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Supplement to the report of the Inter-Secretariat Working Group on National Accounts

Prepared by the Inter-Secretariat Working Group on National Accounts

Supplement to the report of the Inter-Secretariat Working Group on National Accounts

I. Introduction

1. The aim of this Supplement to the report of the Intersecretariat Working Group on National Accounts is to elaborate further on the issues that were raised in the main report. Section II of the supplement provides more details on the research agenda of the 2008 SNA. An update on the publications supporting the implementation of the 2008 SNA is presented in Section III. A summary of activities during 2018 and expected activities in 2019, related to economic statistics and national accounts carried out by the member organizations of the ISWGNA and the regional commissions, is provided in Section IV. Section V provides further information on the reporting of annual national accounts data.

II. SNA research issues

2. The focus on the SNA research agenda, since the adoption of the 2008 SNA, has been on issues related to the practical implementation, clarification and interpretation of the SNA. However, new developments in the economy as well as the new socioeconomic phenomena and dimensions introduced in national and international policy frameworks, such as the 2030 Agenda for Sustainable Development, shifted this focus to review whether the 2008 SNA remains relevant. For this purpose, three priority areas of research have been identified, namely globalization, digitalization and well-being and sustainability, which are briefly described below. The substantive work on the priority areas will continue in parallel with work on the broader research agenda.

3. To advance the work on the three priority areas (globalization, digitalization and economic well-being and sustainability) the Task Force on the SNA research agenda developed a list of issues taking into consideration current topics under discussion in the Advisory Expert Group on National Accounts, the list of issues presented in Annex 4 of the 2008 SNA as well as the research agendas of the Balance of Payments Committee, Government Finance Statistics, Environmental-Economic Accounting and Trade and Business Statistics. The list of SNA research issues compiled by the Task Force is available in Annex I of the present document.

Globalization

4. 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. More generally, 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.

Digital economy

5.   In recent years, macroeconomic analysis has become increasingly challenging due to rapid quality improvements and product innovations. Although many of these changes are driven 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 the Internet; new goods and services; innovations in financial markets and new methods of payment; 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.

6.   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.

Wellbeing and sustainability

7.   The SNA provides the overarching framework for the measurement of the macroeconomic 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'. 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 issues of wellbeing and sustainability, for example:

(a)   The United Nations Sustainable Development Agenda identifies goals which build economic growth while addressing a range of social needs

(b)   The Stiglitz-Sen-Fotoussi "Report by the Commission on the Measurement of Economic Performance and Social Progress" called for statistics to close the gap between aggregate production data and citizen's well-being

(c)   Many international organizations (e.g. OECD, World Bank, IMF, G20) have adopted an Inclusive Growth approach which seeks to generate growth through inclusion

8.   Guidance need to be developed to provide clearer links between material wellbeing, including for example distributional measures, and broader issues of wellbeing 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. In addition, appropriate terminology (and branding) need to be developed to facilitate the integration of measures of wellbeing and sustainability with the core accounts and

cooperation between those developing and preparing accounts in different fields to ensure the optimal use of resources.

The treatment of statistical units in the national accounts

9.   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 the use of the establishment 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 international fragmentation of production, coupled with the growing emergence of new types of producers has weakened underlying assumptions of homogeneity.

10.   A 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 and to identify ways to improve the definitions, if necessary, thereby taking into consideration current country practices, regional accounts as well as productivity measurement. The task force will consist of and consult with a broad community of experts, including business register experts, survey specialists and classification experts.

Islamic finance in the SNA

11.   Islamic finance refers to the provision of financial services in accordance with Shari'ah Islamic law, principles and rules. Further research on the statistical implications of Islamic finance in the national accounts is required, and practical guidance on the treatment of Islamic finance transactions in the SNA needs to be developed. Accordingly, a Task Force on Islamic Finance has been created to address the statistical treatment of Islamic finance in the national accounts. The Task Force comprises representatives and experts from countries where Islamic finance is important, international and regional organizations and academia.

III.   List of manuals and handbooks on national accounts

12.   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 three categories, namely, completed publications in 2018, publications in progress and planned publications.

Completed publications

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

13.   After finalising compilation guides on land estimation and on inventories, the mandate of the 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 the compilation of statistics on illegal economic activities (IEAs) in national accounts and balance of payments (Eurostat).

14.   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.

(c)   The Quarterly National Accounts Manual (IMF)

15.   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.

Publications in progress

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

16.   The "Handbook on National Accounting Backcasting Methodology" will provide 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 will touch 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.

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

17.   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.

(c)   Accounting for global value chains: a system of extended national accounts and integrated business statistics (UN)

18.   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.

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

19.   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 will provide 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 will be undertaken by UNESCO.

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

20.   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 will be undertaken by the International Civil Aviation Organization. For more information see http://www.icao.int/sustainability/Satellite/Pages/default.aspx.

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

21.   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.

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

22.   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 develops a compilation guide that will help countries construct internationally comparable satellite accounts on education and training, which will lead to improved cost-based measurement of human capital.

(h)   Guidance on Exchange and sharing of Economic Data (UNECE)

23.   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 develops guidance, tools, and principles to facilitate the exchange of economic data (including granular data and information on business structures) by NSOs. The guidance will also highlight innovative ways to exchange economic data to increase the quality, coherence, and granularity of statistics and the ability to better analyse the activities of MNEs.

(i)   Employment flash estimation methods for Member States (Eurostat)

24.   The document will provide a general overview of methods that are used in Member States for compiling employment flash estimates at 45 or 30 days after the quarter-end. It will guide the

compiler in the estimation process by following a step-by-step approach. The document will discuss preliminary analysis of available data, model strategies, and methods for forecasting missing data including the extensions to multivariate setups and the analysis of results. Links to available software and references to literature will be included as well.

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

25.   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.

(k)   Guide on Harmonization Between Balance of Payments and National Accounts

26.   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.

Planned publications

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

27.   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 is in the process of being conducted. The finalisation of the Guide is foreseen in the first half of 2020. Countries welcomed this initiative and would support 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. Further consideration will be given to the question of whether or not to extend the survey to all OECD member countries.

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

28.   The guidelines, planned to be 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. Last, Eurostat's revision policy and practices for ESA 2010 data are also presented.

