



# TECHNICAL ASSISTANCE REPORT

## REPUBLIC OF UZBEKISTAN

Report on National Accounts Mission

(April 8–12, 2024)

**JULY 2024**

**PREPARED BY**

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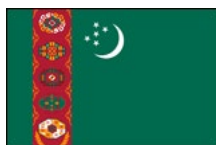
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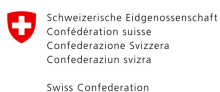


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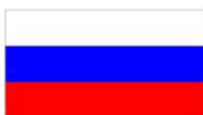
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## Acronyms

CCAMTAC	Caucasus, Central Asia, and Mongolia Regional Capacity Development Center
NACE Rev.2	European Classification of Economic Activities
NAD	Department of Macroeconomic Indicators and National Accounts
NOE	Non-observed Economy
SA	The Statistics Agency under the President of the Republic of Uzbekistan
SUT	Supply and Use Tables
TA	Technical Assistance

## Summary of Mission Outcomes and Priority Recommendations

1. **The Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC) conducted a technical assistance (TA) mission on national accounts during April 8–12, 2024.** The mission reviewed the results of the 2024 major revision of national accounts time series and provided recommendations for improvement before their publication.
2. **In recent years, the Statistics Agency under the President of the Republic of Uzbekistan (SA) has conducted several surveys to improve measures of the non-observed economy (NOE).** Research has shown that the size of the NOE in some services is larger than current estimates. Based on new data sources, the 2024 major revision will update the gross value added (GVA) of these activities for 2017–2023. The authorities are going to revise the historical time series back from 2017 as well. However, the updated time series will be published from 2017 only. The updated historical time series will be available upon request. As a result of the adjustment, the nominal level of GDP will increase in the range of 10–12 percent, while the largest increase in the growth rate of real GDP will be 0.8 percentage points.
3. **The increase in nominal GDP growth was driven primarily by an increase in GVA from restaurants and construction, which was supported by findings from the NOE Survey.** The 2023 NOE survey focused on household spending on restaurants, hotels, and other services. The survey covered 7,000 households including more than 32,900 household members. Household expenditure was compiled by weighing the expenses incurred by each household. The results are slightly higher than previous estimates for almost all services covered by the survey, but the difference was particularly large in the consumption of food services.
4. **The mission discussed these changes with the SA staff and noted that the new estimates, based on improved data sources, are much more reliable than the estimates before the revision.** Consequently, the publication of these new estimates will improve the overall quality of national accounts.
5. **To support the development of national accounts, the mission recommended a detailed action plan with the following priority recommendations:**

**TABLE 1.** Priority Recommendations

Target Date	Priority Recommendation*	Responsible Institutions
July 2024	Prepare a press release outlining the main findings of the 2024 major revision of national accounts time series.	SA
July 2024	Publish revised time series of GDP by production, expenditure, and income.	SA

6. **Further details on the priority recommendations and the related actions/milestones can be found in the action plan under Detailed Technical Assessment and Recommendations.**

## Detailed Technical Assessment and Recommendations

Priority	Action/Milestone	Target Completion Date	Status of Implementation as of July 2024
<b>Outcome: Source data are adequate for the compilation of the national accounts</b>			
H	Conduct logical control of the initial results of the NOE survey.	December 2023	Complete
H	Develop the NOE survey database and prepare the main results.	April 2024	Complete
H	Use the results of the NOE survey in compiling GDP.	April 2024	Complete
H	Prepare a press release outlining the main findings of the 2024 major revision of national accounts time series.	July 2024	Ongoing
H	Prepare revised time series of GDP by production, expenditure and income.	July 2024	Ongoing
H	Publish the revised historical time series of GDP back from 2017.	July 2024	Ongoing
H	Publish revised time series of GDP by production, expenditure, and income.	July 2024	Ongoing
H	Collect data sources for medium and small enterprises on a discrete basis.	January 2025	Ongoing
H	Implement the new reference year 2024 in the national accounts time series.	November 2025	Ongoing
M	Conduct sector-specific NOE surveys in every five years and update the national accounts time series.	2028-29	Ongoing

H – High; M – Medium

### A. MAJOR REVISION OF NATIONAL ACCOUNTS TIME SERIES

#### 7. In 2024, the SA plans a major revision of the time series of national accounts.

The major revision that occurs in every five years updates historical time series based on methodological changes or improved data sources and compilation methods. The previous major revision was carried out in 2019, during which the main changes affected agricultural data. During the general revision in 2024, the main changes will affect the NOE estimates in such services as: construction, hotels and restaurants, healthcare, education, and others.

#### 8. In recent years, the SA conducted several surveys to improve measures of the NOE.

Research has shown that the size of the NOE in some services is larger than current estimates. Based on new data sources, the 2024 major revision will update the GVA of these activities for 2017–2023. As a result of the adjustment, the nominal level of GDP increases in the range of 10–12 percent, while the largest increase in the growth rate of real GDP reached 0.8 percentage points.

9. **Table 2 shows GDP at current prices before and after the major revision.** After adjustment, GDP increased mainly in the construction and restaurant services sectors. The largest increase in the nominal level of GDP was recorded in 2017 and amounted to 11.9 percent.

