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REPORT OF THE
SEMINAR ON EXTERNAL TRANSACTIONS
KAMPALA, 28 April - 7 May 1975

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ORGANIZATION OF THE MEETING

1. The Seminar on External Transactions was convened at the Institute of Statistics and Applied Economics, Kampala, Uganda, on Monday 28 April 1975. Present were 36 participants from the following countries and organizations: Algeria, Cameroon, Ethiopia, Ghana, Ivory-Coast, Kenya, Madagascar, Mali, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, The United Republic of Tanzania, Uganda, Upper Volta, Zaire, The Banque centrale des Etats de l'Afrique de l'Ouest, the East African Community, the Central Bank of Kenya, the Bank of Uganda and the Makerere Institute of Statistics and Applied Economics. In addition representatives of the United Nations Statistical Office and of the International Monetary Fund took part.

Opening addresses

2. The Seminar was opened by Mr. I.K. Kabanda, Director of Planning of the Government of Uganda who welcomed participants to Kampala, thanked UNDP and the organizers of the Seminar and stressed the importance of external transactions statistics. An address was also delivered by Mr. L.I. Mtei, Secretary-General of the East African Community.
3. In his address the Secretary-General said that he trusted that the Seminar would go beyond mere theory to the formulation of policies and programmes for the compilation of accurate, up-to-date and regular statistics on external transactions since most countries were facing serious balance-of-payments and foreign exchange problems. Statisticians must become aware of the significance of their work so that the statistics they produced were of immediate relevance to policy makers. Statistics had never been needed so badly as now. While those who made and implemented policies had to take urgent decisions on such important issues as the allocation of foreign exchange from day to day and, in an age of floating currencies, from hour to hour, the effects of their policies could not be judged until the statistics became available. He urged participants to concentrate on the problem of the timeliness of statistical information so that current information was available when it was most needed.
4. International transactions were a vital aspect of all economies in the world. An accurate record of external transactions was therefore an essential requirement for the management of any economy and such records were worthless unless they permitted of international comparisons. He hoped, therefore, that the desirability of international comparisons would receive proper attention at the Seminar.
5. He mentioned the concern of the East African Community about the problems of proper records of external transactions both as regards the discharge of responsibilities under the Treaty for East African Co-operation and the co-ordination of the major statistical series relating to the Partner States. The activities of the Community institutions themselves had such a marked effect on the balance of payments of the Partner States that their treatment in individual Partner State accounts had to be uniform if any meaningful results were to be obtained.
6. Ideally, external transactions statistics should include all economic transactions on both current and capital accounts of residents and non-residents and it was desirable that the classification of the sectors should conform to

that recommended in the United Nations System of National Accounts (SNA). Because the external transactions of a country essentially comprised transactions between residents and non-residents, certain conceptual problems arose regarding definition of residents, the classification of resident economic sectors, the timing of recording transactions and their valuation and the classification of transactions and flows. There were also problems arising from the limitations of the basic data obtained from trade returns and exchange control records.

7. The Secretary-General said that the problems encountered by African countries in compiling their data on external transactions were mainly due to lack of reliable and developed basic data sources on which to prepare the estimates. Another major problem in that connection was the lack of trained and experienced statisticians to undertake estimations on a regular and consistent basis. It was obvious that particular emphasis should be placed on the training of statistical personnel in the field of balance of payments and there was a need for short refresher-type courses which would enable experts in this field to exchange their practical experiences. Without a sufficient number of trained personnel, progress in developing basic data sources and utilizing available data would be slow, making it impossible for African countries to keep pace with the rapid economic changes taking place in the world today. The number of personnel specializing in the compilation and analysis of statistics relating to external transactions in any one African country would not warrant the setting up of separate training institutes in each country. Participants could, therefore, in addition to discussing the concepts and techniques of analysis, explore how African countries could pool their resources in the training field.

8. The lack of basic statistical data was a common feature of developing economies and the extent to which African countries or States members of various economic and customs unions had different problems in compiling balance-of-payments statistics was a subject of interest. There were differences in relating to the type of national institutions responsible for compiling such data, the kind of basic data sources, valuation practices, timing for recording transactions, etc.. In the East African Community there were no problems connected with merchandise trade as trade statistics for all Partner States were a responsibility of the Community and therefore there were no discrepancies as between Partner States. The exports of one Partner State to another were automatically the imports of the receiving State. Their record in compiling and publishing trade data was as good as any in Africa. They were, however, not complacent about this situation and were making constant efforts to improve both the timeliness and the classification of the data compiled. Their latest annual trade statistics relating to the year 1974 were available within three months of the end of the year. Moreover, they were based on a revised and expanded commodity classification which had been devised in order to provide for a direct relationship with their tariff which was based on the Brussels Tariff Nomenclature (BTN). It would therefore be possible to provide complete trade data in accordance with the tariff classification as well as with the current statistical classification which was based on the Standard International Trade Classification (SITC). That new classification was valuable for tariff evaluation as well as for comparison with European Economic Community with which a large percentage of East Africa's external transactions was carried out.

