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**Economic Commission for Europe**

Conference of European Statisticians

**Group of Experts on National Accounts****Twenty-first session**

Online, 17, 19, 23 and 25 May 2022

**Report of the twenty-first session of the Group of Experts on  
National Accounts****Note by the Secretariat***Summary*

The meeting was organized following a decision of the Conference of European Statisticians in June 2021 (ECE/CES/2021/16 and ECE/CES/2021/16/Add.1) and the recommendation of the previous meeting of the Group of Experts on National Accounts in May 2021 (ECE/CES/GE.20/2021/2). Due to the continuing COVID-19 pandemic, it was held online.

The present document is the report of the meeting and is provided to inform the Conference of European Statisticians of the organization and outcomes of the meeting.

## I. Introduction

1. The Meeting of the Group of Experts on National Accounts was held online on 17, 19, 23, and 25 May 2022. The meeting was attended by representatives from Albania, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Croatia, Czechia, Denmark, Egypt, Estonia, Finland, Georgia, Germany, Greece, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Libya, Lithuania, Luxembourg, Malta, Mexico, Mongolia, Montenegro, Morocco, Mozambique, Netherlands, North Macedonia, Norway, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, South Africa, Spain, State of Palestine, Switzerland, Tajikistan, Turkey, Turkmenistan, Ukraine, United Kingdom, United States of America, Uruguay, and Uzbekistan.
2. The meeting was also attended by representatives from the African Development Bank (ADB), European Central Bank (ECB), European Commission (Eurostat, Joint Research Centre (JRC)), European Free Trade Association (EFTA), International Monetary Fund (IMF), Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT), Organisation for Economic Co-operation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), United Nations Statistical Institute for Asia and the Pacific (UN SIAP), United Nations Statistics Division (UNSD), United Nations Development Programme (UNDP) in Turkmenistan and World Bank.
3. The meeting was also attended by academia (HIVA - Research Institute for Work and Society at KU Leuven, University of Tours and University of Uruguay), experts from MetricsForTheFuture.com, Robin Lynch Ltd and Midsummer Analytics and several independent experts.
4. Mr. Gerard Eding from Statistics Netherlands chaired the meeting of the Group of Experts on National Accounts.
5. The provisional agenda was adopted.

## II. Organization of the meeting

6. The aim of the 2022 meeting of the Group of Experts on National Accounts was to inform about the progress of the update of the 2008 System of National Accounts (2008 SNA) and the Balance of Payments Manual, 6th Edition (BPM6) and the outcomes of recent global consultations of guidance notes. The meeting discussed new developments and upcoming guidance notes in the areas of Communication, Globalization and Digitalization. As part of the SNA research agenda, the meeting also discussed developments in the area of Well-being and Sustainability and reviewed recent progress in relation to measuring the informal economy in the context of the update of the 2008 SNA and the BPM6.
7. The following substantive topics were discussed during the four online sessions:
  - Update of the System of National Accounts 2008 and Balance of Payments Manual 6th Edition
  - New developments in communication, globalization and digitalization
  - Well-being and sustainability, and
  - Informal economy

## III. Summary of the main conclusions reached at the meeting

8. The main conclusions of the meeting are given below. All documents for the meeting are available at: <https://unece.org/info/Statistics/events/362758>

## **A. Update of the System of National Accounts 2008 and Balance of Payments Manual 6th Edition**

9. Gerard Eding (Statistics Netherlands and chair of the UNECE Steering Group on National Accounts) chaired the session and James Tebrake (IMF) acted as moderator. The presentations were provided by UNSD, and the Lead Editor and the Project Manager of the SNA Update.

10. The session informed participants about the project plan and proposed structure of the revised System of National Accounts (SNA) and Balance of Payments Manual (BPM). It provided an opportunity to take account of the progress achieved in the last year, appraised on current and planned activities and thanked all countries that have provided comments and inputs to the SNA Update.

