



CES Bureau In-depth review of Satellite Accounting

**Statistics Canada and UNECE
13th AEG Meeting
1-3 October 2019, Washington D.C**

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In-depth review of satellite accounting

- Increasing proliferation of satellite accounts
- AEG discussed future strategy for satellite accounting in 2017 and 2018, including their role in building broader framework for capturing well-being and sustainability
- Joint UNECE/Eurostat/OECD Group of Experts on National Accounts requested general guidance on priority areas and recommended approaches



In-depth review of Satellite Accounting by the CES Bureau

- Background paper prepared by Statistic Canada with support from UNECE, Eurostat, OECD, UNSD, and the IMF
- Based on survey of national practices (80+ countries; 240+ SA)
- Inventory of international guidance
- Recommendations for next steps

In-depth Review of Satellite Accounting

Satellite Accounting and the 2008 System of National Accounts

Three 'types' of satellite accounts

Type 1 (Thematic)	Type 2 (Extensions)	"Type 3" (Thematic / Extensions)
<ul style="list-style-type: none"> ▪ Rearrangement of the classifications, presentation and possible addition of complimentary information not found in the existing core accounts. ▪ No change or little change to the underlying concepts of the core system 	<ul style="list-style-type: none"> ▪ Modification of the underlying concepts, boundaries of the core system and/or testing new methods. (e.g. including volunteer activities as production) 	<ul style="list-style-type: none"> • Any combination of 1 and 2

Benefits of Satellite Accounting

Data Development	Generally leads to improved quality as compilers are able develop new methods and exploit new sources of data in order to construct satellite accounts.
User-centric	Users-centric in that they often provided products that are tailored to a users-specific question.
Experimentation	Offer NSOs the opportunity to experiment and test before making fundamental changes to their core national accounts.

Survey of National Practices in Satellite Accounting

Six key themes explored

1. Sponsorship / financing of satellite accounts
2. Work units responsible for producing satellite accounts
3. Relationship of the satellite account to the “core” 2008 SNA
4. Frequency and timeliness of satellite accounts
5. Data sources and methods used to construct satellite accounts
6. Data gaps and demand for satellite accounts



In-depth Review of Satellite Accounting

Main Findings

There is a need for a common language and a way to position satellite accounts in a greater framework.

Standard System of National (economic) Accounts

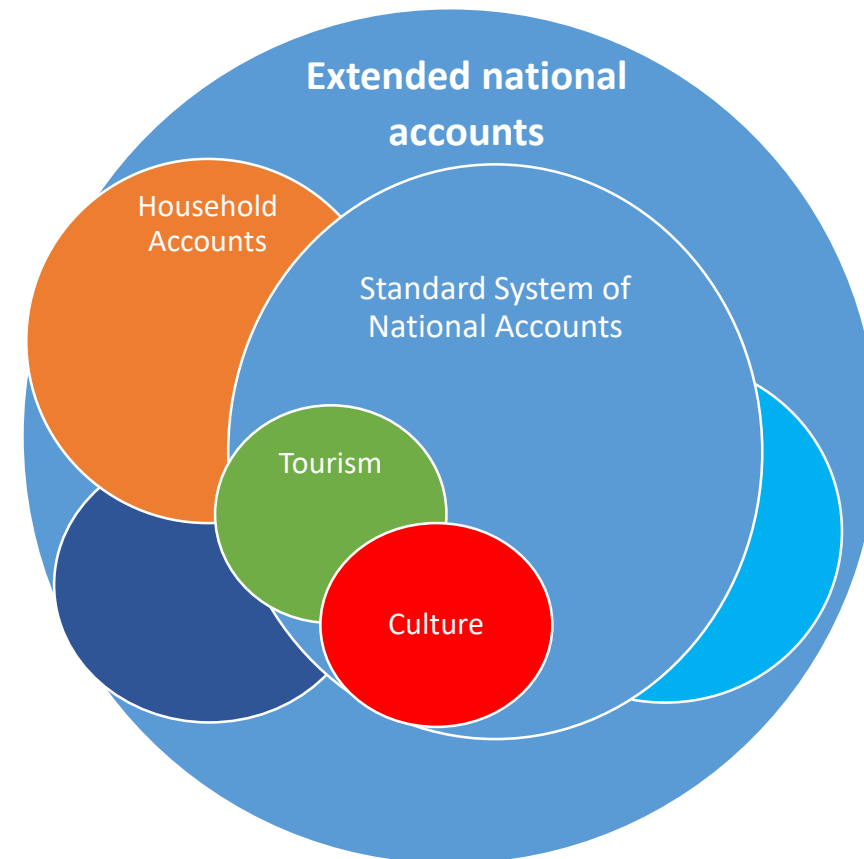
- The existing 2008 SNA but 'branded' for what it is and not what it is not.

