting the data for the TSA. The completed metadata sheet for hotels is included in the annex on tourism statistics (Annex A).

The template is intentionally detailed in order to prompt survey managers to think about the issues that should be covered. Some areas in the hotel industry metadata had to be left blank, but the result is quite revealing, as it clearly identifies the less developed areas in NSO survey work, namely, reconciliation, analysis, documentation and dissemination of collected data.

In addition, a draft outline for the proposed Quality National Accounts (QNA) report to be prepared at the time of the first release of the data was developed with national accounts staff. This is included in the annex on QNA data (Annex D). It focuses in particular on detailed documentation of sources and methods.

Further, possible options for the annual GDP publication were reviewed with national accounts, with sample sources and methods documentation from other countries. The main sections of the report were identified during the discussions, but a mock-up was not prepared, as there are still too many outstanding issues concerning the timing of revisions, rebasing and benchmarking to the 2005 SUT and the incorporation of new survey data.

4. Assist national accounts with developing quarterly GDP estimates for the production side at constant prices.

A decision was made by national accounts to develop a new set of QNA indicators starting with 2000. As a result, national accounts took stock of all available monthly and quarterly indicators, and, following a joint review, started collecting the data and installed a new compilation program, including the adjustment of quarterly to annual levels, using the Bench program and the X-12 Arima seasonal adjustment feature. The program was tested with partial and/or fictitious data and was found to function well. A sample set of tables and graphs was produced for illustration in preparation for the forthcoming publication of the results.

Once all the raw data have been collected and compiled, another review will have to be made of the appropriateness of the selected indicators to capture the quarterly pattern for the industry. The indicators should also be compared with the annual (the Bench program provides ratios) to see how well the indicator captures trends in production as represented by the annual measure. It would be preferable to first compare the gross output indicators in both cases and only then analyze the value added ratios.

In addition, methodological issues in particular industries will have to be reviewed. A case in point is agriculture, as well as construction, mining, and trade.

A mock-up of the proposed quarterly publication format is presented in Annex D.

5. Assist NSO to improve economic surveys, including questionnaire design.

All the available questionnaires (in English) were collected and reviewed with the national accounts and economic statistics staff. Similarly, the questionnaires and operating procedures for the BR were discussed, including recent changes in the BR database. Annex E on survey design and the BR presents a detailed discussion of the issues and recommendations for improvement for selected cases, such as construction and the linkages between the BR frame and surveys.

It was found that there is some duplication in the questionnaires in the case of construction which should be eliminated and the use of the data rationalized to minimize response burden and maximize analytical usefulness.

Also, with the introduction of the “establishment” units on the BR database for use as of 2007, the industrial structure will have to be reassessed. Annex E provides a summary table showing the number of multi-unit enterprises by industry with the number of constituent

establishments. This more complex group of enterprises should be analyzed and treated separately from the single – unit enterprise, where the legal unit and the operating unit coincide. The issues are developed in more detail in the annex, but the change will have implications for the collection process, the questionnaire design and the continuity of time series by industry.

A discussion of the estimation of the “informal sector” is presented separately in Annex B. It should be stressed that NSO has already done a lot of work to include estimates for the informal or unincorporated business/household sector in the existing national accounts estimates. Further development work is in progress, including a survey planned for 2007 and the exploration of the use of the gross and net business income figures from the Personal Income Tax files. Thus, NSO should be in a fairly good position to analyze the industrial and regional structure of the economy once the work is completed next year.

6. Assist the NSO in restructuring the work and planning the work program.

The work program of the national accounts area was discussed both from the point of view of the organization of the work and the target dates set out in the NSO short- and medium term work plan. The details, including current organization of the work concerning national accounts and a calendar of tasks showing start and completion dates are shown in the Annex F

Several important points emerged from this review. Most importantly, the existing target dates for completion of tasks and for release dates of data sets appear to be based on considerations external to the flow of information from respondents to survey managers to national accounts. Thus, the time available to complete the tasks to a minimum quality standard is often insufficient. We would strongly recommend reviewing the target dates, at least for the next annual work cycle from two perspectives. First, ensure that a reasonable period for the completion of each phase of a task is allowed for (based on workload, if at all possible) so that the end of one phase matches the beginning of the next. Second, compare the target completion dates with international guidelines and best practices before setting the target dates for dissemination of major aggregates, such as the national accounts. This would mean, for example, releasing the first estimate of the year (based on the quarterly) with the fourth quarter GDP estimates - before the end of the first quarter following the reference year. The first estimate of the year based on actual annual returns could come by July, with the regional estimates later, depending on the methodology adopted. With such reasonable and realistic target dates, NSO could set up an advance release calendar for the benefit of users. This should also provide for an established revision policy and revision cycle, with, say, quinquennial SUTs serving as benchmarks for the annual national accounts which could then also be rebased every 5 years.

At the same time it might be useful to review the precise allocation of tasks for each phase of the process, attempting to maximize, to the extent possible, specialization in related areas, such as national accounts and groups or related surveys.

Such an approach implies additional coordination and careful planning but pays considerable benefits in efficiency and improved user relations in the longer term.

**ANNEX A: TOURISM STATISTICS AND DATA REQUIREMENTS FOR TSA
COMPILATION**

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Background and current status

In parallel with the development of tourism policy and the measures to foster international tourism, the Mongolian authorities and EPRC launched an effort to build an information base to support these initiatives. This was initiated during 2005/6 with the participation of key agencies: the Ministry of Road, Transport and Tourism (MRTT), The Bank of Mongolia (BoM), the Boarder Authority (BA) and the National Statistical Office (NSO). The objective was to ascertain the status of tourism statistics in Mongolia and to introduce a comprehensive framework for improving and further developing the tourism information base required for policy analysis.

A USAID/EPRC consultant, Dr. Joy Hecht, visited Mongolia during 2006 to assess the available data, to recommend further action and to elucidate the statistical requirements for a comprehensive analytical framework, namely, a Tourism Satellite Account (TSA) as recommended by the World Tourism Organization (UNWTO).

A technical working group was established during her visit with the objective of preparing the data for the development of an experimental Tourism Satellite Account (TSA) for Mongolia. The consultant gave presentations and training sessions and left a report with detailed recommendations. Her report (see Annex H – References) included statements of specific data requirements from each participating agency (based on existing surveys and data) that were to be assembled and forwarded to her so that she could begin the process of fitting them into the TSA system before returning to Mongolia.

A working group meeting was held on March 1, 2007, which I attended. During the meeting, it became clear that since Dr. Hecht's departure the work had not progressed and no data had been assembled. However, all participating agencies indicated that, individually, they had plans for major improvements in their statistical systems which were to be implemented over the next 2 – 3 years. What appeared to be lacking was coordination of the planning process and of any ongoing work. No decisions had been reached on the characteristics of the TSA or the year for which the data should be assembled.

As a result, I recommended that MRTT should opt for an experimental TSA exercise for the year 2005. To this end, the work of assembling all available statistics pertaining to tourism should be undertaken immediately, so that a start could be made on the required "Inventory of Tourism Statistics" with all the appropriate documentation. Material to assist this process was presented, but MRTT indicated that all the relevant information was already available. MRTT did not wish to have another presentation or further discussions of the statistical requirements for the comprehensive framework. At the same time, however, requests were made for assistance and guidance on how to proceed. In effect, it amounted to a suggestion, although not stated explicitly, that someone else should undertake the coordination of the work.

Given the situation, the only course of action seemed to be to work with each agency individually. Given the limited time available and my terms of reference, I focused on working with NSO to assemble the existing data from that agency and developing sample metadata for one survey. The results are discussed below.

Inventory of available data

Most of the data collected by NSO, as is the case in most countries, pertain to the supply side. In addition, the Household Income and Expenditure Survey (HIES) provides information for

the demand side, that is, the tourism expenditures by residents of Mongolia, both within and outside the country.

During March, with the assistance of the staff of NSO, all the existing data in the area of tourism statistics that were available from NSO surveys and statistical compilations were collected. These are the data requested by the TSA consultant. They also constitute the basis for building an inventory for the System of Tourism Statistics (STS) for Mongolia. The data are presented in the annotated tables 1 to 6 below. The tables also include the available data from the Balance of Payments compiled by the Bank of Mongolia and used by the national accounts to measure exports and imports of services. In addition, a set of tables provided by MRTT on Arrivals at the airport in Ulaanbaatar for 2004 and 2005 is also presented. Together these data constitute the entire available tourism statistics information base for the year 2005. During the latter part of 2007, data from the 2005 Supply and Use Tables should become available which should be of considerable help in constructing the experimental TSA. It is hoped that the 2005 table will have more detailed information than is available from the 2000 SUT (available from NSO national accounts upon request).

Also included is a sample metadata presentation for the annual and quarterly Hotel Survey, (with questionnaire), as well as questionnaires for Restaurants, and the last page of the Travel agencies and tour operators (titled Tourism industries) survey questionnaire. The forms for collecting the data for recreation, sport and culture were not available at this time. The questionnaire for HIES is too voluminous to be included here.

Apart from specific problems with the survey instruments (questionnaire content) for specific industries, there is one general problem affecting existing data, that is, the lack of industry and commodity detail for the tourism characteristic industries.

Although the Business Register codes the enterprises to 4-digit ISIC classes and the survey returns carry the codes, some key activities are not distinguished in the subsequent compilations. A case in point is transportation, where the modes within road transport are combined. Similarly, Travel Agencies and Tour operators are not separated in the compilation.. The same problem exists in the case of recreation, cultural, and sporting activities.

Future work

Taken together, the implementation of the statistical development plans, as articulated by the various agencies, should result in substantial improvements in the coverage and quality of tourism statistics for Mongolia. If these efforts are successful, then, by 2009-10, Mongolia should have a good system of tourism statistics in place, properly documented, as well as the experience and expertise to compile TSA's on an ongoing basis.

The following are the data development plans as indicated by the participating agencies:

1. **BA** is implementing an improved processing system to capture, transmit and compile the information on the arrival and departure cards. The new system should allow for changes in the classification of travelers into the required groupings for STS and TSA purposes. Some technical advice in clarifying concepts and classification rules may be required.
2. **MRTT** is planning to conduct another Visitor Expenditure Survey during the peak tourist season (July – September, 2007). The coverage will be expanded beyond UB airport to some other airports and selected land border crossings in order to make the results more representative. (The previous surveys were confined to the international airport in Ulaanbaatar). The exact entry/exit points to be covered will be determined in

consultation with BA. The size of the sample and other operational details were not known at the time. Apparently no changes are planned in the data collection vehicle/questionnaire content or in the process of conducting the interviews.

3. **BoM** indicated that they are planning to review and revise the BoP compilation methodology and during this process would also make improvements, data permitting, to the travel component. This would involve working closely with MRTT and NSO.
4. **NSO** has already embarked on an extensive data development and quality improvement program. The comprehensive and quite ambitious NSO Action Plan for Official Statistics Development, 2006-2010, lists several initiatives which directly impact on the coverage and quality of the data encompassed by the System of Tourism Statistics (STS). These improvements will substantially assist the planned development and compilation of Tourism Satellite Accounts (TSA) for Mongolia during 2009-2010.

The following is the list of initiatives as outlined in the NSO Action Plan:

Methodology

1. To develop methodology of tourism statistics during 2007;

Tourism demand

2. To improve the coverage of international trade statistics in services jointly with the Bank of Mongolia
3. To improve data quality and availability of HIES, by paying attention to data quality of the survey and produce indicators by aimags.

Tourism supply

4. To improve hotels and restaurants industry statistics:
 - 4.1 To study international standard methodologies and classifications to create new data sources during 2006
 - 4.2 To conduct informal sector survey of restaurant industry during 2007;
 - 4.3 To establish data base and time series for main indicators of hotels and restaurants during 2008-2010;
5. To improve transportation industry statistics consistent with international standards:
 - 5.1 To revise questionnaires and filing instructions of road transportation statistics during 2006;
 - 5.2 To implement sample survey methodology in order to cover inter-city and intra-city road transportation (with or without permit) for passenger and freight transport during 2007;
 - 5.3 To improve and expand indicators of air and railway transportation statistics during 2009;
 - 5.4 To improve water transportation statistics, freight and passenger turnover, to create statistics for number of boats, yachts, ships, etc. during 2008
6. To improve education, culture and science statistics:
 - 6.1 To introduce new indicators of education and culture in Statistical Yearbook, to establish a database with time series/multiyear data and study users' needs and provide data as required during 2006- 8;
 - 6.2 To estimate indicators according to international methodology and develop national methodology for GDP estimation of these industries during 2006-7.

