

16th Meeting of the Advisory Expert Group on National Accounts, 12-14 July 2021, Remote Meeting

Agenda item: 6.3

Terminology and Branding of the International Economic Statistical Guidance^{1,2}

The presentation of macroeconomic statistics has a significant impact on how the data are interpreted and used by all users including governments, researchers, students, businesses, media, and the public. Therefore, macroeconomic statistics should be presented and communicated in such a way that the full extent of its analytical usefulness, quality, scope, comparability, and policy applications are maximized. To this end, the branding of the SNA and other macroeconomic statistics needs an intentional communication strategy. Over the last decade, there has been a deliberate effort to harmonize the concepts and methodologies in the international statistical guidance to the extent possible. However, there are still some cases in which the terminologies used to describe the same concept, method, process, or account vary across the domains, and even more so across countries. Addressing the statistical guidance will in turn help the countries. The Communication Task Team (CMTT) proposes to increase the alignment of these terminologies and improve the branding of the system such that comprehension and usability of macroeconomic statistics are be improved.

SECTION I: INTRODUCTION

1. **Macroeconomic statistics should be presented and communicated in such a way that users can fully understand and benefit from their analytical power, quality, scope, and comparability.** To this end, the branding of the System of National Accounts (SNA) and other macroeconomic statistics requires an intentional communication strategy. A part of this strategy is the harmonization and alignment of sophisticated and precise technical terms across the SNA, Balance of Payments Manual (BPM), and Government Finance Statistics Manual (GFSM) which are crucial for methodological discussions, international comparability, and for users' understanding of macroeconomic statistics 'big picture.'
2. **Each of the major international economic statistical guidance has its own history, methodology, and terminology – and serves a different audience and purpose.** Nevertheless for

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² Where the designation "country" appears in this GN, it covers economies or economic territories.

consistency, during the last update of the statistical guidance deliberate efforts were made by both the balance of payments committee (BOPCOM) and government finance statistics advisory committee (GFSAC) to align the concepts in the BPM and GFSM with those of the SNA, as far as possible.

3. **However, at its 13th Meeting, the Advisory Expert Group (AEG) recognized that while the SNA brand is perceived to be strong, it is not effectively communicated.**³ The AEG stressed the need for more user-friendly terminology. Although the members acknowledged the challenges in finding a common terminology that would adequately serve the needs of all users while maintaining the technical precision required for accurate statistics and international comparisons. Against this background, the AEG recommended that guidance on the branding of the SNA and a communication strategy for the update of the international economic statistical guidance be developed by the CMTT. It was noted that the need for rebranding does not only apply to the SNA, but recommendations for updating the BPM, GFSM and MFSM would also be helpful.

4. **This guidance note contains three sections:** (i) a review of the concepts, terminologies, and labels across the SNA, BPM, and GFSM and proposals for further harmonization or alignment; (ii) a proposal to revise or amend certain terms or definitions in the manuals to include more descriptive terminology without disregarding the preciseness needed, and; (iii) a glossary of 'often used terms' in a user-friendly language that would be useful in communication with non-specialist users like the media / general public (Annex II).

SECTION II: EXISTING MATERIAL AND REVIEW

5. **Over the last decade, there has been a deliberate effort to harmonize the concepts and methodologies in the international statistical manuals, to the extent possible.** However, there are still some cases in which the terminologies used to describe the same concept, method, or account vary between the international economic statistical guidance. The CMTT proposes that the comprehension and usability of macroeconomic statistics could be improved by increasing the harmonization of these terminologies between the statistical guidance.

Review of Terminology: 2008 SNA and BPM6

6. **There is already close alignment between the coverage and terminology used in the 2008 SNA and BPM6 because of the concerted effort made during the last update of the BPM to ensure consistency.** *BPM6 §A7.5* notes that: *"...the terminology of the SNA rest of the world accounts and the international accounts is the same, except for some minor differences (e.g., the SNA uses the external account of goods and services for the goods and services account, and external assets and liabilities for the IIP)."* However, there are key presentational differences that should be noted. The 2008 SNA specifies that *"...there are no exact parallels in the international accounts for the production account, the generation of income account, and use of income account because the international accounts do not describe production, consumption (or capital formation)."*

³ "A framework for recording and communicating revisions"

https://unstats.un.org/unsd/nationalaccount/aeg/2019/M13_3_5%20Re-branding%20the%20SNA_Pres.pdf

7. **In addition, the *BPM6* uses a functional breakdown for investment income and the financial account.** There is no equivalence of this in the *2008 SNA* since the *2008 SNA* uses a financial instrument breakdown. Likewise, the *SNA* rest of the world accounts are presented from the point of view of non-resident units, whereas the balance of payments presents the same transactions from the point of view of resident units. Neither of these aspects relate to differences in terminology, but rather to coverage and presentation. The key differences in terminology are identified in table 1 below.

Table 1: Some Differences in Terminologies Between 2008 SNA and BPM6

2008 SNA	BPM6
Resources	Debits
Uses	Credits
Stocks	Positions
Allocation of primary income account	Primary income account
External account of goods and services	Goods and services account
External assets and liabilities	International Investment Position
Statistical discrepancy in net lending/net borrowing	Net errors and omissions

8. **The use of “Debits/Credits” in the BPM and “Uses/Resources” in the SNA, and “Stocks” in the SNA and “Positions” in the BPM are long-standing differences between SNA and BPM.** The BPM terminology is more closely aligned to accounting terminology, whereas the SNA terminology applies to broader economic concepts. The fact that SNA entries in the ‘rest of the world’ account are “mirrors” of those entries in BPM calls for adopting a same terminology, particularly in the case of “debits/credits” and “uses/resources”, while considering that the (net) IIP only covers financial assets and liabilities and has no identical counterpart term in the SNA (in theory this would be (net) financial worth of the rest of the world sector).

9. **With regards to the names of the accounts, these relate to the SNA’s coverage of both domestic sectors and the rest of the world, and therefore the addition of the word “external” is needed.** There is likely little scope to narrow terminologies here. Finally, the *2008 SNA* uses the term “*statistical discrepancy*” in a broad sense (not just for differences between net lending/borrowing in the capital and financial accounts but also in the compilation of GDP and other main aggregates). The *BPM6* term “net errors and omissions” specifically refers to the non-financial/financial account discrepancy. Consideration can be given to moving to the common use of the term “statistical discrepancy”.

