

**13th Meeting of the Advisory Expert Group on National Accounts,
1-3 October 2019, Washington D.C., USA**

Agenda item: 5.5

Manuals and handbooks

Introduction

This note presents an update on the progress made regarding the compilation of manuals, handbooks and guidance notes, initiated by the ISWGNA to strengthen the statistical capacity for compiling national accounts, in accordance with the implementation programme for the 2008 SNA and supporting statistics. The list comprises two categories, namely, completed publications in 2018 and 2019 and publications in progress.

Documentation

List of manuals and handbooks on national accounts.

Main issues to be discussed

The AEG is invited to take note of the list of publications.

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List of manuals and handbooks on national accounts

1. Below is an update on the progress made regarding the compilation of manuals, handbooks and guidance notes, initiated by the ISWGNA to strengthen the statistical capacity for compiling national accounts, in accordance with the implementation programme for the 2008 SNA and supporting statistics. The list comprises two categories, namely, completed publications in 2018 and 2019 and publications in progress.

Completed publications

(a) Handbook on the compilation of statistics on illegal economic activities (IEAs) in national accounts and balance of payments (Eurostat).

2. The handbook provides conceptual and practical guidance to national compilers concerning the preparation of estimates for IEAs. The IEAs discussed in the Handbook include, in addition to those covered by the recommendations of the GNI Committee (drugs, prostitution, smuggling of alcohol and tobacco), other IEAs such as money laundering, fencing, bribery, illegal transportation of migrants, trafficking in firearms, infringements of intellectual property right to be included in the accounting frameworks. An Annex to this Handbook contains country studies from Member States of the European Union and countries outside Europe.

(b) The Quarterly National Accounts Manual – 2017 Edition (IMF)

3. The Quarterly National Accounts (QNA) Manual provides conceptual and practical guidance for compiling QNA statistics. The Manual offers a comprehensive review of data sources, statistical methods, and compilation techniques to derive official estimates of quarterly GDP. This edition—which upgrades the first edition, published in 2001—improves and expands the previous content based on recent methodological advances (in particular, relating to the 2008 SNA), best country practices, and suggestions received from QNA compilers and experts. The QNA Manual also benefits from QNA technical assistance missions and training courses conducted by IMF staff and experts since 2001.

(c) Practical Guidelines for Revising ESA 2010 data (Eurostat)

4. The guidelines released in 2019, have been prepared as a practical tool for compilers of national accounts based on ESA 2010. Their objective is to translate the voluntary recommendations on data revisions into specific practices that ensure that national accounts are accurate, reliable, consistent and comparable. Harmonised recommendations have been developed in the European Union for more than ten years, to guide compilers of national accounts and balance of payments statistics. A harmonised European revision policy (HERP)

was put in place to ensure coordinated and consistent revisions between the statistical domains within each country and across the EU. The guidelines give recommendations on how to conduct benchmark revisions (or major regular revisions) of ESA 2010 data, while recommendations are also given for routine revisions. The guidelines also discuss metadata and communication of benchmark, routine and non-scheduled revisions. The guidelines provide good practices for the application of HERP at national level and show how these are being assessed in the context of ESA 2010 quality reporting and assessment. Lastly, Eurostat's revision policy and practices for ESA 2010 data are also presented.

(d) Overview of employment flash estimation methods (Eurostat)

5. The document provides a general overview of methods that are used in Member States for compiling employment flash estimates at 30 or 45 days after the quarter-end. It guides the compiler in the estimation process by following a step-by-step approach. The document discusses available source data, estimation procedures, model strategies, methods for forecasting missing data and the analysis of results. Description of countries' methodologies, links to available software and references to literature are included as well.

