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Joint UNECE/Eurostat/OECD Meeting on National Accounts

Ninth Meeting
Geneva, 21-24 April 2008

REPORT

Note by the secretariat

I. INTRODUCTION

1. The Joint UNECE/Eurostat/OECD Meeting on National Accounts was held in Geneva from 21-24 April 2008. It was attended by Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, Norway, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Ukraine, United Kingdom, United States and Uzbekistan. The European Commission (Eurostat) and the Organization for Economic Co-operation and Development (OECD) attended. Representatives of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Statistical Division (UNSD) and the United Nations Mission in Kosovo (UNMIK) were also present. The following specialised agencies and intergovernmental organizations attended: the European Central Bank (ECB), the International Monetary Fund (IMF), the World Bank (WB) and the World Trade Organisation (WTO). Representatives of the SNA Update Project, SOGETI, Luxembourg, and the University of Southern Maine, United States and the United Kingdom were present at the invitation of the secretariat.

2. The provisional agenda was adopted.

3. Mr. Jan Heller (Czech Republic), Mr. Peter van de Ven (the Netherlands) and Ms. Soli Peleg (Israel) were elected Chairs and Vice-chair of the meeting.

II. ORGANIZATION OF THE MEETING

4. The meeting was organised in three modules. The following substantive topics were discussed on the basis of invited papers and supporting papers:

A. First module: Special session for transition economies

- (a) Measuring the non-observed economy (NOE) in National Accounts (organised by UNECE)
 - Illegal activities
 - Services provided by private entrepreneurs: ad hoc surveys
 - Estimating owner-occupied dwellings services: user cost approach;
- (b) 1993 SNA Update issues (organised by UNECE)
 - Introduction to the measurement of capital services
 - Research and Development.

B. Second module: National accounts - towards 1993 SNA Rev. 1

- (a) Strategy for the implementation of SNA Rev.1 (organised by UNECE);
- (b) Measurement of research and development (R&D) in national accounts (organised by Central Bureau of Statistics (CBS) of Israel);
- (c) Information items:
 - UNECE survey on use of employment data in national accounts
 - Publication of UNECE Survey of NOE estimates in national accounts.

C. Third module: Impact of globalisation on national accounts

- (a) Introduction to the Joint UNECE/Eurostat/OECD Working group on the impact of globalisation on national accounts (WGGNA) and research agenda (Statistics Netherlands, Chair);
- (b) Goods sent abroad for processing (organised by Statistics Canada);
- (c) Implications of the new treatment of goods for processing in the supply and use tables (organised by Statistics Canada);
- (d) Merchanting (organised by Central Statistics Office (CSO) of Ireland);
- (e) Multinational enterprises (MNEs) and allocation of income in national accounts (organised by the Bureau of Economic Analysis (BEA), United States).

III. SUMMARY OF THE MAIN CONCLUSIONS REACHED AT THE MEETING

5. Recommendations for future work are given below. Other conclusions that the participants reached during the discussion on the above topics will be presented in separate documents. All background documents for the meeting are available on the UNECE website (<http://www.unece.org/stats/documents/2008.04.sna.htm>).

IV. RECOMMENDED FUTURE WORK

6. The meeting recommended that a further Joint UNECE/Eurostat/OECD meeting be organised in April 2010 in Geneva similar to the one held in 2008 to include three modules.

7. The meeting also recommended that a second meeting of the Joint UNECE/Eurostat/OECD Working Group on the Impact of Globalisation on National Accounts (WGGNA) be held in late April/ early May 2009.

A. First module: Special session for transition economies

8. A special session for representatives of transition economies and other interested countries could be organised back-to-back with the Joint UNECE/Eurostat/OECD meeting in 2010.

9. The following topics could be considered for inclusion in the agenda for the next special session:

- (a) Basic explanations of fundamental concepts and methods for measurement of capital services, capital stock and consumption of fixed capital in an integrated framework;
- (b) Employment data and national accounts: estimates of persons employed and hours worked according to SNA concepts;
- (c) Use of tax statistics and other administrative data for national accounts;
- (d) Regional national accounts.

10. The meeting recommended that the UNECE collect updated information on the use of employment data in the national accounts in the non-EU and non-OECD member countries, in order to monitor the progress made with employment estimates. The outcome of the survey could be discussed at a future special session for transition economies.

B. Second module: National accounts - towards 1993 SNA Rev. 1

11. The meeting recommended that Joint UNECE/Eurostat/OECD meeting in 2010 concentrate on addressing issues related to the implementation of the recommendations of SNA 93 Rev.1. The meeting could also address other practical issues of national accounting.

12. The following substantive topics were proposed for inclusion in the agenda of the 2010 Joint UNECE/Eurostat/OECD meeting on national accounts:

- (a) Measuring and recording of pensions;
- (b) Financial accounts and balance sheets: consistency issues;

13. The meeting recommended that each topic be discussed in a separate session to be organised by a session organizer, selected in advance by the organising committee of the joint meeting. The following countries and international organizations expressed interest in organising sessions: for topic (a) - Bureau of Economic Analysis, United States and for topic (b) - Statistics Canada and IMF.

C. Third module: Impact of globalisation on national accounts

14. The Joint UNECE/Eurostat/OECD WGGNA reviewed a list of problem areas, related to globalisation, to be included in the research agenda. It was agreed that the UNECE secretariat will circulate the list to all members for the Joint Working Group for further proposals and short descriptions of the issues. The proposals should be sent to the UNECE secretariat by mid May 2008.

15. Following a request from the Intersecretariat Working Group on National Accounts (ISWGNA), the WGGNA also agreed to develop operational guidelines on treating goods for processing and merchanting in national accounts as part of its output. The guidelines will assist the implementation of the SNA Rev.1.

16. The meeting discussed in detail three issue papers addressing: (i) the treatment of goods for processing, (ii) the treatment of merchanting and (iii) multinational enterprises and the allocation of income in balance of payments and national accounts. There was general agreement that the new recording of goods for processing and merchanting on change of ownership principal recommended in the SNA Rev.1 will settle some of the current problems and will improve the consistency of the financial and non-financial accounts. However, in relation to the analysis of the production process (supply and use framework), a number of methodological and implementation aspects still remain to be resolved. Several proposals for further development of the issue papers were made during the discussion. Following the discussion, the authors will revise the issue papers and present them at the next meeting of the Joint Working Group in 2009. These papers will become part of the final report of the WGGNA to be presented to the Conference of European Statisticians in June 2010.

17. The meeting recommended that a second meeting of the WGGNA be organised in late April/early May 2009 in Geneva. It should concentrate on addressing issues identified in the Research agenda of the WGGNA. The sessions should be organised similar to the first meeting on the basis of issue papers and invited discussants. The following substantive topics were agreed for inclusion in the agenda of the 2009 meeting of WGGNA:

- (a) Follow-up to the discussion at the first meeting of the UNECE/Eurostat/OECD Working Group on the impact of globalisation on national accounts;
- (b) Remittances (to be organised by the BEA, United States, the Central Statistical Office (CSO) of Czech Republic and UNECE);

(c) Foreign direct investments (to be organised by IMF and Statistics Finland)

(d) Special purpose entities (to be organised by Statistics Netherlands).

18. Concerning topic (b) Remittances, Mexico was asked to contribute to the organisation of the session. The representative of Mexico agreed to consult the proposal with the relevant institutions and inform the UNECE Secretariat in due time.

19. This report was adopted at the end of the Joint UNECE/Eurostat/OECD Meeting on National Accounts held in Geneva on 21-24 April 2008.

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