



Economic and Social Council

Distr.: General
18 December 2012

Original: English

Statistical Commission

Forty-fourth session

26 February-1 March 2013

Item 3 (c) of the provisional agenda*

Items for discussion and decision: national accounts

Report of the Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-third session (see E/2012/24, chap. I.B, decision 43/103), the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts. The Commission is requested to express its views on the points for discussion set out in section VI of the present report.

* E/CN.3/2013/1.



Report of the Intersecretariat Working Group on National Accounts

Contents

	<i>Page</i>
I. Introduction	3
II. Progress on the changeover to the <i>System of National Accounts 2008</i>	5
A. Translation of the <i>System of National Accounts 2008</i>	5
B. Survey on the implementation of the <i>System of National Accounts 2008</i>	5
III. Guidance on implementation issues	8
A. Report on the meeting of the Advisory Expert Group on National Accounts	8
B. Current issues under discussion	8
C. Sectoral accounts and balance sheets	10
D. New issues for discussion	11
E. Compilation of manuals and handbooks	12
IV. Activities of the members of the Intersecretariat Working Group on National Accounts and of the regional commissions	13
A. Activities of the members of the Intersecretariat Working Group on National Accounts ..	13
B. Activities of the regional commissions	17
V. Reporting of national accounts data	17
VI. Points for discussion	18

Report of the Intersecretariat Working Group on National Accounts

I. Introduction

1. At its forty-third session, in 2012, the Statistical Commission (see E/2012/24, chap. I.B, decision 42/103):

(a) Welcomed the report of the Intersecretariat Working Group on National Accounts,¹ and expressed its appreciation of its work over the past year;

(b) Welcomed the report of the Friends of the Chair on the barriers to the implementation of the *System of National Accounts 1993*² (1993 SNA), thanked the Australian Bureau of Statistics and countries in the Friends of the Chair group for their contributions and endorsed the detailed recommendations put forward under the three principles of the global implementation programme, namely: the adoption of a strategic national planning framework; coordination, monitoring and reporting; and improving statistical systems;

(c) Agreed with the conclusion of the Friends of the Chair group that limited political support and unavailability of requisite basic economic statistics are the main barriers to the implementation of SNA in a range of countries and that the lack of requisite basic statistics could be addressed by considering the national accounts implementation programme in the broader context of the development of economic statistics;

(d) Requested the Intersecretariat Working Group on National Accounts to incorporate the recommendations of the Friends of the Chair in the global initiative on the implementation of the *System of National Accounts 2008*³ (2008 SNA) and supporting economic statistics;

(e) Expressed appreciation for the activities of international organizations, regional commissions and other regional organizations to facilitate the implementation of the 2008 SNA and noted the interest expressed by all regional commissions to more actively contribute to and participate in the work of the Intersecretariat Working Group on National Accounts;

(f) Commended the progress made in translating the 2008 SNA into languages other than English and noted that draft versions of the 2008 SNA are available in Arabic, Chinese, Spanish and Russian; in this context, it expressed its deep appreciation to the institutions and countries involved in the translation process, and requested that the process of finalizing and publishing the translations be expedited to help countries with the implementation of its recommendations;

(g) Endorsed the proposed assessment by the Intersecretariat Working Group on National Accounts on Member States' implementation status and needs so as to identify areas where technical assistance and capacity-building are necessary and to support the development of strategic programme management frameworks and detailed national implementation programmes by Member States;

¹ E/CN.3/2012/4.

² E/CN.3/2012/5.

³ United Nations publication, Sales No. E.08.XVII.29.

(h) Endorsed the programme of work of the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts, including their work on guidance on the measurement of research and development, and on measurement of financial services, the preparation of quarterly national accounts, the compilation of expenditure components of gross domestic product, incorporating the contribution of the informal sector for an exhaustive measure of gross domestic product, household sector issues, including distributional aspects of household income and well-being, and the development of necessary data structure definitions for future data exchange of national accounts data in the Statistical Data and Metadata Exchange initiative, and requested the Intersecretariat Working Group on National Accounts to report on the outcomes to the Commission in due course;

(i) Recognized the importance of developing training material to facilitate capacity-building for the compilation of national accounts and supporting economic statistics, and welcomed the progress in this field, including the establishment of a dedicated knowledge base of training material for the implementation of the 2008 SNA and supporting economic statistics, covering the source data and implementation procedures;

(j) Appreciated the completion of and progress regarding a number of manuals, handbooks and guidance notes to facilitate the implementation of the 2008 SNA and supporting economic statistics, and urged the Intersecretariat Working Group on National Accounts to expedite the development of the handbooks and guidance notes;

(k) Took note of the initiative for developing quarterly sectoral accounts, balance sheets and flow of funds within the framework of the 2008 SNA, and requested the Intersecretariat Working Group on National Accounts to exercise flexibility in its implementation;

(l) Noted the finalization of the draft guidelines on integrated economic statistics by the Friends of the Chair on integrated economic statistics, welcomed the issue of the white cover version for circulation to member countries and recognized that it provides a strong basis for the development of basic economic statistics in an integrated manner to facilitate the implementation of the 2008 SNA and supporting economic statistics;

(m) Welcomed the website on good practices on integrated economic statistics, and requested countries to provide case studies on compilation practices on economic statistics for information-sharing.