IV.   Summary of activities during 2018 and expected activities in 2019 related to economic statistics and national accounts carried out by the member organizations of the ISWGNA and the regional commissions

Organization	Meetings, training seminars, courses, etc.
Eurostat	There were two meetings of the National Accounts Working Group, two meetings of the Balance of Payments Working Group, and two meetings of the Directors of Macroeconomic Statistics. All EU, EFTA and candidate countries are represented in these groups. In addition, two meetings with the candidate countries only are held each year.
	In 2018 the task forces (TF) on Employment flash estimates, on Recording of illegal activities in balance of payments and national accounts and on Price and volume measures for services completed their work, while a number of other task forces and expert groups started or continued their activities (TF on Recording and compilation of maritime transactions in national accounts and balance of payments, TF on Intellectual property products – together with OECD, TF on Global production and integrated global accounts, DMES TF on Cross-domain consistency, expert group on Sector Accounts – with the ECB, expert group on Disparities in National Accounts – with OECD, Pensions expert group, expert group on Regional Accounts, expert group on European supply, use and input-output tables) or will start in 2019 (expert group on Quarterly National Accounts, TF on Growth and productivity accounts).

Organization	Meetings, training seminars, courses, etc.
	Eurostat organised training courses for European participants on national accounts and on balance of payments. It also organised a seminar on addressing remaining ESA 2010 derogations. An "Early Warning System" was established in 2018 to ensure timely detection of restructuring of multinational enterprises and its consistent recording across countries and domains and is now operational. Eurostat started to receive some additional voluntary data from EU Member States in 2018 to improve data availability under the G-20 Data Gaps agenda as well as for macro-economic policy-making and capturing the globalization phenomenon. Eurostat is organising a satellite event on digitalization to the NTTS (Conference on New Techniques and Technologies for official Statistics) in March 2019.
IMF	The IMF's capacity development activities focus on improving the coverage of GDP estimates, updating the base year, compiling quarterly accounts, developing high-frequency indicators of economic activity, and implementing the 2008 SNA. The IMF also promotes the compilation of sectoral accounts and balance sheets.
	In 2018, the IMF undertook 225 technical assistance activities in national accounts to about 120 countries, and conducted 35 national accounts courses and seminars for about 1000 participants. The IMF has placed national accounts statistics resident advisors in ten Regional Technical Assistance Centers (RTACs) to provide capacity development to over 100 member countries in Africa, the Caribbean, Central America, the Middle East, and South Asia. It also has an extensive base of donor-financed projects that is being adjusted to meet countries' evolving needs.
	In 2018, the IMF and its partners launched the Data for Decisions (D4D) Fund. The D4D Fund is expected to provide about US$ 33 million over five years for targeted technical assistance and training. The beneficiaries are low- and lower-middle-income countries, as they tackle challenges from a demanding international data environment. This includes the demand for more and better data by governments and other stakeholders to inform their decision-making; the proactive detection of economic risks and vulnerabilities; the need to report on more than 230 Sustainable Development Goal (SDG) indicators; the emergence of statistical measurement problems related to the *digital economy*; and a global push toward more transparency and accountability.
	The D4D Fund is based on a needs assessment that considered demand from countries and their absorptive capacity, as well as identified data gaps and quality concerns and their policy relevance. Its development is embedded in the IMF's new *Overarching Strategy on Data and Statistics at the Fund in the Digital Age*.
	The D4D Fund is organized around four modules, with its largest module focused on addressing data gaps and quality issues in real and external sector statistics, as well as on fiscal and debt reporting.

Organization	Meetings, training seminars, courses, etc.
	The D4D Fund's founding partners comprise China, the European Commission, Luxembourg, the Netherlands, the Republic of Korea, and Switzerland. In addition, another new multi-partner vehicle—the Financial Sector Stability Fund launched in late-2017—provides CD on balance sheets statistics and financial soundness indicators. The two trust funds complement the extensive network of RTACs, several targeted bilateral CD projects, and CD funded by the IMF's own resources, and allow the IMF to offer a comprehensive menu of CD options across all areas of macroeconomic statistics to its member countries.
	The IMF advances its statistical agenda through the annual IMF Statistical Forum, which aims to facilitate a global dialogue on cutting edge issues in macroeconomic and financial statistics. It offers a platform to build support for statistical improvements from key stakeholders, including policymakers, data users, academics, compilers and data providers. The theme of the Sixth IMF Statistical Forum in 2018 was "*Measuring Economic Welfare in the Digital Age: What and how*?" It focused on the implications of digitalization for welfare, a dimension that often escapes the macro-financial indicators, and what could be done to capture it in the statistics.
OECD	G-20 Thematic Meeting on Institutional Sector Accounts, Paris, 14 -16 February 2018
	OECD/UNECE Workshop on the Implementation of SEEA, Geneva, 21 – 22 February 2018
	Eurostat/OECD Expert Group on Disparities in National Accounts, Paris, 19 – 20 March 2018
	Workshop on the Digital Economy, Paris, 6 – 7 September 2018
	IAOS/OECD Conference "Better Statistics for Better Policies", Paris, 19 – 21 September 2018
	OECD Working Parties on Financial Statistics and National Accounts, Paris, 5 – 8 November 2018
	OECD-ESCOE Expert workshop on Data and Data Flows, London, 7 November 2018
	Meeting of the Informal Advisory Group on Measuring GDP in a Digitalised Economy, Paris, 9 November 2018
	Eurostat/OECD Expert Group on Disparities in National Accounts, Paris, 4 – 5 December 2018
	NBS China – OECD Workshop on National Accounts, China, 10 – 13 December 2018

