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# An Overview of National Accounts in Costa Rica

Department of Macroeconomic Statistics

Central Bank of Costa Rica

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# Background

- In Costa Rica, the Central Bank is the entity in charge of preparing the National Accounts.
- In 1992 took place a process of collecting and processing information included conducting surveys of various economic activities.
- 1991 was used as the base year applying the international recommendations of the SNA1993.
- Only the Supply and Use Table was published, it does not include a breakdown of inputs, exports and imports by product due the lack of information.
- In 2010, an important project was started to update the base year of the macroeconomic accounts from 1991 to 2012. As well as its reconciliation with monetary, financial and balance of payments statistics.

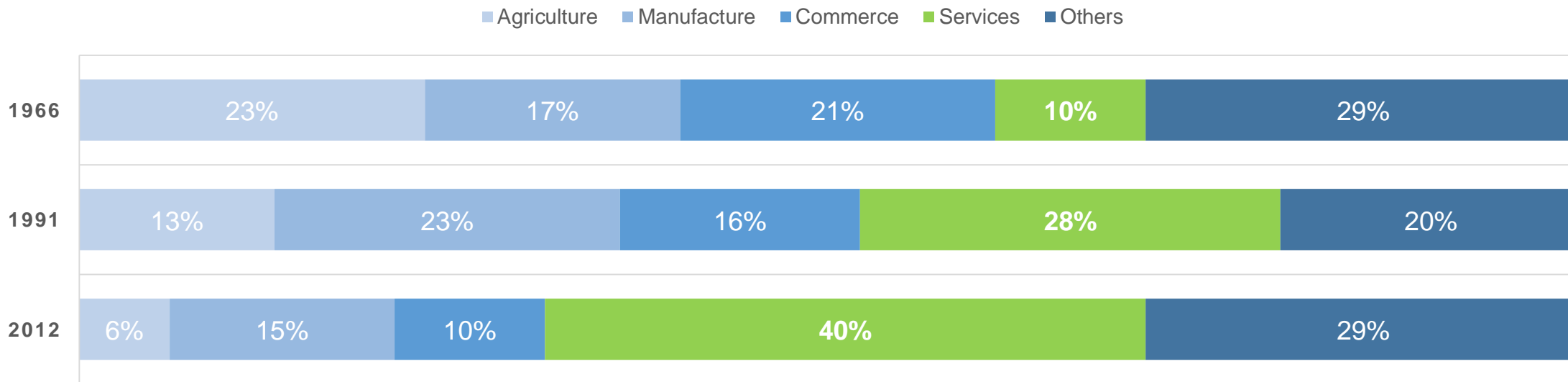
## Reference period 2012

- Executed within the conceptual framework of SNA2008, MBoP6 and the Manual of Monetary and Financial Statistics.
- This update included the preparation of national classifiers, the development of special studies and the compilation of information on economic activities and institutional sectors.
- An inter-institutional agreement to carry out the Economic Study of Companies (EEE), with the objective to obtain the necessary accounting information from the non-financial private sector.
- Availability and openness of information facilitates the preparation and presentation of data in a format oriented to economic analysis, which is in accordance with the latest international standards.
- This process represented a great advance in macroeconomic statistics for Costa Rica.

## Reference period 2012: some results

- Updating the calculation of National Accounts revealed that services account for about 40% of the Gross Domestic Product (GDP) in 2012.

HISTORICAL COMPARASION OF THE CONTRIBUTION OF DIFFERENT SECTORS TO GDP (BASIC PRICES)