Review of Terminology: 2008 SNA and GFSM 2014

10. **During the preparation of the *GFSM 2014*, a key task was to harmonize the concepts and terminologies in GFSM with other macroeconomic statistics manuals.** *GFSM 2014* §1.8 notes that “... the *GFSM 2014* updates the internationally recognized guidelines for compiling statistics required for fiscal analysis that were established by the *GFSM 2001*. The revised guidelines are harmonized with the updates in other macroeconomic statistical manuals and guides. Notwithstanding, there are some intentional differences between the *GFSM 2014* and the *2008 SNA* because of the different analytical purposes they serve.

11. **The key existing differences are the treatment of government production activities, treatment of own-account capital formation, and the degree of consolidation.** However, the definitions and concepts in the GFS framework are closely aligned with the 2008 SNA, but the coverage of a particular category of transactions may be slightly different. *GFSM 2014* Appendix chapter 7 provides detailed comparisons and explains the coverage differences between GFS and other macroeconomic statistics. However, this mainly concerns the scope classification as well as methodological issues. This leaves open the question of how far and to which extent the terminologies should be harmonized. As an outcome of a comparison, table 2 shows some of the differences in terminologies identified.

Table 2: Some Key Differences in Terminologies Between 2008 SNA and GFSM 2014

2008 SNA	GFSM 2014
Resources	Revenue
Uses	Expense
Market output	Sales of Goods and Services (excl. administrative fees) plus changes in the inventories of work in progress and finished goods
Intermediate consumption	Use of goods and services
Gross capital formation	Net investment in nonfinancial assets + Consumption of fixed capital - Transactions in non-produced assets
Gross fixed capital formation	Net investment in fixed assets + Consumption of fixed capital
Net capital formation	Net investment in non-financial assets - Transactions in non-produced assets
Changes in inventories	Net transactions in Inventories
Acquisitions less disposals of valuables	Net transactions in Valuables
Acquisitions less disposals of non-produced assets	Net transactions in Non-produced assets
Acquisitions less disposals of contracts, leases and licenses	Net transactions in Contracts, leases, and licenses
Purchases less sales of goodwill and marketing assets	Net transactions in Goodwill and marketing assets

12. **The use of “revenue/expense” and “resources/uses” is an obvious difference between the terminology of SNA and GFSM.** The GFSM terminology is closer to accounting/bookkeeping terminology, whereas the SNA terminology is broader. The fact that SNA entries in the general government account are “mirrors” of those entries in GFSM means consideration can be given to using common terminology.

13. **Regarding production and transactions in goods and services, the SNA and GFSM follow different approaches.** Therefore, it seems acceptable, to use a different terminology when there is not an identical aggregate shown, although the SNA aggregate can be derived by combining several GFSM items. This case for instance is highlighted by the SNA aggregate market output, which can be derived as the sum of GFSM items “Sales of goods and services (excl. administrative fees) plus changes in the inventories of work in progress and finished goods”, more precisely GFSM-codes 142 (excl.1422) +

31222 +31223. Similar cases are gross and net (fixed) capital formation aggregates for which different GFSM items also need to be combined to derive them.

14. **This also applies to cases where there is a one-to-one relationship between an SNA aggregate and a GFSM item.** For instance, in the case of consumption of capital the same term is used in SNA (code P51c) and in GFSM (code 23). However, in similar cases, slightly different terms are used as shown in the table above. Such a case is highlighted by intermediate consumption, which seems to be identical to the GFSM item “*Use of goods and services*” (code 22), leaving aside FISIM and insurance service charges. Other examples are changes in inventories and subsequent aggregates in the above table. In such cases, a common terminology could be used.

15. **Another point mentioned sometimes relates to insurance.** In general, 2008 SNA requires splitting the insurance premium in two parts, the service charge and the transfer part. This principle also applies in the case of social insurance schemes run by general government. In GFSM2014 the standard is to have the entire social contribution paid as part of revenue. Obviously, it would be useful from a SNA perspective to have the split also in GFSM, However this is not a question of terminology but of compilation, and therefore can be neglected here. .

SECTION III: OPTIONS CONSIDERED FOR TERMONOLOGY

16. **This section outlines the CMTT’s proposals to further harmonize the terminology in the SNA, BPM, and GFSM** based on the findings from the comparisons of the existing manuals. The amendments to current terminology concern different areas and therefore will be presented in four parts: (i) *harmonization of terms across SNA, BPM and GFSM*, (ii) *amendments to accounts*, (ii) *amendments to conventions/labels*, and (iii) *amendments to terms/glossary*.

Harmonization of terms across SNA, BPM and GFSM

Table 3 proposes below outlines the recommendations to further harmonize key concepts in the SNA, BPM, and GFSM.

Table 3: Proposal for further alignment of terms across SNA, BPM and GFSM

SNA	BPM	GFSM	Proposal
Resources	Debits	Revenue	Revenue
Uses	Credits	Expense	Expenditure
Market output		Sales of Goods and Services (excl. administrative fees) plus changes in the inventories of work in progress and finished goods	Market output of goods and services
Intermediate consumption		Use of goods and services	Intermediate consumption of goods and services
Changes in inventories		Net transactions in Inventories	Changes in inventories
Acquisitions less disposals of valuables		Net transactions in Valuables	Net acquisitions of valuables

Acquisitions less disposals of non-produced assets		Net transactions in non-produced assets	Net acquisitions of non-produced assets
Acquisitions less disposals of contracts, leases and licenses		Net transactions in Contacts, leases, and licenses	Net acquisitions of contracts, leases, and licenses
Purchases less sales of goodwill and marketing assets		Net transactions in Goodwill and marketing assets	Net acquisitions of goodwill and marketing assets
Statistical discrepancy in net lending/net borrowing	Net errors and omissions	Statistical discrepancy	Statistical discrepancy in net lending/net borrowing

Amendment to names of the accounts

17. **The most detailed and comprehensive set of accounts is given in the 2008 SNA, which covers several interconnected tables that elaborate the composition of production, income distribution, income use, capital formation, and financing.** The titles of the accounts in the 2008 SNA appear to be somewhat cumbersome from the communication standpoint. Therefore, the CMTT proposes to change the names of the some of the accounts as shown in Table 4 below:

Table 4: Proposal to Revise the Names of the SNA Accounts

2008 SNA	Proposed amendment
The production account	No change
The generation of income account	No change
The allocation of primary income account	The factor income account
The secondary distribution of income account	The transfer income account
The use of disposable income account	No change
The capital account	The change in capital account
The financial account	No change

18. **For users to intuitively understand the names *allocation of primary income account* and *secondary distribution of income account*, prior knowledge of *primary* and *secondary income* is required.** Generally, users without technical or specialist knowledge of macroeconomic statistics would not be familiar with these terms. As an alternative, more descriptive and self-explanatory terms are suggested, that is *factor income account* – to replace the *allocation of primary income account* and *transfer income account* – to replace the *secondary distribution account*.