Organization	Meetings, training seminars, courses, etc.
	OECD/UNECE Seminar on the Implementation of SEEA, Geneva, 20 – 21 February 2019
	Going Digital: Closing Conference, Paris, 11 – 12 March 2019
	G-20 Thematic Meeting on Institutional Sector Accounts, Paris, 24 – 26 April 2019
	OECD Working Parties on Financial Statistics and National Accounts, Paris, 4 – 8 November 2019
UNSD	The Statistics Division collaborated with the regional commissions, other regional and international organizations, and Member States to organize regional expert group meetings and seminars on national accounts and economic statistics: Asian Development Bank in September 2018; China in September and November 2018; Economic Commission for Africa in February 2018; Economic Commission for Europe in May 2018; Economic and Social Commission for Western Asia in August and October 2018; Economic and Social Commission for Asia and the Pacific in May 2018; Economic Commission for Latin America and the Caribbean in May 2018; International Civil Aviation Organization in November 2018; Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) in October 2018; and United Nations Educational, Scientific and Cultural Organization Institute for Statistics in October 2018
	The Statistics Division expects to continue its collaboration with the regional commissions, SIAP, other regional and international organizations, and Member States in 2019 to advance the implementation of the 2008 SNA and supporting statistics, in particular through a focus on building capacity in Supply-Use Tables (to support the regular benchmarking of the national accounts, and on SDMX reporting (to support the timely sharing of data between member countries and international organisations). To address these priority areas, and other issues on the SNA research agenda, the Statistics Division will develop e-learning to provide cost-effective practical training on national accounts compilation and the strengthening of technical and management capabilities.
World Bank	The World Bank continues to provide technical assistance and financial support to countries and regional institutions aimed at improving statistical capacity. While the support mechanisms are broad-based, the facilities involved are used to address country-specific (as well as regional) needs, with the aim of improving the quality of national accounts estimates (through improved estimation techniques and improved source statistics), and to implement the 2008 SNA.
	Through the framework of the International Comparison Programme (ICP), the World Bank provides support for capacity-building sessions at regional workshops on compilation of expenditure-based GDP.
ECA	In February 2018, a regional face-to-face seminar was held in Addis Ababa on the compilation and application of SUTs. 36 participants from 29 countries joined the

Organization	Meetings, training seminars, courses, etc.
	seminar, together with development partners from OECD, WTO, UNSD, INSEED, etc. https://ecastats.uneca.org/acsweb/FocusAreas/SUT2018.aspx
	From March to May 2018, an e-training on EE-SUTs was carried out. The e-training was phase I of the capacity-building programme on the compilation and application of EE-SUTs in Africa. 372 participants from 49 countries registered for the e-training and 151 participants from 45 countries submitted final assessment papers for the e-training. https://ecastats.uneca.org/acsweb/FocusAreas/eLearning/EtrainingonEESUTs.aspx
	In 2018, we started Phase III of the Capacity Building Programme on SUTs in Africa. Technical Assistance (TA) missions have been carried out to two pilot countries: Eswatini (July 2018) and Seychelles (April 2018, July 2018). TA missions to Lesotho and Zambia will commence in early 2019. Additional countries are expected to join Phase III in the coming months.
	In May 2018, an inter-agency meeting on SDG indicators was held as a side event of the Conference of African Ministers of Finance, Planning and Economic Development (CoM) to discuss the availability of indicators and data sources for SDGs in Africa.
	In July 2018, a regional face-to-face seminar was held in Pretoria, South Africa on the compilation and application of EE-SUTs. 31 participants from 17 countries joined the seminar. Experts from Afristat, FAO, and other agencies also joined the seminar. https://ecastats.uneca.org/acsweb/FocusAreas/EESUT2018.aspx
	Following the seminar on EE-SUTs, six countries have sent TA requests to ECA to compile one environmental-economic account, namely Burundi, Cameroon, Ghana, Morocco, Nigeria, and Senegal. A TA mission to Burundi for energy account was carried out in December 2018.
	From October to November 2018, an e-training on GDP Rebasing was carried out as Phase I of the capacity-building programme on GDP Rebasing. 317 participants from 47 countries registered for the e-training, and 170 participants from 42 countries submitted final assessment papers. https://ecastats.uneca.org/acsweb/FocusAreas/eLearning/EtrainingonGDPrebasing.aspx
	In 2019, Phase III of the capacity-building programme on SUTs will continue.
	In 2019, Phase III of the capacity-building programme on EE-SUTs will also continue. National workshops and TA missions will be organized and arranged according to the readiness of countries.
	In 2019, Phase II regional seminar and Phase III national workshop and TA missions will also be carried out for GDP Rebasing. ECA will organize the seminar in early

Organization	Meetings, training seminars, courses, etc.
	2019, and following that, countries will be invited to express their interest in collaborating with ECA for GDP Rebasing.
ECE	Joint ECE/Eurostat/OECD Meeting of the Group of Experts on National Accounts, 23-25 May 2018, Geneva (see: https://www.unece.org/index.php?id=48228)
	Joint ECE/EFTA/Eurostat/UNSD Special Session for EECCA and SEE countries, 22 May 2018 (see: https://www.unece.org/index.php?id=48227)
	Joint OECD/UNECE Seminar on the Implementation of SEEA, 21-22 February 2018, Geneva (see: http://www.unece.org/index.php?id=47522)
	ECE/UNSD Regional Workshop on the compilation, dissemination and use of Supply and Use tables, 2-4 October 2018, Chisinau, Republic of Moldova (see: http://www.unece.org/index.php?id=48941)
	Workshop on Supply and Use Tables for Republic of Moldova, 5 October, Chisinau (see: http://www.unece.org/index.php?id=50154)
	In 2018 ECE together with Eurostat and EFTA completed the second round global assessment of Republic of Moldova and launched global assessments of the statistical system of Georgia and Uzbekistan.
	13th SPECA Working Group on Statistics, 1-3 October 2018, Shymkent, Kazakhstan (organized jointly by ECE, EFTA and ESCAP and Committee on Statistics of the Republic of Kazakhstan e meeting aimed to enhance the ability to use administrative data and monitor progress in developing indicators on SDGs)
	Joint ECE/Eurostat/OECD Group of Experts on National Accounts: Measuring Global Production, 10-12 April 2019, Geneva (see: http://www.unece.org/index.php?id=50361)
	Joint ECE/EFTA/Eurostat/UNSD Special Session for EECCA and SEE countries devoted to implementation of the Guide to Measuring Global Production, 9 April 2019, Geneva
	The Task Force on Satellite Accounts for Education and Training coordinates 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 develops a compilation guide that will help countries construct internationally comparable satellite accounts on education and training, which will lead to improved cost-based measurement of human capital.
	The Task Force on Exchange and Sharing of Economic Data has completed the first stage of work on identifying obstacles and enablers of and the best practices on data sharing and will, in the second stage, develop guidance, tools, and principles to facilitate the exchange of economic data by NSOs. The work builds on existing