Sustainability and Well-being Accounts

- A set of 'endorsed' satellite accounts focused on sustainability and well-being that constitute the Extended System.

Thematic Accounts

- Sector specific accounts (tourism, culture, agriculture, transport) that are developed using general guidance to ensure consistency and credibility.

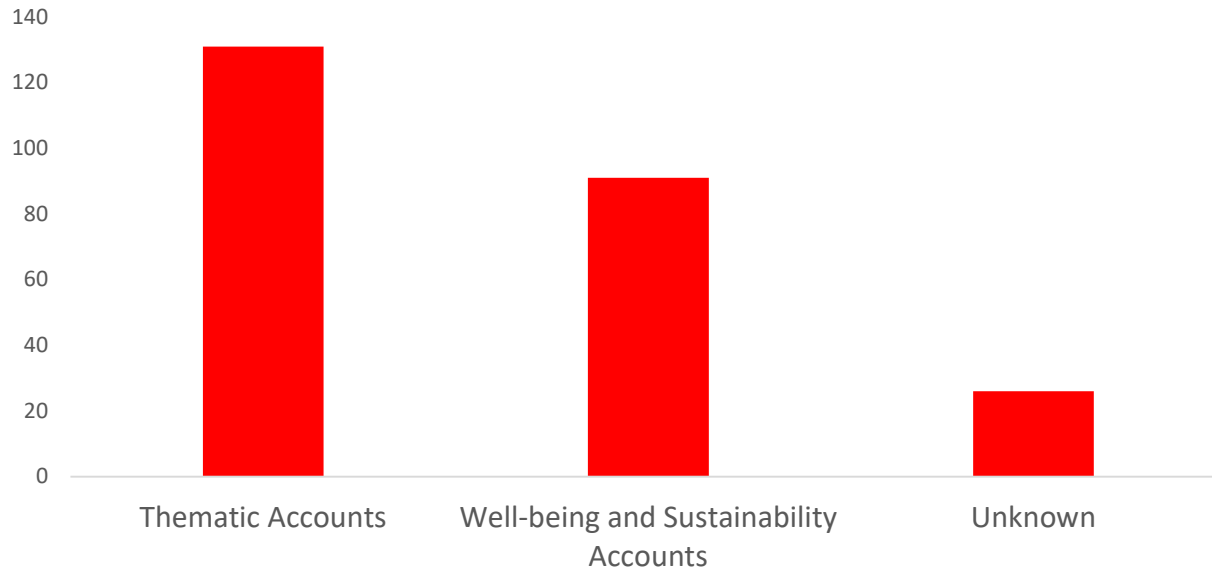


In-depth Review of Satellite Accounting

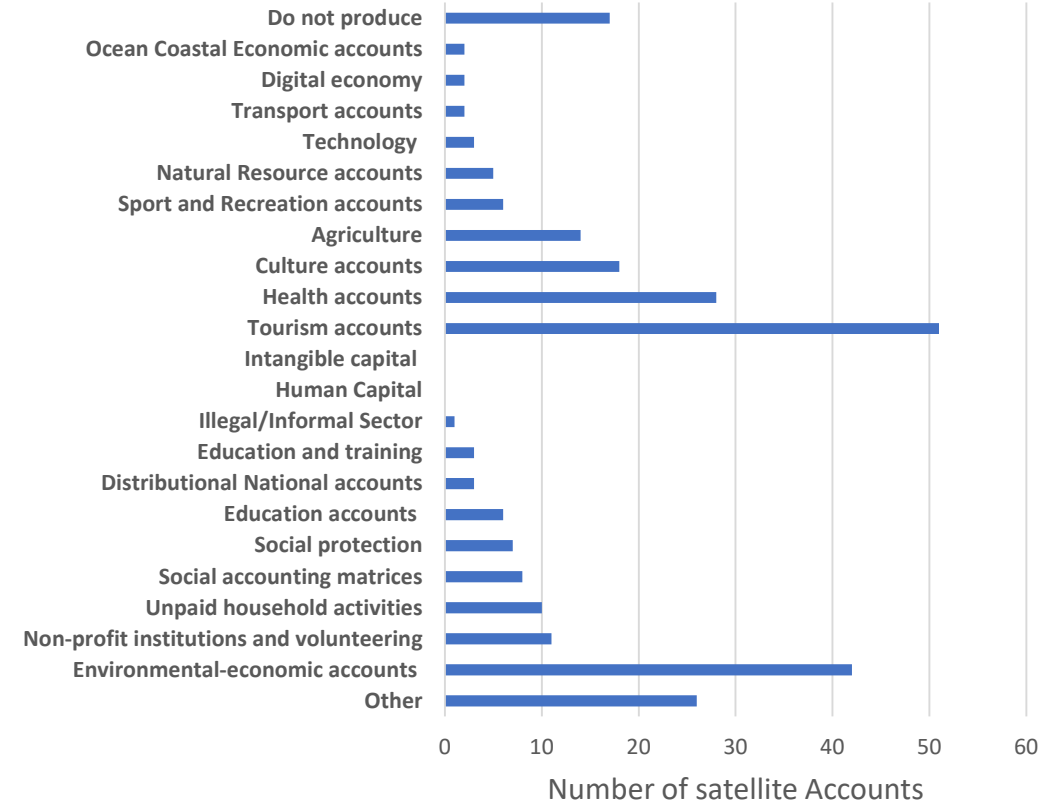
Main Findings

✓ Thematic or activity accounts appear to be more prevalent than well-being and sustainability type accounts.

