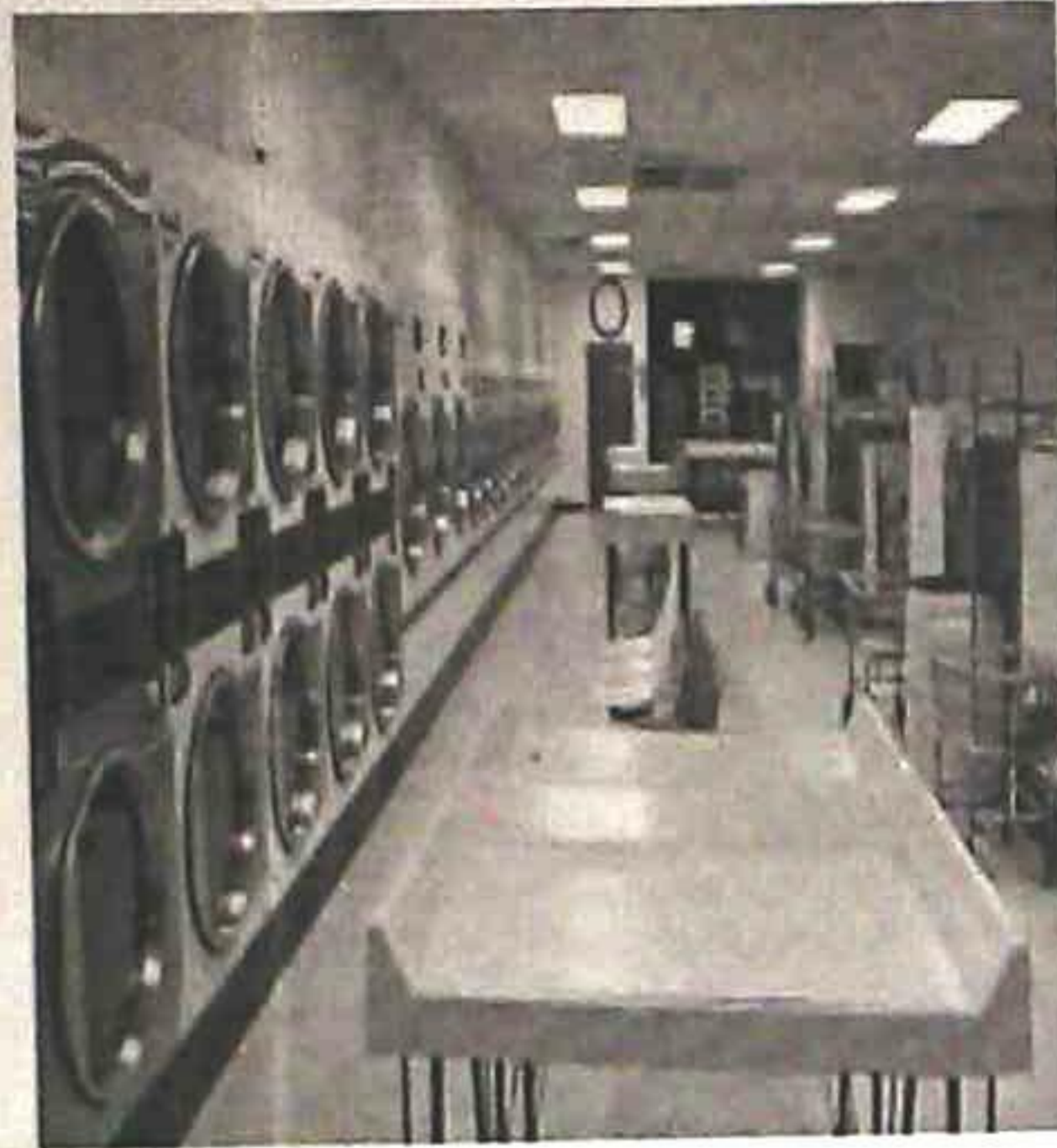


INTRODUCTION: THE ROLE OF STATISTICAL INFORMATION



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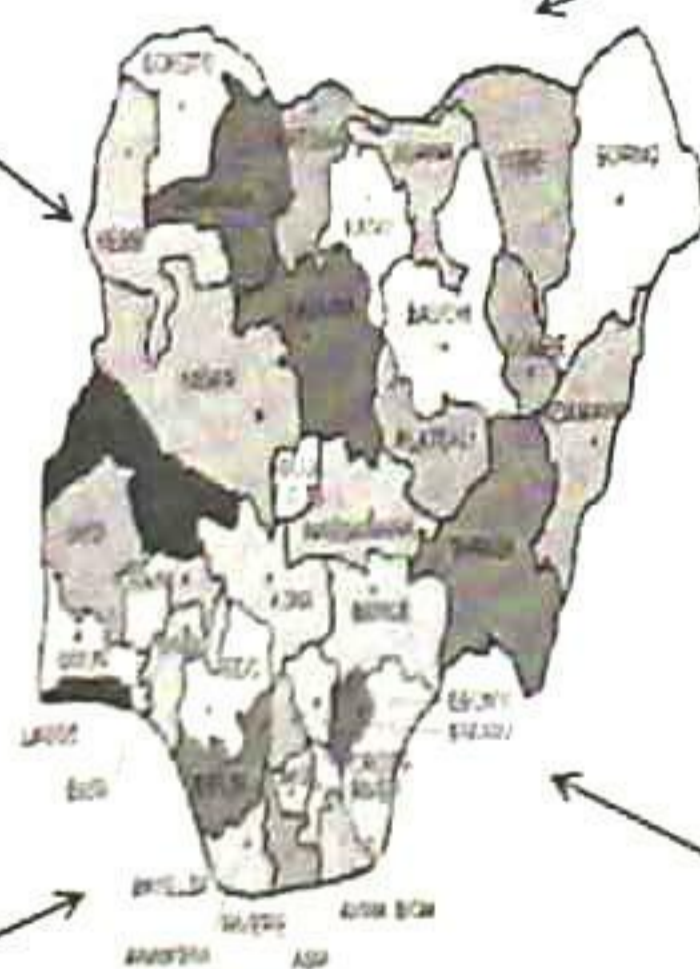


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INTRODUCTION: THE ROLE OF STATISTICAL INFORMATION



THE WORLD BANK



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INTRODUCTION: THE ROLE OF STATISTICAL INFORMATION

- Vital source of evidence
- Ensure scarce resources are used
- Statistics enhance the decision making process