9. The problems of the East African Community were in some ways unique and it seemed that international recommendations in the area of balance-of-payments statistics had not taken sufficient account of such problems. It was unique because of its responsibility for the provision of important services, particularly in the field of transport and communications, which had an important influence on economic developments in Partner States and which were not duplicated within the Partner States themselves. The East African Statistical Department had for many years been considering the problem of the allocation of Community activities and the abiding principle in its work had been that Community activities should be assessed according to the location of their activities. This was, however, not simple and no doubt the Community's participant at the Seminar would benefit from any possible discussions on the subject. It merited consideration by the Seminar because it was a problem likely to confront many other regions whose ambition it was to emulate the East African Community.

10. On behalf of the Deputy Executive Secretary of ECA, the representative of the Commission thanked the Government of Uganda and the Director of the Makerere Statistical Institute for hosting the Seminar and the facilities provided for it. He said that the aim of the Seminar was the standardization of statistics on external transactions within the framework of the United Nations System of National Accounts and that relevant concepts, definitions and classifications would be discussed as well as country practices and difficulties and problems obtaining in the region as regards the compilation of such statistics.

Election of officers

11. Mr. J.D.N. Nartey, Ghana, was elected Chairman. Mr. M.I. Bokemposila, Zaire, was elected Vice-Chairman.

Adoption of the agenda

12. The following agenda was adopted:

1. Opening addresses
2. Election of officers
3. Adoption of the agenda
4. Discussion of the addresses
5. Concepts, definitions, classifications and accounts and tables relating to external transactions - SNA and the revised IMF Balance of Payments Manual: content, problems of interpretation and adaptation and their solution and exercises.
 - (a) SNA
 - (b) The revised IMF Balance of Payments Manual in relation to SNA
 - (c) Statistics of merchandise trade in relation to SNA and the Balance of Payments Manual.
6. Sources and types of basic data and methodologies for making estimates, including worksheet design in the case of SNA and the Balance of Payments Manual: discussion and exercises.
 - (a) Merchandise trade
 - (b) Other current transactions
 - (c) Capital transactions.

7. Practices, difficulties and problems of African countries in compiling data on external transactions within the framework of SNA and the balance of payments; practical solutions to these difficulties and problems.
8. Other business and recommendations.
9. Adoption of report and closure of the Seminar.

SUMMARY OF PROCEEDINGS

Discussion of Addresses

13. In connection with the address by the Secretary-General of the East African Community, questions relating to estimates covering individuals, the timeliness of statistics, statistical training and the treatment accorded to organizations affecting groups of countries were discussed.
14. As regards estimates covering individuals, the representative of IMF said he was sure that his organization would not contend that the net effect of individuals' transactions was insignificant and that consequently estimates covering individuals should be excluded from balance-of-payments estimates. Perhaps the point intended was that in compiling balance-of-payments statistics it was difficult to gather data on those items when the sources of data were only reports of individuals and that it might be more efficient to concentrate first on gathering data on transactions that were channelled for exchange through institutions such as banks.
15. It was pointed out that although the compilation of up-to-date statistics was desirable, it was sometimes difficult for statisticians to avoid delay. This was because certain data relating to balance of payments had to be obtained by means of questionnaire.
16. Certain participants were of the opinion African countries would pool resources for the training of African statisticians and that international agencies should provide financial and moral support to African universities for the purpose of encouraging post-graduate statistical training for African statisticians in national institutions. Such training was needed because graduates who continued their training abroad frequently followed the wrong courses and sometimes even when pursuing the right courses they lacked the proper environment. It was however recognized that higher statistical training should be provided with the objective of attaching greater importance to statistics.
17. It was agreed that at the international level explicit recommendations had not been made in relation to problems relating to organizations of group of countries like the East African Community. However it was suggested that the overhead expenses of most common activities should be divided equally between the countries in question.

Concepts, definitions, classifications and accounts
and tables relating to external transactions

(a) SNA

18. Document E/CN.14/NAC/56 entitled "Concepts, definitions, classifications and accounts and tables of the SNA relating to external transactions" was introduced and review made of the scope and definitions of external transactions as well as of the relevant classifications, accounts and tables.

19. It was pointed out that the concept of balance of payments was not identical with that of external transactions in national accounts. Although generally there was a large measure of agreement between the Balance of Payments Manual of IMF and SNA regarding definitions, there was nevertheless considerable differences between the two in the field of classification. For example the item "errors and omissions" did not exist in SNA, which was a closed system, as compared with the Balance of Payments Manual, which was an open system.

20. In the discussion which ensued, questions were raised regarding the determination of change of ownership, adjustments of merchandise imports and exports to change of ownership basis and the definition of commodities in SNA.

