



10 years since the adoption of the System of National Accounts 2008

Status of implementation

Annual Seminar on National Accounts

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Outline of presentation

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- Background
- What are the achievements?
- What more needs to be done?



Background

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- This year marks the 10th anniversary of the adoption of the 2008 SNA
- It is a time to celebrate

- It is also a time to reflect on
 - Progress made with regards to the implementation of the SNA
 - Whether the 2008 SNA remains relevant for measuring new economic developments and new socio-economic phenomena relevant for the policy framework of the 2030 Agenda for Sustainable Development





What are the achievements?





What are the achievements?

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Achievements can be grouped into

- Implementation of SNA which compares
 - All Member States and
 - Latin American and Caribbean Member States
- Resolution of issues on the SNA research agenda
- Completion of manuals and handbooks



Implementation of the SNA

- There has been noticeable progress in the reporting of national accounts data from analyzing replies to United Nations national accounts questionnaire in terms of
 - Conceptual compliance with the SNA
 - Compliance with minimum required data set (MRDS)
 - Timeliness



Achievements – Implementation of SNA

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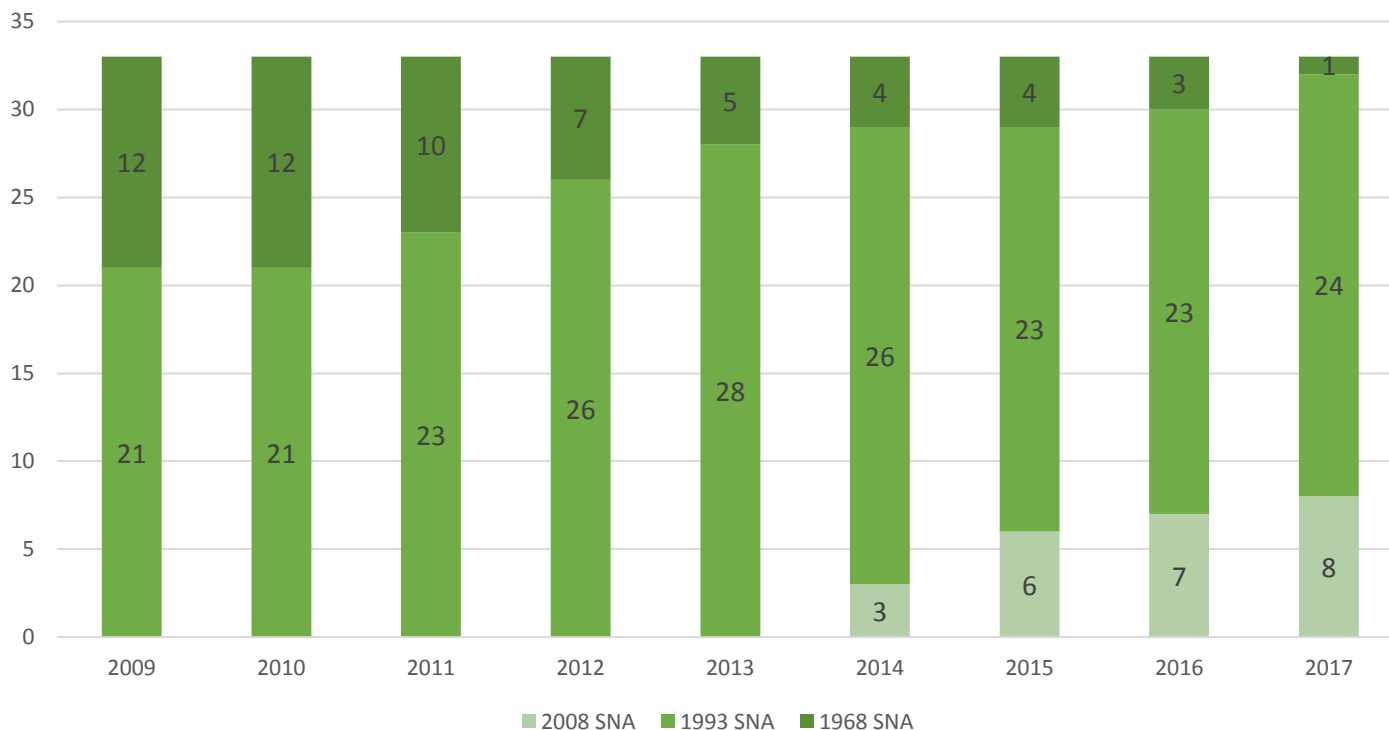
Conceptual compliance with the SNA – All Member States