Organization	Meetings, training seminars, courses, etc.
	national and international experience, including the results of related initiatives of, Eurostat, OECD, IMF, WTO, and UNSD.
ECLAC	Annual Expert Group Meeting on National Accounts for Latin America and Caribbean countries, 9-11 May 2018, Panama.
	Third Meeting of the Task Force on Harmonization of Balance of Payments and National Accounts, 12-13 July 2018, Chile
	First Technical Meeting for National Accounts of the International Comparison Program for Caribbean Countries, 10-12 October 2018, Trinidad and Tobago
	Technical assistance provided in national accounts to the following countries: Costa Rica, Curacao, Guatemala, Paraguay and Uruguay
	The annual Expert Group Meeting on National Accounts for Latin America and Caribbean countries is planned in April 2019, Guatemala.
	Activities in the framework of the new rounds of the International Comparison Programme will include workshops and technical assistance on national accounts data requirements during 2019.
	Upon request of member countries, ECLAC will continue providing technical assistance services on national accounts through the Regional Programme for Technical Cooperation.
ESCWA	**The Advisory Group on Economic Statistics (TAGES) for the Arab Region 2018** The second Technical Advisory Group on Economic Statistics (TAGES) meeting was held in Beirut, 27-28 August 2018. Countries agreed on moving to a holistic approach to statistics by involving all data producers and setting up a statistical infrastructure that will allow for efficiently sharing and better producing economic statistics based on international recommendations and methodologies. ESCWA, UNSD and other organizations presented their priorities and discussed synergies between them with regard to economic statistics and national accounts and identified areas for capacity-building and combining resources at the regional and international levels. The meeting also discussed the selection of priority economic indicators for the region from the SDG economic indicators and other lists of short-term economic indicators identified by ESCWA and other organizations.
	Seminar on Supply and Use Tables, 29-30 AUGUST 2018 Beirut Lebanon The seminar is conducted under the framework of improving the compilation of economic statistics in the aim of achieving a wider coverage, hence contributing to the monitoring of Sustainable Development Goals (SDGs), and falls under the project on Statistics and Data funded by the United Nations Development Account. According to international best practices in the area of national accounts, SUTs are considered to be the perfect framework for improving the inclusivity of GDP statistics for all economic activities, improving the

Organization	Meetings, training seminars, courses, etc.
	consistency between all economic statistics and facilitating the coverage of informal activities. The seminar will address many topics, the most important of which include an overview on the SUTs in the System of National Accounts (SNA), presentations and discussions on the compilation techniques of SUTs, balancing and valuation, tracking the informal sector, presentation of data sources and assessment of data availability for SUTs.
	ESCWA contributed to the organization of the fifteenth meeting of the Subcommittee on Economic Statistics (18-19 July 2018) and the twelfth meeting of the Subcommittee on National Accounts, 16-17 July 2018 in the LAS HQ in Cairo, where the methods for preparing quarterly National Accounts and other issues on the 2008 SNA implementation were discussed.
	ESCWA and UNSD organized a follow-up Workshop on Islamic Finance in the National Accounts in collaboration with the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) at the SESRIC Headquarters in Ankara, Turkey, from 31 October to 2 November 2018. The meeting discussed the draft recommendations of the working group on sectorization and classification on the classification of Islamic financial instruments and the corresponding property income, sectorization of Islamic financial corporations and methods to calculate the output of Islamic financial instruments. The working group has also developed diagrams to show the flows between Islamic financial corporations and their clients for various Islamic financial instruments to help better understand how to record these flows in the national accounts. An issues paper was prepared by UNSD to update on the progress of the work of the task force and the conclusions and recommendations of the Ankara workshop. SNA/M1.18/6.a
	Three meetings were conducted on price statistics covering the areas of ICP and CPI, more specifically on the production of Purchasing Power Parities (PPPs) and Harmonized Consumer Price Index (HCPI). Official letters of Appreciation for the work done in this area was received from Iraq and Sudan. Acknowledgement was also received from the World Bank with promises of additional funding (400,000 US Dollars) for the next two years because of the importance of the work done and our leading position among other regions.
	Short-term Statistics (STS). The DA project on STS was concluded with a final meeting for the project was organized in December 2017 back to back with the UNSD workshop on industry and trade indices.
	ESCWA published the "Methodological study on economic statistics: Islamic Finance in the National Accounts" /ESCWA/SD/2017/TECHNICAL PAPER.4 The study presents four research papers on how Islamic finance should be handled in the System of National Accounts 2008 (2008 SNA) and monetary statistics based on discussion and research papers presented in the workshop organized by ESCWA and

Organization	Meetings, training seminars, courses, etc.
	UNSD on Islamic finance in national accounts. Research and best practices are needed beyond the financial assets and liabilities and their classification by type of financial instrument described within the framework of monetary and financial statistics, in line with the 2008 SNA.
	Planned Activities: • Workshop on the implementation of the 2008 SNA and supporting statistics with emphasis on supply and use tables. • Workshop for countries in conflict. Applying suitable compilation methods on economic statistics in order to produce a minimum viable data set of economic statistics for decision and policy making. • Expert group meeting on digital economy and national accounts. • Forum on trade statistics and statistical business registers with focus on the multinational enterprises operating in global value chains in the Arab region. • Under the Economics Pillar of the Development Account Project on Statistics and Data, national country missions and twinning missions will continue to train national economic statisticians on the implementation of Supply and Use tables (SUTs) with practical guidance and application.
ESCAP and SIAP	The Regional Programme on Economic Statistics for Asia and the Pacific (RPES) guides the design and implementation of ESCAP's activities related to national accounts and economic statistics. During 2018, activities have included in-country technical assistance, regional trainings, workshops and other fora for experience and knowledge sharing, as well as a region-wide reporting of capacities to produce and disseminate economic statistics. During 2018, continued in-country technical assistance was provided to Bhutan, Cambodia, Lao PDR, Maldives, Myanmar, and Viet Nam on a variety of topics, including import-export price indices, economic census, use of economic census data for national accounts compilation, quarterly national accounts and energy balances and statistics. Regional activities comprise promoting national studies, maintaining a knowledge sharing platform, developing recommended training resources (curriculum and training materials) and strengthening national capacity for training on economic statistics.
	First e-Learning course on Integrated Economic Statistics to Support 2008 SNA Implementation, 19 February to 16 March 2018 (online)
	First e-learning course on Price Statistics, 1 March to 10 April 2018 (online)
	Regional Course on Statistical Business Registers: Data sources, maintenance and quality assurance, Online: Module: 9 – 16 May 2018; Face-to-Face Module: 21 – 25

