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Group of Experts on National Accounts

Twenty-third session
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Item 1 of the provisional agenda
Adoption of the agenda and election of officers

Annotated provisional agenda for the twenty-third session

Organised as an in-person meeting at the Palais des Nations, Geneva, 23-25 April 2024.

I. Provisional agenda

1.   Adoption of the agenda and election of officers.

2.   Towards the 2025 System of National Accounts:

    (a)   Overview;

    (b)   Measuring intangible assets and natural capital in 2025 System of National Accounts;

    (c)   Globalisation;

    (d)   Digitalization;

    (e)   Well-being and sustainability.

3.   Improvement of measures of consumption of fixed capital.

4.   Subnational and regional accounts.

5.   Main revisions and benchmarking – policy and practice.

6.   Information items.

7.   Conclusions, next steps, and adoption of the report.

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II. Annotations to the provisional agenda

1. Adoption of the agenda and election of officers

1. The meeting is organized following decisions of the Conference of European Statisticians (ECE/CES/2023/16 and ECE/CES/2023/16/Add.1) and of the twenty-second session of the Group of Experts on National Accounts (ECE/CES/GE.20/2023/2).

2. The meeting is organized by the UNECE Steering Group on National Accounts and with support from Asian Development Bank (ADB), Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT), European Free Trade Association (EFTA) and United Nations Statistical Division (UNSD).

2. Towards the 2025 System of National Accounts

(a) Overview

3. This agenda item is organized by UNSD and the System of National Accounts (SNA) Update Team. The Project Manager and Lead Editor of the SNA Update will report on progress with drafting chapters, focusing on the outcomes from the fifty-fifth session of the United Nations Statistical Commission. Further, progress with the issues addressed by the Communication Task Team and the drafting of respective chapters will be presented.

(b) Measuring intangible assets and natural capital in 2025 System of National Accounts

4. This agenda item is organized by United States Bureau of Economic Analysis (US BEA), the statistical office of the European Union (Eurostat), International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) and will include contributions by Federal Statistical Office of Germany (Destatis), National Statistical Institute (INE) of Spain, Office for National Statistics of the United Kingdom (ONS UK), US BEA and Eurostat, and a supporting paper from Central Bureau of Statistics of Indonesia (BPS Indonesia). It will focus on the implementation of recommendations pertaining to intangible assets and natural capital in the 2025 SNA and explore best practices and challenges encountered during the early implementation of the draft recommendations.

5. Though the role of data in national accounts has been discussed for many years, data as a factor of production was not recognized in the previous versions of the SNA. Considering the growing significance of data in the production process, several recommendations for the treatment of data will be included in the forthcoming 2025 SNA. *Recording of Data in the German National Accounts* by Destatis will cover the methodology and outcomes of a study funded by the European Union and conducted by the Destatis in 2023. The study assessed the feasibility of recording data in the German national accounts. Following the recommendations of the Digitalization Task Team, investments in data were estimated according to the sum of cost approach, using the labour costs plus a mark-up for other associated expenditures. The presentation will discuss the critical assumptions necessary to estimate the labour input, as well as the mark-up factor. Results for gross fixed capital formation, consumption of fixed capital, and capital stocks along with the impact on important national accounts aggregates under different scenarios, will be presented. Additionally, the challenges and limitations of the estimation method, and forthcoming work planned at Destatis will be outlined.

6. Growth and productivity analysis models based on production factors (labour and capital) require the incorporation of all existing forms of capital, both tangible and intangible, which underscores the interest in such estimations. Intangible assets are well identified in economic literature. An essential subset of intangible assets resides within marketing products, encompassing brand names, trademarks, logos and digital domains. The forthcoming 2025 SNA will make a major step towards classifying certain intangible assets, previously labelled as non-

produced, as produced assets. This shift in classification will have substantial effect on the delineation of assets within the economic system, altering the contours of macroeconomic aggregates on a national scale. *Measuring intangible assets in the Spanish economy: marketing assets* will describe the proactive approach taken by INE of Spain in addressing these challenges. The ongoing research delves into exploring diverse sources and estimation methodologies to quantify the flows and stocks associated with these intangible assets. Through this initiative, INE aims to develop implementation protocols that can effectively incorporate intangible assets into the Spanish national accounts. The paper will present the project's status, investigated sources and methods, preliminary results and future lines of action.

