



**United
Nations**

Department of
Economic and
Social Affairs

The 2008 SNA update

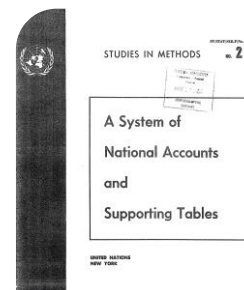
**Seminar on National Accounts of Latin America and the Caribbean:
The Future of Economic Statistics
14-16 October 2020**

**Herman Smith
United Nations Statistics Division**

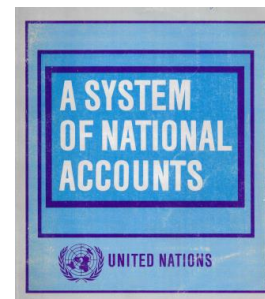


Updating Macroeconomic Accounting Standards

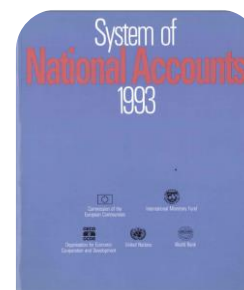
- Macroeconomic Accounting Standards (i.e. the System of National Accounts, Balance of Payments, Government Finance Statistics Manual, Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG)) are regularly updated to reflect changes in the economy.
- The “updates” can be categorized into three main groups:
 1. Conceptual Updates (i.e. change in what is measured)
 2. Methodological Updates (i.e. change in how activities are measured)
 3. Presentational Updates (i.e. change in how the statistics are presented)



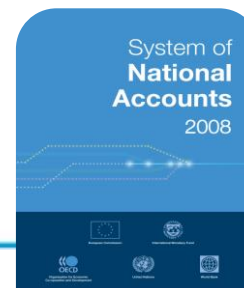
1953 SNA



1968 SNA

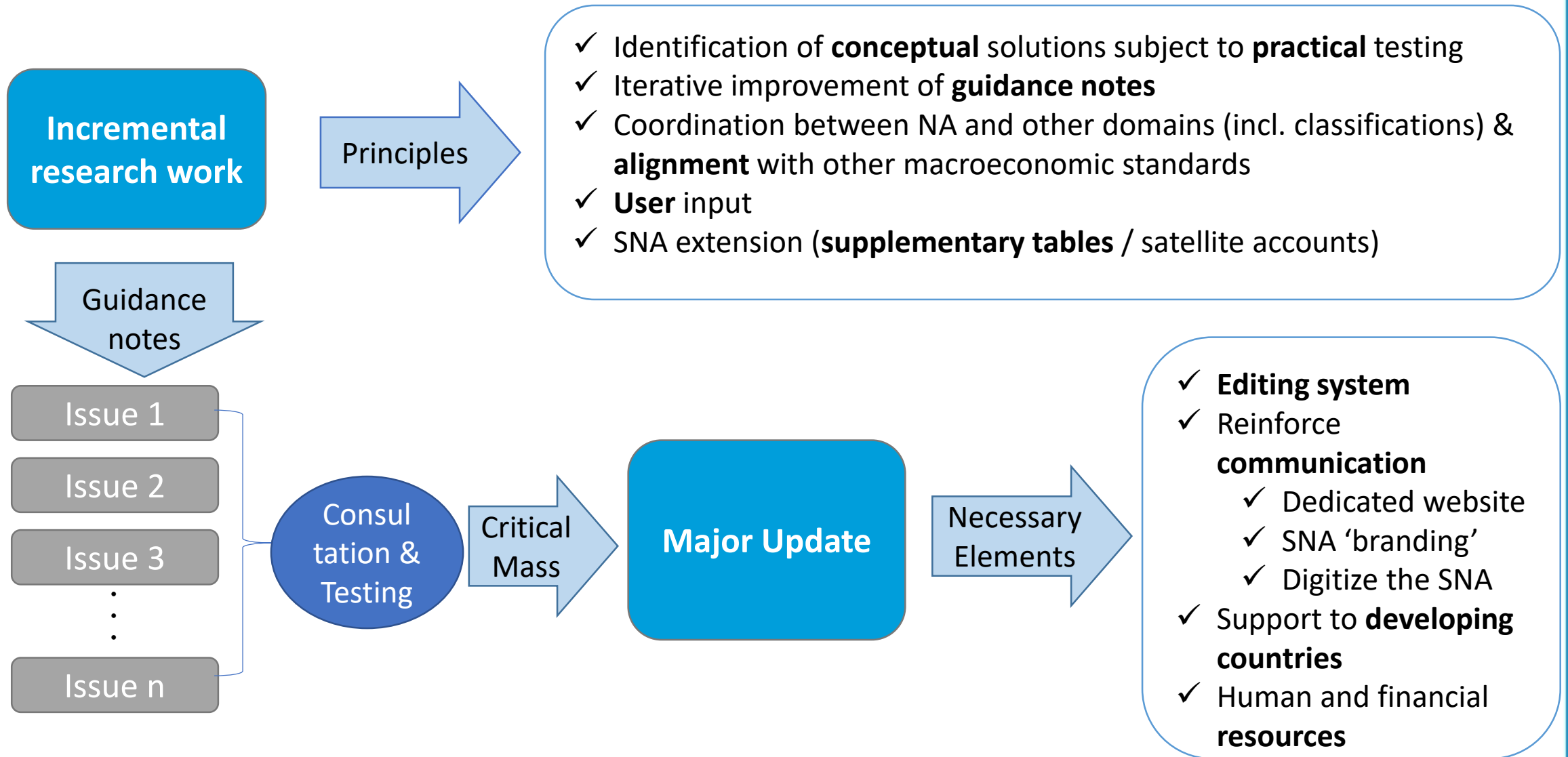


1993 SNA



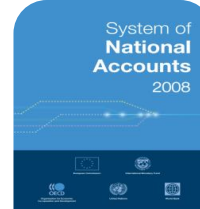
2008 SNA

SNA update process as approved by the 2020 UNSC

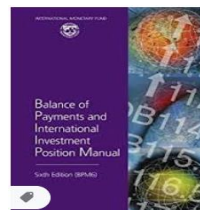


Updating Macroeconomic Accounting Standards

- In the past the updating of the manuals was done somewhat independently with a ‘reconciliation’ occurring towards the end of the process.
- Key principles this round include coordination, cooperation and consistency.
- This should ensure a coherent set of manuals, reduce duplication of effort, and lead to optimal outcomes given a broader range of consultation.



