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SAMOA

REPORT ON THE NATIONAL ACCOUNTS STATISTICS MISSION

October 26-November 6, 2009

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
BR	Business Register
ES2008-09	Establishment Survey 2008-09
FSD	Finance Statistics Division
GDP	Gross Domestic Product
GFS	Government Finance Statistics
ISIC Rev4	International Standard Industrial Classification, Revision 4
IPI	Industrial Production Index
MoF	Ministry of Finance
NA	National Accounts
NPISH	Non-profit Institution Serving Households
PFTAC	Pacific Financial Technical Assistance Centre
RMSA	Regional Multi-sector Statistics Advisor
SBS	Samoa Bureau of Statistics
SNPF	Samoa National Provident Fund
VAGST	Value Added Goods and Services Tax

EXECUTIVE SUMMARY

- **At the request of the Samoan authorities, the mission visited Apia during October 26-November 6, 2009.** The mission assisted the Samoan Bureau of Statistics (SBS) to plan for and develop a survey of establishments to provide benchmark data for the national accounts.
- **The mission advised on creating a business register for the survey.** The register was initially populated using administrative registers and subsequently reviewed. Appropriate classifications and a statistical units model were agreed on for the survey.
- **A questionnaire was developed for the survey.** Previous business activity surveys were conducted for 1994 and 1999 and incorporated into the national accounts. The 1999 questionnaire was the starting point for developing the questionnaire for the 2008-09 survey, updated to incorporate current accounting terminology and modern survey design practice.
- **A detailed plan was prepared, in agreement with the authorities, taking account of resources available.** The plan includes a series of consultations with other likely users of the data and pilot testing to ensure the questionnaire will be as easy to complete as possible while still collecting the data essential to the national accounts. The plan explains the tasks required to complete the survey development, editing and imputation procedures, and macro-level checks of the survey results against other data sources.
- **The mission provided on-the-job training on classifications and discussed national accounts conceptual issues relevant to the survey development.** SBS is in the transition stage of assuming responsibility for the Industrial Production Index currently produced by the Central Bank of Samoa and the survey will collect data on volumes and values of production of key commodities to begin the redevelopment of the Index. In addition, there is a strong interest in developing new indicators of tourism activity in Samoa, and draft questions were developed to enable selection of relevant industries and products to contribute to an estimate of the value of inbound tourism.
- **This report presents the main conclusions of the mission, its recommendations and the detailed survey proposal.** Section I provides a Transition Plan for the development and operation of the survey. Section II introduces the survey plan, Section III discusses issues relating to statistical prerequisites and Section IV discusses capacity building activities of the mission. Section V describes the survey development processes during the mission and the tasks for completing the survey development and Section VI discusses future developments in economic statistics at the SBS. The Appendices include a detailed description of the survey development and tasks remaining, the draft questionnaire and a detailed work plan.

I. TRANSITION PLAN

This section sets out in tabular form a Prioritized Transition Plan for the development of Tuvalu national accounts statistics. The Plan specifies the task, the responsible agency, indicative starting and completion dates and comments on the required measures. Updates of progress since the July mission are shown in italics.

Project Objectives

Objective	Verifiable Indicators	Completion Date	Assumptions
Design the planned economy-wide Establishment Survey for reference years 2008 and 2009.	Report with detailed description, work plan, etc., for the Survey.	11/06/2009	The authorities ensure that appropriate staff and other resources are available to implement this action plan.
Identify secondary sources of data to be used to cross-check survey results.	A list of sources and a description of how they can be used included in the mission report.	11/06/2009	The relevant authorities make these data available to SBS in a timely way.
Improve the capacity of local counterparts to conduct the survey, process data and produce outputs that are fit for NAS compilation purposes.	Successful conduct of the Survey.	07/30/2010	Requires that existing staff are retained to the extent possible and continue to develop their own enthusiasm for their work.

Project Outputs

DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/Implementation Status
0.2.1	H	Design the planned economy-wide Establishment Survey for reference years 2008 and 2009.	Report with detailed description, work plan, etc., for the Survey.	11/06/2009	
0.2.1	H	Develop project specifications in relation to budget, staff and other resources required, and timetables (as appropriate).	Report specifying budget and other resources required, overall work plan and timetable for development of the survey.	11/06/2009	Completed. The budget for the Survey has not been reconsidered – SBS intends to operate the Survey within the budget and this should be possible if monitored carefully. Overall work plan prepared with detailed tasks for the completion of questionnaire development. The detailed plan is included as an appendix.
0.2.1	H	Provide advice on business register sources and updating, classifications, and sample frame development issues (as appropriate).	Report describing the register needs and related statistical infrastructure.	11/06/2009	Completed. The report recommends the statistical units model and classifications needed for the business register and the sources for the register. Discussed and trained in

DQAF	Priority	Outputs	Verifiable Indicators	Completion Date	Assumptions/Implementation Status
					concepts and broad classification issues of most importance to the Establishment Survey.
3.1.1	H	Assist with the design of the survey questionnaire and output tables, data collection and processing procedures, and processing system specifications (as appropriate).	Questionnaire drafted and written report outlining key processes and systems needing to be developed.	11/06/2009	Completed.
3.1.1	H	Complete questionnaire development.	Questionnaire finalized.	12/13/2009	SBS needs to consult with key users, the pilot test the draft questionnaire.
3.1.1	H	Systems development.	Systems developed, tested and finalized.	03/11/2010	SBS needs to continue its commitment to the Survey. Detailed development plans need to be prepared for each sub-system to ensure it will meet requirements and link with other sub-systems where needed.
3.2.1	H	Identify secondary sources of data to be used to cross-check survey results.	A list of sources and a description of their uses included in the mission report.	11/06/2009	
3.2.1	H	Identify secondary sources of data to be used to cross-check survey results.	List included in the report.	11/06/2009	Completed.
0.2.1	H	Improve the capacity of local counterparts to conduct the survey, process data and produce outputs that are fit for NAS compilation purposes.	Successful conduct of the Survey.	07/30/2010	Requires that existing staff are retained to the extent possible and continue to develop their own enthusiasm for their work.
0.2.1	H	Provide training to improve the capacity of local counterparts to conduct the survey, process data and produce outputs that are fit for NAS compilation purposes.	Each stage of survey development and operation are completed successfully and on schedule.	11/06/2009	Training provided, including on key concepts for the questionnaire development, adoption and use of key classifications and discussions on how the Survey data will be used.

Priority Scale

H - High M - Medium O - Other

II. INTRODUCTION

1. The mission was requested by the Authorities to assist the Samoa Bureau of Statistics (SBS) to plan for and begin development of a survey of establishments (ES). The survey is aimed at producing data to enable the national accounts (NA) to be redeveloped, benchmarked in current prices and rebased in constant prices. The last business survey was conducted in 1999 and the NA use ratios of the 1999 benchmark data to indicator series to estimate later years. The ratios are now out of data and need to be updated.
2. The PFTAC RMSA visited Samoa in March 2009 to assess the present NA series. The RMSA and the Authorities agreed on a transition plan, including tasks to collect a range of data needed to improve the NA estimates. One of the tasks was to conduct a survey of establishments to rebase the NA, and to further increase the capacity of the Finance Statistics Division (FSD) for compiling NA statistics.
3. The mission assessed the data needs for benchmarking the NA, identified parts of the economy where data already exists from administrative sources and could therefore remain out of scope of the establishment survey, identified and made recommendations on key statistical infrastructure needed to conduct the survey (classifications, business register, etc.) and helped FSD to draft a questionnaire.
4. The mission was conducted back-to-back with a Government Finance Statistics (GFS) improvement mission and identified connections between the two systems and common data needs where appropriate. For example, data on government trading bodies are needed to compile estimates of the Public Sector in the GFS as well as value added in the NA. These data are available from the State Owned Enterprises Monitoring Unit of the Ministry of Finance (MoF) and therefore these enterprises do not need to be included in the survey coverage.
5. The mission conducted hands-on training in NA concepts and techniques as they are relevant to the development and conduct of the establishment survey. Examples include detailed discussions on why each question should be included on the form, how the data from each question would be used in the NA compilation and the importance of accurate application of relevant classifications. In addition, some training was provided in analyzing business financial accounts.

III. STATISTICAL PREREQUISITES

6. Staff numbers are sufficient for the present range of outputs of FSD, although all but the head of the unit is very new to FSD and the statistics produced. An additional position has been approved but not yet filled because the budget has not yet been provided.

7. The establishment survey requires the use of a number of classifications. Some of these are not currently used in the SBS and the classifications proposed to be used are listed in the attached Survey Planning Proposal. Each classification needs to be formally adopted by the SBS for use in the establishment survey and across all other relevant statistics in order to ensure consistency and integration. The adoption of these classifications is an important policy issue for the senior management of the SBS to decide. Some of these classifications should also form part of the official statistical infrastructure in Samoa, and the SBS should actively promote their use in other government agencies, as part of SBS's role of coordinating and improving integration of all official statistics, whether produced by SBS or other agencies.

8. FSD has a good level of cooperation from other government agencies from which data are collected.

9. SBS intends to develop strategic development plans, with assistance from PARIS21 if it can be arranged. The strategic plan should help SBS to clarify its priorities, its long term development (statistical and organizational), and its roles as both an official statistics producer and coordinator of the broader Samoan statistical system.