In addition to the above plans, the NSO national accounts unit will be compiling a Supply and Use Table for the year 2005 which is a prerequisite for the compilation of a TSA (the last SUT was compiled for 2000). The national accounts also plan to introduce a new benchmark for the

annual GDP estimates, based on the 2005 SUT, which would introduce a more detailed industrial breakdown, additional product detail, better coverage for each industry (especially for the small business segment of industries) and improved compilation methodologies.

Recommended short term action

For NSO:

- a) During the planned NSO data development and improvement program shown above, all the STS surveys should be jointly reviewed to ensure completeness of coverage and appropriate formulation of questions for each industry. There does not appear to be any duplication in survey coverage. Examples of relevant questionnaires from other countries can be consulted and suitably modified to fit industry practices and usage of terminology in Mongolia (some examples were already provided during this visit).
- b) The work on the development of the experimental TSA for 2005 should provide additional assistance in identifying data problems and gaps.
- c) It is essential to include national accounts in this review and revision process in order to ensure that the concepts and definitions comply with the national accounts conceptual and definitional framework on which the TSA is based.
- d) NSO should actively participate with the other agencies in planning the statistical development and integrate this into its own work program with a view to being able to undertake the regular compilation of comprehensive tourism statistics, such as a TSA, by 2010, as planned.

Other agencies

MRTT

MRTT/Tourist Board appears to be the most appropriate agency for

- a) Undertaking regular Visitor Expenditure Surveys, including quality improvements and quality control over the process, with technical assistance if necessary. Guidelines and examples of best practices are available from the UNWTO, but have to be adapted to local circumstances.
- b) Working closely with the Boarder Authority to identify issues and improve coverage and quality of tabulations.
- c) Updating and validating the lists of tourism-related businesses over which it has regulatory control.
- d) Identifying emerging needs for statistics for tourism analysis for policy and marketing purposes
- e) Establishing good liaison with the industries concerned and encouraging accurate and prompt responses to data collection.
- f) Actively participating in working group meetings

BOM

The estimates of exports and imports of services are compiled by the Balance of Payments, therefore it is imperative that the BoM follow through as soon as possible with

- a) Its plans to review and revise the current estimates for the relevant components.
- b) Prepare and share the documentation (metadata) on data sources and compilation procedures both for exports and imports of services.

- c) Assess how far the BoP can reasonably be expected to implement the full detail required for the TSA as outlined in the BoP 6 manual.
- d) Actively participate in the work on data development for the TSA, and, in the short-term, take the lead in coordinating the work.

EPRC

Follow through with the work commenced by Dr. Hecht to prepare an experimental TSA for 2005, even if it is partial and based on strong assumptions. This process will identify the major data problems and will allow the planning for data development over the next few years to progress in a rational and well ordered fashion – provided the authorities and each of the participating agencies make a firm commitment and can secure the required resources to implement the plan. EPRC might be able to assist with the planning process.

Table 1. Tourism Supply – Tourism characteristic Industries

Tourism Supply Item Description	2005								Comments (Source: National Accounts)
	ISIC.3.1	Gross Output	Intermed. Cons	Value Added	S & Wages	Soc. Contr.	CCF	Profit & Mixed Inc.	
Industries									
Tourism Characteristic Industries									
Hotels & other accommodation	551	21,090.9	10,049.60	11,041.30	2,650.30	533	1,316.80	3,344.10	Covers legal entities only - unincorporated bus. not included
Restaurants, bars & canteens	552	46,944.00	33,278.70	13,665.30	5,208.60	835.1	2,157.30	5,464.40	Includes estimate for small operators (unincorporated businesses)
Passenger transport									
Railways	P601	206,923.20	146,453.60	60,469.60	39,298.80	7,490.60	4,242.10	9,438.10	
Other land transport	P602	264,412.40	173,681.80	90,730.60	3,514.10	720.2	22,377.70	64,948.90	602 is estimated in total
Scheduled passenger transport	6021								
Non-scheduled (taxis)	6022								
Freight transport (trucking)	6023								
Water transport	61								n.a. - too small to measure
Air transport	62	132,844.40	778,873.70	54,970.70	11,270.40	1,664.90	10,712.90	31,22.5	Mongolian resident carriers
Supporting & auxiliary Transport &									
Travel agencies & tour operators	63	15,553.90	13,392.80	2,161.10	744.1	142.5	575.6	698.9	Estimated in total - see attached table
Recreation, cultural & sporting activities	92								Note: the distribution of VA being
Dramatic arts, music & other arts activ.	9214	2,910.90	1,176.10	1,734.70					verified will be available after revision
Sporting activities	9241	440.4	347.2	93.2					
Total 9219 and 9249		2,974.00	1,687.30	1,186.50					Only total of 9219 & 9249 is available
Other entertainment activities	9219								
Other recreational activities	9249								

Table 2. Hotels and Restaurants – Income by main source

Supplementary									
Main sources of income:	1	2	3	4	5	6	7	8	Column numbers & headings from questionnaires
	Total Income from all sources	Main activity income	Secondary activity income	Cafeteria restaurants bars	Rental income from buildings	Income from equipment rental	Income from auxiliary activities	Other income	
Hotels:	21,095.30	19,441.80	1,653.50	1,205.80	245.6	4.80	31	166.3	
	Total Income from all sources	Main activity income	Meal income & sale in other places	Secondary activity income	Income from alcohol, beer, soft drinks	Other income	Secondary activity income		
Restaurants:	20,252.90	19,547.80	705.1	199.6	127.4	nil	378.1		

Table 3. Travel Agencies and Tour Operators

TOURISM IN 2005				Comments
Travel Agencies and Tour Operators -ISIC				
(Survey title: Tourism - form 21)				
Income	TOTAL OUTPUT	1	15,560,805.7	<i>This is the full detail available for these two industries, without additional recalculations and/or follow-up.</i>
	TOTAL EXPENDITURE	2	15,144,172.0	
	SERVICE EXPENDITURE, OF WHICH	3	10,093,788.2	
	TRANSPORT EXPENDITURE	4	1,348,232.4	<i>In principle the data could be tabulated separately</i>
Accommodation	SALES PRODUCT COST	5	5,841,467.3	
Meals	MAIN & ASSIST RAW MATERIALS	6	1,570,282.0	
Entertainment?	SHOW	7	244,501.2	
	OTHER SERVICE	8	1,089,305.4	
	ELECTRICITY	9	44,837.1	
Thermal (heating)	CALORIC	10	18,298.1	
For build. & equipment	RENT EXPENDITURE	11	328,778.0	
Paid to others	PAYMENT FOR WORK DONE BY OTHERS	12	39,316.0	
Business trips, etc.	OFFICIAL TRIP & CEREMONY EXPENDITURE	13	146,203.4	
	COMMUNICATION EXPENSE	14	64,498.6	
Office supplies	CHANCELLERY EXPENSE	15	207.5	
	REPAIR & SERVICE EXPENSE	16	49,319.0	
	INSURANCE EXPENSE	17	1,782.0	
	OTHER EXPENSES	18	352,483.9	
Advertising & marketing	ANNOUNCEMENT & ADVERTISEMENT EXPENSE	19	129,449.6	
	OTHER EXPENSE	20	2,123,846.6	
Wages & salaries	BASIC & EXTRA SALARY	21	744,074.8	
Soc. & Health Ins. Contributions	SOCIAL & HEALTH INSURANCE TAX UTILIZED PLACE & NATURE RESOURCE	22	142,488.7	
Rent - land & nat. res.	PAYMENT	23	23,478.7	
	DEPRECIATION	24	575,600.8	
	SHORT-TERM INTEREST RATE	25	258,826.4	Interest paid on short-term loans
	TRADE & SPECIAL TAX	26	6,894.6	
	PROFIT & LOSS	27	416,633.7	
	NUMBER OF EMPLOYEES	28	466.0	
	INTERMEDIATE CONSUMPTION	29	13,392,808.0	
	VALUE ADDED	30	2,167,997.7	

Table 4. Domestic and Outbound Tourism Expenditure

ICP codes	Domestic and outbound tourism -		2005_new	Comments
	from HIES		('000 tog)	The 2005 annual data for Q1&Q2 were recoded to the new structure and the year re-estimated
11.07.31.0	Passenger transport by railway			
	Passenger transport by railway: -internal		1 077 588.4	
	-international		247 931.6	
	Luggage transport by railway		43 287.1	
11.07.32.0	Passenger transport by road			
	Cost of transport by bus		24 053 117.5	
	Cost of taxi: - internal city		5 796 541.6	
	- between cities		3 530 803.9	
	Luggage transport by road: -internal		1 131 101.0	
	-between city		2 358 259.7	
11.07.33.0	Passenger transport by air			
	Passenger transport by air: -internal		650 568.6	
	-international		784 415.1	
	Cost of luggage transport by air		25 310.9	
11.07.34.0	Passenger transport by sea and inland			
	Cost of passenger transport by sea		0.0	Does not apply to Mongolia - sea voyages would be included in package holidays
	Luggage transport by sea		0.0	
11.09.61.0	Package holidays			
	All inclusive holidays or tours		1 947 501.4	
11.11.10.0	Catering services			
	Restaurants, cafes		5 799 388.4	
11.11.20.0	Accommodation services			
	Accommodation services of hotels		99 004.7	Domestic & international cannot be distinguished
	Accommodation services of holiday villages		131 503.0	This is likely to be domestic travel during summer holidays
11.12.32.0	Other personal effects, nec			
	Suitcases		102 856.9	The old structure combined 2701-3; this total was split in proportion to the amounts in Q3 &Q4 for calculating the annual
	Bag	463894.1	n.a.	
	Purse, wallet	1043491.6	n.a.	
	Durable goods for tour and holidays		24,928.6	
	Tents		129 162.5	

Table 5. Exports and Imports of Services

Balance of Payments 2005		
Exports & imports of services	Receipts	Payments
Travel	213,091.00	151,502.40
Business	843.70	5,664.80
Personal	183,442.10	145,837.70
Other	28,806.00	0
Comments:		
<p>These are the only data available. Description of estimation methodology and data sources not available, however, the 2005 visitor expenditure survey ratios have been used in estimating 2005 and subsequent period exports.</p>		

Table 6. Metadata – Hotels, Camping sites and provision of other short-stay accommodation – ISIC 551

Metadata - Hotels, Camping sites & provision of other short stay accommodation		
ISIC551	Item	Description
1	Country/ Region	MONGOLIA
2	Statistical Procedure	
2.1	Title	Annual and Quarterly Surveys of Hotels - form ZB1
2.2	Data Source	Survey of Enterprises
2.3	Description	The survey covers all types of entities operating hotels, resorts, health spas, and other short-term
3	Statistical Framework for compilation	
3.1	Component	All enterprises which prepare full financial statements and are located close to the main roads are
4	Institution Responsible for compilation	National Statistical Office of Mongolia (NSO)
4.1	Unit responsible	Economic Statistics Division, Statistical Planning & Policy Coordination Department
4.2	Other Units or institutions involved	Regional Statistical offices in Aimags, soums and capital city
5	Data Dissemination	The data for this industry are not disseminated as such. The annual data are aggregated with the
5.1	Name of Publication	Mongolian Statistical Yearbook
5.2	Published by (institution)	NSO
5.3	Periodicity	Annual
5.4	Length of time series available	Annual data starting in 1995
5.5	Reference period for the latest available	2005 for the Mongolian Statistical Yearbook
5.6	Timeliness	Approximately 18 months after the reference year
5.7	Access to data via the internet (<i>provide reference</i>)	The data are not posted on the NSO website.
6	Coverage of estimates	
6.1	Geographical coverage/population of reference	All 21 Aimags and Capital City
6.2	Specific exclusions	
6.3	Classifications used	ISIC 3.1
6.4	Statistical units (<i>analytical units, observation units</i>)	Enterprise (collection and statistical unit)
6.5	Frequency of compilation of estimates	Annual and quarterly
6.6	Reference period for the first	Not available
6.7	Reference period for the latest	A- 2005, Q-3Q 2005

Table 6. Metadata – Hotels, Camping sites and provision of other short-stay accommodation – ISIC 551 (continued)