- Member States on 1993/2008 SNA: 180 ($\approx 93\%$) in 2017 vs 134 ($\approx 70\%$) in 2009
- Member States on 2008 SNA: 79 ($\approx 41\%$) at end of 2017



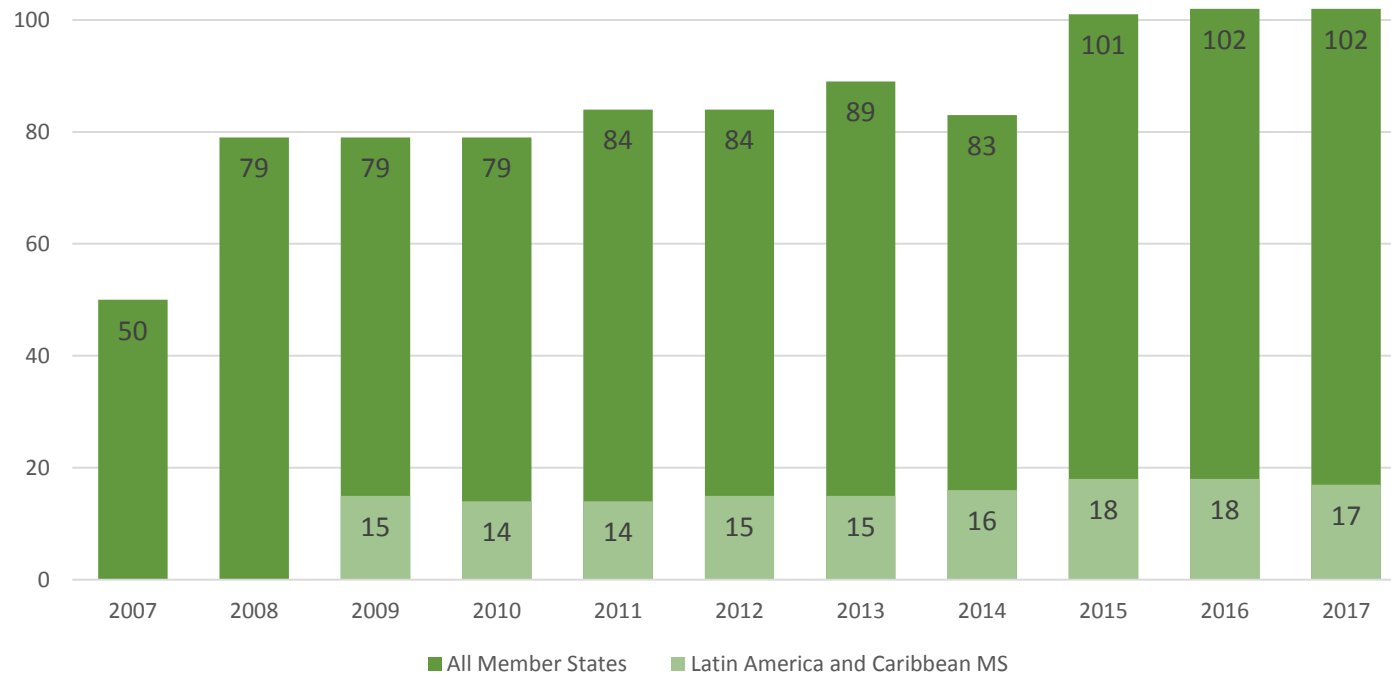
Conceptual compliance with the SNA – Latin America and Caribbean Member States



- Latin America and Caribbean MS on 1993/2008 SNA: 32 ($\approx 97\%$) in 2017 vs 21 ($\approx 64\%$) in 2009
- Latin America and Caribbean MS on 2008 SNA: 8 ($\approx 24\%$) at end of 2017