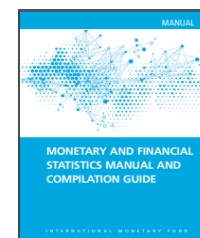
SNA



BPM



GFSM



MFSM

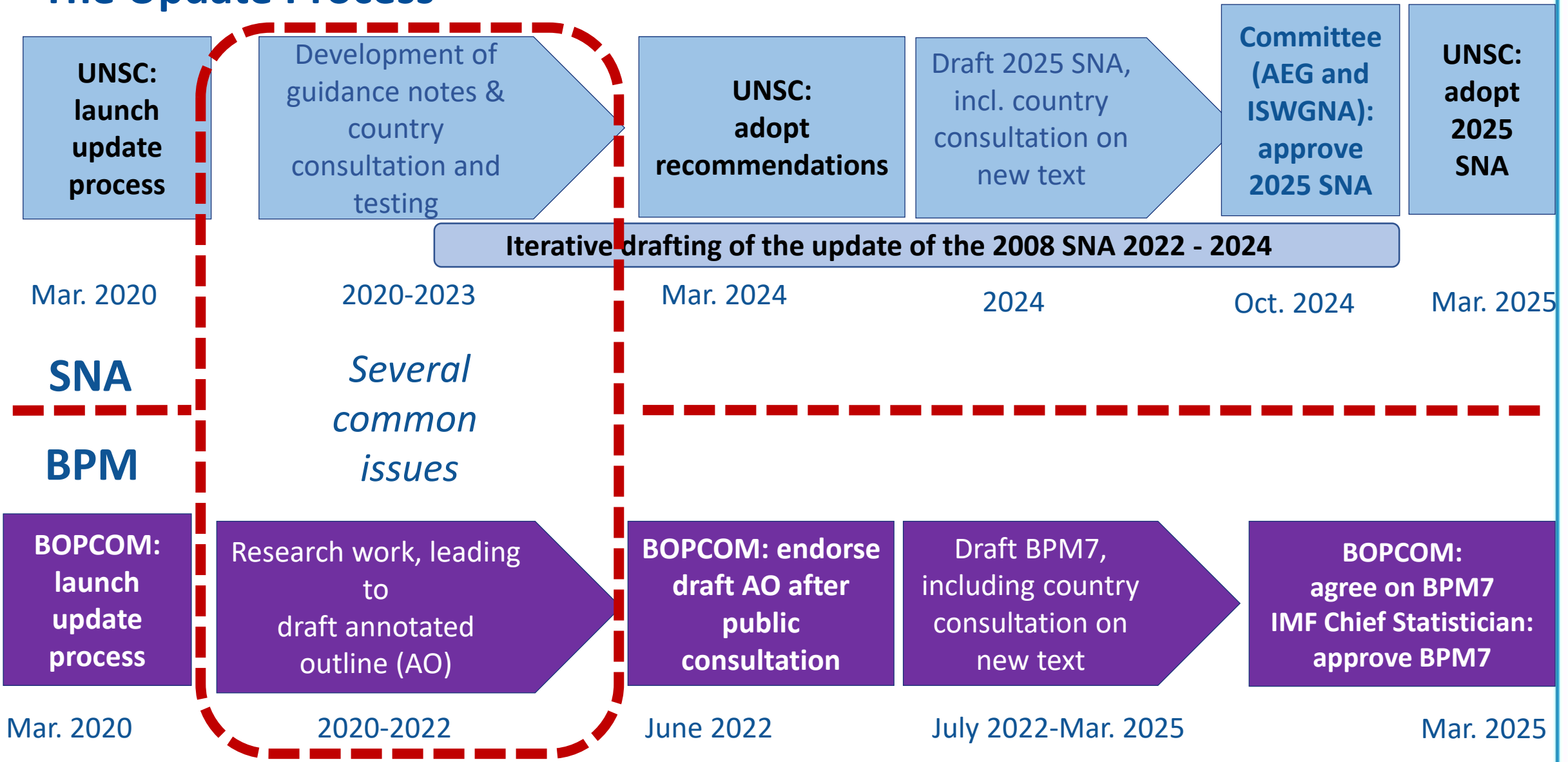


SEEA



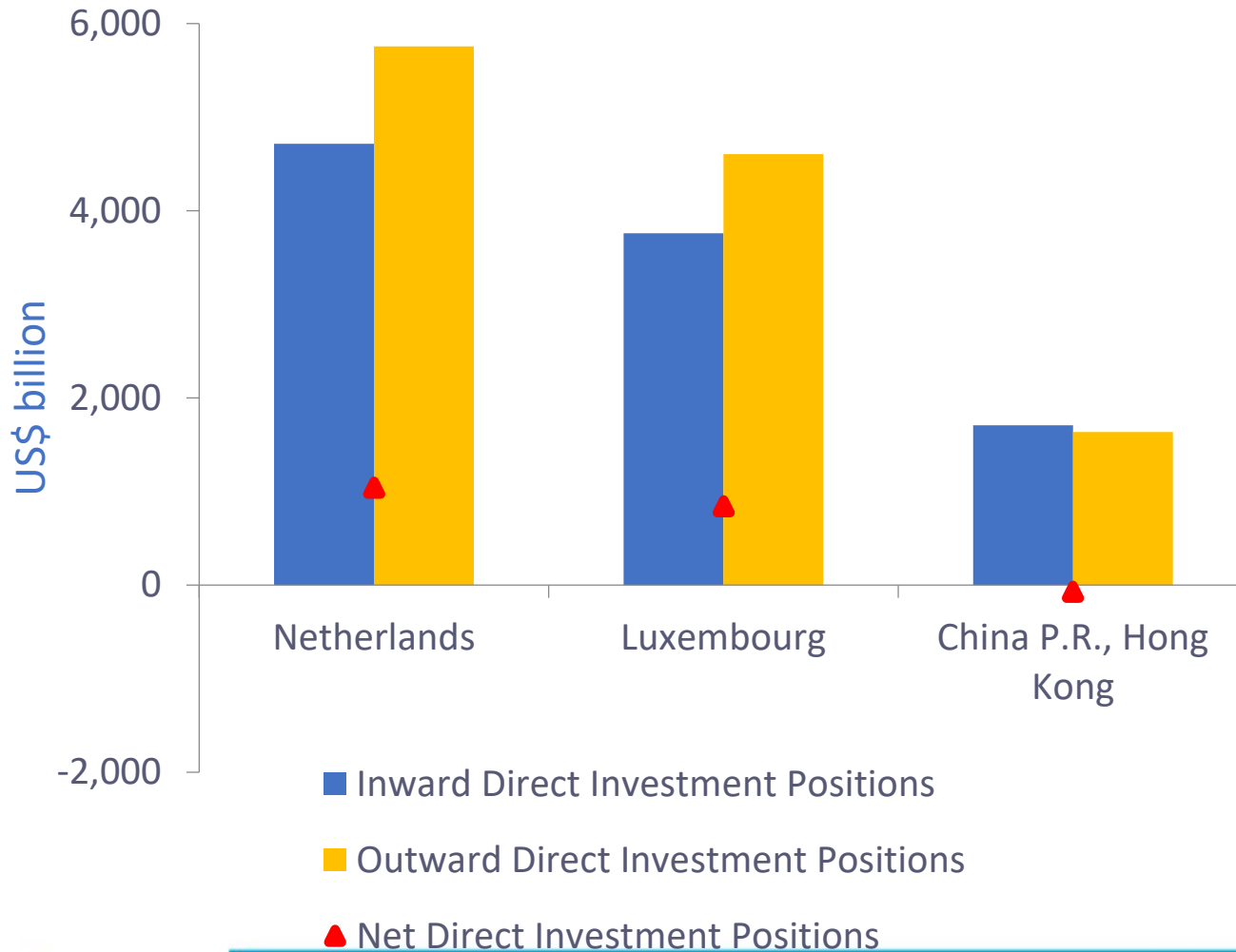
Classifications

The Update Process



“Issues” we hope to address for users

- How much of this is real FDI?