- Our ability to identify key areas which require change are enhanced
- Our proposals for change are likely to respond to the real needs of the Nigerian Community.



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INTRODUCTION: THE ROLE OF STATISTICAL INFORMATION

- Statistics can be used to inform decision making

Identify and Understand the issue
(Underdevelopment in all forms)

Set the Agenda (NV20:2020)

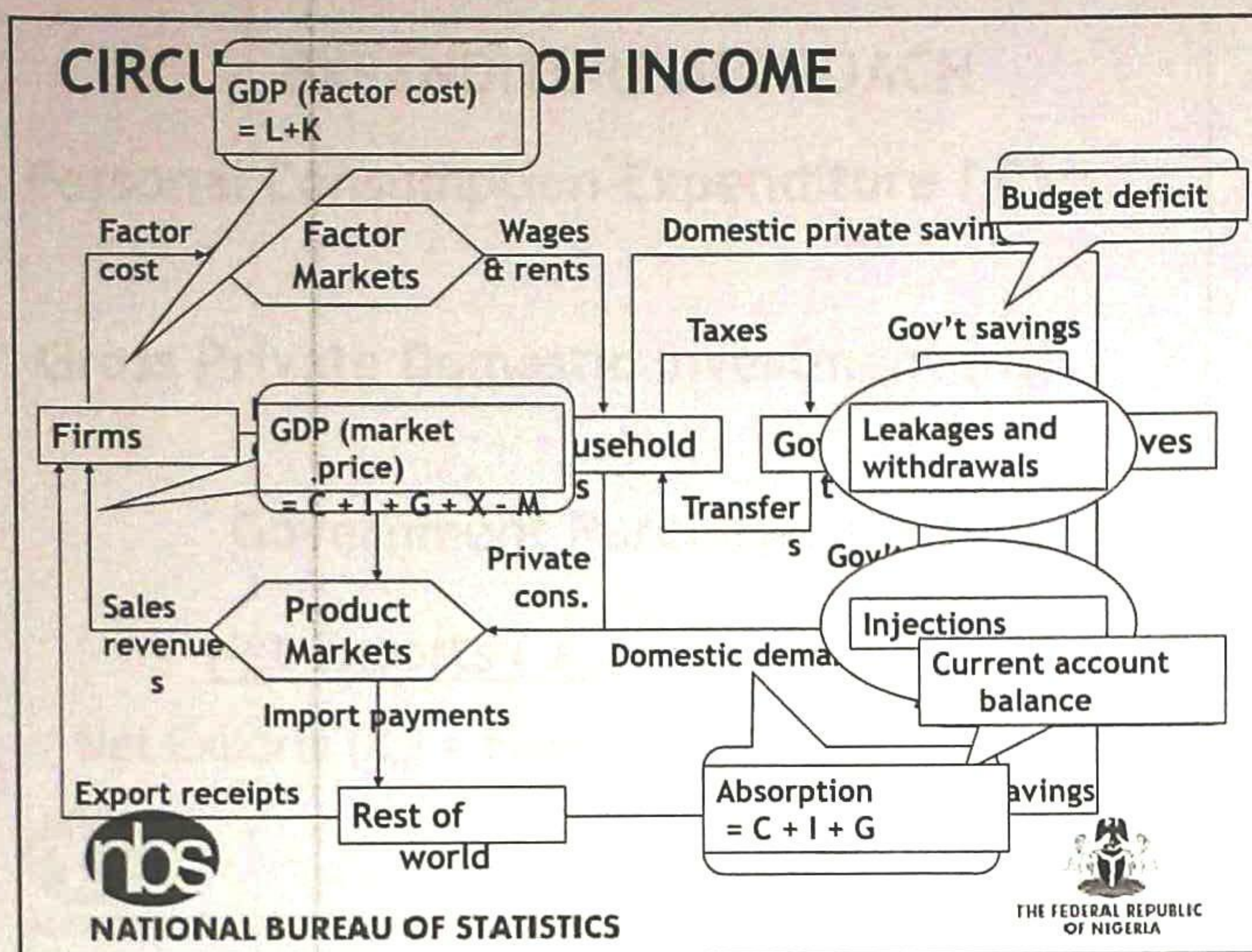
Formulate Policy (NV20:2020 Economic Transformation Blueprint)

