

Towards the  
2025 SNA

# Project Manager's Report

Pete Harper  
SNA Update Project Manager

Meeting of the Advisory Expert Group (AEG) on National Accounts  
Washington DC

17 October 2022

# Outline

---

Progress of Guidance Notes

---

Key engagement activities since last AEG meeting

---

Annotated Outlines

---

Glossary

---

Phase 1 Testing

---

Early Implementation

---

Preparing the 2025 SNA

# Progress of Guidance Notes

## 65 Guidance Notes

- 33 are finalized or are in the process of being finalized
- For a further 24 GNs, Global Consultation has been completed
  - 5 need to be circulated for final endorsement
  - 10 will be discussed at this meeting (some with BOPCOM)
    - 5 have issues requiring resolution
    - For 4, the results of the Global Consultation will be discussed
    - For one, a revised strategy for user testing will be discussed
  - 9 are undergoing phase 1 testing
- 8 GNs are yet to undergo Global Consultation
  - All will be discussed at this meeting (some with BOPCOM)

The progress of GNs has been very good and we remain on track to finalize most of the GNs by the end of 2022

- However, some GNs will not be finalized until early 2023
- A February 2023 AEG/BOPCOM meeting (virtual) to finalize the outstanding GNs is planned

# Key engagement activities since last AEG meeting

- Many ongoing discussions with the BPM Update Team
- Ongoing discussions with the SEEA, GFS and MFS communities, particularly in regard to the development of the Annotated Outlines
- Ongoing discussions with International Public Sector Accounting Standards Board (IPSASB)
- Discussions with ILO and UNSD regarding labour and time-use issues
- China NBS Workshop on the Update of the System of National Accounts
  - Participation of UN ESCAP countries

# Annotated Outlines

- To aid in the drafting of the chapters of the updated SNA, 13 Annotated Outlines (AOs) of chapters have been prepared
  - AOs have been drafted for new or significantly revised chapters
  - 4 AOs relate to 'joint' SNA/BPM chapters
  - Key stakeholders have been consulted in the development of the AOs
  - 12 AOs have been circulated to AEG for feedback
    - 9 will be discussed at this AEG meeting
    - 3 will be discussed at the joint AEG/BOPCOM meeting
  - One AO (Digitalization) has not been circulated and will be presented at the AEG/BOPCOM meeting
- AEG/BOPCOM comments will be reflected in updated AOs, which will then be circulated for Global Consultation before the end of 2022
  - AEG/BOPCOM will have the opportunity to consider feedback from the Global Consultation at the February 2023 meeting

# Glossary

- A Glossary of Terms and Definitions is being prepared
  - This Glossary will underpin the updated SNA and BPMs
  - It is being developed with the view that, ultimately, it will be a Glossary for all economic statistics standards
  - It will exist in a digital format
- The initial work has involved identifying and recording terms and definitions in the SNA, BPM, GFS, MFS, SEEA, IPSASB and IASB (until the end of 2022)
- The next step will involve confronting differences and proposing common terms and definitions (Jan – Feb 2023)
- This will then be discussed with key stakeholders, and then AEG/BOPCOM (Mar – Apr 2023)
- A Global Consultation will follow (May – Jun 23)
- AEG/BOPCOM endorsement will be sought around July 2023
  - Glossary will be labelled ‘provisional’ on the basis that subsequent work on the drafting of chapters for the updated standards may identify the need for changes to be made to definitions or for new terms/definitions to be added

# Testing

- A two-phased approach for this has been agreed
- The first phase relates to testing needed to finalize recommendations in certain guidance notes
  - 10 GNs are in this phase
  - This phase will be conducted through to the end of 2022
- The second phase relates to early implementation and will assist countries in implementing the 2025 SNA
  - This phase will be conducted during 2023-2025