19. **The *capital account* could be easily confused by users with the balance sheet.** Since the capital account is a flow account covering non-financial assets for a specific period of time, the CMTT proposes that this could be better communicated by adding the term *change* to the name - hence *change in capital account*. Taking for granted that a common terminology should be used across the different domains, these suggestions also concern certain balance of payments accounts. In particular, *the primary income account*, *the secondary income account* and the *capital account* need to be adjusted

correspondingly. In addition, the terms “resources / uses” could be harmonized across *BPM (credits / debits)* and *GFSM (revenue / expense)*, possibly by accepting *revenue / expenses* for all three domains.

Amendments to conventions/labels

20. **Producers of statistics often use technical terms when communicating statistical results or materials to the public.** These are usually not easily understood by non-specialist users. A recent study on public understanding of economics and economic statistics concluded that “... *the use of economic jargon is not only detrimental to people’s engagement, by making economics inaccessible to the public, but it can also negatively affect people’s understanding of economic statistics. The main examples were using terms like GDP and ‘real terms.’*”⁴

Thus, the CMTT recommends the adoption of alternative terminologies, as presented in Table 5, when communicating some key SNA concepts or processes.

Table 5: Proposals for More User-Friendly Conventions/Labels in the SNA

2008 SNA	Suggested amendments
Current prices	Actual prices
Constant prices	Inflation adjusted prices
Chained volume	Real or inflation adjusted economic growth
GDP by production approach	Production by industry
GDP by expenditure approach	Demand-side GDP
GDP by income approach	Distribution side of GDP / GDP by Income

21. **The term *current price* could be confusing for users who may understand it to be the price in the *current time period*.** Therefore, actual price (paid or received) may be more easily understood or even reflect payable or receivable. Similarly, the term *constant price* is not immediately obvious in meaning to non-technical users. The term *inflation-adjusted price* gives the user the basic idea of the concept without going into the technical details of how the concept is applied. To communicate the three approaches to measuring GDP, more descriptive terms could also be used as shown in table 5 above.

Terms and Glossary

22. **Precise technical terms in the SNA and other macroeconomic statistics are crucial for methodological discussions and essential for the international comparability of such data.** On the other hand, not all technical terms from macroeconomic statistics will be immediately understood by all target user groups. On that basis, the CMTT took stock of a list of technical terms generally used in the communication with the media/general public with the aim to simplify. A first check took stock of whether it is possible to use less technical terms in the manuals without distorting the preciseness of the manuals. The proposed adjustments are provided in Annex II.

⁴ Johnny Runge and Nathan Hudson: Public Understanding of Economics and Economic Statistics, ESCoE Occasional Paper 03, November 2020 (London).

23. **Stemming from this, the CMTT proposes to amend certain existing terms and definitions that are currently used in international economic statistical guidance.** The proposals are intended for the SNA but should be extended to other BPM and GFSM where the terminologies are the same unless there are legitimate differences in the definitions or terminologies. These suggestions, which are shown in column 2 of table 6 below and in Annex II, are intended to initiate a discussion on whether the alternate terms/expanded definitions provide an input for the communication with non-expert users and the public. For instance, the amendments could serve as a basis to produce a glossary with often used terms in user-friendly language. The following table provides some suggestions – further elaborated in Annex II.

Table 6: Proposal to introduce alternative terminologies in the SNA

2008 SNA	Proposal (s)	Rationale
Financial Intermediation Services Indirectly Measured	Implicit Financial Intermediation Services Or Interest Margin	Proposal combines concept and method Proposal broadly conveys concept
Compensation of employees	Employee remuneration	More user-friendly term
Property Income	Revenue from property of financial, and/or non-produced assets	Property income is sometimes misunderstood. The alternative is more easily understood.
Rent	Revenue from property of natural resources	Term is frequently confused with rental.
Consumption of fixed capital	Depreciation (of fixed assets)	The term depreciation is more widely understood.

24. **Table 7 below and Annex II also comprise of proposals to amend certain definitions of macroeconomic aggregates.** These may be introduced in the macroeconomic manuals or used as the basis to produce a glossary. At least some definitions deserve to be considered more closely, because they highlight a major difficulty to understand certain technical terms. Instead of giving the conceptual idea, definitions are sometimes very technical and need previous knowledge to be understood and interpreted properly.

Table 7: Proposal to introduce amended definitions in the SNA

2008 SNA	Proposal(s)	Rationale
Gross domestic product (GDP) is the (most frequently quoted) indicator of economic performance. (para. 1.1)	GDP comprises the final value of the production activity of resident producer units. It can be measured in three ways:	The current definitions describe the various