Monitor and Evaluate Policy (Monitoring and Evaluation Framework and Report)



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EXPENDITURE APPROACH


Personal Consumption Expenditure (C)

Gross Private Domestic Investment (I_g)

Government Purchases (G)

- Expenditures for Goods & Services
- Expenditures for Social Capital
- Does NOT include Government Transfer Payments

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EXPENDITURE APPROACH**Personal Consumption Expenditure (C)****Gross Private Domestic Investment (I_g)****Government Purchases (G)****Net Exports (X_n)****Net Exports (X_n) = Exports (X) - Imports (M)****NATIONAL BUREAU OF STATISTICS****THE FEDERAL REPUBLIC
OF NIGERIA****EXPENDITURE APPROACH*****Putting it all together:***

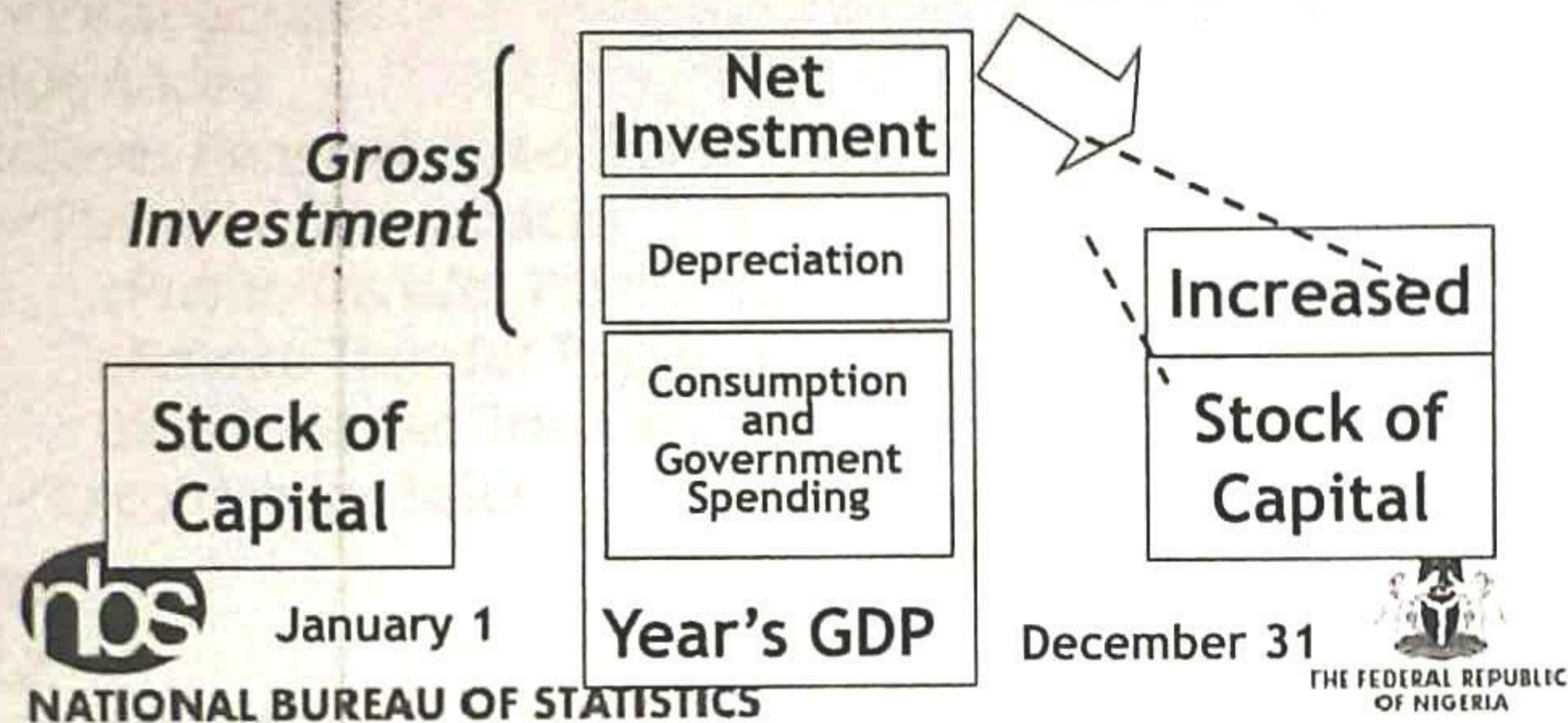
$$\mathbf{GDP = C + I_g + G + X_n}$$

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EXPENDITURE APPROACH