7.   *Developing practical compilation guidance on Data as an asset* by Eurostat will present for discussion the advancement of the work undertaken by a recently established international Task Team. The inclusion of data as a new asset class is one of the main innovations planned for the 2025 SNA. While concepts are well defined, the practical compilation of data assets is only in its initial stages in many countries. Hence, several practical issues must be addressed to assist countries estimate the value of data assets in nominal and in volume terms and the value of capital stock. For data assets produced on own-account, agreement is sought on various cost components and other crucial parameters. To improve international comparability, Eurostat and the IMF have set up an international Task Team that is developing practical recommendations for a harmonized compilation of this important component of modern economies. The work is expected to be finalized by the end of 2024.

8.   Expanding the asset boundary to include data is important for measuring the digital economy and is a key feature in the 2025 SNA. BEA has been conducting research on measuring data -gross fixed capital formation, prices, and depreciation. *Estimating data as an asset – recent research from BEA* will discuss the latest results and methods and seek feedback from other countries on this important topic.

9.   *Developing estimates of depletion for the UK natural capital accounts* by ONS UK will elaborate on the methods to estimate the physical and monetary values of depletion for natural assets. Constructed along an ecosystem service framework, in line with the UK natural capital accounts, this will supplement existing accounts as recommended in the SEEA framework. The ambition of this project is to robustly estimate depletion for as many natural assets and ecosystem services as possible and ultimately generate aggregate results for the total cost of human induced environmental depletion of UK natural assets. Key challenges, the paper will seek to address, include applying SEEA methods to data sources and the adjustments required for practical implementation, along with conceptual improvements to the models. Generating estimates of depletion enable the derivation of augmented aggregate economic indicators such as net adjusted savings and net inclusive income, which deduct depletion from the corresponding gross economic metrics. Adjusting standard economic indicators is currently an area of great interest in the global accounting community, extending the concept of wealth to include natural wealth and sustainability, these alternative indicators often being viewed as better measures of societal, economic and environmental progress. The ONS depletion project contributes to this workstream. Changes to the SNA in 2025 are expected to see depletion play a more significant role in national accounts.

10.   The discussion will also take into account the supporting paper *Valuation of Renewable Energy Resources* by BPS Indonesia, describing the main data sources and the methods to provide monetary estimates of renewable energy resources in Indonesia.

(c)   Globalisation

11.   This agenda item is organized by US BEA and IMF and will include contributions by Central Bank of Costa Rica, Central Statistical Office (CSO) of Ireland, National Institute of Statistics of Italy (ISTAT), US BEA, European Central Bank (ECB), Joint Research Centre of European Commission (JRC) and Eurostat. It will focus on 2025 SNA areas identified for early implementation and recent efforts to develop new analytical tools and statistics.

12.   In the context of globalisation, the interest is focused on institutional units belonging to multinational enterprises (MNEs), whose activities might induce specific dynamics of analytical interest and distort the traditional macro aggregates. *Compilation modalities for Foreign-controlled Non-financial Corporations (FCC) in the euro area* by ECB will describe a study on developing information on FCC as part of financial accounts and external, which aims to improve the user serviceability of macroeconomic statistics for globalisation analysis. The study has been finalised in mid-2023 with an implementation plan for estimating quarterly balance-sheet stocks and flows for FCCs fully integrated with balance of payments and financial sector accounts. Different levels of national developments in terms of existing data sources and statistical capacity pose specific challenges to data producers, thereby adopting similar or different approaches in the data compilation. The compilation study put forward a list of recommendations on sources and methods for FCC statistics in the euro area and the EU, including an implementation framework that combines an initial data set, with reduced coverage, and a subsequent incremental and gradual increase in coverage.

