

Clarification of principles for the revision of the System of National Accounts (SNA)

The principles laid down for the forthcoming revision of SNA 1993 do emphasize especially:

- no fundamental changes (an update rather than a full scale revision),
 - take the implementation aspects in countries into account,
- (cf. for example SNA News, Number 18, April 2004, page 1).

Due to the political impact of National Accounts within the **European Union** (EU) it is very important how these principles will actually be interpreted. As the methodology of SNA will become **compulsory** within the EU via the rules of the "European System of Accounts" (ESA), it will directly influence figures of considerable political significance in the EU (especially financing of EU budget, net lending or borrowing of government, stability and growth pact of the EU).

For this reason the principles for the revision of National Accounts should be more precise:

1. There should be no (or only small) changes of the level of Gross National Income (GNI) and of the level of net lending/borrowing of government.
2. Methodological changes should only be introduced if they can be measured in a satisfying way and if they are not obtained only by modelling (i. e. estimations as few as possible and no valuation according to unknown future flows). An increasing part of estimations would diminish international comparability of NA figures. Probably there could even be a need to drop such problematic methods of the existing SNA 1993.
3. In case of doubt transactions should be restricted to observable market transactions (i. e. non-market transactions and imputations only in few special cases and as much as possible not beyond status quo).
4. Problems of deflation (measuring constant price figures) should be solvable for all items introduced by the revision (i. e. no loss of quality compared with status quo).
5. Problems for the quarterly accounts as well as for the regionalisation of NA should be solvable satisfactorily (i. e. availability of statistical data).
6. In case of doubt the methodology should be in accordance with business accounting.
7. Methodological changes should be accepted by important users of NA not only in international organisations but also in the countries (i. e. questionnaires should be sent to the users before final decisions are made).
8. Changes in methodology should be useful from a practical or political point of view. Pure theoretical and formal arguments should be no reason for changing the SNA.
9. Difficult and problematic items of the revision should first be tested within satellite accounts and not be immediately introduced to the core system of National Accounts.

All topics of the forthcoming revision of SNA (the list of 44 topics) should be evaluated according to the principles mentioned above. Changes in NA methodology should only take place if most of the criteria are met and if they are accepted by a majority of countries.