IV. CAPACITY BUILDING

10. The mission spent considerable time discussing NA concepts as they affected the establishment survey. The discussions were on what questions to ask and why, how to word the questions to ensure the correct data were provided while balancing the need to make it as easy as possible for the respondents to complete the forms. The discussions included identifying local examples and terminology that was relevant to the Samoan economy, language and business environment. Consideration should be given to producing a version of the questionnaire in the Samoan language.

11. In addition to the core questions on income and expenditure in the survey questionnaire, it is proposed to collect data on key products manufactured, in order to begin the redevelopment of the Industrial Production Index (IPI). The IPI is currently compiled by the Central Bank of Samoa (CBS) but SBS is in the transition stage of taking responsibility for the IPI in the near future. As part of that transition the SBS intends to improve and rebase the IPI. Discussions were held on how that could be achieved which included conceptual discussions on index formulations, specifying products, homogeneity and quality as an aspect of quantity.

12. It is also proposed to collect data to assist in estimating the contribution of tourism to the Samoan economy. Discussions and training were held on the concepts of tourism demand and supply, the recommended methodology for a Tourism Satellite Account, and what could realistically be achieved within the constraints of the resources available to FSD at present. FSD now understand why the proposed questions on tourism are included in the survey, why the questions are to be targeted at a selection of industries, and how these data will provide a partial measure of tourism value added.

V. 2008-09 ESTABLISHMENT SURVEY PROPOSAL

A detailed description of the survey is included in Appendix I. The following is a summary description.

A. Objectives

13. The 2008-09 Establishment Survey has three objectives:
 - a. To provide data to assist in developing a new benchmark for the NA.
 - b. To provide data for the first phase of redeveloping the IPI.
 - c. To provide data for a partial measure of the contribution of tourism to the Samoan economy.

B. General Design

14. The survey will be conducted as a post-out, post-back collection. Some field visits may be conducted for large businesses or to assist collection from any businesses without postal addressed. The statistical unit will be the establishment, the smallest unit within an enterprise for which financial data sufficient for estimating value added is available. The survey will use a Business Register that will be based initially on the list of active businesses in the VAGST register, updated and extended as needed using other administrative and other sources of information.
15. The questionnaire will contain a core of questions relating to the operations of the business, its income, expenditure, employment, and fixed assets. A supplementary page of questions will be asked of manufacturers to collect volume and value data on the types of goods they produce. A different supplementary page of questions will be asked of businesses involved in tourism-specific industries.
16. The ES is aimed primarily at collecting data for the 2008-09 year ended June. Businesses which have a balance date other than June will be expected to supply data for their financial year that finished prior to June 2009. However, during testing of the questionnaire, FSD will consider the possibility of requesting data for one or two additional years.
17. The survey will be conducted by FSD with minimal input from other divisions of the SBS. This includes systems development, survey operation, data processing and preparation and publication of results.

C. Scope and Coverage

18. The scope of the survey is all businesses actively engaged in market production in activities other than those providing government services. The survey will not cover household productive activities or small businesses that are not registered for VAGST. Estimates for these components will be made from other data sources for the NA benchmark.

19. Agriculture activities are currently being surveyed by the Agriculture Census. This Census covers all land holdings of households being used for agricultural purposes and excludes commercial scale businesses involved in agriculture – the latter will be included in the ES. Government trading enterprises will not be surveyed because data can be obtained from administrative data collected by the State Owned Enterprises Monitoring Unit. Investigations will also be undertaken to identify other sources of data on enterprises which would reduce the need to include them in the ES, such as financial institutions are monitored by the Central Bank of Samoa and collect financial data from them, registered companies are required to submit annual accounts to the Ministry of Commerce, and if timely that source will be used in place of surveying some businesses.

20. A Business Register (BR) will be developed to contain all required details of all enterprises and their component establishments. The BR will initially be populated from the register of active enterprises recorded in the value added tax system, VAGST, and supplemented by other administrative records. The VAGST returns are completed at enterprise level. However, in order to compile accurate industry estimates of value added it is desirable to collect data for establishments, more homogeneous units for production statistics¹. For large enterprises which are known to operate in more than one location or to undertake more than one activity, FSD will contact the enterprise to determine whether more detailed financial data could be obtained and thereby recognize establishments to include in the ES.

D. Classifications

21. SBS currently uses ISIC Rev3 for all industry related statistics. It is recommended that the ES be undertaken using ISIC Rev4, because the ES will provide data to benchmark the NA for a number of years in to the future. It may be necessary to concord the data to ISIC Rev3 for compatibility with existing statistical outputs, however.

A number of other classifications are needed for the survey. An institutional sector classification will enable preparation of the NA by sector, based largely on the business type classification which relates directly to the legal status of businesses in the Samoan

¹ The present NA methodology uses VAGST indicators to extrapolate benchmark values added by industry. Because VAGST is based on enterprise level data, it may be necessary to recombine establishment level data to enterprise level for use in the NA – this will need to be considered when the ES data begin to be analyzed for the NA benchmarking.

environment. It is recommended that FSD adopt the institutional sector classification of the 2008 SNA. For the questions on the products manufactured that will be collected and used for the redevelopment of the IPI and the partial tourism value added estimates it is recommended that the Central Product Classification Version 2 be adopted. Other classifications needed are already in use in the SBS – village/district/region, size groups (for output tables) and ownership (private, government, foreign).

E. Questionnaire Development

Core Survey

22. The ES questionnaire will comprise two parts. The standard, or core, questionnaire will be sent to all establishments to collect the financial data for the NA. The second part will be one of two supplementary pages – one will collect data on products manufactured for the IPI redevelopment and will be sent to all manufacturing establishments, the other will collect data on tourism revenues and will be sent to establishments in tourism-specific activities.

23. The core questionnaire will comprise the following sections:

1. General instructions, authority for the survey, etc;
2. Business demography information on ownership, contact details, structure, etc.;
3. Employment;
4. Income;
5. Expenses;
6. Inventories;
7. Profit or loss and reconciliation to business accounts' profit and loss;
8. Fixed assets – purchases, disposals, net book value;
9. Thank you and signature of respondent.

24. A draft ES core questionnaire was developed in collaboration with FSD, beginning with the form used in the last business survey in 1999. Each question was reviewed, wording updated for changes in accounting terminology where needed, some questions deleted, and some questions added. The draft core questionnaire is attached as Appendix II.

Production Supplement

25. The production supplement is intended to be a first step toward redeveloping the IPI. Because the ES will cover all establishments in the manufacturing industries in Samoa the survey form will need to be generic enough to capture data from all types of activities. These data will provide an indication of which products, produced by which establishments, are significant enough to include in the IPI. Follow-up surveys of the significant products and establishments will then be undertaken to obtain the detailed data on homogeneous products needed to develop an accurate IPI. The follow-up surveys will be undertaken in 2010-11 (the budget for the ES is very limited and additional costs will be incurred for the IPI follow-up surveys and need to be included in the 2010-11 budget).
26. The draft production supplement is attached as Appendix III.

Tourism Supplement

27. Tourism is a significant contributor to the Samoan economy and there is strong demand for more comprehensive data on the size of the contribution. To follow the international standard methodology on tourism requires the development of input-output tables which are beyond the capacity of the SBS at present. Therefore, a simplified methodology is proposed, to focus on the value of inbound tourism, i.e., value added generated by international visitors to Samoa. A draft questionnaire was developed to collect information on the revenue of establishments in tourism-specific industries.
28. The draft tourism supplement is attached as Appendix IV.

F. Next Steps – Survey Plan

29. The mission developed a detailed Work Plan for the tasks required to finalize the questionnaire, including consultations with key users and pilot testing the questionnaires. Other tasks for completing the BR, developing data capture and editing systems and processes, developing output systems, etc., are described in the detailed Survey Planning Proposal and a timetable for their completion is included in the Work Plan. The Work Plan is attached in Appendix V

Questionnaire Development

30. The core questionnaire and the two supplements need to be peer reviewed by other divisions of FSD which have more extensive survey collection experience than FSD. Consultations with key users are to be arranged, including with CSD, the Economic Policy and Planning Division of MoF, the Tourism Authority and other key users of statistics. After each consultation the draft questionnaire needs to be reviewed and changed if appropriate.

31. After the consultations have been completed then pilot testing will be undertaken. Initially it is proposed to test the questionnaires with a small number of local accountants who are likely to complete a number of forms on behalf of their clients. This will assist in checking that the wording on the forms conforms to accounting terminology and local jargon where appropriate. A small sample of enterprises will then be selected to complete the forms and their comments sought on how easy the forms are to understand and to complete. Separate samples will be needed for the production and tourism supplements. If significant changes are made following the pilot testing, it may be necessary to consult again with the key users, or at least to advise them of the changes.

32. Once all consultations and the pilot testing have been completed, the final step is official sign-off of the questionnaire and survey design by the Government Statistician.

Systems Development

33. The BR, data capture and editing systems and processes need to be developed quickly to enable post-out of the survey by the planned date of the end of February. FSD intends to develop these systems themselves using standard packages – FSD has the skills needed. Some assistance or advice will be sought from IT or survey specialists in other divisions where necessary and possible.

Monitoring of Progress

34. The Work Plan has been developed as a Gant Chart and is easily updated when circumstance change, etc. It can and should be used to monitor progress of each task. However, it must be noted that the Work Plan provides only overall guidance and a more detailed plan should be developed for each major task, i.e., any task that is estimated to take more than about 15 days should have a more detailed plan prepared. The more detailed plan should then be monitored for progress on a frequent basis, e.g., every 2-3 days.

