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ԿՈՄԻՏԵ
STATISTICAL COMMITTEE OF THE REPUBLIC OF ARMENIA

Non-profit Institutions Serving Households (NPISH) Sector in National Accounts of Armenia

**Conference of European Statisticians
Group of Experts on National Accounts**

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Overview

- 1. The Statistical Committee of the Republic of Armenia conducted a survey of NPISH in the period from July to August 2016 to collect information on their activities for 2015.**
- 2. The first survey was conducted in October-November 2002 within the TACIS Project "National Accounts" under "Statistics 4" Contract. Its purpose was to evaluate the output of NPISH registered in the republic and improve the quality of indicators for this sector in national accounts (in particular, in the structure of gross domestic product).**
- 3. The goal of the survey is to collect data on the sources of financing, services provided and types of economic activities to classify NPISH in national accounts, employment and labour cost, intermediate consumption, investment, transfers, non-financial assets and their depreciation.**



The Importance of Satellite Accounting in National Accounts

- 1. NPISH are part of the institutional sector accounts, which provide a consistent presentation of all economic activities and the role of the different sectors of the economy in line with the System of National Accounts 2008.**
- 2. In recent years there has been a tendency for countries to develop satellite accounts to supplement the existing core accounts, due to the growing interest in NPISH activities both within the country and by international organizations. However, economic statistics related to NPISH are very limited, which leads to incomplete estimate of the output and investment of NPISH.**
- 3. The survey was financed by the Government of Armenia.**
- 4. In addition, SNA 2008 recommends to include NPISH statistics in the Supply and Use Table (SUT)**



Methodology

- 1. Standard statistical tools, such as classifications (type of economic activity, products, economic sector, NPISH purpose), sample design, software tools and information on the organizations, registered in the state register under Ministry of Justice of Armenia, were used to conduct this survey.**
- 2. The survey of NPISH covered non-profit institutions (NPI), civil society organizations (political parties, crafts and trade unions, charity funds), public and religious organizations.**
- 3. The main goal of the survey is to collect data and compile realistic estimates of output, investment and income of NPISH in Armenia.**

Main tasks:

- define the sponsorship**
- define of the type of activity and services provided**
- production costs, including labour costs**
- current transfers and investments**



Questionnaire structure

- 1. The questionnaire was developed in accordance with the objectives of the NPISH survey.**

- 2. The questionnaire consists of 10 sections :**
 - The first 4 sections contain general information on NPISH, including employment and compensation for employees.**
 - Section 5 - information on income, grants.**
 - Section 6 - information on intermediate consumption.**
 - Section 7 - information on current charity costs.**
 - Section 8 - information on investments.**
 - Sections 9 and 10 - information on the stock of inventories and non-financial assets, consumption of fixed capital.**

- 3. The information obtained allows to determine the main macroeconomic indicators, such as output, components of added value (labour cost, consumption of fixed capital), expenditures on final consumption of NPISH.**



Data analysis

**1. According to the results from the 1st section:
Out of a total of 5814 NPISH, about 1200 are covered by the survey.**

2. According to the results of the 3rd section:

Local sponsors - 56.0%

Foreign sponsors - 15.4%

Joint sponsors – 28.6%

This section contains the main directions (products) of NPISH by economic activity and sponsorship, of which the largest share (1 or more responses are provided) was recorded in the provision of services related to education (21.6%), human health and social issues (26.0 %).

In addition, the section presents the regional distribution of NPISH (including head offices) by number of members, taking into account gender data. More than half of NPISH operated in Yerevan, 41.9% of the members were women.



Data analysis

3. According to the results of the 4th section:

The average annual number of employees was estimated at about 85 thousand people (1.1% of the total employment of the population), including volunteers, whose number was more than 80%.

The total amount of labor cost was about 26 bln. AMD

4. According to the results of the 5th section:

The structure of the income received, current transfers and social transfers in kind was as follows:

- income from the sale of goods and services – 1.2%:**
- current transfers and social transfers in kind – 93.9%:**
- investment grants – 3.5%:**
- other cash proceeds – 1.4%.**

5. The share of foreign sponsors in current transfers and social transfers in kind was 87.4%, and in investment grants - 41.8%, i.e. most of them were sponsored by local entities and persons.



Data analysis

6. Results of the 6th section:

The total intermediate consumption was estimated at 6.9 bln. AMD, representing 19% of the output of NPISH. Highest percentage in intermediate costs have rental payments for buildings, land and transport equipment (about 22 %).

7. According to the results of the 7th section:

The structure of charity costs, namely the purchase of goods and services for transfer to households amounted to about 3.1 bln.AMD. Their structure was the following:

- social protection – 31.3%:
- health care services – 8.1%:
- education services – 13.1%:
- cultural services – 41.1%:
- other services related to environmental protection, accommodation and other – 6.4%.



Data analysis

8. According to the results of the 8th section:

The structure of investment costs was as follows:

***Investment office costs* or own account capital expenses, incl. capital repair and construction of buildings, purchase of large inventory, equipment, transport equipment and other, *investment charity costs* or capital transfers, including housing construction and repair costs, water supply and irrigation, acquisition of various types of equipment, cultivated biological resources (perennial plantations and productive animals) were 41.1%, and 58.9% respectively.**

9. According to the results of the 9th section:

The change in the stocks of inventories for the survey period was insignificant (about 4 mln. AMD).

10. According to the results of the 10th section:

The net acquisition of non-financial assets during the survey period was negative.



Results and future work

The results obtained are shown in the table below:

	2015 Survey results	2015 Published data
Intermediate consumption	6881.8	7218.6
Payment for labour	26034.1	12675.3
Consumption of fixed capital	3373.3	2197.9
Output	36289.2	22091.8
Minus: sale of market goods and services	4422.0	-
Plus: purchases of goods and services for transfers to households	3132.2	9.9
Final consumption of NPISH	34999.4	22101.7
Gross capital formation (net acquisition of non-financial assets)	-625.0	2264.0

*



Results and future work

According to the data in the table, it is evident that the output of NPISH services for 2015 increased by 64.3%, and the final consumption of NPISH – by 58.4%.

It is necessary to carry out additional analysis of the results of the survey, refine the data on some economic activities and decide on a possible revision of the published data for the surveyed year and further use of the results in national accounts.



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STATISTICAL COMMITTEE OF THE REPUBLIC OF
ARMENIA

THANK YOU FOR YOUR TIME

Website: www.armstat.am

E-mail: info@armstat.am

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