11. The SNA update is conducted in parallel with the BPM update, and they both have a target date of March 2025. Designated task teams are preparing guidance notes on the priority issues of the SNA research agenda. These guidance notes are sent for global consultation with all countries and are subsequently approved by the Advisory Expert Group on National Accounts (AEG) and where relevant, by the IMF Committee on Balance of Payments Statistics (BOPCOM) before endorsed for inclusions in the revised SNA and BPM.

12. The meeting recognized the significant progress achieved in the last year with the task teams progressing their work on the agreed guidance notes and the project manager, lead editor and editorial team taking up their tasks. For 20 guidance notes, the full process has been completed and they have been endorsed by AEG. For another 25 guidance notes, the consultation has been completed and the results are now analysed. Three guidance notes are currently underway for global consultation and another 13 will follow in the next three months. It is expected that this process would be completed by early 2023 and a complete set of consolidated recommendations be sent to countries for comments in the second half of 2023.

13. The drafting of the 2025 SNA will start in the second half of 2022 with developing outlines of the new and revised chapters. The SNA editorial team will work in close collaboration with the BPM team and will also make sure that governments finance statistics, environmental economic accounts and monetary and financial statistics communities are involved in the drafting process when relevant. Active involvement of different user groups is important. A complete draft of the 2025 SNA will be sent to countries for comments in 2024 with a view of presenting it for approval to the UN Statistical Commission in March 2025.

14. The 2025 SNA will have both digital and paper versions. The digital format was very much welcomed by the participants. One advantage, that should be further discussed, is the possibility to add links to concrete examples or compilation guides, helping compilers better understand the concepts introduced in the core part of the manual.

15. The digital format could possibly also allow more frequent updates but, taking into account the amount of work in implementing the new guidelines, any updates should be very carefully considered and possibly avoided at least during the first few years after the publication of the new manuals. However, the opportunities and flexibility the digital format allows, should be considered and utilised in the future.

16. The importance of testing the guidance notes was stressed and discussed during the session. Some countries have already tested some of the new guidelines. It will be very important to get more countries involved in testing and helping finalising the new guidelines. At the same time, countries emphasised on the usefulness of sharing the testing results among all community. All countries were invited to take part in this common effort.

## **B. New developments in communication, globalization and digitalization**

### **1. Communication**

17. This session was chaired by Sanjiv Mahajan (ONS UK) and moderated by Eric Metreau (World Bank). Presentations were provided by SNA Update Communication Task Team (CMTT), ONS UK, United States Bureau for Economic Analysis (US BEA), Eurostat and IMF.

18. The communication and understanding between and across producers of economic statistics is key as well as between and across users. However, the primary focus of the Communication Task Team is the communication and links between producers and users of national accounts.

19. Different users have different needs and statistics has to be communicated in various ways to best suit them. Some national accounts users are only interested in receiving real-time data. Others require long and consistent time series and backward data revisions should be done with prior notice and explanation.

20. National statistical offices have a wide range of users and need to improve the effectiveness of communication – what to communicate and how to communicate. There is evidence supporting the need to improve the effectiveness of producers’ communication to users, e.g., UK Economic Statistics Centre of Excellence findings of the public understanding of economics and economic statistics.

21. The CMTT has developed three guidance notes: Measuring Alignment; Terminology and Branding; and Taxonomy. The first two, including the results of their global consultation, were presented and discussed at the session. The global consultation and other discussions have provided a lot of rich and detailed feedback, from supportive to disagreeing and providing alternative proposals. In particular, the proposals on Terminology and Branding received many reactions. In this respect the impact of translation of terms into other languages should also be taken into account. This feedback, as well as appropriate results from testing, will be incorporated in revised versions of the guidance notes that will be submitted for endorsement to the October 2022 Joint AEG/BOPCOM meeting. It is worth noting that a further guidance note emphasising the prominence of net measures versus gross measures and the use of these terms will be developed by CMTT.