Organization	Meetings, training seminars, courses, etc.
	May 2018, Perak, Malaysia. http://unsiap.or.jp/e-learning/3_sna/1805_SBR_MYA.html
	Asia-Pacific Economic Statistics Week 2018, 7-10 May 2018, Bangkok, Thailand http://communities.unescap.org/asia-pacific-economic-statistics/2018-asia-pacific-economic-statistics-week
	Fifth Project Support Meeting for the Regional Programme on Economic Statistics (RPES), 9 May 2018, Bangkok, Thailand http://communities.unescap.org/asia-pacific-economic-statistics/economic-statistics-events/rpes-fifth-project-support-meeting
	Seventh Meeting of the Steering Group for the Regional Programme on Economic Statistics (RPES), 10 May 2018, Bangkok, Thailand http://communities.unescap.org/asia-pacific-economic-statistics/seventh-meeting-sgrpes
	Experts Meeting for the Review of Training Resources for the Regional Programme for Improvement of Economic Statistics in Asia and the Pacific, 20-21 November 2018, Bangkok, Thailand https://www.unescap.org/events/experts-meeting-review-training-resources-regional-programme-improvement-economic-statistics
	13th Meeting of the Special Programme for the Economies of Central Asia (SPECA) Working Group on Statistics, 1-3 October 2018 Shymkent, Kazakhstan https://statswiki.unece.org/display/SCB/SPECA+2018
	Capacity Screening of Economic Statistics in Asia and the Pacific, October 2018 http://communities.unescap.org/system/files/capacity_screening_2017_-_final_rev.pdf
	First Group Training Programme on Theory and Practices in Official Statistics for Monitoring Sustainable Development Goals (SDGs) (with 2008 SNA, Business Registers and Price Statistics Modules), 27 August to 7 December 2018, Chiba, Japan
	January 2019: Sub-regional and national summary reports on Economic Statistics capacity (release)
	February 2019: Replication Studies on economic statistics – Writing workshop, Bangkok, Thailand
	Twelfth Basic-level e-learning Course on System of National Accounts (2008 SNA): Integrated Transaction Accounts, 1 – 30 June 2019 (online)
	June 2019: Asia-Pacific Economic Statistics Week, Bangkok, Thailand

Organization	Meetings, training seminars, courses, etc.
	June 2019: Eighth Meeting of the Steering Group for the Regional Programme on Economic Statistics (RPES), Bangkok, Thailand
	June 2019: Training on the use of administrative data for economic statistics production
	2019: Training of Trainers workshop (economic statistics) for Lao PDR, Maldives and Nepal
	2019: ESCAP will continue to support the implementation of the Regional Programme on Economic Statistics (RPES) through trainings, expert forums and technical assistance on topics related to national accounts and economic statistics. The implementation of RPES is monitored through region-wide capacity screenings, carried out in milestone years. The report of the 2017 region-wide capacity screening is available online. The next capacity screening exercise is planned for 2020. During the sixth session of the Committee on Statistics (October 2018), the Committee endorsed the extension of RPES to 2030, and requested a review of the Programme to strengthen alignment with the 2030 Agenda for Sustainable Development. See http://www.unsiap.or.jp/ for further detail on upcoming SIAP events.

V. Reporting of annual national accounts data

29.   In accordance with the request of the Statistical Commission, the Statistics Division of the Department of Economic and Social Affairs of the United Nations regularly evaluates the availability and scope of official annual national accounts data reported by Member States and their conceptual compliance with the recommendations of the System of National Accounts (SNA).

30.   The assessment presented in the present section is based on replies to the United Nations National Accounts Questionnaire for the last five reporting periods, i.e., from 2013 to 2017. The data are either reported directly to the Statistics Division or through the ECE, the OECD, or the secretariat of the Caribbean Community.

31.   Considering the responses in any of the last five reporting periods (2013-2017), 96 per cent (186 countries) of Member States reported national accounts data to the Statistics Division. An analysis of the reporting by developing countries, at the regional level, shows that all Latin American and Caribbean countries reported national accounts data, followed by 98 per cent of African countries, 91 per cent of Asian countries, and 83 per cent of Oceanic countries.

32.   In the 2017 reporting period, 163 Member States (84 per cent of the total number of Member States) reported national accounts data which is higher than in the previous reporting period when

there were 161 submissions (representing 83 per cent of the total number of Member States). The timeliness of data is evaluated in terms of the number of Member States that are able to submit data for the same year as the reporting period, e.g., data for the year 2017 in the 2017 reporting period. 119 Member States (62 per cent) submitted data for the year 2017 in the 2017 reporting period, compared with 112 Member States that submitted data for the year 2016 in the 2016 reporting period and 115 Member States that submitted data for the year 2015 in the 2015 reporting period.

33.   An analysis of the national accounts data — up to the 2017 reporting period — shows that in terms of conceptual compliance, 181 of the 193 Member States (94 per cent) have implemented the 1993 SNA or the 2008 SNA. All developed Member States and Member States in the Eastern European, Caucasus and Central Asian region have reported national accounts data according to the 2008 or 1993 SNA methodology. Additionally, 133 of the 145 developing countries (92 per cent) have reported national accounts data to the Statistics Division following the 1993 SNA or the 2008 SNA. Specifically, 50 African countries (93 per cent), 32 Latin American and Caribbean countries (97 per cent), 40 Asian countries (87 per cent), and 11 countries of Oceania (92 per cent) have implemented the 1993 SNA or the 2008 SNA. The implementation by the Least Developed Countries (LDCs) and Small Island Developing States (SIDS) has improved since last year, with, respectively, 88 per cent and 97 per cent of countries and areas having implemented the 1993 SNA or the 2008 SNA.

34.   16 Member States who reported switching to the 1993 SNA or to the 2008 SNA in the 2016 or the 2017 reporting cycle. These figures include countries that have implemented the 2008 SNA without necessarily having implemented the 1993 SNA. There still remain 12 developing countries (6 per cent) that do not compile their national accounts according to either the 1993 SNA or the 2008 SNA.

35.   It should be noted that a number of Member States may have introduced only some of the 2008 SNA conceptual changes, mainly owing to resource constraints. For example, some Member States have chosen a gradual approach to implementing the 2008 SNA. They have concentrated on issues affecting gross domestic product, including new estimates for financial intermediation services indirectly measured, output of central banks, military expenditures and more comprehensive estimates of the non-observed economy.