2. Following the introduction, the present report provides an overview of the work of the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts. Section II describes the progress on the changeover to the 2008 SNA. Section III discusses guidance on implementation issues. An overview of the activities of the members of the Intersecretariat Working Group on National Accounts and of the regional commissions is presented in Section IV. Section V reports on the status of the reporting of national accounts data according to the 1993 SNA. Points for discussion are contained in section VI.

II. Progress on the changeover to the *System of National Accounts 2008*

A. Translation of the *System of National Accounts 2008*

3. In accordance with the request by the Commission, the translation of the 2008 SNA from English into the five remaining official United Nations languages (Arabic, Chinese, French, Russian and Spanish) has, with the exception of the Spanish translation, been completed. At the time of the writing of the present report, the Russian version was available in printed format, while the other language versions were prepared for printing. It is expected that those language versions would be available in printed format during the first half of 2013. All language versions, including a draft Spanish version, are available in electronic format on the website of the Intersecretariat Working Group on National Accounts, which is hosted by the United Nations Statistics Division. In addition, copyright permission was granted for the translation of the 2008 SNA into Macedonian and Indonesian. Those versions are expected to be available during 2013.

B. Survey on the implementation of the *System of National Accounts 2008*

4. To facilitate the monitoring of the implementation of the 2008 SNA, information was collected on plans by countries for the 2008 SNA implementation. Being a global implementation programme, Eurostat and the Organization for Economic Cooperation and Development (OECD) track and report on the changeover to the concepts and recommendations of the 2008 SNA by their constituencies. The Statistics Division, together with the regional commissions, track and monitor the progress of emerging and developing countries.

5. For European Union countries, an implementation plan with milestones has been set up for the period from 2009 to 2014. This implementation plan has been approved by the European Statistical System Committee (ESSC), which brings together Eurostat and the national statistical institutes of European Union member States. Furthermore, a comprehensive training programme on the new European System of Accounts (ESA) has been developed for Eurostat and the civil servants of States members of the European Union working on national accounts that will be conducted during the period 2012-2014. The implementation of the new ESA methodology and transmission programme by European Union member States will commence in September 2014. This implementation will also be largely supported by preparatory work including discussions on specific topics and the development of guidelines in the context of working parties and expert groups of the European Union.

6. OECD surveyed its member countries to assess the implementation of the 2008 SNA. The survey covered questions on practical implementation issues and conceptual issues related to the institutional sector delineation and requirements related to the non-financial and financial accounts. Based on the survey responses, there was a range of planned implementation dates from 2009 (Australia) up to 2019. Canada and the United States of America plan the introduction towards the end of 2012, with Israel and Mexico to do so by 2013. In addition to the European

Union countries (see para. 5 above), the following countries plan to introduce the 2008 SNA in 2014: Iceland; Indonesia; New Zealand; Norway; Republic of Korea; and Switzerland. Separately, Turkey has indicated a timing of 2015, Chile has indicated 2016/17 and South Africa has indicated 2019.

7. Issues mentioned in relation to the implementation of the 2008 SNA included: capturing changes and breakdowns in sectoral estimates, measuring pension entitlements, compilation of financial derivatives and employee stock options, capitalization of research and development and military expenditures, and the recording of goods for processing and merchanting. There was a clear desire for countries to obtain further guidance and assistance from international organizations, including training sessions and forums to exchange best practices between national compilers. Further details are available in Ynesta and McLaren (2012), under the following link <http://search.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=COM/STD/DAF%282012%2923/ADD1&docLanguage=En>.

8. The regional commissions, in collaboration with the United Nations Statistics Division, collected information from the countries in their respective regions, on their plans to tackle the key 2008 SNA (conceptual) implementation issues in addition to broader questions on implementation plans and timetables. The results of these surveys are summarized below.

9. In early 2012, the United Nations Economic Commission for Europe (ECE) surveyed the countries of Eastern Europe, the Caucasus and Central Asia, South-Eastern Europe and Mongolia on the status of their implementation plans for the 2008 SNA. According to the results, implementation of the 2008 SNA is already included in the overall strategic plan of the national statistical offices in five countries. Another seven countries are currently adjusting their strategies. At the same time work on the main outstanding issues of the 1993 SNA is ongoing in almost all countries. However, those issues (improvement of quality, coverage, compilation practices and data sources) continue to be relevant for the implementation of the 2008 SNA. The countries have agreed that at this stage the main focus should be on issues affecting gross domestic product (GDP) and its main components. The work on integrated economic accounts and major indicators, such as gross national income and saving, is also considered a high priority for the region. Many countries will work to strengthen the quality of integrated economic accounts in parallel with the improvements of the GDP estimates. The expected time frame for implementing these changes is 2014-2015. The 2008 SNA recommendations in respect of institutional sector accounts and other data systems are expected to be implemented gradually after 2015. Lack of human and financial resources is a major risk for accomplishing the statistical programmes on the 2008 SNA in countries in Eastern Europe, the Caucasus and Central Asia and South-Eastern Europe. The effective cooperation with other institutions involved in collecting and producing relevant data is also seen as a prerequisite and challenge for a successful implementation. Support by international organizations in terms of technical assistance, exchange of experience and best practice is needed to facilitate the process.