13.   *The importance that lies beneath the national level: FIGARO-REG and the exposure of regions* by JRC will present the use of the FIGARO-REG database to produce for the first time a single exposure indicator at regional level. It will show for a specific region the relevance of its exports via third countries and maps its dependence with respect to other regions and non-European Union (EU) countries such as China, Russian Federation, etc. Such information is interesting to policymakers in order to understand the exposure, dependence and vulnerabilities not only for countries but also for regions.

14.   *Linking data sources to produce trade statistics according to enterprises characteristics by* Central Bank of Costa Rica will describe how three different data sources are integrated in order to obtain data on companies involved in international trade. This type of data is crucial for a small, open economy as Costa Rica that has always been focused on integration in external real and financial markets. The company's identifier serves as a unifying variable, linking customs information from General Customs Office, Economic Variables Register from Central Bank and information from digital invoices of the Ministry of Finance. The data linkage allows foreign trade information to be presented by different categories such as: economic activity, type of trader, size class, partner country, among others and the calculation of the import matrix. Exports of services comprise over 40 per cent of all exports in Costa Rica. A challenge is to incorporate foreign trade in services through a gradual approach. The process will initiate with the export products of free trade zones and gradually extends to encompass the rest of the economy.

15.   Large cases units (LCUs) and similar organisational structures are usually set up as a response to the challenges of globalisation, not only to correctly delineate multinational enterprise (MNE) groups structures but also to ensure that data on such groups are recorded and disseminated in a consistent way. The collaboration and coordination between the statistical domains at national level but also across different countries is an essential precondition to achieving consistent MNE data. *LCUs in EU and EFTA countries* will present how Eurostat has been supporting several collaborative activities between EU countries to help them either to set up or further advance with LCUs. The presentation will also outline how national statistical authorities in EU and EFTA countries organise national LCUs or similar structures, as well the different tools that can facilitate automatic data validation. Eurostat has established the European Network of Multinational Enterprise Groups Coordinators in 2021. This network brings MNE-related experts together from different statistical domains. They cooperate closely to ensure that the MNE groups data collected in different statistical processes is consistently treated in official statistics. Eurostat will also present its ongoing dissemination activities related to experimental statistics on MNE groups.

16.   *Global Supply Chains: New Resources and the Path Forward* by US BEA will provide an overview of the status and preliminary results from BEA active Global Value Chains (GVC) related projects as well as a look ahead at possible future research efforts. The 2025 SNA provides important new recommendations on globalization, including on Trade in Value Added (TiVA) statistics and related topics. Related to these recommendations, the US BEA worked with the US

National Science Foundation to develop and begin regular publication of prototype national TiVA statistics. In recent years BEA is also actively engaged in related efforts to extend and improve the supply and use table (SUT) framework that underpins these statics, including work on an MNE-based extended SUT (eSUT) and a collaboration with colleagues from Statistics Canada to develop a regional US-Canada SUT. In addition, BEA is now deploying additional resources to develop new products and improve existing products relevant for understanding globalization and global value chains.

17.   *Using extended Input-Output Tables (eIOTs) to measure the impact of Global Value Chains (GVCs) participation on the Italian economy* by ISTAT will demonstrate the potential of eIOTs in measuring the impact of GVCs and accounting for heterogeneous effects on both different industries and different typologies of business unit. The first part will present the procedure applied to derive eIOTs using the information from the eSUTs. It allows to obtain eIOTs, which are fully consistent with official national accounts and, at the same time, allow increasing data granularity for each dimension: domestic trade relationships among industries, international trade relationships by industry and country, formation and distribution of income by typology of firm. The second part of the paper will show how eIOTs can be used to measure the impact of GVCs participation on the Italian economy. Indeed, by using eIOTs different simulations can be done in order to measure the extent to which the GVCs participation concurs to generate value added and income. In particular, using eIOTs allows to extend the analysis to account for the heterogeneous effects for both different industries and different types of firms. This permits to obtain a high-resolution map of the impact of GVCs participation on the Italian economy.