36.   The scope of national accounts data reported to the Statistics Division is evaluated against a standard "minimum requirement data set",[1] adopted by the Statistical Commission at its thirty-second session in 2001 (see E/2001/24, chap. III), and against the "milestone"[2] measure, adopted by the Commission at its twenty-ninth session in 1997 (see E/1997/24, para. 46). The evaluation shows that 139 Member States (72 per cent) provide six or more tables of the minimum requirement data set and 102 Member States (53 per cent) provide seven tables of the minimum requirement data set.

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[1] The minimum requirement data set is defined in the reports of the Intersecretariat Working Group on National Accounts to the Statistical Commission (see E/CN.3/2001/8 and E/CN.3/2011/6).

[2] The milestone methodology is described in the reports of the Intersecretariat Working Group on National Accounts to the Statistical Commission (see E/CN.3/1997/12 and E/CN.3/2011/6).

## VI.	Statistical Data and Metadata Exchange

37.	To streamline governance, the former Ownership Group for SDMX in Macro-Economic Statistics and the Steering Group on International Data Cooperation have merged into a single group called the Ownership Group for International Data Cooperation and SDMX in Macro-Economic Statistics (MES-OG). The group has a dual mandate: it reports to the SDMX Sponsors group for matters of development and maintenance of global DSDs and it reports to the Inter-Agency Group on Economic and Financial Statistics for matters of international data cooperation projects.
38.
39.	Continuous efforts are made to extend the use of Statistical Data and Metadata Exchange (SDMX) in the area of macroeconomic statistics. In the past, the Ownership Group for SDMX in Macro-Economic Statistics has taken responsibility for the development and release of global data structure definitions (DSDs) for national accounts (including government finance statistics), balance of payments, foreign direct investment and consumer price indexes. For these statistics, the focus has turned to further promoting the actual use of these structures. Data structure definitions for the System of Environmental Economic Accounting (SEEA) will be released in 2019.

40.	There has been further progress in the implementation of SDMX at the national level. In many cases, the global data structure definitions as well as more mature SDMX software packages have been drivers for national implementation projects. In order to widen the use of SDMX in additional areas, such as micro-data and automatic validation processes based on the standard, the SDMX Sponsors gave a mandate to work on an updated version of the standard.

41.	While the SDMX Expert Group meeting held in November 2018 showed that expertise is growing and SDMX is picking up momentum in many regions, there is still a noticeable gap in capacity-building. More work is needed to better target domain and information technology experts in countries. The Expert Group has started to work on a more streamlined capacity building strategy, including train-the-trainers material, to boost outreach and foster sharing of knowledge and experience, also among experts.

42.	At the level of international organizations, the international data cooperation project is progressing in terms of the work programme on shared datasets. The first shared dataset on GDP, population and employment has been published since 2015. Datasets on non-financial and financial sector accounts were added in 2018. Work has started to share data on balance of payments. In addition, notification-based pull-mode data exchange has been piloted. Pull-mode is expected to further streamline the technical framework for sharing data. The developments are fully based on the global SDMX data structure definitions and data exchange standards. One of the main features of the cooperation is the establishment of a clear distribution of responsibilities among participating international organizations in order to ensure that shared datasets are identical across their respective databases. The final objectives of the initiative are to reduce reporting burden for national institutions and to lower data validation burden at the international level by streamlining data reporting from national to international organisations.

Annex I Consolidated Research Agenda issues

The SNA Research Agenda list of issues
February 2019

A.   Introduction

1.   To facilitate the prioritization of research issues on globalization, digitalization and well-being and sustainability a consolidated list of SNA research issues has been compiled based on the feedback from the ISWGNA task force on the SNA research agenda and the AEG. Their order is not intended to imply a prioritization within the categories. Following the introduction in Part A, the priority areas for the research agenda are presented in Part B in five sections and include relevant issues related to balance of payments, government finance, environmental and trade and industry statistics. Sections I to III list the issues related to Globalization, Digitalization and Well-being and sustainability; Section 4 is a list of cross cutting issues; Section 5 present relevant compilation issues. Part C reflects issues on the long-term SNA research agenda in the categories presented in annex IV to the 2008 SNA.

B.   Priority research issues

I.   Globalization

1)   A typology of global production arrangements

2)   Factoryless goods producers and recording of their transactions

3)   Merchanting

4)   Economic ownership related to multi national enterprises

5)   Multinational enterprises and special purpose entities

6)   Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts

7)   CIF/FOB recording of imports and exports

8)   Price and volume measurement related to globalization

9)   New data sources needed to measure global production

10)   Goods and services account by (trading) enterprise characteristics

11)   Nationality concept / Extension of IIP on a nationality basis

12)   New methods to measure global production

13)   Analysing trade in value added amplifies the need of high quality statistics on global production

II.   **Digitalization**

14)   Satellite framework for the digital economy.

15)   Household production and consumption

16)   Free digital products and services

17)   The role of data and the SNA asset boundary

18)   Price and volume measures related to digital products

19)   Cryptocurrencies

III.   **Economic wellbeing and sustainability**

20)   Distributions and demographic analysis

21)   Labour, Productivity and Human Capital

22)   Non-market Activity

23)   Unpaid Household work

24)   Wellbeing indicators

25)   Valuation of natural resources

26)   Depletion of natural biological resources

27)   Losses

28)   Ecosystem services

IV.   **Cross cutting issues**

29)   The relationship of SNA and IASB

30)   Statistical units

31)   Trusts

32)   Broadening the fixed asset boundary to include other intellectual property assets

33)   Leases to use or exploit natural resources

34)   Treatment of Private-Public Partnerships

V. Compilation issues

35) Harmonization of SNA and BOP

36) Islamic finance

37) Income from activities undertaken on an informal basis

C. Long-term SNA research issues

38) Final consumption of corporations

39) Measuring the output of government services

40) The treatment of social transfers in kind to the rest of the world

41) Output of central banks: taxes and subsidies on interest rates applied by central banks

42) The inclusion of international organizations in the SNA

43) Clarification of the income concept in the SNA

44) GDP at basic prices

45) The role of taxes in the SNA

46) Life insurance

47) Reinvested earnings

48) Accruing interest in the SNA

49) Calculation of FISIM

50) High inflation

51) The measurement of neutral and real holding gains and losses

52) Income arising from assets

53) Issues arising from a financial crisis

54) SNA22. Recognition of social security entitlements as liabilities

55) Wider use of fair value for loans

56) Provisions

57) Debt concessionality

58) Equity valuation and its implications

59) Reverse transactions

60) Tradable emission permits

61) Costs of ownership transfer of valuables and non-produced assets

62) Distinction between current maintenance and capital repairs

63) Transfer of ownership of an asset during its life

Annex II Conclusions of the twelfth meeting of the AEG

Twelfth Meeting of the Advisory Expert Group on National Accounts
27-29 November 2018, Luxembourg
CONCLUSIONS

The Advisory Expert Group on National Accounts:

1.   Expressed its appreciation for the work done by the task forces, committees, working groups and expert groups and authors of the issues papers, which allows for a better understanding of the various topics for discussion.