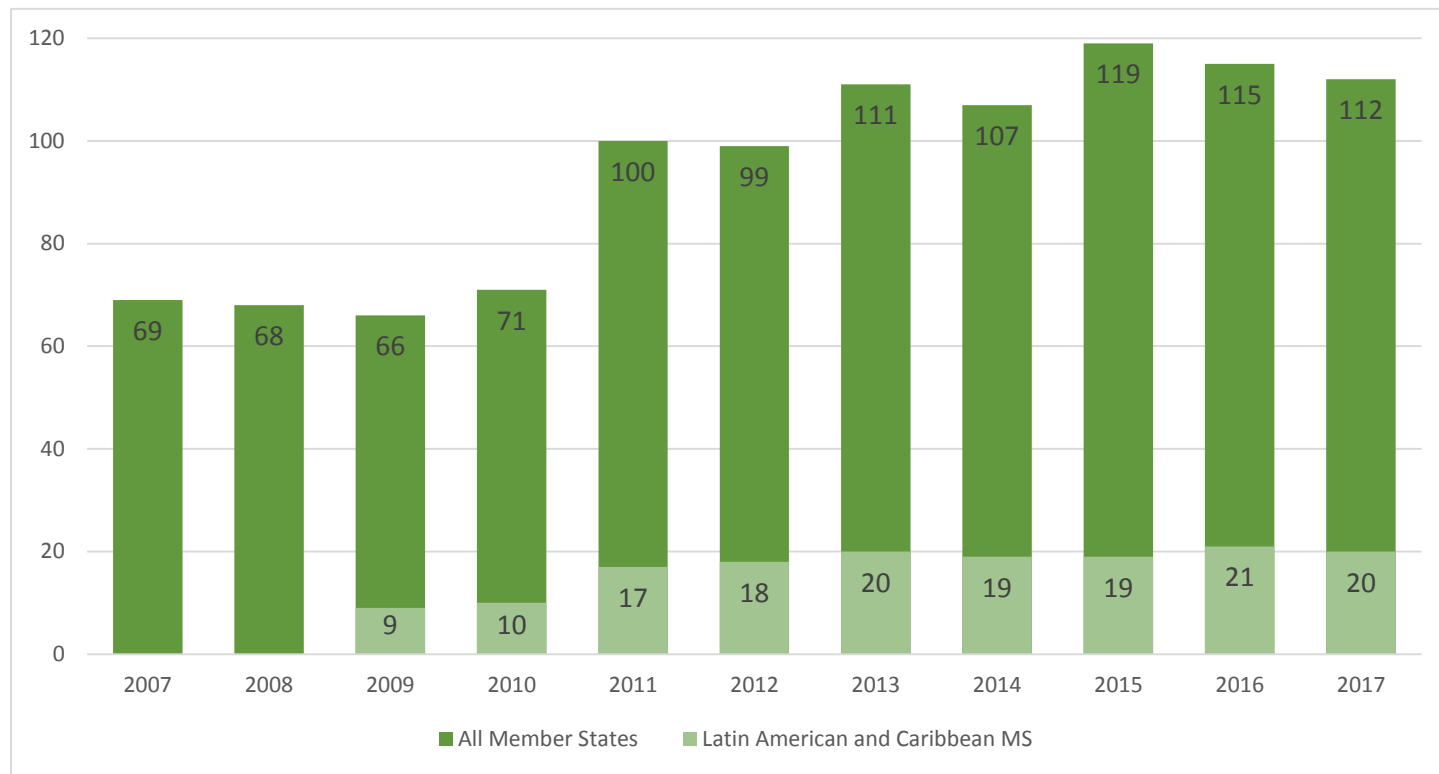
Member States reporting MRDS



- All Member States: 102 ($\approx 53\%$) in 2017 vs 79 ($\approx 41\%$) in 2009
- Latin American and Caribbean MS: 17 ($\approx 52\%$) in 2017 vs 15 ($\approx 45\%$) in 2009



Timeliness of reporting national accounts



- All Member States: 112 ($\approx 58\%$) in 2017 vs 66 ($\approx 34\%$) in 2009
- Latin American and Caribbean MS: 20 ($\approx 61\%$) in 2017 vs 9 ($\approx 27\%$) in 2009



A number of issues have been clarified or interpreted

- Recording of flows between a defined benefit pension fund and its sponsor
- Negative interest
- Treatment of land
- Global production
- Research and development
- Delineation of holding companies and head offices
- Deposit insurance and financial stability schemes
- Treatment of freight and insurance in the 2008 SNA





Achievements – Research agenda

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- A number of issues have been clarified or interpreted
 - Output of central banks
 - Service lives of military weapons systems
 - Definition of catastrophes in the context of measurement of non-life insurance
 - Emissions permits issued under cap-and-trade schemes
- For more information, see <https://unstats.un.org/unsd/nationalaccount/research.asp>



- A number of handbooks/compilation guides have been published
- Publications completed in 2017 include
 - Supply, Use and Input-Output Tables with Extensions and Applications (United Nations)
 - Satellite Account on Nonprofit and Related Institutions and Volunteer Work (United Nations)
 - Quarterly National Accounts Manual (IMF)
 - Overview of GDP Flash Estimation Methods (Eurostat)
 - Understanding Financial Accounts (OECD)
 - Compilation Guide on Inventories (Eurostat and OECD)