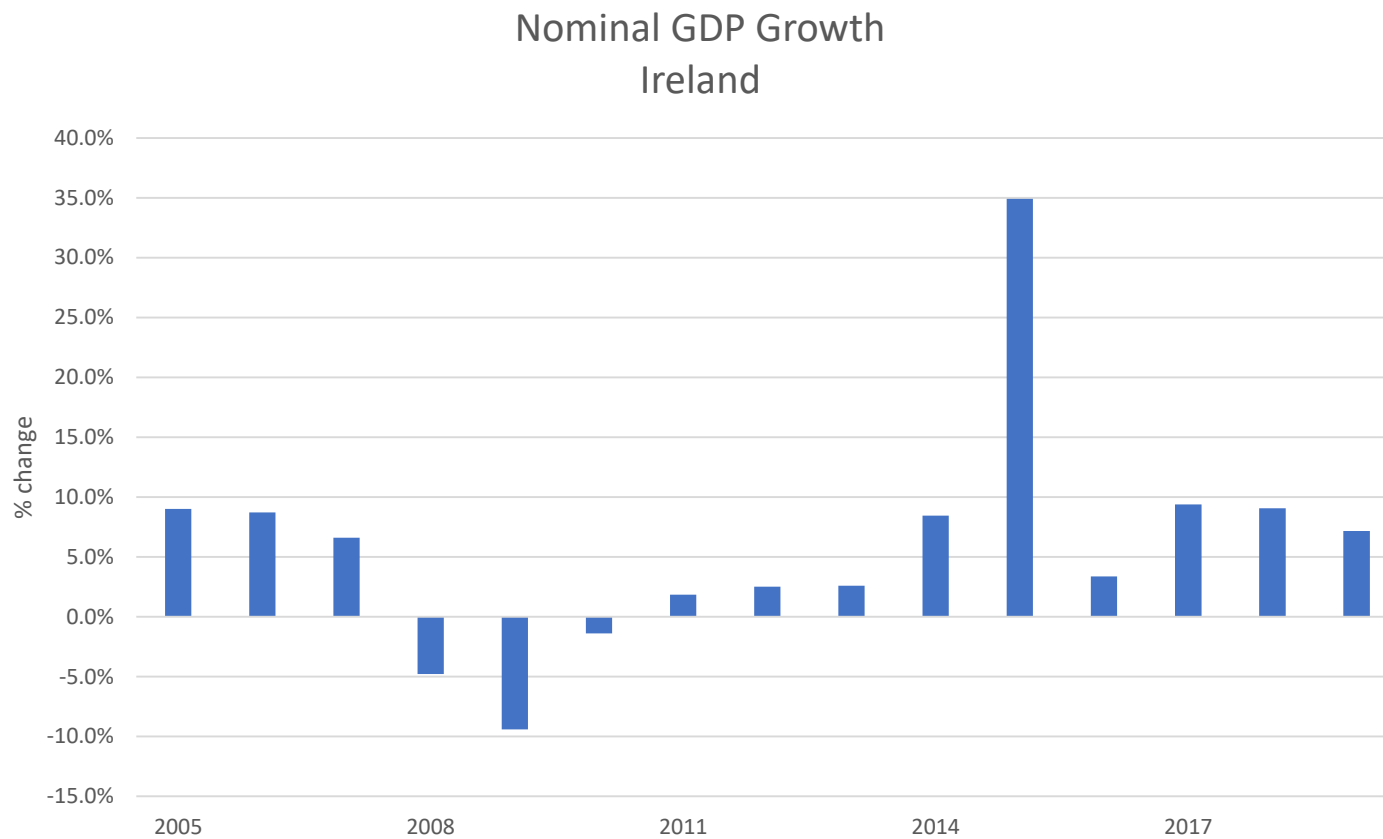


Top FDI recipients & generators
(CDIS 2018 data)

- 01** Netherlands
- 03** Luxembourg
- 06** China P.R., Hong Kong

“Issues” we hope to address for users

- How much of this is “real” GDP?



Ireland's National Accounts 2015

50% Exports

34% Nominal GDP

25% Real GDP

“Issues” we hope to address for users

- What is the value of Data?

Investment in 'data', 'databases' and 'data science'

	2005	2010	2015	2018
	millions of dollars			
Total of all data-related categories				
lower range value	14,693	17,788	26,029	29,455
upper range value	19,995	24,125	35,192	40,025
'Data'				
lower range value	6,777	7,559	8,916	9,418
upper range value	9,742	10,840	13,448	14,216
'Databases'				
lower range value	3,087	4,143	5,945	8,046
upper range value	4,564	6,104	8,599	11,625
'Data science'				
lower range value	4,829	6,085	11,168	11,991
upper range value	5,689	7,181	13,145	14,184
	percent			
Annual growth rate				
lower range value	...	3.9	7.9	4.2
upper range value	...	3.8	7.8	4.4

... not applicable

Source: Statistics Canada, special tabulation.

Experimental Stock Estimates - Canada

104.8b Data

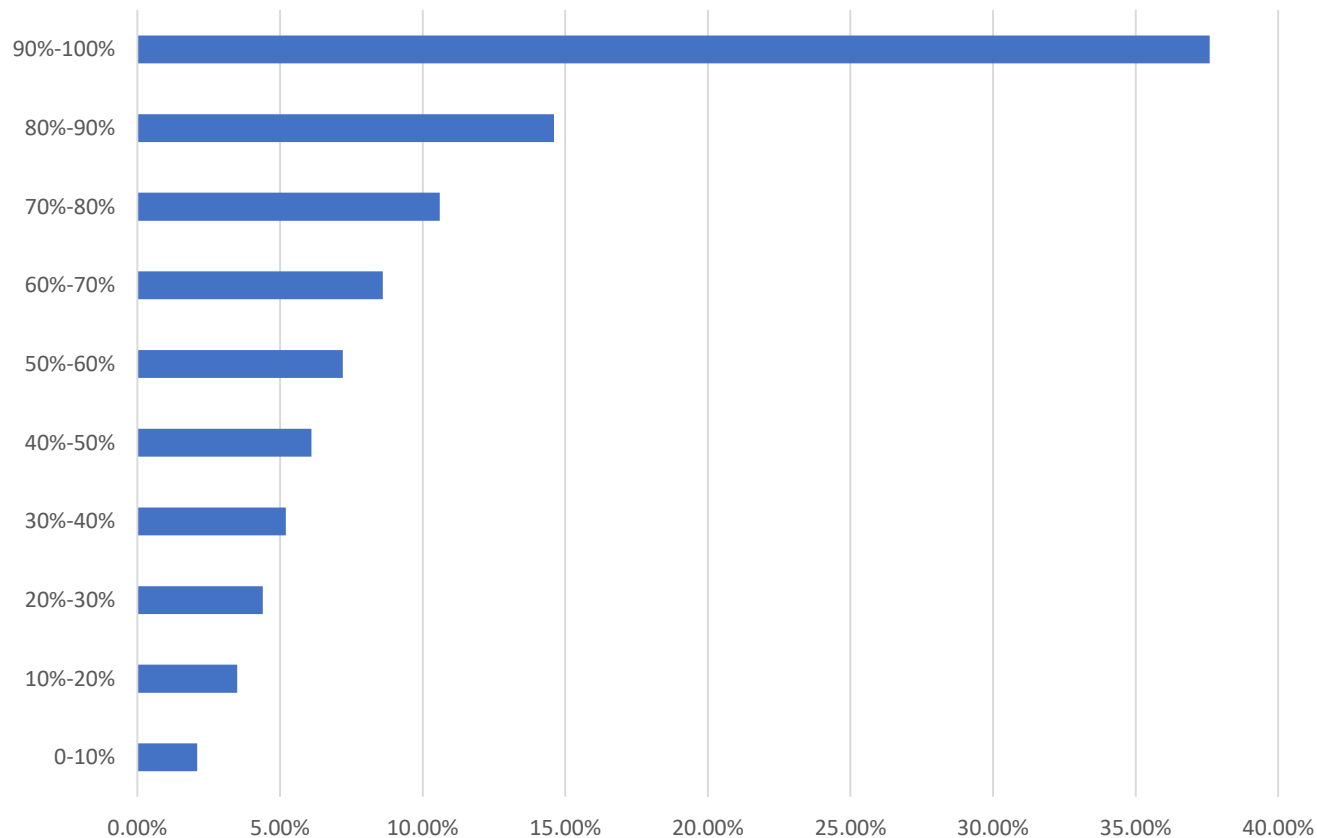
18.6b Databases

33.5 Data Science

“Issues” we hope to address for users

- Moving from averages to distributions?