2.   Requested that the conclusions of the 12th meeting of the AEG be communicated directly to the Chairs of the various task forces, committees, working groups and expert groups related to macroeconomic accounts and economic statistics by the Chair of the ISWGNA.

I.   Report of the ISWGNA Task Force on SNA Research Agenda

3.   Reconfirmed the three priority areas for the research agenda: *globalisation digitalisation* and *well-being and sustainability* but recognised that outside the scope of these three topical areas 'other' priority issues should also be considered, such as the relation between external sector statistics and the SNA, relations with business statistics and business accounting standards, leasing and statistical units.

4.   Recognised that within the three priority areas there are specific issues that need to be addressed, which should be prioritised according to their relevance, urgency and potential impact; and preliminarily identified the following specific issues to address first:

> a.   under *globalisation*: 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;

> b.   under *digitalisation*: framework for a satellite account on the digital economy, valuation of free assets and free services, recording of data in the national accounts, cryptocurrencies.

> c.   under *economic wellbeing and sustainability*: unpaid household work, distribution of household income, expenditure and wealth, and environmental-economic accounting.

5.   Agreed that the specific issues should be grouped into a limited number of work streams under each of the priority areas; to develop guidance notes for each (group of) specific issue(s); that preferably an AEG member take the lead on working on the specific issues, while the ISWGNA provides support to each work stream and ensures buy-in from all stakeholders.

6.   Considered that within the prioritised areas, a distinction would be kept between guidance aiming at clarifying the application of current standards and guidance implying changes to the current methodological framework. Guidance would need to be tested with a comprehensive view as to the impact on the full set of accounts.

7.   Recommended that guidance would be accompanied by practical empirical work to ensure its feasibility.

8.   Agreed that the Task Force on the SNA Research Agenda should develop a general template for the guidance notes to ensure that all aspects of the full sequence of accounts are addressed; in particular, the guidance notes should clearly identify issues affecting the central system, versus those that would go into supplementary tables or satellite accounts. The guidance notes should also assess implications for a possible SNA update and the opportunities for harmonisation with other domains. They should not only look at the conceptual implications, but also address the feasibility of implementing the proposed conceptual solutions.

9.   Stressed the importance of establishing coordination mechanisms between national accountants and experts from other domains, such as balance of payments, government finance statistics, price statistics and business statistics, and requested the ISWGNA to initiate the coordination. The coordination between the NA and BOP research agenda's was considered of particular importance.

10.   Highlighted the importance of involving users in the discussion to assess in advance their reactions to the guidance notes and proposed revisions and the need to reflect on the appropriate resource implications and timing and requested that the ISWGNA to initiate a user consultation.

II.   Globalization

Economic ownership and intellectual property products (IPPs)

11.   Recognized that resolving the allocation of economic ownership of IPPs should be treated with high priority.

12.   Considered the "supranational" approach as not viable to allocate economic ownership of IPPs and preferred to explore the possible allocation of economic ownership to the "head office" or the "producer", although both may require considerable imputations.

13.   Noted the importance of distinguishing the asset and service aspects of IPPs when affiliated and non-affiliated units are involved.

Globalization-related granularity in the institutional sector accounts

14.   Agreed that the proposed framework, which aims at addressing questions related to breakdowns by sectors, foreign direct investment, global value chains, new indicators, and the expansion of supply and use tables, is a useful contribution and agreed to include the issue of more detailed breakdowns in the research agenda.

Data exchange, sharing and Large Cases Units (LCU) network

15.   Supported the ongoing work on data sharing and Large Cases Units as highly relevant for the discussion on globalization; stressed that data sharing is essential to reconcile data across countries; expressed the need for a worldwide statistical network on multinational enterprises to address data asymmetries; and noted that while data sharing can raise confidentiality concerns, not sharing data can have negative effect on the quality of statistics.

16. Emphasized that effective and strategic communication is key for promoting data exchange and supported the organisation of a side event to the 2019 United Nations Statistical Commission on this topic.

Report of the BOPCOM Taskforce on Special Purpose Entities (SPEs)

17. Noted the recent discussion at the 2018 meeting of the IMF Committee on Balance of Payments Statistics on a definition and approach to data collection on SPEs and agreed that more conceptual work needs to be carried out on the recording of SPEs.

18. Agreed that the recording of "pass through" transactions, including the identification of entities (whether SPEs or other) which undertake significant pass through activities, and its possible impact on the residency principle of the SNA, need to be a priority in the research agenda.

Issue of asymmetries in trade and CIF/FOB valuation of imports and exports

19. Agreed that asymmetries in international trade and CIF/FOB valuation of imports and exports need further work and should be included in the research agenda as a priority issue to be resolved in cooperation with balance of payments statistics experts.

III. Digital economy

A proposal for a satellite framework on the digital economy

18. Welcomed the proposed satellite account framework on the digital economy; and supported the separate identification of digital products and industries.

19. Supported the development of various indicators within the framework, rather than proposing a single aggregate such as 'digital GDP'.

20. Agreed that there is a need to clarify terminology such as digitalisation vs digital economy and emphasised the need to communicate clearly on the purpose and analytical uses of the digital economy satellite account framework.

21. Agreed to extend, in the satellite account, the production boundary by including "free" digital services, as this information is requested by users, although further reflections are needed on how to value them. Methodologies for valuing free services, and the possible recording in the central framework should be considered priority research issues. In addition, further reflection on the recording of data in the satellite account may be needed (see also below).

22. Agreed to use a net recording (intermediation approach) of services provided through online platforms instead of a gross recording, subject to the prevailing legal framework.