Responses by category of account



Which 'themes' did your satellite account address?

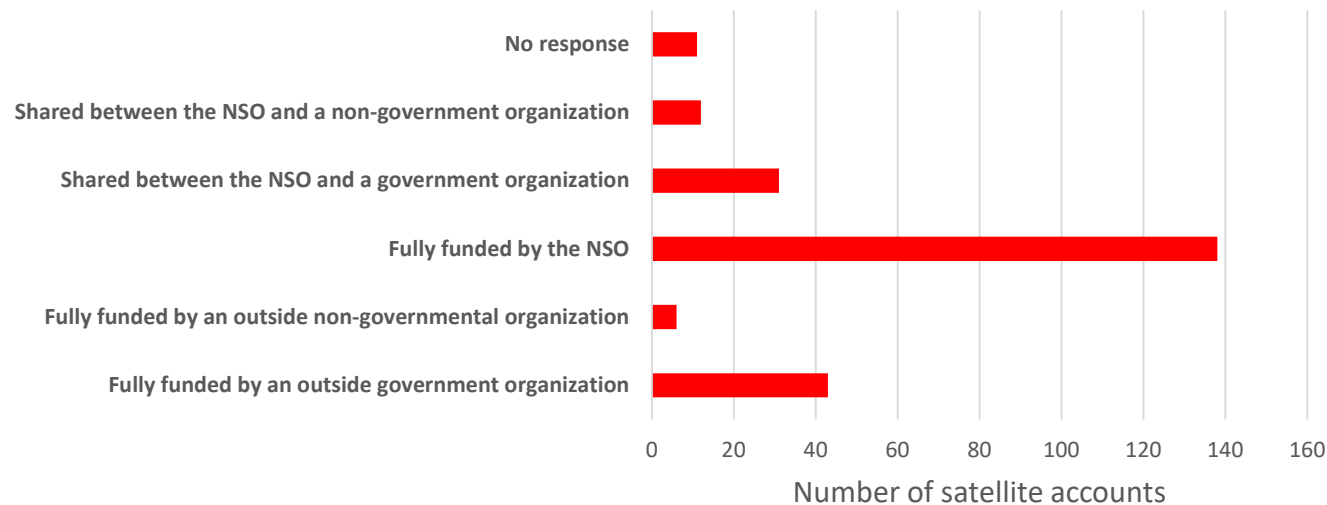


In-depth Review of Satellite Accounting

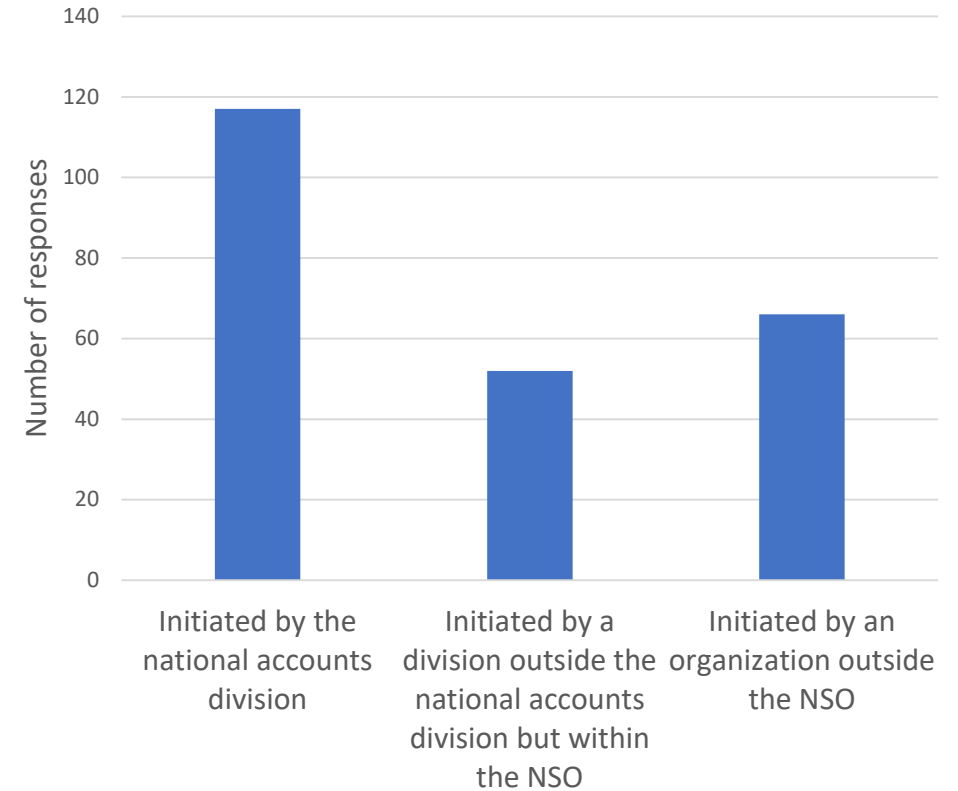
Main Findings

✓ The majority of satellite accounts were initiated by the NSO. The majority of the satellite accounts are funded by the NSO

How are the development costs related to this satellite account funded?



Who initiated development of this satellite account?