Checking Survey Results

35. Survey returns will be checked against other administrative data. These include:

1. VAGST. This can only be performed at the enterprise level at which VAGST is collected and provides comparisons with total income and total expenses (including sales and purchases of fixed assets respectively). VAGST also provides the initial list of enterprises for the BR, and therefore provides an overall coverage indicator.
2. SNPF. The SNPF dataset provides information on numbers of employees and total salaries and wages paid. The SNPF data also provides information on enterprises to supplement that in the VAGST register, to add enterprises to the BR. The SNPF data on numbers of employees will also be used for enterprise size for the ES sample design.

3. Other Ministry of Revenue data will be used for coverage and enterprise checks. Name data from imports and exports records can help identify if enterprises are active, for example.

VI. FUTURE DEVELOPMENTS

Resources

1. FSD has sufficient staff numbers for their current range of outputs which are quarterly GFS tables and a quarterly production measure of GDP in current and constant prices. An additional position has been approved for FSD by the Public Services Commission but budget has not yet been provided – this may occur for the 2010-11 year. The additional position should be funded and filled before FSD begins any additional statistical outputs.
2. Other resources are sufficient for FSD's work program, although the budget available for the ES is very limited and is likely to constrain field work.

Strategic Planning

3. FSD is a new division in the SBS. The GFS and NA outputs were transferred from the MoF during 2009 and the staff are all new to the work (except the Division Head who transferred with the outputs). FSD intends to develop a strategic plan which will outline its intentions for maintaining and improving existing outputs, developing new outputs and for developing the team's skills and capabilities. The mission discussed briefly areas where FSD could potentially develop new outputs to meet user needs. However, this is beyond the scope of the mission and it is recommended that FSD continue the discussions with the PFTAC RMSA.
4. One consideration for FSD's strategy is that a survey of establishments like the ES should be planned for every five years. Five years is the recommended maximum length of time between rebasing of constant price series where chain volume measures are not compiled. The same principles apply to the nominal accounts, where profitability, changes in technology, etc., affect the ratios of the benchmark values to the quarterly/annual indicators used to extrapolate the benchmarks, and these ratios need regular updating.
5. The SBS has been in negotiations with the PARIS21 group's Asia and Pacific representative over the possibility of assistance to develop a statistical strategy using the PARIS21 methodology. FSD should ensure that it is involved in the strategy development if it happens. However, it is recommended that FSD continue with its own strategy development in case the SBS-wide plan does not occur.

APPENDIX I. SURVEY PLANNING PROPOSAL

Purpose of Survey

The 2008-09 Establishment Survey (2008-09 ES) is being conducted to collect information about private sector, non-agricultural businesses in Samoa to enable the development of new benchmark estimates of the national accounts (NA).

Background

Surveys of businesses were conducted in 1994 and 1999, called the “Business Activity Survey”. These surveys collected information that was used to develop the present NA series. The present NA methodology is based on a benchmark estimates for the BAS years, moved forward using movements in VAGST data, by industry. The BAS’s covered all employing units, and excluded small non-employing units such as the market sellers. The surveys also excluded central government agencies engaged in public administration (ministries, public education and health, etc.). The statistical unit used for these surveys was the enterprise.

Summary description of 2008-09 ES

The 2008-09 ES will be conducted by the Finance Statistics Division (FSD) of the Samoa Bureau of Statistics. The 2008-09 ES is intended to be a one-off survey for benchmarking the NA. It is, therefore, initially intended to collect data only for the 2008-09 fiscal year, although if testing proves it is feasible to collect prior years at the same time this will be considered (and if the budget is sufficient to meet any extra costs). Additional questions will be included to benchmark the industrial production index, and consideration will also be given for questions on the value of tourism value added in a number of key tourism-related industries.

The survey will be a post-out, post-back survey, with pre-paid envelopes provided to respondents. Some direct contact will be undertaken, for non-response or editing purposes. For businesses with a simple structure the enterprise will be the statistical unit, but for the relatively small number of enterprises with complex structures, operating at more than one location or undertaking more than one type of activity, the statistical unit will be the establishment, provided that the respondent is able to provide sufficient data at the establishment level. The business register to be used for the survey is compiled from the VAGST register, supplemented by the SNPF register. The register will be updated with information collected by the survey, particularly on structures, contact information, etc.

The budget for the survey is limited, having been determined as part of the specification of an SBS Institutional Strengthening Programme (before the survey proposal was fully developed). Staff of the FSD will undertake almost all the work of the survey, with some assistance from other divisions where possible and appropriate (e.g., data capture).

Standard SBS procedures will be followed for quality assurance, security of data (including disposal of questionnaires – when?), back-up of data and archiving, publicity and approval processes (sign-off questionnaire, design of survey, report, budget, etc., external review).

Objectives and Outputs

The 2008-09 Establishment Survey has three main objectives:

1. To provide data to assist in developing a new benchmark for the NA;
2. To provide data for the first phase of redeveloping the IPI;
3. To provide data for a partial measure of the contribution of tourism to the Samoan economy.

The scope of the 2008-09 ES is all employing businesses in the private sector other than those involved in agricultural activities.

Included are:

- Public Beneficial Bodies and Public Trading Bodies that are outside of the Central Government Budget Sector (as defined by the Government Finance Statistics) – to be confirmed by FSD (for NA purposes, data for these units may be obtained from the State Owned Enterprise Monitoring Division of MoF);
- Non-governmental organizations (NGOs, not-for profit organizations, etc.);
- Fishing and forestry (confirm coverage of Ag Census);
- USP, SPREP, other regional bodies??? (check BOP treatment).

Excluded are:

- Non-employed units (e.g., market sellers);
- Government ministries, constitutional offices and those public bodies involved in public administration and included in the Central Government Budget Sector;

- Agricultural units (unless large scale/commercial – if the ag census only covers household activities);
- “Non-resident” bodies such as international agencies, diplomatic missions (e.g., high commissions and embassies, UNDP, FAO, WHO);
- Other groups of businesses for which data can be obtained from other sources (e.g., financial institutions from CBS, small business from HIES or SBEC), Min of Commerce for registered companies – submitted accounts FSD to check).

The survey coverage is of all businesses in scope as defined above, and will be conducted as a stratified sample survey with full coverage of large units and a sample of smaller units. Statistical units relevant to the survey are the *enterprise* and the *establishment* (refer to Section 0 *New Zealand Statistical Units Model* – SBS is yet to decide on its statistical units model). The enterprise is an institutional unit and generally corresponds to legal entities such as a company, cooperative, partnership or sole proprietorship. The establishment is an institutional unit or part of an institutional unit, which engages in one, or predominantly one, type of economic activity. Sufficient data must be available to derive or meaningfully estimate value added in order to recognize an establishment. The main statistical unit from which data will be collected in the survey is the establishment. For most businesses there will be a one-to-one relationship between the enterprise and the establishment, i.e., simple enterprises will comprise only one establishment. The purpose of collecting data from establishments (rather than from enterprises) is to enable the most accurate industry estimates of value added possible.

The initial intention is to collect data only for the fiscal year 2008-09 (or the nearest year for which each business keeps its accounts – during consultations with accountants and others, FSD will determine what are the most common financial years for businesses, also the timeliness of completion of the accounts which will help to determine the timing of post out of the survey), although attempts will be made to collect one or two earlier years if the budget is sufficient and testing proves it is feasible without imposing too much additional burden on respondents. The survey is considered a one-off survey, although for accurate NAs, such a survey should be conducted at least every five years to enable regular updating of the ratios, etc., needed to adjust the ongoing indicator data (mainly VAGST) to NA concepts.

The questionnaire will be drafted by FSD, largely following the previous BAS, updated to current accounting terminology where necessary. The questionnaire will be pilot tested, using some accountants who are likely to complete a number of the forms on behalf of their business clients, and a small sample of businesses. Consultations will also include Ministry of Finance, Central Bank of Samoa (CBS), Samoa Tourism Authority, Chamber of Commerce, and other business associations (hotels, retail, etc.).

The questionnaire will collect a number of items of information about the business ownership, locations at which it operates and each establishment for which detailed data can be provided (in the case of complex businesses), contact information, and other general information needed to clearly identify each unique business. The main body of the questionnaire will collect data on revenue and expenses, to enable value added to be derived accurately. The questionnaire will also collect data on capital formation, and will contain supplementary pages for relevant industries to collect volume of production data for selected commodities and to collect information to enable an estimate of value added generated by key tourism activities.

The principle user of the data will be FSD which will incorporate the survey data into benchmarks for the NA, mainly on the current published production measure of GDP. The information on capital formation and other relevant data will also be incorporated into the experimental estimates of expenditure on GDP. The supplementary data on volumes of production will be used by FSD to redevelop the industrial production index which is currently compiled by the CBS. The general information about the business ownership, etc., will be used to update the Business Register.

Outputs will be produced in a number of formats, including a printed report containing descriptive information of the survey design, data tables, and analysis of the results. The report will also be made available on the SBS website in “.pdf” format, and the tables will be available on the SBS website in excel tables. Data by region may also be produced, although at a higher level of aggregation than the national data. All data will be fully confidentialised, to protect the anonymity of the all respondents. Consideration may also be made to provide, for selected analytical users, confidentialised unit record files (CURFs). Pricing for the report will follow standard SBS practice.