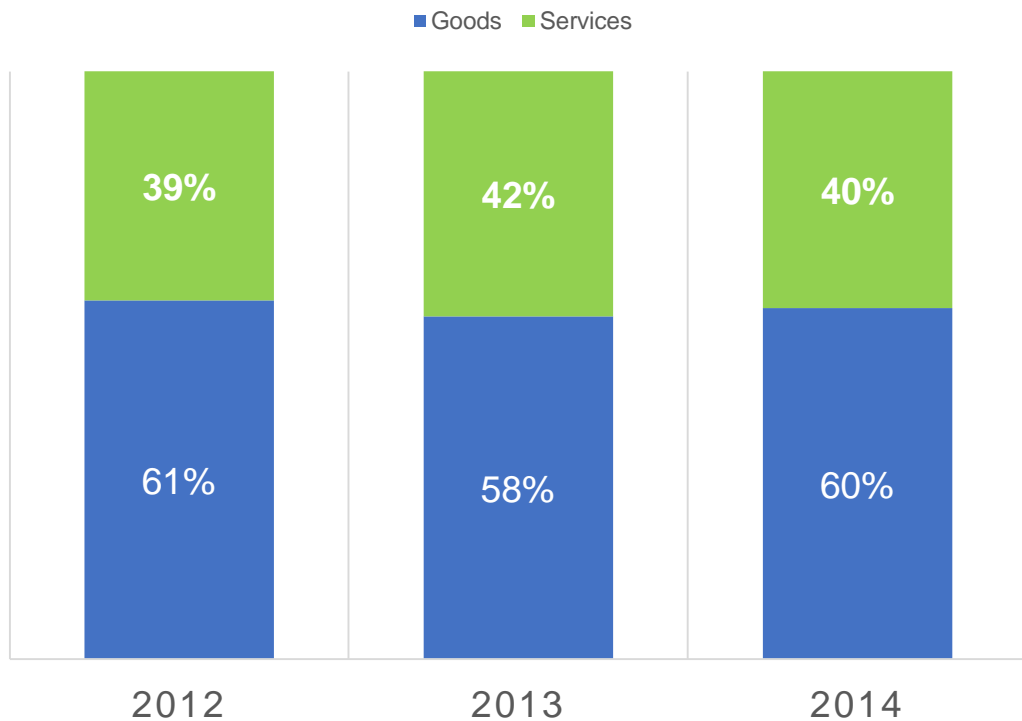
Source: Central Bank of Costa Rica

## Reference period 2012: some results

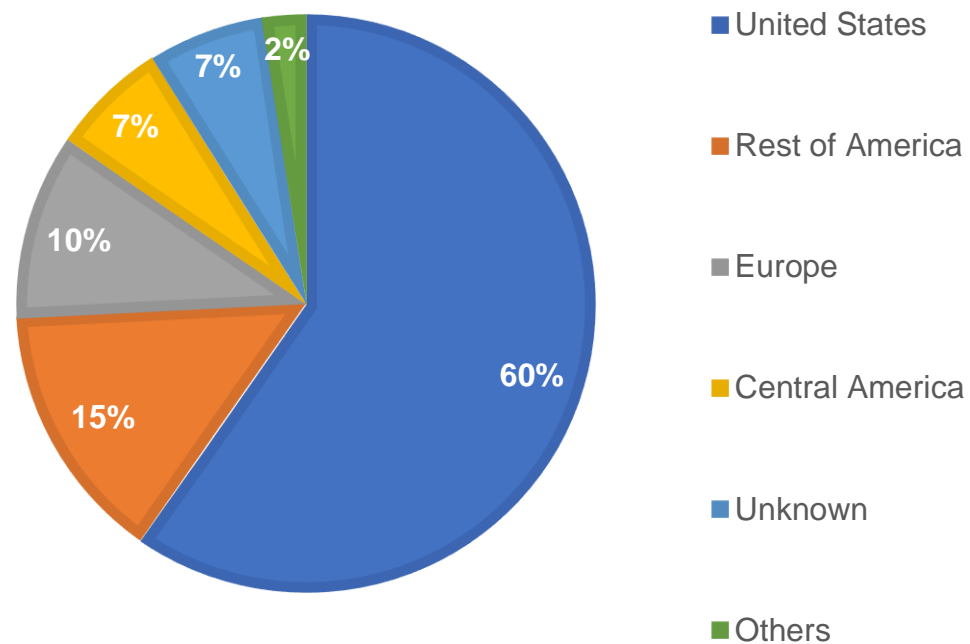
- Exports of goods and services reflected this structural change, in which the relative weight of services has increased considerably. Exports are an important component of aggregate demand in Costa Rican economy.
- The creation of special regimes, the signing of commercial treaties with various countries, and the commercial and financial globalization framework prevailing worldwide, stimulated levels of international transactions, notably in the areas of tourism services, business services and related activities, resulting in an increased relative importance of services activities in both total exports and in the country's productive structure.