21. It was explained that ownership was considered to have changed at the time when the contracting parties recorded the relevant transactions in their books. It was however agreed that the adjustment of merchandise trade to a change-of-ownership basis was a difficult exercise, even through the relevant totals from IMF accounts could be compared with totals from SNA accounts. With regard to definitions of commodities and resident industries, it was pointed out that the former was a technical term in SNA and it included both goods and services.

(b) The revised IMF Balance of Payments Manual in relation to SNA

22. The representative of IMF reviewed current developments in the revision of the Balance of Payments Manual.

23. He said that the initial impetus for revising the 1961 edition of the Manual had been the revised SNA, although other changes to update the document - to include reference to SDR, for example - were also needed. A seminar had been held by the Fund in October-November 1972 to ascertain the views of national compilers from all members Governments as to the content and approach of the new document. Since that time, five further meetings to investigate special problems and review draft material had been held with representative groups of compilers serving as consultants to the Fund staff. A draft version that fully reflected the views of those consultants was now ready for distribution to all Fund balance-of-payments correspondents for comment. The draft would be revised once again in the light of comments received and then issued in final form, perhaps as early as autumn 1975, for reporting 1976 data.

24. He pointed out that the principles in the new Manual were identical with those of SNA with respect to the fundamental issues of the residence of entities, valuation and time of recording; the balance of payments was thus comprehended within the overall framework of the national accounts. Minor differences arose

with regard to the coverage of transactions, the Manual calling for the recording of certain phenomena that were not considered transactions in the strict SNA sense. It was pointed out that the borderline between real resources and financial items was also drawn slightly differently under the two systems but that those divergences were likely to be of virtually no practical significance to compilers in the great majority of countries, while agreement on major principles ensured effective integration of the balance of payments and SNA. A separate appendix in the Manual would deal with a comparison of balance of payments and SNA items or least the non-financial ones.

25. Participants recognized that although the classification scheme recommended in the revised Manual was explicitly based, as one main consideration, on achieving the closest possible co-ordination with the SNA scheme, fairly significant differences were none the less unavoidable. This result appeared entirely justifiable, since the two bodies of statistics were obviously addressed for the most part to the analysis of quite different types of problems. Moreover, some of the differences were more important conceptually than from the standpoint of data collection; they might thus be of little concern to the compiler in practice.

26. Since participants had only brief excerpts of the revised Manual, a number of questions were raised about the intended treatment of certain items. Direct investment, for example, was a subject of particular concern. It was suggested that SNA might distinguish the item separately, as did the Manual. It was explained that the Manual's recommendations were based on a very comprehensive sample survey of members' practices; the findings of that survey constituted an appendix in the Manual draft.

27. The suppression in SNA of the statistical residual "net errors and omissions" that appeared in the balance of payments was questioned. It was stated that this practice was being re-examined.

28. A question regarding the appropriate method for converting the basic data from transactions currencies into a unit of account was raised. This was a very timely and important question, as well as one that was theoretically very complex and presented considerable practical difficulty in many cases. It was explained that a chapter on the subject had been added to the Manual. While no entirely satisfactory solution could be recommended, a practical method was suggested that could at least tend to introduce some uniformity into country practices.

(c) Statistics of merchandise trade in relation to SNA and the Balance of Payments Manual

29. Document E/CN.14/NAC/58 entitled "concepts, definitions and classifications of the external trade statistics in relation to the SNA and the Balance of Payments," was introduced. It was pointed out that foreign trade statistics were the source most often used for statistics of external transactions. However, those statistics were collected primarily in connection with customs control and they differed in many respects from the statistics required for purposes both of SNA and the Balance of Payments. Consequently they had to be adjusted and such adjustments sometimes referred to the definition of the statistical territory, the time of recording the transactions and the coverage of the items.

30. It was pointed out that goods could cross a customs frontier without change of ownership, or they could undergo changes in ownership without crossing the customs frontier. Also changes in the national boundary could occur without any movement of merchandise. Various concepts and definitions were treated, including the general and special trade systems, the notion of residence, methods of valuation and classification.

31. It was pointed out that the definitions of statistical territory, residence and timing in SNA was consistent with that of IMF. However there was some difference in coverage as regards ships' stores and bunkers, since they were classified as "merchandise" in the former but as "services" in the IMF Balance of Payments Manual. The classification of gold also varied somewhat since in SNA non-industrial gold in private hands was considered as a financial asset.

32. There was some discussion regarding the definition of resident enterprises. It was explained that all units of industries located in a country were considered residents of that country. That was also the case for branches or subsidiaries of enterprises located abroad. They were to be treated as residents of the country in which they were located since they formed an integral part of that country's economy. Also ships belonging to a country which operated between foreign countries were considered to be resident enterprises of the country of ownership.

