

Towards BPM7 and 2025 SNA

Glossary of terms and definitions for macro-economic statistics: progress report and generic issues

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Teams

Joint Meeting of the Advisory Expert Group (AEG) on National
Accounts, and the IMF Committee on Balance of Payments
Statistics (BOPCOM)

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Progress and way forward

March 2023: Handover of glossary by CMTT

- 1244 terms and definitions from BPM and SNA/ESA as well as GFSM, MFSMCG, SEEA, BIS and IPSAS
 - 732 terms and definitions
 - 512 terms and definitions proposed for deletion
 - 88 new terms and definitions proposed
- For each of the terms, overview of existing definitions, short discussion, and proposal for a definition
- Excellent starting point

Progress and way forward

April – June 2023: Various converging rounds of discussions between BPM ET and SNA ET

- Agreement on almost all terms and definitions
- Some terms still pending final approval of guidance notes, issue notes, etc.

July – August (1st half): Consultation of key stakeholders, based on a clean version of the glossary

August – September: Consultation of AEG and BOPCOM

Global consultation needed? Or only for information?

Consultation: high level (scope, missing elements, etc.)

Content-related issues

(1) Inclusion of detailed categories of services?

- BPM contains high-level breakdown of services, included in the glossary
- SNA: no details for products and industries included (reference to standard classification: ISIC and CPC)
- **Recommendation: Include first-level standard services categories used in BPM, but with addition of “relevant for BPM”**

(2) Breakdowns of taxes, subsidies, and other current and capital transfers

- Different categories across standards and manuals, with sometimes (almost) the same terms with different content => can become quite confusing
- **Recommendation: Research into possible alignment with stakeholders, and – if alignment shows not to be possible – add “relevant for ...”**

Content-related issues

(3) Islamic Finance

- Proposal to include around 30 terms and definitions on Islamic finance
- **Recommendation: Restrict the terms to the ones more frequently used in the standards and manuals for macro-economic statistics; more detailed glossary in future compilation guidance on Islamic finance**

(4) Climate-related terms and definitions

- Proposal to include a number of more generic terms related to climate and environmental sustainability (e.g., transition risk, adaptation, green/ESG, etc.)
- **Recommendation: Restrict the terms to categories of stocks, transactions and other flows included in the standards and manuals for macro-economic statistics (GN WS.12 starting point)**

Content-related issues

(5) References to statistics

- Current glossary also contains references to certain statistics, such as “balance of payments”, “financial statistics”, “government finance statistics”, “monetary statistics”, “national accounts”
- **Recommendation: Remove these terms from the glossary, as the terms used in these statistics are the object of the glossary, not the statistics themselves**

(6) (Foreign) direct investment and (international) reserve assets

- In BPM these terms used without the adjective “foreign” and “international”
- Elsewhere, without the addition, terms may have a broader/different meaning
- **Recommendation: use the terms “direct investment”/“reserve assets”, with addition of “relevant for BPM”, as the main terms; and use the terms including “foreign”/“international” as alternative terms**

Content-related issues

(7) Financial instruments, assets and claims

- BPM and SNA have different definitions for financial instruments, assets and claims
- Most importantly, SNA defines claims excluding equity, while BPM defines claims including equity
- The editorial teams feel that it is important to arrive at agreed conventions for these important overarching terms
- **Recommendation: Request to AEG and BOPCOM to express their preference for defining claims either excluding equity or including equity**
- **Recommendation: Include the definition for financial instruments in line with BPM and MFSMCG**

Content-related issues

(8) Specific terms and definitions

- Intellectual property products: Assets resulting from research, development, investigation, innovation or marketing, leading to knowledge, reputation, or the creation of artificial intelligence systems that the developers can market or use to their own benefit in production because the use of this knowledge or system is restricted by means of legal or other protection. They are considered produced non-financial assets, when used in production.
- Change the term “other equity” to “other equity, including equity in international organizations” (and not to “equity in international organizations and other equity”, as proposed in GN B.12)
- Remove further breakdown of transferable deposits (AF.22) into inter-bank positions (AF.221) and other transferable deposits (AF.229) from glossary and standard classification in the SNA

Content-related issues

(8) Specific terms and definitions, continued

- “Stock positions”, “stocks”, or “positions”: Use “stocks” as the main term, and “positions” as the alternative term
- “International accounts” versus “external accounts”: Preference for “external accounts”

(9) The use of alternative terms

- For some terms, a main term as well as an alternative term is proposed. Three options for dealing with this:
 - i. include both terms separately, with the same definition
 - ii. include both terms separately, but in the case of the alternative term, the definition simply refers to the main term
 - iii. only include the main term and include an additional column with the alternative term
- **Recommendation: Apply the second option**

Content-related issues

(10) Mother-glossary versus specific glossaries

- Several terms are only relevant for certain statistics, to be made clear by adding “relevant for xxx”
- Question arises what to do when using the glossary for one of the statistical domains? Two options:
 - i. simply use the same glossary in all circumstances
 - ii. maintain a “mother-glossary”, from which each of the standards and manuals derives a subset of terms and definitions which are relevant for their own purposes
- **Recommendation: Apply the second option (may be less relevant in the context of a digital version)**

Questions to the AEG and BOPCOM

The AEG and BOPCOM are requested to take note of, and/or to provide feedback on the following:

- the **progress** made so far as well as the **proposed way forward** for the finalization of the glossary
- the **recommendations** made in relation to a number of more generic content-related issues related to the glossary
- the **preference** for one of the two options **for defining financial claims and financial assets**