18.   Ireland is a highly globalised economy, hosting an unusually high concentration of foreign-owned MNEs relative to its international peers. MNE's influence on the Irish economy is multifaceted – foreign companies provide investment, generate employment and pay taxes, among other influences. A key difficulty with measuring domestic economic performance lies in distinguishing MNE activity that has a tangible impact on the domestic economy from activity that does not. *Ireland's National Accounts in the Context of Globalisation* by CSO of Ireland will demonstrate that Net national Income (NNI) is a useful measure of the domestic Irish economy because it excludes the globalisation effects associated with reinvested earnings and depreciation, while these are included in gross domestic product (GDP). NNI is more suitable than other aggregate measures (e.g. Gross National Income*), which are published only in Ireland because it allows international comparability.

(d)   Digitalization

19.   This agenda item is organized by Eurostat and IMF and will include contributions from Statistics Finland, Hungarian National Bank (Magyar Nemzeti Bank – MNB), Asian Development Bank (ADB) and IMF. It will focus on related topics that feature prominently in the 2025 SNA, including development of digital economy satellite accounts and measuring marketing assets. The aim is to share countries' experiences on early implementation of the related recommendations, stimulating a discussion on data sources, estimation methods, and how the stakeholder community is responding to the increased visibility of the digital economy in macroeconomic statistics.

20.   *Challenges of Production Boundary for Intangible Assets* by Magyar Nemzeti Bank will examine the important role of intangible assets in globalisation, digitalisation and environment protection. It will try to clarify and discuss several aspects relevant to the statistically appropriate recording of intangibles such as treatment of intangible assets bought and held purely for sale and not intended to be used in production, recognition and classification of non-produced non-financial assets at the entry point in the balance sheets, linking production related to intangible assets (especially in case of Special Purpose Entities) to labour inputs. The economically meaningful recording, particularly in respect to macroeconomic indicators such as foreign direct investment (FDI) and productivity, will be considered.

21.   *The Development of the Digital Supply and Use Tables for* Georgia by ADB will be devoted to the efforts to contribute to the ongoing initiatives of the global statistical community aimed at advancing the development of Digital Supply and Use tables (DSUTs). Given the widespread economic implications of digitalization on various facets of the economy, its measurement in the macroeconomic accounts is imperative for appropriate policymaking. Therefore, one of the major recommendations in the upcoming 2025 SNA is to highlight the relevant digital products and activities through the compilation of DSUTs. To support this effort, the ADB provided technical assistance to its developing member countries to measure the effects and economic implications of digitalization on their economies. The ADB collaboration with the National Statistics Office of Georgia resulted in compilation of initial DSUTs for Georgia. The SUT at current prices for reference year 2018 was used as a starting point. The primary data sources used for compilation of SUTs, such as business surveys, intermediate consumption surveys, and tax data were supplemented by other special datasets such as the Enterprise and Household information and communications technology (ICT) usage surveys. For the identified digital intermediary platforms, financial statements were also utilized. Disaggregations are then obtained from the data and applied to the standard SUTs for the derivation of corresponding estimates for the digital industries and products. The compilation process of the DSUTs and the standard SUTs are not yet aligned, hence, majority of the challenges encountered during the initial compilation were primarily attributable to the lack of detailed information required by the DSUTs framework. Acknowledging these data gaps, the results are still considered experimental and further work needs to be done on developing the data sources.

22.   *Digital economy Supply and Use Tables* by Statistics Finland will describe the research undertaken in order to develop methodology and compile first results for the digital economy supply and use tables in Finland. The chosen reference period is year 2018. The results should be considered as experimental and as a first attempt on measuring the multiple aspects of digital supply and use tables. The newly defined digital products, that are ICT goods, priced digital services, cloud computing services and digital intermediary services, were examined and compiled where possible. Estimates on six newly defined digital industries were made. The products beyond the 2008 SNA, such as data assets, were not included in the scope of the work. The presentation will focus on the main methodology, results, issues, and insights in compiling the experimental statistics on digital economy supply and use tables in Finland.