Achievements – Manuals and handbooks

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- Compilation Guide to Analyze Natural Resources in the National Accounts (IMF)
 - Handbook on Rapid Estimates (Eurostat and United Nations)
 - Handbook on Cyclical Composite Indicators (Eurostat and United Nations)
- For more information, see <https://unstats.un.org/unsd/nationalaccount/pubsDB.asp?pType=0>

The screenshot displays the 'National Accounts Publications' page on the UN Statistics Division website. It features a search bar at the top right and a list of publications below. The first entry is 'National Accounts Statistics: Analysis of Non-Aggregates, 2018', with a description stating it is the forty-seventh issue of the publication providing a series of separate national accounts tables for more than 200 countries and areas. The second entry is 'Handbook on Data Templates and Metadata for Short-Term Statistics, 2018', with a description stating it is a handbook on data templates and metadata for short-term statistics, developed as part of the International Programme on Short-Term Statistics.



What more needs to be done?





What more needs to be done?

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This can be grouped into

- Implementation of SNA
- Issues on the SNA research agenda
- Completion of ongoing manuals and handbooks



What more needs to be done? – Implementation of SNA

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- Too many countries are still lagging in the implementation of SNA
- What are the symptoms?



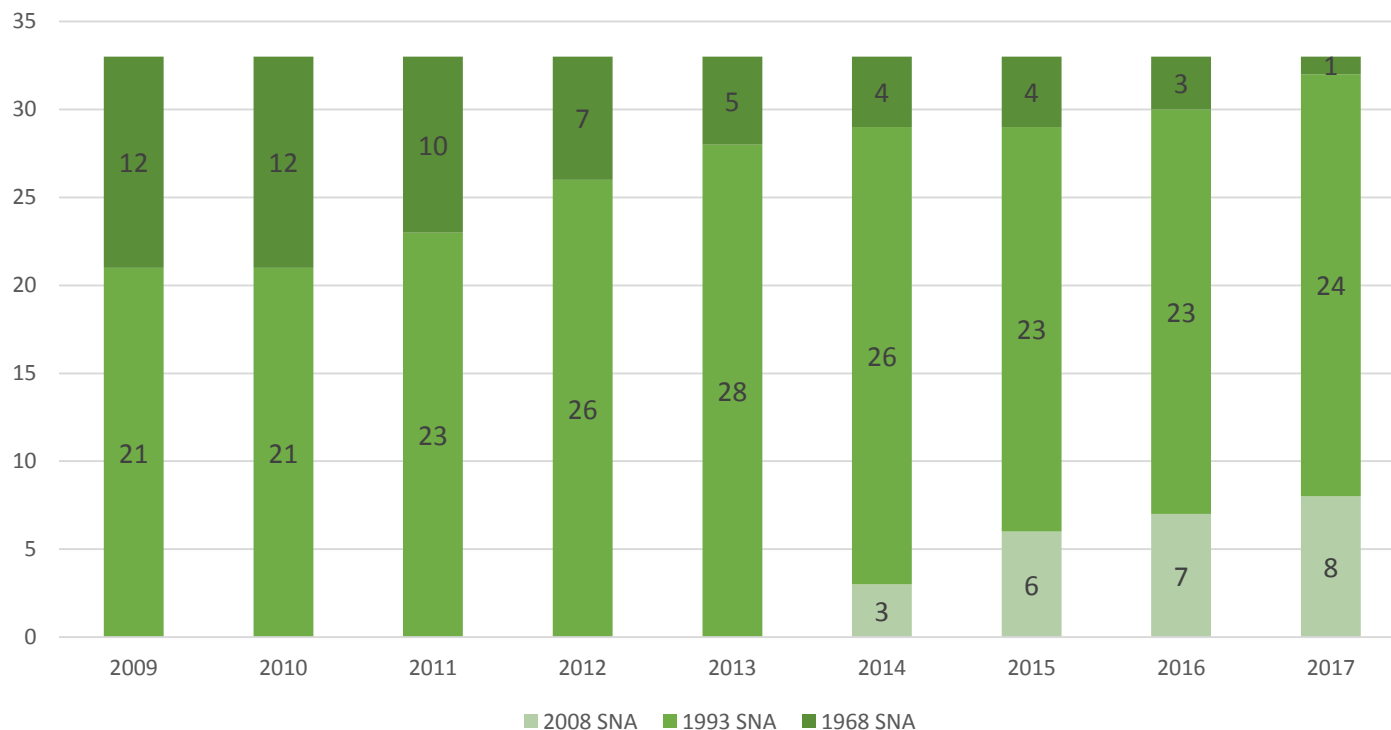
Member States compliance



- 13 Member States ($\approx 7\%$) are still using the 1968 SNA



Latin America and Caribbean region



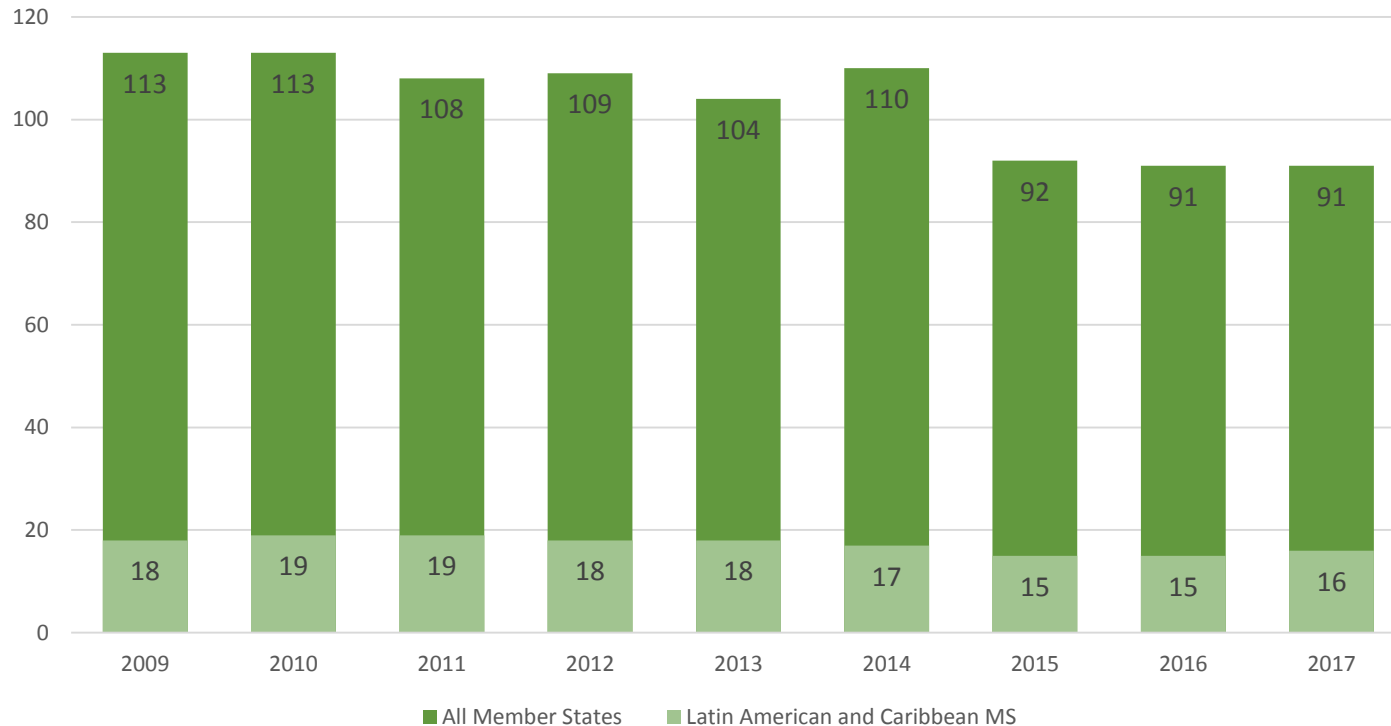
- Only 1 country from Latin America and the Caribbean in the 1968 SNA
- This may impact international comparability



