Update of the 2008 System of National Accounts, with a focus on issues which may also affect environmental-economic accounting

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Contents

• The update process
• Organisation of the work
• Priority areas of research
• Overview of main environmental-economic issues
Updating Macroeconomic Accounting Standards

- Macroeconomic accounting standards are regularly updated to reflect changes in the economy.

- The “updates” can be categorized into three main groups:

  1. Conceptual Updates (i.e., change in what is measured)
  2. Methodological Updates (i.e., change in how activities are measured)
  3. Presentational Updates (i.e., change in how the statistics are presented)

- Maximum consistency with other standards (e.g., BPM, GFSM, and MFSM)

- Update process of SNA and BPM to be completed by March 2025
The Update Process

**SNA**

- **March 2020**: Launch update process
- **2020-2023**: Development of guidance notes & country consultation and testing
- **March 2024**: UNSC: adopt recommendations
- **2024**: Draft 2025 SNA, incl. consultation on new text
- **Oct. 2024**: AEG and ISWNGA approve 2025 SNA
- **March 2025**: UNSC: adopt 2025 SNA

**BPM**

- **March 2020**: Launch update process
- **2020-2022**: Research work, leading to draft outline
- **June 2022**: BOPCOM: endorse draft outline after public consultation
- **July 2022-March 2025**: Draft BPM7, including country consultation on new text
- **March 2025**: BOPCOM and IMF Chief Statistician: approve BPM7

Iterative drafting of the update of the 2008 SNA 2022 - 2024

**Issues**

- **Several common issues**
Priority areas of research

Joint priority areas
- Globalization
- Financial Issues
- IPP
- Islamic Finance
- Informal Economy
- Communication
- Statistical Units
- Classifications

SNA priority areas
- Digitalization
- Wellbeing and Sustainability

BPM priority areas
- BOP
- Current Account
- Direct Investment

Specialized NA (SNA) and Business Process Management (BPM) priority areas.
Task teams for each area of research

- The workstreams for each area of research are organized by **Task Teams**
  - Task Team on Well-being and Sustainability contains various area groups, because of the broadness of the topics covered; one of the area groups deals with environmental-economic issues
- **Guidance notes** are developed for each of the prioritized issues covering both **conceptual and practical** guidance
- Clearly identify issues affecting the **central framework** compared with those that would be addressed in **supplementary tables** or **extended accounts**
- Not only the conceptual implications but also the **feasibility** of implementing the proposed conceptual solutions
- If needed, a process of **experimentation and testing**
Guidance notes – Well-being and Sustainability

• **Distribution of household income, consumption, saving and wealth:** how to show inequalities in line with macroeconomic indicators

• **Households’ unpaid service work:** Extending core accounts with alternative measures, as a complement to traditional measures

• **Health and social conditions:** Providing more insight in the role of health care

• **Labour, education and human capital:** Better reflect labour as important input into the production process, and extending the core accounts with information on education and training, as well as start working on experimental estimates for human capital

• **Environmental-economic accounting:** To be elaborated further below

• **Broader framework:** How to combine information from the various work streams to provide a more comprehensive and overarching picture of well-being and sustainability
Area Group on Environmental-Economic Issues (1)

• **WS.6: Economic ownership and depletion of natural resources:**
  • Deals with mineral and energy resources
  • Splitting economic ownership, based on proportion of resource rents appropriated
  • Accounting for depletion as a cost of production
  • Increased emphasis on net measures, adjusted for depreciation and depletion
  • Much better alignment with SEEA Central Framework

• **WS.7: Emission permits: the atmosphere as an asset:** separate presentation

• **WS.8: Accounting for biological resources:**
  • Rethinking the SNA asset boundary in physical terms
  • Discussion on need for distinction between cultivated versus non-cultivated biological resources
  • Splitting economic ownership, based on proportion of resource rents appropriated
  • Accounting for depletion (cost of production) and regeneration of biological resources (capital formation)
  • Clarifications of the current guidance in the 2008 SNA
  • Much better alignment with SEEA Central Framework
  • More general discussion on the recording of rents (on natural resources)
Area Group on Environmental-Economic Issues (2)

- **WS.9: Recording of provisions**
  - Accounting for provisions in view of damages caused by exploitation of natural resources

- **WS.10: Valuation methods**
  - Clarifications on the application of the methodology for valuing natural resources with the Net Present Value of future resource rents: discount rate, commodity prices and forecasting future resource rents, etc.

- **WS.11: Renewable energy resources**
  - Valuation of wind, solar and other renewable energy resources

- **WS.12: SEEA classifications:**
  - Reviewing current classifications used in the context of SNA (and SEEA): general classification of assets (need for a separate class of environmental assets?), COFOG-classification, etc.

- **WS.13: Recording of losses**: dropped

- **WS.14: Distinction between taxes and services**: no (major) changes foreseen
Towards the 2025 SNA - Information on the process of updating the 2008 SNA

About the Updating Process

A three-pronged approach is envisaged for the update of the 2008 SNA: (a) undertaking technical research in prioritized and other national accounts; (b) engaging in a broad consultation on the issues related to the thematic areas; and (c) ensuring overall consistency with other statistical standards in the system of economic statistics. Dedicated task teams were established to undertake the technical research and draft guidance notes. For overlapping issues in the research agendas identified for the SNA, BPM, CBS, HESM, SGBA, TDIC and CFC etc., joint task teams were established consisting of subject matter experts from relevant Committees of Experts and other groups.

2008 SNA Update Issues

The issues to be considered for updating the 2008 SNA.

Advisory Expert Group

The Advisory Expert Group page contains all available information (agenda, papers, presentations, background information, reports, etc.) available for each of the AEG meetings.

Task Teams

- Joint Globalization Task Team (GZTT)
- Digitalization Task Team (DZTT)
- Wellbeing and Sustainability Task Team (WSTT)
- Joint Communication Task Team (CHTT)
- Joint Islamic Finance Task Team (IITT)
- Joint Informal Economy Task Team (IETT)
- Joint Financial and Payments Systems Task Team (FIIT)
- BPM6 Update

Consultations

Information about consultations on current research issues.

Project Management

The Project Management page contains all documents (work programme, governance arrangements, progress reports of the project manager, reports to the UNSC, minutes of ISWGNA meetings, etc.) relevant to the management of the update project.
Thank you for your attention!