<p>The production measure of gross domestic product (GDP) is derived as the value of output less intermediate consumption plus any taxes less subsidies on products not already included in the value of output.</p> <p>The expenditure measure of gross domestic product (GDP) is derived as the sum of expenditure on final consumption plus gross capital formation plus exports less imports.</p> <p>The income measure of gross domestic product (GDP) is derived as compensation of employees plus gross operating surplus plus gross mixed incomes plus taxes less subsidies on both production and imports.</p>	<p>The production measure of Gross Domestic Product reflects the economic contribution made by all producers of an economy during a given period.</p> <p>The expenditure measure of gross domestic product reflects the consumption, the capital formation and the exports less imports of goods and services by all final users.</p> <p>The income measure of gross domestic product reflects the incomes of all participants contributing to the production of goods and services in an economy during a given period.</p>	<p>methods of calculating GDP. The proposals provide a more conceptual definition GDP.</p>
<p>Net lending is defined as the difference between changes in net worth due to saving and capital transfers and net acquisitions of non-financial assets (acquisitions less disposals of non-financial assets, less consumption of fixed capital). If the amount is negative it represents net borrowing.</p>	<p>Net lending is the net amount a unit or a sector has available to finance, directly or indirectly, other units or other sectors. Negative net lending is usually described as "net borrowing".</p> <p>Another alternative:</p> <p>Net lending is the net amount a producer has available to finance other activities. Negative net lending is usually described as "net borrowing".</p>	<p>The proposal consists of separating the concept of the variable from the aspects related to its measurement.</p>
<p>Basic prices; The basic price is defined as the amount receivable by the producer from the purchaser for a unit of good or service produced as output minus any tax payable and plus any subsidy receivable on the product as a consequence of its production or sale.</p>	<p>Prices received by the producer, excluding some taxes and including some subsidies</p>	
<p>Purchasers' prices: The producer's price is defined as the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any value added tax (VAT), or similar deductible tax, invoiced to the purchaser. It also excludes any</p>	<p>Prices paid by the purchaser, including all taxes and excluding all subsidies</p>	

transport charges invoiced separately by the producer.		
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25. **A starting point for a glossary could be the proposals made in annex II.** In any case, it would seem useful to proceed in two steps. First, develop for the main terms from the statistical guidance used in communication with the media/general public a short definition in an easy language. Such a short and easy definition could also be used for social media communication as well as for a FAQ-website. Second, it would seem useful regarding the target group “informed user” that such a glossary is supplemented by a more detailed article for the different main terms used, also in a user-friendly language.⁵ Third, it would seem useful to produce a common glossary for the different macro-economic statistics, which will require additional efforts from all sides.

SECTION V: RECOMMENDED APPROACH—PRACTICAL ASPECTS - BRANDING

26. **Over the last two to three decades, the principles of SNA have been expanding beyond its core system of sequence of accounts as well as refining the existing definitions used.** More frequently, users are publishing satellite accounts on tourism, sports, creative sector and other breakdowns of economy activity and the environment.

27. **Previous updates of the SNA mainly intended to align the national accounting framework with users’ needs.** In fact, the Foreword and Preface of the *2008 SNA* emphasize that *the new system reflects the evolving needs of its users, new developments in the economic environment and advances in methodological research*. Similarly, Annex I of the *1993 SNA* highlighted that *the then system strengthened the harmonization with other related statistical systems and introduced several of features that reflect new analytical and policy concerns of countries and international organizations*. Nevertheless, these do not address the needs of non-specialists to understand the SNA, and thus improve the SNA branding.

28. **Given the importance of national accounts statistics for decision making, a key question for the international community is whether the current name – the system of national accounts - is still fit for purpose.** Some could argue that the name is too limited in its potential outreach and too focused on accounting. Another key issue is whether the international agencies are collectively making effective use of new technologies and branding strategies to target diverse groups of users to ensure that the statistical products are well understood. This section of the Guidance Note explores options of rebranding the statistical manuals in way that is clear for users and builds on their legacies.

Existing strategy for effective Branding

29. **Many statistical offices and some International Organizations have considered a strong diversification of their offerings to meet users’ needs.** To achieve this, they often employed a multi-pronged branding strategy consisting of the following components that may be considered more broadly.

⁵ A good example of this friendly glossary is Eurostat's statistics explained website https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_Explained

Targeted Communication

- i. When targeting **specialists** (economists, statisticians etc.), NSOs' publications have a high technical dimension written in an intelligible way but not necessary to popularize. The methodology can be mixed with the results, outlined with academic or university type writing.
- ii. When targeting the **general public** (who could be qualified as "non-specialists without power"), their publications have a low technical dimension and often aiming to popularize the headline results whilst few methodological elements are in boxes. For this specific user group, a journalistic writing style is applied to statistics and economics.
- iii. When targeting **decision-makers and journalists** (who could be qualified as "non-specialists with power"), their publications have the lowest technical dimension, because the target audience does not have the time to read the methodological parts. To popularize the results, all the technical aspects must be erased (unless this audience asks specific questions on the subject). Journalistic writing is also applied to statistics and economics in addition to media supports specially designed for them such as press releases and press kits, readily available for copy and paste.

Branding: Leitmotiv or motto-theme to reaffirm a presence

Examples of time-lasting imprint or straplines created by some statistical organizations are:

- i. **Eurostat:** Your key to European Statistics
 - ii. **INSEE (France):** Measure to understand (Mesurer pour comprendre)
 - iii. **BEA (USA):** The world's trusted source for accurate and objective data about the U.S. economy
 - iv. **Statistics Canada:** Serving Canada with high-quality statistical information that matters
 - v. **IBGE (Brazil):** To portray Brazil by providing the information required to the understanding of its reality and the exercise of citizenship
 - vi. **Statistics South Africa:** The South Africa I know, the home I understand / Improving lives through data ecosystems
30. **Tracing back the SNA reveals that different branding have been used on the manuals:** *Measurement of National Income and the Construction of Social Accounts* in 1947; *A System of National Accounts and Supporting Tables* in 1953 (could be Rev. 2), 1960 (could be Rev. 2.1) and 1964 (could be Rev. 2.2); *A System of National Accounts* in 1968 (could be Rev. 2.3); and then the *System of National Accounts, 1993 (1993 SNA)* followed by the *System of National Accounts 2008 (2008, SNA)*.
31. **Competing and inconsistent naming strategies for the international economic statistical guidance including references to release years, version, and editions are not useful.** For example,

the current guidance includes the *Government Finance Statistics Manual, 2014*; *The System of National Accounts, 2008*; *The 2016 Monetary and Financial Statistics Manual* and *the Sixth Edition of the Balance of Payments and International Investment Position Manual*. Therefore, the CMTT proposes two options to standardize the naming conventions across international economic statistical guidance to eliminate the existing inconsistencies.

32. The first is to use either the edition or revision approach and consistently branding all the standards as *standards*. In this case, the next of update of the SNA will be branded, the as *The National Accounting Standard, xx Revision* or *The xx Edition of the National Accounting Standard* – similar branding is suggested for the BPM and GFS manuals.

