

PART-II

Capacity Building for Statisticians in CLM Countries by Statistics Experts in East Asia

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Chapter 1:
Background of this Capacity Building

Chapter 1: Background of this Capacity Building

1-1 Background

1) Economic Integration and Industrial Statistics in East Asia

a) East Asia Economic Integration

Amidst the increasing mutual dependence in the East Asian economy, significant discussions have taken place in recent years on the East Asia Community concept and East Asia Economic Integration. Activities can be seen in multiple areas, including the fact that political forums including the EAS (East Asia Summit), ASEAN Plus Three summit meetings, and ministerial meetings among member states are taking place more and more frequently within the East Asia region, and that efforts are being made toward developing free economic trade within the region, as symbolized by the recent establishment of a multinational EPA between China, Japan and Korea revolving around ASEAN.

These activities indicate that relationships within East Asian regions are becoming stronger than they were under de facto economic integration, both in terms of exchanges at the ministerial level and through the establishment of a trade system. Under these circumstances, industrial statistics that objectively present the characteristics of various industries within the region are becoming more important than ever. Moreover, these statistics need to be comparable on an international basis.

b) Recent Progress of the Projects for Industrial Statistics in East Asia

Several research projects have been undertaken in East Asia concerning the international comparability of industrial statistics from this perspective. First, the AMEICC-WGS (ASEAN-METI Economic and Industrial Cooperation Committee, Working Group on Statistics) surveyed the characteristics of industrial statistics for the past five years in ten ASEAN nations, and discussed the possibility of international comparison. Then EAMS (East Asia Expert Meeting on Manufacturing Statistics), which was established in 2007 under the ASEAN Plus Three framework, took the efforts of AMEICC-WGS one step further by testing international comparison, mainly within the manufacturing industry, to the four-digit ISIC (International Standard Industrial Classification of All Economic Activities) level.

2) Needs for CLM Capacity Building in Industrial Statistics

This work has revealed that the industrial classification system adopted by nations

within the region is not necessarily fully compatible with ISIC, which is hindering international comparison. It was confirmed that the CLM (Cambodia, Lao PDR, Myanmar) countries in particular lack sufficient experts on industrial classification because their classification system, NSIC (National Industrial Classification), does not exist in a practical sense. This is an issue that needs to be resolved without delay if we expect internationally comparable statistics to be structured in the CLM countries. That is because industrial classifications will not be used merely for particular statistics but in a wide range of fields, and if industrial classification is neglected, it will hinder future international comparison of a large range of statistics.

3) Objective of this Capacity Building

Based on this understanding, this project plans to provide the following technical assistance, mainly to statistics agency employees of CLM countries.

- a) Organize a team of experts employing a wide array of people with knowledge of the East Asian economy and industrial statistics, such as current or former officials of statistics offices in AMS, and provide assistance and guidance in drafting an NSIC for each CLM country. Specific methods would include the conduct of workshops and/or seminars.
- b) Provide sideline assistance as necessary on work within CLM countries such as creating an NSIC draft, and help the countries to complete an NSIC that is relevant within each CLM country while ensuring the international comparison.
- c) Provide training assistance beyond statistics agencies and for line ministries and agencies of each CLM country during the above process, and encourage them to set up and adopt the NSIC.

This project's activity is closely related to the project of "Developing Internationally Comparable Industrial Statistics in East Asia" that is conducted separately from this contract as an ERIA Research Project.

1-2 Capacity Building Carried Out in EAMS

1) What Is EAMS?

The East Asia Expert Meeting on Manufacturing Statistics (EAMS) consists of the ten ASEAN countries plus Japan, China and South Korea, making a total of 13 members. EAMS was established in January 2007.

EAMS' goal is to improve the international comparability of manufacturing statistics within the ASEAN+3 region. It is made up of government statistics departments and agencies, particularly those responsible for manufacturing statistics.

2) Capacity Building in EAMS' Activities

According to the Terms of Reference (TOR) and Work Program adopted at the first meeting in Tokyo in 2007, EAMS is emphasizing the importance of regional capacity building so that the international comparability is accomplished without any country left-behind.

However, capacity building initiatives undertaken in the past by EAMS (Table 1-1) targeted all ASEAN nations instead of focusing on CLM countries, and the method adopted was offering seminars. Experienced lecturers were dispatched from the central statistics bureau of the host country and from other countries and organizations, to give lectures to the participants. It was not a participatory-type seminar (such as a workshop) where participants actually engage in tasks. Moreover, it was only possible to hold a seminar lasting one to two days once a year (once every fiscal year). This proved insufficient, both in terms of duration and frequency.

Table 1-1 Capacity building program under EAMS

Period	Place (targeted country)	Countries other than the host country providing lecturers
Nov. 2006	Brunei	Malaysia, Thailand, Japan
March 2007	Philippines	Indonesia, Thailand, Japan, UNESCAP
July 2007	Lao PDR	Japan, Philippines, ASEAN Secretariat, EAMS Secretariat
Sept. 2007	Thailand	Japan, Indonesia, Vietnam, Philippines, UNESCAP
March 2008	Malaysia	Japan, Philippines, Indonesia Thailand

3) Development after the Second EAMS Meeting (July 2007: Vientiane, Lao PDR)

a) 2nd EAMS in 2007 (Vientiane, Lao PDR)

Needless to say, improvements in statistical comparability cannot be achieved with the efforts of a single nation alone. As gleaned from the term “comparability,” the effects become apparent only when multiple countries—as many as possible—have reached a similar level of statistics capacity building. For EAMS, which has focused on international comparability in the ASEAN Plus Three region, it is important to maintain a balance among the statistical capacity building status of the countries involved.