**Gross Investment
- Depreciation**

= Net Investment



THE INCOME APPROACH

- Compensation of Employees
- Rents
- Interest
- Proprietors' Incomes
- Corporate Profits
 - Corporate Income Taxes
 - Dividends
 - Undistributed Corporate Profits



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PRODUCTION/OUTPUT/VALUE-ADDED APPROACH

The total market value of all final goods and services produced in a given year

- Avoid Multiple Counting
 - ✓ Intermediate Goods
 - ✓ Final Goods
- Value Added
- Excludes Nonproduction Transactions
 - ✓ Financial Transactions
 - Public Transfer Payments
 - Private Transfer Payments
 - Stock Market Transactions
 - ✓ Second-hand Sales



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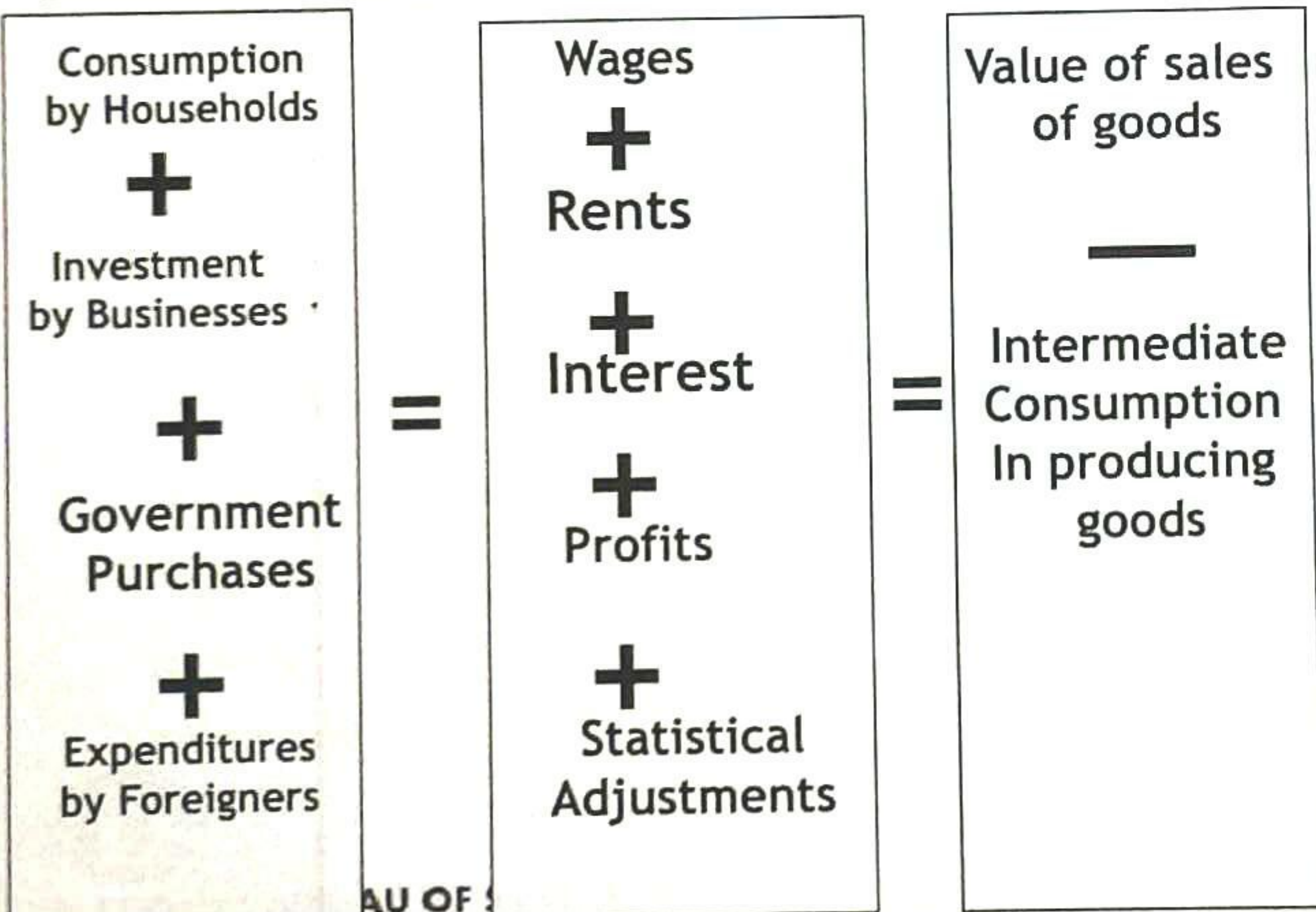
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GROSS DOMESTIC PRODUCT