7	Concepts	
7.1	Subject	Accommodation services
7.2	Variables of reference	Total output, intermediate consumption, value added
8	Data Collection, estimation techniques	
8.1	Nature of data source (administrative, survey, other - specify)	Survey
8.2	Frame - specify type	Business Register database of legal entities classified by industry according to ISIC rev. 3.1
8.3	Approximate size of frame (give date)	220 at the end of 2006
8.4	Frame maintenance & update procedures &	The BR frame is updated every quarter (births) from administrative records of the Tax Authority and The entire frame is refreshed once a year to separate inactive units
8.5	Frame maintenance issues - (missing units, out of scope units, duplications, deaths, etc)	The timely elimination of deaths and inactive units continues to be an issue, as well as occasional
9	Type of enumeration (census, use of cut-off method, sampling, other)	Census
9.1	Sampling	100% sample
9.1.1	Sample design	n.a.
9.1.2	Sampling frame	n.a.
9.1.3	Sampling unit	n.a.
9.1.4	Sample size	n.a.
9.1.5	Sampling techniques	n.a.
9.1.6	Stratification	n.a.
9.1.7	Sampling weights	n.a.
9.1.8	Weight update (frequency)	n.a.
9.1.9	Distribution of the sample over time	n.a.
10	Data Collection principles	
10.1	Periodicity of the Procedure	Annual and quarterly
10.2	Data collection method (personal interview, telephone interview, self-enumeration, etc)	Self-enumeration
10.3	Data editing and correction of data at collection	Checks are made for completeness and consistency at the collection stage
10.4	Non-response rate	10%
10.5	Follow-up action and procedures	Description not available

Table 6. Metadata – Hotels, Camping sites and provision of other short-stay accommodation – ISIC 551 (continued)

11	Survey characteristics	
11.1	Reporting units	Enterprise
11.2	Geographical coverage	All 21 aimags and capital city
11.3	Valuation/accounting principles (cash, accrual)	Accrual
11.4	Time of recording	Reference period
11.5	Prices - purchasers', producers', basic	Producers'
11.6	Treatment of transactions in foreign currency	n.a.
12	Data processing	
12.1	Data capture	Hotel program
12.2	Coding	Enterprises are coded to ISIC 5510 Hotels, 5511 Camping sites & other short-stay accommodation, and 5512 Other.
12.3	Edit types (validation, logical consistency,	Description not available
12.4	Imputation for missing data (item, complete)	Description not available
12.5	Processing system	Spreadsheets
12.6	Data reconciliation	There is no routine process in place for reconciliation with related data sets
12.7	Benchmarking, interpolation	The sub-annual data are not adjusted to annual levels
13	Data manipulation	
13.1	Aggregation method	n.a.
13.2	Grossing up: from sample to total population	n.a.
13.3	Weights used for aggregation	n.a.
13.4	Derived data elements	Value added
13.5	Estimation of sampling errors	n.a.
13.6	Seasonal adjustment: system used	The quarterly data are not seasonally adjusted
14	Quality Assessment	
14.1	Relevance	Quality assessment and studies of user needs are not routinely undertaken
14.1.1	Identification of user	
14.1.2	User needs	
14.1.3	Relevance of statistical concepts used <i>(statistical estimate, target population, reference period, timeliness)</i>	
14.1.4	Completeness	

Table 6. Metadata – Hotels, Camping sites and provision of other short-stay accommodation – ISIC 551 (continued)

14.2	Accuracy	
14.2.1	Sampling errors	n.a.
14.2.2	Non-sampling errors	n.a.
14.2.3	Missing data	Imputations for missing data are made on the basis of past trends for the same entity or growth in the
14.3	Timeliness and punctuality	
14.3.1	With respect to reference period	3 - 4 months after the reference period for annual data and 30 days for the quarterly.
14.3.2	With respect to user needs	Not applicable, as the data are not published.
14.4	Accessibility and clarity	
14.4.1	Dissemination process (describe)	The data are used for compiling the hotel and restaurant industry gross domestic product estimates and
14.4.2	Access to data at the required level of detail	Detail not available
14.4.3	Access to time series for a longer period	n.a.
14.4.4	Identification of how and where to access data documentation	Not available
15	Comparability	Documentation not available
15.1	Comparability over time	
15.2	Geographic comparability	
15.3	Comparability with other relevant data	
16	Coherence/consistency	
16.1	Between provisional and final estimates	Analysis not available
16.2	Between annual and sub-annual estimates	Not available
16.3	Within dataset (e.g. STS and TSA)	n.a.
16.4	Consistency with national accounts	Used only as input to the national accounts
16.5	Consistency of time series	Not available
16.6	Spatial consistency	Not available
16.7	Continuity (conceptual and definitional)	Description of changes over time not available
17	Observations on use	Not available
18	Other issues	n.a.
19	Additional documentation	Blank questionnaires attached

Table 7. Mongolian tourism statistics

Foreign Tourist from the Main Generating Countries	2004	2005	Changes	Changes %
Visitors	305117	344635	+39518	+11.4 %
Tourists	300537	338715	+38178	+12.7 %

Table 8.

Tourists by Region	2004	2005	Changes	Changes %
Africa	263	297	+34	+12.9
Americas	12198	12913	+715	+5.8
Europe	98592	101048	+2456	+2.4
East Asia and Pacific countries	188250	223411	+35161	+18.6
South Asia	974	792	-182	-18.6
Middle East	241	232	-9	-3.7
Other	19	22	+3	+15.7
Total	300537	338715	+38178	+12.7

Table 9

Foreign Tourist Arrivals from the Main Generating countries	2004	2005	Changes	Changes %
1. China	139283	170345	+31062	+22.3
2. Russian Federation	53917	57926	+4009	+7.4
3. Korea	26602	30787	+4185	+15.7
4. Japan	13092	12952	-140	-1.0
5. USA	9431	10153	+722	+7.6
6. Germany	8769	8168	-601	-6.8
7. France	5545	5822	+277	+4.9
8. Britain and Northern Ireland	4965	5206	+241	+4.8
9. Australia	3461	3454	-7	-0.2
10. Netherlands	3140	2672	-468	-14.9
11. Kazakhstan	3101	3928	+827	+26.6
12. Canada	2332	2300	-32	-1.3
13. Sweden	2063	1926	-137	-6.6
14. Italy	1918	1921	+3	+0.1
15. Ukraine	1069	902	-167	-15.6
16. Other	21849	20253	-1596	-7.3
Income generating	181	201	+20	+11.0

Approved by NSO.
2006 year

Data will be kept confidential by law
State form – ZB-1a

200...YEAR...QUARTER REPORT ON ACTIVITIES OF HOTELS

1.1 Address	Name	Code
Name of organization		
Number of register		
Aimags, Capital		
Sum, district		
Name of hotel		
Aimags, Capital		
Sum, district		

1. The entity has to report to the statistical division of aimags and capital city by 18th of April, July & October.
2. The statistical division have to send the aggregated data to the NSO through telecommunications by 21 th of April, July & October

1.2 Type of organization (to circle code)

Partnership, Totally Responsible -11	Partnership, Partly Responsible -12	Co-operative -21	Company, Unlimited Liability-31	Company, Limited Liability -32	State enterprise -40	Local government enterprise -50	Budget Organization -60	Non government Organization -70
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1.3 Type of organization property (to circle code)

State			Local government			Private		
Domestic-11	State/mixed/-12	State /joint/-13	Domestic -31	Local government / mixed/-32	Local government / joint/-33	Domestic -21	Joint -22	Foreign -23

1.4 Type of hotels (to circle code)

Hotel-1	Resort-2	Tourist camp-3	Service entities near to the main roads-4
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1.5 Hotel (to circle code)

Motel-1	2 stars hotel-2	3 stars hotel-3	4 stars hotel-4	5 stars hotel-5
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1.6 Hotel placement (to circle code)

In capital-1	In center of aimag-2	In center of soum-3	In countryside-4
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A. Income, Expense

Indicator	Number of row	Quarter value	Cumulative value
A	B	1	2
1. Total income, thous.tug			
2. Total expense, thous.tug			
3. Number of employees			
Of which: woman			
4. Number of rooms			
5. Number of beds			
6. Number of Tourists' stayed days			
7. Number of arrived tourists	row8= row(9+12)		
Permanent residents in Mongolia	row9=row(10+11)		
Mongolian citizen			
Foreign citizen			
Temporary residents in Mongolia	row12=row(13:19)		
USA			
South Korea			
China			
Russia			
Germany			
Japan			
Other			
8. Number of serviced days for tourists			

Director (owner) :/
 General (superior) :/
 Economist:/

200....year....month...day

Approved by NSO.
2006 yearData will be kept confidential by law
State form – ZG-1a**200...YEAR...QUARTER REPORT ON ACTIVITIES OF HOTELS****1.1 Address**

Name		Code	
Name of organization			
Number of register			
Aimag, Capital			
Sum, district			
Name of hotel			
Aimag, Capital			
Sum, district			

1. The entity has to report to the statistical division of aimags and capital city by 18 th of April, July & October.
2. The statistical division have to send the aggregated data to the NSO through telecommunications by 21 th of April, July & October

1.2 Type of organization (to circle code)

Partnership, Totally Responsible -11	Partnership, Partly Responsible -12	Co-operative -21	Company , Unlimited Liability-31	Company , Limited Liability -32	State enterprise -40	Local government enterprise -50	Budget Organization -60	Non government Organization -70
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1.3 Type of organization property (to circle code)

State			Local government			Private		
Domestic-11	State/ mixed/ -12	State /joint/-13	Domestic -31	Local government / mixed/-32	Local government / joint/-33	Domestic -21	Joint -22	Foreign -23

1.4 Type of restaurants (to circle code)

Restaurants-1	Cafe-2	Bar-3	Canteen-4
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A. Income, Expense

Indicator	Number of row	Quarter value	Cumulative value
A	B	1	2
1. Total income row1=row (2:5)			
- Meal income (sold in own place & other places)			
- Special service income			
- Alcohol, beer & lemonade saled income			
- Other			
2. Total expense row6=row (7:11)			
Salaries, Social & health insurance taxes			
Raw materials			
Purchased products & materials for resell			
Rent payment			
Other			
4. Number of employees			
Of which: woman			
5. Total capacity of seat			

Director (owner) :/
 General (superior) :/
 Economist:/

**ANNEX B: ESTIMATES OF GROSS AND NET INCOME OF UNINCORPORATED
BUSINESS ENTITIES FOR NATIONAL ACCOUNTS (INFORMAL SECTOR)**

ANNEX B: ESTIMATES OF GROSS AND NET INCOME OF UNINCORPORATED BUSINESS ENTITIES FOR NATIONAL ACCOUNTS (INFORMAL SECTOR)

1. Existing estimates

The estimates for “informal sector” businesses already incorporated in production by industry as of December 2006, (in addition to “informal agriculture” already included as part of the agriculture estimates) are shown in the tables below. The first table presents estimates of “informal sector” value added and the second gross output for four industries – trade, restaurants, transportation and construction. In total they accounted for 9% to 14% of value added. If agriculture is included, the share is considerably higher.

Table 1. Value added

2000	2001	2002	2003	2004	2005
Construction					
873.8	888.3	1983.9	5850.8	5215.2	6742.7
Trade					
76911.1	93856.1	102540.3	115094.2	113244.8	115328.2
Restaurants					
5058.4	5420.2	5866.1	6543.8	8247.8	9173.3
Transportation					
37529.0	49757.2	59996.9	78918.4	71496.1	84900.6
Total informal sector estimates					
120372.3	149921.8	170387.2	206406.6	198203.9	216144.8
Total economy					
1020090.3	1117573.2	1244903.9	1315105.6	1926321.9	2489217.7
Share of informal sector in total economy					
11.8%	13.4%	13.7%	14.0%	10.3%	8.7%

Table 2. Gross output

	2000	2001	2002	2003	2004	2005
Construction						
VA	5,824.8	4,624.5	6,613.1	19,993.2	17,678.5	22,856.5
VA/GO	0.15	0.19	0.30	0.29	29.5	0.30
Trade						
VA	114,847.6	144,210.9	157,586.4	177,265.9	174,865.1	177,236.8
VA/GO	0.67	0.65	0.65	0.65	0.65	0.65
Restaurants						
VA	14,818.5	15,815.5	17,022.9	19,046.6	22,960.4	26,666.7
VA/GO	0.34	0.34	0.34	0.34	0.36	0.34
Transportation						
VA	79,108.0	104,872.9	141,834.6	168,035.1	176,437.9	215,411.2
VA/GO	0.47	0.47	0.42	0.47	0.41	0.39

2. Sources for the above estimates

The main sources for the above estimates are discussed below.

1. *“The Mongolian Informal Sector 1999: Survey Results and Analysis”*, Bill Bikales et al, *Development Alternatives Inc., for the Economic Policy Support Project USAID, April 2000.*

Data collected and compiled:

Bikales states that the survey, conducted during November 25-December 25, 1999, used a three-stage stratified cluster technique designed to yield results for the 6 regions for 17 of the 30 activities recognized under Mongolian “presumptive tax” law (referred to as the “patent” law).