In this regard, the ASEAN Secretariat and representatives from Cambodia, Lao PDR and Myanmar requested intensive capacity building in the three countries, at the Second EAMS Meeting (in July 2007 at Vientiane, Lao PDR). In the East Asia region, where statistical capacity building has progressed in recent years, the three countries have been relatively slow in making progress. Needless to say, statistical capacity building has been also pursued with a high awareness at the level of the central statistics bureau in these countries. However, to standardize and execute work at a working level, support by experts from outside the region is needed.

All EAMS participating countries consented to the request, and it was decided to continue studying specific measures.

b) 3rd EAMS in 2008 (Beijing, China)

In 2008, a full effort began to establish ERIA, as proposed by the Japanese government. In response, Ministry of Economy, Trade and Industry of Japan, which serves as the EAMS secretariat, proposed that capacity building for Cambodia, Lao PDR and Myanmar can be undertaken as an ERIA project at the Third EAMS Meeting (May 2008; Beijing, China).

EAMS is a meeting of government statistics organizations of 13 countries, within the framework of ASEAN Plus Three nations. A number of restrictions are likely to be imposed on support activities in the framework. However, ERIA is for think tank activities pursued by experts in various areas, unlike meetings between governments. In this regard, ERIA is considered quite desirable for capacity building, as a scheme for flexibly utilizing the capabilities of statistics experts inside and outside of the region.

The proposal by Ministry of Economy, Trade and Industry of Japan was accepted by the CLM countries and other EAMS participating countries. Planning of CLM capacity building was then promoted based on the ERIA scheme.

4) From EAMS TO ERIA

In view of the above, the first workshop for CLM capacity building (July 2008, in Vientiane, Lao PDR) was held as an EAMS project. Then, as the ERIA project organization took form, the second workshop (December 2008, Phnom Penh, Cambodia) and the third workshop (February 2009, Nay Pyi Taw, Myanmar) were held as ERIA projects. In these projects, two core members were invited from each of the three CLM countries to the host country, instead of targeting participants from the host country only. The measure aims to enhance the impact of seminars and training.

1-3 Approach (Expected Goals and Team Structure)

1) Expected Goals

a) Expectations for Final Policy Recommendations

Policy recommendations are not limited to the CLM countries, but are also intended for the national statistical agencies that should provide support to CLM, all national governments, international organizations (UNSD etc.), AHSOM and the ASEAN Secretariat. Expected policy proposals are outlined below:

- Recommendation regarding construction of NSIC to reflect industrial structure of own country
- Recommendation regarding system to support and train industrial classification experts in the East Asian region
- Recommendation regarding system to support and train statistical experts in the East Asian region
- Recommendation regarding building a human network of industrial statistical experts in the East Asian region

To carry out the policy recommendations mentioned above, this project will implement the following initiatives:

- Train experts on industrial classification in CLM (including both statistical offices and other associated ministries/agencies as a target).
- Complete, enforce and set up NSIC in CLM.
- Improve the quality of the overall database of East Asian industrial statistics by improving the standard of industrial statistics in CLM.
- Establish a system of training industrial statisticians within the region, using a team of statistics experts.

b) Expected Policy Recommendations within this single year (FY2008)

Policy recommendations are intended for statistical agencies in the CLM countries, CLM national governments, AHSOM and the ASEAN Secretariat. Expected policy proposals for CLM countries based on work undertaken in this fiscal year are outlined below:

- Recommendation regarding construction of NSIC (Section C) to reflect industrial structure of own country
- Recommendation regarding urgent training for industrial classification experts
- Recommendation regarding capacity building for statistical experts

- Recommendation regarding raising awareness of the accountability of statistics

To carry out the policy recommendations mentioned above, this project will implement the following initiatives:

- Organize a team of experts employing a wide range of people with knowledge of the East Asian economy, industrial statistics and industrial classification such as current or former members of statistics agencies in ASEAN nations.
- Host workshops aimed at producing a draft NSIC (for the manufacturing industry).
- Through these activities, identify issues related to training CLM statistics personnel and suggest the types of assistance that should be provided by international institutions and governments in order to resolve these issues.
- Scrutinize specific details and set to work to create roadmaps regarding capacity building for statistical experts.

2) Team Structure

a) The Whole Picture

The team comprises of Experts on Industrial Classification (WG) and a Secretariat. Experts on Industrial Classification is formed by people with knowledge of the East Asian economy, industrial statistics and industrial classification such as current or former staff of statistics offices in ASEAN nations. Experts on Industrial Classification assume teaching roles in workshops and seminars in CLM, and develop their programs. In order to make viable policy recommendations, the Secretariat of WG manages Experts on Industrial Classification.

The Secretariat of WG collaborates closely with the Steering Committee established within the “Developing Internationally Comparable Industrial Statistics in East Asia” project, which is conducted as an ERIA Research Project separately of this project. By doing so it operates this project effectively to enable it to develop statistics personnel in CLM countries in conjunction with the entire East Asian region's project to improve the international comparability of industrial statistics. The Secretariat of WG collaborates with EAMS and other associated meetings outside the region.

