

ISWGNA Task Force on Statistical Units in the National Accounts

Terms of Reference

Introduction

The rapidly changing nature of production and in particular the ways in which producers produce goods and services has cast a spotlight on the SNA's preference for using the establishment as the preferred unit to compile industrial statistics, and in particular, supply and use tables. One of the primary motivations for this preference reflected the view that establishments classified to the same industrial classification grouping shared similar characteristics in their production functions, and, so, were considered broadly 'homogeneous'. However the increasing regional and international fragmentation of production, coupled with the growing emergence of new types of producers has weakened underlying assumptions of homogeneity. In addition to practical problems in implementing the concept of the establishment, this calls for a reconsideration of the statistical unit used in the supply and use framework, which may also have an impact on the classifications by industry.

Another discussion regarding statistical units relates to the interpretation of the SNA-definition of an "institutional unit" for the compilation of institutional sector accounts. Criteria such as autonomy of decision making or the ability to take economic decisions, and even the availability of a complete set of accounts, are interpreted in quite different ways, leading to a lack of an international comparable implementation. Sometimes, this may be caused by the availability of source data, in other cases it is a matter of interpreting the SNA differently. In practice, one can notice, for example, differences in the delineation of institutional sectors when it comes to the recognition of quasi-corporations. In other cases, one can observe the use of legal units, enterprises or even enterprise groups as being equivalent to institutional units, as a consequence of which for example unconsolidated data on debt differ substantially across countries. Another issue relates to the recognition of captive units as institutional units or not.

The full document on statistical units, as discussed at the 10th meeting of the Advisory Expert Group (AEG) on National Accounts, 13-15 April 2016, Paris, France, is attached to these Terms of Reference and is also available at: <http://unstats.un.org/unsd/nationalaccount/aeg/2016/M10.asp>.

The review of the statistical units in the SNA is a long term issue in the research agenda (see Annex IV of the 2008 SNA). The Task Force on Statistical Units (TFSU) has been established to take stock of the 2008 SNA recommendations on statistical units (including institutional units), and to reflect on whether or not the recommendations on statistical units need to be adjusted in the future. The Task Force is expected to provide a clear view of what needs to be measured in the economy in order to identify ways to improve the definitions, if necessary, and taking into consideration: current country practices; regional accounts as well as productivity measurement. The specific objectives of the Task Force are outlined below.

Objectives

The objectives of the ISWGNA Task Force on Statistical Units include:

- To make an assessment of country practices in the use of statistical units in the compilation of supply and use tables and institutional sector accounts.

- To assess the advantages and disadvantage of the use of different statistical units in the compilation of the accounts;
- To provide guidance on which statistical unit to be used for what purpose, and put forward practical recommendations taking into account practical and theoretical considerations as well as their impact on the results from a user perspective;
- To formulate proposals for future SNA recommendations as to the choice of statistical units based on the results of the review above. This would include the formulation of:
 - concrete proposals regarding the criteria for the recognition of separate units, which would be instrumental to an (enhanced) internationally comparable implementation;
 - concrete proposals, if needed, for classifications by industry and possibly by institutional sector;
 - an assessment of the potential quantitative impacts of any proposals/suggestions on the relevant national accounts data.

Governance and participation

The Task Force is established by the Inter Secretariat Working Group on National Accounts (ISWGNA) and is chaired by the OECD.

The membership of the task force should include experts from a broad group of countries with a good geographical coverage in the areas of national accounts, business registers, enterprise statistics, balance of payments, and classifications. Participants should have a good understanding of the more fundamental issues related to the definition of statistical units, have knowledge of the statistical practice of collecting relevant data, and/or have expertise regarding the use of resulting national accounts data for policy and research (including the potential impact on main indicators). It is expected that members of the Task Force will actively engage in the discussions and/or the drafting of notes and recommendations.

The working methods are expected to consist mainly of electronic communication to circulate documentation and collect comments on specific topics. Face to face meetings may be organized depending on the progress of work and subject to consideration of the Chair of the Task Force.

Reporting

The Task force will regularly report to the ISWGNA on the progress made, in accordance with the SNA update procedures as established by the United Nations Statistical Commission¹. In respect of this reporting, the Task Force will conduct its research and discussions in an iterative approach, first providing a report with initial thoughts and proposals on the above-mentioned topics, and subsequently providing more elaborate and concrete proposals, thus engaging the AEG and other fora on a regular basis before the final conclusions are settled within the Task Force.

¹ See <http://unstats.un.org/unsd/nationalaccount/uProc.asp>

Timeline

A first report with preliminary recommendations and items for further discussion is planned in the first half of 2018, to be discussed at the 2018 meeting of the AEG.

Follow-up work is planned in one or two consecutive annual rounds of discussion, with subsequent reporting of the new/revised recommendation to the AEG.

Final recommendations, for global consultation, are planned to be finalised in 2020. This does not preclude consultations, on a regional and global level, based on more preliminary outcomes.