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MEASURING THE NON-OBSERVED ECONOMY IN NATIONAL ACCOUNTS

ESTIMATING OWNER-OCCUPIED DWELLING SERVICES

**EXPERIENCE IN MEASURING OWNER OCCUPIED DWELLING SERVICES, OTHER
SERVICES AND ILLEGAL ACTIVITIES IN NATIONAL ACCOUNTS OF KYRGYZSTAN**

SUMMARY¹

Note by the National Statistical Committee of the Kyrgyz Republic

1. The paper provides information on measuring the non-observed activities in the National Accounts of the Republic of Kyrgyzstan in two areas: estimation of owner occupied dwelling services and measuring services provided by private entrepreneurs. The illegal activities are not yet included in National Accounts of Kyrgyzstan.

I. ESTIMATION ON OWNER OCCUPIED DWELLING SERVICES

2. The market of renting out dwellings is currently undeveloped in Kyrgyzstan. Over 97% of dwelling stock is in private ownership. In order to obtain information on rents, the statistical

¹ An unofficial English summary prepared by the secretariat.

office collects the data through the household budget surveys (HBS) where 5000 households are surveyed. According to HBS, about 4% of households rent out dwellings.

3. Based on the data of the HBS, the statistical office estimates:
 - a) gross output - payment for services for living in an owner-occupied dwelling and income from renting out dwellings;
 - b) intermediate consumption – a sum of costs for maintenance and repair of dwellings;
 - c) value added, that is the difference between gross output and intermediate consumption, including taxes (land tax and property tax) and consumption of fixed capital.
4. In 2009, Kyrgyzstan will carry out the next population and housing census where data on the quantity and quality of housing will be collected. The census questionnaire includes questions about the conditions of living in the present dwelling (tenant or owner). Furthermore, in order to improve the estimation of dwelling services, the statistical office is making experimental estimates to calculate the rent of dwelling space depending on the type and location of dwellings.
5. The table 4 in the Russian version of the paper presents the estimation of the cost of owner-occupied dwelling services (current prices, in thousand Soms).

II. SERVICES PROVIDED BY PRIVATE ENTREPRENEURS

6. There are 193 000 private entrepreneurs currently in Kyrgyzstan who produce 18% of GDP. Services amount to approximately 50% of that.
7. Trade: the output of private entrepreneurs is about 50% of the total trade output. The share of intermediate consumption is obtained based on sample surveys of individual entrepreneurs, or by expert estimates based on the data from other enterprises active in trade.
8. Transport: the gross output and intermediate consumption for private entrepreneurs is calculated based on data about the incomes per ton-kilometre and passenger-kilometre from sample surveys or based on extrapolation of data from other transport operators.
9. The same method is used also for other types of services.
10. The rapid increase of services and the number of producers with different forms of ownership make it necessary to improve the methods of collecting statistical information on services. Two censuses of services covering all types of activities and forms of ownership were carried out in 2006-2007. These allowed to obtain the number of enterprises and private entrepreneurs, their output, income, intermediate consumption, etc. Based on the results, the statistical system currently provides sufficient information on private entrepreneurs.
11. The use of administrative sources is an important factor in improving the quality of data on private entrepreneurs. According to the agreement between the National Statistical Committee, Tax Committee and the social fund, the business register is regularly updated based on the information exchange between these agencies.

III. ILLEGAL ACTIVITIES

12. The illegal economic activities are not yet included in the National Accounts of Kyrgyzstan because of the lack of reliable information .With the help of international experts and government agencies, methodological research on this topic has been carried out that may lead to including illegal activities in future.

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