A high level of accuracy is needed because the main purpose of the survey is to develop revised benchmarks for the NA. The survey will be conducted as a stratified sample survey, with full enumeration of large establishments and a sample of the remainder.

Processes

Business Register Development

The registers of businesses held by the Ministry of Revenue for VAGST and other taxes and the Samoa National Provident Fund are the starting points for the survey’s statistical register. These two registers use different business identifier numbers and merging the two registers will have to be done based on matching names and addresses and other identification information. The VAGST register

for 2008-09 contains about 1300 businesses while the SNPF register has about 1000. The SNPF register contains only currently active employers, but the register also contains some small businesses that do not meet the criteria for registration for VAGST (the SNPF has recently undertaken an advertising campaign to encourage membership, resulting in an increase in coverage in recent times). A significant effort will be required to create a register that is comprehensive and accurate, prior to sending questionnaires. A broader register maintained by the Ministry of Revenue includes all those with current business licenses and or paying one or more tax. This register has about 3700 records, although many will be small or not operating, and not required to register for VAGST, and if also not recorded on the SNPF register are likely to be non-employers.

The SNPF register contains an industry classification code, using ISIC Rev3, while the VAGST register has the description only, not a code – the VAGST data are classified by FSD for the NA compilation. For coding new records computer assisted coding is possible. Both ABS and Statistics New Zealand provide online coding tools, or downloadable tools which can be adapted for any national classification².

Statistical Unit

The main statistical unit to be used for the survey is the establishment. For simple businesses that undertake a single activity at a single location there is a one-to-one relationship between the establishment and the enterprise. For large and complex enterprises, however, it is desirable to separate each activity of an enterprise into establishments to provide the most detailed information possible for industrial analysis. The business register will need to be developed in such a way that records the links between establishments are their parent enterprises. The business register will be created from administrative records and may not have enough information to recognize all establishments of complex enterprises. Large businesses will be contacted prior to the survey post-out to determine if they have separate establishments. If so, the extended structure of the enterprise will be recorded on the business register and a questionnaire will be sent to the enterprise to be completed for each establishment.

SBS needs to decide on a Samoan statistical units model that can be applied effectively in the Samoan economy. A simplified version of the New Zealand model is recommended, recognizing only the enterprise and the establishment. Future surveys may consider location units and enterprise groups if they are found to be useful for statistical collections.

² For example, StatsNZ's online coding tool can be found at http://www.stats.govt.nz/methods_and_services/access-data/ClassificationCodeFinder.aspx, and a downloadable version at http://www.stats.govt.nz/methods_and_services/surveys-and-methods/classifications-and-standards/classification-related-stats-standards/download-the-classification-coding-system.aspx. Both versions code to ANZSIC06, not to ISIC, but could be tailored to ISIC if requested of StatsNZ.

It should be noted that while establishment data may enable the derivation of detailed benchmark accounts, it may be necessary to aggregate up to enterprise level data for the benchmarks if the ongoing data used to extrapolate the benchmark forward (mainly VAGST) are only available at the enterprise level.

Questionnaire Development

Draft questionnaires will be prepared by FSD in consultation with the PFTAC expert. These drafts will be peer reviewed by other relevant divisions within SBS. Further consultation will be undertaken with Ministry of Finance, CBS and Samoa Visitors Bureau staff who will be interested in the results of the survey. Pilot testing will be undertaken by consultations with a small number of accountants (who are likely to complete questionnaires on behalf of business clients), and a small number of businesses. The pilot testing will be aimed at identifying any wording or layout changes that would make the completion of the forms easier for respondents, without compromising the main objectives of the survey. Final sign-off and approval for the questionnaires will be by the Government Statistician.

Printing of questionnaires will be done within SBS (budget constraints apply).

Method of Delivery and Collection of Questionnaires

A post-out and post-back process will be used (personal delivery to local addresses may be used in some cases, subject to budget, accuracy and completeness of postal addresses, etc.). FSD may wish to visit those businesses that FSD wants to build an ongoing relationship with for the future industrial production index (IPI), for example. Pre-paid and addressed envelopes will be provided with the questionnaires to make returning of the questionnaires as easy as possible. During the Business Register preparation it is necessary to check if all businesses have postal addresses, and for those without a postal address other means of delivery will need to be used. For enterprises with more than one establishment the establishment questionnaires will be posted to a single address.

Alternative processes for businesses to supply the required data that will be considered include:

1. Making available a spreadsheet version of the questionnaire, on the SBS website or via email on request. Respondents could complete the spreadsheet and email it to FSD.
2. Businesses may choose to send in a paper or electronic copy of their financial statements and FSD staff will transfer those statements onto a questionnaire (paper or directly into the database).

3. For a small number of very large businesses, FSD may visit the business to assist in completing the questionnaires.

It is recommended that FSD create an email address for the division, to which all survey related correspondence is directed, and which all FSD staff can access to respond to queries and receive the completed spreadsheets.

Sample Design

Large establishments will be fully enumerated and a sample of remaining establishments will be developed. Data on the Business Register from the VAGST and SNPF data files will be used to stratify the sample, i.e., VAGST value added and number of employees or salaries and wages paid. The recommended size criterion for full enumeration is annual value added of at least \$100,000, or 10 employees, or \$100,000 salaries and wages – these criteria are subject to confirmation, once the Business Register is completed and the number of establishments is known – the initial sample size can then be reviewed in terms of budget for the survey, etc. All establishments of multi-establishment enterprises will be included in the full enumeration stratum, regardless of their size.

A sample of the smaller establishments will be made, using a random number generator. The recommended sample fraction is one in five, i.e., 20% of establishments will be surveyed. Each sampled establishment will, therefore, be assigned a weight of five when using the sampled data to evaluate the population totals.

Monitoring Progress

Processes are needed to record and keep track of progress as the survey progresses. It is essential to record:

1. Each questionnaire that is posted out;
2. Receipt of each questionnaire, and thereby a continuous measurement of response rates from post-out until the final closing off of the survey;
3. Queries received from respondents and answers or information provided by FSD staff;
4. Data capture as questionnaires are received from respondents;
5. Editing progress;
6. Costs incurred against the survey budget and any other survey related costs charged to other budgets (FSD, IT, etc.);

Follow-up Procedures

It will be necessary to make direct contact with some respondents in the event of partial or complete non-response, queries from respondents, etc. To facilitate this contact it is necessary for FSD to have sufficient access to phones, vehicles for visiting businesses if needed, and internet and email facilities (a shared FSD email address is recommended with access for all FSD staff, for the duration of the survey – all contact with respondents should be via that email address rather than personal email addresses). If there are additional costs involved in these processes that are not met from FSD's ongoing budget then the survey budget must provide for these costs.

It is also necessary for the business register to contain sufficient contact information for all businesses on the register to enable easy contact with the respondents, i.e., phone numbers, physical addresses, etc.

Data Processing

FSD intends to use its own resources to capture and edit the survey responses. FSD has sufficient computers, relevant software, and expertise. It is planned that FSD will develop a simple Access database and forms for data entry, including basic consistency edits. Another possibility is to use existing survey software used in other divisions of SBS, e.g., CSPro, if it could be easily adapted for the 2008-09 ES.

Follow-up and Non-response Procedures

Post-out will request completion and return of the questionnaires within one month. Follow-up procedures will begin immediately after that month. Initial follow-up will be by phone, with a second call made, one week after the initial follow-up call, if needed. Subsequently, a written request will be sent, either in person or by mail, with standard wording of requirement to supply data, etc. It should be noted that the Business Register is being drawn from the VAGST register of active businesses. Therefore, there should be very few businesses which have ceased since the Register was prepared, and response rates should be high.

The minimum response rate before closing off the survey is 80% of the number of establishments in each stratum, i.e., 80% of the fully enumerated establishments and 80% of the sampled establishments. However, extra effort must be made, via personal visits, etc., to ensure that the 50 largest establishments all respond.

At the time of closing off the survey, imputation for non-response will be done. This will directly use the data from the VAGST and SNPF datasets. Ratios of questionnaire variables to the VAGST and SNPF variables will be derived from summarized results from all responding establishments in each imputation cell (a combination of industry and size groups – the cells will be identified where needed, and take account of the number and size of establishments in the industry – it may be necessary to combine industries and use all size groups if few establishments exist in an industry, i.e., “borrow” data from adjacent industries) and applied the ratios to the VAGST and SNPF data for the non-responding establishments.

Editing Procedures

Partial imputation will be done at the time of receipt of questionnaires, after follow-up procedures to obtain fully completed questionnaires have been followed. Imputation should follow similar processed as described above under non-response imputation, i.e., apply ratios from responding units in the imputation cell to the partial data that was supplied. Procedures must be established during the editing stage (a) to preserve the integrity of the questionnaires as supplied by respondents, and (b) to record all changes made to the questionnaires during editing. If SBS staff write on the forms, for example, this should only be done in red pen, to distinguish the alterations from the original information.

Additional edit checks will need to be developed, including checking against external data at enterprise/establishment level. External data to be checked against include VAGST and SNPF for turnover and purchases, and salaries and wages and employment data respectively. Editing and imputation processes will be undertaken by FSD using Access or Excel.

