

# Towards the 2025 SNA

## SNA Update

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## The Structure of the Revised SNA

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# Broad overview

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The 2020 UNSC requested the ISWGNA to submit, for consideration by the Commission at its fifty-second session in 2021, a road map for the revision of SNA for adoption by the Commission in 2025

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Subsequently, the IMF Committee of Experts on Balance of Payments Statistics (BOPCOM) decided to launch a parallel process for updating the BPM6 with a target release date of March 2025

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The 2021 UNSC endorsed the work programme for the update of the 2008 SNA and timeline for undertaking technical research, engaging in broad consultations and ensuring overall consistency with the other manuals of the system of economic statistics

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In early 2022, the Project Manager (Pete Harper) and Lead Editor (Peter van der Ven) commenced work

# Key features of the update process

Undertaking technical research on prioritized and other national accounts issues

Engaging in a broad consultation on update issues

Ensuring overall consistency with other statistical standards in the system of economic statistics

- In particular, close collaboration between SNA and BPM updates

A program of experimentation and testing of selected recommendations

# Progressing the research agenda

Deliberations on specific issues carried out by Task Teams during the period 2020-2022

- Development of Guidance Notes (GNs) to address issues on the research agenda
- GNs approved by AEG (and BOPCOM where relevant) for consultation

GNs including recommendations sent to countries for comments during the period 2021-2022

AEG/BOPCOM consider comments received by countries and finalize GNs for publication

- This is expected to be mostly completed by the end of 2022, although some issues may not be fully resolved until into 2023

# List of Task Teams

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Digitalization Task Team

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Wellbeing and Sustainability Task Team

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Joint Globalization Task Team

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Joint Communication Task Team

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Joint Financial and Payment Systems Task Team

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Joint Informal Economy Task Team

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Joint Islamic Finance Task Team

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BPM Balance of Payments Task Team

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BPM Current Account Task Team

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BPM Direct Investment Task Team

# Progress of Guidance Notes

## 63 Guidance Notes

1	Not started
14	Started
3	Approved for global consultation
3	Global consultation underway
25	Global consultation completed
20	Endorsed

In the next 3 months, global consultation is planned to commence for 13 Guidance Notes

# Preparing the updated SNA

- Based on the finalized GNs, the drafting of the updated SNA will commence in 2022
  - Initially, this will focus on developing outlines of new/significantly revised chapters
- A full set of consolidated recommendations for changes to the 2008 SNA will be circulated for comments in the second half of 2023 and submitted to the UNSC in March 2024 for endorsement
- A complete draft of the updated SNA will be sent to countries for comments on consistency and readability by May 2024
  - It is likely that countries will be consulted earlier on new chapters and chapters where there has been substantial change
- The AEG and ISWGNA will approve the updated SNA during the fourth quarter of 2024
- The updated SNA will be submitted to the UNSC for endorsement in March 2025

A key feature of the update process is that a digital SNA/BPM will be produced

# Collaboration

The update of the SNA and the update of the BPM will proceed in parallel:

- A common drafting platform is envisaged
- There will be a common approach to the digital versions, which is under discussion
- To the greatest extent possible, the SNA and BPM (and other economic statistics manuals) will share common text on core principles and use common definitions
- The editorial teams will collaborate in the drafting of chapters of common interest
- The GFS, SEEA and MFS communities will be consulted on the drafting of relevant chapters
- Both editorial teams will follow the guidance laid out in the final versions of GNs approved by AEG/ISWGNA and BOPCOM
- High-level outlines for both SNA 2025 and BPM7 have been prepared and harmonized
- Work has commenced on developing a common glossary



# Stakeholder engagement

- A high-level stakeholder engagement plan has been developed in conjunction with the BPM update team
- The plan shows the key stakeholders, what their interest in the update process is, and what broad methods of engagement will be used
- A range of engagement methods are envisaged, including:
  - Conferences, seminars and workshops
  - Consultation on relevant issues
  - Consultation on the draft updated SNA
  - Targeted communication where relevant
  - Involvement in experimental estimates/early implementation program
  - A biannual SNA Update Newsletter
  - The use of social media
- A more detailed plan for (continued) consultation with NSOs will be developed

# Risks and issues

A high-level assessment has been developed –10 risks/issues have been identified

- Size and complexity of project
- Reliance on key people
- Failing to finalize the GNs on time
- Managing relationships with the BPM7 update
- Managing relationships with the GFS, SEEA and MFS communities
- Managing the interests of a diverse range of stakeholders
- Failure to meet expectations of key ‘outside’ stakeholders
- Experimentation and testing is too onerous on countries
- Insufficient budget for project
- Countries unprepared to implement SNA 2025 in a timely way

There are currently no ‘show stoppers’, but a number of risks require some attention

# Experimental estimation/early implementation

- A key feature of the update process is a program of experimental estimation/early implementation for recommendations in some of the GNs
- A two-phased approach for this has been agreed
- The first phase relates to experimental estimation needed to finalize recommendations in certain guidance notes
  - This phase will be conducted in 2022
  - Only a limited number of countries will be involved in this phase
- The second phase relates to early implementation and will assist countries in implementing the 2025 SNA
  - This phase will be conducted during 2023-2025
  - Detailed planning for this phase will be undertaken in mid 2022
  - A greater number of countries will be involved in this phase, and in certain instances technical assistance may be available