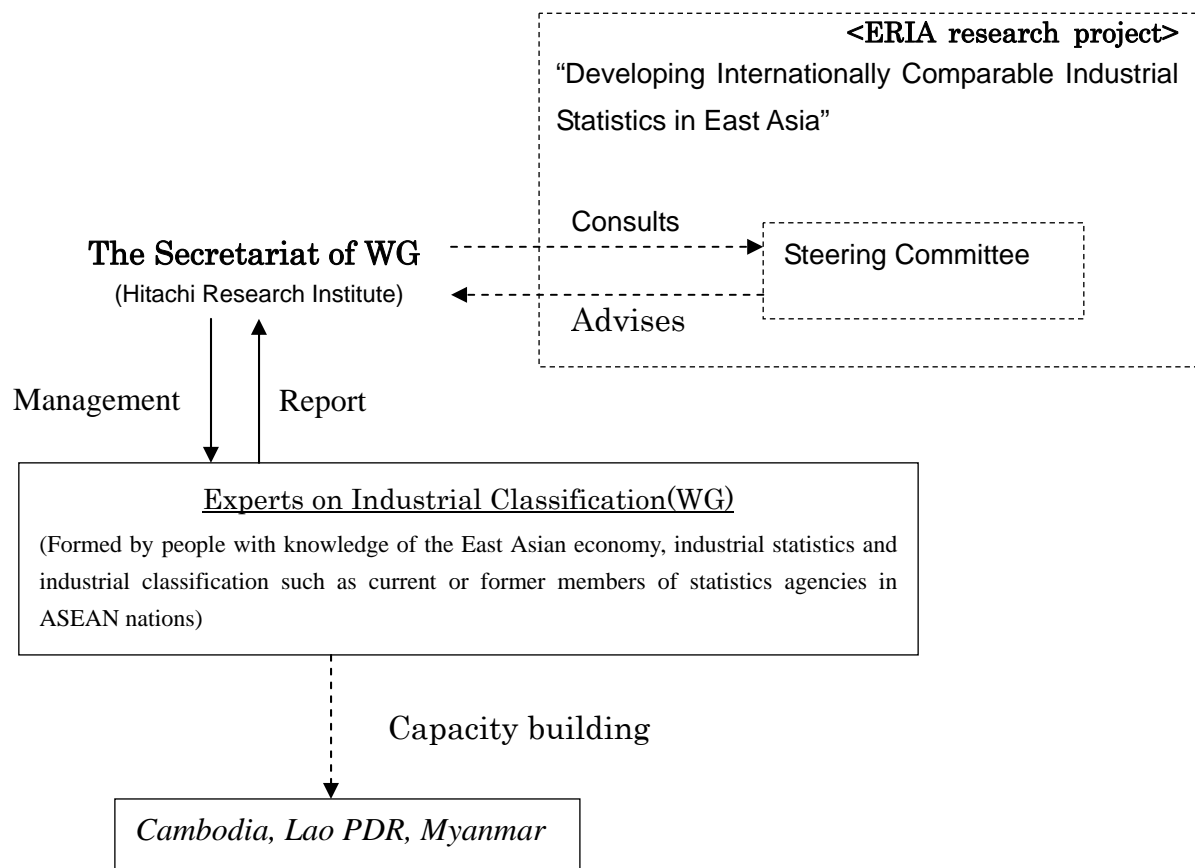


Chart 1-1 Team Structure

b) Team Members

Leader: Dr. Tomoyuki Kuroda (EAMS Secretariat / Hitachi Research Institute)

Members: Ms. Pin Pin Quah* (Consultant, Malaysia)

Ms. Estela T. De Guzman* (The Philippines)

(*) s indicates members of Working Group.

Resource Person: Dr. Agus Sutanto (ASEAN Secretariat)

c) Working Group Members (Experts on Industrial Classification)

Team Leader: Ms. Pin Pin Quah (EAMS Secretariat / Consultant, Malaysia)

Member: Ms. Estela T. De Guzman (The Philippines)

- Formed by people with knowledge of the East Asian economy, industrial statistics and industrial classification such as current or former members of statistics agencies in ASEAN nations.

- Research items include:

- * Host workshops in each CLM country with the aim of producing a draft NSIC (for the manufacturing industry), and assume teaching roles.
- * Assist each CLM country with creating a draft NSIC (for the manufacturing industry).
- * Through these activities, identify issues related to training CLM statistics personnel and make suggestions for resolving them.

d) Secretariat (Hitachi Research Institute)

Chief Researcher:	Dr. Tomoyuki Kuroda (Mr.)
Senior Researcher:	Mr. Yasushi Nakamura
Senior Researcher:	Mr. Takashi Takahashi
Assistant Researcher:	Ms. Melissa Pedreschi

1-4 Activities Carried Out in FY2008 (Workshops)

1) Meeting and Workshop Schedule

Table 1-2 Meeting and Workshop Schedule for FY2008

	Experts on Industrial Classification (WG)	Secretariat
October	Organization	Planning
November		
December	WG Meeting in Cambodia	Management of WG Meeting
	WS in Cambodia	Management of WS
January	(Planning for the Next WS)	
February	WS in Myanmar	Management of WS
March	Experts' Team Report	
	Final Report	

2) Workshop and Reporting Process

- October 2008

In October 2008 when the Project started, the Team Members and Secretariat collaborated to establish the research organization. Those involved then worked together to develop schemes on how to proceed with the Project, images of participants involved with capacity building, program planning and other matters. In these efforts, the outcomes of the first CLM Workshop of EAMS (July 2008, Vientiane, Lao PDR) proved to be very useful as a reference.

- December 2008 (WG Meeting)

At the Meeting, the plan for a workshop held in the same city (Phnom Penh) on the following day was finalized, and discussions were held on the scheme for the workshop to be held in Myanmar in February 2009, as well as the results obtained by the end of FY2008.

During the Meeting, Mr. Foo Suan Tow, former official of Malaysian statistics bureau, offered temporary assistance. (He also served as a lecturer at the Phnom Penh Workshop, together with Ms. Pin Pin Quah.)