10. The Economic and Social Commission for Asia and the Pacific (ESCAP) undertook a region-wide assessment of the capacity of national statistical systems in Asia and the Pacific to produce basic economic statistics, and identified problems with producing comprehensive economic statistics necessary for policymaking and

analysis. In particular, the assessment identified a lack of resources to establish an adequate statistical production process and institutional arrangements to facilitate the compilation of the required scope and detail of national accounts needed for policy purposes.

11. In 2012, the Steering Group for the Regional Programme on Economic Statistics in the Asia-Pacific region developed a comprehensive implementation plan for improving the capacity of member States in the region for the production of a core set of economic statistics in line with current international standards. Regular monitoring of progress, including the implementation of the 2008 SNA, is an important part of the Implementation Plan. An initial assessment, which will be carried out in the first quarter of 2013, is designed to establish a baseline screening of the capacity of the statistical systems in each country. The results of the capacity screening will be shared with all relevant partners as a foundation for effective coordination and prioritization of activities in Asia and the Pacific.

12. The surveys on the implementation of the 2008 SNA in the African, Western Asian and Latin American regions reveal a relatively limited scope and detail in the compilation of national accounts. Similarly to countries in the ESCAP region, those countries reported a lack of resources to establish an adequate statistical production process as well as the limited availability of institutional arrangements needed to collect the required basic statistics for the compilation of a comprehensive set of national accounts statistics. Here, there are also issues in relation to arriving at an exhaustive measure of economic activity based on the SNA. The majority of countries have not yet developed plans for the implementation of the conceptual recommendations of the 2008 SNA, although many have already started work on implementing the *International Standard Industrial Classification of All Economic Activities*, Revision 4.

13. Evidence from the surveys on the implementation of the 2008 SNA, which were conducted by the regional commissions, shows that despite some progress in a number of countries, many developing countries are still a long way from actually adjusting their supporting collections of economic statistics for implementing the SNA. In addition, although countries have all subscribed to their respective region's strategic programme for the implementation of the 2008 SNA, they have not been put in practice at the national level. A continued lack of political motivation, combined with limited financial and human resources for setting up a statistical production process and underlying institutional arrangements for an exhaustive measure of economic activity based on the SNA, seems to be a common theme.

14. To support countries in developing the requirements for an exhaustive measure of economic activity, a strategy needs to be explored at the global level to scale up the technical support at the country level to meet their strategic data needs for national accounts and economic statistics, making the data more accessible and strengthening the analytical capacity of the users. For this purpose, the Intersecretariat Working Group on National Accounts and the regional commissions need to engage with recipient countries and development partners in putting forward to the Commission in 2014 a proposal for scaling up the effectiveness of global coordination and funding for the implementation of the SNA.

III. Guidance on implementation issues

A. Report on the meeting of the Advisory Expert Group on National Accounts

15. In April 2012 the Advisory Expert Group on National Accounts met for the first time since the conclusion of the update of the 1993 SNA. At that meeting, the Advisory Expert Group agreed with the work programme of the Intersecretariat Working Group on National Accounts, but requested the Intersecretariat Working Group to set priorities on the research agenda by considering issues emerging from the implementation of the SNA as high priority (whether or not these are reflected on the research agenda), to consider presenting more practical information on the stages of implementation of the SNA, and to consider more innovative tools for supporting the implementation of the SNA on the SNA website. Issues related to the implementation of the 2008 SNA that were considered as high priority include: global production; the recording of investment income of pension funds and investment funds; stability fees; measurement of land and non-financial assets; research and development; pension liabilities; and financial intermediation services indirectly measured. There was general agreement on the terms of reference of the Advisory Expert Group, on the procedures for coordinating manuals and training, and on the procedures for clarifying and updating the 2008 SNA. The report on the meeting of the Advisory Expert Group is available from: <http://unstats.un.org/unsd/nationalaccount/aeg/2012/m7-2.asp>.

B. Current issues under discussion

The treatment of financial intermediation services indirectly measured

16. During the year under review, tests were carried out in Europe on the inclusion/exclusion of maturity and credit default risk, as recommended by the European Task Force on financial intermediation services indirectly measured (FISIM). Based on the results of those tests, the European Union Directors of Macroeconomic Statistics decided, in November 2012, to keep the present FISIM allocation method. This means that, in the 2010 ESA, the reference rate will continue to be based on interbank loans and deposits, and default risk will not be excluded from FISIM.