Table and Report Production

Final output tables will be prepared by FSD, using Access or Excel, and the final report will be prepared in Word. Versions to be put on the SBS website will include a “.pdf” version of the complete report, along with Excel versions of the tables contained in the report. Additional tables may be published on the website and not in the report, depending on size of the report, budget, etc.

The range of tables to be produced is expected to be similar to that in the 1994 report. The data will be grouped and summarized to produce tables by industry, by institutional sector or business type, by size group and selected tables by region. Tables will include, for example:

1. Output, intermediate consumption and value added;
2. Number of enterprises;

3. Number of employees;
4. Details of income and expenses;
5. Value of inventories at the beginning and end of the year;
6. Additions to, disposals of, and book value of non-financial assets;

A separate report may be prepared for analysis of the tourism related data and for the volumes of production data.

Classifications

Classifications that will be used for the survey are:

1. Industry. ISIC Rev 4 – consistency with other statistics vs. the future (may need to use a concordance in order to produce outputs on ISIC Rev3 basis also);
2. Institutional sector/business type. SBS does not currently have these classifications but they are needed to separate government from private sector, market from non-market, NGOs from other sectors, sole proprietorships and partnerships from corporations (the treatment of working proprietors' salaries and wages is to mixed income for unincorporated enterprises, and compensation of employees for corporations);
3. Product, used to rebase the industrial production index – CPC Ver.2;
4. Size groups, based on employment and VAGST value added;
5. Region – district, village, etc. – SBS standard classification;
6. Ownership – government, private, overseas, etc.

For those topics listed above for which SBS does not have standard classifications in current use, they will need to be decided on and adopted for this survey (and future surveys where appropriate, for consistency, ease of use across SBS, etc). Refer to Section [0](#)

[Classifications and Standards](#), for examples and links to international standard classifications.

Questionnaires

Core Questions

Like the previous BSA's the 2008-09 ES will comprise several sections:

1. General instructions, authority for the survey, etc;
2. Business demography information on ownership, contact details, structure, etc.;
3. Employment;
4. Income;
5. Expenses;
6. Inventories;
7. Profit or loss and reconciliation to business accounts' profit and loss;
8. Fixed assets – purchases, disposals, net book value???
9. Thank you and signature of respondent.

Supplementary Pages

Additional pages will be prepared to collect data for a limited range of industries.

1. Production data. To rebase and redevelop the Industrial Production Index (IPI), it is intended to collect volume of production information from a selection of large manufacturing businesses. The selection of businesses and products is critical to the usefulness of the IPI. The products must be homogeneous, and be of enough importance to the economy to justify collecting the data. Significance criteria should be established for the selection of products to include in the IPI, and the 2008-09 ES provides an opportunity to collect benchmark data for a range of products known to be significant (based on information in the existing IPI, CPI weights, export data, etc.) as well as open questions for respondents to provide information on other significant products.
2. Tourism. There is a strong demand for estimates of tourism value added. To estimate tourism value added using the international standard Tourism Satellite Account methodology³ requires the use of an input-output table, which is beyond the capacity of SBS at present. However, some indicative estimates of the main parts of the economy influenced by tourism can be derived if the necessary data are collected. Tourism is a demand concept, based on defining tourists (the international standard includes both international and domestic tourists), what products are characteristically purchased by tourists, and which industries supply those products. Some questions targeted at those industries that have significant involvement with tourists (hotels, restaurants, transport and tour operators, vehicle hire, etc.), on how much of their income is sourced from

³ Tourism Satellite Account: Recommended Methodological Framework, Eurostat, OECD, WTO, UNSD, 2001.

tourism would provide valuable indicators of the size of the direct impact of tourism⁴. Refer to Section [0Tourism Expenditures and Tourism Value Added](#) for discussion of the questions for tourism data.

⁴ Indirect impacts result from the demand for goods and services by the characteristic tourism industries.

Work Plan

The following is a summarized version of the draft work plan, concluding with the survey results being finalized in July 2010. Each column represents one week, with the week ending on the date shown. Each phase of the plan has more detail of the tasks involved, allocation of responsibility of each task to an individual, estimated length of time for each task, and identifies where one task is dependent on another task, i.e., where one task cannot begin until another has been completed.

[illegible]

Classifications and Standards

The following are examples of key classifications that need to be adopted for the 2008-09 ES. The other examples are from Statistics New Zealand. International standard classifications can be found at the following websites:

ISIC Rev4: <http://unstats.un.org/unsd/class>

Institutional Sector: SNA2008 <http://unstats.un.org/unsd/nationalaccount>

Central Product Classification, CPC Ver2: <http://unstats.un.org/unsd/cr/registry/cpc-2.asp>

Business Type Classification

From Statistics New Zealand.

Classification - Business type

- 01 Individual Proprietorship
- 02 Partnership
- 03 Registered Limited Liability Company (non Co-op)
- 04 Co-operative Companies
- 05 Joint Ventures and Consortia
- 06 Branches of Companies Incorporated Overseas
- 07 Government Owned Trading Entity
- 08 Central Government
- 09 Local Authority Trading Enterprise (LATE)
- 10 Local Government
- Incorporated and Unincorporated Societies and
- 11 Associations
- 12 Charitable Trusts
- 13 Trusts/Estates
- 14 Consulates and Foreign Embassies.
- 20 Other Business Types

Institutional Sector Classification

SNA 2008

1. Non-financial corporations sector (includes NPI serving corporations)
 - Public non-financial corporations
 - National private non-financial corporations
 - Foreign controlled non-financial corporations
2. Financial corporations sector
 - Central Bank
 - Deposit-taking corporations except the Central Bank
 - Money market funds (MMF)
 - Non-MMF investment funds
 - Other financial intermediaries except insurance corporations and pension funds (ICPF)
 - Financial auxiliaries
 - Captive financial institutions and money lenders
 - Insurance corporations (IC)
 - Pension funds (PF)

3. General government sector
4. Non-profit institutions serving households sector
5. Households sector
6. Rest of the world sector

From Statistics New Zealand

Categories not relevant in Samoa are shown below in *italics*.

Classification - Institutional sector classification 1996

Level 1

Level 2

Level 3

Level 4

1 Producer Enterprises

- 11 Private Producer Enterprises
 - 111 Private Corporate Producer Enterprises
 - 1111 Private Corporate Producer Enterprises
 - 112 Private Non-corporate Producer Enterprises
 - 1121 Private Non-corporate Producer Enterprises
- 12 *Producer Boards*
 - 121 *Producer Boards*
 - 1211 *Producer Boards*
- 13 Government Enterprises
 - 131 Central Government Enterprises
 - 1311 Central Government Enterprises
 - 132 *Local Government Enterprises*
 - 1321 *Local Government Enterprises*

2 Financial Intermediaries

- 21 Central Bank
 - 211 Central Bank
 - 2111 Central Bank
- 22 Depository Organisations
 - 221 Registered Banks
 - 2211 Private Registered Banks
 - 2212 *Central Government Registered Banks*
 - 2213 *Local Government Registered Banks*
 - 222 Other Broad Money (M3) Depository Organisations
 - 2221 Private Other Broad Money (M3) Depository Organisations
 - 2222 *Central Government Other Broad Money (M3) Depository Organisations*
 - 2223 *Local Government Other Broad Money (M3) Depository Organisations*
 - 229 Other Depository Organisations nec
 - 2291 Private Other Depository Organisations nec
 - 2292 *Central Government Other Depository Organisations nec*
 - 2293 *Local Government Other Depository Organisations nec*
- 23 Other Financial Organisations except Insurance and Pension Funds
 - 231 Other Financial Organisations except Insurance and Pension Funds
 - 2311 Private Other Financial Organisations except Insurance and Pension Funds
 - 2312 *Central Government Other Financial Organisations except Insurance and Pension Funds*
 - 2313 *Local Government Other Financial Organisations except Insurance and Pension Funds*
- 24 Insurance and Pension Funds
 - 241 Insurance and Pension Funds
 - 2411 Private Insurance and Pension Funds

		2412	Central Government Insurance and Pension Funds
		2413	<i>Local Government Insurance and Pension Funds</i>
3	General Government		
	31		Central Government
		311	Central Government (excluding Funded Social Security Schemes)
		3111	Central Government (excluding Funded Social Security Schemes)
		312	<i>Funded Social Security Schemes</i>
		3121	<i>Funded Social Security Schemes</i>
	32		<i>Local Government</i>
		321	<i>Regional Authorities</i>
		3211	<i>Regional Authorities</i>
		329	<i>Other Local Authorities</i>
		3291	<i>Other Local Authorities</i>
	33		<i>Rūnanga Iwi</i>
		331	<i>Rūnanga Iwi</i>
		3311	<i>Rūnanga Iwi</i>
4	Private Non-profit Organisations Serving Households		
	41		Private Non-profit Organisations Serving Households
		411	Private Non-profit Organisations Serving Households
		4111	Private Non-profit Organisations Serving Households
5	Households		
	51		Households
		511	Households
		5111	Households
6	Rest of World		
	61		Rest of World
		611	Rest of World
		6111	Rest of World

Size Groups

The 1994 BAS used the following size groups in terms of average number of employees for presenting tables in the report: 1-3, 4-5, 6-9, 10-19, 20-49, 50 and over.

The international standard for size groups is: 1-9, 10-19, 20-49, 50-249, 250 and more⁵. These groupings may be too broad for the Samoan economy.