23.   *Marketing Assets: Progress Report* by IMF will introduce the work of the respective task team on developing a Handbook on Measuring Marketing Assets. The outline of the Handbook will be presented to the participants.

(e)   **Well-being and sustainability**

24.   The agenda item is organized by Statistics Canada, OECD and World Bank and will include contributions from Central Bank of Armenia, Central Bank of Costa Rica, Reserve Bank of India, National Institute of Statistics and Geography (INEGI) of Mexico, ONS UK and ADB. It will focus on the implementation of recommendations in the area of well-being and sustainability as part of the 2025 SNA, exploring best practices and discussing specific challenges in compiling results related to unpaid household activities, distributional accounts, labour, education and human capital and environmental-economic issues as well as learning from countries on how to best present these results in coherence.

25.   One of the dimensions of subjective well-being is related to the to the quality of the environment. *Well-being and sustainability* by INEGI will walk through the history of producing statistics on the status of the environment and natural resources in Mexico. In 1991, with the technical support of the World Bank and the United Nations, Mexico participated the first international case study on the subject, which lead to development of macroeconomic variables such as the environmentally adjusted Net Domestic Product (NDP) and Environmental Protection Expenditures. Today there is great interest in measuring aspects related to ecosystems, which is why during the period 2017-2021 Mexico, through the United Nations project "Natural Capital Accounting and Valuation of Ecosystem Services" (NCAVES), participated as a pilot country in

the development of ecosystem accounts. The first results of ecosystem accounting in Mexico were disseminated in October 2021, and in August 2023 were expanded and updated to the 2002-2021 series. The inter-institutional and interdisciplinary cooperation was very important for the realization of this project, as well as the use of economic, environmental and geographic information. For this reason, collegiate working group is established whose objective is to contribute to the development and use of statistical and geographical data on economic and environmental matters of ecosystems, to address gaps and information needs and ensure compliance with national and international commitments.

26.   In a world where policymakers increasingly need to consider the trade-offs between the economic, environmental and social realms, *UK experiences in presenting coherent 'Beyond GDP' estimates – Inclusive income 2006-2019* by ONS UK will propose measures of wellbeing and sustainability by applying proven methods from the SNA to a wider set of pre-existing UK data, accepting that activity outside the market can be measured and accounted for in a similar fashion. Two new measures are proposed: Gross Inclusive Income (GII) and Net Inclusive Income (NII), broadly comparable to GDP and Net National Disposable Income respectively, with extended asset and production boundaries. The approach incorporates many of the new areas articulated in the forthcoming SNA update, including an expanded suite of intangible assets, incorporation of unpaid household service production into the production boundary, and expansion of the production and asset boundaries to include additional natural capitals and their ecosystem services. This paper presents and comments on experimental results, revealing remaining statistical challenges and policy trade-offs. The substantial shift out of market-based activity towards home production, for example may help reveal new causes for the UK productivity puzzle, whilst the combining of carbon emissions and carbon prices in a volume framework reveals that the UK's net contribution to atmospheric degradation continues to grow, despite falling emissions, because the price of emissions has grown at a faster rate.

27.   *Measuring Unpaid Household Work in Bangladesh* by Asian Development Bank will explore the estimation of the value of unpaid household work in Bangladesh in line with recent recommendations in international statistical manuals. Unpaid household service work includes both own-use production work and volunteer work, which necessitates distinct measurement and valuation methodologies. The study also addresses issues such as multitasking and market valuation methods by employing both input and output approaches in accordance with the *Guide on Valuing Unpaid Household Service Work* (UNECE 2017) and the Inter-secretariat Working Group on National Accounts Recommendation WS.3 Unpaid Household Service Work. The primary aim is to estimate unpaid labour input in key areas such as housing, nutrition, clothing, care, and transport. By utilizing data from diverse sources, including surveys and administrative data, the study contributes to a more comprehensive understanding of economic productivity in Bangladesh, highlighting the often-overlooked dimension of unpaid household service work.