(e) European Statistical System (ESS) guidelines on temporal disaggregation, benchmarking and reconciliation — 2018 edition (Eurostat)

6. In official statistics there is an increasing demand for indicators at a higher frequency than have traditionally been observed. Eurostat and the European Statistical System (ESS) developed these guidelines to help data producers derive high frequency data (e.g. quarterly or monthly) from low frequency data (e.g. annual) and to address related temporal and accounting constraints. These guidelines are aimed at those involved in the production and analysis of infra-annual European statistics (compiled by Eurostat) and corresponding country specific official statistics compiled by National Statistical Institutes (NSIs). They have been conceived both for experts and beginners. In order to rank the different methods, each issue is discussed following a structure with three parts: a description (free text presenting the problem), a list of options (various possibilities to deal with the specific issue) and a list of ranked alternatives (A,B,C).

(f) Satellite Account for Education and Training (UNECE)

7. The Guide on Measuring Human Capital recommended that as a first step in elaborating human capital estimates, countries should develop a satellite account on education and training. In addition to providing estimate of the total expenditure on education and training, the objective of such a satellite account is also to distinguish the various expenditures, including the identification of the financing arrangements for these expenditures. It extends the production boundary of the SNA only slightly by recognizing the output from the internal expenditures on education and training by employers. In 2017 the Bureau of the Conference of European Statisticians (CES) established a Task Force on Satellite Accounts for Education and Training to develop a framework and coordinate the pilot testing of satellite accounts on education and training in countries with different economic circumstances and data availability. Based on the pilot testing, the Task Force developed a compilation guide that helps countries construct internationally comparable satellite accounts on education and training, which will lead to improved cost-based measurement of human capital.

(g) Guide to Analyze Natural Resources in the National Accounts (IMF)

8. The Guide to Analyze Natural Resources in the National Accounts (The Guide) presents and explains a set of standard Template Tables using the concepts recommended in the United Nations' System of National Accounts 2008 (2008 SNA). Economic activity associated with natural resources is macro-critical for about 30 percent of IMF member countries. Nevertheless, the available data on natural resources to guide policymaking and assess economic performance have often been limited. The Template Tables will guide compilation of national accounts for natural resources, and provide indicators for understanding the macroeconomic impact of changes in natural resource output and prices. Also, as part of the initiatives to develop national accounts beyond GDP, The Guide goes beyond production and covers other areas such as income, financing, labor, terms of trade, and depletion. It also takes into account Goal 5 of the UN Sustainable Development Goals (gender equality) by showing employment by gender.

Publications in progress

(a) Report on Intellectual Property Products of the Joint Eurostat/OECD Task Force on Land and Other Non-financial Assets (Eurostat and OECD)

9. After finalising compilation guides on land estimation and on inventories, the mandate of the Eurostat/OECD Task Force on Land and Other Non-financial Assets was extended to focus on guidance for the measurement of intellectual property products (IPPs). The Task Force focused on three types of IPPs: Research and Development, computer software and databases, and other IPPs. As a lot of guidance is already available from manuals and reports, the Task Force decided not to aim for a compilation guide but to draft a report that provides practical guidance and recommendations to countries to compile estimates for IPPs, building upon the already existing guidance. For this purpose, the Task Force conducted a survey of methods used by countries for deriving capital measures for the various types of IPPs. The report provides an overview of the main results, describing available data sources, methodologies and calculation methods for each of the IPPs distinguished. The report includes various recommendations to further improve the stock measures of intellectual property products.

(b) Handbook on National Accounting Backcasting Methodology (UN)

10. The “Handbook on National Accounting Backcasting Methodology” provides national statistical offices with appropriate guidelines and advice on backcasting. With the adoption of new accounting and classification standards, there is a high demand for methodological guidance in applying backcasting techniques to maintain coherent timeseries. As a comprehensive manual, this handbook reflects upon both the technical and the planning and management aspects of a backcasting project. The handbook will discuss in detail the need for backcasted national accounts data, the design and management of a backcasting process, different methodological approaches for backcasting, quality assurance, and communication issues.

(c) Compilation of European annual and quarterly accounts including flash estimates (Eurostat)

11. The publication on “Compilation of European annual and quarterly accounts including flash estimates” presents an update of the estimation methodology of the GDP flash estimates for the European Union (EU) and for the euro area (EA). Firstly, it discusses more generally the compilation methodology of annual and quarterly European national accounts. After that the flash t+45 estimation methodology is delineated and linked to the compilation of later regular European national accounts. The paper shortly addresses the work on advancing the GDP flash estimates for the euro area and the EU to 30 days after the end of the quarter.