Separate questionnaires were developed for each economic activity covering the period December 1998 to December 1999. Another activity category was added for “home cooked meals”.

Relevant variables collected were estimates of average revenue per month, purchases of goods for resale per week, various purchased services, and employment. From these value added was compiled for each of the activity groups.

The survey frame was developed from an “NSO list of economic units under single ownership engaged in one kind of economic activity at a fixed place of business” – a total of 25,282 units, excluding taxis and “home cooked meals”. For taxis, total registered cars owned by individuals (from Annual Technical Inspection Data) were used as a starting point, and a judgmental estimate was made of the proportion of the total used for taxi service on either a full- time or a part-time basis (12% or 16,320 vehicles). The estimate for “home cooked meals” was derived indirectly by asking the businesses already in the survey sample for the amount of “home cooked meals” they purchased. The final sample size was 4,042 economic entities or 12.4% of the population of 32,591 in the secondary sampling units, selected randomly within the determined samples.

The survey yielded an estimate of total value added of tog 117,255.3 million and total employment of 60,283 workers.

The value added by “sector” was as follows:

Retail trade (kiosks, counters, containers): 72,686.6; financial services (pawnshops, money changers) 1,256.2; transport 33,184.8 (of which taxis 27,268.2; minibus 5,138.7; trucks 679.0; parking lots 99.0); manufacturing 849.4; “canteens” 3,794.5; home cooked meals 3,674.3; services: shoe repair 197.9; chemists 614.9; barbershops 818.8; games 177.9.

2. *“Informal Sector Survey, 2003”*, NSO, (Financed from Science and Technology Fund and conducted during 2004 (as cited in “GDP Estimates for 2005”, NSO 2006 – unpublished)

No detailed documentation was made available for the NSO Informal Sector surveys conducted during 2004.

On March 26, when the head of Economic Statistics, Mr. Davaasuren, who had been out of the office until the middle of March was available for discussion he summarized the nature of the 2003 survey work. He indicated that the new 2003 estimates had been developed in more detail and disseminated to users but that they had not been incorporated in the national accounts estimates. This was confirmed by Ms. Baasanjav.

A description of the 2004 survey for trade and transportation (reference year 2003) and the estimation methodology as well as a summary of the results and comparison with the projections based on the 1999 survey results, if not available, should be prepared for reference and documentation for the future (in English as well as in Mongolian).

In essence, the approach was very similar to that used in the 1999 Bikales study for both trade and transportation. The samples were selected based on the number of units in the region (see Tables 3 and 4)...

For trade the list of “patent” businesses was again used as the starting point and a sample of 700 units were selected by region based on the number of units in each region. The variables selected were revenue, operating expenses and number of employees.

For transportation, a procedure similar to the 1999 study was again used for the reference year 2003. The starting point was the list of vehicle registrations, specifically, the vehicles registered to individuals, rather than business entities, institutions or government. The list was sorted into 6 segments:

1. Taxis - separately for each of two groups
 - a) taxi companies (which own the vehicles and also often provide dispatch services and “rent” cars to their drivers for a fixed fee) and
 - b) Individuals with cars who pick up passengers on the street and drive them to the destination for a fixed rate, depending on distance.
2. Minibus operators (usually within cities and towns)
3. Non-scheduled intercity passenger bus service
4. Truck transport – separately for each of two groups
 - a) Inter-city truck transport
 - b) Intra –city truck transport (local delivery)

The variables collected were number of employees, number of passengers and revenue and expenses, especially fuel. Different interview techniques and several estimation procedures were used to obtain the estimates and cross check the results. For example, operators were asked how much fuel they used each day (for business and individual use); how many kilometers they had driven and how many passengers they had carried per day; the enumerators traveled by minibus on different routes from the first embarkation point to the end of the route and counted the number of passengers and observed the fares they paid; enumerators stood on the street by a taxi stop and hailed passing cars, then counted the number of cars that passed and how many stopped to pick up passengers. This was used as a guide to estimating the proportion of cars used as taxis.

Table 3. List of patent businesses for 2003

No	Name of activities	UB		Aimag		Total	
		Total number	Percentage (%)	Total number	Percentage (%)	Total number	Percentage (%)
1	Retail trade	15254	52.1	14042	47.9	29296	100.0
2	Kiosk	1896	27.5	5004	72.5	6 900	100.0
3	Counter	11238	58.2	8062	41.8	19300	100.0
4	Container	1878	80.0	469	20.0	2347	100.0
5	Shoes repair service	109	32.8	223	67.2	332	100.0
6	Auto repair service	70	25.5	204	74.5	274	100.0
7	Household appliances repair	63	44.1	80	55.9	143	100.0

Table 4. Sample selection

No	Regions	Number of units in the region		Share in total		Number of selected units	
		Trade	Transport	Trade	Transport	Trade	Transport
1	West region	2940	2127	13.7	7.6	90	36
2	Khangai region	3237	2000	15.1	7.1	91	52
3	Central region	3203	2072	14.9	7.4	105	52
4	East region	1789	793	8.3	2.8	59	20
5	The capital city	10327	21008	48.0	75.0	355	140
6	Total	21496	28000	100.0	100.0	700	300

3. Residential housing completions (space in m2.)

A description of the survey is not available

4. NSO Enterprise Census, 2006 (EC 2006) for the reference year 2005.

The NSO EC collected information on all legal entities as well as for the list of unincorporated businesses “with indeterminate income” under the taxation legislation (patents). This covered all activities. The entities were then classified by ISIC and entered on the BR data base to provide a frame for future surveys. For 2005 the number of employed workers and estimated gross income were collected.

3. Estimation methodology:

National accounts initially incorporated the results from the 1999 Informal Sector Survey only for the following three sectors - retail trade, transportation and restaurants - for the years 2000 – 2004.

Trade:

The method used was to estimate informal sector trade for subsequent years by extrapolating the 1999 value added estimate on the number of “patent” businesses in subsequent years and then inflate the result using the UB CPI.

When the 2003 NSO survey results became available, these were used for comparison only and have not been incorporated in the national accounts estimates. Apparently the results for 2003 were close and NSO decided that there was no need to adjust the intervening years or the subsequent extrapolation.

Transportation:

The 1999 survey result for all the transportation components were included under land transport, excluding railway transport, and projected forward based on the growth of vehicle registrations (individual ownership) according to 3 categories: cars, buses and trucks. The same proportion as in the 1999 Bikales survey (12.4%) was assumed to be engaged in transport activity in the informal sector. For heated garages and open parking lots, the number of operators is available from the district statistical offices for UB. The growth in this number provides the indicator for this component. The resulting estimates are converted to current values by “inflating” with the relevant components of the UB consumer price index. As in the case of trade, the 2003 NSO informal sector survey results have not been incorporated in the national accounts estimates and no adjustments have been made for the intervening period (2000-2002).

Restaurants:

The 1999 survey results were carried forward on the growth in the number of entities operating “restaurants and cafes” in subsequent years and inflating the result using the index of

restaurant meal prices. This procedure has been used for the entire period, as the 2003 NSO informal sector survey did not include a restaurant component.

The 1999 study and the resulting estimates included a special component for the sale of “home cooked meals”. The projector (number of entities registered under “restaurants and cafes” under the “patent” law) does not include households selling “home cooked meals.” Therefore, the assumption underlying the national accounts estimates is that the sales of “home cooked meals” have grown in the same proportion as the “patent” entity sales. Observation of changes in the economy since that time indicate that this activity has substantially declined since then, as consumers have turned to fast food or other quick meal and snack providers. The inclusion of the “home cooked meal” component in the 1999 benchmark has served to compensate for the under-coverage of these new activities.

Construction:

Although “Interior decoration, reconstruction services, elaborating projects of construction” is included in the “patent” law as item 5.3.2, it was not among the activities selected for the 1999 Bikales survey. Thus, no estimate was made for national accounts.

An estimate was developed during 2005 for “new private residences put into operation” which has been included in the construction industry estimates as representing the “informal sector”

The actual objective of preparing these estimates was to obtain a rough estimate of the dwellings constructed by household members for their own use (using their own labor). Put another way, it is intended to be an estimate of the “value of construction put in place” by households while building their own housing or dwelling units using their own labor, or that portion of housing construction which was built without the participation of construction contractors and which, therefore, is not measured through existing surveys of construction contractors, (regardless of whether they are incorporated companies (legal entities) or unincorporated businesses, i.e., self-employed construction trade workers, e.g., plumbers, electricians, etc.) The estimate is used to supplement the “formal sector” estimate of construction output and value added and, as a result, it is also included (indirectly) on the expenditure side to measure capital expenditure on residential buildings.

The estimate is apparently based on an internal report by MOI which provides the necessary information to split this off from the total number of completed dwellings. The value is based on the completions in square meters multiplied by the average market price per m². Intermediate consumption is assumed to consist of the cost of materials which is estimated at a constant 70.5% of output. This methodology was used for developing estimates for 2000-2005.

Other industries:

So far no estimates have been developed or included for the other industries which are known to have “informal” business activity (i.e., unincorporated businesses), with the exception of agriculture (noted above) and some service producing industries in the area of recreation, culture and sports and other personal services where other administrative registers and sources are used by the Social Statistics Division to compile estimates of gross output and value added. There may also be some small unincorporated businesses included in some of the monthly or quarterly surveys, although not in the annual surveys for the same industries and therefore not in the benchmark figures. Thus, the national accounts estimates currently do not reflect these additional results.

4. Development work in progress

During the first quarter of 2007 national accounts initiated further development work in order to extend and improve the estimates for the “informal sector” businesses which fall under the “patent” legislation:

The estimates of gross income from the CE 2006 will be incorporated for 2005 for all industries for which business activity was recorded (above a threshold determined for each industry). These estimates will be carried back for earlier years based on the numbers of entities registered with the tax authorities for each of the industries in previous years and projected forward on the same basis and “inflated” with appropriate price indices. Thus, the same methodology that has already been used for trade will be applied to the other industries.

NSO also has plans (with committed resources) to carry out regular annual sample surveys for selected industries, such as trade, restaurants and selected service industries (e.g., hairdressers and beauty shops) as part of the regular annual survey program in economic statistics.

5. Remaining gaps and further development work

a) Tax records

NSO survey and development work has so far addressed only that portion of the unincorporated business or informal sector which falls under the tax legislation for businesses with “indeterminate income” or the so-called “patents”.

No attempt has as yet been made to investigate the possibility and the options available for exploring data sources for the remaining portion of unincorporated businesses, that is, professionals in private practice and businesses which keep records and therefore file financial statements and tax returns under the “Personal Income Tax” law.

The “Personal Income Tax” law was changed as of 2007. Both the new Personal Income Tax law and the previous law specify that “Gross income from activities (professional services, production and trade income, and irregular business income” and “Property income (leasing royalties, rental, patent and similar income, interest and dividends” are subject to taxation under this law. (Previously, similar sources of income were listed although the wording was different).

The Personal Income Tax Law specifies that taxable income from the above sources is determined on the basis of the amount of “net income” (gross income reduced by the amount of “most associated documented business activity expenses”. Tax on property income, except leasing income, is determined on the basis of gross income. Special conditions relating to “herding income” are listed. Thus, it is clear from the legislation that individuals with business and other activities specified in the law have to register and file returns (supported by financial statements or suitable documentation) with the tax authorities.

NSO should, therefore, explore with the tax authorities (under the already existing data sharing agreements) the possibilities of obtaining the relevant net and gross income data, aggregated (insofar as required by confidentiality considerations under the taxation legislation). For NSO national accounts purposes, the individual data should be aggregated by region and by ISIC classes within each region.

Many countries have implemented such arrangements and use the results to estimate the income of unincorporated businesses both in their calculations of GDP by production (by region and industry) and for estimating income.

There are many operational and practical issues that will need to be resolved, including coverage (compliance from the Tax office point of view), classification, timeliness, etc.

b) Other sources of data

HIES

In addition to the above, NSO is collecting “income from business activity” under the “Income” module of the ongoing (2005) HIES survey (Ch. VIII, Section 2. Line 08 for “other business activity and L.01- 07 for agricultural income).The previous HIES questionnaire specified “other business income” in Ch. VII, Section 2, Code 0204.

The reporting of income is notoriously less reliable than the reporting of expenditure on household surveys world-wide. At present, this is the only other NSO source available to national accounts from which to obtain an independent estimate of gross income from business and professional activities of individuals. The HIES estimates do not distinguish between the incomes subject to the “patent” tax regime and those subject to the “personal tax” regime. In any case, the data for 2005 are so low (just over 30,000 mill.), that they cannot be used for checking on the validity of the existing estimates. (Response rates for this item are extremely low).