28.   Currently, the system of national accounts in India does not include labour and human capital indicators. Studies by the OECD, World Bank and IMF have emphasized that national accounts statistics should move 'beyond GDP' and close the gap between aggregate production, wellbeing, and sustainability. In the post covid pandemic world, it is even more relevant to understand why countries should invest more in labour and human capital to prevent the erosion of hard-won gains. *Measuring the Contribution of Labour Composition in Gross Value Added – The Human Capital Approach* by Reserve Bank of India will review the issues in constructing an indicator of human capital for India. Several challenges remain, for instance, the gaps in back series of employment data, the non-availability of information on the earnings of different category of workers especially self-employed workers. To fill the gap, the first step for constructing a human capital index would be to have an industry-level accounts of labour composition index that distinguishes different labour types on the basis of the embodied human capital.

29.   Aggregated presentation of macroeconomic indicators does not reflect disparities between different types of households. The further disaggregation and development of household distributional accounts can help in providing better information and responses to questions such

as who is benefiting from growth and employment and how the benefits of economic activity are distributed across households. The distributional information available from micro statistics, may not always be consistent with the indicators at macro level, which describe economic wellbeing. *Estimation distributional results of household sector in Armenia* by Central Bank of Armenia will introduce the study that tries to bridge micro and macro data for deriving distributional results of household sector and align these indicators with aggregated macro indicators, using the methodological recommendations of the Joint OECD-Eurostat Expert Group on Disparities in a National Accounts framework (EG DNA). The presentation will provide an overview of the steps to compile the adjusted indicators, harmonization of micro and macro data and compilation of experimental distributional indicators for household consumption based on national accounts, Household's Integrated Living Conditions Survey (HILCS) and administrative data.

30.   *The distributive national accounts of households for Costa Rica* by Central Bank of Costa Rica will focus on the development of distributive measures of income, consumption, and savings by income quintile, gender, and economic activity of the households. The methodology employed for presenting initial experimental results integrates micro and macro data sources, following the recommendations of the EG DNA. The findings points that only households in the fifth quintile exhibited a positive savings rate. Meanwhile, households with shared leadership displayed the highest saving rate compared to households led by men (although the latter showed the highest concentration in terms of savings), while those led by women exhibited a negative saving rate. By economic activity, the highest saving rate was generated by real estate activity, whereas domestic services had the most negative saving rate.

31.   The discussion will also cover the supporting paper *Valuation of Unpaid Household Activities* by Reserve Bank of India, which attempts to measure the value of unpaid household activities carried out by women in India. The study also provides valuation of household unpaid work at sub-national level, which would improve the estimation of domestic product at the sub-national level.

3.   Improvement of measures of consumption of fixed capital

32.   This agenda item is organized by US BEA, ONS UK and Eurostat and will include contributions by Croatian Bureau of Statistics, Statistics Canada and Eurostat. It will focus on recent work to improve measures of depreciation or consumption of fixed capital (CFC). Measures of CFC will become more important because the 2025 SNA will give more prominence to net income and growth measures, such as NDP, that are net of CFC. They are also closely linked to the measurement of capital stocks. However, accurate measures of CFC are hard to obtain because they require specialized data sets, modelling assumptions and complex methodologies.

33.   *EU recommendations on fixed assets and estimation of consumption of fixed capital under European System of Accounts (ESA2010)* by Eurostat will present a short summary of the final report of the EU's "FIXCAP" Task Force, which focused on the development of practical recommendations for the compilation of stocks of fixed capital and consumption of fixed capital. The report contains an overview on the status and recommendations regarding the choice of retirement and of depreciation functions, average service lives, estimating the initial capital stock, other changes in the volume of assets, price indices and data harmonization in the EU.