* Date: 3 December 2008

* Venue: Phnom Penh, Cambodia (Phnom Penh Hotel)

* Participants:

Leader: Dr. Tomoyuki Kuroda (EAMS Secretariat / Hitachi Research Institute)

WG Team Leader: Ms. Pin Pin Quah (Consultant, Malaysia)

Temporal Member: Mr. Foo Suan Tow (Consultant Malaysia)

Secretariat (Hitachi Research Institute)

Senior Researcher: Mr. Takashi Takahashi

Assistant Researcher: Ms. Melissa Pedreschi

- December 2008 (CLM Workshop in Cambodia)

On December 3 to 4, 2008, the first CLM Workshop was held by ERIA in the Cambodian capital of Phnom Penh. Details are discussed below, and only the dates and participants are indicated here.

* Date: 3-4 December 2008

* Venue: Phnom Penh, Cambodia (Phnom Penh Hotel)

* Participants:

Cambodia:

Mr. Kanthul Mich (National Institute of Statistics, Cambodia)

Mr. Teav Rongsa (National Institute of Statistics, Cambodia)

(Other 7 observers from the line Ministries (Ministries/Agencies concerned))

Lao PDR:

Mr. Bounmy Vilaychith (Department of Statistics, Lao PDR)

Ms. Sengphet Sengmeuang (Ministry of Industry and Commerce)

Myanmar:

(Failed to attend due to the Bangkok International Airport's shut down)

WG Team Leader / Workshop Facilitator:

Ms. Pin Pin Quah (Consultant, Malaysia)

Temporal Member (Temporal Lecturer):

Mr. Foo Suan Tow (Consultant Malaysia)

Secretariat (Hitachi Research Institute)

Chief Researcher: Dr. Tomoyuki Kuroda

Senior Researcher: Mr. Takashi Takahashi
Assistant Researcher: Ms. Melissa Pedreschi

- February 2009

Following the CLM Workshop in Cambodia, the second CLM Workshop of the ERIA Project was held in the new capital of Myanmar, Nay Pyi Taw, on February 25 and 26, 2009. The details are discussed below, so only the dates and participants are indicated here.

* Date: 25-26 February 2009

* Venue: Nay Pyi Taw, Myanmar (Royal Kumudra Hotel)

* Participants:

Cambodia:

Mr. Kanthul Mich (National Institute of Statistics, Cambodia)

Mr. Teav Rongsa (National Institute of Statistics, Cambodia)

Lao PDR:

Mr. Bounmy Vilaychith (Department of Statistics, Lao PDR)

Ms. Sengphet Sengmeuang (Ministry of Industry and Commerce)

Myanmar:

Mr. Aung Myint Than (Central Statistical Organization, Myanmar)

Ms. Khin Mar Yi (Central Statistical Organization, Myanmar)

(Other 15 observers from the line Ministries (Ministries/Agencies concerned))

* Mr. Tun Tun Naing (Deputy Director General, CSO-Myanmar) chaired the group session for Myanmar.

WG Team Leader / Workshop Facilitator:

Ms. Pin Pin Quah (Consultant, Malaysia)

Secretariat (Hitachi Research Institute)

Chief Researcher: Dr. Tomoyuki Kuroda

Senior Researcher: Mr. Takashi Takahashi

- March 2009

The WG Members and the Leader compiled the Country Reports for Cambodia, Lao PDR and Myanmar. The Reports were made possible through information exchange between Ms. Pin Pin Quah, the WG Team Leader who served as the

facilitator at the two Workshops (three Workshops if the one held by EAMS in July 2008 is included), and Ms. Estela T. De Guzman, a WG Team Member who is an expert on industrial statistics in the ASEAN region.

The Secretariat added supplementary comments to some of the Chapters, producing the Final Report.

On March 23rd, 2009, the final Meeting of the Team Members was held in Jakarta. Activities of the CLM Workshop during FY2008 were reported, and the Final Report was approved.

Chapter 2:

Introduction: CLM Workshop in Lao PDR by EAMS

Chapter 2: Introduction: CLM Workshop in Lao PDR by EAMS

2-1 EAMS and CLM Capacity Building

1) Background of the Efforts

The direct factor that resulted in the holding of this Workshop was that the ASEAN Secretariat and representatives of Cambodia, Lao PDR and Myanmar indicated the need for intensive capacity building efforts in these three nations, at the second EAMS Meeting (July 2007, Vientiane, Lao PDR). Moreover, in the Third EAMS Meeting held in 2008 (Beijing, China), the Japanese government proposed that the CLM capacity building be promoted at ERIA.

However, it was decided to implement CLM capacity building at EAMS as a tentative measure, until the ERIA Project organization was finalized. This was quite natural, considering the series of events that had hitherto taken place. Even though it was a tentative measure, this was the first instance of capacity building efforts focusing on CLM nations in the area of industrial statistics. It can be an important test case for future ERIA Projects. Another innovative measure was that the Workshop proceeded through two-way communications between the Facilitator and participants, to identify important perspectives for configuring the National Standard Industrial Classification (NSIC).

2) Workshop style and development

It has been a custom of EAMS to hold seminars that mainly focus on lectures. However, it was easy to see that creating NSIC would involve tasks that require an exchange of technical opinions, rather than sitting and listening to experts' lectures. It was therefore decided to hold a participatory-type Workshop for the CLM capacity building.

The next topic discussed was how to develop the Workshops, or whether to hold several Workshops that target one CLM nation, or to hold several Workshops that focus on all three nations. It was decided to adopt the latter method, considering the current status of industrial classification in the three nations and the time needed for NSIC configuration, among other factors. CLM capacity building started based on the basic scheme of EAMS to improve the international comparability of statistics. In this regard, simultaneous configuration of industrial classifications among the three nations was considered desirable. It was therefore reasonable that the latter method of development be adopted.