# Reference period 2012: some results

TOTAL EXPORTS BY TYPE OF PRODUCT



DISTRIBUTION OF PRINCIPAL SERVICES EXPORT MARKETS



Source: Central Bank of Costa Rica

## Reference period 2012: some innovations

- **Opening by production regime (Free Zone and Non Free Zone Companies)**
  - A boom in service export companies in the free zones, which are connected within global value chains and with minimal participation in the national market causes heterogeneity in terms of foreign income payments, production functions and ratios of foreign content.
  - Since census data is available for these companies as they are required to submit financial statements to the Foreign Trade Promoter, was possible to open within each economic activity the free zone and non free zone regime in the supply and use table (SUT) and the input-output table (IOT).



## Reference period 2012: some innovations

- **Supply and Use Table (SUT): Complete measurement of production accounts.**
  - It was necessary to centralize and analyze basic information from multiple sources such as economic surveys, agricultural studies, population and housing censuses, household income and expenditure surveys and administrative records.
  - In order to follow the evolution of the economy in value and volume, data were prepared in current values and prices of the immediately previous year with indices calculated from monthly business surveys and a variety of price indices mainly derived from the Consumer Price Index and results of the *Price Index Development Project*.

## Reference period 2012: some innovations

- Balance of each of the 183 products is achieved through a detailed process both at current prices and at prices of the previous year.
- Information from each of the sectors and subsectors of the economy, as well the rest of the world account to compile Integrated Economic Accounts from 2012 to 2016.
- Coordination between national accounts and international accounts around the instruments for collecting the necessary inputs to obtain the harmonized results.

## Reference period 2012: some innovations

- Other statistical products that were possible thanks to the availability of information:

Cross Classification by Industry and Institutional Sector

Input-Output Table

Import matrix

Employment Matrix

Commercial Margins Matrix

Social Accounting Matrix

Financial and non-financial transaction matrices

## Working on a new reference period 2017

- The experience in compiling the 2012 reference year served to identify best practices in some classifiers for the new reference period.
- A census of foreign direct investment is carried out in conjunction with Balance of Payments. The questionnaire applied in the balance of payments survey was unified together with the questionnaire of the economic study of companies.
- The private non-financial corporations and financial corporations sectors were opened by the type of control of the companies and this also meant changing the opening of the extended supply and use table.

## Digitization process of national accounts

- The digital transformation in recent years has exponentially increased the information collected in the department, making it necessary to store it in databases.
- Due to this, institutional softwares have been developed which play a very important role in the process of compilation and analysis of national accounts.
- They have reduced the possibility of error associated with data manipulation, as well as improvements in the processing time of large volumes of information, making specialists more dedicated to the analysis and dissemination of information.

## Digitization process of national accounts

- Among the tasks that can be carried out at the moment in the softwares is the compilation of the information from the surveys that are applied to companies and are stored in databases.
- It is also possible to classify each of the collected transactions according to the official classifiers used in the national accounts. Also stored in databases.
- A system that will allow grouping according to economic activity, institutional sector, type of capital, among other variables, is under development; which has given very good results to streamline the process of statistical products forming the central frame.

# Digitization process of national accounts

- Digital invoice

- As part of the tax reform, since January 2018, all individuals and companies have the obligation to use electronic invoicing to improve the tax collection of the Costa Rican Government.
- In coordination with the Ministry of Finance is used a Catalog of Goods and Services, which uses the same National Accounts classifiers, which will allow the collection of a very large amount of information that will be very useful for us to develop better short and long-term indicators, as well as quantity information to develop volume indices.

## Digitization process of national accounts

- We hope to continue with the digitization of national accounts so that in the medium term can make the entire process until its publication in the official website.





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For more information

<https://www.bccr.fi.cr/seccion-cuentas-nacionales-periodo-2012/cuentas-nacionales-periodo-de-referencia-2012>

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