Share of Personal Income (2016) by Decile (US)



Share of Personal Income – US (2016)

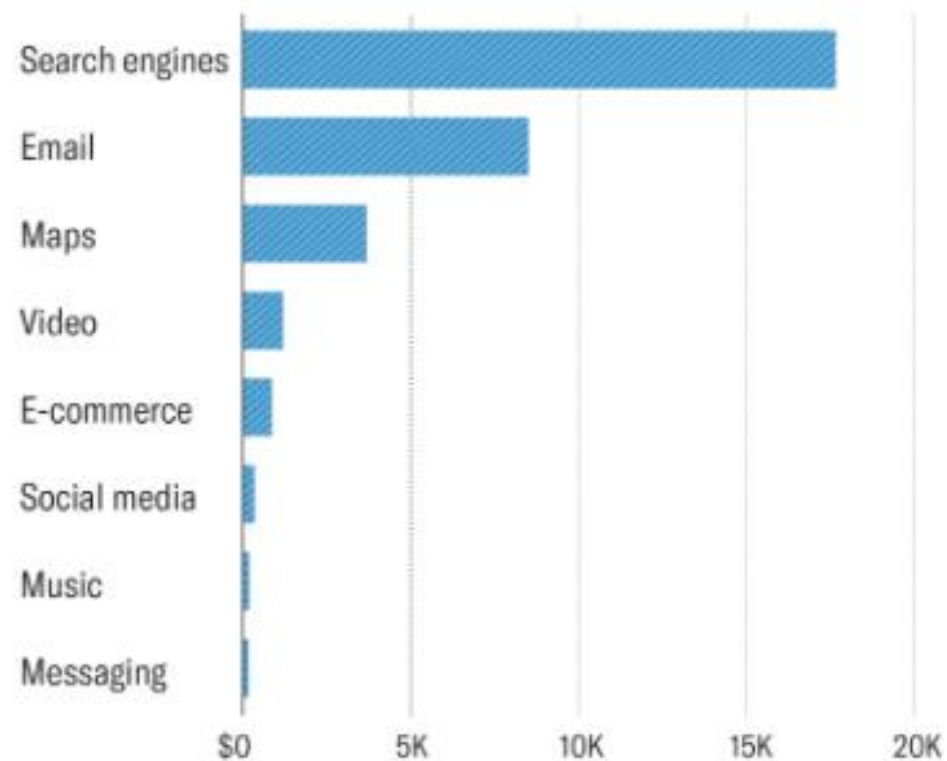
37% Top Decile

7.2% Middle Decile

2.1% Bottom Decile

“Issues” we hope to address for users

- Should we value “free” digital services?



From: “How Should We Measure the Digital Economy?” by Erik Brynjolfsson and Avinash Collis, November–December 2019



Free Services

- ✓ Google Search
- ✓ Youtube Viewing
- ✓ Wikipedia

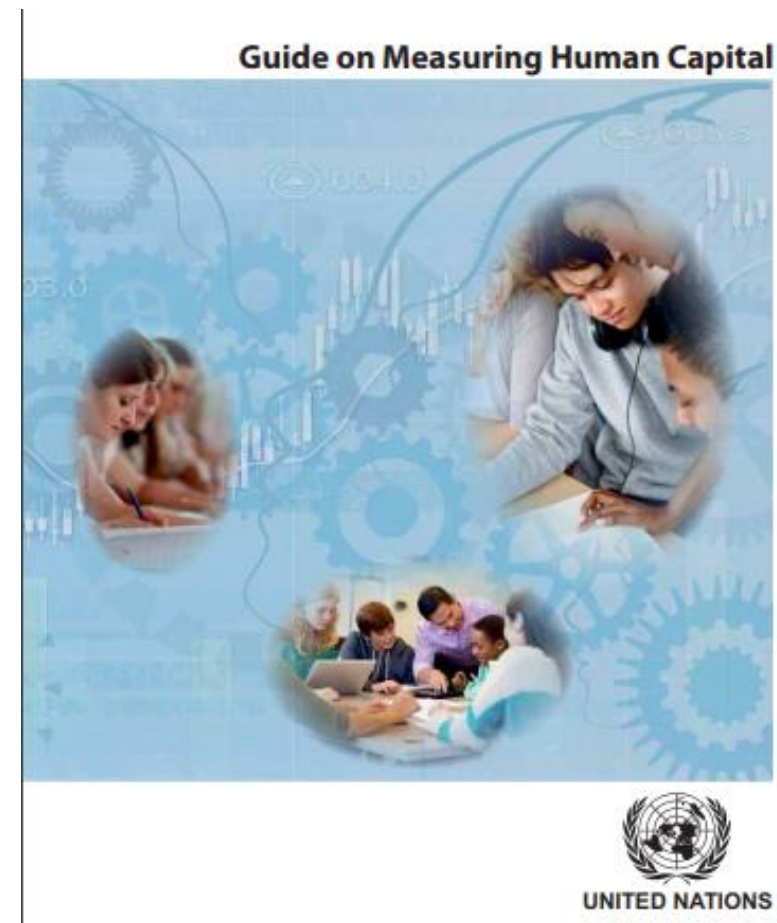
“Issues” we hope to address for users

- Should we include human capital in the asset boundary

Table 6.10

Total wealth in Canada, billions of current dollars

	1990	2000	2010
<u>Total capital stock</u>	3,081	4,849	9,336
<i>Non-human capital stock</i>	2,251	3,351	6,358
Residential structures	560	861	1,746
Non-residential structures	596	775	1,364
Machinery and equipment	180	272	312
Intellectual property products	49	93	191
Consumer durables	222	333	489
Inventories	142	187	232
Weapons systems	5	5	7
Land	497	825	2,017
<i>Human capital stock</i>	830	1,498	2,977
<u>Addendum</u>			
Ratio of human to nonhuman capital stock	0.37	0.45	0.47



“Issues” we hope to address for users

- How can we better reflect the interaction between the economy and the environment.