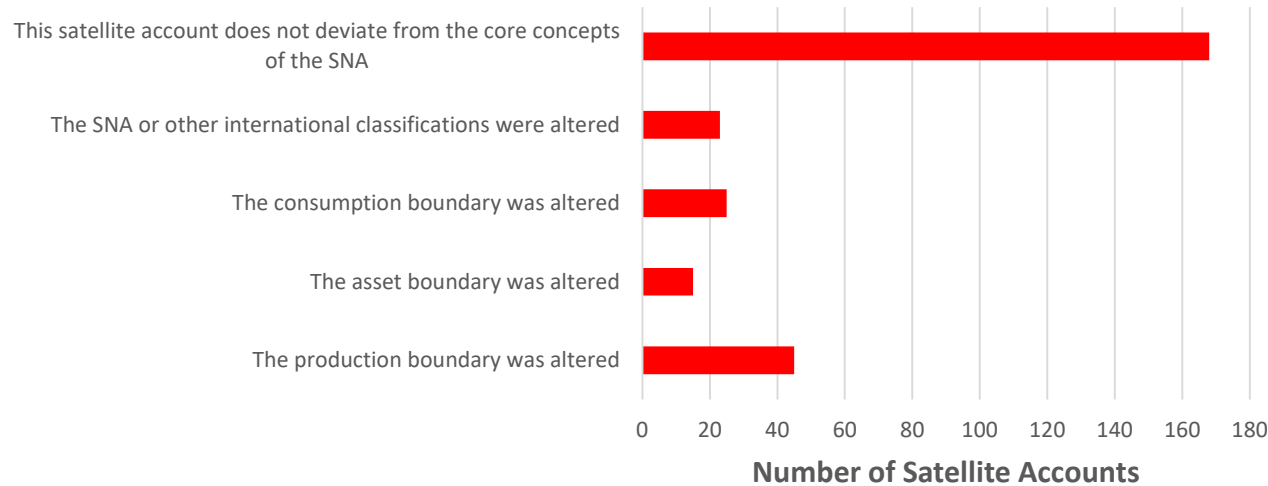


In-depth Review of Satellite Accounting

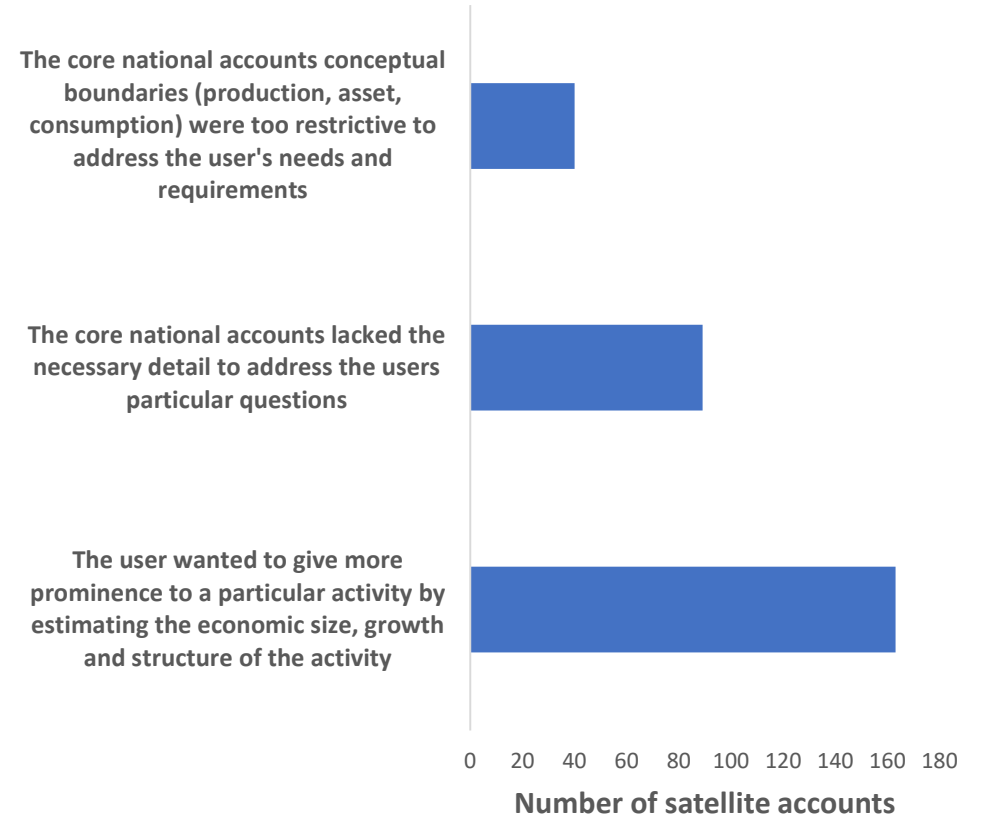
Main Findings

✓ Most satellite accounts are developed in order to give more prominence to an activity or subject. Most satellite accounts