In this case, holding several Workshops targeting all three nations means that the

core members (two persons as a rule) from the three CLM nations are participating in all Workshops irrespective of where they are held, and the host country is to solicit as many related persons as possible to attend as observers, including officers of related ministries and agencies.

2-2 CLM Workshop in Vientiane, Lao PDR

1) Venue and participants

- Date: 29-31 July 2008

- Venue: Vientiane, Lao PDR (Lao Plaza Hotel)

- Participants:

Cambodia:

Mr. Kanthul Mich (National Institute of Statistics, Cambodia)

Mr. Teav Rongsa (National Institute of Statistics, Cambodia)

Lao PDR:

Mr. Bounmy Vilaychith (Department of Statistics, Lao PDR)

Ms. Sengphet Sengmeuang (Ministry of Industry and Commerce)

(Eight other observers from the line ministries (ministries/agencies concerned))

Myanmar:

Mr. San Myint (Central Statistical Organization, Myanmar)

Mr. Aung Myint Than (Central Statistical Organization, Myanmar)

Workshop Facilitator:

Ms. Pin Pin Quah (EAMS Secretariat / Consultant, Malaysia)

Secretariat (Hitachi Research Institute)

Chief Researcher: Dr. Tomoyuki Kuroda

Researcher: Mr. Akira Shibanuma

Assistant Researcher: Ms. Melissa Pedreschi

2) Objective

To help improve the international comparability of manufacturing industry statistics, support is given to efforts for configuring NSIC (pursuant to ISIC Rev.4/EAMIC, only for Section C [Manufacturing industries]) by CLM nations (Cambodia, Lao PDR and Myanmar).

3) Program outline

- 29 July 2008

* Purpose of workshop and administrative matters (Workshop Facilitator)

* Country Presentation on the usage and implementation of NSIC

* Presentation on ISIC Rev.4 and EAMIC (Workshop Facilitator)

- 30 July 2008

* Group workshop on the development of Draft NSIC (manufacturing sector)

- 31 July 2008

* Revision and preparation of presentation materials by working groups

* Presentation by working groups

4) Current status and issues of each CLM nation

a) Current status

The current status and issues of each country, which were clarified through the Workshop, are organized into the following Table.

Table 2-1 Current Status and Issues of Three Nations at the time of EAMS Lao PDR Workshop (as of July 2008)

	Cambodia	Lao PDR	Myanmar
Application of industrial classifications	<ul style="list-style-type: none"> The National Institute of Statistics (NIS) uses ISIC Rev.4 (four or three digits). The use of ISIC has not progressed in other ministries 	<ul style="list-style-type: none"> Department of Statistics (DoS) uses ISIC Rev.4 (four digits) (by correspondence table from Rev.3) The use of ISIC has not progressed in other ministries 	<ul style="list-style-type: none"> Central Statistical Organization (CSO) uses NSIC based on ISIC Rev.3
Operating body of industrial classification	<ul style="list-style-type: none"> Standard classification preparation is managed by NIS A division in charge (statistical standards and analysis) is to be established in NIS 	<ul style="list-style-type: none"> Preparation of standard classifications is under management of DoS There is a division in charge (Data Collection Department) within DoS 	<ul style="list-style-type: none"> Preparation of standard classifications is managed by the First Industrial Ministry There is no division in charge within CSO
Progress in NSIC configuration	<ul style="list-style-type: none"> The person in charge at NIS is preparing drafts 	<ul style="list-style-type: none"> A working team made up of persons in charge at related ministries is at work 	<ul style="list-style-type: none"> The CSO representative is preparing a draft
Major issues	<ul style="list-style-type: none"> Getting related ministries involved Obtaining the support of officers of aid organizations active with NIS 	<ul style="list-style-type: none"> Gaining the understanding of the head of each ministry 	<ul style="list-style-type: none"> Getting related ministries involved

b) Future directions

The following items are expected to grow in importance in future processes:

- Holding of several Workshops for preparing the NSIC (NSIC preparation workshops)
- Maintenance and continuation of study meetings by officers in charge of industry classifications and manufacturing industry statistics of CLM nations
- Organization of a team in which related ministries are also members, in addition to those of the statistics bureau
- NSIC draft preparation led by the above team, and support by experts and a facilitator
- Even if NSIC is successfully prepared, support for consolidation is needed for it to find practical application
- Organization of reference materials that can be useful in actual tasks (Conversion table with ISIC Rev.4, major classification examples, etc.)

(Reference) Examples of NSIC (Section C) Draft at CLM Workshops of EAMS

<Policies for preparation (examples)>

- Structural change is not made at the levels of ISIC Rev.4 and four-digit EAMIC (changing to terms that would not affect the structure is acceptable)
- The fifth digit (Sub-class) will be established when it becomes necessary to break down the ISIC Rev.4 and four-digit (Class) of EAMIC further, to reflect the socioeconomic situation of each country.