**TABLE 2.** GDP at Current Prices

GDP at current prices	2017	2018	2019	2020	2021	2022	2023
<b>Before the revision, trillion UZS</b>	318.5	426.6	532.7	605.5	738.4	896.6	1066.6
<b>After the revision, trillion UZS</b>	356.5	473.7	594.7	668.0	820.5	995.6	1192.2
<b>Changes, in percent</b>	11.9	11.0	11.6	10.3	11.1	11.0	11.8

Source: SA staff estimates.

10. **Table 3 shows the real GDP growth rate before and after the adjustment.** The main trend of real GDP did not change significantly because of the major revision. The maximum change in real GDP growth rate was recorded in 2019 and amounted to 0.8 percentage points.

**TABLE 3.** Real GDP Growth Rates

Real GDP growth rates y-o-y, percent	2018	2019	2020	2021	2022	2023
<b>Before the revision</b>	5.5	6.0	2.0	7.4	5.7	6.0
<b>After the revision</b>	5.6	6.8	1.6	8.0	6.0	6.3
<b>Changes, in percentage points</b>	0.1	0.8	-0.4	0.6	0.3	0.3

Source: SA staff estimates.

11. **Nominal GDP growth was driven primarily by increase of GVA in restaurants and construction, which was supported by findings from the NOE Survey.** The 2023 NOE survey focused on household spending on restaurants, hotels, and other services. The survey covered 7,000 households including more than 32,900 household members. Household expenditure was compiled by weighing the expenses incurred by each household. The results are slightly higher than previous estimates for almost all services covered by the survey, but the difference was particularly large in the consumption of food service. Table 4 shows the GVA for food and accommodation services before and after adjustment.

**TABLE 4.** GVA of Food and Accommodation Services

GVA at current prices	2017	2018	2019	2020	2021	2022	2023
<b>Before the revision, trillion UZS</b>	1.9	2.5	3.1	2.8	4.1	6.4	8.9
<b>After the revision, trillion UZS</b>	16.0	18.7	25.1	25.5	34.0	50.6	68.1
<b>Changes, in percent</b>	719.4	657.6	700.5	814.6	722.6	692.5	664.0

Source: SA staff estimates.

12. **As a result of NOE surveys carried out by the SA, the size of NOE has increased in the construction sector.**

**TABLE 5.** GVA of Construction

GVA at current prices	2017	2018	2019	2020	2021	2022	2023
<b>Before the revision, trillion UZS</b>	15.1	22.0	30.4	37.3	45.6	54.3	62.6
<b>After the revision, trillion UZS</b>	22.9	32.8	45.2	51.9	63.6	73.2	84.9
<b>Changes, in percent</b>	51.3	49.3	48.4	39.1	39.6	34.9	35.8

Source: SA staff estimates.

13. **The mission discussed these changes with the SA staff and noted that the new NOE estimates are much more reliable than the estimates before the revision because they are based on sector-specific NOE surveys.** Consequently, the publication of these new estimates will improve the

overall quality of national accounts. The next major revision of national accounts time series will take place in 2029.

**14. The mission also recommended that the SA revises the historical time series of GDP from 2016 backwards.** The historical time series up to 2016 will not be published on the website but will be provided to users upon their request. The next CCAMTAC TA mission will assist the SA with the retropolation of GDP time series in accordance with best international practice.

*Recommended Actions:*

- Prepare a press release outlining the main findings of the 2024 major revision of national accounts time series.
- Prepare and publish the revised time series of GDP by production, expenditure, and income.
- Conduct sector-specific NOE surveys in every five years and update the national accounts time series.

## B. QUARTERLY GDP

**15. The Mission and SA staff discussed next steps for further improvement of quarterly GDP. Previous CCAMTAC TA assisted the SA with the implementation of discrete time series of quarterly GDP starting from 2019.** Currently, the time series of quarterly GDP covers the period 2019–2023. However, some data on output of medium and small enterprises are still based on cumulative data sources.

**16. In order to improve the quality of data sources, a new project was launched in 2023, the purpose of which is to revise statistical questionnaires.** By the end of the project, all statistical forms will collect data on a discrete basis, which will significantly improve the quality of quarterly GDP.

**17. In 2024, a new cooperation project will also be launched, the aim of which will be to change the reference year of quarterly GDP from 2019 to 2024.** Next CCAMTAC TA missions will assist the SA in implementing the new reference year 2024 and compiling chain-linked time series of quarterly GDP time series in accordance with international best practice.

*Recommended Actions:*

- Collect data sources for medium and small enterprises on a discrete basis.
- Implement the new reference year 2024 in the national accounts time series.

## C. OFFICIALS MET DURING THE MISSION

Name	Institution
Mr. Bakhodir Begalov	Director of SA
Mr. Abrorali Mamadjanov	Head of the Macroeconomic Indicators and National Accounts Department (NAD), SA
Mr. Umarjon Obidov	Deputy Head of the NAD, SA
Ms. Zioda Kamilova	Head of Annual National Accounts Division, SA
Mr. Odiljon Mamadaliev	Head of the International Cooperation Department, SA
Mr. Abdugafir Mirzakhidov	Head of the Service Statistics Department, SA
Mr. Akrom Sultanov	Head of the Coordination and Monitoring Department, SA
Mr. Rakhmatjon Urusbayev	Head of the Satellite Accounts Division, NAD, SA
Ms. Tatyana Kuksina	Chief Specialist, NAD, SA