33. The second option suggestion for consistency in the branding is to adopt a series approach under the general ‘International Economic Statistical Guidance,’ such that the manuals would be branded: *Macroeconomic Statistics – System of National Accounts, Macroeconomic Statistics – Balance of Payments and International Investment Position, and Macroeconomic Statistics – Government Finance Statistics etc.* Finally, *the CMTT proposes to classify all statistical manuals under the umbrella “International Economic and Environmental Statistics Standards” (IEESS)* which would cover manuals in the macroeconomic and microeconomic statistics domains.

SECTION VI: CHANGES REQUIRED TO THE SNA AND OTHER STATISTICAL DOMAINS

33. **Considering the proposals in the Guidance Note, the CMTT proposes the following changes to the SNA and other statistical domains:** (i) change the name of the allocation of primary income account, secondary distribution accounts, and capital account to *factor income account, transfer income account, and change in capital account*, respectively. (ii) Regarding the conventions and labels used in the statistical guidance, the CMTT proposes to align the SNA, BPM, and GFSM on the use of *revenue* and *expense*. This replaces the *resource and use* convention of the SNA and the *debit and credit* convention in the BPM. Likewise, whereas the term *net errors and omissions* in the BPM, consistent use of the term *statistical discrepancy* (in net lending/net borrowing) across all three manuals would be useful. With respect to certain key labels, the CMTT proposes to harmonize the SNA and GFSM on the following terminologies:

SNA	GFSM	Proposal
Market output	Sales of Goods and Services (excl. administrative fees) plus changes in the inventories of work in progress and finished goods	Market output of goods and services
Intermediate consumption	Use of goods and services	Intermediate consumption of goods and services
Changes in inventories	Net transactions in inventories	Changes in inventories
Acquisitions less disposals of valuables	Net transactions in valuables	Net acquisitions of valuables

Acquisitions less disposals of non-produced assets	Net transactions in non-produced assets	Net acquisitions of non-produced assets
Acquisitions less disposals of contracts, leases and licenses	Net transactions in contracts, leases, and licenses	Net acquisitions of contracts, leases and licenses
Purchases less sales of goodwill and marketing assets	Net transactions in goodwill and marketing assets	Net acquisitions of goodwill and marketing assets

Relating to terminology, the following amendments are suggested for the SNA:

2008 SNA	Proposal(s)
Output	Output of goods and services
Financial Intermediation Services Indirectly Measured	Implicit Financial Intermediation Services Or Interest margin
Current prices	Actual prices
Constant prices	Inflation adjusted prices
Chained volume	Real or inflation adjusted economic growth
Compensation of employees	Employee remuneration
Consumption of fixed capital	Depreciation of fixed assets
Property Income	Revenue from property of financial and/or non-produced assets
Rent	Revenue from property of natural resources
Basic prices	Prices received by the producer, excluding some taxes and including some subsidies
Purchasers' prices	Prices paid by the purchaser, including all taxes and excluding all subsidies
GDP by production approach	Production by industry
GDP by expenditure approach	Demand-side GDP
GDP by income approach	Distribution side of GDP / GDP by Income

Finally, the CMTT proposes the addition of a glossary with user-friendly alternative terms and expanded definitions in the SNA. A first preliminary extract from the glossary is included in Annex II.

Questions for the Members:

1. Do you agree with the proposed changes to terms and definitions presented in Annex II?

- a. Are there other terms that you would want to make easier for users to understand??
2. Do you agree with the proposed branding of the statistical standards and the system of statistical standards?
3. Do you agree with the proposed changes to the SNA accounts shown in Table 4?
4. Do you have other comments on the guidance note?

Annex I. Referenced Documents

Bureau of Economic Analysis. (2017). *Concepts and Methods of the U.S. National Income and Product Accounts (Chapters 1 - 13)*. Washington D.C.

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Annex II: (Preliminary) Proposal for changes to SNA glossary terms and definitions

Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Actual Final Consumption	Consumption of produced goods and services.	Actual final consumption measures the amount of consumption goods and services acquired.	Actual final consumption is the value of consumption goods and services acquired by households, taking into account transfers collective consumption services provided to households by general government or NPISHs.	Term not easy to understand and only relevant in a sector breakdown. Therefore, an alternative term and a more descriptive definition which takes brings together the definitions of household, general government, and NPISHs actual final consumption is suggested.
Adjusted Disposable Income		Adjusted disposable income is the balancing item in the redistribution of income in kind account. It is derived from the disposable income of an institutional unit or sector by adding the value of the social transfers in kind receivable by that unit or sector and subtracting the value of the social transfers in kind payable by that unit or sector.		
Collective Consumption Expenditure	Expenditure on produced goods and services for collective consumption.	No current definition in the SNA.	Expenditures by general government and NPISHs on goods and services for the collective benefit of households such as health,	

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
			education, or social protection.	
Compensation of employees	Employee remuneration Or cost of labour	Compensation of employees is defined as the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period.		Alternative terms suggested
Collective Consumption Service		A collective consumption service is a service provided simultaneously to all members of the community or to all members of a particular section of the community, such as all households living in a particular region.	A service provided simultaneously to all members of a community without exclusion.	Simplified definition
Consumption Good or Service		A consumption good or service is defined as a good or service that is used (without further transformation in production as defined in the SNA) by households, NPISHs or government units for the direct satisfaction of individual needs (or wants) or for the collective needs of members of the community.		No change suggested
Consumption of Fixed Capital	Depreciation of Fixed Assets or Wear and Tear of fixed assts	Consumption of fixed capital is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage.	Consumption of fixed capital is the decline (during the course of the accounting period) in the current value of the stock of fixed assets (owned and used by a producer) due to normal or expected levels of physical deterioration, obsolescence, and/or accidental damage. Conceptually, it should be based on the current market value, or replacement cost, of the asset and not the	The term depreciation is more widely understood, so it is suggested as an alternative. To mitigate the risk of confusing depreciation based on historic costs (as used in many business accounts) with the concept of

Annex II: (Preliminary) Proposal for changes to SNA glossary terms and definitions

Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
			original asset acquisition (historic) cost.	consumption of fixed capital, it is suggested to extend the definition.
Cultivated biological resources	Cultivated plants and animals	Cultivated biological resources cover animal resources yielding repeat products and tree, crop and plant resources yielding repeat products whose natural growth and regeneration is under the direct control, responsibility and management of an institutional unit.		Simplified terminology noting only plants and animals are covered.
Disposable Income		Disposable income is the balancing item in the secondary distribution of income account. It is derived from the balance of primary incomes of an institutional unit or sector by adding all current transfers, except social transfers in kind, receivable by that unit or sector and subtracting all current transfers, except social transfers in kind, payable by that unit or sector.	It is the portion of income available to consume or to accumulate financial /nonfinancial assets.	The current wording explains how the disposable income is calculated, but no meaning is offered. The clarified definition describe the concept.
Distributable Income of a Corporation		Distributable income of a corporation is equal to entrepreneurial income, plus all current transfers receivable, less all current transfers payable and less the adjustment for the change in pension entitlements relating to the pension scheme of that corporation.	The portion of a corporation's entrepreneurial income that is available to be distributed to its owners or to be reinvested as retained earnings.	The current wording explains how the disposable income is calculated, but no meaning is offered.
Economic Owner		Economic owner assets and liabilities is the institutional unit entitled to claim the benefits associated with the use	It is the institutional unit entitled to claim the benefits	This is a more concise definition.