22. The country presentations from US and UK showed different approaches to communicating statistical issues and messages to various user groups. The communication of new products like real-time indicators and of existing products, as well as quality related issues, were also covered in the session. There are new channels supplementing existing ones that are utilised to help, such as social media, YouTube, etc.

23. While statistical producers cannot address all aspects of users’ knowledge, they should attempt to make national accounts more approachable than they presently come across, e.g., “contribution made by industries to the economy” could be more understandable to non-expert users than “current price GVA at basic prices”.

24. The excellent responses by NSOs and national central banks (NCB) to the COVID-19 crisis led to the development of many new and timely products but also raised challenges related to users’ expectations of the quality of the new flash indicators compared to official statistics. This challenge could be met though effective communication on the methodology and limitations of the measures, in order to minimize surprises and adverse publicity.

#### *Compilers’ Hub and User Conference*

25. The Compilers’ Hub will be a good, key and useful tool in facilitating the implementation as well as the communication of the new standards. IMF is working on more detailed technical requirements and a first version is expected to be released in the end of the year.

26. The Global User Conference “Macroeconomic Statistics for the Future” will be organized in Brussels on 10 – 11 November. It will give opportunity to high level users and directors of NSOs and Statistics Departments from all over the world to engage in the SNA Update.

## **2. Globalization**

27. This session was chaired by Michael Connolly (Central Statistical Office (CSO) of Ireland) and moderated by Jennifer Ribarsky (IMF). It included presentations from the SNA Update Globalisation Task Team (GZTT), Statistics Indonesia, CSO of Ireland, and National Institute of Statistics, Geography and Informatics (INEGI) of Mexico.

28. The session consisted of two parts. The first part provided a review of the work of the GZTT, followed by two country presentations, which provided examples of the GZTT recommendations on highlighting the activities of multinational enterprises (MNEs).

29. The work programme of the GZTT is largely completed. A lot has been done to improve the presentation of MNEs' data in the accounts and isolate their impact on the economy. Most of the recommendations of the guidance notes were broadly welcomed by participants, however, some questions regarding the recommended treatment of residency of Special Purpose Entities (SPEs), particularly where the SPE held intellectual property assets, were raised.

30. The presentation by INEGI, Mexico illustrated the value of following the recommendations in G.7 Global Value Chains, Trade in Value Added and Extended Supply and Use Tables (SUTs). It was particularly informative around what is possible in terms of extended analysis of SUTs, where each industry was presented by its export intensity, size class and ownership. The presentation by Indonesia provided an example of extensions to the institutional sector accounts, where foreign MNEs and foreign non-MNEs were separately presented from domestic corporations' activity in the non-financial corporations' sector (S.11).

31. The second part of the session related to the guidance note G.9 – Recording of Marketing Assets. A presentation by IMF highlighted the challenges in measuring these assets and discussed the work currently in progress. The establishment of a task force was discussed, and participants were asked to consider joining the group and contributing to the work. Additionally, two virtual workshops on the topic will be organized on 28 and 30 June (interested countries could receive further information from [sna-globalization@imf.org](mailto:sna-globalization@imf.org)). It is expected that the workshops will elaborate a questionnaire, which will be launched to all countries in September 2022.

32. The presentation by Ireland provided a financial accountant's perspective of the recording of marketing assets. Three scenarios were considered: i) where marketing assets arise from a market transaction; ii) where the assets emerged from merging of entities or iii) where assets might arise from internal work of a company. In the first case the international accounting standard (IAS) 38 recommended that these assets be recognised, and their market price is used to value them. However, for the internally created assets the directive to the accountants is not to recognise the assets and simply expense them i.e. treat them as intermediate consumption. In this case there will be difficulties for statisticians to collect the data from respondent enterprises as the accountants will not be compiling the data for their own purposes.

### **3. Digitalization**

33. This session was chaired by Erich Strassner (US BEA) and moderated by John Verrinder (Eurostat). The session included contributions from the SNA Update Digitalisation Task Team (DZTT), OECD, ONS UK and Statistics Netherlands.