33. Another item which gave rise to discussion was smuggling. The Seminar noted that a considerable amount of smuggling occurred during several countries of the region, thereby causing the external trade statistics to be deficient. There was urgent need for some method of estimating the value of that item. Several suggestions were made including the use of relevant estimates of production and consumption, but was finally agreed that there were considerable difficulties involved and that that problem might be solved by means of more effective customs control.

34. It was considered unfortunate that there were some discrepancies between certain statements made in the document and SNA recommendations.

Sources and types of basic data and methodologies for making estimates

(a) Merchandise trade

35. Document E/CN.14/NAC/59 entitled "Data sources and methods of estimating merchandise trade in external transactions" was introduced.

36. It was pointed out that the principal source of data for the compilation of exports and imports of merchandise were reports on foreign trade statistics prepared from customs documents and that the definition of merchandise trade for national accounting purposes came close to that of general trade, but that some adjustment was needed for coverage. On the other hand there were differences between the actual reporting period in the trade statistics and the time at which the relevant change of ownership took place, which should have been in fact the true reporting period, and so this source had to be supplemented by enquiries into the records of resident businesses in an attempt to adjust for timing.

37. The valuation of merchandise trade was discussed and it was pointed out that the records of resident shipping and insurance companies were valuable sources of information as regards charges for transport and insurance services particularly by resident producers.

38. It was explained that foreign exchange records were also a useful source of information but that since they only showed goods in respect of which payment had been made there were serious difficulties connected with the use of those documents. It was however recognized that the combined use of foreign exchange records and relevant customs documents could provide valuable information regarding trade credits.

39. A lengthy discussion took place relating to methods of valuation and adjustment both in respect of timing and coverage and examples were drawn from actual country experience in respect of goods in consignment and exchange between branches of enterprises operating in the countries and their parents abroad. It was agreed that in both cases efforts should be made to obtain the relevant information from the records of the resident business concerned.

40. The need to segregate merchandise trade from other external transactions in SNA and its detailed commodity classification were discussed, and the various relevant international classifications were introduced. It was pointed out that the study of the supply and disposition of commodities required the use of the International Standard Industrial Classification of all Economic Activities but that the Classification by Broad Economic Categories and the Standard International Trade Classification were useful for other purposes.

(b) Other current transactions

41. Document E/CN.14/NAC/57 entitled "Other current transactions with the rest of the world - classification, data sources and method of estimates" was introduced.

42. The classification of the imports and exports of services as well as of other current transactions, not including merchandise, was briefly reviewed as contained in SNA. It was noted that there were differences in terminology and classification of these items as compared with the IMF Balance of Payments Manual but that some attempt at reconciliation could be made.

43. The relevant sources of data and methods of estimates were discussed. It was recognized that although exchange control records were the most obvious source of data in countries where currency exchange control was applied, there were serious limitations to the use of such records and so it was necessary, in addition, to conduct special inquiries directed at the main transactions concerned in order to arrive at the required information.

44. Some participants expressed concern over the importance of black market operations in the region and thought that there might be a method of obtaining a reliable estimate of their value. However, it was pointed out that since such operations were illicit it would be extremely difficult to estimate them. The Seminar was not in a position to put forward a relevant methodology.

(o) Capital transactions

45. The IMF representative led the discussion on financial items.

46. He said that foreign financial items in the balance of payments and SNA consisted of monetary gold, special drawing rights (SDRs) in the Fund, claims on non-residents and liabilities to non-residents. The two systems were in virtually complete agreement about what the coverage of those items should be in practice, although minor conceptual differences did exist. For example, the balances of payments system considered all gold in private hands as non-monetary (commodity) gold, while SNA provided for the possibility that some privately-held gold could be classified as a financial asset.

47. It was pointed out that the value of an economy's holdings (stocks) of financial items could change as the result of transactions between residents and foreigners, all of such changes being shown in both the Balance of Payments and SNA. In addition, however, the value of the amount outstanding might change from one period to another for a number of reasons in addition to resident/foreigner transactions; they included the monetization/demonetization of gold, the allocation/cancellation of SDRs, territorial change and migration, and fluctuation in market prices (including those for the currency of denomination relative to the unit of account, i.e. the exchange rate). The additional changes, which were regarded in SNA as "revaluations" or "reconciliation items", were excluded from SNA, with the exception of migrants' transfers. However, most of them, except territorial changes and unrealized valuation changes, were shown as part of the Balance of Payments. Moreover, the Balance of Payments included transactions between residents in claims on foreigners and transactions between foreigners in claims on residents, as well as reclassifications between various types of assets (such as reclassification from portfolio investment to direct investment). Finally, the Balance of Payments covered the increase in investment that resulted from the allocation to the direct investor of a share in the undistributed earnings of the direct investment enterprise, which was shown only as a memorandum item in SNA.