Special survey for reference year 2007

NSO is planning to conduct a special survey covering the “informal sector” addressed to households as a refinement of the type of information that would be available from the regular HIES survey.

The option being explored is to develop a customized survey frame from the 2007 Population Register (compiled and maintained at the aimag and soum offices) by first identifying all individuals within each household who have declared that they are engaged in a business or professional activity, matching this list with the Patent holders on the BR data base in order to eliminate them from the survey, and then selecting a sample from the clean list (by region and if possible by industry) and administering simplified questionnaires.

Supplementary information – Labor Force Survey

The ongoing LFS, Section II, collects information on the current activities of all household members which should be examined by national accounts as a supplementary source and consistency on growth trends by industry. Columns 22- 35 identify categories of activities (e.g., Col. 33 “construction and major repairs”, col. 30 – “restaurant and hotel business”); col. 56 asks about the nature of the work done and the main products produced in the workplace, while col. 58 identifies the form or organization of the entity (private enterprise, state enterprise, limited liability company, self-employed, etc.). The self-employed count provides another rough comparison with trends in the “informal” sector estimates.

ANNEX C: USE OF ADMINISTRATIVE RECORDS

ANNEX C: USE OF ADMINISTRATIVE RECORDS

Data development for national accounts from Administrative Records

It is recommended that NSO explore the possibility of requesting additional data from the Tax Authority for the following areas:

1. From “Personal Income Tax” records:

Tabulations of gross and net unincorporated business income for registered tax payers subject to the “Personal Income Tax” regime, by aimag, aggregated by ISIC classes within each aimag.

Background

The “Personal Income Tax” law of 2007 states that “Gross income from activities (professional services, production and trade income, and irregular business income” and “Property income (leasing royalties, rental, patent and similar income, interest and dividends” are subject to taxation under this law. (Previously, similar sources of income were listed although the wording was different).

The Law specifies that taxable income from the above sources is determined on the basis of the amount of gross income reduced by the amount of “most associated documented business activity expenses” (e.g., net income). Tax on property income, except leasing income, is determined on the basis of gross income. Special conditions relating to “herding income” are listed. Thus, it is clear from the legislation that individuals with business and other activities specified in the law have to register and file returns (supported by financial statements or suitable documentation) with the tax authorities.

NSO should, therefore, explore with the tax authorities (under the already existing data sharing agreements) the possibility of obtaining the relevant net and gross income data, aggregated (insofar as permitted by confidentiality considerations under the taxation legislation). For NSO national accounts purposes, the individual data should be aggregated by region and by ISIC classes within each region.

Many countries have implemented such arrangements and use the results to estimate the income of unincorporated businesses both in their calculations of GDP by production (by region and industry) and for estimating income.

2. From VAT records:

Tabulations, by aimag, and aggregated by ISIC classes for each aimag, of:

1. The total supply as reported on VAT statement Part A (VAT estimates of goods sold, work performed, and services provided for each reporting month) whether taxable, exempt or zero rated;

and, if possible,

2. Total goods, work, and services purchased in the reporting month, tabulated and aggregated as for 1.

Background and purpose of request:

The data would be used to develop and compile quarterly GDP estimates at current prices (gross output).

The monthly information from the VAT records would allow NSO to keep to a minimum data collection through monthly and quarterly sample surveys conducted to collect key variables for national accounts and business users, and thus considerably reduce the response burden on the business community, especially for the medium and small business sector.

Technical issues concerning classification of businesses and transmittal arrangements would have to be explored once agreement in principle has been reached.

**ANNEX D: QUARTERLY GDP ESTIMATES FOR THE PRODUCTION SIDE AT
CONSTANT PRICE**

ANNEX D: QUARTERLY GDP ESTIMATES FOR THE PRODUCTION SIDE AT CONSTANT PRICES

The national accounts had requested assistance in developing and putting in place a new set of quarterly indicators of GDP by industry at constant prices for the 2000-forward period for publication in July of this year. To this end it was necessary to:

- a) Determine the industrial detail, for which quarterly indicators could be compiled,
- b) Locate and install a suitable compilation program as well as program that would allow the quarterly series to be adjusted to the more complete annual levels (benchmark adjustment) and to allow for seasonal adjustment;
- c) Collect the data required for the compilation of the indicators;
- d) Prepare a proposal for a dissemination vehicle; and
- e) Recommend a release schedule.

In spite of the extremely tight schedule for Ms. Bayarmaa, it was possible to accomplish these tasks.

1. The list of annual estimates was reviewed with Ms. Bayarmaa to determine for which industries quarterly indicators could be developed, given the available quarterly data, and which indicators would have to be compiled at more aggregative levels. A list was prepared and is shown in the table of contents of Part II – Sources and Methods – of the proposed quarterly GDP publication (attached). The list is tentative in the sense that the industrial detail will have to be evaluated once the indicators are compiled and analyzed in relation to the annual benchmarks to determine how well they project trends as well as seasonal patterns. In a few cases, such as some personal service industries where seasonal variation is not significant, it was decided to compile a quarterly indicator by interpolation between annual levels, even in the absence of an appropriate quarterly projector. This is in order to put a structure in place that would allow for changes once a suitable projector has been developed. It also allows for better analysis of quarterly economic trends. The tentative list shows both aggregates and the full industrial detail at the worksheet level. The industrial detail to be published will have to be determined once the indicators are evaluated and accepted, but should not, in principle, exceed the level of annual detail that is published. Both should be evaluated at the time of the next revision.
2. It was possible to obtain an existing quarterly compilation program with the required features, namely the annual level adjustment program Bench, and the X-12 Arima seasonal adjustment program. National accounts staff successfully installed the entire program and it was tested using largely fictitious quarterly data.
3. Following the identification of the available quarterly source data, national accounts made arrangements with the data suppliers to provide each series back to 2000 wherever possible. The data that were readily available were collected and entered on the source data worksheets of the quarterly system, with links to the quarterly GDP compilation tables. However, quite a number of individual series were still being collected, so that the compilation program had to be tested on partial real data. The collection process should be completed in a few weeks after Ms. Bayarmaa's return from the ICP seminar.

In collecting the source data, it is extremely important to collect and enter on the national accounts worksheets the full detail available from the survey source for each industry. That is to say, in those cases where commodity detail is being collected and is to be used as the indicator for the quarterly GDP estimates, all the data should be entered on the national accounts source data worksheets in order to facilitate analysis and evaluation, particularly the calculation of the constant price estimates as shown in Table 1 below. The table format is intended simply to illustrate the type of detail that should be entered on national accounts source data worksheets for each commodity within each industry (not necessarily the structure of the worksheet presentation).

4. Finally, we developed a mock-up of the proposed quarterly publication showing not only the quarterly GDP tables and analysis of trends, but also a detailed presentation of the sources and methods used in compiling the estimates. The format is designed to suit both the first issue of the new publication and the ongoing quarterly releases of the quarterly estimates. Part I is a presentation of the current economic situation, supported by appropriate charts and graphs and statistical tables. Part II – Sources and Methods (or metadata) – although part of the first issue of the Quarterly publication, is not intended to be included in subsequent quarterly issues, except at the time of major revisions, such as, for instance, the rebasing and rebenchmarking of the system. Thus, the regular quarterly publication should not be voluminous and could quite easily be produced in-house on a timely basis. The main tables should also be disseminated through the NSO website.
5. Given the international guidelines and best practices as well as the timing of the availability of source data, it is **recommended** that the following schedule and dissemination procedures be used:
 - Release the first estimates on the NSO website along with the first issue of the new publication in July 2007, as originally scheduled. This will include the quarterly estimates from Quarter I of 2000 through to Quarter I of 2007, seasonally adjusted at annual rates and without seasonal adjustment (original series). It will also show the corresponding annual estimates, including the preliminary estimates for 2006, to which the quarterly data will have been adjusted.
 - Subsequently, release each quarter within 90 days after the end of the reference quarter, e.g., the second quarter of 2007 should be released in September 2007, the third quarter in December 2007 and the fourth quarter in March 2008, along with the preliminary annual based on the sum of the quarters for 2007. Thus, once the quarterly system is established and released to users on a regular basis, it will also serve as a preliminary estimate of the annual, so that the 2007 annual, based on preliminary annual data, could be released with the first quarter, i.e., in June of 2008 - at more or less the same time as the annual Balance of Payments estimates.
 - The quarterly estimates should first be posted in the NSO website, followed as soon as possible by the release of the hard copy publication.
 - Given a realistic compilation and release schedule, as outlined above, it should be possible to develop an advance release calendar and disseminate this to users via the internet and in the hard copy publication of the quarterly GDP and in the Monthly Bulletin. This would constitute a major service to users and reduce the time required by NSO staff to answer user inquiries.

Table 1. Source data worksheets

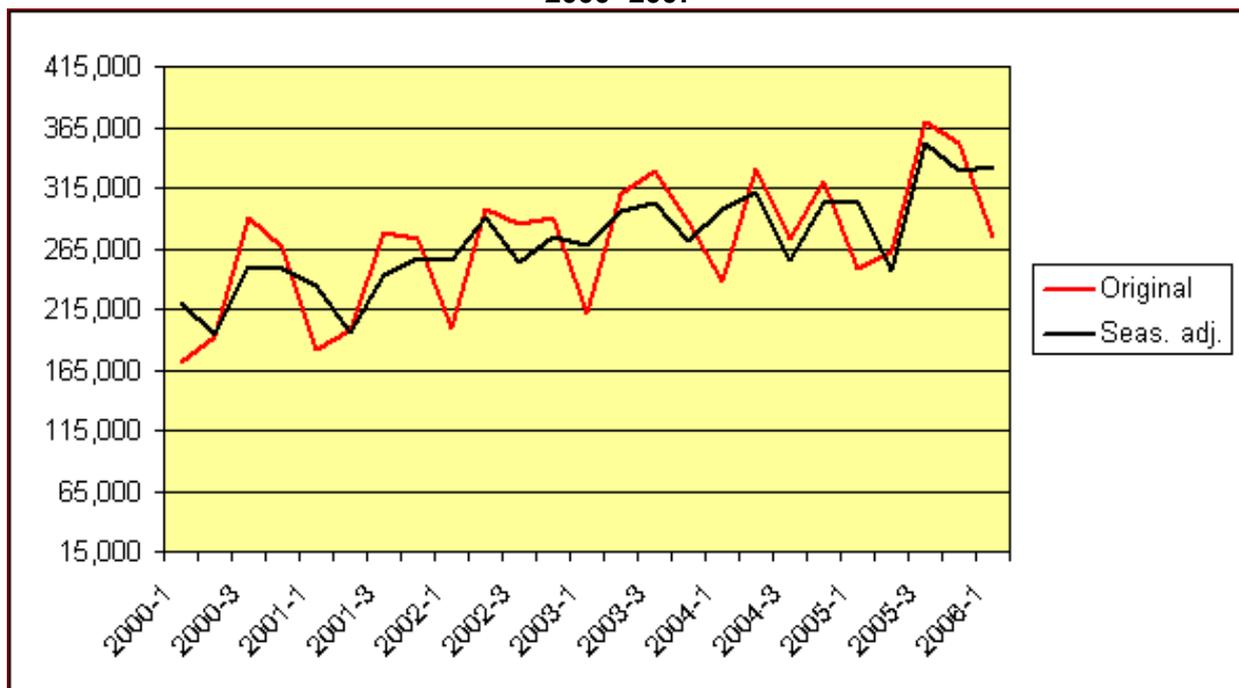
Industry title	Cereals & Other Crops – wheat				ISIC # 111.1	Implicit Price
	Q/Y	Unit of measure	Quantity	Price/UV	Value	
					2000=100 P	
	1	2	3	4	5	6
Q I						
II						
III						
IV						
2000						



National Statistical Office of Mongolia

GROSS DOMESTIC PRODUCT BY INDUSTRY

By Quarters
2000 -2007



Ulaanbaatar
2007

How to obtain more information

Specific inquiries about this product and related statistics or services should be directed to:
National Accounts, NSO, Ulaanbaatar.

For information on the wide range of statistics available from NSO, you can contact us by
calling our national statistical inquiries line.

You can also contact us by e-mail or by visiting our website.

