



Joint Forty-first Meeting of the
IMF Committee on Balance of Payments Statistics
and Twenty-third Meeting of the Advisory Expert
Group on National Accounts

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CM.2 Terminology and Branding of the Economic
Accounting Statistical Standards
Summary Brief

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ITEM CM.2 TERMINOLOGY AND BRANDING

MAIN ISSUE (SUMMARY)

The presentation of macroeconomic statistics has a significant impact on how the statistics 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 maximised and reflect the wide user base. To this end, the terminology and branding of the macroeconomic frameworks need an international communication strategy that align with the latest technology and current cultural norms. Over the last decade, there has been a deliberate effort to harmonise the concepts and methodologies in the Economic Accounting Statistical Standards (EASSs) 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 manuals, and even more so across countries. In addition, these terms have, in some cases, started to drift from the terms used by governments, businesses and the public. The Communication Task Team (CMTT) proposes to improve the alignment of these terminologies, update terms where appropriate and improve the branding of the statistical standards such that comprehension and usability of macroeconomic statistics could be improved. These proposals were discussed at meetings of the AEG and the BOPCOM and now fully incorporate the feedback from the last meeting as well as from the December 2021 global consultation. Changes in red below reflect changes made to reflect the ESCoE Survey results and May 2023 user consultation.

OUTCOMES OF GLOBAL CONSULTATION

The global consultation¹ sought to ascertain views on: (i) proposals to harmonise the terminology and definitions across the System of National Accounts (SNA), the Balance of Payments Manual (BPM), and the Government Finance Statistics Manual (GFSM); (ii) proposals to amend (and harmonise) the labels of some of the key statements/accounts across the domains; (iii) proposed user-friendly terms and definitions to replace or supplement existing terms and definitions across the manuals; and (iv) proposals to streamline the use of the “gross” term and give more prominence to the “net” term in the SNA and other domains. The consultation showed that majority of respondents agreed with the objective of the guidance note (GN) and specifically with most of the key proposals. Nevertheless, the respondents provided several valuable suggestions to further harmonise the terminology of the economic accounting statistical standards that have been reflected in the final GN, to the extent possible.

¹ The joint global consultation on the GN *CM.2 Terminology and Branding of the Economic Accounting Statistical Standards* took place during December 2021–February 2022 and received a total of 60 responses from 48 economies and international organisations. The responses represented the views of national accounts, balance of payments, and government finance statistics compilers. Respondents from European economies had the largest participation (46 per cent), followed by those from Western Hemisphere countries (22 per cent), Asia and Pacific countries (13 per cent), Middle East and Central Asia countries (12 per cent), and from Sub-Saharan Africa (seven per cent).

PROPOSALS

Table 1: Proposal for Further Alignment of Key Concepts in SNA, BPM, and GFSM

SNA	BPM	GFSM	Proposal
Resources	Credits	Revenue	Revenue
Uses	Debits	Expense	Expenditure
Changes in inventories		Net transactions in Inventories	Changes in inventories
Acquisitions less disposals of valuables		Net transactions in Valuables	Acquisitions less disposals of valuables
Acquisitions less disposals of non-produced assets		Net transactions in non-produced assets	Acquisitions less disposals of non-produced assets
Acquisitions less disposals of contracts, leases and licenses		Net transactions in Contacts, leases, and licenses	Acquisitions less disposals of contracts, leases and licenses
Purchases less sales of goodwill and marketing assets		Net transactions in Goodwill and marketing assets	Acquisitions less disposals of goodwill and marketing assets
Statistical discrepancy	Net errors and omissions	Statistical discrepancy	Statistical discrepancy

Table 2. Proposal to Update the Names of the SNA Accounts

Current SNA Terminology	Proposed Update (Individual economic account)	Economic Accounts Groups
The production account	No change	Income and Expenditure Accounts
The generation of income account	No change	
The allocation of primary income account	The allocation of income account <i>Note: the balancing item will not change.</i>	
The secondary distribution of income account	Current transfers account <i>Note: for BOP this implies to replace secondary income by transfer income.</i> Current income transfers account	
The use of disposable income account	The use of income account	
The capital account	No change	Accumulation of Economic Assets Accounts
The financial account	No change	
Other changes in the volume of assets account	No change	
Balance Sheets	No change	Balance Sheets