Environmental Issues

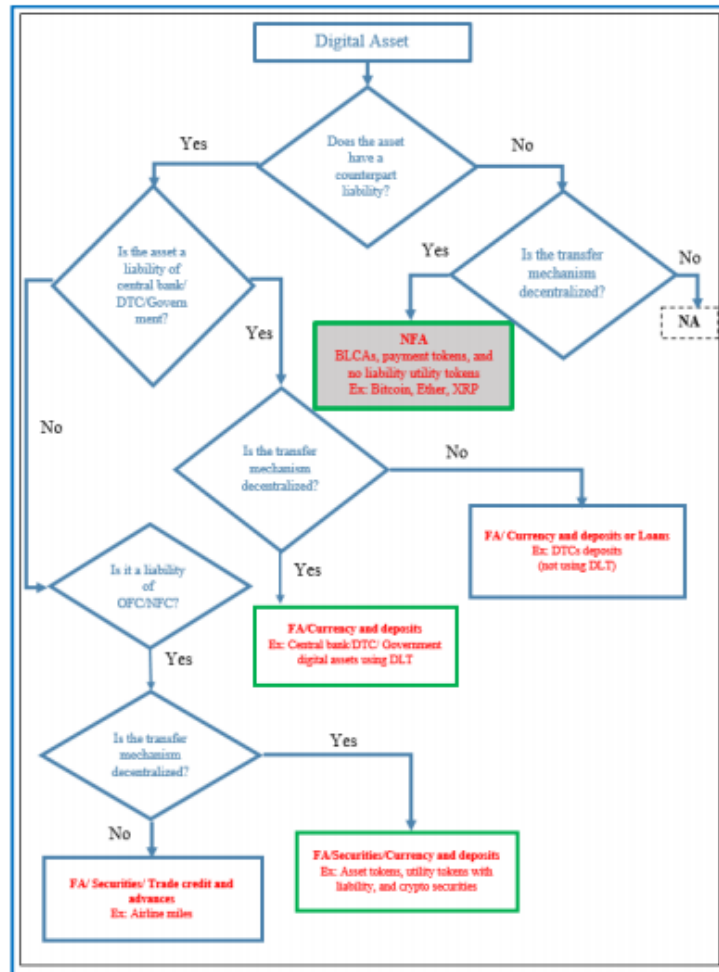
Biodiversity

Sustainability

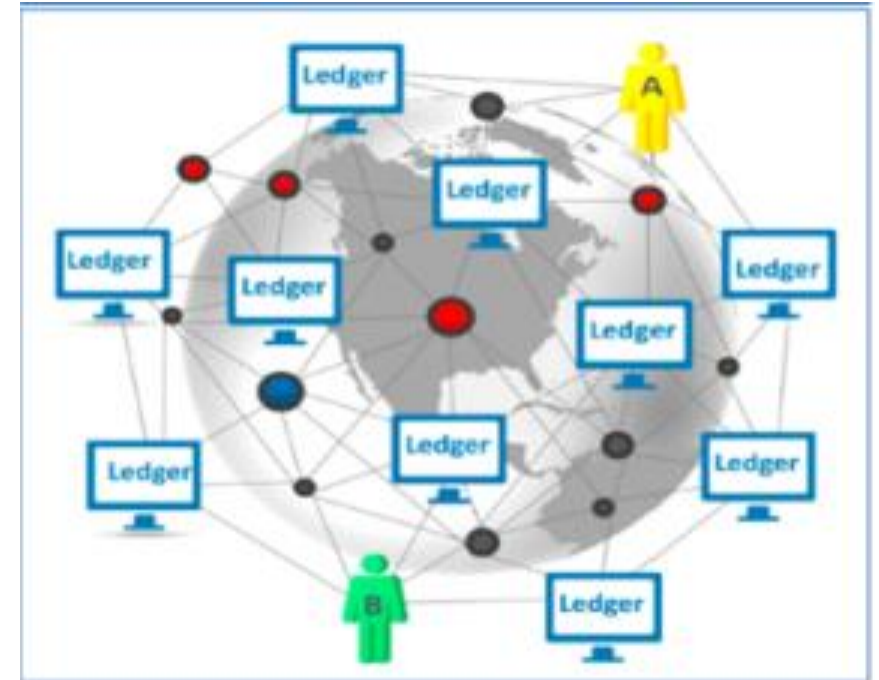
degradation

“Issues” we hope to address for users

- What are cryptocurrencies



DTC-deposit-taking corporations; OFC-other financial corporations; NFC-nonfinancial corporations;
FA-financial assets; NFA-nonfinancial assets



Distributed Ledgers

“Issues” we hope to address for users

- What is the size of the Informal Economy?

Country	Official Estimate	Medina and Schneider 2019	Difference	Reference Year of Official estimate
Namibia	1.2	31.4	-30.2	2001
Tanzania	3.6	47.2	-43.6	2015
Botswana	5	26.9	-21.9	2007
Fiji	9.8	23.4	-13.6	2018
Sierra Leone	10	36.1	-26.1	2011
South Africa	11.2	24.1	-12.9	2013
Cabo Verde	12.1	29.3	-17.2	2015
Angola	15	39.9	-24.9	2009
Malawi	20	33.9	-13.9	2017
Gambia	21	42.5	-21.5	2013
Mali	25	32.7	-7.7	2013
Zimbabwe	25	46	-21	2017
Ethiopia	30	29.6	0.4	2013
Lebanon	30	27.1	2.9	2011
Kenya	31.4	26.7	4.7	2015
Belize	35	41.1	-6.1	2014
Nigeria	35	53.2	-18.2	2010
Burkina Faso	44.7	33.1	11.6	2017
Cameroon	46.8	29.3	17.5	2016
Congo (Democratic Republic)	48	43.1	4.9	2013
Benin	62.8	47.6	15.2	2015

Source: 2017 IMF Regional Economic Outlook: Sub-Saharan Africa; IMF survey of national statistical offices on informal economy estimates (2020)

Official estimates of the “informal economy” selected countries

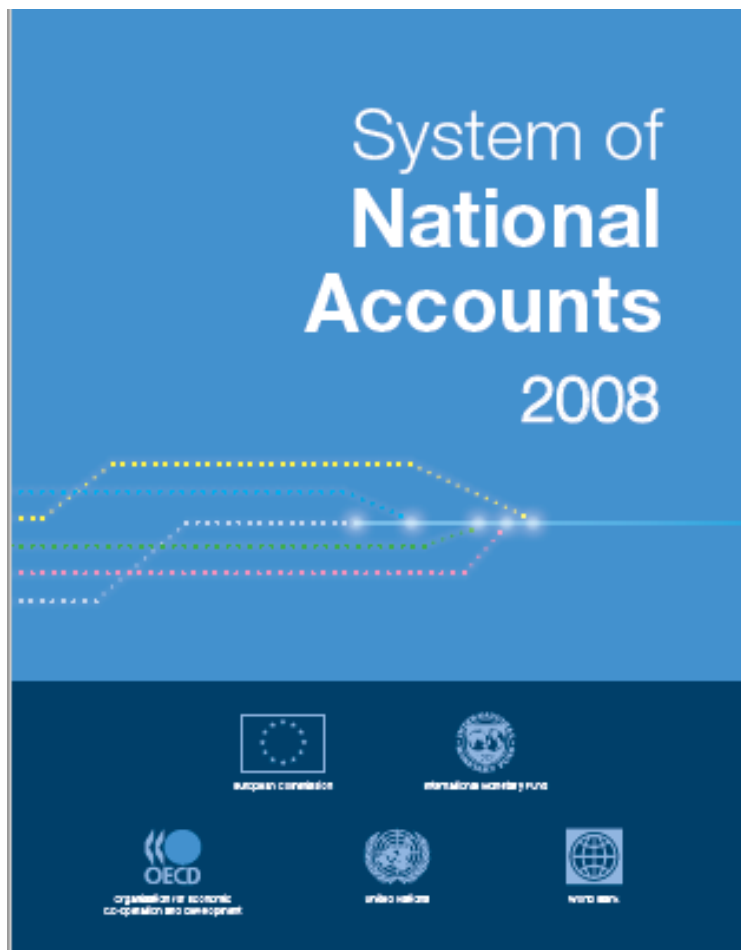
30% Ethiopia

62% Benin

9% Fiji

“Issues” we hope to address for users

- What is the difference between property income and rental income



Outdated Terms?