<Examples>

ISIC		NSIC Draft	
1071	Manufacture of bakery products	1071	Manufacture of bakery products
		10711	Manufacture of western bakery products
		10712	Manufacture of traditional bakery products

ISIC		NSIC Draft	
1077	Manufacture of processed spices, sauces, condiments, and other cooking products	1077	Manufacture of processed spices, sauces, condiments, and other cooking products
		10771	Manufacture of processed spices
		10772	Manufacture of sauces
		10779	Manufacture of processed condiments, and other cooking products

ISIC		NSIC Draft	
2023	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	2023	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
		20231	Manufacture of soap
		20232	Manufacture of detergents
		20233	Manufacture of cleaning and polishing preparations and toilet preparations
		20234	Manufacture of perfumes
		20239	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations, n.e.c

ISIC		NSIC Draft	
3011	Building of ships and floating structures	3011	Building of ships and floating structures
		30111	Building of commercial vessels
		30112	Building of fishing boats
		30119	Building of ships and floating structures, n.e.c

Chapter 3:
CLM Workshops in ERIA Project (FY 2008)

3-1 Overall Plan

The capacity building project for the CLM countries on the development of the NSIC (Manufacturing Sector) at the 5-digit level based on the ISIC Rev.4/ EAMIC was initiated under the EAMS project in July 2008.

During the workshop held in Lao P.D.R. as reported in Chapter 2, all three participating countries successfully developed a preliminary draft structure of their respective NSIC.

Each participating county was expected to form a working team to continue working on the draft and circulate the draft to related line ministries for comments and feedback.

With this, a work plan was formulated under a similar structure for ERIA Project FY2008.

A two-day workshop was held in Cambodia on December 3 and 4, 2008, with two participants from each country. For the host country, observers from line ministries and agencies as well as from the Statistical office were invited to the workshop.

The main objective of this workshop was to review the draft NSIC developed during the first workshop held in Lao P.D.R., with feedbacks received from the line ministries and other team members.

The last workshop of the FY 2008 was held in Myanmar on February 25-26, 2009, the structure and format of the workshop remained the same.

The main objective of this workshop was to review the NSIC draft structure and to start drafting the detail notes for the five-digit NSIC.

The purpose of holding the workshop once in each country was to enable more officials from the Statistical Organization of the host country as well as the officers from the line ministries/agencies to be involved.

At each workshop, participants were presented with an overview of the United Nations classification family in general and the International Standard Industrial Classification of All Economic Activities (ISIC Rev. 4) in particular. The importance and purpose of ISIC, the changes made in ISIC Rev. 4 from ISIC Rev. 3, which is a much improved tool for

international data comparison were emphasized.

3-2 CLM Workshop in Phnom Penh, Cambodia

1) Venue and participants

- Date: 3-4 December 2008

- Venue: Phnom Penh, Cambodia (Phnom Penh Hotel)

- Participants:

Cambodia:

Mr. Kanthul Mich (National Institute of Statistics, Cambodia)

Mr. Teav Rongsa (National Institute of Statistics, Cambodia)

(Seven other observers from the line ministries (ministries/agencies concerned))

Lao PDR:

Mr. Bounmy Vilaychith (Department of Statistics, Lao PDR)

Ms. Sengphet Sengmeuang (Ministry of Industry and Commerce)

Myanmar:

(Unable to attend due to shutdown of Bangkok International Airport)

WG Team Leader / Workshop Facilitator:

Ms. Pin Pin Quah (Consultant, Malaysia)

Temporal Member (Temporal Lecturer):

Mr. Foo Suan Tow (Consultant, Malaysia)

Secretariat (Hitachi Research Institute)

Chief Researcher: Dr. Tomoyuki Kuroda

Senior Researcher: Mr. Takashi Takahashi

Assistant Researcher: Ms. Melissa Pedreschi

2) Objectives

The Workshop was a continuation of the one held in Lao PDR in July 2008 as a Project of EAMS, but it was the first CLM Workshop held as part of the statistics projects of ERIA. The actual work performed was to closely examine the NSIC of each country at the five-digit level (for the manufacturing section only). The opinions of related ministries were obtained, with the aim of completing the main industrial classifications.

3) Program (Main items)

- 3 December 2008

- * Explanation of the objectives of the Workshop and sharing of recognition (Facilitator)
- * Presentation by each country:
 - Current status of Draft NSIC (five-digit) preparation work
- * Explanation on uses of ISIC Rev.4 and NSIC and their importance (Speaker)

- 4 December 2008

- * Presentation by each country:
 - Current status of adjustments being made with related Ministries regarding Draft NSIC
- * Group Workshop (Work by each country for completing the draft NSIC)
- * Discussion

4) Progress in Workshop

The following presentations by each country, the participants started work on completing the draft NSIC (five-digit). This was the core task of the Workshop.

Since Lao PDR had already clarified the issues, work progressed steadily, mainly through direct conversations with the speaker. Cambodia took advantage of its position as host country and formed a working team of seven to eight members, including the personnel in charge at NIS and related ministries, to configure NSIC.

5) Conclusion

Even though Lao PDR proceeded steadily with the work, the outcome was only a draft by staff from the Department of Statistics (DOS) and Ministry of Industry and Commerce (MOIC). They will take the draft back to their country and make adjustments within the Ministry and with related ministries.

The Cambodian team continued with the work to the last minute, but the draft was not completed and some issues had yet to be resolved.

The work was continued at the next Workshop (Myanmar), with each country starting to draft the detail note for each classification.

3-3 CLM Workshop in Nay Pyi Taw, Myanmar

1) Venue and participants

- Date: February 25-26, 2009

- Venue: Nay Pyi Taw, Myanmar (Royal Kumudra Hotel)

- Participants:

* Cambodia:

Mr. Kanthul Mich (National Institute of Statistics, Cambodia)

Mr. Teav Rongsa (National Institute of Statistics, Cambodia)

* Lao PDR:

Mr. Bounmy Vilaychith (Department of Statistics, Lao PDR)

Ms. Sengphet Sengmeuang (Ministry of Industry and Commerce)

* Myanmar:

Mr. Aung Myint Than (Central Statistical Organization, Myanmar)

Ms. Khin Mar Yi (Central Statistical Organization, Myanmar)

(Fifteen other observers from the line ministries (ministries/agencies concerned))

Mr. Tun Tun Naing (Deputy Director General, CSO-Myanmar) chaired the group session for Myanmar.

