Milestones for SNA implementation

Upon request of the Statistical Commission the ISWGNA has developed a set of recommendations for a phased implementation of the 1993 SNA. The so called '6 Milestones' on the long and winding road to full SNA implementation are presented in the table on the next page and are explained in more detail below.

The purpose of defining these general guidelines is to be able to assess the state of national accounting in individual countries and the progress made over time. As was stressed repeatedly by the Statistical Commission, the SNA implementation is essentially a country responsibility. Countries may therefore choose a different path to implementation that they find better suited to their needs and technical and financial resource priorities.

Phases of implementation

The first two phases described in the table refer to those parts of the SNA that have the most immediate and general use for policy makers. Consequently, many countries have already implemented these 'traditional' phases. Phase 1 contains basic gross domestic product (GDP) data at current and constant prices by final expenditures and by industries. In combination with the trade balance from phase 1, phase 2 provides the rest of the world account, which is now fully consistent with the IMF Balance of Payment (BOP) System. At the end of phase 2, countries can calculate gross national income, national disposable income, national saving and net lending/borrowing.

Phases 3, 4 and 5 involve the development of comprehensive flow accounts for the institutional sectors. Phase 3 involves the compilation of the new production accounts, which are an innovation of the 1993 SNA, and a full set of the accounts for general government. There are quite reliable sources for these accounts in most countries, and the main balancing items - government saving and net lending - are of particular interest for economic policy. The breakdown of GDP by cost components may be developed in phase 3 at the same time as the production accounts by sector, which are understood to include the generation of income account as well. In phase 4 the accounts are extended to sectors in which data sources are generally weaker; there is particular interest from a policy point of view in the accounts of the household sector and the non-financial corporations, and if priorities are assigned within this phase, the accounts for these sectors should be compiled first. Phase 5 completes the transaction accounts for institutional sectors with the compilation of financial accounts.

Phase 6 refers to the "other flow accounts and balance sheets". Completion of the other changes in asset accounts can only be achieved by countries with a highly developed system of basic data, including a wide range of price statistics and detailed information on stocks of produced and non-produced assets. Balance sheets are fully integrated for the first time in the 1993 SNA.

Complementary data systems

At each phase countries must choose whether to allocate resources to moving to the next milestone or to improving estimates from earlier phases. Their choice should also depend on the availability and quality of complementary data systems. The basic data shown for the pre-SNA phase include statistics on agricultural and industrial output, foreign trade, prices, employment, retail trade, construction output and household expenditures. Under phase 1, complementary data systems include supply and use worksheets in current and constant prices with limited product detail, which
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are recommended in order to improve consistency between value added and expenditure data. Other items include the BOP System and government finance and monetary statistics, which are being aligned with the corresponding parts of the 1993 SNA, so that data compiled for them can be transferred into the SNA accounts with minimum adjustments.

Complementary data systems for phase 3 include capital stock statistics (closing stocks of fixed assets by industry), which are important for analytical use. If the perpetual inventory method is used for these estimates, basic data requirements are relatively modest, so that they may be compiled by some countries which have passed only the first 2 or 3 milestones. In addition to providing data on capital stocks, this approach would also allow for estimating the consumption of fixed capital. The BOP stock statistics refer to the international investment position (IIP) reflected in the balance sheet of the stock of external financial assets and liabilities.

**SNA-related data and developments**

Countries may decide to implement some refinements and additional accounts as they move through the milestones represented by phases 2 through 5.

Chief among them are quarterly and regional accounts, the former having proved of great value to monitoring short-term economic developments. Input-output tables are also included under this heading. Satellite accounts, particularly for the environment, are currently being implemented by several countries. The United Nations system for satellite accounts in this area is designed to be flexible allowing to proceed on a step-by-step basis.

**Use of the milestones**

As mentioned before the development of these milestones has been motivated by two considerations: (1) to give countries some orientation on a phased introduction of the 1993 SNA; (2) to create a yardstick in order to measure progress in the overall implementation process worldwide.

Consequently, the UN Statistics Division and the Regional Commissions, are presently working on an assessment of all countries based on these milestones. The national accounts data that countries provide annually to the UN Statistics Division as well as the 'implementation survey' conducted last year are serving as a basis for this exercise.

It is expected that this detailed study of individual countries will lead to a better understanding of which technical support services will be needed by countries from the international statistical community. The milestone approach should also prove useful to identify subregional characteristics to which special attention will have to be given.
Clarification of conceptual issues


The 1986 GFS states: "... Seignorage profits on the issue of coins, however, whether coming from the central bank or from a function of the monetary authorities to be separated from government are included in government revenue along with other central bank profits transferred to government" (page 62).