do not deviate from the core SNA concepts.

In which ways does this satellite account deviate from the core concepts of the System of National Accounts?



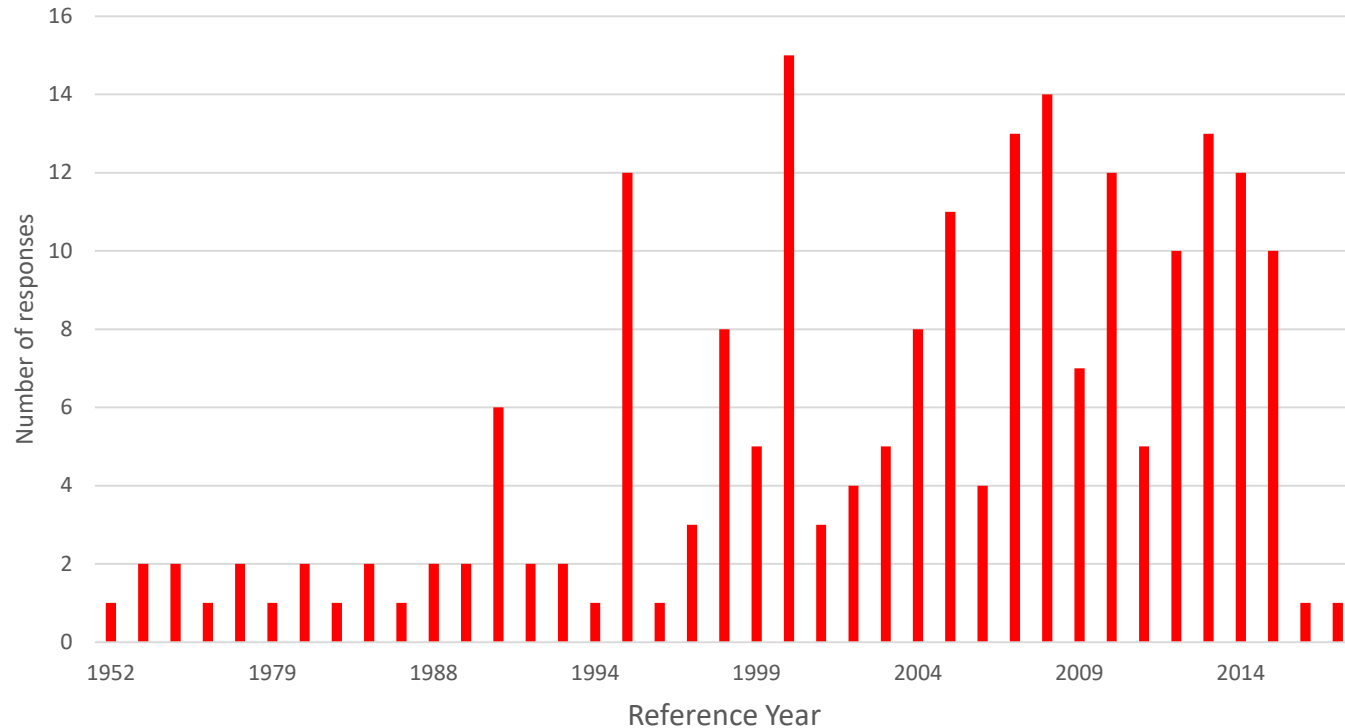
What is the primary reason for the development of the account?