WG Team Leader / Workshop Facilitator:

Ms. Pin Pin Quah (Consultant, Malaysia)

Secretariat (Hitachi Research Institute)

Chief Researcher: Dr. Tomoyuki Kuroda

Senior Researcher: Mr. Takashi Takahashi

2) Objectives

As a continuation of the Workshop held in Phnom Penh in December 2008, work continued to closely examine the NSIC of each country at the 5-digit level. The three points of focus at the Workshop were as follows:

- Follow-up for Myanmar representatives who were unable to participate in the previous Workshop because of the closing of Bangkok airport
- East Asia Manufacturing Industry Classification (EAMIC), which the CLM countries have used as the basic reference for NSIC, was partially revised as EAMIC Ver.1 in February 2009. The information was shared and the revision was reflected in the DRAFT NSIC.
- Start compiling detailed notes, in addition to preparing five-digit codes for NSIC (Section C only)

3) Program (major items)

- 25 February 2009
 - * Introduction to ISIC Rev.4 for agencies concerned in Myanmar (from Facilitator)
 - * East Asia Manufacturing Industry Classification (EAMIC) Ver.1 (from Facilitator)
 - * Group workshop on detailed notes for Draft NSIC (Section C)
- 26 February 2009
 - * Group workshop on detailed notes for Draft NSIC (Section C) (*cont.,*)
 - * Discussion

4) Progress in Workshop

Many observers from the host country Myanmar attended, so the Facilitator introduced the industrial classification system at the beginning of the Workshop. Thereafter, each country worked to configure the industrial classifications as in the previous Workshop.

The work volume was substantial, especially for the preparation of detailed notes for each of the classes (4-digit) and sub-classes (5-digit) of the industrial classifications, so the majority of the two-day work period was devoted to this purpose.

The outcomes of these tasks are summarized in Chapters and References below.

Chapter 4:
Country Report on CLM Countries:
Through the Workshops in FY2008

4-1 Country Report for Cambodia

The National Institute of Statistics (NIS) had fully adopted the International Standard Industrial Classification of All Economic Activities (ISIC) for its surveys:

ISIC Rev. 2 was used for the Establishment Survey 1993

ISIC Rev. 3 was used for the Establishment Survey 1995 and 2000

ISIC Rev. 4 was used for the Establishment Survey 2007

Using ISIC at a higher level or at the 4-digit level will not be able to classify the economic activities which are of importance to the country. Under this project, the NIS has started developing the CSIC at 5-digit level based on the ISIC Rev. 4/Draft EAMIC.

Participants were briefed on the importance of having a national standard industrial classification and the basic principles that are used in the construction of the national standard industrial classification had been discussed and highlighted during all the workshops sessions. Despite the one to one session during the country working group session, the status of the Draft CSIC structure was still unsatisfactory. This was mainly due to:

- Limited knowledge on the subject matter (Manufacturing Industry)
- Tendency to develop code without referring to the source document (ISIC Rev.4)

With this, at the end of the workshop held in Myanmar, the draft CSIC still remained at the preliminary draft CSIC structure.

The work plan of NIS is to implement the CSIC by 2010. In order for the plan to materialize, NIS needs to form a bigger working group consisting of officials who are subject matter specialists (Manufacturing Sector) and who have basic knowledge in ISIC. Consultative workshops need to be carried out to review and provide guidance to the NIS working group.

4-2 Country Report for Lao P.D.R.

The Department of Statistics (DOS) has never developed its own National Standard Industrial Classification to be used in coding the industrial surveys/census. DOS fully adopted the ISIC Rev. 3 for their previous industrial surveys, and has used the ISIC Rev. 4 for their more recent economic census and surveys.

In collaboration with main stakeholders, DOS had initiated the idea of developing NSIC in 2005, when the ASEAN Common Industrial Classification (ACIC) Task Force was established.

During the workshop held in Lao P.D.R. in July 2008, the main stakeholders were invited to participate in the workshop, and an inter-agency working team was formed. The main stakeholders are as follows:

- Ministry of Industry and Commerce
- Ministry of Energy and Mines
- Ministry of Finance (Tax and Customs Department)
- Ministry of Agriculture and forestry
- Ministry of Public Work and Transportation

With the active participation of the line ministries officials, the Draft LSIC structure was developed. The structure was further revised at the workshop held in Cambodia. At the workshop held in Myanmar, the participants started to work on detailed notes of the Draft LSIC structure. During the process, the Draft LSIC was being reviewed further and a better Draft LSIC structure was developed.

Even though the participants had attempted to insert detailed notes for the 5-digit draft LSIC, the format used was not fully proper and the detailed notes were incomplete.

To facilitate the development of the Draft LSIC with detailed notes, a small working team need to be formed within DOS and consultative workshops need to be carried out to review and provide guidance to the DOS working group

4-3 Country Report for Myanmar.

Myanmar first developed the National Standard Industrial Classification known as the Burma Standard Industrial Classification (BSIC) in 1954 based on ISIC 1948. The Central Statistical Organization used this BSIC until the 1980s without any changes or updating.

Under the e-ASEAN framework agreement, Myanmar established a number of working groups, one of which was the Working Group for Industrial Classification Codes (ICC). In view of the BSIC which was outdated and was not suitable to be used for the National Manufacturing Survey (NMS) 2003, the WG ICC developed a National Industrial Classification at the 4-digit level which was not based on ISIC, the coding structure was based on the framework of the National Income compilation. Thus, this classification system is not compatible to ISIC.