48. Participants raised a number of questions about the rational of adopting a coverage for the Balance of Payments that was broader than resident/foreigner transactions. It was explained that that procedure was in part a matter of convention, based on a consensus of Balance of Payments compilers and users that these additional items were likely to be analytically useful under general approaches that were frequently adopted. The more controversial items, such as reinvested earnings, were in fact identified as separate components and could readily be suppressed in national presentations of the Balance of Payments statement, if it were desired to do so. The inclusion of some transactions between residents and between foreigners, however, had to be accepted as inevitable, since there was no practical way in which such transactions could be eliminated from the basic statistics.

49. It was explained that each of the main categories of capital shown in the Balance of Payments tended to have its own customary data source and also its own particular type of difficulties. Direct investment capital was based on a concept rather than entirely on observable characteristics that would be apparent to compilers. The identification of direct investors and direct investment enterprises would thus involve the judgement of compilers. Once a list of

potential respondents had been compiled, the investors and enterprises would have to be asked to supply the necessary information on their activities. The main technical problem with the replies was that the books of affiliated enterprises tended to be kept in terms of transfer prices rather than market prices, as required for all national accounts purposes. The determination of a reasonable market price equivalent under such circumstances was likely to prove very difficult.

50. The IMF representative explained that for portfolio investment, long-term bonds and equity securities other than those constituting direct investment, the chief problem was likely to be to discover the residence of the holder or transactor. Such investments were frequently handled through agents and registered in the name of nominees rather than that of the actual owners. Furthermore, securities originally issued in one market might subsequently be traded on other markets.

51. He also said that reserve assets were a category that should present little difficulty of data collection. Such assets had all, by definition, to be owned by the central authorities or at least be under their direct and effective control. The information would thus be readily available to the compiler, although he might sometimes have difficulty in deciding whether certain assets actually qualified as reserves in accordance with the concept applied for balance-of-payments purposes.

52. It was pointed out that specified liabilities were intended to be largely the obverse of reserve assets, i.e., those same assets viewed from the standpoint of the debtor. The problem of identification might be somewhat intensified from that standpoint, however, since the debtor had less access than the creditor to the facts on which the judgement was to be made. Certain guidelines could be provided, however, to assist in the process of identification.

53. It was explained that figures for the residual group of capital would come primarily from three main sources. The first two Government capital other than reserve items and deposit money bank capital - were likely to present little difficulty. Those two sectors, and especially the latter, could be expected to maintain adequate financial records for information purposes. The private sector, however, was one of the hardest from which to obtain satisfactory data. Indeed, even the most statistically developed countries from time to time showed a large item for "net errors and omissions," which they were able to attribute only to the weakness of the data they had collected on private capital flows, especially their volatile component.

Practices, difficulties and problems of African countries in computing data on external transactions within the framework of SNA and the balance of payments; practical solutions to these difficulties and problems

54. A paper, entitled "External Transactions for Africa contained in ECA Statistical and Economic Information Bulletin for Africa, No. 4, was introduced together with a set of related tables updating the data contained in the paper.

55. The current availability of data on balance of payments and external transactions for countries of the region was reviewed as well as the degree of correspondence obtaining between the data. Country practices in compiling balance-of-payments data were discussed and an analysis of data on external transactions for the region as a whole was considered.
56. It was pointed out that balance of payments statistics were being compiled for a growing number of African countries and that it should not be difficult to establish accounts on external transactions for the years for which proper balance-of-payments data were available. However where both sets of data existed it was observed that balance-of-payments estimates consistently exceeded those for external transactions in the national accounts and it was agreed that the difference might be due not only to differences in coverage but also to the fact that balance-of-payments data and national accounts data were not compiled by the same national institutions. It was recognized that there was need for greater consistency in the compilation of data relating to external transactions in the national accounts and balance-of-payments statistics.
57. One participant expressed the wish that ECA should embark on a similar but more sophisticated study to include countries other than those in the African region. It was pointed out that it would be a useful study and would serve as a guide for measuring developments in African balance-of-payments and external trade statistics.
58. A paper entitled "Analysis of the balance of payments of the East African Community with special stress on balance of trade" was introduced by the representative of the East African Community. The history of the compilation of East African balance-of-payments statistics was briefly reviewed and it was noted that the East African Statistical Department conducted an annual survey of foreign investment which was used by the three Partner States for assessing the level of private capital investment. It was pointed out that the survey should form the basis for comparing the balance of payments of the East African countries.
59. It was noted that the causes of incomparability were that statistical data collection from other sectors of the economy, the reliability of the data and the methods used in making balance-of-payments estimates varied from country to country and that the work of the East African Statistical Department in co-ordinating and standardizing East African balance-of-payments statistics would be made easier if each of the three Partner States published manuals explaining their different approaches.
60. There followed a detailed description of the foreign trade statistics of the East African Community and it was observed that the time-lag for the Community's trade reports had been reduced from six to two months. It was agreed that the definition of "net imports" employed by the Community was not in accordance with international recommendations and that supplementary information was needed in order for the trade data to be compared with those of other African countries.