National statistical inquiries line
E-mail inquiries
NSO website

Ordering and subscription information

This product, Catalogue no. XXXXXX, is available [free of charge] / for [price] from:
National Statistical Office of Mongolia

System of National Accounts

**GROSS DOMESTIC PRODUCT BY INDUSTRY
FIRST QUARTER 2000 – FIRST QUARTER 2007**

**PART I
CURRENT ECONOMIC TRENDS**

**PART II
Sources and Methods with Industry Details**

Published by authority of NSO

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July 2007

Catalogue no:

ISBN

Frequency: Quarterly

Ulaanbaatar

SYMBOLS

The following standard symbols are used in all NSO publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- P preliminary
- r revised
- x suppressed to meet the confidentiality requirements of the Statistics Law
- E estimate, use with caution
- F too unreliable to be published

Preface

This report is part of an initiative on the part of the National Statistical Office publish in some detail and to fully document the key macroeconomic indicators produced by NSO. Thus it is part of a new series of publications dealing with particular macroeconomic aggregates or subject matter areas.

Part I of this report presents, for the first time, estimates of constant price Gross Domestic Product (GDP) by industry on a quarterly basis, covering the period from the first quarter of (2000 to the first quarter of 2007).

Part II of the report is intended to serve as a reference document for the quarterly constant price estimates of GDP by industry. The purpose of this part of the report is to describe in detail all aspects of the quarterly GDP at constant prices by industry, including data sources and the methodology used.

Part I will be updated and published each quarter, whereas Part II will be re-released only at the time of major revisions, such as the introduction of a new base year or other major methodological changes.

[The report was prepared by Ms. Bayermaa, under the guidance of]

Chairman,
National Statistical Office of Mongolia

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Gross Domestic Product by Industry at constant prices of 2000, by quarters (From Q I 2000 to QI 2007)

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3. Statistical Tables

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1. Overview
2. Detailed Sources and Methods, Industry by Industry

Part I GDP by industry (Q1 2000 – Q1 2007)

1. Introduction
2. Analysis of Current Economic Trends
3. Statistical Tables
 - Original data
 - Seasonally adjusted data

NOTE: Sample table format**Gross domestic product by activity**

Constant 2000 prices seasonally adjusted at annual rates \$ million

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication
2000		296,485	116,161	63,507	24,632	20,185	101,936	13,585	112,196
2001		242,085	126,625	84,598	25,285	22,580	101,776	12,652	126,663
2002		211,962	116,183	100,683	26,103	26,644	127,075	13,115	146,781
2003		222,252	113,507	105,039	26,389	40,663	140,631	13,185	163,121
2004		261,578	152,485	106,432	28,046	40,023	133,130	15,471	180,443
2005		186,606	169,152	87,433	28,284	46,198	139,383	13,445	215,994
2006		152,378	173,793	106,022	28,972	48,531	114,430	17,429	246,934
2000	1	30,229	20,889	15,223	7,935	4,442	9,864	3,540	26,618
	2	23,779	28,782	15,485	4,892	4,667	21,112	3,483	28,046
	3	96,236	35,334	16,007	4,233	5,706	28,291	3,367	28,895
	4	46,241	31,155	16,792	7,572	5,369	42,669	3,195	28,637
2001	1	26,810	20,994	19,621	7,887	4,793	9,528	3,341	30,824
	2	9,490	29,392	20,692	5,171	5,654	20,280	3,166	30,666
	3	70,897	38,562	21,685	4,278	5,916	27,749	3,075	32,150
	4	34,890	37,677	22,600	7,949	6,218	44,218	3,069	33,023
2002	1	25,785	24,881	24,501	7,748	5,506	10,938	3,281	32,775
	2	92,801	27,843	25,118	5,323	6,579	25,143	3,313	34,824
	3	63,353	30,685	25,480	4,574	7,111	35,543	3,294	38,382
	4	30,023	32,773	25,584	8,458	7,449	55,451	3,226	40,799
2003	1	23,749	20,762	26,390	8,659	8,860	12,137	3,240	38,696
	2	85,068	27,532	26,200	6,460	11,004	27,718	3,211	38,926
	3	76,106	34,641	26,164	5,206	11,120	41,322	3,282	42,394
	4	37,329	30,572	26,285	6,064	9,679	59,455	3,452	43,106
2004	1	30,876	23,512	27,908	9,535	9,434	12,748	3,885	42,229
	2	76,067	44,207	27,516	6,623	10,836	27,551	3,997	45,926
	3	7,176	49,313	26,412	5,376	10,161	34,717	3,924	45,299
	4	47,458	35,453	24,597	6,512	9,592	58,115	3,665	46,989
2005	1	34,228	33,363	22,952	9,020	10,523	11,652	3,568	48,567
	2	12,181	44,030	21,463	5,852	11,845	25,321	3,288	49,797
	3	92,385	49,386	21,114	5,141	11,908	37,605	3,221	56,365
	4	47,812	42,374	21,904	8,271	11,922	64,806	3,367	61,265
2006	1	36,625	32,707	24,752	8,740	12,229	11,100	4,019	59,663
	2	23,813	40,334	26,255	6,214	12,124	20,303	4,309	61,043
	3	2,127	42,503	27,257	5,404	12,096	28,622	4,502	62,772
	4	51,739	58,250	27,759	8,614	12,081	54,406	4,599	63,456

Part II Sources and methods

1. Overview

1.1 Concepts, coverage, general methodology

1.2 Quarterly adjustments – adjustment to annual levels, seasonal adjustment

2. Detailed sources and methods, industry by industry description

List of quarterly indicators:

Agriculture, hunting, forestry

Agriculture

Crops

Livestock

Hunting

Forestry

Fishing

Mining and quarrying

Coal mining

Extraction of petroleum

Mining of metal ores

Iron ore mining

Copper ore mining

Gold mining

Other metal ore mining

Other mining and quarrying

Quarrying of sand, stone and clay

Mining and quarrying nec

Manufacturing

Manufacture of food products

Production, processing and preserving of meat and meat products

Production, processing & preserving of fish, fruit, vegetables, oils & fats

Manufacture of dairy products

Manufacture of grain mill products, starches and prepared animal feeds

Manufacture of other food products

Manufacture of beverages and tobacco

Manufacture of textiles

Manufacture of clothing

Manufacture of wood, wood products, and paper and paper products

Publishing and printing

Manufacture of petroleum products, chemicals, rubber and plastic

Manufacture of other non-metallic mineral products

Manufacture of basic metals (iron and steel)

Manufacture of fabricated metal products, machinery and equipment

Manufacture of furniture and other manufacturing, n.e.c.

Recycling

Electricity, gas and water supply

Electricity, steam and hot water supply

Collection purification and distribution of water

Construction

Wholesale and retail trade

Hotels and restaurants

Hotels and other accommodation services

- Restaurants, bars and canteens
- Transportation, storage and communication
- Land transport
 - Railway transport
 - Other land transport
 - Urban and interurban passenger transport*
 - Taxi *
 - Freight transport*
 - Air transport
- Travel agencies and tour operators
 - Other supporting services to transport (cargo handling)*
- Post and Telecommunication
- Post and courier activities
- Telecommunication
- Financial intermediation
 - Monetary intermediation (banking)
 - Other financial intermediation
- Insurance and pension funding
 - Activities auxiliary to financial intermediation*
- Real estate, renting and business activities
- Real estate activities
 - Renting of dwellings (including imputed rent on owner-occupied dwellings)
- Business services
- Public administration and defense
- Education
- Health
- Other community, social and personal service activities
 - Membership organizations
 - Recreation and culture
 - Other service activities

* Note: Show detail for REVISED GDP (2005 prices?)

2. Detailed sources and methods, industry by industry description

NOTE: Sample format

INDUSTRY TITLE	ISIC CODE
Crop production	011

Industry definition:

This industry includes the growing of crops; market gardening; horticulture.
Agricultural activity excludes any subsequent processing of agricultural products.

1. Industry Overview

Output, supply, demand	(Mill. tog for 2000)	
Output	65.9	
Value added at basic Prices	19.1	
Share of total	%	
Share of total economy value added	%	
Significant products of this industry		
Cereals (wheat, oats, barley), potatoes, vegetables, fodder crops (hay)		
Total supply of these products	96 bp	117pp
From domestic sources	66	
From imports	30	
Major users of these products		
I-C industries	50	
<i>Hotels & restaurants</i>	0.2	
Exports	0.2	
Households	36.0	
Inventory change	32	117pp

Source: SUT 2000

2. Quarterly projector

Data used

Sources:

Methodology:

Deflation

Other

References:

Note: this is a hypothetical example

Coal Mining**ISIC 10****Industry definition**

This industry comprises enterprises primarily engaged in mining bituminous coal. .

1. Industry Overview**Output, supply, demand**

Millions of tog for 2000

Output xxxxxxxx

Value added at basic prices xxx

Share of total mining %

Share of total economy value added %

Significant products of this industry

Coal

Total supply of these products

From domestic production xxxx

Imports xxxx

Major users of these products

Exports xxxx

Electric power generation and distribution xxxx

Industrial users xxxx

Households xxxx

2. Quarterly Projector

Changes in constant price output are used as indicators of the growth in constant price value added. The movement in constant price output is assumed to be represented by the month-to-month growth rates in the constant price production of coal.

The final output of coal mines can be either raw or clean coal. In order to avoid double counting, output of coal mines with a processing plant is derived from ship-ments of raw coal plus production of the clean coal.

Data

Quantities of coal, by type, by aimag, measured in metric tons.

Source:

Coal statistics (*specify title of survey*) NSO

*Methodology:***Deflation**

Constant price output is calculated by multiplying the quantities of coal by type, by their base-year prices, per metric ton, by aimag.

References

ANNEX E: SURVEY DESIGN AND THE BUSINESS REGISTER

ANNEX E: SURVEY DESIGN AND THE BUSINESS REGISTER

The available questionnaires (in English) were collected and reviewed with the national accounts and economic statistics staff. Similarly, the questionnaires and operating procedures for the BR were discussed, including recent changes in the BR database. The change will have implications for the collection process, the questionnaire design and the continuity of time series by industry.

Business Register

NSO is to be congratulated on the introduction of improvements in the BR with the addition of the “establishment” units on the BR database for use for survey purposes as of 2007. However, as a result, the industrial structure to be used as a survey frame will have to be reassessed, as will the regional distributions by industry in a time series context and provision will have to be made for bridging the break in the series for industries and aimags.

A summary table showing the number of multi-unit enterprises by industry with the number of constituent companies/establishments is shown below. The table was prepared by the BR staff and shows that there are only 340 multi-unit enterprises on the BR with 1,887 constituent companies/establishments. This more complex group of enterprises should be analyzed and treated separately from the single – unit enterprises, where the legal unit and the operating unit coincide.

For the 340 complex enterprises it will be necessary to review the regional distribution of the constituent units, to verify the industrial classification of each unit (an initial classification as recorded on the BR is shown on the following table, but it is based on a description by the respondent and may not be sufficiently precise in some cases, so that follow up may be required) and to ascertain the accounting practices of the enterprise to see whether the accounts distinguish profit centers only or revenue and cost centers as well. If the latter, there may be additional units that could be identified and entered on the BR as establishments. Fortunately, even among the 340 complex enterprises, most of the constituent units or “daughter and child” entities are concentrated in a few industries, mostly trade, which suggests that there would be more of a change in the regional than in the industrial structure. Up to now, the entire enterprise (consolidated return) has been coded to Ulaanbaatar, as long as the head office is located there. As of 2007, the constituent units will be coded by the surveys according to their physical location, thus reducing the value added in UB and increasing the value added in the respective aimags. In the few cases where the operating surplus is not already allocated between the constituent units and the head office operations, it will be necessary to interview senior officials of the enterprise (preferably by a senior officer of NSO who can properly present the issues and develop a “profile” of the enterprise which records the operating structure along with the accounting structure and the preferred mode of transmitting the returns to NSO). The opportunity should also be used to review the industry questionnaires with the respondent in order to test the appropriateness and clarity of the questions and the suitability of the terminology used. In the meantime, the survey returns from the special SUT survey should also be reviewed in conjunction with the new BR data base and the results reconciled and revised as necessary.

A discussion of the estimation of the “informal sector” is presented separately in Annex B. It should be stressed that NSO has already done a lot of work to include estimates for the informal or unincorporated business/household sector in the existing national accounts estimates. Further development work is in progress, including a survey planned for 2007 and the exploration of the use of the gross and net business income figures from the Personal

Income Tax files. Thus, NSO should be in a fairly good position to analyze the industrial and regional structure of the economy once the work is completed next year.

Questionnaires

During the review of the questionnaires, it was found that there is some duplication in the questionnaire content which should be eliminated and the use of the data rationalized to minimize response burden and maximize analytical usefulness. A case in point is construction (see the questionnaires below), where extremely detailed responses are required from the construction contractors on a quarterly and monthly basis with very little difference between the two. In fact, the annual questionnaire requests far less detail – basically just standard items from an income and expense statement. These issues were discussed with the responsible officers and national accounts who undertook to review and revise the questionnaires as required.