What more needs to be done? – Implementation of SNA

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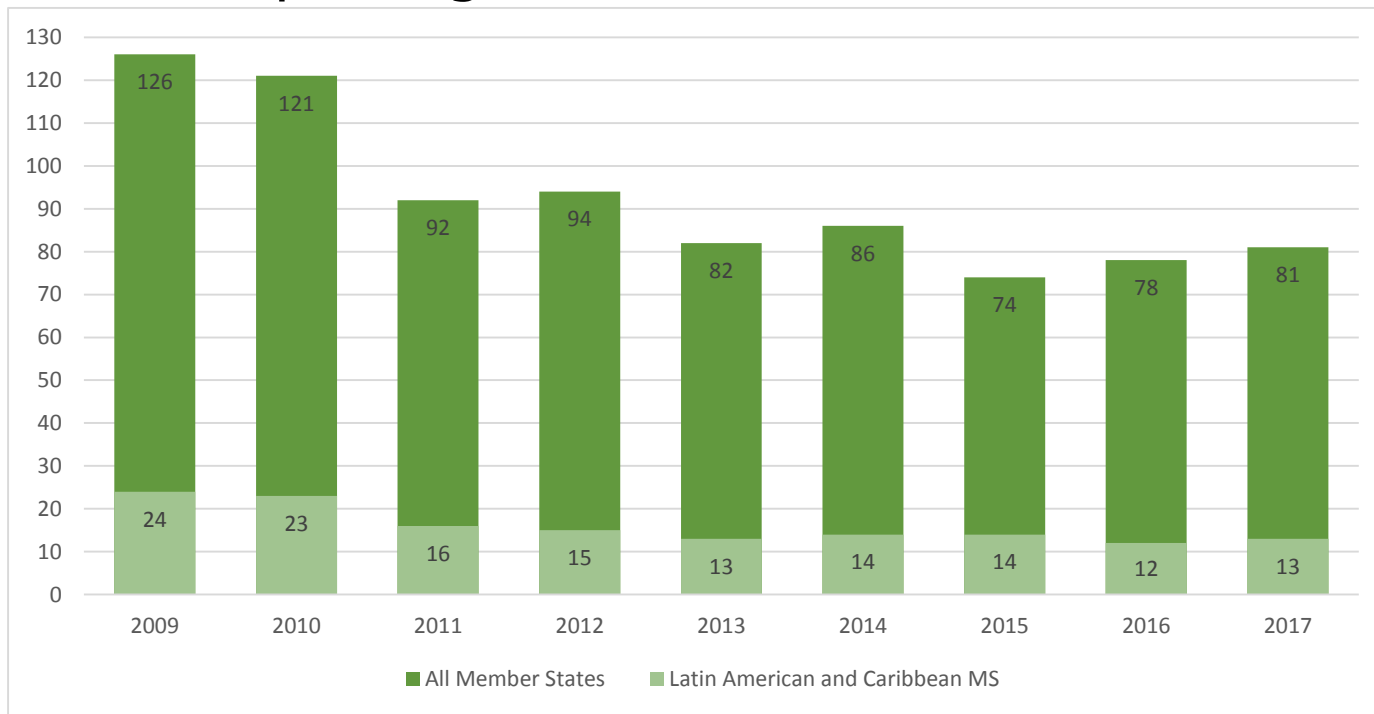
Member States unable to meet MRDS



- 91 ($\approx 50\%$) Member States are unable to meet the MRDS
- 16 ($\approx 48\%$) are from Latin America and the Caribbean
- Basic data on GDP and its main components for informed policy monitoring and decision-making are unavailable



Tardiness in reporting national accounts



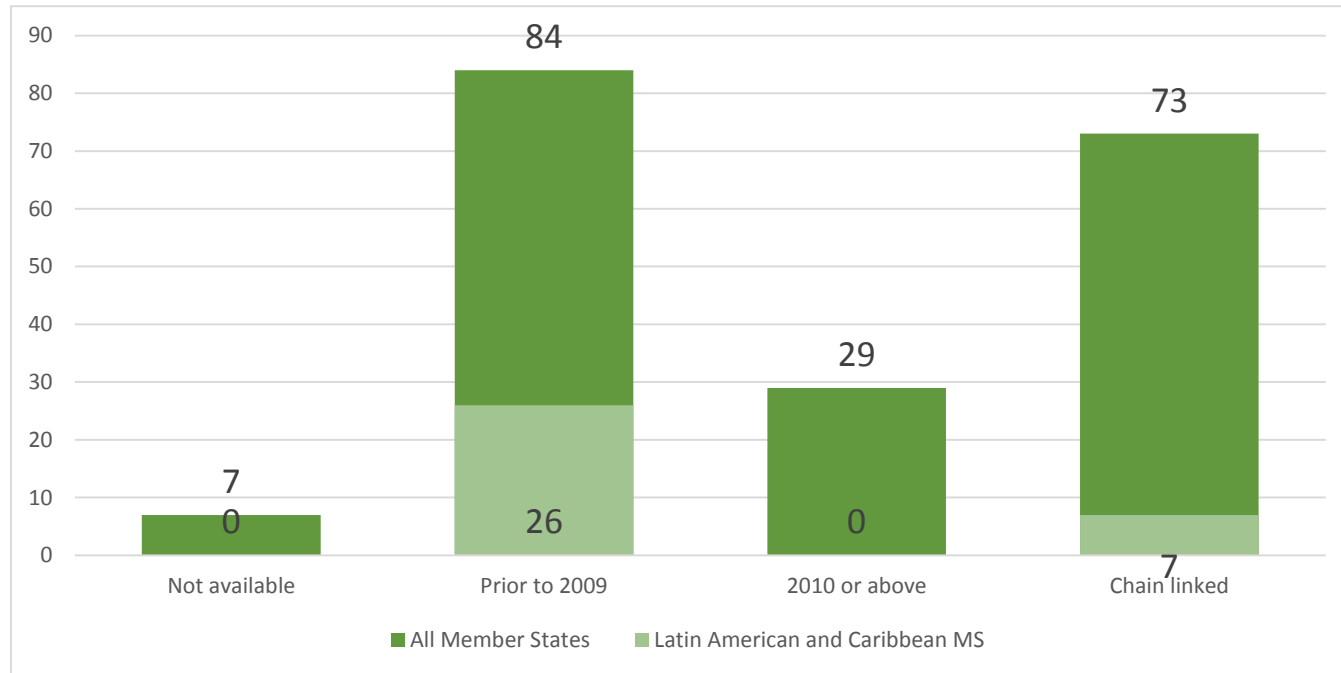
- 81 Member States ($\approx 42\%$) are not reporting national accounts data on a regular and timely basis
- 13 ($\approx 39\%$) are from Latin America and the Caribbean
- This may impact the analytical usefulness for policy monitoring and decision-making