- Primary Income
- Resources / Uses
- Generation of income account?

Three-pronged approach

Technical research

- Task teams/sub-task teams/joint task teams
- Specific timeline and outputs
- Draft guidance notes:
 - ❑ clarification, interpretation or change;
 - ❑ central system, supplementary tables, or satellite accounts;
 - ❑ implementation tested through country experimentation and testing

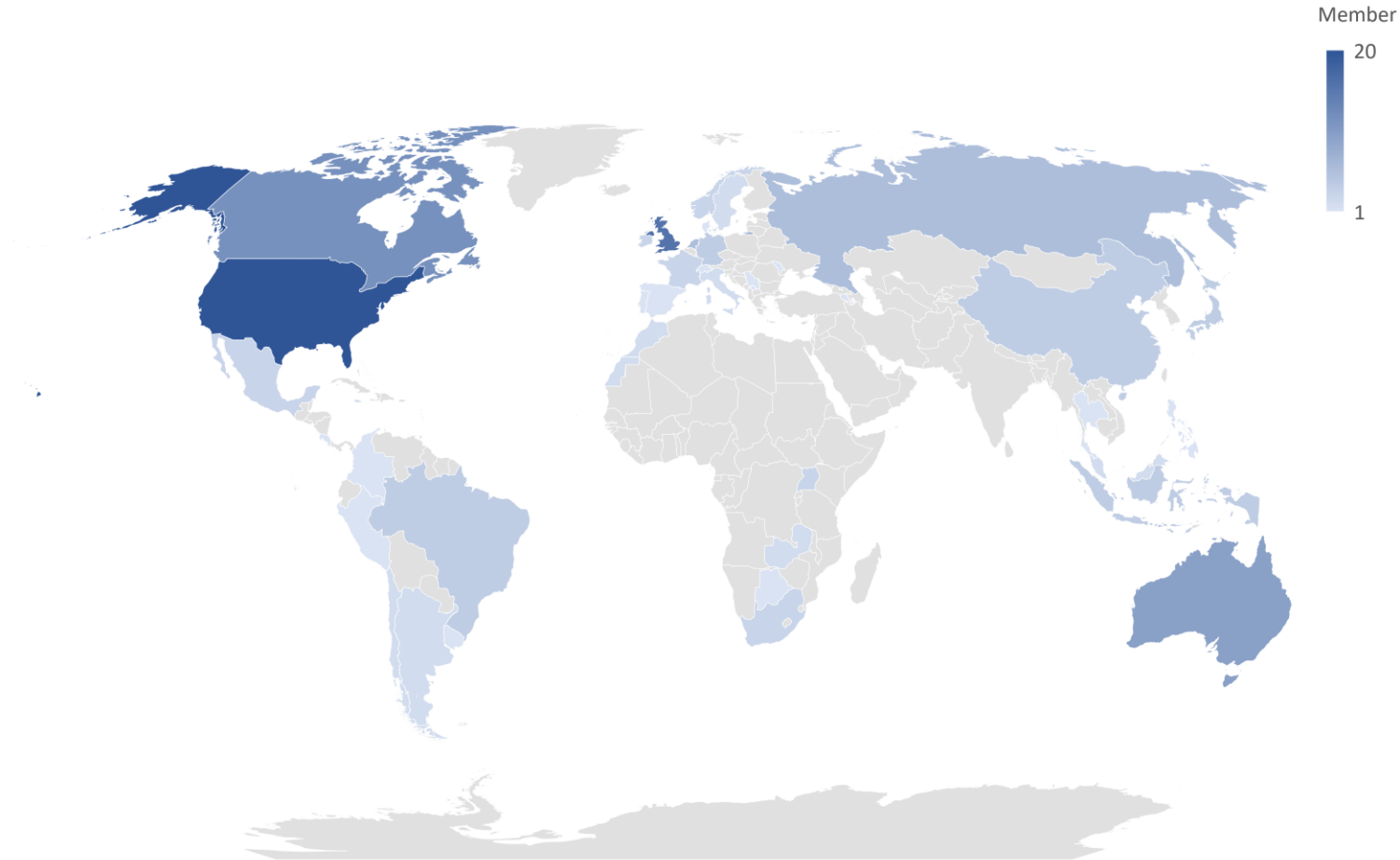
Broad consultation

- Involve broad set of users in the discussion, including policymakers, academia and private sector representatives
- Regular regional and global consultancies;
- Global user conferences on economic statistics

Ensuring overall consistency

- Collaborate with experts in: classifications, BPM, GFSM, MFSM, SEEA, labor, prices, agriculture, and business and trade statistics, classifications, etc.

The Project – A global effort



- ✓ Contributions from over 20 countries
- ✓ Secretariat services provided by international agencies
- ✓ Experts from six statistical domains

SNA research agenda

For the technical research a consolidated list of SNA research issues was established comprising two parts.

Part one deals with the priority areas for the research:

- globalization,
- digitalization,
- well-being and sustainability;
- cross-cutting issues; and
- compilation issues.

Part two deals with the long-term SNA research agenda.

Criteria for selecting issues for the updating of the SNA include:

The urgency to address the issues and the feasibility of making progress

The remaining issues are allocated to the long-term research agenda

Task teams

A number of workstreams were launched to resolve issues related to priority areas.

The workstreams are organized by Task Teams and overseen by Steering committees led by country members of the AEG,

ISWGNA provide secretariat

Guidance notes will be developed for each of the prioritized issues covering both conceptual and practical guidance.

Priority areas

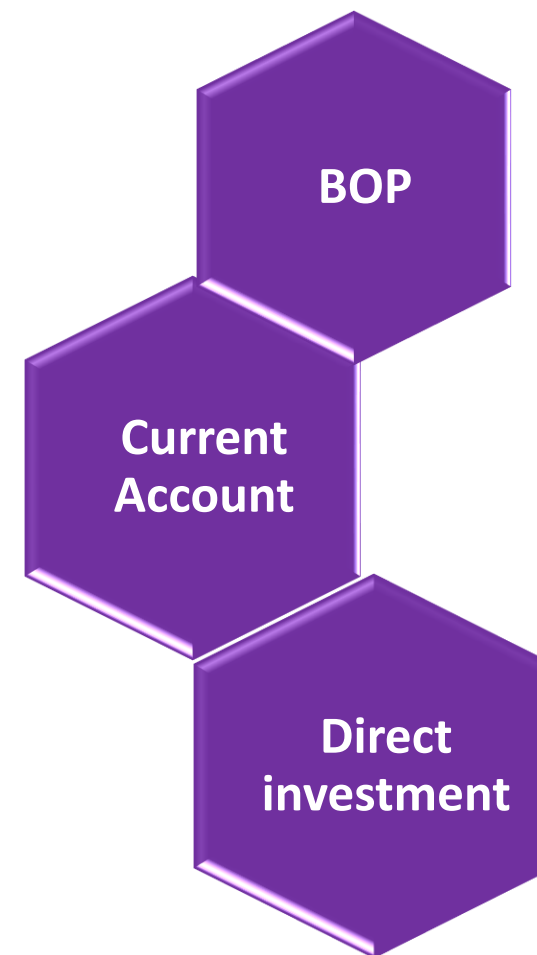
SNA priority areas



Joint priority areas



BPM priority areas



Task Teams

Task Team:
Digitalization

Chairs:
US and Indonesia

Secretariat:
Eurostat

Task Team:
Wellbeing and
Sustainability

Chairs:
Jamaica and WB

Secretariat:
OECD

Task Team:
Globalization

Chairs:
Australia and IE

Secretariat:
IMF

Task Team:
Classifications

Chairs:
tbd and tbd

Secretariat:
UNSD

Financial and
Payments Systems
Task Team
(FITT)

