

THIRTEENTH MEETING OF THE ADVISORY EXPERT GROUP ON NATIONAL ACCOUNTS

1 - 3 October 2019, Washington D.C.

ANNOTATED AGENDA

1. Introduction

In accordance with its mandate from the United Nations Statistical Commission (UNSC), the Advisory Expert Group (AEG) is assisting the Intersecretariat Working Group on National Accounts (ISWGNA) in resolving issues on the SNA research agenda, the implementation of the SNA, as well as emerging research issues.

The main purpose of the thirteenth meeting of the AEG is to consider guidance on issues related to the implementation of the SNA and progress with addressing issues on the SNA research agenda related to the three priority areas: globalization, digital economy, and (economic) well-being and sustainability.

- Terms of Reference of the ISWGNA and AEG
- Report of the ISWGNA to the United Nations Statistical Commission at its fiftieth Session
- Supplement to the Report of the ISWGNA to the United Nations Statistical Commission at its fiftieth Session
- Decisions on National Accounts of the United Nations Statistics Commission at its fiftieth Session
- Update Procedure for the System of National Accounts

2. SNA Research Agenda

To advance the research agenda of the 2008 SNA an ISWGNA task force was established to formulate the way to resolve issues related to globalization, digitalization, and well-being and sustainability as well as identifying common research issues outside these three areas, and thereby making it possible to draw upon a consolidated overview of the research agenda going forward. Ongoing research work to facilitate the implementation of the SNA will continue as planned.

2.1 Overview

Overview of the consolidated list of SNA research issues based on research agendas related to the SNA, SEEA, GFS, BOP, international trade and business statistics.

2.2 Globalization

Economic globalization has created new opportunities for businesses to organize their production chains more efficiently. This has increased the complexity of compiling economic

statistics as it is more difficult to break down production activities on country-by-country basis. As a result, the measurement of key economic indicators, including gross domestic product, has been affected. Emerging global production arrangements pose challenges to business and macro-economic statistics, business registers and economic classifications. These challenges include implementation of the principle of economic ownership, especially in relation to intellectual property products, and the recording of cross-border transactions in goods and services in compiling national accounts and balance of payments statistics. This session will review the progress with resolving some of the globalization issues.

- Economic ownership and recording of intellectual property products
- Treatment of multinational enterprises and special purpose entities
- Intra MNE flows
- CIF-FOB valuation of imports/exports
- Identifying economic presence and residency
- Measuring pass-through equity in non-resident special purpose entity affiliates of US multinational enterprises
- Main recommendations for sharing economic data

2.3 Digitalization

In recent years, macroeconomic analysis has become increasingly challenging due to rapid quality improvements and product innovations. Although many of these changes are exacerbated by globalization and increased international competition for labour and management, the most prominent driver is technological innovation. The effects of this innovation include sharply lower prices and increased efficiency in computers, cell phones, and telecommunication services; new (free) goods and services; innovations in financial markets and new methods of payment; the increasing role of data; and reductions in costs and improvements in quality and efficiency associated with the use of technology. This new phenomenon is often described in terms such as the Internet age, the information technology (IT) revolution, Internet economy, the digital economy and the sharing economy.

The understanding of the size of digital economy can help in understanding changes in the economy and ultimately also better understand the role of digital economy for development. This relies on a sound statistical measurement of the digital economy which has intrinsic challenges that are being discussed by national accounts experts at national and global level. In addition, the rising popularity of Big Data presents the statistical community with a potentially rich data source for tackling the measurement challenges posed by the digital economy.

- Framework for a satellite account on the digital economy
- Recording of data in the national accounts
- Valuation of free assets and free services
- Crypto assets
- Price and volume measurement of goods and services affected by digitalization

2.4 Well-being and sustainability

The SNA provides the overarching framework for the measurement of the macro-economic activity via a set of interlinked coherent accounts. By its very nature the SNA sets boundaries around what is inside the System and what is outside of it – defining what is the ‘economy’ and its measurements of outputs and outcomes as part of the 2030 Agenda for Sustainable Development. These boundaries have real world impacts for informed decision making and should be open for debate as society and the needs of users evolve. It is widely recognized that official statistics need to better inform on broader measures of well-being and sustainability in addition to more traditional measures of economic performance and progress.

Guidance needs to be developed to provide clearer links between the current framework of national accounts and (economic) well-being, including for example distributional measures on income, consumption and wealth, and broader issues of well-being and sustainability. The latter could be further elaborated by developing a broader accounting framework, e.g. by combining the current framework with statistics on unpaid household activities, environmental-economic accounts, health and education, and related capitals such as natural and human capital. In addition, appropriate terminology (and branding) need to be developed to facilitate the integration of measures of well-being and sustainability with the current framework of national accounts, and cooperation with those developing and preparing accounts in different fields to ensure the optimal use of resources, data and registers.

- Defining a broader framework for capturing economic activities, well-being and sustainability
- Unpaid household activities
- Distribution of household income, consumption, saving and wealth
- Education and human capital
- Health and social conditions
- SEEA EEA revision process
- Linking the SNA and the System of Environmental-Economic Accounting Experimental Ecosystem Accounting
- Accounts for renewable energy assets

3. Update of the 2008 SNA

The United Nations Statistical Commission requested a report for consideration at its fifty-first session on a way forward in updating 2008 SNA. This session will discuss a possible timetable and key elements of the process for a possible update of the 2008 SNA.

- Update procedure for the System of National Accounts
- Summary of emerging issues from globalization, digitalization, well-being and sustainability
- Options to consult users on a potential SNA update

- Friends of the Chair Group on economic statistics
- Re-branding the SNA - Some thoughts on how we can use the next update to better communicate the SNA to our users
- Update on classifications (ISIC Rev.4, HS, BEC, business functions, SITC)
- Developments in business and trade statistics
- Briefing on the meeting of the IMF Government Finance Statistics Advisory Committee (GFSAC)
- Main methodological changes and consultation on the draft Consumer Price Index Manual: Concepts and Methods

4. Implementation of the 2008 SNA

The global initiative for the implementation of the 2008 SNA, endorsed by the UNSC, is based on an integrated statistics approach. With the adoption of this approach, the programme on the implementation of the SNA has broadened its scope beyond the production of macro-economic accounts to the whole statistical production process of basic statistics and aspects of the institutional environment to facilitate the regular and sustained compilation of the accounts. For example, the institutional environment covers aspects such as seeking political commitment and allocation of adequate resources for official statistics, using statistics for evidence-based policy making, and strengthening the national coordination for statistics.

- Progress with the implementation of the 2008 SNA and a nuanced approach to assess compliance to the 2008 SNA
- A framework for recording and communicating revisions
- Implementation of Quarterly National Accounts and High Frequency Indicators – a status report
- Impact of IFRS 16 on leases

5. Other issues

- Measuring the Informal Economy
- Review of satellite accounting
- Draft guide on thematic satellite accounts Islamic finance
- Manuals, handbooks