Table 3. Proposals for Alternative More User-Friendly Terminologies in the SNA

2008 SNA	Suggested amendments	Rationale
Constant prices	Price-adjusted figures or data In volume terms	Previous years' prices used as standard for deflating aggregates
Compensation of employees	Employees' remuneration Remuneration of employees	More user-friendly term since "compensation" has a mixed meaning and use of " " can be misunderstood.
Consumption of fixed capital	Depreciation	The term depreciation is simpler and more widely understood. Depreciation is already used by several national statistical institutes.
Financial Intermediation Services Indirectly Measured	Financial service on loans and deposits	Proposal focuses on the basic idea, avoiding the technical measurement method
Financial Lease	Finance lease	Easier language
Imputed Rental	Owner-occupied dwelling services Owner-occupied housing services	Gives the concept and avoids confusing rent and rental. Also bring in housing rather than dwelling which is not always understood.
Rent	Natural resource rent Rent from natural resources	More clarity of what is covered
Resource lease	Natural resource lease	More clarity of what is covered
Trade margin	Distribution trade margin Distribution margin	Make clear that trade margins not only occur in retail / wholesale trade but also in other industries.

To improve clarity and eliminate confusion, CMTT proposes that: (i) **the terms "gross" and "net"** in the current accounts and the capital account of SNA and balance of payments are only used to indicate whether an aggregate includes or excludes consumption of fixed capital and (ii) in other cases only used in the context laid out in the 2008 SNA as well as the BPM6.

Table 4. Proposed Changes in the Statistical Domains

Domain Concerned	Current Term	Aligned Proposal
SNA, GFS	Changes in inventories / Net transactions in Inventories	Changes in inventories

Domain Concerned	Current Term	Aligned Proposal
SNA, GFS	Acquisitions less disposals of valuables / Net transactions in Valuables	Acquisitions less disposals of valuables
SNA, GFS	Acquisitions less disposals of non-produced assets / Net transactions in non-produced assets	Acquisitions less disposals of non-produced assets
SNA, GFS	Acquisitions less disposals of contracts, leases and licenses / Net transactions in Contacts, leases, and licenses	Acquisitions less disposals of contracts, leases and licenses
SNA, GFS	Purchases less sales of goodwill and marketing assets / Net transactions in Goodwill and marketing assets	Acquisitions less disposals of goodwill and marketing assets
SNA	Constant prices	Price-adjusted data In volume terms
SNA, BPM, GFS	Consumption of fixed capital	Depreciation
SNA, BPM, GFS	Compensation of employees	Employees' remuneration Remuneration of employees
SNA, BPM, GFS	Financial Intermediation Services Indirectly Measured	Financial service on loans and deposits
SNA, BPM, GFS	Financial Lease	Finance lease
SNA	Imputed Rental	Owner-occupied dwelling services Owner-occupied housing services
SNA, BPM	Net exports of goods and services (under merchanding)	Balance of exports of goods and services (under merchanding) Exports, less imports, of goods and services (under merchanding)
SNA, BPM, GFS	Net (non-life) insurance premiums	Total (non-life) insurance premiums less service charges
SNA, BPM, GFS	Net re-insurance premiums	Total re-insurance premiums less service charges
SNA	Net social contributions	Total social contributions less service charges
SNA, BPM	Net fees (guarantees)	Total fees (guarantees) less service charges
SNA	Output for own final use	Goods and services produced for own final use
SNA	Product balance	Balance of the supply and use of a product Balance of the supply and use of products
SNA, BPM	Rent	Natural resource rent Rent from natural resources
SNA, BPM, GFS	Resource lease	Natural resource lease
SNA	Trade margin	Distribution trade margin Distribution margin

Domain Concerned	Current Term	Aligned Proposal
BPM	Balance on trade in goods	Balance on international trade in goods
BPM	Balance on trade in services	Balance on international trade in services

With regard to **improved branding** an umbrella approach is proposed, where manuals for different statistical domains appear under the same headline. Economic Accounting Statistical Standards (EASSs) is proposed as name for the umbrella. This approach enables to keep the longstanding and well-introduced names and labels of the different statistical manuals (year, edition). However, for a clearer distinction of the umbrella elements it is proposed to adjust the names of the statistical domains covered: National Accounts should be amended to National Economic Accounts, to highlight the holistic view covering all economic sectors and all economic transactions. The proposal for the Balance of Payments/International Investment Positions should be adjusted to Balance of International Transactions and Investment Positions, underlining the fact that this statistical domain covers economic transactions and stocks between residents and non-residents has been removed following feedback from the Joint ASE/BOPCOM Meeting in March 2023. Governments Finance Statistics Statements could be changed to Governments Finance Statistics Reports. In addition, a joint presentation of the updated manuals in 2025, highlighting the common work undertaken to better cover digitalisation, globalisation, as well as well-being and sustainability, would seem to strengthen a common branding.