Co-chairs:
IMF & ECB

Secretariat:
IMF

Informal Economy
Task Team
(IETT)

Chair:
Uganda/IMF

Secretariat:
IMF/UNSD

Islamic Finance
Task Team
(IFTT)

Co-chairs:
State of Palestine &
Morocco

Secretariat:
ESCWA/UNSD

Intellectual
Property Products
Task Team
(IPTT)

Chair:
OECD

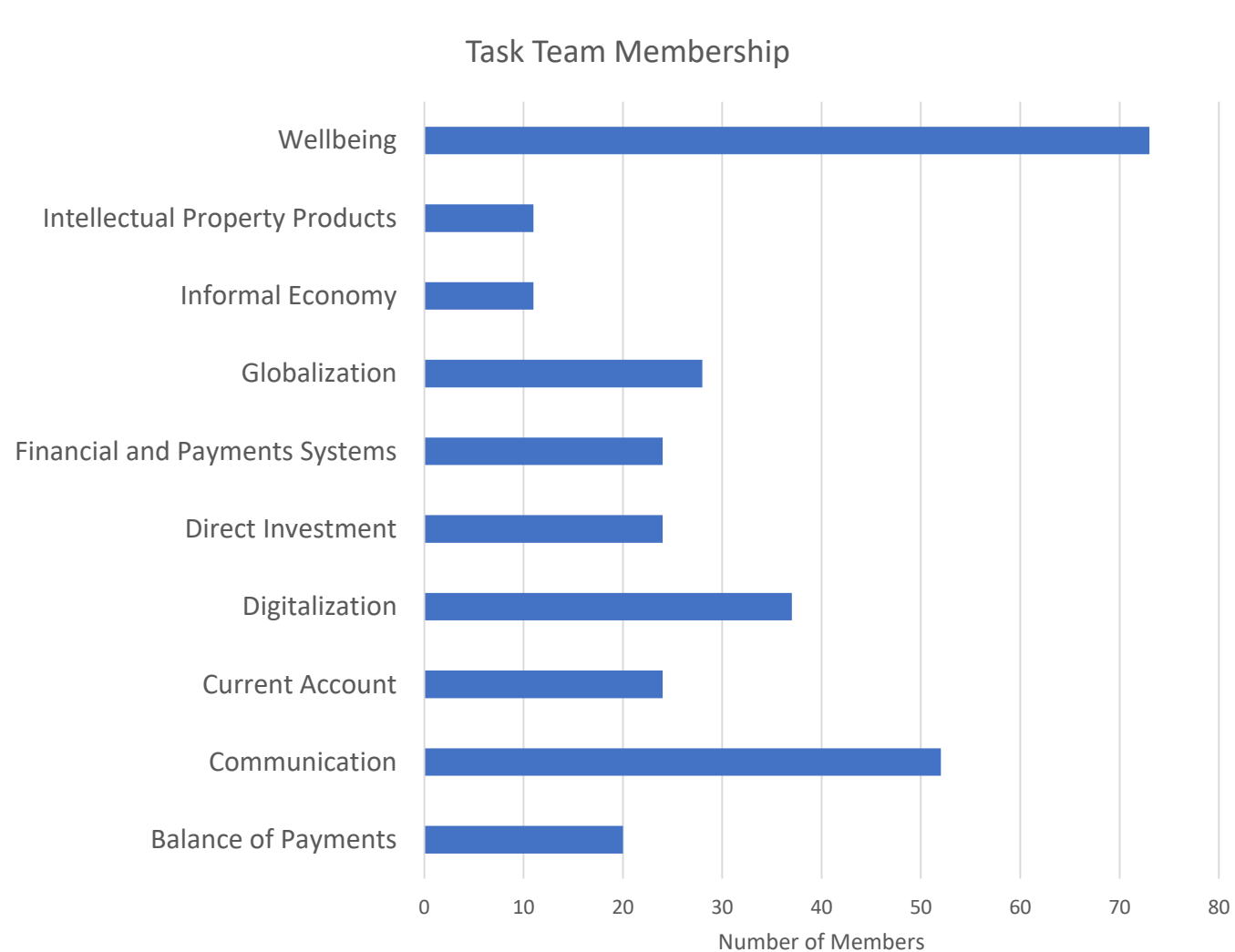
Secretariat:
IMF

Communications
Task Team
(CMTT)

Co-chairs:
tb & UK

Secretariat:
IMF & World Bank

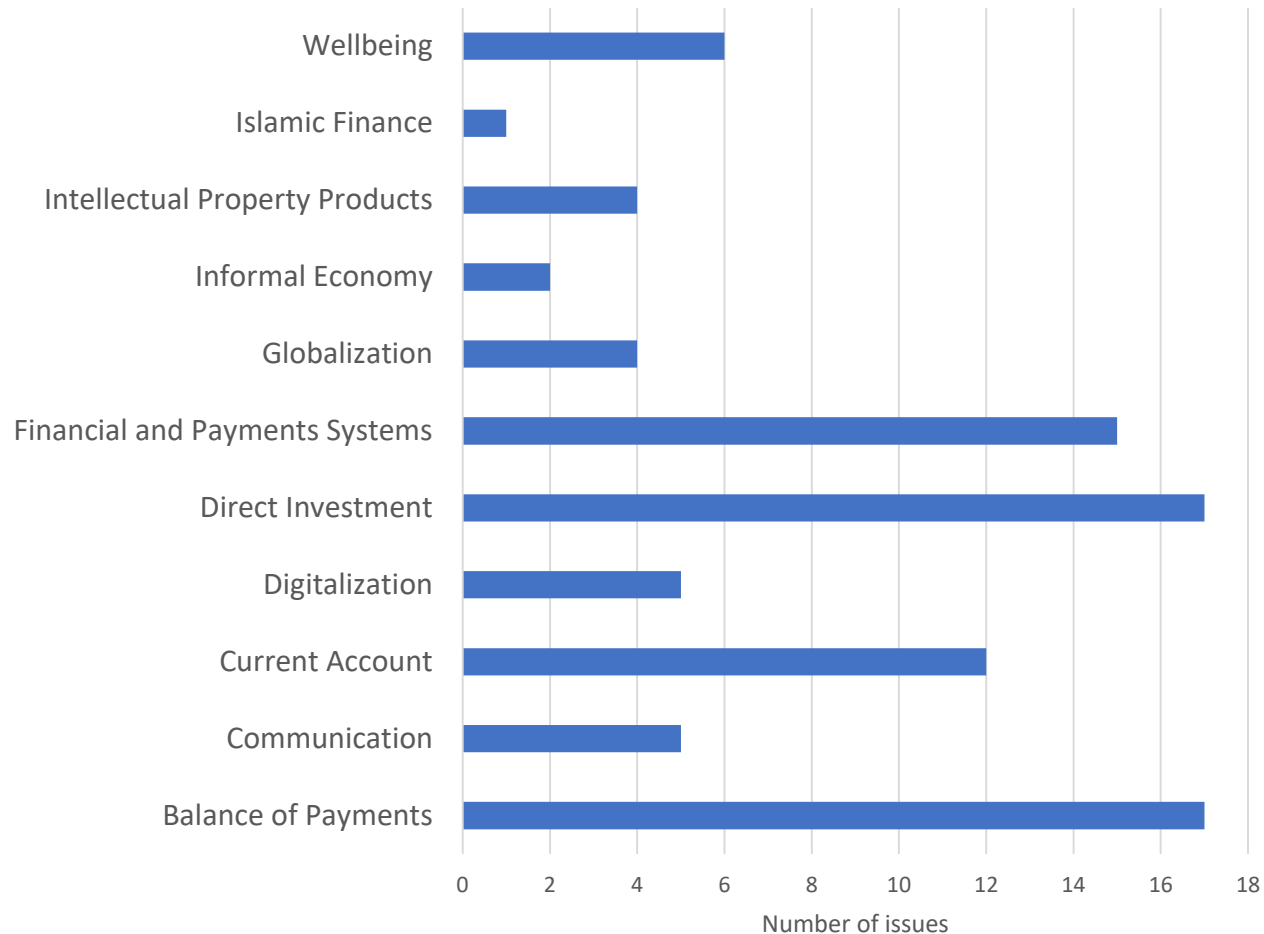
The Project – Over 300 experts across 10 Task Teams