# Structure of the Revised SNA

# Introduction

- **Proposal for changing overall structure of the SNA**, focusing on addition/deletion of chapters and major changes
- Starting points:
  - **Paper publication, in addition to digital version**
  - **Maximum alignment with BPM**
  - **Active involvement of other stakeholders (GFSM, MFSM, SEEA, etc.)**
- Important to have a working hypothesis, **to organise the editorial process**

# Introducing an overarching structure (starting from the 2008 SNA)

- A. Introduction and overview (chapters 1 – 2)
- B. The main foundations (chapters 3 – 5)
- C. Structure of the framework and the sequence of economic accounts (chapters 6 – 16, and chapters 18 - 20)
- D. Cross-cutting issues (chapter 17)
- E. Institutional units and sectors in more detail (chapters 21 – 24, and chapter 26)
- F. Extended and thematic accounts and tables (chapter 25, and chapters 27 – 29)
- G. Supplementary material (annexes 1 – 4)

# Wellbeing and sustainability

- Issues around **well-being and sustainability have become much more prominent** in discussing the role and composition of the national accounts, including what the SNA measures or, more importantly, what it does not measure
- Important to address these issues in the 2025 SNA
- Introduction of three new chapters:
  - **Chapter 2. National Accounts and measures of well-being and (environmental) sustainability:** More general discussion on the SNA and measures of welfare, or more generally, well-being and sustainability, followed by the introduction of a broader framework of national accounts
  - **Chapter 34. Measuring well-being:** Discussion of the concept of well-being and various approaches/methods to measure it, and how extended accounts can support all of this
  - **Chapter 35. Measuring sustainability:** discussion on monitoring sustainability using the capital approach, what the SNA does (not) measure, and SEEA as a complementary system to monitor environmental sustainability

# Digitalisation and globalisation

- Two **priority research areas** which have affected the conceptualisation, the compilation, and the interpretation of the system of national accounts most dramatically
- Introduction of **two new chapters**, to consolidate the growing understanding of these phenomena, including their impact on the compilation and interpretation of (the main macro-economic indicators derived from) the system of national accounts
  - **Chapter 22. Digitalisation: focus on recording of recently emerged phenomena**, such as digital intermediary platforms, “free” services, crypto assets, data, e-commerce, etc.; and addressing the compilation of **supplementary tables** such as digital supply and use tables
  - **Chapter 23. Globalisation: consolidated overview of the newly established guidance** on global production arrangements, SPEs, the impact of the minimisation of the global tax burden, etc.; and **tools for better understanding domestic developments** (breaking out transactions and positions of multinational enterprises, Global Value Chains, Trade in Value Added, and the consolidation of corporate activities using the “nationality” perspective
- **Note: Dual character of these chapters**



# Supply and use tables, labour accounts and capital services

- Some discussion on the **allocation of the chapter on supply and use tables**, given its increasing role in compiling national accounts
- However, ... would break the logic of the SNA, certainly if taking into account the more prominent role of labour accounts
- In the end, it is proposed to **group together the three chapters with a focus on statistics by industry**, as follows:
  - **Chapter 15. Supply and use tables**
  - **Chapter 16. Labour accounts** (Note: Moved upwards, and re-allocation of the part on population)
  - **Chapter 17. Capital services** (Note: Moved upwards, and re-allocation of the part on valuation of assets)
- It is also proposed to pay much **more attention to these tables and accounts in the introductory chapters**

# Other considerations regarding the structure

- Some discussion on the **allocation of the chapter on price and volume measures**, given the prominence of volume measures in policy and research
  - Not changed, mainly because of the logic of the story-telling
  - However, more attention in the introductory chapters
- Proposed to split the lengthy chapter on **cross-cutting issues**, add a chapter on Islamic finance, thus arriving at the following chapters, in addition to digitalisation and globalisation:
  - **Chapter 24. Insurance and pensions** (Part 1 and 2 of chapter 17 in the 2008 SNA)
  - **Chapter 25. Specificities of certain financial instruments** (Part 3, 4 and 6 of chapter 17 in the 2008 SNA)
  - **Chapter 26. Islamic finance** (new chapter)
  - **Chapter 27. Contract, leases, licenses and permits** (Part 5 of chapter 17 in the 2008 SNA)

# Other considerations regarding the structure

- **Splitting the current chapter 21 on measuring corporate activity** into two chapters, one dealing with **non-financial corporations** (chapter 28 in the 2025 SNA, and another one focusing on **financial corporations** (chapter 29 in the 2025 SNA)
- **Refocusing the current chapter 27** on links to monetary statistics and the flow of funds **to matrix-based presentations of institutional sector accounts** (from-whom-to-whom tables) (chapter 37 in the 2025 SNA)
- **New chapter 21 on communicating the accounts**, in view of the outcomes of CMTT:
  - **Terminology for revisions of estimates and the status of statistics** (official statistics versus experimental estimates), including the various types of additional accounts and tables
  - The assessment of the **alignment of a country's national accounts with the international standards**
  - Probably some other topics as well
- **Re-allocation of the current chapter 25 on Informal aspects of the economy**