23. Recognised the need to reflect on the classification breakdowns and improvements in primary data sources needed to implement the proposed framework and, in this respect, stressed the importance of cooperation with business statisticians and classification experts.

Price and Volume Measures for Service Activities

24. Agreed that price and volume measures for service activities is an important issue. More guidance on price measurement, including aspects of quality changes due to digitalisation and digital

intermediation, how to deal with the bundling of services, etc., should be developed in close collaboration with price statisticians.

The role of data and the SNA asset boundary

25. Recognised that measuring data is conceptually a difficult topic and agreed to distinguish between data(bases) and knowledge.

26. Agreed that data can have market value and that the process of structuring data is considered an important step for the potential use of data and that the presented 'value chain' of data represents a useful starting point for when data could be considered an asset. Also agreed that barter-type of transactions, i.e. the provision of data in exchange for "free" services, may be a promising way forward.

27. Noted the risk of double counting of data and IT database infrastructure assets and R&D assets.

28. Agreed to address the recording (part of the asset boundary or not, produced versus non-produced assets) and the valuation of data as an issue with high priority.

Cryptocurrencies

29. Recognised that further research is needed on the recording of crypto assets with particular emphasis on their use as medium of exchange or store of value, taking into account the responses of countries to recent discussions at IMF and OECD fora.

30. Considered that any recording guidance currently developed for crypto assets should be considered as interim, pending clearer future developments of crypto assets (e.g. regulatory measures).

IV.   Economic well-being and sustainability

Education and training

31. Agreed with the guidance proposed by the UNECE-led Task Force on a satellite account for education and training and welcomed the intention to maintain a close link with the SNA and reconcile (where relevant) between satellite account data and core national accounts data.

Unpaid household activities

32. Revisited the key conceptual and practical issues of the recording of unpaid household services and the importance of developing a standardised framework for the recording of these services for the analysis of household wellbeing without expanding the GDP production boundary and encouraged the compilation of experimental.

33. Proposed to consider the following issues when developing the framework:

    a.   The need for improved (possibly alternative) data sources on time use and consumer durables.
    b.   The treatment of household volunteer work.
    c.   The scope of services and data to be included.
    d.   A group of interested countries should be encouraged to compile experimental results.

Statistical information system for capturing well-being and sustainability

34. Agreed that the presentation of well-being and sustainability statistics could be enhanced to improve the (consistent) integration between 'core' national accounts and 'satellite' accounts under a broader accounting umbrella.

35. Concluded that the SNA should be supplemented with guidance on the measurement of (sustainable) wellbeing, by providing clearer links between material wellbeing, including for example distributional measures, and broader issues of wellbeing and sustainability. The latter could be further elaborated by developing a broader accounting framework, e.g. by combining the current framework with unpaid household activities, environmental-economic accounts, health and education.

36. Emphasised that appropriate terminology (and branding) should be developed to facilitate the integration of measures of wellbeing and sustainability with the core accounts and cooperation between those developing and preparing accounts in different fields and stressed the need for the optimal use of resources.

Update on environmental accounts

37. Emphasised the importance of continuing close cooperation between national accountants and environmental accountants, especially given the overlap of interest in research agenda items.

38. Identified the development of guidance on the valuation of assets and the generation of electricity by households as of particular importance.

V.   SNA and BOP cross cutting issues

SNA and BOP harmonization

39. Welcomed the development of guidance on resolving inconsistencies observed in the compilation of national accounts and balance of payments statistics and agreed to provide comments once the draft is circulated.

Cash collateral

40. Took note of the discussions in BOPCOM on the treatment of cash collateral and agreed that it should be included in the SNA research agenda, and further discussed in collaboration with balance of payments experts to ensure the consistent recording in national accounts and balance of payments.

VI.   Financial services

Islamic finance

41. Took note of recent discussions on the treatment of Islamic finance in the SNA, and in particular the progress made on resolving the institutional sector classification of Islamic finance corporations and the calculation of output, whilst further research was needed on the recording of the return on Islamic financial instruments related to loans and deposits.

42. Encouraged further work on the treatment of Islamic finance in the SNA and requested that progress on this work be reported the AEG at its future meeting.

Recording of central bank swap arrangements in macroeconomic statistics

43. Confirmed that it agrees with following two options, proposed by BOPCOM, to record Central Bank swap arrangements:

  a. Record off-market central bank currency swaps as an exchange of deposits with maintenance of value; and

  b. Record standard (market priced) central bank currency swaps as an exchange of deposits with the simultaneous creation of a financial derivative, namely a forward contract.

VII. Task force on SNA capacity building: review of the work program and its progress

44. Welcomed the ongoing work of the Task Force on SNA capacity building and supported the proposal to expand membership to other organisations, including AEG members, and the initiative to expand the ISWGNA National Accounts knowledge database to include capacity development 'tools' beyond the current catalogue of handbooks.

45. Emphasised the importance of advocacy by international organisations to national governments on the importance of statistics in light of concerns that a significant number of countries have still not implemented the 2008 SNA.

VIII. Other issues

i) Statistical units: Report of the ISWGNA TF on statistical units

46. Welcomed the ongoing work of the ISWGNA Task Force on statistical units and agreed with the proposed electronic consultation to initiate work on:

  a. The type of information used to make adjustments to the targeted unit, whether this is based on a full set of information or on some indicator(s), either or not directly collected from survey respondents; and

  b. The advantages and disadvantages of an integrated analysis of production, income and finance.

ii) Big data: Review of the Task Teams related to economic statistics

47. Noted the progress of the work of the Task Teams of the Global Working Group on Big Data.

iii) Manuals, handbooks and satellite accounts

Satellite accounts overview

48. Welcomed the ongoing in-depth review of satellite accounting and noted that the initial results of the recent survey showed that the most popular satellite accounts worldwide are tourism and environmental-economic accounts, that a high proportion of accounts was funded by national statistical offices, and that relatively few satellite accounts were motivated by an extension of SNA concepts.

49. Noted that the timeliness of satellite accounts could be a challenge for integrating them more with core national accounts data.

50. Agreed on the potential benefits of developing satellite accounts for improving the relevance of national accounting data.

51.   Concluded that some satellite accounts would merit greater international comparability, compiled according to international recommendations, whilst others could be compiled with more flexibility to reflect national interests.

Handbook on backcasting

52.   Noted the preparation of a Handbook on backcasting and agreed to provide comments and practical examples.