(d) Guidelines on accounting for global value chains (UN)

12. The handbook “Accounting for global value chains: a system of extended national accounts and integrated business statistics” will focus on major issues related to the concepts, accounting rules, classifications and accounts which facilitate the compilation of a set of regional (multi-economic territory) or global accounts. The issues to be addressed are drawn from reports and papers on the measurement of globalization by the United Nations Statistics Division, the United Nations Economic Commission for Europe, the OECD, Eurostat, the IMF, the Bank for International Settlements, country statistical offices, and researchers.

(e) Handbook on Culture Satellite Accounts (UNESCO/UN)

13. There is an ever-increasing interest in the measurement of the contribution of culture and cultural industries to economic activity and wellbeing. The Handbook on Culture Satellite Accounts provides guidance on measuring the economic dimension of culture using the 2008 SNA as the overarching framework. Compiling culture satellite accounts will enable policy makers to develop and monitor progress of evidence-based policies regarding culture and cultural industries. The lead on developing the guidance on the Culture satellite accounts is undertaken by UNESCO.

(f) Handbook on Aviation Satellite Accounts (ICAO/UN)

14. There is an increasing need for more information to assess the important role of aviation in national economies worldwide. The need for reliable data using standardized concepts, definitions and methodologies to measure the economic impact of aviation is needed by governments, policy makers and industry. The Handbook on Aviation Satellite Accounts will provide guidance on measuring the impact of the aviation industry on the economy, including aviation's contribution to GDP, the number of jobs created by aviation, taxes and charges generated and impact of aviation on balance of payments, using the 2008 SNA as the overarching framework. The lead on developing the guidance on the Aviation satellite accounts is undertaken by the International Civil Aviation Organization. For more information see <http://www.icao.int/sustainability/Satellite/Pages/default.aspx>.

(g) Manual on the Compilation of Information on the Distribution of Income, Consumption and Saving Across Households Consistent with National Accounts (OECD)

15. The OECD Expert Group on Household Distributional Information on Income, Consumption and Saving within the SNA (EG DNA) has the objective to link results from micro-surveys to the relevant national accounts aggregates. The “Manual on the Compilation of Information on the Distribution of Income, Consumption and Saving Across Households

Consistent with National Accounts” will discuss methodologies to adjust household data from national accounts to bring the population in line with the micro-surveys, the preferable breakdown and alignment of transactions in micro-surveys and national accounts, and methodologies to gross up the results from micro-surveys or to impute values in case of transactions that typically are not (well) captured in micro-data. It will also deal with the various subgroupings of households, and with extrapolation methods to arrive at more timely data. Finally, some examples of potential uses for policy analysis will be shown and discussed.

(h) Guide to Sharing Economic Data (UNECE)

16. To ensure continued meaningful and correct measurement of global production and trade, and to understand their influence on macro-economic and business statistics, many statistical offices are considering the possibilities for more effective exchange of data, especially on the most complex multinational enterprises (MNEs). In 2017 the Bureau of the CES established a Task Force on Exchange and Sharing of Economic Data. The Task Force has finalized the draft Guide and submitted it to the Bureau of the Conference of European Statisticians (CES) to decide if the document can be sent for an electronic consultation among all CES members. During the consultation countries will be invited to provide more examples of data sharing, especially outside the EU region. The results of the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) Task Force on the exchange of confidential information should become available during the consultation and will be reflected in the final Guide. Subject to a positive outcome of the consultation, the report will be submitted to the 2020 CES plenary session for endorsement.