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
		of the entity in question in the course of an economic activity by virtue of accepting the associated risks.	and accept the associated risks of an economic activity.	
Financial Intermediation Services Indirectly Measured	Financial intermediation service Or Margin on interest receivable on loans less interest payable on deposits	The difference between the rate paid to banks by borrowers and the reference rate plus the difference between the reference rate and the rate actually paid to depositors.	FISIM is an indirect measure of the value of intermediation service provided by a financial intermediary to savers and borrowers, through deposits and loans.	The term "Financial Intermediate Services Indirectly Measured" is very technical and the latter part refers to a certain method. Therefore, a more general term and definition is suggested.
Final consumption expenditure	Expenditure on consumption of produced goods and services	Final consumption expenditure is the amount of expenditure on consumption goods and services		Term not easy to understand without definition so an alternative more descriptive term suggested.
Financial Lease	Finance lease	A financial lease is one where the lessor as legal owner of an asset passes the economic ownership to the lessee who then accepts the operating risks and receives the economic benefits from using the asset in a productive activity.	A finance lease is one in which the finance company – the lessor – as the legal owner of an asset passes the economic ownership to the lessee who then accepts the operating risks and receives economic benefits from using the asset in a productive activity.	Alternative term suggested and a clarified definition to align with term with the terminology used in accounting standards

Annex II: (Preliminary) Proposal for changes to SNA glossary terms and definitions

Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Fixed Assets		Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.		No change suggested.
General Government Final Consumption Expenditure	General government expenditure on consumption of produced goods and services	General government final consumption expenditure consists of expenditure, including expenditure whose value must be estimated indirectly, incurred by general government on both individual consumption goods and services and collective consumption services.	General government final consumption expenditure is the value of all goods and services produced, or purchased, by general government for either individual or collective consumption. It consists of general government non-market output plus government purchases of goods and services (without further transformation) on behalf of households (known as, social transfers in kind via market producers).	Term not easy to understand without definition so an alternative more descriptive term suggested. Also suggested a new definition, to start with the concept of what is being measured.
Gross Capital Formation	Transactions in produced nonfinancial assets	Gross capital formation shows the acquisition less disposal of produced assets for purposes of fixed capital formation, inventories or valuables.	The acquisition less disposal of produced assets for purposes of fixed capital formation, inventories and valuables.	Suggested new term to avoid the use of "gross" and to be better aligned with GFS terminology.
Gross Domestic Product	No Change	The production measure of gross domestic product (GDP) is derived as the value of output less intermediate consumption plus any taxes less subsidies on products not already included in the value of output. (ii) The expenditure measure of gross domestic product (GDP) is derived as the sum of expenditure on final consumption plus gross capital formation plus exports	Gross Domestic Product reflects for the whole economy, in any single time period, the economic contribution made by all	The current definition does not offer a conceptual definition.

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
		less imports. (iii) The income measure of gross domestic product (GDP) is derived as compensation of employees plus gross operating surplus plus gross mixed incomes plus taxes less subsidies on both production and imports.	producers or the consumption of final goods and services by all users. or Gross Domestic Product is the sum of the monetary values of the final goods and services produced by a country in a given period of time (quarter, year), including taxes on products and less subsidies on products.	
Gross Fixed Capital Formation	Transactions in fixed assets	Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets.	The total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets.	Suggested new term to avoid the use of "gross" and to be better aligned with GFS terminology.
Gross National Disposable Income		Gross national disposable income may be derived from gross national income by adding all current transfers in cash or in kind receivable by resident institutional units from non-resident units and subtracting all current transfers in cash or in kind payable by resident institutional units to non-resident units.		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Gross National Income		Gross national income is the aggregate value of the gross balances of primary incomes for all sectors.	The total income generated by an economy through the production of goods and services, incomes earned from the rest of the world less incomes paid out to the rest of the world.	
Gross Value Added		Gross value added is the value of output less the value of intermediate consumption.	Gross value added is the additional value of products and services generated during the production process. It is derived as the value of output less the value of intermediate consumption.	The proposed definition is more intuitive while also noting the calculation.
Gross Value Added at basic prices		Gross value added at basic prices is defined as output valued at basic prices less intermediate consumption valued at purchasers' prices.		
Gross Value Added at producers' prices		Gross value added at producers' prices is defined as output valued at producers' prices less intermediate consumption valued at purchasers' prices.		
Household Final Consumption Expenditure	Household expenditure on consumption of produced goods and services	Household final consumption expenditure consists of the expenditure, including expenditure whose value must be estimated indirectly, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant and including consumption goods and services acquired abroad.	Household final consumption expenditure is the value of all goods and services acquired and used by households for individual consumption. It includes those goods and services acquired at prices that are not economically significant, as well as consumption of	Term not easy to understand without definition so an alternative more descriptive term suggested. Suggested new definition to better align with changes suggested to

Annex II: (Preliminary) Proposal for changes to SNA glossary terms and definitions

Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
			goods and services acquired abroad.	government and NPISH FCE definitions.
Households actual social contributions	Household social contributions	Households' actual social contributions are social contributions payable on their own behalf by employees, self-employed or non-employed persons to social insurance schemes.		
Households social contribution supplements	Income earned on pension and non-pension entitlements	Households' social contribution supplements consist of the property income earned during the accounting period on the stock of pension and non-pension entitlements.		Simplified terminology for users not familiar with the term 'supplements'.
Imputed Rent	Imputed value of rental		Imputed rental is the approximate rental value of the dwellings used by their owners. Imputed rental measures the service value of the dwelling consumed by its owner (s).	Clarified terminology replaces the term rent with rental and definition to explain the concept
Individual consumption expenditure	Expenditure on produced goods and services for individual consumption		Value of goods and services consumed by households to satisfy the needs or wants of members of that household. It includes goods and services acquired for free from general government and NPISH.	Term not easy to understand without definition so an alternative more descriptive term suggested.

