

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS STATISTICS DIVISION UNITED NATIONS SEEA Revision Issue 3a Cover Note

# **Cover Note**

# Issue #3a: Bridging energy accounts and energy balances

# **Outcome paper for global consultation**

Outcome Paper Issue #3a: Bridging energy accounts and energy balances

## **Issue description**

Energy statistics uses concepts and terminology which are often different from those used in economic statistics. There is a need to identify conceptual and terminological differences and ensure that a bridge between the two approaches is developed. The main differences to be addressed consist of the following: - Use of the territory principles in energy statistics and the residence principle in energy accounts - Definitions of transactions (e.g. supply, imports and exports are defined differently) - Energy accounts present information by economic activity, energy balances by technology. As a result the energy and transformation sectors are not defined in terms of ISIC divisions but in terms of technology used - There exist various definitions and classifications of energy products. At the highest level, it would be useful to have an agreement on the definitions and classification of energy products as well as their correspondence with CPC and HS. The classification of energy purposes or other purposes).

## Background

In the revision of the System of Environmental and Economic Accounts (SEEA) it has been recognised that there are a range of related data that either provide source information for the compilation of the accounts or reflect alternative presentations on similar topics. A particularly important case is the compilation of SEEA based energy accounts and energy balances compiled by many countries and by international agencies. This case is important because of the high and increasing focus on energy supply and use in all of its aspects.

Since both energy accounts and energy balances are based on well established but different concepts it is important that the relationships between each of these approaches are well understood by compilers and users of energy data. Often it will be the case that similar source data – energy statistics – are used to compile both energy accounts and energy balances and with a good understanding of the differences in approach a stronger alignment might be gained in statistical terms.

The relationship between the approaches can be articulated in a number of ways. A common method is the development of bridge tables. These tables usually start from a key aggregate from one approach and show the relationship with a similar key aggregate from another approach by adding and subtracting amounts equal to the extent of the conceptual and scope differences. The quantification of the various differences is a key benefit of the use of bridge tables.

The outcome paper presents the differences between energy accounts and energy balances in two parts. First, the main differences between the approaches are described. Second, illustrative bridge tables between aggregate measures of energy supply and use are presented.

#### Summary of outcomes

While the description and presentation of the differences between energy accounts and energy balances does not directly impact on the SEEA standards for energy accounts the ability to understand the relationships between these two key measures of energy supply and use is considered an important part of the SEEA revision process. Feedback is sought on whether the range of differences between energy accounts and energy balances as described in the outcome paper reflects the complete set of differences and whether the description is accurate. Also, thoughts would be appreciated on whether the technique of constructing bridge tables should be explained and used in the revised SEEA, in particular to explain the differences between energy balances.

#### Questions

1. Do you agree that the outcome paper describes the full range of differences between energy accounts and energy balances and that the descriptions are accurate?

2. Do you agree that the technique of constructing bridge tables should be explained and used in the revised SEEA, in particular to explain the differences between energy accounts and energy balances?

3. Any other comments?

To submit responses to these questions please complete the accompanying comment form available on the website. You are encouraged to submit a short response to the questions (yes/no/no comment) even if you have no further comments to submit.

#### Deadline for responses: 24 December 2010