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## **Economic Commission for Europe**

### **Conference of European Statisticians**

#### **Group of Experts on National Accounts**

##### **Nineteenth session**

Geneva (online), 1, 3, 14, 16 and 18 September 2020

Item 1 of the provisional agenda

##### **Adoption of the agenda and election of officers**

## **Revised annotated provisional agenda for the nineteenth session**

To be held virtually on 1, 3, 14, 16 and 18 September 2020.

### **I. Provisional agenda**

1. Adoption of the agenda and election of officers
2. Update of the System of National Accounts, 2008 (2008 SNA)
3. Wellbeing and sustainability
4. Digitalization
5. Globalization
6. Communicating the System of National Accounts
7. Adoption of the Chairmen's conclusions

### **II. Annotations to the provisional agenda**

#### **Item 1. Adoption of the agenda and election of officers**

1. The meeting is organized following a decision of the Conference of European Statisticians in June 2019 (ECE/CES/2019/15/Add.1) and the recommendation of the previous meeting of the Group of Experts on National Accounts in April 2019 (ECE/CES/GE.20/2019/2). Due to COVID-19 the meeting has been transformed into a series of webinars to be held on 1, 3, 14, 16 and 18 September.

## **Item 2. Update of the System of National Accounts, 2008 (2008 SNA)**

*Organiser: Intersecretariat Working Group on National Accounts*

2. Currently the main macroeconomic statistical standards are under review. In 2018, the ISWGNA established a Task Force on the SNA research agenda, taking into consideration current issues under discussion in the Advisory Expert Group (AEG) on national accounts and the research agendas of related macroeconomic statistical standards. Three subgroups of the Task Force have been created to work on the priority areas of the 2008 SNA research agenda: globalization, digitalization, and wellbeing and sustainability. A fourth subgroup will deal with issues related to communication of the SNA update. Each subgroup will develop guidance notes with the aim to provide in-depth analysis and ways to resolve outstanding issues.

3. The Balance of Payments and International Investment Position Manual (BPM), sixth edition will be revised at around the same time as the SNA. The IMF Committee on Balance of Payments Statistics (BOPCOM) has a large research agenda that will be exploring issues such as the treatment of multinational enterprises and the ownership of intellectual property products. Many of these issues overlap with the SNA research agenda.

4. The webinar will introduce the work programme for updating of the 2008 SNA, priority areas and links to the balance of payments research agenda. It will provide an overview of the various groups working on the update of the macroeconomic statistical standards and outline how the BOPCOM and AEG will collaborate throughout the update process to ensure the standards remain aligned and both the BOPCOM and AEG minimize and manage the associated workload. One example is new Joint Informal Economy Technical Expert Group, which will clarify concepts and definitions and develop the associated methodological framework for compiling and disseminating statistics on informal economy activities in national accounts and external sector statistics.

## **Item 3. Wellbeing and sustainability**

*Organiser: Statistics Canada and OECD*

5. One of the priority areas for research in the context of a future update of the 2008 SNA relates to the measurement of wellbeing and sustainability. It is considered of the utmost importance to develop metrics that cast a wider net on the well-being of people and the sustainability of societal developments. For this purpose, it is important to have more insights in issues such as the development of human capital, the relative importance of unpaid household activities, the impact of the environment on the economy, and the distribution of resources across households. The ultimate objective is to define a broader framework that supports the monitoring and analysis of the interrelations between various aspects of wellbeing and sustainability, thus providing a better understanding of the trade-offs and the win-wins between various domains. As a point on the horizon, one would like to see the development of an overarching framework, in which statistics on economic, societal and environmental issues are integrated (not necessarily monetised), and in which one can easily drill down into micro-datasets. It is clear that this can only be a long-term goal, requiring the development of a suitable conceptual framework.

6. As a goal for the nearer future, the *Subgroup on Wellbeing and Sustainability of the Task Force on the SNA Research Agenda* is developing a framework in which supplementary tables for the environment, health and social conditions, education and human capital, unpaid household activities, and the distribution of resources across households are combined with the traditional set of national (economic) accounts. For this purpose, it is developing guidance notes in all these domains.

7. The webinar will present for discussion the draft guidance notes and will seek feedback from the Group of Experts on National Accounts on the suggested supplementary tables (or aggregates) and draft recommendations for each domain as well as on the way ahead for realising the broader framework that will provide insight in the various aspects of well-being and sustainability.

#### **Item 4. Digitalization**

*Organiser: US BEA and Eurostat*

8. The spreading of digital technologies in recent years is dramatically changing our way of life. This ‘digital revolution’ – new platforms such as AirBnB and Uber, new activities such as crowdsourcing, innovations in financial markets and new methods of payment such as crypto assets, social media, the use of big data for targeted advertisement, etc. – is not sufficiently reflected in the current national accounting standards, which makes macroeconomic analysis challenging.

9. The *Digitalization Subgroup of the Task Force on the SNA Research Agenda*, including experts from all over the world is working on these issues and will develop several guidance notes. Work is well advanced on a framework for a satellite account on the digital economy, although substantial empirical research is still needed to populate it. Topics such as the economic role of data or the valuation of free assets and free services instead still need substantial conceptual development. Finally, substantial research is needed to understand the impact of new technologies on price levels and trends and identify suitable deflators for goods and services affected by digitalization.

10. The webinar will introduce the objectives and work programme in the area of Digitalization, including the proposed framework for a satellite account on the digital economy. The presentations will mainly focus on outstanding issues related to the economic role of data, the valuation of free assets and free services and the price and volume measurement for goods and services affected by digitalization.

#### **Item 5. Globalization**

*Organisers: Central Statistical Office (CSO) of Ireland and IMF*

11. The update of the SNA and the BPM, a decade ago, was in large part driven by the impact of globalization. The 2008 SNA and BPM6 clarified core principles underlying the national accounts framework. Since their publication, much guidance has been provided about globalization to assist national statistical compilers. Even when the 2008 SNA was adopted, it was recognized that some of the issues connected with globalization may lead to a reconsideration of how the phenomenon is reflected in the accounts.

12. The webinar will present the research programme and the progress of work in the area of Globalization. Particular attention will be paid to the following issues: valuation of imports and exports in the SNA, treatment of multinationals in national accounts, issues related to economic ownership of intellectual property products and treatment of special purpose entities.

#### **Item 6. Communicating the System of National Accounts**

*Organiser: ONS UK, IMF and World Bank*

13. The terminology and presentation of the SNA has a significant impact on how the data are interpreted and used by governments, businesses and citizens. The SNA should be presented and communicated in such a way that the full extent of its analytical usefulness, its quality, its scope, comparability through time and across countries, and policy applications are maximized. The terminology and presentation of the system to be reviewed and where required updated to better reflect and align with the language of business, governments and citizens.

14. During its last meeting the AEG noted that the way the System of National Accounts is communicated and made accessible to data users could be improved and proposed the creation of a fourth subgroup of the Task Force on the SNA research agenda, which to develop proposals for a communication strategy for the SNA Update. The webinar will outline the work undertaken by the Communication Subgroup in the following areas: digitalization of the SNA, review of the terminology, taxonomy for the compilation process and assessment framework to measure alignment with the SNA.

### **Item 7. Adoption of the Chairmen's conclusions**

15. In this session, the proposals for future work will be presented and discussed. The Chairman's conclusions containing main decisions of the meeting will be put for adoption.

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