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Individual consumption good or service		An individual consumption good or service is one that is acquired by a household and used to satisfy the needs or wants of members of that household.		
Intellectual Property Products		Intellectual property products are the result of research, development, investigation or innovation leading to knowledge that the developers can market or use to their own benefit in production because use of the knowledge is restricted by means of legal or other protection.		No change suggested
Intermediate consumption	Use of goods and services during production OR Goods as services inputs to production	Intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital.		Term not easy to understand without definition so an alternative more descriptive term suggested.
Mineral exploration and evaluation	Expenditures on Mineral exploration and evaluation	Mineral exploration and evaluation consist of the value of expenditures on exploration for petroleum and natural gas and for non-petroleum deposits and subsequent evaluation of the discoveries made.	Expenditures incurred in the search for mineral resources such as petroleum and natural gas and for non-petroleum deposits and subsequent evaluation of the discoveries made in determination of the technical feasibility and commercial viability of	More descriptive term suggested and an expanded definition.

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
			extracting the mineral resources.	
Miscellaneous current transfers		Miscellaneous current transfers consist of current transfers other than insurance-related premiums and claims, current transfers within general government and current international cooperation.		
Net Lending or net borrowing		Net lending is defined as the difference between changes in net worth due to saving and capital transfers and net acquisitions of non-financial assets (acquisitions less disposals of non-financial assets, less consumption of fixed capital). If the amount is negative it represents net borrowing.	<p>Net lending is the net amount a unit or a sector has available to finance, directly or indirectly, other units or other sectors. Negative net lending is usually described as "net borrowing."</p> <p>OR</p> <p>Net lending is the net amount a producer has available to finance other activities. Negative net lending is usually described as "net borrowing".</p>	The expanded definition proposes a clarified definition before explaining the measurement.
Net domestic product	GDP net consumption of fixed capital	NDP Net domestic product (NDP) is defined as gross domestic product (GDP) less the consumption of fixed capital.		Clarified terminology to indicate what the 'net' in the concept referred to

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Net national disposable income		Net national disposable income (NNDI) is defined as net national income (NNI) plus current transfers receivable from abroad less current transfers payable abroad.		
Net non-life insurance premiums		Net non-life insurance premiums comprise both the actual premiums payable by policyholders to obtain insurance cover during the accounting period (premiums earned) and the premium supplements payable out of the property income attributed to insurance policyholders less the service charges payable to the insurance corporation.		
Net premiums	Insurance premiums net of service charges	Net premiums are defined as actual premiums plus premium supplements less the insurance service charge payable by the policy holders.	Net premiums are defined as actual premiums plus premium supplements (investment income earned on reserves policyholders) less the insurance service charge payable by the policy holders.	More descriptive terminology to explain what the concept 'net' means in this case.
Net social contributions		Net social contributions are the actual or imputed contributions made by households to social insurance schemes to make provision for social benefits to be paid. Fees charged by the administrators of the schemes are excluded from contributions payable.		
Net value added	Value added net consumption of fixed capital	Net value added is the value of output less the values of both intermediate consumption and consumption of fixed capital.		More descriptive terminology to clarify the 'net' concept

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Neutral holding gains and losses		Neutral holding gains and losses A neutral holding gain (loss) over a period is the increase (decrease) in the value of an asset that would be required, in the absence of transactions and other changes in the volume of assets, to maintain command over the same amount of goods and services as at the beginning of the period.		
Nominal holding gain		(i) Nominal holding gain – financial asset. The nominal holding gain on a financial asset is the increase in value of the asset, other than transactions in the assets (including the accrual of interest over a period of time) and other changes in the volume of assets. (ii) Nominal holding gain – liability. The nominal holding gain on a liability is the decrease in value of the liability, other than by transactions or by other volume changes. (iii) Nominal holding gain – non-financial asset. The nominal holding gain on a non-financial asset is the value of the benefit accruing to the owner of that asset as a result of a change in its price over a period of time.		
Non-cultivated biological resources		Non-cultivated biological resources consist of animals, birds, fish and plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth and/or regeneration is not under the direct control, responsibility and management of institutional units.		
NPISH Final Consumption Expenditure	NPISH expenditure on consumption of produced goods and services	Final consumption expenditure of NPISHs consists of the expenditure, including expenditure whose value must be estimated indirectly, incurred by resident NPISHs on individual consumption goods and services and possibly on collective consumption services.	NPISH final consumption expenditure is the value of all goods and services produced, or purchased, by NPISH for either individual or collective consumption. It consists of NPISH non-market output plus NPISHs	Term not easy to understand without definition so an alternative more descriptive term suggested. Also suggested a new definition, to