In-depth Review of Satellite Accounting

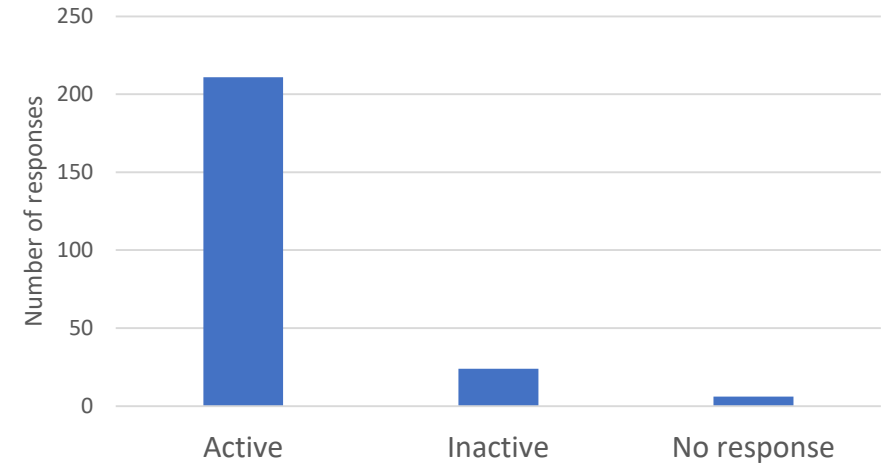
Main Findings

Which reference periods are covered?



✓ The majority of the satellite accounts relate to reference periods 2000 and later. In total, 9 satellite accounts cover reference periods prior to 1980, 40 cover reference periods in the 1980s and 1990s, and 148 cover reference periods from 2000 onwards.

Active and Inactive satellite accounts

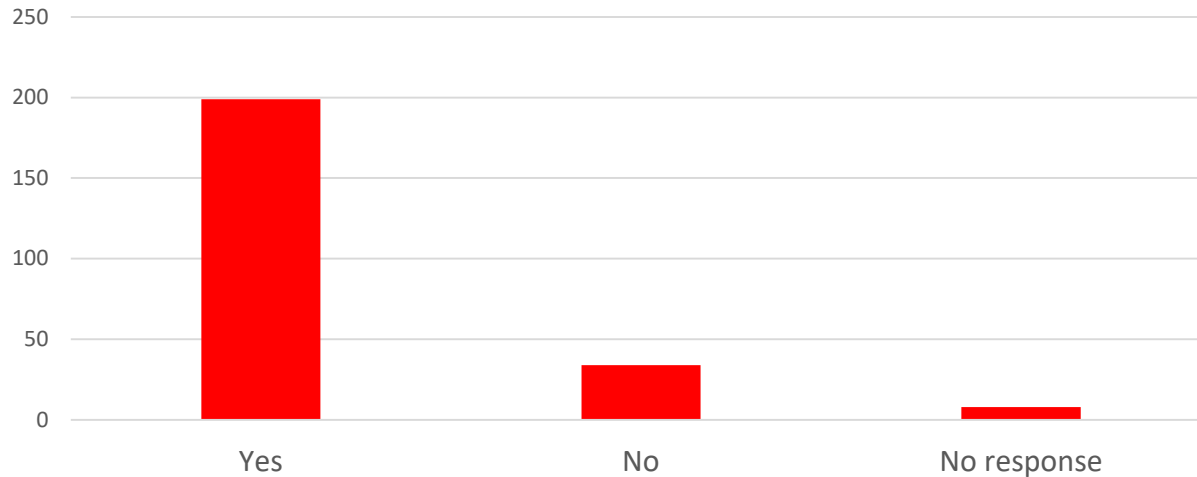


In-depth Review of Satellite Accounting

Main Findings

✓ Most statistical organizations have established specialized groups to develop and compile national accounts. International guidance was readily available. As part of this in-depth review an international inventory of satellite accounting manuals, handbooks and guides was developed. Few gaps were identified and most guidance has recently been updated.

Was international guidance available?



Who produced this satellite account?

