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STATISTICS DEPARTMENT
IMMEDIATE OFFICE



BANK OF ZAMBIA

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

December 12, 2006

Mr Robert W Edwards
Director – Statistics Department
International Monetary Fund
Washington, DC 20431
USA

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REAL SECTOR

Dear Mr Edwards

**COMMENTS ON THE REVISION OF THE SYSTEM OF NATIONAL ACCOUNTS
1993**

The plan to incorporate statistical measurement of the assets and liabilities of all pension schemes, funded or unfunded, in the revision of the National Accounts 1993 (1993 SNA), is commendable. The need to fully record and account for government payment obligations arising from employee retirement is critical, due to the fact that the relative large size of the civil service produces a big impact on fiscal sustainability.

Understandably, government employee and social security schemes are combined in some countries. This should therefore make it imperative for the Task Force charged with resolving the problem of combined pension and social security schemes to develop statistical methods for disentangling the two. Social security schemes, that cater for the non – employee population, do not exist in the majority of third world countries. Accordingly, in order to enhance international comparability in national accounts statistics, stocks and flows relating to social security schemes should be measured and reported distinctively from those relating to government employee pension schemes.

In the case of the statistical imputation of the assets and liabilities for unfunded pension schemes, efforts should be made to apportion the assets and liabilities of the combined Government pension – social security schemes on the basis of the ratio of number of Government employees to that of non – employee population covered by the combined scheme.

We trust you will find our comments useful.

Yours sincerely

Denny H Kalyalya (Dr)
DEPUTY GOVERNOR - OPERATIONS

Cc: Governor
Deputy Governor - Administration