Essentially all **annual questionnaires** are modeled on the industry questionnaire which is a slightly modified version of the financial statement which legal entities are required to submit to the tax authorities each year. This has several implications for the design and updating of NSO questionnaires:

- The questionnaires are more suitable for collecting enterprise statistics for compiling the institutional sector accounts but may not, in all cases, suit the requirements of production statistics.
- Because consolidated returns are submitted, some of the items may be reported on a net basis.
- The questionnaires have to be reviewed after each change in taxation legislation, such as was the case for the recent changes, effective 2007. Although the changes do not appear to be major, they are sufficient to warrant a careful re-examination of the questionnaires and the aggregate statistics received from the tax authorities for 2007, vis-à-vis 2006.
- The annual questionnaires for most industries do not request commodity detail on the output side (or at least revenues broken down by main source of revenue) and use a standard list of expense items, even when they are patently inappropriate for a particular industry.
- After the review and analysis of the complex multi-unit enterprises, these should be separated from the single unit enterprises not only for survey purposes but also for questionnaire review, as it may be necessary to modify the questionnaires for collecting production statistics for these units, and, if necessary, developing distinct head office questionnaires as well.
- Therefore, all annual questionnaires should again be reviewed, and revised to take account of the above points - after consultation with major respondents or industry associations to check on the clarity and user-friendliness of the questions and the design itself. (Some examples from other countries were left with Economic Statistics).
- **Quarterly and monthly questionnaires** quite often are more detailed and complex than the annual questionnaires, thus imposing more of a response burden than would appear to be necessary. All sub-annual questionnaires should be reviewed in conjunction with the redesign of the annual questionnaires to ensure that the most efficient and effective way of collecting the relevant data is used. For industries, the quarterly or monthly surveys are or should be a subset of the annual, designed to

collect current data on salient characteristics (production/revenue, employment, inventories where applicable) for major industries. Where commodity information is collected, it should, again, represent a subset of the annual array of products, so as to serve as an indicator of current trends.

If and when it becomes possible to collect revenue data (the revenue base for the VAT) by months on an ongoing basis, this will have to be analyzed to see to what extent the data can be used for estimating current gross output by industry in the national accounts.

**Confidential information shall be prohibited by the Law on Statistics
/Article 22 and item 3/**

Approved by the NSO
2006. Order №32

Form Ib-1

REPORT OF BUILDING INSTALLATION AND MAINTENANCE

Name of enterprise	
Registration number	
Soum, district	

Phone number

Fascilime.....

A. Building installation, maintenance

Type of building		Number of row	Value, thous.tog
1. New building, expansion and reconstruct - total (row from 2 to 20)		1	
Of which	Residential building	a. Installed	2
		b. Bricked	3
		c. Blocked	4
		d. Other	5
	Non-residential building	a. Manufacturing	6
		b. Trade and service	7
		c. Hotel	8
		d. Hospital	9
		e. Church	10
		f. School and cultural institution	11
		g. Office	12
		h. Other (storage, garage etc)	13
	Engineering structure	a. Energetics	14
		b. Communication	15
		c. Railway	16
		d. Road	17
		e. Bridge	18
		f. Dam, ditch, cable, and network	19
		g. Other (Minor works and other)	20
	2. Maintenance (row from 22 to 24)		21
Of which	Residential building	22	
	Non-residential building	23	
	Engineering building	24	
3. Building installation and maintenance - total (row 1+ row21)		25	

B. Repaired road and bridge

(Continued)

		Number of row	Unit	Value
A		B	1	2
Length of road	a. Asphalt	26	km	
	b. Regeneration	27	km	
Recover work of road		28	m ²	
Bridge	a. Concrete	29	piece	
		30	length m	
	b. Other	31	piece	
		32	length m	

C. Employment

		Number of row	Average	Salary fund, thous.tog
A		B	1	2
Total employment		33		
Of which: construction workers		34		
Of which	Engineer, technical worker	35		
	Professional workers	36		

Director.....**General accountant.....****Economist.....****20.... year ... month ... day**

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Approved by the NSO
2006. Order №32

Form IB-1a

QUARTER REPORT BUILDING AND OBJECT

Name of enterprise	
Registration number	
Soum, district	

Name of subscriber enterprise	Register of subscriber enterprise	Name and location of object	Register of object	Ownership type of object	Type of building	Dedication of building	Year build began	Capacity by quantity (machine, bed, seat, metre, km, kwt, m ² etc)	Estimate, thous.tog	Value since the beginning building, thous.tog	Value of reference year, from the beginning of the year thous.tog	Floor total area, m2
1	2	3	4	5	6	7	8	9	10	11	12	13

Director.....
General accountant.....
Economist.....

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Approved by the NSO
2006. Order №32

Form IB-2

QUARTER REPORT BUILDING AND CAPACITY

Name of enterprise	
Registration number	
Soum, district	

Name of subscriber enterprise	Register of subscriber enterprise	Name and location of object	Register of object	Ownership type of object	Type of building	Dedication of building	Year build began	Capacity by quantity (machine, bed, seat, metre, km, kwt,m ² etc)	Floor total area, m ²	Volume of building m ³	Basic fund thous.tog	Date of built year, month, day
1	2	3	4	5	6	7	8	9	10	11	12	13

Director.....

General accountant.....

Economist.....

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Approved by the NSO
Ib-1
2006. Order №32

Form

Name of enterprise	
Registration number	
Soum, district	

The district statistical division have to report to the Capital city on 30th of each month and the capital city have to send to the NSO on 4th of each month by e-mail.

MONTHLY REPORT STRUCTURAL MATERIAL USED IN DOMESTIC MARKET

Name of structural material	Number of row	Code of product	Unit of measurement	Price of unit (by tog)
A	B	1	2	3
Mongolia				
Concrete mortar, M-200	1	37330	m ³	
Broken or crushed stone	2	15320	m ³	
Iron concrete 700	3	37330	m ³	
Brick made from clay M-100	4	37540	thous.piece	
Cement M-500	5	37440	kg	
Sands	6	15310	m ³	
Lime /meli/	7	37420	kg	
Vacuum window (15x15)	8	31600	m ²	
Plank for floor (without groove)	9	31210	m ³	
Edged plank	10	31100	m ³	
Palk (lenght15õ15, 3-3.5m)	11	38700	piece	
Polystyrene	12	37550	m ²	
Emulsion	13	37450	kg	
Russia				
Roofing paper 1x10m	14	37930	pack	
Spike 100mm	15	42944	kg	
Olip	16	35110	kg	
Oilcolour	17	34310	kg	
Lime /meli/	18	37420	kg	
Ceramic sink	19	37221	piece	
Ceramic lavatory pan	20	37221	piece	

(continued)

Name of structural material	Number of row	Code of product	Unit of measurement	Price of unit (by tog)
China				
Iron concrete 700	21	37330	m ³	
Brick made from clay M-100	22	37540	piece	
Cement M-500	23	37440	kg	
Window glass 5mm	24	37117	m ²	
Roofing paper (without stone) 15x4m	25	37930	pack	
Spike 100mm	26	42944	kg	
Oilcolour "Chuliet"	27	34310	kg	
Olip "HUSGI1200-CO7"	28	35110	kg	
Wallpaper 1060.53 "AIDI"	29	32194	pack	
Linoleum (wide 2,5m)	30	38930	m	
Emulsion (external) "Facaishu"	31	37450	5 kg	
Emulsion (inward) "Facaishu"	32	37450	5 kg	
Lime /meli/	33	37420	kg	
Slabstone 30x30 /for floor/ "CERAMICA GB/T"	34	37350	piece	
Slabstone 30x20 /for wall/ "COPIOUS GB/4100.5-1999"	35	37350	piece	
Ceramic sink "Huida"	36	37221	piece	
Ceramic lavatory pan "Huida"	37	37221	piece	
Daylight (without pivot) FSL-40 BT	38	46510	piece	
Building door (metal)	39	42120	piece	
Tap "Jomoo"	40	42912	piece	
Flexible shower kits "Shida"	41	42912	piece	
Parquet floor /11mm/ "CHENGDE JIA"	42	31210	m ²	
False ceiling /6060/ "BOLGA- 7500"	43	36330	m ²	
Germany				
Emulsion (external) "Superwiess"	44	37450	5 kg	
Emulsion (inward) "Superwiess"	45	37450	5 kg	
Korea				
Wallpaper 1260.5 "Emetion"	46	32194	pack	

Approved by the NSO
Ib-1
2006. Order №32

Form

BUSINESS ACTIVITY ANNUAL REPORT OF CONSTRUCTION ENTERPRISE

Registration number

	Name					Code	
Aimag, capital							
Soum, district							
Name of enterprise							
Industrial classification							
Legal status							

Ownership type	State			Citizen Of Mongolia – 21%	Private		Local government	
	Domestic – 11%	Joint venture- 12 percentage share of foreign investment			Foreign investment	Joint venture-22 percentage share of foreign investment	Domestic – 31%	Joint venture - 33%

A. Production and expenditure
thous.tog

by cumulative value, by

	Row	Value
1. Total income	row 1 = row (2 + 3 + 4)	1
Sales	2	
Consumed for internal use, given to employees as a kind of salary, transferred to	3	
Income from other activities	row 4 = row (5 : 13)	4
- income from renting of buildings	5	
- income from renting of machinery, equipment	6	
- income from resale	7	
- income from the secondary activities	8	
- income from the sales of fixed assets	9	
- income from dividend	10	
- compensation from the insurance companies	11	
- income from interest of loans, penalties, provisions	12	
- other income	13	
2. Intermediate consumption	row 14 = row (15 + 38 +	14
Production expenses	row 15 =row((16 : 21) + 24 + 27 + 28+	15
Supply basic and raw materials	16	
Oil, lubricants	17	
Spare parts	18	
Electricity	19	
Heating, stream	20	
Renting expenses	row 21>= row	21
'-renting of buildings	22	
'-renting of machinery, equipment	23	
Heating	24	
'-coal	25	
'- wood	26	
Expenses on transportation and preparatory works	27	
Payment for services done by other units	28	
'-geological prospecting	29	
'-engineering drafts	30	
Business trip	31	
'-meals, accommodation	32	
'-transport means	33	
Expenses on communication	34	

Packages and wrapping material	35	
Stationary	36	
Other production expenses	37	

(Continued)

	Row	Value
Sales related expenses and management expenses (48 : 51))	row 38 = row (39:42+ 45+ 48 : 51))	38
Repair, maintenance		39
Insurance expenses		40
Expenses on exploration		41
Renting expenses (43+44)	row 42>= row	42
'-renting of buildings		43
'-renting of machinery and equipment		44
Business trip (46+47)	row 45>= row	45
'-meals, accommodation		46
'-transport means		47
Advertising expenses		48
Expenses on communication, Internet		49
Stationary		50
Other expenses relating to general management		51
Other expenses relating to non-basic activities : 55)	row 52 = row (53 : 55)	52
'- expenses on purchased goods for resale		53
'- expenses on interest of loans, penalties, provisions		54
'- other expenses		55
3. Value added (14)	row 56 = row (1 - 14)	56
Basic and additional salary (including salary in kind of goods , meals, firewood, coal, light provision of accommodation etc)	row 57= row (58 : 60)	57
'-salary of employees of basic activity		58
'-salary of employees of general management		59
'-salary of employees of secondary activity		60
Social, health insurance contributions		61
Payment for land and exploration of natural resources		62
Depreciation of fixed assets		63
Depreciation (general management)		64
Interest of short term bank loans		65
Excise tax		66
Automobile and vehicle tax		67
Heavy vehicle tax		68
Operational surplus (point 2.8 of FS)	row 69 = row (56- 57- (61 : 68))	69
'-profit distributed from dividend		70
'-benefits given to employees in kind of cash or goods		71
'-expenses on membership contribution, grant, assistance		72
4. Gross output (22.2-22.1)+	row 73 =row (1 +(7-53) -9 -10 -11 -12 + part B +part B(25.2-25.1))	73
5. Construction works and capital repair works done by the reference period-total		74
6. Number of employees, annual average		75
of which: annual average number of construction workers		76
quarterly average number of employees		77
of which: women		78
7. Number of computer		79

B. Assets

(thous.tog)

(continued)

A	Row	Value		Investment
		Beginning of year	End of year	
	B	1	2	3
Fixed assets	row 1 = row (2 +15)			
Tangible assets	row 2 row			
(3+4+8+9+12)				
Residential building	3			
Other building	4			
non-residential building	5			
other building	6			
of which: road	7			
Capital repair, maintenance work	8			
Machinery and equipments	9			
transport means	10			
other machinery and equipment	11			
Cultivated assets	row 12=row (13+14)			
Livestock for breeding, dairy, draught	13			
Perennial	14			
Intangible assets	row 15 row (16+17+18+19)			
Geological prospecting, engineering draft	16			
Software	17			
Originals of literatures and arts	18			
Other intangible	19			
Inventories	row 20=row			
(21+22+25+26)				
Raw and supply materials	21			
Work-in-progress	row 22 = row (23+24)			
work-in-progress on cultivated assets	23			
other work-in-progress	24			
Finished goods	25			
Purchases of goods bought for resale	26			
Values	row 27 = row			
(28+29+30)				
Diamonds, stones	28			
Antiques, historic and cultural arts	29			
Other values	30			
TOTAL ASSETS	row 31 = row			
(1+20+27)	31			

Data at the beginning and end of the period should be obtained from the FS-1, columns 2 and 4. The value of the intangible assets of goodwill, patents and rights of the authors etc should be recorded in the row of 84.