# Phase 1 Testing

- WS.2 Distribution of household income, consumption, saving and wealth – treatment of non-life insurance benefits and lottery winnings
  - Questionnaire has been sent to OECD-Eurostat EG DNA members (now closed). Results should be available shortly
- WS.3 Unpaid household service work -- the availability of specialist wage rates across countries as input for the replacement cost approach and how to capture passive care
  - A number of countries have been approached to provide responses
- WS.6 Economic ownership and depletion of natural resources – split asset approach
  - 5 countries have been invited to produce estimates on alternative bases (Australia, Canada, Netherlands, Denmark, Norway)
  - For 5 other countries, the IMF is developing estimates based on available data and is working with the countries to verify the results.



# Phase 1 Testing

- G.9 Payments for “knowledge-based capital” marketing assets – feasibility of approach
  - Questionnaire on data sources and feasibility has been developed
  - All countries are invited to complete the questionnaire with some specific countries targeted (ie those who have previously expressed interest)
- DZ.6 Recording of data in the national accounts – feasibility of approach
  - A questionnaire has been developed and sent to selected countries – due date 31 October
  - Five countries have been approached to produce estimates and positive responses have been received from four of them
- F.2 Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships -- evidence of existence of methods to compile/estimate the requested data
  - Questionnaire has been developed and sent to NA community – due date was 30 September

# Phase 1 Testing

- IF.1 Islamic finance in the System of National Accounts and External Sector Statistics – FISIM
  - A Guidance paper has been prepared
  - Questionnaire has been developed and sent out to selected (10) countries
  - 5 countries have provided responses
  - A few other countries may be added
- CM.1 An Assessment Framework to Measure Alignment with International Economic Statistical Standards
  - A questionnaire has been developed and sent out to the NA/BOP community with a due date 23 September
  - Results will be discussed at the AEG/BOPCOM meeting
- CM.2 Terminology and Branding of the International Economic Statistical Standards – user testing
  - A proposal for testing will be discussed at the AEG/BOPCOM meeting
- CM.3 A Taxonomy for Communicating Economic Statistics, Products and Product Updates – user testing
  - A questionnaire will be developed and sent out to countries by the end of 2022

# Early Implementation

- The aim of Phase 2 testing is to assist countries in preparing for the implementation of the SNA 2008 Update after its adoption by the UNSC in 2025
- This will be achieved by
  - Developing ‘best practice’ guidelines to aid in the implementation of recommendations in GNs
  - Encouraging countries in the early implementation of recommendations by developing sources, methods and processes
  - Gaining an understanding of the impact of recommendations on key national accounting aggregates
- Not all GNs will be involved in early implementation. Those that will be involved will tend to be GNs that have an impact on key national accounts aggregates (eg GDP) or GNs that because of their complexity, involve significant methodological challenges in implementation
- A preliminary list of 13 GNs that will potentially be involved in Early Implementation has been developed

# Early Implementation: Preliminary list

## F.12 – Hybrid Insurance and Pension Products

- Purpose – to develop clear guidelines for countries for including non-employer related pension schemes in social insurance and to understand the impact of the expansion in definition on social insurance

## F.18 – Recording Crypto Assets in Macroeconomic Statistics

- Purpose – to develop collection guidance and to assess the impact of crypto assets on key aggregates

## IE.1 – Informal Economy

- Purpose – assist in the development of ‘best practice’ guidelines and develop provisional estimates of the informal economy. Each country involved in the testing will not be expected to test the entire framework. Instead, the IETT will work with countries to identify components that the countries consider feasible and useful

## DZ.4 – Recording and Valuing “Free” Products in an SNA Satellite Account

- Purpose -- to develop satellite accounts as described in the guidance note

# Early Implementation: Preliminary list

## DZ.6 – Recording of Data in the National Accounts

- Purpose – this GN is currently being subject to phase 1 testing, which focuses on the availability of data sources and methods to produce estimates of data as an asset. Phase 2 testing will focus on producing actual estimates

