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Workshop on services in the domestic economy  
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*Statistics of Services in the Domestic Economy of Ethiopia*

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**COUNTRY:- ETHIOPIA**

**SUBJECT : COUNTRY REPORT ON STATISTICS OF SERVICES IN THE  
DOMESTIC ECONOMY**

**I. BACKGROUND**

Reliable and detail information regarding the economic and financial structure of distributive trades and services sector is very important for the government as well as other users for the purpose of policy formulation and economic analysis. And it is through this sector where locally produced industrial and agricultural commodities as well as imported commodities pass for export and local consumption. Hence, having information on changes in the level of performance of distribution and services in the domestic economy is a reliable guide for assessing the changes in the economic condition of the country.

Statistics in this sector, not only useful in the planning of an effective distribution system of the economy but also have direct use in the formulation of government policies and, above all, in the building of accurate and reliable estimates of gross domestic product (GDP.). However, in Ethiopia, data related to distribution and services in the domestic economy is very limited. For the first time, survey of distributive trades and services was carried out for Addis Ababa in December 1968 by the Central Statistical Office (CSO) in collaboration with the Ministry of Commerce, Industry and Tourism . Since then, plans have been made at different periods, to conduct such surveys though could not be materialized.

## II. METHOD OF DATA COLLECTION

In the 1968 Distributive trades and services survey, the city of Addis Ababa was divided into 900 enumeration areas for the purpose of the Population Census and each enumerator was assigned set of enumeration area.

The survey used two questionnaires forms:-

- FORM 1 - was used for larger establishments with 10 or more employees, for which complete census was conducted.
- FORM 2 - was used for the smaller establishments with 9 or less employees, for which the inquiry was done on sample basis.

FORM -1 was directly given to the large establishments to fill in the required data by responsible personnel of the establishment. Finally, the filled in questionnaires were collected by the assigned enumerator after a week . On the other hand, for the smaller establishments, the enumerator completed FORM-2 himself by interviewing the businessmen of the selected establishment.

### III. SCOPE, COVERAGE AND SOURCE OF DATA

The 1968 survey covered wholesale and retail trade, catering and personal services (Other than domestic service) in Addis Ababa. The reporting units were commercial or service establishments. All establishments in the city were classified into three major groups:

- a) Group I - consisted of establishments with less than 5 employees from which every 1 in 10 were surveyed.
- b) Group II - consisted of establishments with 5-9 employees from which 2 in 10 were surveyed.
- c) Group III- consisted of establishments with 10 or more employees for which a complete census were conducted.

For identifying the location of the establishments, the records from Census of Establishment in Addis Ababa were used.

### IV. DATA PROCESSING AND DISSEMINATION

To undertake the survey, a large team of the Central Statistical Office enumerators was employed for several weeks , which involved personal visits to trading establishments, responses were obtained from about a thousand business firms. The collected data from those establishments were processed manually. A brief analytical report was prepared by CSO and distributed to government institutions and other data users.

## V. PROBLEMS ENCOUNTERED DURING DATA COLLECTION

The major problems that were faced during the data collection activities were some businessmen tended to regard the whole operation with a certain degree of suspicion. As a result, either refused to supply some of the information requested or gave deliberately misleading replies, more especially with regard to sales, prices and profits. Hence, some of the responses were found to be incomplete and some obviously misleading.

## VI COORDINATION WITH OTHER INSTITUTIONS

The above mentioned survey was planned and carried out by the central Statistical Office in collaboration with the Ministry of Commerce, Industry and Tourism. To prepare and compile the survey frame, the Central Statistical Office had used the administrative records of the above mentioned ministry. In addition, the administrative records of the Inland Revenue Department and the Addis Ababa Municipality were used to cross check the lists of trade establishments of the Establishment Census of Addis Ababa. Furthermore, the Ministry of Commerce, Industry and Tourism had shown great interest in the undertaking of the survey. As a result, the Ministry tried to facilitate the survey operation by sending special circular to all the establishments that were included in the survey, explaining the objectives of the survey and seeking their co-operation.

## VII. FUTURE PLANS

The Central Statistical Office now called the Central Statistical Authority (CSA) is the key government institution which is responsible for planning and conducting different socio-economic surveys and censuses. The CSA collects, processes, analyses and disseminates statistical information for planners, policy makers and other data users.

Statistical information on distributive trades and services is a base for assessing trends in the economy and helps in measuring the effects of new economic policies already established. For short-term trends, estimates of this sector of the national economy plays an important role, especially in the fields of retail trade and personal services.

Hence, taking all these facts of importance of the sector, the Central Statistical Authority has given due importance to develop reliable, statistical information of this sector of the economy. Therefore, currently the Trade, Communication, Transport and Financial Statistics Department within CSA is planning to conduct survey on distributive trades and services at national level. Draft questionnaires and other survey documents have been prepared, preparation of survey frame which is based on the 1994 population and Housing Census records is under way.

Since this planned survey is almost a new experience the survey questionnaire and other survey activities, need to be tested. Thus a pilot survey is planned to be conducted in November 1995, in some selected towns. The actual survey, at national level, will be conducted at the end of 1996, covering both large and small commercial establishments.

## VIII. CONCLUSIONS AND RECOMMENDATIONS

The Central Statistical Authority, because of its ~~very~~ limited resources available, in areas of distributive trades and services statistics, faces the following major problems.

- Lack of survey documents of other countries experience in this area
- Shortage of trained manpower in the field of distributive statistics
- Lack of foreign assistance in terms of consultancy, staff training and equipment.

Hence, there is high demand for foreign assistance in terms of consultancy and manpower training in order to support the limited government fund for the planned survey to be up to the expected standard in terms of coverage and quality of data.

As briefly discussed in this report, the 1968 survey of distributive trade and services attempted to cover only what is called the 'Formal Sector'. Even activities in this sector, such as transport services, banking and insurance services, institutional services such as education and health, communication services and the likes were not included. Hence, the scope of this survey was very limited to areas of wholesale, retail, catering and personal services of the formal sector.

On the other hand, although no quantified data is available concerning what is called the 'Informal Sector' or the 'Traditional Sector' its contribution to the national economy is significant. However, because there is no clear distinction made between the formal sector and the informal sector and above all, the day to day transactions and other activities of the informal sector are so difficult and complicated for data collection and follow-up activities , no attempt has been made to conduct a survey on this sector.

However, in order to come up with some standardized concepts and definitions and make concrete distinction between the two sectors, much is expected from the workshop on statistics of the domestic service economy which will be held in Addis Ababa from 9 to 13, October 1995.