(i) ESA 2010 - Handbook on Data Validation (online only) (Eurostat)

17. This handbook, not yet publicly released but accessible to national statistical compilers via an online platform, is the result of the work of an ESA 2010 Validation Task Force, which reviewed the validation rules for national accounts between 2014 and 2017. The aim of this publication is to improve the transparency on the usual validation process and checks applied to national accounts data in Eurostat. However, while validating national data, Eurostat assesses various quality aspects of the data and may go beyond the rules described in this document. Validation rules will be updated if necessary, as the implementation of the pre-validation services STRUVAL and CONVAL progresses. This handbook should be considered as a living document, as further refinements to the checks and editorial improvements (e.g. completion of glossaries, review of cross-references, harmonisation of content and terminology, language checks etc.) will be introduced over time.

(j) Guide on Harmonization Between Balance of Payments and National Accounts (ECLAC/UNSD)

18. The latest version of the international statistical standards for national accounts (2008 SNA) and the balance of payments (BPM6) has ensured that the methodology and the underlying concepts for these two macroeconomic statistics frameworks are coherent. However, there are still large differences in the compilation practices between national accounts and balance of payments and there is a need to reconcile national accounts and balance of payment data to ensure consistency. To address these compilation asymmetries guidance is being developed

aimed at strengthening the coordination of the adoption of the theoretical, practical and institutional aspects of the BPM6 and the 2008 SNA. The guidance will also make proposals based on good practices in inter-institutional coordination, based on the existing experience in the countries. The Guide analyzes the reasons for the inconsistencies between the compilation of the national accounts and the balance of payments. It also develops some practical recommendations to resolve these inconsistencies. It also gathers countries' points of view about national experiences to address inconsistencies in the data.

(k) Consumer Price Index Manual – Concepts and Methods (IMF)

19. The Manual represents an update of the 2004 Consumer Price Index (CPI) Manual, to incorporate changes in best practices and methods, to harmonize the CPI concepts with the 2008 SNA and to include more practical compilation advice. The CPI Manual has global outreach and the update should take into account that the manual targets producers and users in both developed and developing countries. The manual not only provides practical and theoretical guidance to compilers but also serves as a valuable resource for users of CPI data. A Technical Expert Group for the update of the CPI Manual (TEG-CPI) was constituted with international price index experts and compilers from national statistical offices. It provided drafting and review to assist in the update of the Manual. The Manual is planned to be submitted for endorsement of the 2020 United Nations Statistical Commission (March 2020), after a global consultation of countries (October 2019).

(l) Guide on the Compilation of Institutional Sector Accounts (OECD)

20. At the 2018 G-20 Thematic Workshop on Institutional Sector Accounts, it was agreed to draft a Guide on the compilation of institutional sector accounts. The drafting of the Guide will be based on the inputs from countries on their experiences regarding sources, methods of compilation and balancing procedures. For the latter, a detailed survey has been conducted. The finalisation of the Guide is foreseen in the course of 2020. Countries welcomed this initiative and supported the provision of metadata on their national compilation practices. Countries noted that in relevant cases references could be made to publications such as Understanding National Accounts and Understanding Financial Accounts, and other available material.

(m) Residential Property Price Index (RPPI) Practical Compilation Guide (IMF)

21. The RPPI Practical Compilation Guide (Guide) launched during the 2019 World Bank-IMF Spring Meetings, sets out practical advice on the compilation of a RPPI following the conceptual approach described in the Handbook on Residential Property Price Indices (Handbook). Compilers have expressed the view that the theoretical content of the Handbook could be complemented by practical guidance. Participants in training courses and missions have noted that it would be useful to address the transition from less to more sophisticated methods. In 2018, with financial support from SECO, the IMF developed the RPPI Guide, that includes a description of the data sources and step by step guidance on applying methods to calculate an RPPI; an artificial database to experiment with the methods, and an IT tool to perform the calculations. The RPPI Guide builds on lessons learned during missions and training courses delivered by the IMF Statistics Department on RPPI compilation to over 80 countries. The RPPI Guide is written for RPPI compilers in statistical offices, central banks, housing agencies or other

statistical agencies. It includes practical exercises on how to compile a quarterly index using the software R. The Guide also offers a synthetic database developed in-house that users can access and download free of charge.