- ✓ Over 300 experts across 10 Task Teams
- ✓ Cooperation
- ✓ Consistency

The Project – Over 80 issues currently being addressed

Issues being explored by task team



- ✓ 11 SNA issues
- ✓ 47 BPM issues
- ✓ 31 Joint SNA/BPM issues

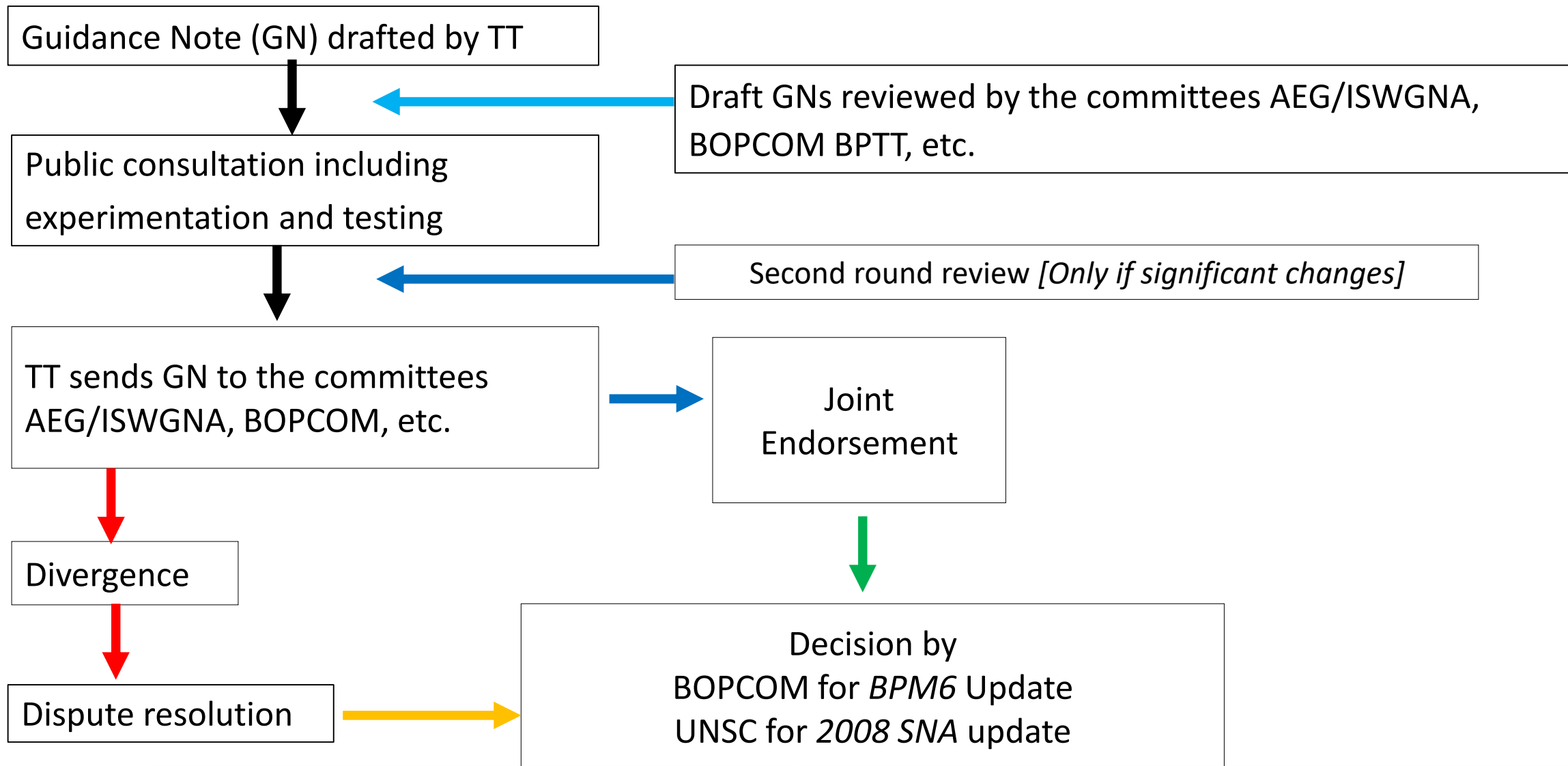
Guidance notes

Clearly identify issues affecting the central framework compared with those that would be addressed in supplementary tables or satellite accounts.

Not only the conceptual implications but also the feasibility of implementing the proposed conceptual solutions.

The practical guidance reflects on the experimentation and testing of the compilation issues.

Guidance Note Life Cycle



Management of update process and drafting of the new SNA

Bureau consisting of members of the ISWGNA and the chairs of the task teams

- manages the scope of the update and the technical and conceptual issues for the update of the SNA in
- collaborate with the other Committees responsible for specific domains of economic statistics.

The drafting of the revision of the 2008 SNA will be the main responsibility of an editorial team. In the earlier part of the updating period, the editorial team will oversee the conceptual consistency of the various emerging proposals.

Coordination of the SNA revision and the BPM update

Drafting and testing phases

- The testing phase will ideally start in 2021
- Drafting of both manuals to start in 2022.
- Close-to-final decisions for adoption by the end of 2021 for the majority of the research issues
- BPM proposals/guidance notes will also be tested in parallel to the drafting phase.
- Not everything needs to be tested either for the SNA or the BPM: the testing should mostly focus on significant issues requiring new institutional arrangements, data collections, statistical production structures and statistical infrastructure
- The drafting of the parts subject to testing to be addressed first.
- Conceptually optimal recommendations that are nevertheless considered impractical for the long-term RA.

Thank you

SNA@un.org

<https://unstats.un.org/unsd/nationalaccount/aeg/2020/M14.asp>