



Central Bureau of Statistics

Press brief on National Accounts

Background

National accounts for Kenya dates as far back as 1949 when the East African Statistical Department prepared estimates of domestic income and product for the years 1947-1948. Subsequently, sources and methods were revised and improved and new statistical data were developed. The National Accounts eventually adopted to the United Nations System of National Accounts (SNA 1968). A third major revision was completed in 1976 with time series backdated to 1972 which was also the base year for the estimates at constant prices.

1993 SNA

After a long review process, a revised international national accounting standard was published by the UN in 1993, entitled 1993 System of National Accounts. This was the third major revision of international guidelines for national accounts. The previous two were known as 1953 SNA and 1968 SNA. The 1993 SNA retains the theoretical framework of its predecessor (1968 SNA). The changes consist mainly of clarifications and adjustments of concepts and definitions and an enlargement of the scope of the system.

Why Change from 1968 SNA to 1993 SNA?

Several changes have taken place in the Kenyan economy since the implementation of 1968 SNA in 1976. Therefore there was need to do a revision of the national accounts with the aim of keeping abreast with the dynamic nature of the economy. In line with this the revision was undertaken with a view of:-

- Implementing the new international guidelines as prescribed by the United Nations' System of National Accounts agreed on in 1993 (1993 SNA)
- Changing the base year for the estimates at constant prices (the previous base year was outdated);
- Using new data sources including results of intermittent surveys as well as the 1999 Population Census
- Improving the methodology; and
- Including production from areas that were previously not captured namely
 - ✓ Export Processing Zones (EPZ)
 - ✓ Horticultural
 - ✓ Informal sector

Effects of the implementation on national accounts key aggregates

- Increased level of Gross Domestic Product (GDP)
- Increased level of Gross Fixed Capital Formation (GFCF)
- Change in growth rates (GDP & GFCF)

Uses of National Accounts

- Economic analysis and research for monitoring the behaviour of the economy
- Informing the economic policy making and decision taking processes
- International comparisons (and therefore the need to follow internationally accepted guidelines)
- Co-ordination framework for economic statistics