⁵International Recommendations for Industrial Statistics, 2008, UNSD (draft)

New Zealand Statistical Units Model⁶

Introduction

1 Statistics NZ reviewed its units model in 1994 as part of a major project to redevelop its business register system. Then called the Business Directory, the register was renamed the Business Frame (BF) when a new units model was implemented in 1996.

2 The review aimed to ensure that the definition of units being applied was in line with international standards and practice. Statistics NZ endeavoured to align its model, as far as possible, with the main units recommended in ISIC Rev. 3.

NZ Business Frame (BF)

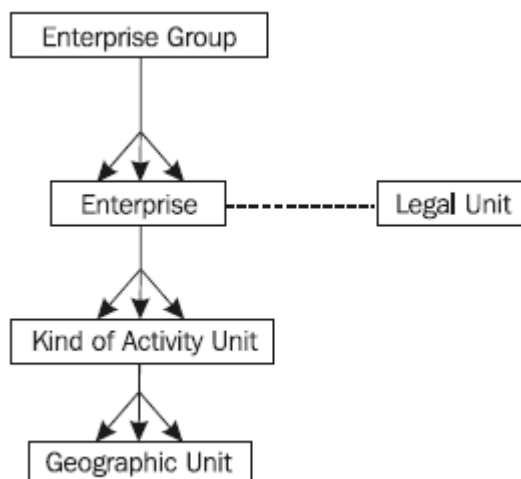
3 The BF is a database of New Zealand businesses and their structures used primarily as a register or frame for the various business surveys run by Statistics NZ. It facilitates the integration of business tax data with survey data by linking the BF enterprise unit and the administrative tax unit. The BF is maintained using tax data, frame maintenance surveys, survey feedback, profiling initiatives and other sources e.g. Companies Office, media etc.

NZ Units Model

4 The units model used by Statistics NZ is hierarchical and comprises three main units: the Enterprise (ENT), the Kind of Activity Unit (KAU) and the Geographic Unit (GEO). In addition, the Enterprise Group (groups of enterprises under common ownership) is identified on the BF. Statistics NZ concluded that it needed three main units, one each to cater for each of the three broad types of data required, namely financial, production and location statistics. Financial statistics are more readily available from upper level (institutional) units, with production and location statistics more readily available from lower level (producing) units.

Diagram 1: NZ Units Model

Diagram 1 illustrates the nature of the relationships between these unit types.



⁶ From ANZSIC 2006, jointly published by Australian Bureau of Statistics and Statistics New Zealand

Unit Definitions

5 The enterprise group is the family of institutional units (legal entities or equivalent) controlled or managed by one of them with more than 50 percent ownership (either directly or through a chain of ownership) of each other member of the family. It is used to compile investment/ financing data for the Balance of Payments. It is also used to understand financial flows within groups, for producing ownership control statistics and for confidentiality vetting of published statistical outputs.

6 The enterprise group is not kept on the BF in the form of a statistical unit as such, but can be derived from the BF using the ownership links between enterprises and can be viewed in screen graphic and report formats as a family of units.

7 The enterprise is an institutional unit and generally corresponds to legal entities such as companies, partnerships, trusts, estates, incorporated societies and sole proprietorships. Some are identified by other characteristics, such as common objectives or an organisational structure e.g. government departments, local authorities, churches, voluntary organisations.

Kind Of Activity Unit

8 The kind of activity unit is an institutional unit, or part of an institutional unit, which engages in one, or predominantly one, kind of economic activity, without being restricted to a geographic area. Value added statistics must be able to be produced for a KAU, or be able to be readily or meaningfully imputed. Statistics NZ has developed a working definition of the kind of activity (KAU):

A KAU, in practice, is a subdivision of an enterprise consisting of a set of one or more geographic units, at one or more places, for which a single set of accounting records is available from the owners, allowing operating surplus to be meaningfully compiled. It is an objective that the KAU should be as industrially homogeneous as possible, but the accounting set is not broken to achieve this, except in very significant cases after consultation with interested internal parties. Autonomy of decision making with respect to production levels, and buying and selling, should also be considered in structuring and profiling.

9 KAUs normally need to be able to supply a minimum set of data. To recognise more than one KAU in an enterprise, there must be separate profit and loss accounts for each unit; value added of at least \$NZ500,000 for each unit (or at least 20 full-time equivalent persons engaged, if value added data is not available); no vertical integration between each unit; and more than one industrial activity.

10 The geographic unit is a KAU, or part of a KAU. It is normally an unbroken physical area/site on, or from which, one, or predominantly one, kind of economic activity takes place on a permanent basis. Employment data must be able to be produced for a geographic unit.

11 The BF system has a function to inhibit or override the KAU's derived ANZSIC in circumstances where the use of value added gives a different result to the use of employment size measures, or where the unit is 'teetering on the boundary' between two codes and it cannot be determined whether a long-term change is occurring. This mechanism is used only for large businesses where the impact on statistical series of any change is likely to be significant, particularly if the business is a major contributor to an industry.

Ancillary Units

12 Statistics NZ follows the principles laid down in ISIC Rev. 3, in that where ancillary activities are identified for a geographic unit they are classified to their own activity as well as to the activity of their parent unit. The geographic unit can be coded to both a primary and ancillary ANZSIC.

13 There is no survey instrument in Statistics NZ which is specifically designed to identify ancillary units. They are generally identified and coded in response to the specific needs of economic surveys. The process is infrequently used and undertaken for very significant units only.

Tourism Expenditures and Tourism Value Added

Tourism is not an industry recognized in any industrial classification. Rather, tourism is a demand concept, i.e., tourism is recognized in terms of who the customers are. Those customers of interest for measuring tourism consumption and tourism value added are called “visitors”. The products that visitors purchase are tourism consumption and the suppliers of visitors’ purchases produce tourism value added.

Tourism Consumption

The Tourism Satellite Account (TSA) recommended methodology defines visitors as “Any person travelling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited”⁷. Visitors can be international or domestic and can be from households or from business or government. Visitors from households can be on holiday or visiting friends and family (in terms of the migration classification). The dimensions of tourism are shown in the table below.

Domestic tourism: is the tourism of resident visitors within the economic territory of the country of reference.	Domestic tourism consumption: comprises the consumption of resident visitors within the economic territory of the country of reference.
Inbound tourism: is the tourism of nonresident visitors within the economic territory of the country of reference.	Inbound tourism consumption: comprises the consumption of non-resident visitors within the economic territory of the country of reference and/or that provided by residents.
Outbound tourism: is the tourism of resident visitors outside the economic territory of the country of reference.	Outbound tourism consumption: comprises the consumption of resident visitors outside the economic territory of the country of reference and provided by non-residents.
Internal tourism: is the tourism of visitors, both resident and non-resident, within the economic territory of the country of reference.	Internal tourism consumption: comprises the consumption of both resident and non-resident visitors within the economic territory of the country of reference and/or that provided by residents.
National tourism: is the tourism of resident visitors, within and outside the economic territory of the country of reference.	National tourism consumption: comprises the consumption of resident visitors, within and outside the economic territory of the country of reference.

Measures of inbound and outbound tourism consumption are included in the balance of payments and include household and business visitors. This estimate is modeled on the basis of number of visitors, length of stay and average expenditure per day per visitor. It provides

⁷ *Tourism Satellite Account: Recommended Methodological Framework*, 2001. Other quotes are from this source, unless otherwise stated.

only a general indication of which products and industries are involved in supplying products to tourists, and the BOP does not provide any measure of value added generated by tourism, which is the interest of the proposed supplementary questions in the 2008-09 Establishment Survey.

For this study of Samoan tourism, only inbound tourism is to be considered, as highlighted in the table above. Both household and business visitors will be included.

Tourism Products

Tourism products include “all acquisitions of goods and services by or on behalf of a visitor that the 1993 SNA would consider as part of his/her actual consumption are included within the boundary of visitor consumption”. For the Samoa study we are interested in those products which comprise inbound tourism consumption.

The TSA methodology focuses on identifying tourism “characteristic” products and “tourism-connected” products. “**Tourism characteristic products**: products which, in the absence of visitors, in most countries would probably cease to exist in meaningful quantity or for which the level of consumption would be significantly reduced and for which it seems possible to obtain statistical information; **Tourism-connected products**: a residual category, including those that have been identified as tourism-specific in a given country but for which this attribute has not been acknowledged on a worldwide basis; **Tourism-specific products**: the sum of the two previous categories.”

The TSA methodology lists the range of tourism-specific products in Annex I, in terms of 6-digit CPC codes. This is more detail than required for Samoa’s tourism study. It is recommended that the following subset of CPC products be used:

CPC	Description	Comments
631	Accommodation services for visitors	could be broken down further if there is a Samoan classification of types of accommodation, e.g., hotels, backpackers, hostels, etc.
633	Food serving services	could be broken down further, to exclude catering services?
634	Beverage serving services	
6411	Urban and suburban land transport services of passengers	separate buses from taxis? But will these activities be in scope of Est Survey?
6412	Local water transport services of passengers	
6413	Sightseeing transportation services (by land or water, excl by air)	
6422	Interurban road transport services of passengers	are there any specialized long distance bus operators or all in 6411?
6423	Long-distance water transport services of passengers	any passenger services on freight ships?