61. Certain participants thought that a detailed manual should be prepared specially for the African region to serve as a guide for the compilation of both balance-of-payments statistics and statistics of external transactions. It was pointed out that if each compiling country produced a detailed description of relevant sources and methods used, it would make it easier for ECA to prepare such a manual. It was also pointed out that ECA lacked reports relating to balance of payments, external trade and national accounts statistics particularly for the French speaking countries and it was agreed that participants would on return to their country try to ensure a steady flow of such documents free of charge to the ECA Statistics Division.

62. Several participants described the methods used in their respective countries for making adjustments with regard to coverage, valuation and timing. It was explained that in several countries use was made of the trade reports of neighbouring countries as well as of special enquiries into the affairs of resident companies and institutions.

Other business and recommendations

63. Some observations were made regarding the value of the Seminar. Participants deplored the inadequacy of the meeting room for a bilingual seminar and the organizational arrangements for the conduct of the seminar. They also expressed their dissatisfaction at the fact that documents had not been received in time and that certain documents in English had not been translated into French.

64. It was pointed out that it had been possible only to skim the surface of the subject in the short time allowed and to consider only a few problems in detail. It was difficult to provide guidelines which were suitable for all countries, particularly within the short time available. Participants noted that quite sophisticated methods were used by some countries in estimating external trade data. It was recognized that it was essential that all figures should be of such a quality as to be meaningful for economic planning.

65. The Seminar learnt of the efforts of the United Nations Statistical Office to assess the reliability of various national accounts estimates including the external transactions of developing countries. In view of the growing tendency to use national accounts for political purposes when some countries tried to have themselves classified according to certain categories of development.

66. It was submitted that SNA was a very important document since it provided a framework for development of basic data. It contained some ambitious tables as compared with the IMF Balance of Payments Manual. However a manual was being prepared as a supplement to SNA and it would contain more detailed explanations concerning the preparation of national account, including external transactions.

67. The representative of the Statistical Office informed the Seminar that an inter-regional seminar on national accounts was scheduled to be held at Caracas in December 1975 and that the aim of the seminar was to draw upon the experience of all participants in their efforts to implement the system. The seminar would also provide valuable material for the national accounts manual, which would be geared towards the need of developing countries.

68. It was pointed out that the fourth edition of the Balance of Payments Manual would also draw on the experiences of developing countries.

69. It was agreed that much more practical guidance could have been given if participants had submitted papers raising their particular problems, as requested by ECA. However the Seminar was a short-term affair and it would have been impossible to solve all the problems in one week. Participants had been made aware of developments in the region and they had made proposals for the improvement of estimates. However it was thought that much remained to be done for the region as regards balance-of-payments statistics and statistics of external transactions. The wish was expressed that a second seminar on external transactions would be organized at which the relevant portion of the United Nations Manual on National Accounts and the fourth edition of the Balance of Payments Manual would be considered. It was felt that some attention should be given at that Seminar to the computation of index numbers of external trade statistics.

70. Participants also recommended that ECA should:

- (i) compile indexes of external trade for African countries;
- (ii) establish a centre for exchange of statistical documents among ECA members countries;
- (iii) send missions to countries of the region annually for the purpose of collecting statistical information; and
- (iv) harmonize the methods used in each country with a view to promoting greater comparability.

71. The Seminar considered the questionnaire method for gathering from resident institutions the data required for making adjustments for valuation and timing. The participant from the Ivory Coast mentioned that a set of forms contained in a "plan comptable" (business accounting plan) and a data bank on financial statistics which had been set up had been used to replace questionnaires for gathering information from industrial enterprises. The participant from Uganda introduced a questionnaire used for gathering balance-of-payments data, copy of which is annexed to this report.

Adoption of the report and closure of the Seminar.

72. The present report was adopted on 7 May 1975.

73. The Director of the Institute of Statistics and Applied Economics was invited to close the meeting. He said that the President of Uganda and the high-ranking officers had asked him to thank everyone for coming to the Seminar and for finding time to visit some of the country. They all hoped that participants would carry with them pleasant memories of Uganda. The Director thanked UNDP for making the Seminar possible and all those who tried to make it work. He expressed his appreciation for the valuable assistance provided by ECA as regards organizational problems which had proved to be much greater than expected.