Notes: (:) means sum of the related data. For example: rows (2:5) =rows (2+3+4+5)

(>=) means more or equal.

C. Income and expenditure from secondary activities

(continued)

Name of branch and daughter company	Industrial code	Income	Expenditure
Total	X		

Table 1. Number of subsidiary (“daughter and child”) companies, by economic activity

ISIC COD1-Head	No. of Head office	ISIC COD1-Child	Number of subsidiary companies
0111	3	0111	2
		5220	1
0112	2	1320	1
		0112	1
0121	1	0121	1
			1
0122	1	5510	1
0130	1	0111	1
1010	2	1010	1
		8519	1
1110	2	1110	2
1200		1200	1
1310	1	1310	1
		0111	1
1320	37	0130	1
		1010	1
		1320	28
		1410	1
		1429	4
		2693	1
		2710	1
		2720	2
		4010	2
		4520	1
		5050	1
		5110	1
		6304	2
		7421	1
		8511	1
		8519	2
1410	1	1429	1
1429	5	0121	1
		1320	2
		1421	2
1511	5	1429	3
		0121	1
		1511	4
		5110	1
		5220	1
		6304	1
		7010	1

1541	2	0200	1
		1541	1
		2695	1
1551	5	1551	1
		5211	1
		5220	3
1554	1	5110	2
		1730	1
1711	2	5110	2
		5219	1
1722	1	1711	1
		1810	2
1810	3	5110	1
		5190	1
1912	1	5510	1
2212	1	2221	1
2219	1	2221	1
2221	1	9303	1
2222	1	2221	1
2421	1	9000	1
2423	3	2424	1
		5231	3
2692	1	1810	1
2694	1	1429	1
2732	1	1320	1
2914	1	4530	1
3120	1	0111	1
3691	1	1320	1
3699	1	1554	1
4010	8	3120	1
		4010	38
4100	1	4100	1
4510	1	0111	1
		1513	1
		2695	1
4520	13	4520	15
		5050	16
		5121	1
		5220	1
		5510	1
		5520	1
		7010	1
		7421	1
4530	2	5510	1
		2812	1
4540	1	1422	1
		2022	1
5050	7	5050	18
		5219	1
		5510	1
5110	33	0140	2
		1320	1
		1429	2
		1551	2

		1554	1
		3312	1
		5020	1
		5050	19
		5110	9
		5122	1
		5150	1
		5190	2
		5211	2
		5219	2
		5220	7
		5239	1
		5260	1
		5510	1
		5520	1
		6023	1
		6110	1
		6592	1
		6711	1
		7010	1
		7421	1
		8511	1
		9213	1
5122	1	5122	1
5141	6	1551	1
		5050	164
		5141	6
		6603	1
		6712	1
5190	10	0111	1
		0112	1
		0121	1
		2423	1
		2520	1
		5050	2
		5110	1
		5141	1
		5143	1
		5190	2
		5231	43
		5232	1
		7220	1
5211	1	5211	1
5220	14	0112	1
		0140	1
		1531	1
		1541	1
		1551	1
		5220	6
		5239	1
		5520	1
		5520	1
		7010	1
5231	1	4520	1

		5211	1
		5231	1
		6304	1
5240	2	5240	2
5260	1	4540	1
5510	5	0111	1
		5520	2
		5510	2
		0112	1
		0140	1
		1320	1
		1429	1
5520	10	5510	1
		5520	3
		6304	1
		6592	1
		7492	1
6010	1	1410	2
		1429	1
		1541	2
		2010	1
		2211	1
		2694	1
		2695	1
		3520	1
		4010	3
		4030	1
		4100	2
		4520	3
		4540	3
		5050	2
		5110	1
		5122	1
		5211	3
		5219	1
		5220	2
		5260	1
		5510	2
		5520	1
		6010	34
		6021	1
		6022	2
		6023	1
		6301	3
		6309	2
		6420	2
		7010	1
		7414	1
		7492	2
		8010	2
		8030	1
		8511	2
		8519	2
		9000	1

		9111	1
		9219	1
		9309	1
6210	4	6210	10
		6303	16
		0140	2
		5220	1
6304	17	5510	3
		6021	1
		6210	1
		6304	9
		2221	1
6309	2	6210	1
		6309	1
6411	1	6411	84
6412	2	6412	6
		5110	1
6420	8	6420	202
		7240	1
6511	1	6511	18
		6411	2
6519	13	6519	589
		6592	4
		6599	1
		5240	1
6592	17	6592	36
		6711	2
6603	8	6603	84
6712	1	6712	1
		4010	1
		4520	1
7010	5	5211	1
		5510	1
		6592	1
		7010	1
7020	2	4530	1
		7020	4
7220	1	7220	1
7230	2	7230	1
		7511	1
7250	1	0111	1
7320	1	9199	1
7412	6	7412	12
		0111	1
7421	8	1320	1
		7421	6
7494	1	7494	3
7499	1	4520	1
		5510	1
7511	3	6303	1
		6304	17
		7511	17
7514	1	7514	1
7522	2	0130	1

		9241	1
8021	1	8090	1
8030	6	7421	1
		8030	6
8090	2	8090	1
		9219	1
8511	1	5510	1
8531	1	8030	1
9111	1	7414	1
9191	1	9191	1
9192	2	9192	33
9199	2	8021	1
		9199	8
		9213	5
9213	2	6420	10
		9211	1
9219	1	9219	1
9249	2	0121	1
		9249	1
9301	1	9301	1
	340		1887

ANNEX F: NATIONAL ACCOUNTS WORK PROGRAM

ANNEX F: NATIONAL ACCOUNTS WORK PROGRAM

The work program of the national accounts area was discussed both with management and with national accounts staff from the point of view of the organization of the work in connection with the target dates set out in the NSO short-and medium term work plan. The detailed calendar of tasks, showing start and completion dates as set out in the NSO official work plan, is presented in the table below, along with suggested modifications to the scheduling.

Several important points emerged from this review. Most importantly, the existing target dates for completion of tasks and for release dates of data sets appear to be based on considerations external to the flow of information from respondents to survey managers to national accounts. Thus, the time available to complete the tasks to a minimum quality standard is often insufficient.

I would strongly **recommend** reviewing the target dates, at least for the next annual work cycle from two perspectives:

- First, in order to ensure that a reasonable period for the completion of each phase of a task is allowed for (based on workload, if at all possible) so that the end of one phase matches the beginning of the next. This is not the case at present. Some tasks, the output of which should flow into another project, are shown as not being completed until after the completion deadline of the second task, or else the system of national accounts' components are not viewed as an integrated set, with the development of constant price expenditure estimates and of the SUT presented as stand-alone projects without implications for the rest of the system. The whole process needs careful re-examination from a scheduling point of view.
- Second, compare the dates with international guidelines and best practices before setting the target dates for dissemination of major aggregates, such as the annual and the quarterly national accounts. The guidelines recommend releasing the first preliminary annual estimates within 6-9 months after the reference year, and the revised annual within 10 – 14 months and the quarterly estimates within 3 months following the reference quarter. This would mean, for example, releasing the first estimate of the year (based on the quarterly) with the fourth quarter GDP estimates before the end of the first quarter following the reference year. The first estimate of the year based on actual annual returns could come by the end of June, with the publication in July, with the regional estimates later, depending on the methodology adopted. More time should be allowed for the compilation of the quinquennial SUT and I-O tables, with the last part of 2007 being a more realistic deadline.
- With such reasonable and realistic target dates, NSO could set up an advance release calendar for the benefit of users. This should also provide for an **established revision policy and revision cycle**, with, say quinquennial SUTs serving as benchmarks for the annual national accounts which could then also be rebased every 5 years.

The recommended approach implies additional coordination and careful planning but pays considerable benefits in efficiency and improved user relations in the longer term. The task of coordination of the data flows and the improvement of the quality of source data would be facilitated by reviewing the allocation of tasks of national accounts compilation currently dispersed across different units, strengthening the national accounts unit proper (already being planned), and increasing analytical capability (through allowing more time for the Head Office survey specialists) to focus on follow-up and liaison with respondents (especially in UB),

survey process quality control, and analysis and evaluation of results for each industry or subject matter area.

Finally, it is **recommended** that the work on the Supply and Use tables be considered as an integral part of the national accounts compilation and quality improvement process, instead of treating the compilation of the SUT as a stand-alone exercise. Therefore, following international best practices, considerable care and sufficient time should be devoted to the compilation of each SUT so that the results can be used as a benchmark for the annual GDP estimates, including the planned quinquennial rebasing (conversion to 2005 prices). For example, the Australian Bureau of Statistics scheduled the release of the complete set of 2001-2 SUTs for late 2006, and Statistics Canada released the final 2003 SUT table on December 16, 2006. This is to allow sufficient time for the final source data (from surveys and administrative records, such as taxation) to be incorporated, the results properly evaluated and analyzed and the tables balanced without too many hasty and arbitrary adjustments. Canada compiles annual SUTs which are used as benchmarks for the compilation of the final annual GDP estimates, using a regular 4-year revision cycle, with periodic major or “historical” revisions to incorporate conceptual or major methodological revisions. It is important to note that this process ties in with a well articulated revision cycle for national accounts that takes account of the availability of revised source data and develops the revision schedule on that basis.

The following table presents the tasks and the target dates for completion as shown in the NSO detailed medium term plan on a time scale for the current year, by week. What has been added is a visual depiction of the implied time allowed for the completion of each task. Clearly, there simply would not be sufficient time for the survey managers to undertake proper follow-up or analysis of the results within the week that has been allowed between the receipt of the data and the requirement to deliver the results, including the calculation of value added for the industry to the national accounts. Similarly, national accounts do not have sufficient time to compile and analyze the entire set of estimates, especially since many of the data from outside sources (not shown on the table below), such as some government financial statistics and balance of payments components, could not be obtained within the national accounts dissemination target dates. Moreover, the list of projects/tasks does not provide for the additional time required by NSO for management review and the preparation of the data and analysis for dissemination. These have been added to the table to illustrate the work flow from data collection to final publication of the national accounts. Discussions suggested that adopting the internationally recommended deadlines and careful coordination of the work flows should permit NSO to meet the new recommended target dates, smooth the process and improve data quality at all stages. Therefore, it is recommended that, given the development and planned publication of the quarterly GDP estimates and thus a first preliminary annual, the target dates for national accounts be adjusted to the international guidelines as outlined above.

ANNEX G: PARTICIPANTS AT THE MEETINGS AND DISCUSSION

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NSO

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| 1. Gerelt-Od, G. | Vice-Chairman |
| 2. Badamtsetseg, B. | Director, Statistical Planning, Policy and Coordination Department |
| 3. Tuul, Yu | Advisor to Chairman |
| 4. Davaasuren, C. | Chief, Economic Statistics Division |
| 5. Basanjaav, R | Senior Economist, National Accounts |
| 6. Bayarmaa, | National Accounts |
| 7. Terbish, J. | National Accounts |
| 8. Oyun-Erdene, S. | National Accounts |
| 9. Sarangerel, B. | National Accounts |
| 10. Bolormaa, S. | Economic Statistics Division |
| 11. Murun, G. | Economic Statistics Division – Tourism |
| 12. Amartuvshin, Ts. | Economic Statistics Division |
| 13. Oyunbileg, D. | Economic Statistics Division – Business Register |
| 14. Oyunsuren, B. | Economic Statistics Division - Construction |

Mongol Bank

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| 1. R. Bayasgalan. | Senior economist |
| 2. Unurjargal N. | Economist |

EPRC

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| Bertoli, Fernando | Chief of Party |
| Ansmits, Anna | National Accounts Expert |

IMF

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| Freeman, Russel | Expert |
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ANNEX H: REFERENCES

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