64241	Domestic scheduled air transport services of passengers	is there also non-scheduled domestic air transport, i.e., charter
64243	International scheduled air transport services of passengers	Is PolyBlue a resident airline???
71337	Travel insurance services	are there any specialized establishments here?
71592	Foreign exchange services	
73111	Leasing or rental services concerning cars and light vans without operator	
7324	Leasing or rental services concerning pleasure and leisure equipment	Sports equipment, bicycles, water sports equipment, horses...
8551	Reservation services for transportation	travel agents. Combine with 8552?
8552	Reservation services for accommodation, cruises and package tours	travel agents. Combine with 8551?
8554	Tour operator services	Are there any operators in Samoa ⁸ ?
8555	Tourist guide services	
8556	Tourism promotion and visitor information services	Any private sector establishments?
9652	Sports and recreational sports facility operation services	Golf clubs, dive centres, ???

Tourism Industries

Having defined tourism-specific products, tourism-specific industries can be defined in terms of those industries which produce tourism-specific products. An additional criteria that must be applied, however, is that tourism activities must have **direct** contact with the tourists, i.e., they must serve the tourists themselves. This is generally a clear relationship for services, but not always so clear for goods (e.g., souvenirs and handicrafts).

The following chart shows the components of tourism supply that relate to internal tourists. The total value of products consumed by visitors (tourists) is the sum of the values of output of tourism-characteristic activities, tourism-connected activities and non-specific tourism activities. Each type of activity can produce characteristic products, i.e., products that “define” the activity, and secondary products. For example, a hotel’s characteristic product is accommodation services, but it may also produce secondary output such as food services, travel agency services, currency exchange services, etc.

⁸ Tour operators are involved in:

- arranging, assembling, and marketing package tours:
- pre-packaged tours, domestic and international
- custom package tours for groups, domestic and international

Such a package usually includes buying and reselling passenger and baggage transportation, accommodation, food and sightseeing services. The resulting package tours may be sold to individuals, travel agents or other tour operators

Figure 3.1
Focus of tourism supply and consumption analysis

		Tourism characteristic activities (a)			Tourism connected activities (a)			Non-specific tourism activities					
		Principal output		Secondary output		Principal output		Secondary output		Principal output		Secondary output	
Products supplied to:		Characteristic products	Connected products	Non specific products	Connected products	Characteristic products	Non specific products	Non specific products	Characteristic products	Connected products			
Visitors													Focus of Internal tourism consumption analysis
Non visitors													
Focus of tourism supply analysis													

The TSA methodology lists the following as tourism-characteristic activities:

Activities description	ISIC Rev 4 Code
1. Hotels and similar	55
2. Second home ownership (imputed)	681 (part) – is this relevant here?
3. Restaurants and similar	56
4. Railway passenger transport services	None in Samoa
5. Road passenger transport services	4921, 4922
6. Water passenger transport services	5011 (any inland water transport= 5021?)
7. Air passenger transport Services	511
8. Transport supporting services	522
9. Transport equipment rental	771
10. Travel agencies and similar	79
11. Cultural services	90
12. Sporting and other recreational services	93

The activities listed above are those for which supplementary questions should be included with their ES forms on their involvement with international tourists.

Questions in Establishment Survey

The objective is to estimate the value of output (and eventually of value added) of each establishment which is provided to international tourists, analysed by type of product. Therefore, for those industries listed above as tourism characteristic industries the following questions should be asked:

What proportion of your sales is to:	%
1. International visitors – for business or conference	
2. International visitors – for holiday or vacation	
3. International visitors – visiting friends and relatives	
4. Local customers	

5. Others	
TOTAL all customers	100%

Please provide a breakdown of your sales by type of product:

	Product Description	Value Tala
1	Accommodation services for visitors	
2	Food serving services	
3	Beverage serving services	
4	Bus and taxi transport services of passengers	Taxis in scope??
5	Local water transport services of passengers	
6	Sightseeing transportation services	
7	Interurban road transport services of passengers	
8	Long-distance water transport services of passengers	Delete??
9	Domestic scheduled air transport services of passengers	
10	International scheduled air transport services of passengers	Polyblue?
11	Travel insurance services	Delete??
12	Foreign exchange services	
13	Leasing or rental services of cars and vans	
14	Leasing or rental services of water craft, recreational equipment	More relevant examples??
15	Travel agent services	
16	Reservation services for accommodation, cruises and package tours	Delete??
17	Tour operator services – need to included notes to define this	
18	Tourist guide services	
19	Tourism promotion and visitor information services	
20	Sports and recreational sports facility operation services	
	Other products	
	TOTAL ALL PRODUCTS (this total should be equal to item xx in Section 2 of the questionnaire)	

Tour Operators and Travel Agents

For tour operators and travel agents it is very important that their commission income is obtained. I.e., for tourism output and consumption, and for NA value added, we want to include only the agency services they provide, not their gross sales of tickets. This is important for the NA rebase as well as for the tourism estimate. For questionnaires given to travel agents, additional questions may need to be added to obtain the data needed to adjust from the gross ticket sales values and purchases of tickets values that they are likely to provide, to the net commission income valuation needed for the NA (and BOP). This is also important for those agencies of foreign airlines operating in Samoa, e.g., AirNZ. They are not resident airlines but they do operate resident travel agencies.

In practice, it is likely to be that resident travel agents provide most of their services to resident travelers, rather than non-resident travelers. If that is true, the problem is not significant since the focus of the tourism study is measure international tourist's impact on the Samoan economy. Similarly, there may not be any tour operators in Samoa since the ISIC Rev4 defines tour operators as establishments that create and on-sell packages of services that they buy from other operators, such as packages of hotel and transport.

APPENDIX II. DRAFT CORE QUESTIONNAIRE**Part 1: GENERAL INFORMATION**

Physical location of this establishment

Name of Establishment/Branch	Physical Location of Establishment

Please describe the main types of business or activity carried out at this establishment:

Legal Status of Organisation

Please tick the appropriate box					
1	Sole Trader		5	NGO	
2	Partnership		6	Branch of Overseas Company	
3	Incorporated Company		7	Other (specify)	

Origin of Ownership (at the end of the period covered in this questionnaire)

Local Shares	%	Foreign Shares	%
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Period Covered in this Questionnaire

Please state the accounting period:
From/...../..... to/...../.....
If the period covered is not 12 months, please explain why: e.g. new business.....

Part 2: EMPLOYMENT, SALARIES AND WAGES

Check on questions asked in population census, ag census, etc. To ensure consistency

			Number employed as at 31 December 2009				Total Salaries and Wages Paid (gross, i.e., before tax and other deductions)	
			Male		Female			
		Working Proprietors Include all proprietors and partners actively engaged in the work of the establishment. Include expatriate working proprietors.					\$	
		Regular/Full Time Workers Include all persons (excluding expatriates) working on a regular basis or full time and receiving payments in cash or in kind.					\$	
		Part Time/Casual/Daily Paid Workers Include all other persons working part-time and receiving payments in cash or in kind.					\$	
		Unpaid Family Workers Include all family members working without regular pay and for at least one third of the normal working week.					\$	
		Expatriate Workers Include all foreign workers without Samoan citizenship (other than working proprietors).					\$	
		Total					\$	

Salaries and wages should include all payments, in cash or in kind, paid to employees in return for the provision of their labour. Include bonuses, gratuities, commissions, sick pay, holiday pay and directors' fees. Exclude the drawings of working proprietors. Exclude employers' contributions to Samoa National Provident Fund and Accident Compensation Corporation.

PART 3: INCOME

3.1	Sales of goods purchased for resale without further processing (include value of goods withdrawn from stock for own use) Please specific main type:	\$	301
3.2	Sales of goods produced For example, manufactured goods, concrete blocks, beer, etc. Please specific main type:	\$	302
3.3	Income from services For example contract and commission revenue, meals at restaurant, professional services; maintenance and repair of motor vehicles, TVs, fridges, clocks, etc.). Please specific main type:	\$	303
3.4	Income from rental/lease/hire of vehicles, buildings, machinery and equipment. Exclude rent/lease of land (see 3.8 below)	\$	304
3.6	Interest earned on bank deposits, investment etc	\$	306
3.7	Government subsidies and grants received	\$	307
3.8	Other operating income For example dividends, management fees, rent/lease of land Please specific main type	\$	308
3.9	Non-operating income For example foreign exchange gains, gains on revaluation of financial and capital assets, insurance claims received, gains from extraordinary transactions. Please specific main type	\$	309
3.10	TOTAL INCOME	\$	310

PART 4: EXPENSES DURING 2009

4.1	Purchases of goods bought for resale without further processing Please specify main item	\$	401
4.2	Purchases of raw materials, supplies, electricity and fuel Please specify main item	\$	402
4.3	Interest paid on loans	\$	403
4.4	Taxes paid on products For example import duty and excise, domestic excise;	\$	404
4.5	Licenses, rates and other fees paid to Government	\$	405
4.6	Depreciation and amortisation as charged in the books of account	\$	406
	Salaries and wages paid	\$	
4.7	SNPF contributions by employer Include any employer contributions to other pension and superannuation funds.	\$	407
4.8	Levies paid by employer to Accident Compensation Corporation	\$	408
4.9	Rent/lease of land	\$	409
4.10	Other operating expenses For example, motor vehicle running expenses, telephone, postage, repairs and maintenance of plant and equipment, rent/leasing expenses (except for land), insurance premiums, freight and cartage, bad debts, donations and grants. Please specify main item	\$	410
4.11	Non-operating items of expense For example foreign exchange losses, losses on sale or revaluation of assets) Please specify main item	\$	412
4.12	TOTAL EXPENSES	\$	413

PART 5: STOCKS

		Opening Stocks (\$) (1)		Closing Stocks (\$) (2)	
	Finished goods bought for resale				
	Finished goods produced by the enterprise and intended for sale				
	Materials, fuels, supplies and components				
	Work-in-progress				
	TOTAL STOCKS				

PART 6: PROFIT OR LOSS BEFORE TAX

6.1 Reported operating profit or loss before tax as per profit and loss statement		Profit	
		Loss	
6.2 Derived profit or loss before tax			
		**	
	Total Income (Part 3)		
	<u>Minus</u> Total Expenses (Part 4) (-)		
	<u>Plus</u> : Closing stocks (Part 5) (+)		
	<u>Minus</u> : Opening Stocks (Part 5) (-)		
	<u>Equal</u> : Profit or Loss (=)		
	**If this calculated figure is different from the figure reported in 6.1 above, please indicate reason below:		
	“Profit” has the same meaning as “Surplus” and “Loss” has the same meaning as “Deficit” for the purposes of this questionnaire.		