Expenditures Approach

Income Approach

Output Approach



2. WHAT IS GDP:

HOW THE ECONOMY WORKS- THE STATE GDP

⊙ The Gross State Domestic Product (GSP) is the state equivalent to a country's Gross Domestic Product (GDP).

- Measures overall economic activity in a State



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2. WHAT IS GDP:

HOW THE ECONOMY WORKS- THE STATE GDP

⊙ .It is important because it:

- Reveals structure of state economy (strengths and weaknesses)
- Determines factors driving growth in states
- Provides evidenced-based State planning and policy
- Depicts States' contributions to national output
- Engenders healthy competition and interstate comparison of economic development, comparative advantage, regional development.



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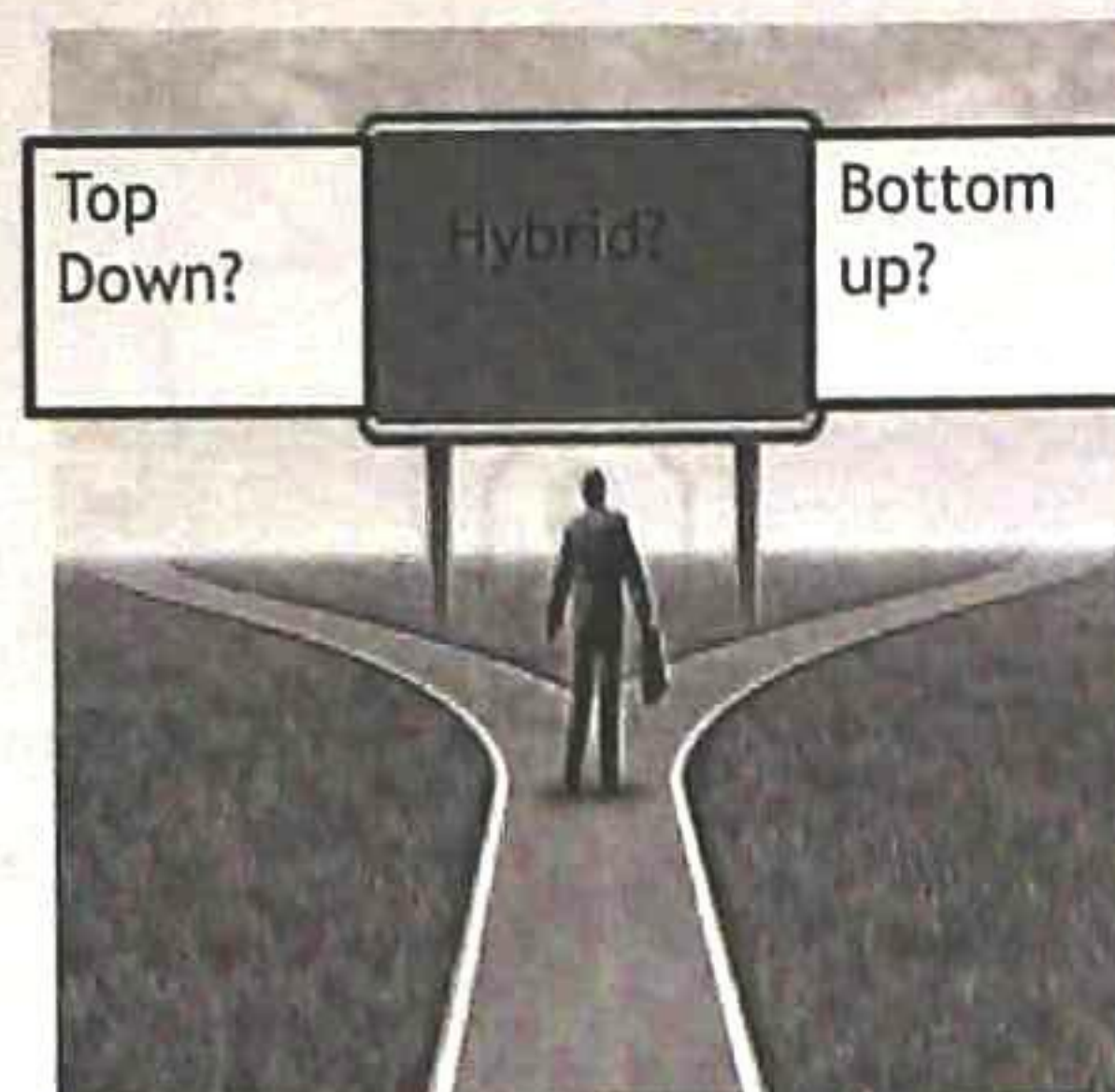
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DETERMINING METHODOLOGY