34. Digitalization's disruption of business and society, with widespread impacts on labour markets as well as changes in production and consumption patterns creates the need to bring better visibility to digitalization in the next update of the SNA. The session included an update from Eurostat on the DZTT efforts to address the draft recommendations on several prominent research areas, including the recording of data, the treatment of artificial intelligence and cloud computing, as well as the recording of "free" services.

35. The OECD presented the conceptual definition and measurement framework for recording data as a new form of intellectual property product and addressed estimation methods. The ONS UK introduced a new Digital Economy Survey that will enable better measurement of the digital economy, describing the composition of the survey and the timeline to review results. The Netherlands presented on new Supply-Use Tables and

macroeconomic indicators based on the SUTs while also overviewing highlights and challenges of the work as well as the way forward.

36. Participants welcomed the contributions to the digitalization session and agreed on the need to continue progress on a range of digitalization agenda items. These include both the conceptual guidance and practical measurement approaches especially on recording and valuing data in the National Accounts and producing digital economy satellite accounts. The complexity of issues continues to challenge our existing frameworks and measurement approaches. However, there was also an emerging consensus that the way forward continues to be on the right path as the topical area iterates toward the 2025 Update of the SNA.

37. The session also made clear the need to experiment and take new approaches to produce new and innovative statistics on the digital economy and applauded efforts at the country level to tackle the challenge through new surveys and data collections as well as through making use of existing data in new ways. It became apparent that there is commonality in approaches emerging on how to estimate digital SUTs and macroeconomic indicators. Countries were invited to engage in and provide input to ongoing discussions on the research agenda on digitalization and to continue their own experimentation on digitalization agenda items.

#### **D. Well-being and sustainability**

38. The session was chaired by Jorrit Zwijnenburg (OECD) and Catherine van Rompaey (World Bank) and moderated by John Mitchell (OECD). Presentations were provided by the SNA Update Task Team on Wellbeing and Sustainability (WSTT), Statistics Canada, US BEA, SNA Update Lead Editor, World Bank, Midsummer Analytics and MetricsForTheFuture.com.

39. The session focused on the state of play of and zooming in on specific topics addressed by the Task Team on Well-being and Sustainability, i.e. (1) unpaid household activities, (2) health care, (3) environmental economic issues, and (4) the development of a broader framework for well-being and sustainability.

40. The presentation by the WSTT showed that there is an increasing demand to better reflect well-being and sustainability issues in the System of National Accounts. For that reason, well-being and sustainability is one of the priority areas within the SNA Research Agenda and a dedicated task team is working on guidance notes on specific topics. A lot of work has already been done, with several guidance notes available for global consultation over the past months. The remaining guidance notes will be released in the coming period, specifically focusing on environmental-economic issues and the development of the broader framework.

41. The presentation on unpaid household activities focused on work conducted by Statistics Canada to produce estimates of the economic value of unpaid household work in Canada for 2015 to 2019. It presented the basic methodology results, also highlighting some of the key challenges in compilation. It showed that this type of information is very important to the discussion on inclusive economic performance and inequalities in the assigned economic value of population groups, jobs and activities in society.

42. The presentation on health accounts focused on activities by the US BEA to compile a set of supplemental statistics in a Health Care Satellite Account. The aim was to better measure spending trends and treatment prices and to give policymakers, researchers and the public a new perspective to understand the economics of health care. The satellite account measures US health care spending by diseases treated (for example, cancer or diabetes) instead of by the types of goods and services purchased (such as doctor's office visits or drugs), which are covered in the standard supply-and-use tables.