## DZ.7 – Improving the visibility of Artificial Intelligence in the National Accounts

- Purpose – to produce separate estimates of AI assets as defined in the GN, or to produce refined estimates of computer software including AI

## DZ.8 – Cloud Computing

- Purpose – to develop ‘best practice’ guidelines on international transactions associated with cloud computing

## DZ.9 – Incorporating Digital Intermediation Platforms into the System of National Accounts

- Purpose – to delineate the value added created by Digital Intermediation Platforms from that created by the underlying producers of the goods and services that are being intermediated

# Early Implementation: Preliminary list

## G.9 – Payments for Non-produced Knowledge-Based Capital (Marketing Assets)

- Purpose – this GN is being subject to Phase 1 testing. Building on the results of this testing, ‘best practice’ guidelines will be developed and countries will be encouraged to produce estimates of marketing assets

## WS.4 – Labour, Human Capital and Education

- Purpose – to compile labour accounts; however, the TT is of the view that as many countries have experience in compiling labour accounts a focus on early implementation might not be necessary

## WS.8 – Biological resources

- Purpose – to develop ‘best practice’ guidelines and to compile estimates of biological resources according to the recommendations in the GN (Biological resources are already included as assets in the system but few countries currently measure them)

# Early Implementation: Preliminary list

## WS.10 – Valuation of Mineral and Energy Resources

- Purpose to develop ‘best practice’ guidelines and to compile estimates of mineral and (non-renewable) energy resources according to the recommendations in the GN (Mineral and non-renewable energy resources are already included as assets in the system but few countries currently measure them)

## WS.11 – Treatment of Renewable Energy Resources as Assets

- Purpose – to develop ‘best practice’ guidelines and to compile estimates of renewable energy resources according to the recommendations in the GN

NOTE – Phase 2 testing for WS.8, WS.10 and WS.11 will build on the phase 1 testing that is currently being conducted for WS.6 – Accounting for the Economic Ownership and Depletion of Natural Resources, which has a particular focus on the split-asset approach

# Early Implementation: Next steps

## Next steps

- Work with TTs to refine the preliminary list of GNs to be involved in phase 2 testing and to develop more detailed plans for the testing
- Work with UNSD to develop the overarching framework for conducting phase 2 testing (including launch)
- This work to be completed by the end of 2022

## Issues requiring further consideration

- Assessing the availability of resources (including TA) to support countries in phase 2 testing
- Assessing the availability of dedicated, specialist resources to 'chaperone' phase 2 testing
- Ensuring a 'balanced' program of testing across countries
- Early implementation as part of maximizing country preparedness for implementing the updated SNA
  - More work will be done on this during 2023 and 2024