© Key issues to consider
in selecting
methodology:

- Top down vs. Bottom up vs Hybrid?
- Who computes State GDP?



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Determining Methodology

•Top Down Approach:

- Distribution of a national figure (national GDP) among States by means of a distribution ratio .
- Guarantees consistency between national and State estimates.
- Top-down methodology therefore uses state indicators to allocate national GDP to state.
- Downside: Lack ownership by States which is crucial.



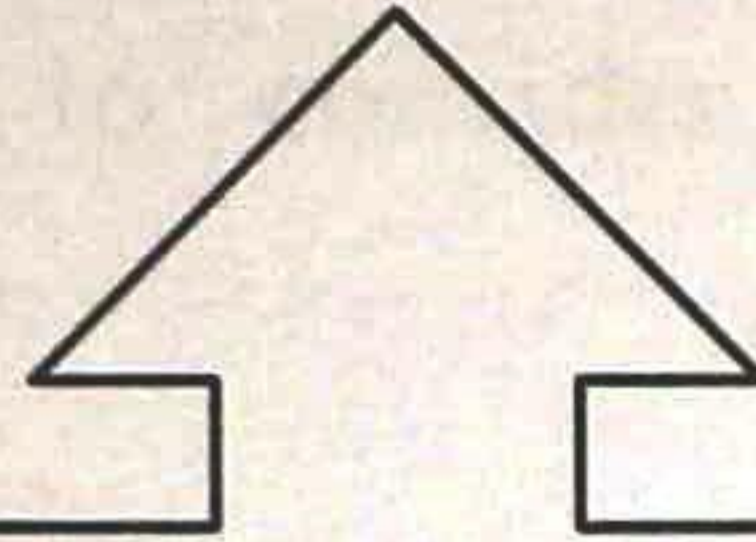
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Determining Methodology



• Bottom up Approach:

- The internationally preferred approach for state GDP
- Builds up states' estimates from local enterprise data
- Directly measures local activities
- Measures value- added.
- Links the activities of enterprises within a state to the growth of that state.



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Determining Methodology

◎ Hybrid Approach:

- Use Bottom Up where data exists for Industries and States and top down where data at a bottom up level isn't available.
- Giving the pros and cons of the various methodologies, the Hybrid approach will be adopted for computing State GDP

Hybrid
approach



Top
Down



Bottom Up



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Determining Methodology

Key Issues to consider in selecting methodology:

Who Computes?

- Nigeria is a Federation
- State national accounts should be consistent with the system of national accounts of Nigeria
 - Also Methodology and classifications must be the same across at the States



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CASE STUDIES

United States

- Expenditure and Production approach
- GDP by state is derived from information that exists (administrative sources).
- Data from federal, state and local government agencies as well as public and private organizations .
- Bureau of Economic Analysis compiles the data
- Data gathered from sources outside the BEA are aligned to the BEA's product and income definitions.
- Census Bureau every five years.
- All other years estimated via interpolation and extrapolation techniques
- Estimates are computed for 81 Industry Classifications



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CASE STUDIES

©Canada

- Uses the value added approach.
- Calculated by estimating the real price estimates of GDP by industry and then aggregated to obtain the real GDP estimate for the province.
- Annual estimates derived from the national framework of Input-Output Tables
- GDP is calculated from already existing data source
- The industrial GDP is equal to the output by the industry minus the value of intermediate inputs
- Measures how much an industry has contributed to the value of its output over and above the value of intermediate outputs



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CASE STUDIES

©Philippines

- Gross Value Added (GVA).
- Based on surveys available every two years.
- During the years where this data is unavailable, other indicators that mirror the data are used to produce regional GVA estimates.
- Variation of bottom up approach without collaboration



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CASE STUDIES

©India

- Uses production and income approaches
- Done in collaboration with states.
- Hybrid approach using censuses, surveys and administrative data.
- Some data compiled at national level using indicators and various ratios where the activity cuts across.
- Other activities computed by the states using a combination of surveys and administrative statistics.