What more needs to be done? – Implementation of SNA

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Base years of volume measures of GDP



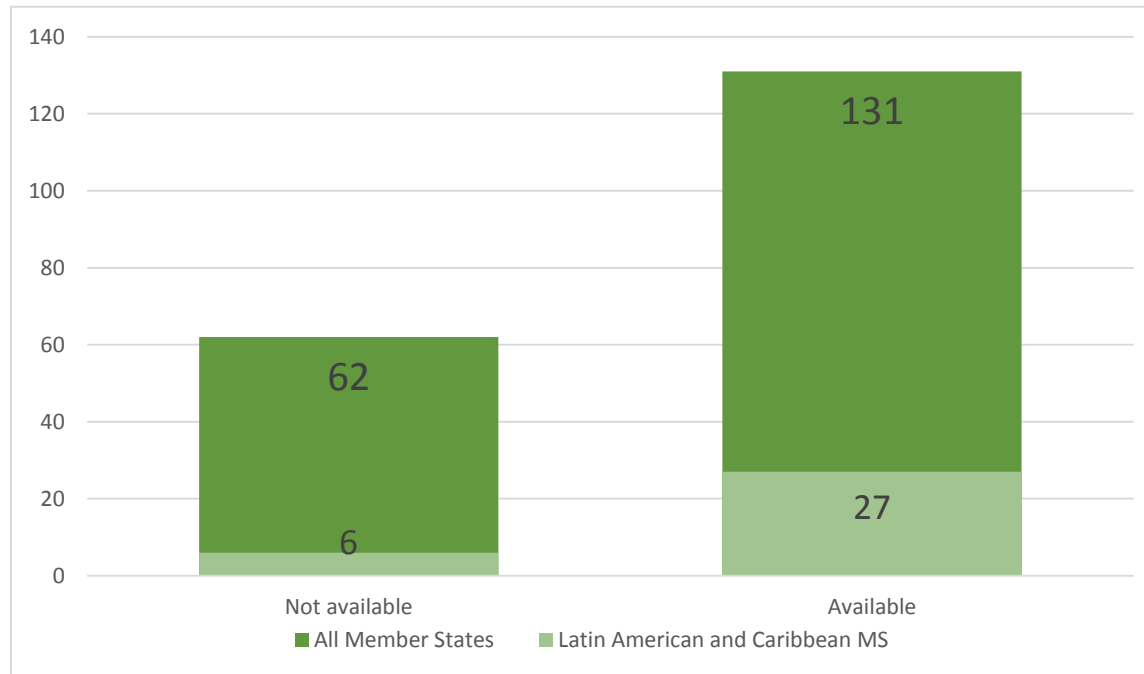
- 84 Member States ($\approx 44\%$) are compiling volume measures of GDP using base years prior to 2009
- 7 ($\approx 21\%$) are from Latin America and the Caribbean use chain linking
- Outdated base years may result in biased real GDP growth rates



What more needs to be done? – Implementation of SNA

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Availability of QNA



- 131 Member States ($\approx 68\%$) publish QNA
- 27 ($\approx 82\%$) are from Latin American and the Caribbean
- This may impact the ability for sound policy monitoring and decision-making based on more frequent national accounts data



What more needs to be done? – Implementation of SNA

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Why are Member States lagging?