The SNA, however, without explicitly addressing the topic of seignorage profits from the issue of coins establishes the principle that both notes and coins are universally treated as liabilities within the system (para 11.70). Consequently, there was agreement in the ISW GNA that the full face value received by the government from sales of coins (other than commemorative coins that do not enter the money supply) should be recorded as a financing transaction which increases the government’s liabilities under currency and its assets under deposits. The cost to government of producing the coins (or purchasing them from a separate institutional unit) should be recorded as a gross consumption expenditure and not netted in any way against the receipts from issue.

Training activities in the field of national accounts

Many institutions are offering a variety of training programmes related to the new SNA. Two of the programmes are presented in the following:

Training of European Statisticians (TES): The purpose of the TES project is to enhance the vocational training of European statisticians and to give them the opportunity to participate in international seminars at postgraduate level. TES is carrying out several training courses which are held in English or French. The following course will be held in French:


Further inquiries should be made through TES Secretariat in Luxembourg, tel. +352-346869-31 or 37, fax +352-346873

IMF Institute: The IMF Institute carries out training as an important complement to policy advice and financial assistance that the IMF is providing to its member countries. Several courses are offered in various fields and in different languages.

The following two courses are in English:

Money and Banking Statistics, February 3 - March 14, 1997, closing date: September 6, 1996

Public Finance, May 5 - June 27, 1997, closing date: November 29, 1996

Further inquiries should be directed to IMF Institute, tel. +202-623-6660, fax +202-623-6490.

Meetings and seminars

The Indonesian Government (Ministry of Environment and Central Bureau of Statistics) will hold a seminar on

Environmental Accounts for Indonesia

in Jakarta on 2-6 September 1996 with the support of UNSD and World Bank

The South African Government (Reserve Bank and Central Statistical Service) will hold a workshop on the

Implementation of the 1993 SNA


On 17 May 1996 the World Bank hosted a one-day seminar on the

1993 SNA and related statistical systems

for the State Planning Commission (SPC) of China. A follow up seminar sponsored by UNDP will be held in Beijing in August 1996.

ECA will hold a workshop on

SNA implementation for French-speaking African countries

in Addis Ababa, Ethiopia, from 14-18 October 1996.

ECA has also carried out a course on

1993 SNA and its implementation in North African countries

which was held in English and French from 10-14 June 1996 in Tangier, Morocco.

A second bi-lingual course was a joint UNSD/ECA

Workshop on statistics on services in the informal sector

which was held from 17-21 June 1996 in Addis Ababa, Ethiopia.

A detailed report on that subject is available at ECA and UNSD.
News about SNA dissemination, multimedia and internet

1993 SNA in Arabic: After the English version the 1993 SNA is now also available in Arabic.


SNA News and Notes polyglot: SNA News and Notes now also in Spanish and French. Thanks to a generous offer of cooperation from the Mexican National Statistical Institute (INEGI) and from the Statistical Commission of the European Communities (Eurostat), the SNA newsletter will now also be available in Spanish and French! The Mexican INEGI has started its translation service with issue no. 3, which has already been distributed in Spanish speaking countries. Eurostat will produce the French version as of this issue No.4.

SNA News and Notes on the internet: SNA News and Notes can be electronically accessed on the internet. Go to the homepage of UNSD (http://www.un.org/Depts/unsd) and choose between its various issues and languages!

SNA implementation and IMF data standards

The last issue of this newsletter contained a report about the "IMF initiative to improve economic and financial data" (see SNA News and Notes, issue 3, January 1996, page 4). The following article addresses how the implementation of the 1993 SNA can benefit from the IMF initiative. Each country trying to enhance its statistical system has to make decisions on how it will devote its scarce resources according to its data needs. Since the IMF indicators are focussing on production, financial and price data, all data required are explicitly or implicitly included in the SNA. The implementation of the first of the "milestones" (see pages 1-2 of this newsletter) would serve most of the IMF requirements. In those instances that additional efforts are needed to compile data, would not only serve the IMF demands, but they would also improve the quality of national accounts.

The IMF initiative requires not only annual, but also quarterly and monthly data. Compiling selected short term data is already a practice in national accounts departments in many countries. What should, however, be done is to link up this work in a more effective manner with the integrated approach of national accounts.

Combining the SNA approach which is more geared towards middle and long term economic analysis, and may be extended towards environmental and social areas, with the IMF initiative, will lead to an integrated framework of data which will allow a broad scope of analysis: For example, on one hand the IMF initiative could strengthen efforts to provide more short term information within the SNA and on the other hand middle and long term effects of monetary or financial policy decisions could be assessed within the SNA framework and especially within its environmental and social extensions.

Manuals and handbooks

OECD has published, in English and French, Value added in services at constant prices. For August 1996 two manuals are scheduled: Inflation accounting and Quarterly national accounts.

With respect to functional classifications COICOP is being finalized following comments sent by OECD, EU and UN member countries; COFOG in its first revised draft has been circulated for comment by OECD and EU member countries, a second draft will be circulated to UN member countries in Autumn; COPNI is in its first draft and will be widely circulated for comment in Autumn 1996.

Editorial note

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