CSO and the WG ICC started the work plan on revising the national classification based on ISIC Rev. 4 when the ASEAN Common Industrial Classification (ACIC) Task Force was established.

The 1st draft of the MSIC (Manufacturing Sector) structure at the 5-digit level based on ISIC Rev. 4/Draft EAMIC was developed during the CLM Workshop held in Lao P.D.R.

The draft MSIC structure (Manufacturing Sector) was further reviewed with valuable inputs from the line ministries officials who attended the workshop held in Myanmar on February 25-26, 2009.

To speed up the development of the MSIC (Manufacturing Sector) 5-digit level with detailed notes, CSO set-up an inter-agency committee to discuss and review the draft MSIC on a regular basis.

The line ministries involved were:

- Ministry of Livestock & Milk Products Enterprise
- Energy Planning Department
- Central Equipment Statistics and Inspection Department
- Foreign Economic Relations Department
- Planning Department

- Department of Cottage Industries
- Department of Electric Power
- Department of Industrial Supervision & Inspection
- Directorate of Industry
- Directorate of Myanmar Industrial Planning

Even though the line ministries officials had participated actively during the workshop held in Myanmar, it was noted that the line ministries officials still did not perfectly understand the purpose and nature of standard industrial classification and the scope of classification.

A more specific briefing on the purpose and nature of the classification, the structure and coding system and scope of classification to the CSO working team as well as the line ministries officials will enhance the development of MSIC (Manufacturing sector) at 5-digit level.

Chapter 5:
POLICY RECOMMENDATIONS: ISSUES AND
PROPOSAL FOR THE FURTHER CAPACITY
BUILDING IN CLM COUNTRIES

5.1 Summary of Issues and Proposals

One common feature among the CLM countries was that there was no national standard industrial classification developed based on the International Standard Industrial Classification of All Economic Activities (ISIC). Cambodia and Lao P.D.R. applied the 4-digit ISIC codes directly for their economic surveys/census. Myanmar developed their own 4-digit industrial codes which were not conformed to the ISIC structure.

The lack of full understanding of the importance of having a national standard industrial classification among the line ministries existed in all the countries.

In the case of Lao P.D.R., the establishment of an inter-agency working team had enhanced the development of the Draft LSIC (manufacturing sector). Working on the Economic Census data also gave the Department of Statistics officials, who were the focal point for the development of the LSIC, a better understanding of the manufacturing industries.

The constraints faced by Lao P.D.R was a lack of manpower at the Department of Statistics.

For Cambodia, the status of Draft CSIC structure (Manufacturing) was a long way behind schedule. The main reasons were:

- Officials involved have limited knowledge of industrial classifications
- Limited knowledge on the subject matter(Manufacturing Industry)

It was noted that good progress was made at the first workshop, but the activity slowed from the second workshop and little progress was made during the third workshop.

To be able to develop a good CSIC (Manufacturing Sector), there was an urgent need to form a working team at the National Institute of Statistics, consisting of officials who were members of the ASEAN Common Industrial Classification(ACIC) Task Force, officials who had attended various meeting/workshops on ISIC Rev. 4 since 2002, and officials who are subject matter specialists in manufacturing statistics.

Myanmar has made good progress, despite the fact that Myanmar participants were not

able to participate in the second workshop held in Cambodia in December 2008 due to the closure of Bangkok International Airport.

The proactive approach taken by the Central Statistical Organization was the setting up of an inter-agency committee with the aim of helping line ministries understand the importance of national standard classifications.

It was noted that the basic principle of the ISIC was still not perfectly understood by the officials from the line ministries, and that further explanation is necessary so the members involved will not get confused between the industry code and the commodity code.

5.2 Suggestion for the Future Capacity Building Programs for CLM Countries

To enable the capacity building program for CLM countries to move forward more efficiently and effectively, it is recommended that bilateral workshops be conducted.

To be able to complete the task of capacity building for CLM countries in developing their respective NSIC, the approach for the FY2009 should be:

Two bilateral consultative workshops shall be conducted by an expert in industrial classification, particularly on ISIC Rev. 4/EAMIC and ACIC.

The first consultative workshop

The duration of the bilateral consultative workshop shall be five days. The workshop shall be held at the National Statistical Office.

The workshop shall be conducted in two parts. Part 1 will be a one-day workshop involving participants from the line ministries as well as the core team members from the statistical organization. The participants will be taught the principles of statistical classifications, the use of statistical classifications for policy decisions and implementation, definitions, concepts, structure setting, rules for identifying detailed categories and the preparation of detailed notes. Participants will also be taught the concept and definition of manufacturing as an economic activity.

Part 2 will be hands-on working and discussion with the core team members from the

statistical organization who are responsible for the development of the NSIC.

The second consultative workshop

The duration of the bilateral consultative workshop shall be five days and shall be held at the National Statistical Office.

The workshop consists of three parts. Part 1 will be a review of the work done by the core team members, with further discussion and a check of the consistency of the full draft NSIC (manufacturing sector) at the 5-digit level including the detailed notes.

Part 2 will be a one-day workshop with the participation of all line ministries. The core team members from the statistical organization will present the full draft NSIC (manufacturing sector) at the 5-digit level with detailed notes to all participants for discussion and suggestions.

Part 3 will be a one-day meeting with the core team members to discuss and review the comments and suggestions received at the inter-agency workshop. Incorporate the changes and finalize the Draft NSIC (Manufacturing Sector) at the 5-digit level for presentation to the Statistical Organization for endorsement and implementation.