43. The presentation on environmental-economic accounting by the Lead Editor of the 2008 SNA Update provided information of the various work streams on environmental-economic accounting, covering important issues such as the recording of emission trading schemes, accounting for biological resources and for renewable energy resources, how to determine the economic ownership of natural resources and account for their depletion, and

the valuation of mineral and energy assets in general. The presentation touched upon the main recommendations for each topic. Participants were informed that many of these guidance notes will be launched for global consultation shortly, with specific webinars organised for the accounting of biological resources and renewable energy resources, given the complexity of these two topics.

44. The session on the broader framework contained a presentation by the World Bank and Midsummer Analytics on the World Bank's Changing Wealth of Nations program, and a presentation by the owner of MetricsForTheFuture.com (and author of 'Replacing GDP by 2030') on the best approach to provide more insights into well-being and sustainability issues in relation to the SNA Update. The first presentation showed how traditional SNA wealth concepts can be broadened beyond produced capital and net foreign assets to include innovative measures of an increasing range of natural capital assets, along with estimates of human capital, therewith providing an important complimentary tool for policy analysis directly addressing sustainability. The second presentation provided some historical context on initiatives to develop a broader framework, including well-being and sustainability elements, and showed how this topic can be approached from multiple angles. It also stressed the importance of keeping an open mind regarding future users of this information (not only targeting traditional national accountants) and of thinking carefully about the narrative of the broader framework.

45. The presentations and subsequent discussions underlined the importance and high policy relevance of information on well-being and sustainability. They also showed the multidimensional character, with the work covering topics in the area of health care, education and unpaid service work, as well as addressing environmental-economic and inequality issues. The presentations provided insight into specific recommendations, included in the guidance notes, as well as practical examples of countries compiling results on some of these topics. Furthermore, they showed how this information can be presented in a coherent and consistent way, together with the more traditional macroeconomic measures, in a broader framework.

46. While a lot of the work has already been done, in the coming months new guidance notes will become available for global consultation. For two of them, specific webinars will be organised to explain the guidance in more detail. Participants are encouraged to join the webinars and to contribute to the consultations, as this will provide insight into whether the recommendations address the relevant issues and user requirements, as well as into the practical feasibility of the proposed guidance. Furthermore, countries are invited to express interest in testing and early implementation. This will help the WSTT assess potential challenges in compilation and to fine tune the recommendations and will also help countries in early adoption of the new recommendations benefiting from technical assistance of the WSTT. If participants have specific questions on the guidance notes or would like to express interest in participating in testing and early implementation, they are encouraged to contact the chairs of the task team (Catherine van Rompaey and Gabriela Saborio) or the Secretariat (Jorrit Zwijnenburg, OECD).

## **E. Informal economy**

47. The session was chaired by Thomas Alexander (IMF) and moderated by Sanjiv Mahajan (ONS UK) and included five very interesting presentations covering both conceptual and practical issues relating to the informal economy. It had presentations from the SNA Update Task Team on Informal Economy (IETT), National Institute of Statistics of Italy (ISTAT), Statistics Indonesia, INEGI Mexico and ILO.

48. The first two presentations - on the framework for measuring informality being developed by the ILO and on the framework being developed by AEG/BOPCOM Informal Economy Task Team (IETT) - highlighted the close collaboration between these two workstreams to promote consistency. The goal is to develop frameworks that are fully consistent. The presentations noted that there are still some outstanding issues relating especially to differences in terminology being used by the two workstreams. It is expected that these differences will be addressed before the frameworks are finalized. If all these

differences are not fully resolved, then it would be useful to at least highlight and explain them in the final guidance, so that users are aware of how the two frameworks differ.

49. The discussion also emphasized that the framework on informal economy is not a tool for exhaustive measures. Guidance on measuring the non-observed economy is well established and applied by countries, for example through the OECD Handbook Measuring the Non-observed Economy and Eurostat Tabular Approach on Exhaustiveness. Although there is a considerable overlap between the non-observed and informal economy, these two concepts are not the same. Since exhaustiveness adjustments are already well implemented, particularly in UNECE countries, some of the terms used in the non-observed economy framework (underground economy, informal sector) are already widely used.