# Other more substantial changes to chapters

- **Chapter 1. Introduction:** More prominence to **volume and price measures**; **basic identities** of the system; **net measures**; and slightly more elaborated information on the **links with other statistical standards and business accounting standards**
- Further elaboration of text on **productivity**, and re-allocation to chapter 18. Measuring prices, volumes and productivity
- Adding text on **balancing the accounts** to chapter 19. Summarising, integrating and balancing the accounts
- **Refocusing the current chapter on elaborating (and presenting) the accounts** (Ch.18 in the 2008 SNA and Ch.20 in the proposal for the 2025 SNA) **to the following topics**, thereby also paying more attention to institutional sector accounts:
  - **Temporal disaggregation** (e.g., quarterly accounts)
  - **Territorial disaggregation** (e.g., regional accounts)
  - **Regular and benchmark revisions, and the compilation of time series data**

# Other more substantial changes to chapters

- Complete redraft of the current chapter 29 on satellite accounts and other extensions towards **chapter 38 focusing on thematic (satellite) accounts**, including re-allocation of text on extended accounts for well-being and sustainability to chapters 34 and 35, and re-allocation of text on functional classifications to the relevant annex
- Paying much more attention to **the relationship between and the consistency of the various international standards for compiling macro-economic statistics**, by:
  - Including succinct information in chapter 1 (see above)
  - More detailed information in the relevant chapters on institutional sectors, and the chapter on sustainability
  - Adding a separate annex on the interrelationships

# Overview of the chapters in the 2025 SNA

## A. Introduction and overview

**Chapter 1. Introduction (revised content)**

**Chapter 2. National accounts and measures of well-being and environmental sustainability (new chapter)**

**Chapter 3. Overview of the economic accounts (revised title)**

## B. The main foundations

**Chapter 4. Stocks, flows and accounting rules**

**Chapter 5. Institutional units and sectors**

**Chapter 6. Enterprises, establishments and industries**

# Overview of the chapters in the 2025 SNA

## C. Structure of the framework and the sequence of economic accounts

Chapter 7. The production account

Chapter 8. The distribution of income accounts

Chapter 9. The redistribution of income accounts

Chapter 10. The use of income accounts

Chapter 11. The capital account

Chapter 12. The financial account

Chapter 13. The other changes in assets account

Chapter 14. The balance sheet

Chapter 15. The supply and use tables (revised title)

Chapter 16. Labour accounts (chapter 19 in the 2008 SNA, moved upwards, revised title and revised content)

Chapter 17. Capital services (chapter 20 in the 2008 SNA, moved upwards, revised title and revised content)

Chapter 18. Measuring prices, volumes and productivity (revised title and revised content)

Chapter 19. Summarizing, integrating and balancing the accounts (revised title and revised content)

Chapter 20. Elaborating the accounts (moved upwards, revised title and revised content)

Chapter 21. Communicating the accounts (new chapter)

# Overview of the chapters in the 2025 SNA

## D. Cross-cutting issues

**Chapter 22. Digitalisation (new chapter)**

**Chapter 23. Globalisation (new chapter)**

**Chapter 24. Insurance and pensions (Parts 1 and 2 of chapter 17 in the 2008 SNA, moved downwards)**

**Chapter 25. Specificities of certain financial instruments (Parts 3, 4 and 6 of chapter 17 in the 2008 SNA, moved downwards)**

**Chapter 26. Islamic finance (new chapter)**

**Chapter 27. Contracts, leases, licenses and permits (Part 5 of chapter 17 in the 2008 SNA, moved downwards)**

## E. Institutional units and sectors in more detail

**Chapter 28. Non-financial corporations (revised title and revised content)**

**Chapter 29. Financial corporations (new chapter)**

**Chapter 30. General government and the public sector (revised title)**

**Chapter 31. Non-profit institutions**

**Chapter 32. Households (revised title and revised content)**

**Chapter 33. Transactions between residents and non-residents (moved upwards, revised title)**



# Overview of the chapters in the 2025 SNA

## F. Extended and thematic accounts and tables

Chapter 34. Measuring well-being (new chapter)

Chapter 35. Measuring sustainability (new chapter)

Chapter 36. Input-output tables (moved upwards, revised title and revised content)

Chapter 37. From-whom-to-whom tables (chapter 27 of the 2008 SNA, moved downwards, revised title and revised content)

Chapter 38. Thematic accounts (moved upwards, revised title and revised content)

Chapter 39. Informal activities (moved downwards, revised title)

## G. Supplementary material

Annex 1. International standards for macro-economic statistics, and the links with the SNA

Annex 2. The classification hierarchies of the SNA and associated codes (revised content)

Annex 3. The sequence of accounts

Annex 4. Changes from the 2008 System of National Accounts (revised title)

Annex 5. Research agenda

References

Glossary

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Thank you for your attention!