17. The Intersecretariat Working Group on National Accounts Task Force on FISIM will assess the report of the European Task Force based on a note by the Intersecretariat Working Group containing a summary of the results of the FISIM exercise, as conducted by the European Union countries and two non-European Union respondents. The summary will also mention the debate on credit default risk. Subsequent to the feedback from the Task Force, the final report will be submitted to the Advisory Expert Group for final consultation.

Research and development

18. Similar to FISIM, a Eurostat Task Force report on the treatment and measurement of research and development was made available in November 2012. The report contains calculations of the impact of capitalization of research and development on GDP, based on data for two years. Figures are calculated for the

total economy and by institutional sector. A bridge-table with the data according to the Frascati Manual is also available. Based on the Eurostat report, the Directors of Macroeconomic Statistics agreed that the principle of capitalization of research and development should be implemented in the new ESA in 2014. In addition, OECD conducted a survey on service lives and country methods for the measurement of research and development. This information is available on the website of the Intersecretariat Working Group on National Accounts. The Intersecretariat Working Group concluded that no further conceptual work is needed on research and development in the short term.

Global production

19. The ECE Task Force on Global Production is addressing conceptual issues arising from the 2008 SNA and *Balance of Payments and International Investment Position Manual*, sixth edition (BPM6), in relation to global production as well as providing practical guidance on implementation aspects. The Task Force is established jointly with OECD, Eurostat, the International Monetary Fund (IMF), the World Trade Organization (WTO) and the Statistics Division. The draft chapters for the guide on global production will be available in spring 2013 for country consultation. The Task Force will submit an issues paper on the main outcomes of its work, including recommendations on the clarification of the 2008 SNA, for example on the typology and classification of the various types of global production arrangements and measurement guidance, for consideration by the Advisory Expert Group.

Land and other non-financial assets

20. The issue of measurement of land and dwellings was given increased prominence as part of the Data Gaps Initiative of the Group of 20 (G20) (Financial Stability Board, 2011). In response to this, OECD launched a questionnaire on land towards the end of 2011. Countries supported the idea of a dedicated task force to tackle issues related to land and also dwellings. A joint Eurostat/OECD Task Force on Land and Non-financial Assets, in which the European Central Bank also participated, has now met twice. The first meeting was held in Luxembourg in July 2012 and the second was held in Paris in December 2012. The initial focus of the Task Force will be on issues relating to land. There has been a strong and active interest by countries, with the Task Force comprising representatives from 16 different countries. The goal is to have a first draft of a compilation guidance handbook available by July 2013, which will then be put forward for consultation to the Intersecretariat Working Group on National Accounts and the Advisory Expert Group. The compilation guide will have a primary focus on the measurement of land and will include descriptions of sources and methods, practical guidance and numerical country examples. A final version of the compilation guide is expected at the end of 2014. At that point, further work may involve research into other non-financial assets.

Statistical Data and Metadata Exchange initiative

21. A steering group, consisting of representatives of the European Central Bank, Eurostat and OECD, is developing the necessary data structure definitions for the future exchange of national accounts data. A draft version of the data structure definitions was finalized, in coordination with the Intersecretariat Working Group

on National Accounts, at the end of 2012, and will be tested through the first half of 2013, so that they can be implemented in the course of 2014. The steering group reports progress on their work to the Intersecretariat Working Group on National Accounts and the Advisory Expert Group, to ensure a global input into the development of the data structure definitions for the national accounts.

C. Sectoral accounts and balance sheets

22. The G20 Data Gaps Initiative outlined a number of recommendations for addressing data gaps arising from the 2008 global financial crisis. Those recommendations were presented in the report of IMF and the Financial Stability Board secretariat entitled “The financial crisis and information gaps” (available from <http://www.imf.org/external/np/g20/pdf/102909.pdf>). Recommendation 15 calls for developing “a strategy to promote the compilation and dissemination of the balance sheet approach, flow of funds and sectoral data more generally, starting with G20 economies”.

23. The objective of recommendation 15 is to expand the dissemination and reporting of internationally comparable and detailed annual and quarterly sectoral accounts by both G20 economies and non-G20 advanced economies. This expansion would involve improving the compilation of sectoral accounts in terms of details (subsectors and asset details), closing data gaps, and developing financial stocks and flows on a “from-whom-to-whom” basis.

24. An important milestone in taking forward the work on implementing recommendation 15 is the development of templates for a minimum and encouraged set of internationally comparable sectoral accounts and balance sheets. The templates set the scope of sectoral accounts and balance sheets to support internationally coordinated efforts towards producing and disseminating internationally comparable statistics. The templates were finalized in May 2012 and are available at the website of IMF (<http://www.imf.org/external/np/sta/templates/sectacct/index.htm>) and the website of the Statistics Division for SNA Implementation (<http://unstats.un.org/unsd/nationalaccount/imp.asp>).