ANNEX I
QUESTIONNAIRE INTRODUCED BY UGANDA PARTICIPANT

STRICTLY CONFIDENTIAL

Ref. No. C 71
(To be quoted in all
correspondence)

BALANCE OF PAYMENTS 1971
COMPANIES
INCORPORATED IN EAST AFRICA
AND FOREIGN COMPANIES OPERATING SOLELY IN EAST AFRICA

Particulars of Company

Name of Company
Address to which form should be sent
Nature of Business
Country in which your company is incorporated Date of Incorporation
..... (If this is your company's first return)
Is yours a Public or a Private Company? (see note 19):-

Status of your Company (see note 20):-

(i) a subsidiary of incorporated in

(ii) an associate of incorporated in

(Please specify names of parent or associate companies, and country
where applicable)

Financial year 1971 (see note 3)

East African country(ies) in which your company operates (other than through
an agent)

(Please tick in appropriate square or squares)

Kenya ☐

Tanzania ☐
(incl. Zanzibar)

Uganda ☐

Please complete this form within 28 days of receipt and return it to:-

The Chief Statistician,
E.A. Statistical Department,
P.O. Box 30462,
Nairobi, Kenya.

FORM C. 71

SECTION I

(to be completed by all companies)

1. Shareholders Interest (see note 4 and 5)

(a) Value of paid up capital held by residents in East Africa and non-residents overseas.

Ordinary and Preference shares held by residents in:-	End of financial year 1970 £ E.A.	End of financial year 1971 £ E.A.	Change	
			(a) Due to Bonus Issue £ E.A.	(b) Other £ E.A.
Kenya
Tanzania (incl. Zanzibar)
Uganda
United Kingdom
Other Sterling Countries
Non-Sterling Countries
Total
(b) Unappropriated profit or accumulated loss
(c) Reserves (see note 6)
Total Shareholders Interest

2. Quoted Debentures held by residents in:-
(see note 7).

Kenya	.....	.....	.....	.....
Tanzania (incl. Zanzibar)	.....	.....	.....	.....
Uganda	.....	.....	.....	.....
United Kingdom	.....	.....	.....	.....
Other Sterling Countries	.....	.....	.....	.....
Non-Sterling Countries	.....	.....	.....	.....
Total	£ E.A.	.....	.....	.....
Total (1 + 2) £ E.A.	.....	.....	.....	.....

3. Total Capital receipts and repayments during the financial year 1971
(see note 8)

	Ordinary & Preference Capital	Quoted Debenture Loan Capital
(a) New Capital subscribed by residents in:-
Kenya
Tanzania (incl. Zanzibar)
Uganda
United Kingdom
Other Sterling Countries
Non-Sterling Countries
Total	<u>£ E.A.</u>	<u> </u>
(b) Repayments of capital (including the redemption of Bonus Issue shares) paid to residents in:-		
Kenya
Tanzania (incl. Zanzibar)
Uganda
United Kingdom
Other Sterling Countries
Non-Sterling Countries
Total	<u>£ E.A.</u>	<u> </u>

4. Total current and long term loans excluding quoted debentures shown in Section 1, 2 (see note 9 and 10).

	End of financial year 1970	End of financial year 1971	Change
(a) Current or short term loans from residents in:-	£ E.A.	£ E.A.	£ E.A.
Kenya
Tanzania (incl. Zanzibar)
Uganda
United Kingdom
Other Sterling Countries
Non-Sterling Countries
Total	£ E.A. ....	.....	.....
(b) Long term loans from residents in:-			
Kenya
Tanzania (incl. Zanzibar)
Uganda
United Kingdom
Other Sterling Countries
Non-Sterling Countries
Total	£ E.A. ....	.....	.....

5. Dividend and Interest payments

- (a) Total dividends paid or credited during the twelve months ended 31st December, 1971.
Ordinary and preference dividends paid to shareholders (see Section I, 1), resident in:-

	Paid outside East Africa £ E.A.	Paid in East Africa £ E.A.	Credited £ E.A.	Total £ E.A.
Kenya
Tanzania (incl. Zanzibar)
Uganda

5. Dividend and Interest payments

(a) Total dividends paid or credited during the twelve months ended 31st December, 1971 (Cont'd)

	Paid outside East Africa	Paid in East Africa	Credited	Total
	£ E.A.	£ E.A.	£ E.A.	£ E.A.
United Kingdom	.....	.....	.....	.....
Other Sterling Countries	.....	.....	.....	.....
Non-Sterling Countries	.....	.....	.....	.....
Total	£ E.A.			

(b) Total Interest paid or credited during the financial year 1971. Interest (net of East African Income Tax) paid to holders of Quoted Debentures (see Section I item 2) and paid on loans (shown in Section I item 4) from residents in:-

Kenya	.....	.....	.....	.....
Tanzania (incl. Zanzibar)	.....	.....	.....	.....
Uganda	.....	.....	.....	.....
United Kingdom	.....	.....	.....	.....
Other Sterling Countries	.....	.....	.....	.....
Non-Sterling Countries	.....	.....	.....	.....
Total	£ E.A.			