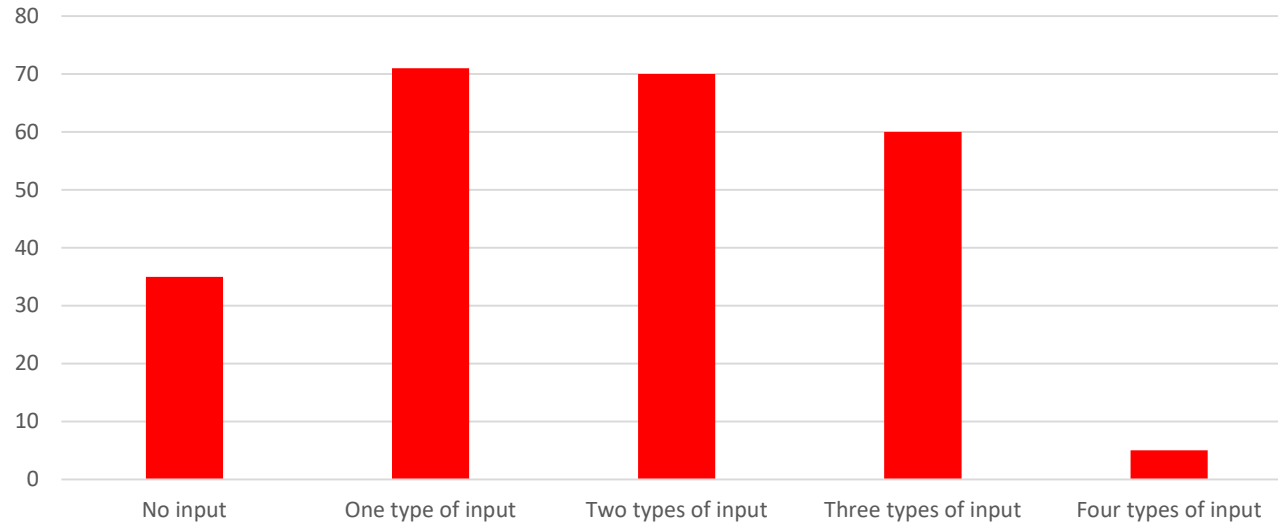


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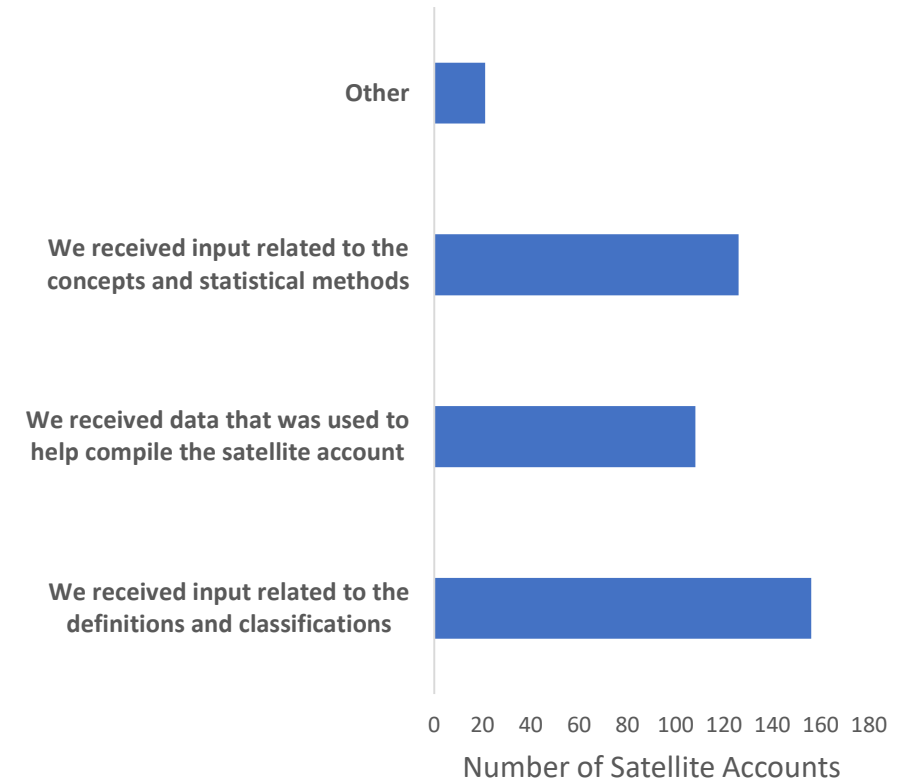
Main Findings

✓ NSOs received a wide range of input from outside organizations. Most NSOs obtained a wide range of input

Range of input



What kind of input did you receive from outside organizations?