- Report by a Friends of the Chair group on the slow progress of the implementation SNA and production of national accounts of sufficient scope and detail identified following main barriers
 - Limited political support
 - Unavailability of necessary basic economic statistics
- 11th meeting of the AEG recommended to establish an ISWGNA Task Force on SNA Capacity Building, chaired by UNSD, to
 - Prepare guidance based on available materials developed by the ISWGNA members and their development partners to support the practical implementation of the SNA in countries that are lagging behind



What more needs to be done? – Research agenda

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- 11th meeting of the Advisory Expert Group (AEG) on national accounts
 - Agreed on following three priority areas for further research
 - Globalization
 - Digitalization
 - Economic wellbeing and sustainability
 - Agreed on how to develop guidance to facilitate the implementation of SNA on issues such as
 - Accounting for pensions
 - Islamic finance
 - Statistical units
 - Harmonization of balance of payments and national accounts data
 - Distributional aspects of income, consumption and saving



What more needs to be done? – research agenda

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11th AEG meeting:

- Reconfirmed that at present there is no desire for an update of the SNA, but recognized the need to advance the research on issues that may go beyond the 2008 SNA in addition to guidance on practical implementation issues
- Recommended to establish an ISWGNA Task Force on the SNA research agenda to develop a work programme to resolve issues related to the three priority research areas, i.e., globalization, digitalization and economic well-being and sustainability, through broad consultation among key stakeholders
- Agreed that ongoing research work to facilitate the implementation of the SNA will continue as planned



What more needs to be done? – Manuals and handbooks

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- More will need to be produced to cater to the demand for specialized and detail guidance in various areas of national accounts and economic statistics
- Planned publications and publications in progress include
 - *Handbook on National Accounting Backcasting Methodology*, which will provide guidelines and advice on backcasting (United Nations)
 - *Compilation of European Annual and Quarterly Accounts including Flash Estimates*, which will present an update of the estimation methodology of the GDP flash estimates for the European Union and for the euro area (Eurostat)
 - *Handbook on the Recording of Illegal Economic Activities in National Accounts and Balance of Payments Statistics*, which will provide conceptual and practical guidance to national compilers on the recording of illegal economic activities (Eurostat)



What more needs to be done? – Manuals and handbooks

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- Planned publications and publications in progress include
 - *Accounting for Global Value Chains: A System of Extended National Accounts and Integrated Business Statistics*, which will focus on the concepts, accounting rules, classifications, and accounts which facilitate the compilation of a set of regional (multieconomic territory) or global accounts (United Nations)
 - *Handbook on Culture Satellite Accounts*, which will provide guidance on measuring the economic dimension of culture using the 2008 SNA as an overarching framework (UNESCO)
 - *Aviation Satellite Accounts*, which will provide guidance on measuring the impact of the aviation industry on the economy, including the contribution to GDP, jobs, taxes, and on the balance of payments, using the 2008 SNA as an overarching framework (ICAO)



What more needs to be done? – Manuals and handbooks

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- Planned publications and publications in progress include
 - *Manual on the Compilation of Information on the Distribution of Income, Consumption and Saving Across Households Consistent with National Accounts*, which will discuss methodologies to adjust household distributional data with national accounts statistics to bring the concepts and totals into coherence (OECD)
 - *Satellite Account for Education and Training*, which will provide estimates of total expenditures on education and training, distinguish various expenditures, and identify financing arrangements (UNECE)



What more needs to be done? – Manuals and handbooks

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- There is a growing demand for compiling satellite accounts, particularly those that provide a more detailed description of specific economic functions or themes, including interaction with and the impact on the economy at large
- Proliferation of satellite accounts calls for a more strategic and global approach to their compilation, taking into consideration the priority areas of the SNA research agenda



- The Latin America and the Caribbean region has performed well in terms of
 - Conceptual compliance to the SNA
 - Timeliness in the reporting of national accounts data
- Further work could be done to improve
 - submission of the minimum required data set
 - reporting of volume measures of GDP using updated base years
 - compilation of quarterly national accounts data



Conclusions

- A number of issues on the research agenda are likely to affect Member States in the region
- Member States are always encouraged to express their views on these issues as part of the formulation of global recommendations to resolve these issues



Thank you

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