©South Africa

- Statistics South Africa (Stats SA) is responsible for compiling the production side of the national accounts, while the South African Reserve Bank (SARB) is responsible for compiling the expenditure side of the national accounts.
- Quarterly GDP done via estimates reviewed every 5 years
- Annual GDP via national survey.
- Regional GDP using estimates and distribution ratio.



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Implementing Methodology

- © Hybrid Approach selected
- © Where state level data cannot be collected or where an economic activity cannot be assigned to one state alone distribution ratio will be used
- © We will adopt the System of National Accounts 1993 currently used by NBS



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Implementing Methodology

- ⊙ System of National Accounts 1993 classified into 33 major activities
- ⊙ States do not have to cover the same set of accounts.
- ⊙ Accounts can vary depending on what sectors or industrial groups the states consider important



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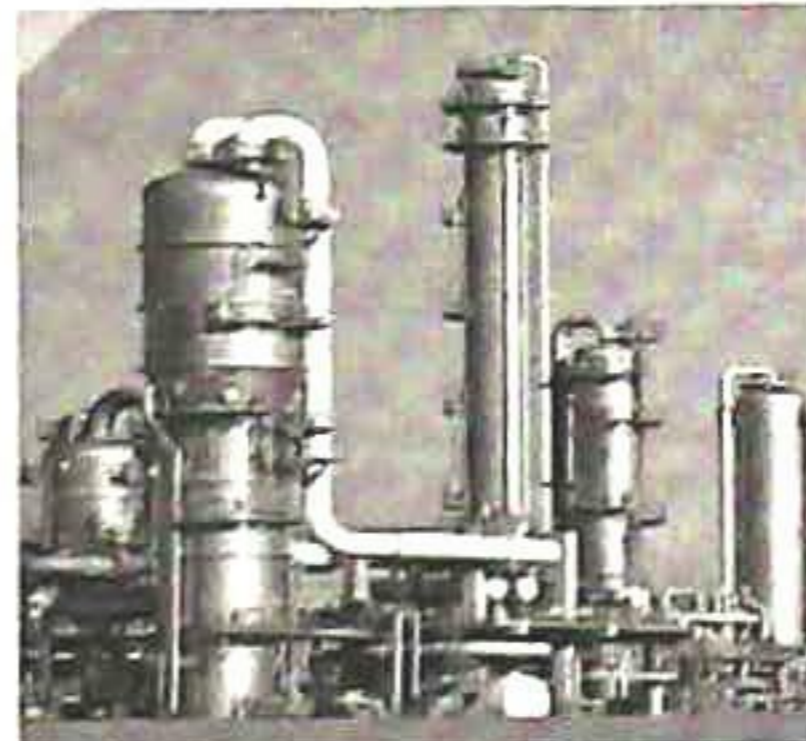
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Implementing Methodology

The Application of 1993 SNA divided across 3 sectors:



Agriculture
4 Activities



Industry
10 Activities



Services
19 Activities



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COMPUTING STATE GDP

⊙ Agriculture (4 activities)

- Crop Production
- Livestock
- Forestry
- Fishing

⊙ Industry (10 Activities)

- Coal Mining
- Cement
- Crude Petroleum & Natural Gas
- Other Manufacturing
- Metal Ores
- Electricity
- Quarrying & Other Mining
- Water
- Oil Refining
- Building and Construction



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Implementing Methodology

Services (19 activities)	
Wholesale and Retail Trade	Financial Institutions
Hotel and Restaurants	Insurance
Road Transport	Real Estate
Rail Transport & Pipelines	Business Services
Water Transport	Education
Air Transport	Health
Transport Services	Private Non Profit Organizations
Telecommunications	Public Administration
Post	Other Services
Broadcasting	



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Implementing Methodology

- ⊙ All data collected in line with NBS compendium of statistical terms
- ⊙ Data will be collected from existing Sources
 - Quoted companies, HNLSS, MSME, NASS, Socio Economic survey etc

DANGOTE CEMENT

Unaudited results for the three months ended March 2012

New capacity operational and ramping up, but nationwide gas supply problems affecting margins in the short term.

Lagos, 9 May 2012: Dangote Cement PLC (DANGCMT:NL, "the Group"), Nigeria's top producer, announces unaudited results for the three months ended 31 March 2012.