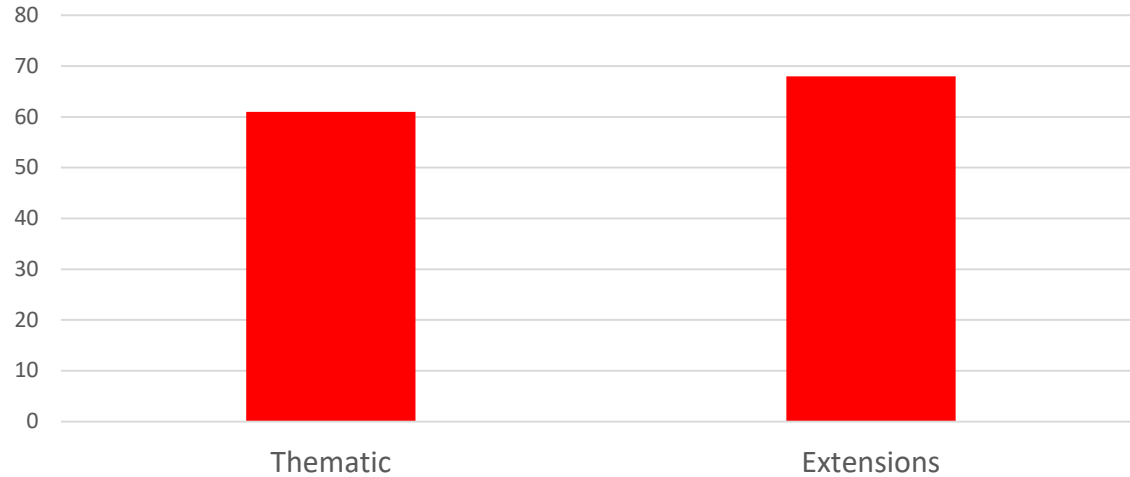


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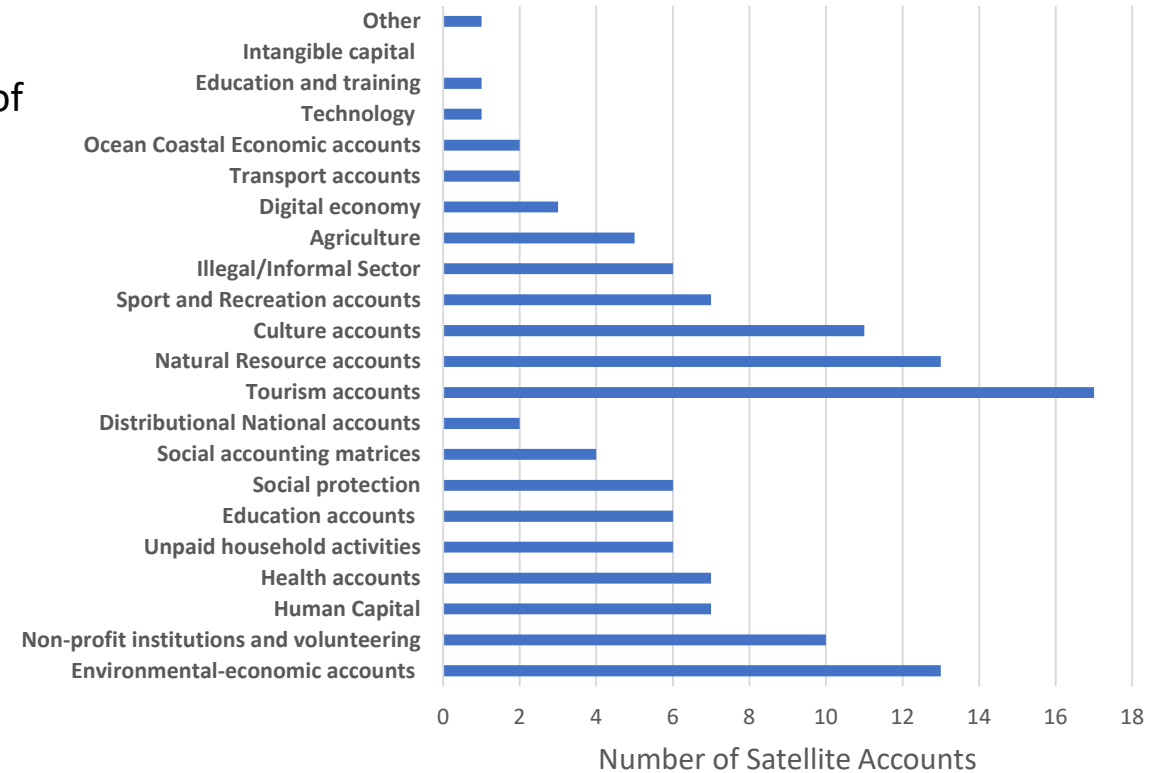
Main Findings

✓ There is significant unmet demand. There are a total of 241 satellite accounts produced – 130 are demanded but not produced. Demand is evenly split between Thematic Satellite Accounts and Extensions. Most of this is due to resource limitation on the part of the NSO.

Demand by Type



Are there any satellite accounts you have been asked to develop which are not actively in development or production?



In-depth Review of Satellite Accounting

Recommendations

A Guide to Satellite Accounting

- OECD draft Guide on Thematic Satellite Accounts
- Elaborate in consultation with various fora.
- To be finalized by end of 2020

Inventory

- UNECE to develop a wiki page presenting core information collected in the country survey
- To be updated continuously e.g. in conjunction with the meetings of UNECE/Eurostat/OECD Group of Experts on NA
- UNSD extends to the rest of UN member countries

Extended System of National Accounts

- SNA research agenda - guidance notes related to the development of an extended set of accounts on well-being and sustainability

Addressing the need for more consistent, comprehensive and relevant national accounts and economic statistics

In-depth Review of Satellite Accounting

AEG is invited to:

- provide opinion on the proposed follow up work
- offer any other suggestions for work that needs to be undertaken in the area of satellite accounting
- how this should be integrated in the context of the SNA research agenda