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Lessons Learnt from Three Social Accounting Matrices

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Abstract

The social accounting matrix (SAM) is a comprehensive disaggregate, consistent and complete data system that captures interdependences existing within a socioeconomic system. While the disaggregated version of the SAM represents the database for the computable general equilibrium (CGE) analysis, and the aggregated version is a step to building the disaggregated SAM, this study seeks lessons from the aggregated versions taking three SAMs (2002, 2003, and 2004) for Sudan. The three SAMs are built at the same level of aggregation each with ten main sectors; activities, commodities, factors of production, government, tariff, non-tax revenue, firms, capital account, and the rest of the world. A comparison of these SAMs gives many lessons about the progress of the Sudanese economy. The commodities account which includes exports and imports, took the top position for the three years with an increasing trend (16 %) reflecting the effect of oil as a growing component in the economy. This was followed by the accounts for activities and factors of production with 18 % and 23 % respectively. The household took the forth position with no significant change between 2002, and 2003, and with 17 % improvement in 2004. The accounts of the rest of the world and government showed no significant change between 2002 and 2003, but between 2003 and 2004 they changed by 60 % and 76 % respectively, reflecting the impact of the Darfur conflicts which started in 2003. Firms and capital accounts recorded the strangest behaviour with 6 % and 91 % deterioration respectively in 2003, and improvements of 493 % and 1227 % respectively in 2004. This is explained on the basis that private sector and investments are sensitive to the country's stability. Slight increases occurred in the trend of tariffs, indicating some steps on the way of globalising the terms of trade. The share of agriculture as a major component to the gross domestic product (GDP) is fluctuating since the oil extraction in 2000, showing 36 %, 35.8 %, 37.5 %, 36.5 %, and 32.5 % for the years 2000–2004. More details on how agriculture is affected by other economy sectors will be shown in the full version of the paper.

Keywords: Agricultural sector, macroeconomic policy, SAM

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