REVISION OF THE SYSTEM OF NATIONAL ACCOUNTS (SNA)

Progress report on the review of the System of National Accounts

Report prepared by the United Nations Statistical Office

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I. INTRODUCTION

1. The review of the System of National Accounts (SNA) was discussed at the nineteenth session of the Sub-Committee on Statistical Activities on the basis of a progress report (SA/1985/28) prepared by the United Nations Statistical Office. The Sub-Committee recognized the central and effective role of the Intersecretariat Working Group on National Accounts and the importance of regional input in the SNA revision programme. Noting the concerns of the regional commissions about the statistical limitations of developing countries, the Sub-Committee reiterated the basic directions of the SNA revision specified by the Statistical Commission as clarification, simplification and harmonization with other systems. This item was retained on the agenda for the twentieth session.

II. PROGRESS MADE SINCE LAST REPORT

2. It has been a very active period world wide in the area of SNA review. Many regional meetings and workshops were held to discuss SNA related topics. They are chronologically listed as follows: OECD meeting of National Accounts experts (May 1985), General Conference of the International Association for Research in Income and Wealth (IARIW) (August 1985), ESCAP/ASIAP Expert Group Meeting on Developing Statistics of Household Economic Activities (September 1985), ECA National Accounts Workshop (October 1985), UNSO Interregional Workshop on National Accounts for the statistically least developed countries (Mexico, February 1986), ECE Working Party on National Accounts and Balances (March 1986), EUROSTAT Working Party on National Accounts (April 1986) and ECLAC Seminar on SNA Review (April 1986).

3. Most meetings dealt with the main issues of SNA structure and review organisation. The ESCAP/ASIAP Expert Group discussed specific requirements of data relating to household economic activities for national accounts and planning and integration of data collected through different sources. The Interregional Workshop on national accounts for the statistically least developed countries held in Mexico considered conceptual features and practical implementation of the present SNA, and the participants were informed about the issues that are currently being discussed in the context of the SNA review. The ECE meeting covered also dual sectoring, statistical units, input-output concepts, the total consumption concept and links between SNA and MPS. The EUROSTAT meeting considered harmonization of SNA and balance of payments statistics as well as revision of SNA and European System of Accounts (ESA). The ECLAC Seminar in Santiago discussed the reconciliation between public sector statistics of SNA and IMF standards of Government Finance Statistics (GFS), and dealt with the definition of terms of trade gains and losses.
4. Two major working papers entitled "The Conceptual Framework of the Revised SNA" and "Organisation of the SNA Review" were prepared by authors from member organisations of the Intersecretariat Working Group after an informal working session in January 1986. Both papers were discussed at the ECE, EUROSTAT meetings and at the ECLAC seminar mentioned above. They will also be the major discussion papers presented to the forthcoming meetings.

III. FORTHCOMING EVENTS

A. Regional Meetings

5. At the time of writing, four more regional meetings have been scheduled in 1986: OECD meeting on National Accounts (14-16 May), UNSO Interregional Seminar on SNA Review for Developing Countries (New York, 19-23 May), ESCAP Seminar on SNA Review (1-7 July) and ECA Meeting on SNA Review (29 September - 3 October). Due to difficulties in scheduling, the latter two regional meetings will be held after the first expert group meeting in June this year (see para. 7). Nevertheless, their conclusions will be taken into consideration in subsequent expert group meetings dealing with specific topics and in the final consolidating expert group meeting(s) before the completion of the SNA revision targeted for 1990.

6. Tentative agenda are available for all these scheduled meetings except for the ECA meeting which is being finalized. In addition to items on SNA conceptual framework and review organization, the OECD meeting in May has on its agenda specific topics such as the treatment of bank interest and service charges, the reconciliation between the concepts of SNA and Balance of Payments, and the deflation of services. The ESCAP Seminar in July will consider the coverage of non-market transactions and the classification of informal sector activities, the reconciliation between SNA and specialized statistics, and the statistical survey basis of national accounts. The Interregional meeting in May should identify the specific questions that are relevant to developing countries and advance the views of developing countries vis-à-vis the organization of the SNA Review, the general features or structure of the System and the approach to specific detailed questions. The latter include the uses of national accounts in policy-making and planning, special adaptations of the System to the analytical needs of developing countries, national accounting in constant prices, household activities and non-market imputations, and finally the approach to reconciling the SNA standards with standards of specialized statistics. Conclusions reached in the Interregional Seminar will be the main channel for incorporating developing countries' views into the recommendations to be made by the expert group meeting in June and subsequent expert group meetings to be held thereafter.
B. Expert Group Meetings

7. The execution of the SNA revision programme has reached the stage where regional meetings will be concluded and the first expert group meetings will take place this year. The main expert group, sponsored by the United Nations, will be held from 23 to 28 June this year in Geneva. Its function is to coordinate the SNA revision by formulating general guidelines on the division of work and other procedures to be followed by subsequent expert groups and to define the conceptual framework of the system that will orient those discussions. Questions to be dealt with by this expert group will include the uses of national accounting, adaptation of the system to specific uses and circumstances, the general features of classifications of transactors and transactions, the role of the input-output framework in the system, the treatment and coverage of attributions and imputations, the approaches to reconciling SNA with specialized statistics, etc. The relevant conclusions of the regional meetings in 1986 will be reflected in the recommendations to be made by this expert group.

8. Agenda for subsequent specialized expert group meetings in the biennium 1986/87 are presently being drawn up. These include an expert group meeting on national accounting in constant prices and ICP in November 1986 in Luxembourg sponsored jointly by OECD and EEC, two expert group meetings sponsored by the IMF on external transactions and public sector accounts will be held next year (1987) in Washington D.C. in February and June respectively, and an expert group on household sector accounts and income distribution which will be organized by the World Bank and held in Rome in September next year (1987), immediately following the next General Conference of IARIW will be held there.

9. Membership of the expert groups is still under discussion by the Intersecretariat Working Group. Also the formation of a so-called core of experts which should continue through all expert group meetings and thus guarantee continuity and coordination of the work is being considered. Final decision has not yet been made.

10. There is a growing documentation on SNA review topics prepared by individual countries and member organizations of the Intersecretariat Working Group. While most documents were prepared for specific meetings they often have been discussed in more than one regional or international forum. A tentative list of these documents is available at the United Nations Statistical Office.