25. The design of the templates reflects international collaboration to implement work on the development of sectoral accounts and was prepared and agreed upon by the members of the Working Group on Sectoral Accounts. The Working Group was established under the auspices of the Inter-Agency Group on Economic and Financial Statistics. The Working Group is chaired by IMF and includes the Bank for International Settlements, the European Central Bank, Eurostat, OECD and the United Nations.

26. To support the compilation of sectoral accounts and balance sheets, IMF has initiated a series of seminars for its member countries and launched technical assistance programmes for selected countries. Furthermore, under the auspices of the Inter-Agency Group on Economic and Financial Statistics, currently available sectoral accounts data for the G20 economies, primarily sourced from OECD, and Eurostat and the European Central Bank, are available on the website of the Principal Global Indicators (<http://www.principalglobalindicators.org/default.aspx>).

D. New issues for discussion

Institutional subsectors and the delineation of head offices, holding companies and special purpose entities

27. Countries reported that they experience difficulties when implementing the 2008 SNA recommendations on the delineation of the more detailed subsectors within the financial corporations sector (and the provision of information related to them), and the classification of head offices, holding companies and special purpose entities. This was noted at several meetings at the European and OECD levels. The Intersecretariat Working Group on National Accounts also recognized that a typology and classification of special purpose entities would be very helpful in order to provide clarification on the 2008 SNA. To address the need for further guidance on classifying head offices, holding companies and special purpose entities, an European Central Bank/Eurostat/OECD Task Force was established. Countries seem to have a common understanding of the main conceptual issues involved. Therefore, it is considered feasible that the Task Force could come up with guidance, mainly on the practical issues during the first half of 2013. The further guidance and recommendations will be put forward to the Advisory Expert Group on National Accounts, to be discussed at its meeting in 2013.

Pension entitlements

28. A workshop will be organized by OECD, in close cooperation with the Australian Bureau of Statistics, to determine standard requirements for the measurement and international reporting (common terminology, concepts and definitions) of pension entitlements of employment-related pension schemes and social security schemes. In doing so, it will address the full sequence of the SNA and the supplementary table, including the measurement of pension entitlements that are not recognized as such in the core system of national accounts. The first meeting of the group is scheduled to take place in Australia in April 2013.

The treatment of freight and insurance in the 2008 SNA

29. It has been pointed out that the 2008 SNA and BPM6 differ in the way freight and insurance are treated in recording international trade in goods. Both manuals recommend valuing export of goods at Free On Board (FOB) value. It seems that the 2008 SNA did not fully reconcile the FOB principle for valuation of exports with the principle of output valuation at basic prices. The 2008 SNA explains the treatment of freight and insurance costs associated with imports and valuation of imports of goods at FOB in more detail compared with the 1993 SNA. However, its recommendation that “the question of whether the value of goods covers the cost of transportation or not depends on whether the exporter or importer is responsible for transport (2008 SNA, para. 14.68)” is not consistent with the FOB valuation of export. There is a need for clarification and articulation of the treatment of freight and insurance, output valuation at basic prices, and the FOB valuation of exports in the 2008 SNA. This issue will be discussed by the Advisory Expert Group at its next meeting, in 2013, to agree on the clarification of the 2008 SNA.

E. Compilation of manuals and handbooks

30. Below is an update on the progress made regarding the compilation of manuals, handbooks and guidance notes, as initiated by the Intersecretariat Working Group on National Accounts to strengthen the statistical capacity for compiling national accounts, in accordance with the implementation programme for the 2008 SNA and supporting statistics. The list comprises three categories, namely completed publications, publications in progress and planned publications.

- (a) Completed publications:
 - (i) *Guide on the Impact of Globalization on National Accounts* (ECE);
 - (ii) *Guidelines on Integrated Economic Statistics* (United Nations Statistics Division);
 - (iii) *System of National Accounts, 2008* Russian-language version;
 - (iv) *Technical Compilation Guide on Pensions in National Accounts* (Eurostat/European Central Bank);
 - (v) *Essential SNA: Building the Basics, 2012 Edition* (Eurostat);
- (b) Publications in progress:
 - (i) *2008 SNA — Concepts in Brief* (World Bank);
 - (ii) *2008 SNA — Compilation in Brief* (World Bank);
 - (iii) *Handbook on Financial Production, Flows and Stocks in the System of National Accounts* (United Nations/European Central Bank);
 - (iv) *Glossary of Rapid Estimates* (Eurostat);
 - (v) *Handbook on Rapid Estimates* (Eurostat/United Nations);
 - (vi) *Handbook on Composite Indicators* (Eurostat/United Nations);
 - (vii) *Handbook on Tendency Surveys* (United Nations);
 - (viii) *System of National Accounts, 2008* in Chinese (draft is already on the website of the Intersecretariat Working Group on National Accounts);
 - (ix) *System of National Accounts, 2008* in French (draft is already on the website of the Intersecretariat Working Group on National Accounts);
 - (x) *System of National Accounts, 2008* in Arabic (draft is already on the website of the Intersecretariat Working Group on National Accounts);
 - (xi) *Methodological Guide for Developing Producer Price Indices for Services* (revision) (OECD/Eurostat);
 - (xii) *Guide on global production* (ECE);
 - (xiii) *Handbook on quarterly national accounts* (Eurostat);
 - (xiv) *Government Finance Statistics Manual 2001* (update) (IMF);
- (c) Planned publications:
 - (i) *Handbook on input-output compilation* (United Nations);