6. Expenses incurred outside East Africa during the financial year 1971 (see note 12).

	(a) Directors' fees	(b) Management fees	(c) Architects and Consulting Engineers' fees	(d) General Administrative Expenditure, etc.
	£ E.A.	£ E.A.	£ E.A.	£ E.A.
United Kingdom	.....	.....	.....	.....
Other Sterling Countries	.....	.....	.....	.....
Non-Sterling Countries	.....	.....	.....	.....
Total	£ E.A.			

7. Investment income received from assets held outside East Africa (detailed in Section I, 8) during the financial year 1971.

On total assets held in:-	Dividends	Interest	Other Income (Rate, etc.)	Total
	£ E.A.	£ E.A.	£ E.A.	£ E.A.
United Kingdom	.....	.....	.....	.....
Other Sterling Countries	.....	.....	.....	.....
Non-Sterling Countries	.....	.....	.....	.....
Total	£ E.A.			

8. Total Assets held outside East Africa.

(a) Current or Short Term Assets (see note 13).

	End of financial year 1970 £ E.A.	End of financial year 1971 £ E.A.	Change £ E.A.
(i) Bank balances in:-			
United Kingdom	.....	.....	.....
Other Sterling Countries	.....	.....	.....
Non-Sterling Countries	.....	.....	.....
Total	£ E.A.		

(ii) Other Current or Short Term Assets in:-

United Kindgom	.....	.....	.....
Other Sterling Countries	.....	.....	.....
Non-Sterling Countries	.....	.....	.....
Total	£ E.A.		

(b) Long Term Assets (see note 14).

(i) Fixed assets cost less depreciation) in:-

	End of financial year 1970 £ E.A.	End of financial year 1971 £ E.A.	Change £ E.A.
United Kindgom
Other Sterling Countries.....
Non-Sterling Countries
Total £ E.A.

(ii) Securities and other Long Term Assets in:-

United Kingdom .....	.....	.....	.....
Other Sterling Countries.....	.....	.....	.....
Non-Sterling Countries .....	.....	.....	.....
Total £ E.A.	.....	.....	.....

SECTION II

(to be completed by companies with branches, subsidiaries or assets in other East African countries)

1. Net profit or loss earned in each country during the financial year 1971 by branches in:- (see note 15).

	£ E.A.
Kenya
Tanzania (incl. Zanzibar)
Uganda
Total £ E.A.

2. Total Net Assets in each country by branches in:- (see note 16).

	End of financial year 1970 £ E.A.	End of financial year 1971 £ E.A.	Change £ E.A.
Kenya
Tanzania (incl. Zanzibar)
Uganda
Total £ E.A.

3. Management fees, etc., received during the financial year 1971 from branches and subsidiaries in:- (see note 17).

Kenya £ E.A. Tanzania (incl. Zanzibar) £ E.A.
Uganda £ E.A.

4. Total value of assets held in East African countries not on account of branches or subsidiaries (see note 18).

	End of financial year 1970 £ E.A.	End of financial year 1971 £ E.A.	Change £ E.A.
Kenya	.....	.....	.....
Tanzania (incl. Zanzibar)	.....	.....	.....
Uganda	.....	.....	.....
Total	£ E.A. ....	.....	.....

5. Total dividends, interest, etc., derived from assets specified in 4 above during 12 months ended 31st December, 1971.

	£ E.A.
Kenya	.....
Tanzania (incl. Zanzibar)	.....
Uganda	.....
Total	£ E.A.

I declare that the foregoing is made up from the audited/provisional accounts of the company and that to the best of my knowledge and belief is correct.

.....
Signature of Manager, Secretary or Chief
Account
Date

ANNEX II

LIST OF DOCUMENTS

- E/CN.14/NAC/56 Concepts, definitions, classifications and accounts and tables of the SNA relating to external transactions
- E/CN.14/NAC/57 Other current transactions with the rest of the world - classification, data sources and method of estimates
- E/CN.14/NAC/58 Concepts, definitions and classifications of the external trade statistics in relation to the SNA and the Balance of Payments
- E/CN.14/NAC/59 Data sources and methods of estimating merchandise trade in external transactions statistics
- E/CN.14/SEIB/4 Statistical and Economic Bulletin for Africa, No. 4
- E/CN.3/456 Draft Standard International Trade Classification (SITC), Rev.2
- ST/STAT/SER.F/2/Rev.3 A System of national accounts
- ST/STAT/SER.M/43/Rev.1 Classification of commodities by industrial origin
- ST/STAT/SER.M/53 Classification by broad economic categories
- International Monetary Fund: Balance of Payments Manual (third edition)
- International Monetary Fund: Balance of Payments Manual - Supplement to third edition (second draft)
- International Monetary Fund: Excerpts from a draft of the revised, fourth edition of the Balance of Payments Manual
- East African Community: Customs forms used for imports and exports of merchandise
- Analysis of the balance of payments of the East African Community with special stress on the balance of trade, by Dr. M. Kovacka and Dr. T. Ivanyi (English only).