PART 7 FIXED ASSETS

Include all assets whether new or second hand with a productive life of more than one year; include capital work done by own employees.									
		Values (\$)							
		Opening book value (1)	Purchase of new and second hand assets at cost		Land Development and Improvement (4)	Own Account capital formation (5)	Sales of Capital assets (6)	Depreciation (7)	Closing Book value (8)
			locally (2)	from abroad (3)					
a]	Land								
b]	Buildings								
c]	Plants and machinery								
d]	Furniture, fixtures and office equipment								
e]	Transport vehicles and related equipment								
f]	Others (specify)								
	Total								
Please explain any differences between opening and closing book values that is not identified by the columns above, e.g., revaluations, natural disasters.									

Comments

Who should we contact if we have any queries about this questionnaire?

Name	Position
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Telephone Number	Fax Number	Email Address
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I declare that this questionnaire has been completed to the best of my knowledge.

Signature

Date

THANK YOU FOR YOUR TIME AND EFFORT

APPENDIX III. DRAFT INDUSTRIAL PRODUCTION QUESTIONNAIRE

Please record the value and quantity of the following products manufactured by your establishment during the financial year.							
If your establishment did not manufacture one of these products, please write "NA".							
Please state the sales value of goods produced by your establishment.							
Product	DESCRIPTION OF PRODUCT	LOCAL MARKET SALES		EXPORT		TOTAL SALES	
		QUANTITY AND UNITS (1)	VALUE (\$) (2)	QUANTITY AND UNITS (3)	VALUE (\$) (4)	VALUE (\$) (5)	
Food							
Corned Beef							
Coconut Oil							
Copra Meal							
Coconut Cream							
Salted Beef							
Ice Cream							
Chocolate							
Beverages							
Beer							
Soft Drinks							
Construction Materials							
Sawn Timber							
Roofing Iron							
Concrete Blocks							
Ready Mix Cement							
Paints							
Other Products							
Tobacco							
Cigarette							
Soap Toilet							
Tissue							
Others (Specify)							

APPENDIX IV. DRAFT TOURISM OUTPUT QUESTIONNAIRE

What proportion of your sales is to:	%
1. International visitors – for business or conference	
2. International visitors – for holiday or vacation	
3. International visitors – visiting friends and relatives	
4. Local customers	
5. Others	
TOTAL all customers	100%

Please provide a breakdown of your sales by type of product:

	Product Description	Value Tala
1	Accommodation services for visitors	
2	Food serving services	
3	Beverage serving services	
4	Bus and taxi transport services of passengers	
5	Local water transport services of passengers	
6	Sightseeing transportation services	
7	Interurban road transport services of passengers	
8	Domestic scheduled air transport services of passengers	
9	Foreign exchange services	
10	Leasing or rental services of cars and vans	
11	Travel agent services	
12	Tour operator services (need to check if any exist, carefully applying the ISIC Rev4 definition)	
13	Tourist guide services	
14	Tourism promotion and visitor information services	
15	Sports and recreational sports facility operation services	
16	Other products. Please specify:	
	TOTAL ALL PRODUCTS (this total should be equal to item xx in Section 3 of the questionnaire)	

APPENDIX V. WORK PLAN

The following table shows for each task for each phase of the survey, the person responsible, the estimated start and finish dates and total elapsed time in days (total days, not only working days), and identifies with green highlighting those tasks that are sequential and cannot begin until a previous tasks has been completed. The Gant Chart version of the Work Plan graphically shows the tasks over time, but does not fit into this report.

ID	Task Name	Person Responsible	Days	Start	End
1.0	2008-09 Development Plan	FSD	300	26-Oct	22-Aug
1A	Ongoing GDP output	FSD	135		
1.1	Sept quarter	Uaina	45	6-Nov	21-Dec
1.2	Dec quarter	Lae	45	4-Feb	21-Mar
1.3	Mar quarter	Lili	45	6-May	20-Jun
1.4	Jun quarter	Tanielu	45	6-Aug	20-Sep
1B	Ongoing GFS output	FSD	135		
1.1	Sept quarter	Lili	45	6-Nov	21-Dec
1.2	Dec quarter	Uaina	45	4-Feb	21-Mar
1.3	Mar quarter	Lae	45	6-May	20-Jun
1.4	Jun quarter	Lili	45	6-Aug	20-Sep
2	Survey Development Phase	FSD	56	26-Oct	21-Dec
2.1	Survey objectives, initial planning	M.Andrews	12	26-Oct	7-Nov
2.2	Draft questionnaire	FSD	5	29-Oct	3-Nov
2.3	GS approval for overall plan	Ali	5	4-Nov	9-Nov
2.4	Consult key users - CBS, MoF, Tourism Authority	FSD	4	9-Nov	13-Nov
2.5	Review questionnaire and overall plan following consultations	FSD	5	13-Nov	18-Nov
2.6	Pilot test with accountants	FSD	5	18-Nov	23-Nov
2.7	Review questionnaire and overall plan following pilot test with accountants	FSD	5	23-Nov	28-Nov
2.8	Pilot test with sample of businesses	FSD	5	28-Nov	3-Dec
2.9	Finalise questionnaire and review overall plan following pilot tests	FSD	10	3-Dec	13-Dec
3	Business Register		83	29-Oct	20-Jan
3.1	Decide on statistical units model	Ali	2	29-Oct	31-Oct
3.2	Decide on classifications - requires GS approval	FSD	22	8-Nov	30-Nov
3.3	Develop register IT system	Lae	20	29-Oct	18-Nov
3.4	Populate register from VAGST register	Lae	5	18-Nov	23-Nov
3.5	Add to BR from SNPF and other sources	Lae	5	23-Nov	28-Nov
3.6	Update BR from contact with complex enterprises	Ali	20	23-Nov	13-Dec
3.7	Develop post out system - names and addresses for label printing, etc	Lili	15	5-Jan	20-Jan
3.8	Response monitoring system	Ali	15	5-Jan	20-Jan
3.9	Update BR from survey responses	FSD	60	28-Feb	29-Apr

4	Survey Systems Development	FSD	93	28-Nov	1-Mar
4.1	Data entry system	Lae	25	28-Nov	23-Dec
4.2	Editing system	Lae	25	5-Jan	30-Jan
4.3	Imputation system	Lili	25	20-Jan	14-Feb
4.4	Table production system	Uaina	25	14-Feb	11-Mar
5	Survey Operation		116	5-Jan	1-May
5.1	Purchase envelopes, stamps, etc	Ali	5	5-Jan	10-Jan
5.2	Print questionnaires	Lae	10	30-Jan	9-Feb
5.3	Print labels for qu'res and envelopes	Lili	5	15-Feb	20-Feb
5.4	Assemble questionnaires	FSD	5	20-Feb	25-Feb
5.5	Post out	FSD	5	25-Feb	2-Mar
5.6	Receive questionnaires back	FSD	60	2-Mar	1-May
5.7	Update response rates, etc.	FSD	60	2-Mar	1-May
5.8	Edit questionnaires on receipt	FSD	60	2-Mar	1-May
6	Survey Output Phase		86	1-May	26-Jul
6.1	Close off collection when minimum response rate is met	Ali	5	1-May	6-May
6.2	Imputation for non- or partial response	Uaina	20	6-May	26-May
6.3	Industry level edits	Ali	20	26-May	15-Jun
6.4	Produce final tables	Uaina	10	15-Jun	25-Jun
6.5	Draft text for report	Uaina	10	25-Jun	5-Jul
6.6	Prepare report and tables for website	Lili	10	5-Jul	15-Jul
6.7	Get report printed	Lae	10	5-Jul	15-Jul
6.8	Publish on web, media release??	FSD	1	16-Jul	17-Jul
6.9	Review of survey - successes, problems, lessons learned...	FSD	30	17-Jul	16-Aug
	OUT OF SCOPE OF PROJECT				
	Incorporate results into GDP(P)		50	16-Aug	5-Oct
	Incorporate results into GDP(E)		40	5-Oct	14-Nov
	Redevelop Industrial Prod Index		40	14-Nov	24-Dec