

# **Recent Development of Satellite Accounts in the National Accounts of Nigeria**

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## **INTRODUCTION**

The national account statistics have continued to play major role as key international framework for measuring the national economies. It is therefore desirable to improve compilation methods and adequate attention should be paid to the use of the statistics. The policy relevance of national account has been enhanced by the existence of commonly accepted international guidelines for their compilation. The 1993 SNA has provided a major break through in this regard because of its broadened scope and this will enhance international comparability and credibility.

## **DEVELOPMENT OF SATELLITE ACCOUNTS**

Inspite of the integrated structure of the 1993 SNA, there are still certain limitations as to what can be accommodated in the central framework. In some cases there may be need to expand the analysis of certain areas of economic and social concerns in the context of national accounting. In many cases the central framework may not be able to provide the answers to all the questions posed by policy makers. Certain issue sometimes occurs which in turn may lead to requests for the extension of the core national accounts by policy makers and satellite accounts provide the answer.

## **METHODOLOGICAL PROBLEMS**

There has been a continuous demand for satellite accounts by policy makers in Nigeria. However, the dissemination of satellite account requires some caution. There is a risk of inconsistency between data from satellite accounts and data from the central framework of national accounts. When a new satellite account is produced, all available statistics are utilized including the most recent relevant surveys. Sometimes some of them are perhaps not yet incorporated in central national accounts. This probably is delayed in order to preserve the temporary consistence of the series. Nevertheless satellite accounts have been developed in some few instances for meeting the needs expressed by policy makers in charge of a given economic and social field. Also efforts have been made to ensure exhaustive coverage of the field concerned, adaptation of concepts and classification to its specificity, preservation of a global coherence with the central framework of national accounts.

## **SATELLITE ACCOUNTS**

Hitherto adequate attention has not been paid to tourism industry in Nigeria. The current initiative of the present government has put tourism in the forefront of economic activity. The sector has the tremendous capacity to create jobs and as a result there is a great need to make a proper planning for the sector using hard facts and figures that are internationally comparable and reliable. Our current initiative on satellite accounts in tourism is also anticipated to provide figures that measure the contribution of tourism to GDP. Towards this end, tourism sector will be accurately measured along with other economic activity sectors of the national accounts. Hence the statistics on tourism will provide adequate information for policy makers and other businesses. This for instance, is more pronounced especially in looking at the proportion of the nation's gross domestic product, the total output of all goods and services the country produces annually which are

attributable to tourism activity. Other relevant information that the satellite account will provide include the type of tourism industries, employment opportunities in the sector, the amount of investment on yearly basis on tourism, the effect of tourism on the balance of payments and also income generated on yearly basis on tourism.

Also there has been considerable efforts in measuring the relative importance of the informal sector as a result of the accelerated growth in the sector. The growth has been observed directly, at least as far as the number of persons in the informal sector is concerned. It became obvious that people who lost their jobs and whose incomes because of inflation had become insufficient, decided to supplement their incomes by making a living by means of activities in the informal sector.

The capital stock measurement is still an area where policy makers require information. Capital stock estimates can be computed using the perpetual inventory measure with the assumptions on the average length of life of the assets. Nigeria is considering the possibility of estimating capital stock using direct methods of measurement. This area still deserves detailed investigation. It is anticipated that once the survey is concluded, it will be possible to estimate capital stock at a point in time using the existing stock survey, capital depreciation, and capital discard figures along with the annual investment series. The capital stock measurement will provide needed information to measure housing stock, capital input, rates of return, capital output ratio, capital labour ratio, capital durability, capital decomposition, assets depreciation and shifts in productivity.

In the area of environment statistics, it is observed that the interaction of economic strategy with the environment has become a major policy concern in Nigeria. However, a complete set of environmental and economic accounting requires technical and scientifically sound environmental and natural resources data. Much of the data and information available on many elements of the physical environment in Nigeria are very general and descriptive in nature. The system however can be refined and upgraded over time with improvements in database.

Other satellite accounts, which are currently being developed, include national expenditure on research and development. There are also requests on national expenditure on defense, education, social protection and housing services.

## **CONCLUSION**

Our efforts in developing the satellite accounts in Nigeria will definitely improve economic performance measures. Currently there are many empirical problems in definition, methodology and data collections. It is envisaged that the database will improve over time with improvement in the density of data points and in the level of sophistication of data gathering and analysis.

## **REFERENCES:**

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## **RESUME**

Malgré la structure intégrée de la SNA actuelle, le cadre central comporte des limites qui ne lui permettent d'intégrer toutes les questions. Certains problèmes peuvent se poser et engendrer des demandes par les décideurs en vue de l'élargissement du champ d'application des comptes nationaux. À cet égard les divers comptes pourraient fournir une solution.