Financial highlights

- Revenue up 17.8% to ₦42.2bn (Q1 2012) vs ₦35.5bn
- EBIT up 13.7% to ₦10.6bn, 48.2% margin (Q1 2012) vs ₦9.2bn, 43.1% margin
- Pre-tax profit up 9.9% to ₦10.5bn (Q1 2012) vs ₦9.5bn
- Earnings per share up 11.2% to ₦1.87 (annualised ₦7.27)
- Adoption of International Financial Reporting Standards

SECTION 4: COST OF OPERATION

ITEM DESCRIPTION		(2012 to Value ₦)
		1 st Quarter, 2012
Employment	Wages / Salaries Only	2,650,000,000
Consumables	Other Benefits	200,000,000
Cost of Sales	Power	4,000,000,000
	Construction Cost	500,000,000
	Rentals & Maintenance	1,000,000,000
	Fuel Cost	2,500,000,000
	Interest On Loan	6,000,000,000
	Depreciation	1,500,000,000
	Other Cost	



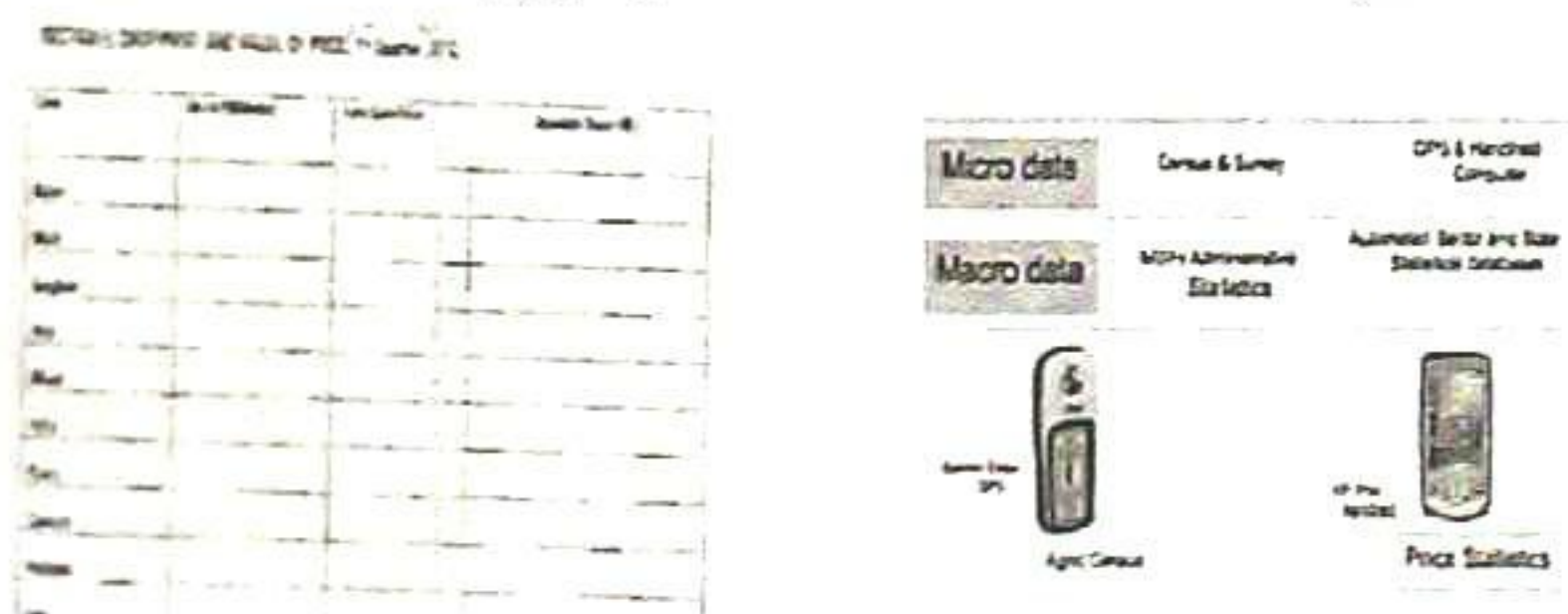
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Implementing Methodology

- ⊙ Where existing data is not available, surveys will be conducted using paper and electronic questionnaires



- ⊙ Enumeration Areas (EA) as demarcated by the NPopC
 - Real GDP computed using State level prices of goods and services or average inflation per industry/sector



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IMPLEMENTING METHODOLOGY

- ◎ VAT data to be reclassified into ISIC revision 4
- ◎ Data on sales VAT-able inputs and imports



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TIME LINE, TRAINING AND FIELD WORK



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THANK YOU FOR YOUR ATTENTION!

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