- (ii) *Guidelines on Statistical Business Registers* (ECE);
- (iii) *Monetary and Financial Statistics Manual and Compilation Guide* (revision) (IMF);
- (iv) *Handbook on quarterly national accounts* (IMF);
- (v) *System of National Accounts, 2008* in Spanish (preliminary draft is available on the website of the Economic Commission for Latin America and the Caribbean);
- (vi) *Revised Handbook on Prices and Volumes* (Eurostat);
- (vii) *Compilation Guide on Goods for Processing* (Eurostat);
- (viii) *Compilation Guide on Research and Development* (Eurostat);
- (ix) *Statistical guide for the short-term indicator data template and metadata structure*.

IV. Activities of the members of the Intersecretariat Working Group on National Accounts and of the regional commissions

A. Activities of the members of the Intersecretariat Working Group on National Accounts

Eurostat

31. The 2008 SNA will be implemented in the European Union in the form of a revision of the ESA, which is the European version of the SNA. The implementation of the new ESA methodology and transmission programme by European Union member States will commence in September 2014. This implementation will be supported largely by preparatory work, including discussions on specific topics and the development of guidelines in the context of working parties and expert groups of the European Union.

32. In addition to the above-mentioned activities, Eurostat has set up task forces on goods for processing, prices and volumes, and consolidated versus non-consolidated data. The reports from those task forces will be available in 2013.

33. Eurostat has also launched a training programme in 2012-2013, open to non-European Union countries, mainly on the following subjects: pensions; insurance; FISIM; goods for processing; research and development; and general government accounts.

International Monetary Fund

34. The IMF Statistics Department assists its member countries in developing capacity to compile and disseminate national accounts statistics. In addition to the technical assistance, it conducts training on national accounts methodologies and compilation practices to officials from statistical offices and other statistics-producing agencies.

35. The technical assistance activities of IMF in national accounts are designed as medium-term projects with overall objectives, specific outcomes, outputs and

implementation dates. Overall planning and strategy for technical assistance in national accounts are managed from IMF headquarters, which also supervises and monitors the quality of technical assistance provided through the eight IMF regional technical assistance centres — four of which are in Africa, one in the Middle East, one in Central America, one in the Caribbean region, and one in the Pacific region. The technical assistance projects are undertaken mostly through short-term missions conducted by IMF staff and externally recruited experts. During the financial year ending April 2013, IMF will undertake around 350 technical assistance missions on national accounts and price statistics in more than 100 member countries. It has placed 11 long-term resident national accounts advisers — eight in IMF regional technical assistance centres and three in Eastern Europe. In addition, over 70 experts in national accounts and price statistics are actively involved in undertaking short-term missions.

36. IMF technical assistance projects in national accounts are funded by its own resources as well as through topical trust funds established with financial support from donors. Currently, IMF undertakes four major programmes in national accounts financed by topical trust funds: (a) a three-year technical assistance project (2011-2014) aimed at the implementation of the SNA and the International Comparison Programme for 12 Asian and Pacific countries funded by the Government of Japan; (b) a five-year Enhanced Data Dissemination Initiative for Anglophone Africa (2010-2015), funded by the Department for International Development of the United Kingdom of Great Britain and Northern Ireland, that supports the compilation of quarterly and annual national accounts in selected African countries; (c) a three-year technical assistance project for capacity-building (2012-2015) to compile and disseminate national accounts and prices statistics in nine Eastern European countries funded by the Government of Japan; and (d) a statistics module under a five-year multi-donor technical assistance project for managing natural resources wealth, aiming at improved recording of natural resources in national accounts statistics.

37. IMF also provides training on national accounts through its Institute for Capacity Development at headquarters, its regional training centres, and ad hoc training workshops under the topical trust funds. IMF also collaborates with other international and regional organizations in their delivery of training courses. Currently, IMF provides training on the 2008 SNA, sectoral accounts and balance sheets, quarterly national accounts compilation, as well as linkages of macroeconomic accounts. During the current financial year, IMF will provide: (a) two regional courses on the 2008 SNA — one in Europe and one in Africa (in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa); (b) two training courses on sectoral accounts and balance sheets (Asia and Europe); and (c) one training course on quarterly national accounts (Africa). In addition, 12 training workshops on national accounts and price statistics compilation issues are planned under the topical trust funds — two in Africa, four in Asia and six in Europe.