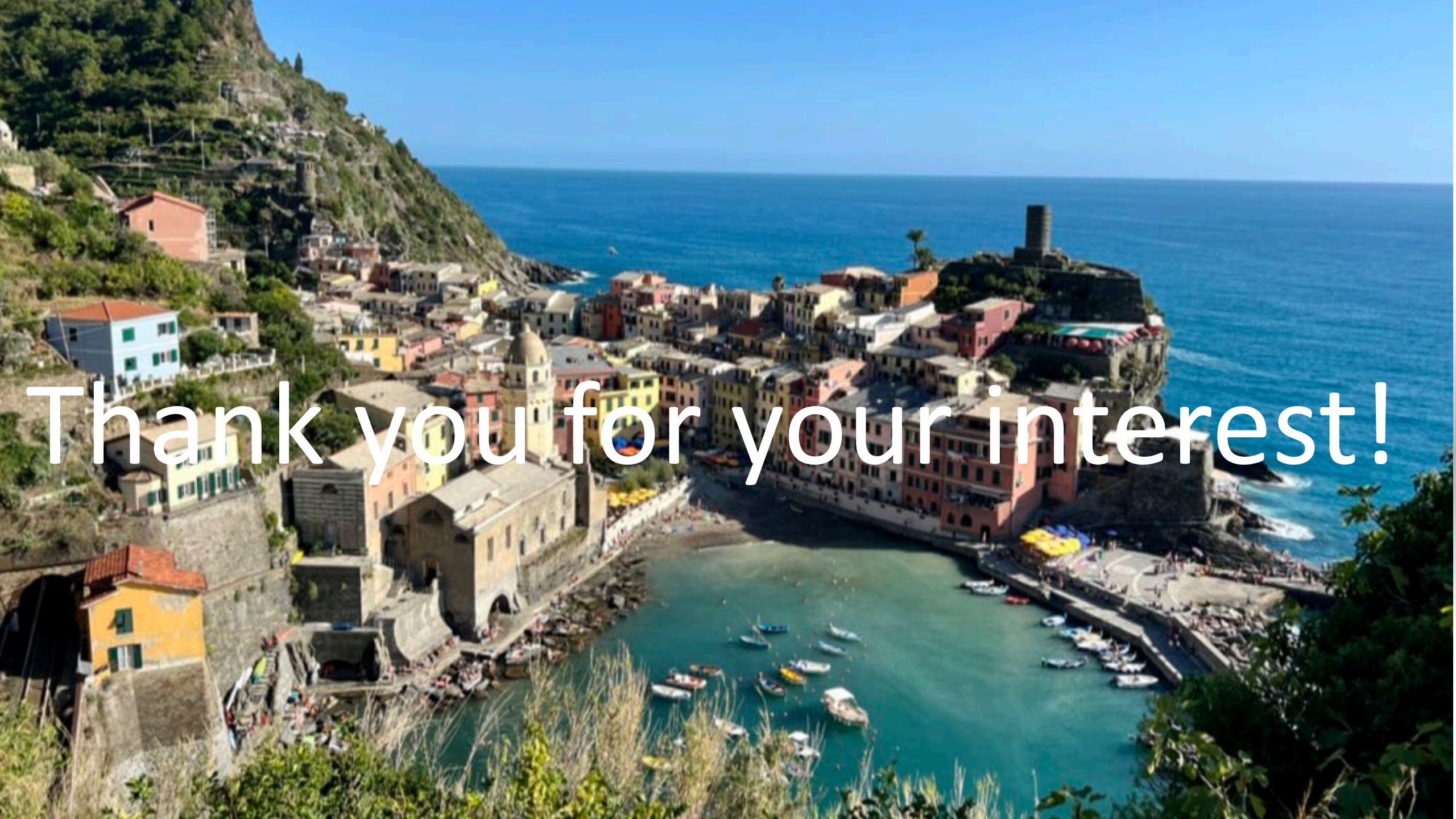


# Preparing the 2025 SNA

- In early 2023, drafting of the chapters for the 2025 SNA will commence
  - The initial focus will be on chapters that are new or substantially revised, building on the AOs
  - Other 'joint' BPM/SNA chapters will also be developed early on
- Consultation on the consolidated list of recommendations for the updated SNA, based on the master log of changes, will occur in mid 2023
  - This consultation will focus on issues of consistency and understandability
  - The consolidated list of recommendations is due to be approved by UNSC in early 2024
- In the second half of 2023, draft chapters will be circulated for general consultation, in tranches
  - Chapters where there are only minimal changes will not be circulated at this stage

# Preparing the 2025 SNA

- In mid 2024 the complete draft of the 2025 SNA will be circulated for global consultation
- The AEG/ISWGNA will 'sign off' on the updated SNA around October 2024 in anticipation of approval by UNSC in early 2025
- There are issues arising out of master log of changes and the assessment of the research agenda that, depending on discussion at this meeting, will require consideration and this will be built into the timetable
- The AEG will be involved extensively in all of these processes!
- A detailed plan is being prepared (in consultation with the BPM Update Team); this is expected to be available by November



Thank you for your interest!