50. The participants stressed the importance of coordination of definitions, coverage and classifications related to non-observed and informal economy frameworks. It is essential that the differences and links are explained to avoid confusions both within producers and users of national accounts. Overall checks and testing the consistency of the informal economy framework with clear reasoning which elements are included and why would also be useful.

51. In terms of testing of the IETT guidance, the availability of resources may be a major impediment to having more countries take part. When the tests will be undertaken, information on the tests should be shared broadly across countries so that they can understand the issues that have come up in the testing and take into account these issues when they begin to implement the framework. It should be stressed again that the frameworks that are being proposed are not expected to be “one size fits all” and countries are not necessarily expected to implement the frameworks in their entirety. Countries could look at the frameworks to determine what components are important to them and consider a step-by-step approach to implementation.

52. The meeting was also informed about the in-depth review on measuring the non-observed and informal economy undertaken by the Bureau of the Conference of European Statisticians (CES) and led by INEGI Mexico. The Bureau expressed full support for the work on developing a framework for measuring informal economy as part of the SNA and BPM Updates. Once the framework is adopted, there will be a need for further work to facilitate its implementation in CES member countries. The UNECE Steering Group on National Accounts should consider the best way to collect, analyse and share the experiences of CES member countries from testing the framework.

53. The country examples from INEGI Mexico and Statistics Indonesia highlighted some of the issues and challenges in measuring the informal economy, in particular the challenges in collecting information based on SNA criteria because of the nature of the units engaged in informality. Information on the practices that countries have attempted and the challenges that they face should be shared broadly among compilers so that they could develop methods and procedures to address these challenges in their own countries.

54. The presentation from ISTAT focused on measuring the underground economy and VAT-fraud. This is an issue related to illicit financial flows and although it is not synonymous with informality, may overlap with the informal economy. Therefore, it is also addressed in the IE guidance note.

55. The importance of prioritization of future steps was also stressed by the participants. Many countries recognize the need to measure the informal economy and there is demand for such statistics from policymakers. However, the lack of resources is a major issue and measuring informality is a data and resource intensive exercise. Therefore, going forward, the practical aspects on how countries may address the demand for statistics on informality should also be covered.

## **F. Other business and future work**

56. The participants are invited to continue their engagement with the discussions on the SNA update. Further comments and questions on all the documents that were presented and posted at the meeting website could be sent to UNECE ([national.accounts@un.org](mailto:national.accounts@un.org)) or the



respective session organizers and presenters. They will be considered in the update of the guidance notes.

57. The next meeting of the Group of Experts on National Accounts will be organized on 25 – 28 April 2023. Taking into account the importance of involving all countries in the conceptual and practical discussion of the SNA update issues, the agenda of the meeting will focus on the priority areas of the SNA research agenda and particularly the results of the feasibility testing and early implementation of the new recommendations by the countries. Specific issues and country experiences related to recent global developments and crisis should also be addressed. The following topics were suggested for the agenda of the meeting:

- Follow up on the SNA and BPM update
  - Testing and early implementation, implementation plans
  - Classification changes
- Globalization, digitalisation and communication
- Beyond GDP
- Informal economy
- Special issues and country experiences.

58. With respect to the last item a large range of topics and issues could be considered, for example, COVID-19, sustainable finance, geo-political changes, high inflation, energy and food prices, broken global and national value chains, technological innovation, use of new data sources, compilation of satellite or regional accounts, high frequency indicators, travel services, capitalization of research and development, etc.

59. In addition, UNECE and partner organizations should consider the organization of workshops (including virtual) on selected SNA Update guidance notes, sharing the experience from testing and early implementation, development of digital SUT, travel services, temporal and territorial disaggregation. At the same time participant highlighted the need for training workshops focusing on the implementation of the full sequence of accounts of 2008 SNA and of BPM6.

60. The participants asked the UNECE Secretariat to inform the CES Bureau on the outcome of the meeting and to follow up on the recommended further work.

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