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
			purchases of goods and services (without further transformation) on behalf of households (known as, social transfers in kind via market producers).	start with the concept of what is being measured.
Operating Lease		An operating lease is one where the legal owner is also the economic owner and accepts the operating risks and receives the economic benefits from the asset by using it in a productive activity.		
Other buildings and structures		Other buildings and structures comprise non-residential buildings, other structures and land improvements.		
Other capital transfers		Other capital transfers consist of all capital transfers except capital taxes and investment grants.	Other capital transfers are unrequited transfers, which allow one or both parties of the transaction to acquire or dispose of assets; they exclude capital taxes and investment grants.	
Other current transfers		Other current transfers consist of all current transfers between resident institutional units, or between resident and non-resident units, other than current taxes on income, wealth, etc., social contributions and benefits, and social benefits in kind.		
Other deposits		Other deposits comprise all claims, other than transferable deposits, that are represented by evidence of deposit.		
Other employment-		Other employment-related social insurance benefits are social benefits payable by social insurance schemes		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
related social insurance benefits		other than social security to contributors to the schemes, their dependents or survivors.		
Other equity		Other equity is equity that is not in the form of securities.		
Other financial corporations		Other financial corporations are institutional units providing financial services, where most of their assets or liabilities are not available on open financial markets.		
Other financial intermediaries except insurance corporations and pension funds		Other financial intermediaries except insurance corporations and pension funds consist of financial corporations that are engaged in providing financial services by incurring liabilities, in forms other than currency, deposits or close substitutes for deposits, on their own account for the purpose of acquiring financial assets by engaging in financial transactions on the market.		
Other flows		Other flows are changes in the value of assets and liabilities that do not result from transactions.		
Other investment		Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options and reserve assets.		
Other investment fund shares or units		Other investment fund shares or units represent a claim on a proportion of the value of an established investment fund other than a money market fund.		
Other subsidies on production		Other subsidies on production consist of subsidies except subsidies on products that resident enterprises		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
		may receive as a consequence of engaging in production.		
Other subsidies on products		Other subsidies on products consist of subsidies on goods or services produced as the outputs of resident enterprises, or on imports, that become payable as a result of the production, sale, transfer, leasing or delivery of those goods or services, or as a result of their use for own consumption or own capital formation.		
Other taxes on production		Other taxes on production consist of all taxes except taxes on products that enterprises incur as a result of engaging in production.		
Output for own final use	Produced goods and services for own final use	Output for own final use consists of products retained by the producer for his own use as final consumption or capital formation.		Term not easy to understand without definition so an alternative more descriptive term suggested.
Premium – actual		The actual premium is the amount payable to the direct insurer or reinsurer to secure insurance cover for a specific event over a stated time period.		
Premium – earned		The premium earned is the part of the actual premium that relates to cover provided in the accounting period.		
Primary Incomes		Primary incomes are incomes that accrue to institutional units as a consequence of their involvement in processes of production or ownership of assets that may be needed for purposes of production.		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Product balance		The product balance for any product recognizes that the sum of output at basic prices plus imports plus trade and transport margins plus taxes on products less subsidies on products is equal to the sum of intermediate consumption, final consumption and capital formation, all expressed at purchasers' prices, plus exports.		
Property Income	Revenue from ownership of financial, and/or non-produced non-financial, assets	Property income is the sum of investment income and rent.		Term not easy to understand without definition so an alternative more descriptive term suggested.
Purchasing Power Parity		A purchasing power parity (PPP) is defined as the number of units of B's currency that are needed in B to purchase the same quantity of individual good or service as one unit of A's currency will purchase in A.		
Quasi-corporation		A quasi-corporation is either an unincorporated enterprise owned by a resident institutional unit that has sufficient information to compile a complete set of accounts and is operated as if it were a separate corporation and whose de facto relationship to its owner is that of a corporation to its shareholders, or an unincorporated enterprise owned by a non-resident institutional unit that is deemed to be a resident institutional unit because it engages in a significant amount of production in the economic territory over a long or indefinite period of time.		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Real Gross Domestic Income		Real gross domestic income (real GDI) measures the purchasing power of the total incomes generated by domestic production.		
Real holding gains and losses		A real holding gain (loss) is the amount by which the value of an asset increases (decreases) over the neutral holding gain for the period, in the absence of transactions and other changes in the volume of assets.		
Realized holding gain		A holding gain (loss) is realized when an asset that has increased (decreased) in value due to holding gains (losses) since the beginning of the accounting period is sold, redeemed, used or otherwise disposed of, or a liability incorporating a holding gain or loss is repaid.		
Rent	Natural resource lease revenue	Rent is the income receivable by the owner of a natural resource (the lessor or landlord) for putting the natural resource at the disposal of another institutional unit (a lessee or tenant) for use of the natural resource in production.		Term is frequently confused with rental so suggested an alternative term
Resource lease	Natural resource lease	A resource lease is an agreement whereby the legal owner of a natural resource that the SNA treats as having an infinite life makes it available to a lessee in return for a regular payment recorded as property income and described as rent.		The use of resource in term is unclear so suggested a slight variant on the term
Rest of the world		The rest of the world consists of all non-resident institutional units that enter into transactions with resident units, or have other economic links with resident units.		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
Social assistance benefits		Social assistance benefits in cash are current transfers payable to households by government units or NPISHs to meet the same needs as social insurance benefits but which are not made under a social insurance scheme requiring participation usually by means of social contributions.		
Social benefits		Social benefits are current transfers received by households intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education or family circumstances.		
Social insurance benefit		A social insurance benefit is a social benefit payable because the beneficiary participates in a social insurance scheme and the social risk insured against has occurred.		
Social insurance contribution		A social insurance contribution is the amount payable to a social insurance scheme in order for a designated beneficiary to be entitled to receive the social benefits covered by the scheme.		
Social insurance scheme		A social insurance scheme is an insurance scheme where the following two conditions are satisfied, (a) the benefits received are conditional on participation in the scheme and constitute social benefits as this term is used in the SNA, and (b) at least one of the three conditions following is met. (i) Participation in the scheme is obligatory either by law or under the terms and conditions of employment of an employee, or group of employees. (ii) The scheme is a collective one operated for the benefit of a designated group of workers, whether employed or non-employed, participation being restricted to members of that group.		

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Current SNA Terminology	Alternative	Current Definition	Expanded / Clarified Definition	Rationale for the Change
		(iii) An employer makes a contribution (actual or imputed) to the scheme on behalf of an employee, whether or not the employee also makes a contribution.		
Social security benefits		Social security benefits in cash are social insurance benefits payable in cash to households by social security funds.		
Taxes and duties on imports		Taxes and duties on imports consist of taxes on goods and services that become payable at the moment when those goods cross the national or customs frontiers of the economic territory or when those services are delivered by non-resident producers to resident institutional units.		
Trade margin		A trade margin is defined as the difference between the actual or imputed price realized on a good purchased for resale and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of.		
Trading gain or loss		The trading gain or loss from changes in the terms of trade is the difference between real GDI and GDP in volume terms.		
Unrealized holding gain		An unrealized holding gain is one accruing on an asset that is still owned or a liability that is still outstanding at the end of the accounting period.		
Work-in-progress		Work-in-progress consists of output produced by an enterprise that is not yet sufficiently processed to be in a state in which it is normally supplied to other institutional units.	Work-in-progress consists of output produced by an enterprise that is partially finished and not yet in the state in which it is normally	Minor clarification to definition.

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			supplied to other institutional units.	