Organization for Economic Cooperation and Development

38. In addition to organizing and co-organizing various task forces and workshops, OECD organizes an annual workshop on the implementation of the 2008 SNA, for the combined meeting of the OECD Working Party on Financial Statistics and the OECD Working Party on National Accounts. The meeting in 2012 (held in Paris on

3 October) was devoted predominantly to the issue of holding companies, head offices and special purpose entities; the measurement of derivatives; and the measurement of Financial Intermediation Services Indirectly Measured. Also, the Working Party on National Accounts discussed issues related to the implementation of the 2008 SNA, such as the recording of global production and the measurement of non-financial assets.

39. Furthermore, related to the above, two surveys among OECD countries were conducted in 2012, one on the measurement of derivatives and another on the recording and measurement of Intellectual Property Products. Synthesis papers on the results of both surveys are available. The same is true for the results of a survey previously held on the non-observed economy.

United Nations Statistics Division

40. As a follow-up on the seminar series, organized during 2010 and 2011 in collaboration with the regional commissions, to establish regional implementation programmes for the 2008 SNA, the Statistics Division has initiated during 2012 a new series of seminars upon requests from a number of countries to help them with formulating a plan for the implementation of the 2008 SNA. For this seminar series pilot countries are identified that could take the lead with the implementation of the 2008 SNA in their subregions. A subregional seminar is then organized in collaboration with the regional commissions and relevant subregional organizations. The aim is to initiate the formulation of a national strategy and implementation programme for the 2008 SNA and supporting socioeconomic statistics, with the objective of strengthening the national statistical system in support of improved policymaking.

41. The first seminar of this series was held for countries in southern Africa from 15 to 19 October 2012 in Pretoria, South Africa. It has led to country commitments to draft national implementation programmes for the 2008 SNA in a phased changeover to the 2008 SNA starting in 2014. These commitments warrant action at the country level to be coordinated by the national statistical offices and other stakeholders in the national statistical system. An agreed outline of the statement of strategy will form the basis for drafting the programme and will cover both the statistical and institutional elements to improve the scope, detail and quality of their national accounts.

42. This renewed subregional approach, launched by the Statistics Division, the Economic Commission for Africa and the African Development Bank in collaboration with relevant subregional organizations, holds promise, but may warrant the scaling up of interventions at the country level by international and regional organizations. At the time of finalizing the present report, the holding of similar seminars was under consideration in other regions and subregions, such as the Caribbean Community (CARICOM), Latin America and North Africa.

43. During 2012, the Statistics Division also: conducted a training workshop on the theme “the 2008 SNA and its implementation” jointly organized by the Statistics Division and the Economic Cooperation Organization from 14 to 17 October 2012, in Tehran; provided a resource person for an advanced training course on the 2008 SNA organized by the Statistical Institute for Asia and the Pacific in Incheon, Republic of Korea, from 11 to 15 September 2012; and collaborated with the Bank of Korea and ESCAP in organizing the International Seminar on the Implementation

of the 2008 SNA in Asia and the Pacific Region and Its Challenges, hosted by the Bank of Korea on 18 and 19 September in Seoul.

44. During the past year, the Statistics Division and the European Central Bank circulated for comments the second draft of the *Handbook on Financial Production, Flows and Stocks in the System of National Accounts*. Those comments are being incorporated, and the revised draft will be discussed by a review group in February 2013. It is foreseen that the handbook will be finalized during 2013. The aim of the handbook is to provide guidance on compilation issues of the financial corporate sector and its links to the other institutional sectors.

45. During 2012, the Statistics Division consulted with users on the development of a handbook on the compilation of input output tables. It is expected that this handbook will be prepared during the course of 2013. In addition, as part of the Statistics Division/Eurostat programme on short-term economic indicators, the Statistics Division is developing guidance for a data template for short-term economic statistics and contributes to the handbooks on rapid estimates, composite indicators and tendency surveys, the drafting of which is led by other agencies and countries. Those handbooks are expected to be completed during 2013.

World Bank

46. The World Bank continues to support the implementation of the 2008 SNA through activities related to its regular programme of work for improving statistical capacity, particularly in developing countries, and work related to the International Comparison Programme.

47. The Global Office of the International Comparison Programme at the World Bank furnishes support to regional coordinating agencies and provides technical assistance to countries for activities related to national accounts. Although the 2011 round of the International Comparison Programme is based on the 1993 SNA, technical assistance for helping countries improve their national accounts according to international standards, and to improve their estimates of GDP expenditures, also contributes to the implementation of the 2008 SNA. In addition, the International Comparison Programme provides guidance on: price issues for areas such as owner-occupied housing; the measurement of government outputs and non-market services; the measurement of financial services; and gross fixed capital formation.

48. The World Bank is continuing to work with other key donors on scaling up its support for developing countries. Financing mechanisms available through the World Bank include the Trust Fund for Statistical Capacity-Building, the Statistics for Results Facility Catalytic Fund, the Multi-donor Programmatic Trust Fund to support statistical capacity-building in Eastern Europe and Commonwealth of Independent States countries (ECASTAT) and the STATCAP lending programme. Although the World Bank support mechanisms available to countries for improving their statistical systems are broad based, those facilities could also be used to address country-specific needs aimed at the implementation of the 2008 SNA. ECASTAT is also likely to support regional training initiatives in economic statistics, including national accounts.

49. Two handbooks that complement the 2008 SNA and that are aimed specifically at supporting national accountants in small developing countries will soon be

published: one is entitled *2008 SNA — Concepts in Brief*, and the title of the other, an accompanying implementation guide, is *2008 SNA — Compilation in Brief*.

50. E-learning courses on national accounts, including lessons on GDP calculation, supply and use tables, data sources, exhaustiveness of national accounts estimates and estimates beyond GDP, such as institutional sector accounts, part of a library of e-learning courses on selected topics, are available on the web through the Virtual Statistical System and are free of charge to all interested parties.

B. Activities of the regional commissions

51. The regional commissions continued to support the implementation of the 2008 SNA and other internationally agreed standards in economic statistics in the countries of their respective regions. Their activities are coordinated by the regional advisory bodies established for that purpose. Considerable progress has been made in developing programmes for the implementation of the 2008 SNA and supporting economic statistics.

52. The regional commissions, in collaboration with the Statistics Division, will monitor the progress on the implementation of the 2008 SNA and supporting statistics according to the agreed timelines and set of actions to accomplish statistical and institutional goals for the sustainable improvement of the economic statistics programmes, while ensuring adherence to best practices in official statistics.

53. The regional commissions were also engaged in developing compilation guidance, notably the work on developing guidelines on global production facilitated by ECE and the training on national accounts compilation provided by the Statistical Institute for Asia and the Pacific of ESCAP. More detail on the activities of the regional commissions can be found in the background document entitled “Activities of the regional commissions on national accounts and economic statistics”.

V. Reporting of national accounts data

54. In accordance with a request from the Statistical Commission, the Statistics Division regularly evaluates the availability and scope of official national accounts data reported by Member States and their conceptual compliance to the recommendations of the System of National Accounts.

55. An assessment of this kind is presented in this section according to the recommendations of the 1993 SNA and based on replies to the United Nations National Accounts Questionnaire for the last five reporting periods, that is, 2007 to 2011. The data are reported directly to the Statistics Division through ECE, or OECD, or the Caribbean Community secretariat.

56. In taking into consideration at least one submission over the last five reporting periods (2007 to 2011), 94 per cent of Member States (182) reported national accounts data to the Statistics Division, that is all developed countries and 93 per cent of developing countries. On a regional level, 97 per cent of Asian and all Latin America and Caribbean countries reported national accounts data. In Africa and

Oceania, the reporting of national accounts data was somewhat lower, at 89 and 83 per cent, respectively.

57. An analysis of national accounts data shows that 81 per cent of Member States implemented the 1993 SNA at the time of the 2011 United Nations National Accounts Questionnaire reporting period. Nearly all developed countries and those with economies in transition reported national accounts data according to the 1993 SNA methodology. In addition, 74 per cent of developing countries have reported national accounts data to the Statistics Division following the 1993 SNA, compared with 70 per cent in the previous reporting period. Specifically, 65 per cent of African countries, 79 per cent of Latin American and Caribbean countries, 82 per cent of Asian countries and 83 per cent of countries in Oceania have implemented the 1993 SNA. The rate of implementation by small island developing States has significantly progressed, with 71 per cent of countries having implemented the 1993 SNA.

58. The scope of national accounts data reported to the Statistics Division is evaluated against the standard minimum required data set and the milestone measures. Fifty-eight per cent of countries provide six or more tables of the minimum required data set, and 44 per cent provide seven such tables. This means that 44 per cent of countries have reported GDP by expenditure and industry, at current and constant prices; output, value added and gross capital formation by industry; relations among product, income, saving and net lending/borrowing; and at least parts of the integrated economic accounts for the total economy and the rest of the world. The lowest coverage is observed for least developed countries and small island developing States; only 19 per cent of least developed countries, 15 per cent of Caribbean countries and 10 per cent of small island developing States have provided seven tables of the minimum required data set.

59. Milestone 2 was observed by a great majority of developed countries, countries with economies in transition and developing countries in Asia, while 76 per cent of Caribbean and Latin American countries and 52 per cent of African countries are meeting milestone 2. Milestone 1 will be attained when GDP by expenditure in current or constant prices and gross national income are provided; and milestone 2 will be attained when at least value added by industry, GDP by expenditure in current or constant prices, and gross national income are provided.

VI. Points for discussion

60. The Committee is invited to:

- (a) **Express its views on the progress with the changeover to the 2008 SNA;**
- (b) **Express support for and provide guidance on developing compilation guidance on the concepts and recommendations of the 2008 SNA;**
- (c) **Express its views on the activities of the Intersecretariat Working Group on National Accounts and of the regional commissions;**
- (d) **Express its views on the reporting of national accounts data.**