34.   Data on CFC and capital stocks according to the concepts of SNA 2008 and the European System of Accounts (ESA) 2010 are often not available, therefore statistical agencies use modelling to obtain the desired aggregates. *Different scenarios of estimating the consumption of fixed capital for the government sector with possible impact on gross national income* by Croatian Bureau of Statistics will describe the different challenges that statisticians face when developing the procedures, such as insufficiently long series of gross fixed capital formation (GFCF), selection of the survival and depreciation functions, and defining the appropriate average service life of fixed assets. In addition to the above challenges, the transmission of data according to the

ESA 2010 transmission program, requires estimation of capital stocks and CFC (and thus GFCF) at the level of institutional sectors and industries.

35.   *Improvement of measures of consumption of fixed capital* will introduce the quarterly the Perpetual Inventory Method (PIM) developed by Statistics Canada to estimate the consumption of fixed capital that flows into the measurement of quarterly GDP as well as the capital stock to feed the quarterly national balance sheet. The PIM is estimated quarterly, by region, by asset and by industry using a variety of annual and sub-annual data sources, models and projection methods. This presentation will provide the estimation methodology for quarterly investment and asset specific prices as well as quarterly depreciation rates linked to our annual capital stock. It will also delve into the estimation challenges related to incorporation of the annual Supply Use tables and ensuring consistent approaches to the current period (alignment of investment, prices).

36.   The discussion will take into account also the supporting paper *A sensitivity test on stocks and CFC estimates of Italy: implementation of European recommendations for harmonization and comparability among Member States* by ISTAT describing the work carried out at improving the use of PIM method for estimating stocks and CFC in the Italian national accounts.

4.   Subnational and regional accounts

37.   The agenda item is organized by Statistics Canada and ONS UK and will include contributions by Statistics Canada, INEGI Mexico, Statistics South Africa, ONS UK and supporting papers BPS Indonesia and ISTAT. Increasingly, users are requesting more granular data. Sub-national (or regional) data are of particular importance. Sub-national data provides important information on the socio-economic health of various parts of a country and is increasingly sought to make policy decisions, investment decisions and is valued by the regions themselves. This agenda item will highlight work that has been done in the area of regional data, the challenges in measuring activity at such a level of granularity and solutions to these challenges.

38.   *Estimation of regional gross domestic product for South Africa: experimental estimates 2013-2022* will present a multi-phase project launched by Statistics South Africa to revive the GDP by region (GDPR). There is continued demand for granular macroeconomic data, which are used to compare the state of regional economy and aid policy development, investment decisions, and academic exercises. The production of GDPR series in South Africa started in 2002 and ceased in 2021, with 2019 being the latest year for which the data are available. The discontinuation of the series was due to a benchmarking and rebasing exercise, which was the first comprehensive review of national accounts since the centralisation of GDP estimates in Statistics South Africa. It resulted in an upward revision in the size of the South African economy and changes to the composition of both the supply and demand sides of economic activity. Following the review, a new project to re-establish GDPR estimates started with an assessment of available data sources and development of methodology. At the second stage the methodology together with experimental results are open for public discussion and consultations within each of the nine regions of South Africa. The results of these engagements will strengthen the experimental results before the publication of official GDPR estimates in 2024.

39.   *Disaggregating UK annual Gross Value Added (GVA) to lower levels of geography* will introduce recent work by ONS UK aiming to produce more timely, granular and harmonised subnational statistics. The work is part of the Subnational Data Strategy launched in December 2021 as a response to Government's ambition to improve subnational data and improve transparency and accountability. Within ONS, the Granular Local Statistics (GLS) workstream was set up, whose aim is to transform the national accounts by increasing the granularity of subnational statistics, for areas as small as 400 to 1200 households. A significant part of this workstream has been developing granular estimates of GVA providing UK wide data at a lower level than ever before. Data at middle level of disaggregation was published in 2021, but due to

methodological challenges including statistical disclosure, data for lower levels of geography were not produced.

40. *Sub-national accounts* by Statistics Canada will focus on data sources and estimation challenges as well as highlight the particular difficulties with regional measurement during the pandemic and recovery period with high inflationary pressures and differing impacts among the different regions. There are 13 regions within Canada, each with very different economies and dependencies. At Statistics Canada develops an extensive set of accounts by region, including GDP by income, by expenditures (nominal and real) and value added, as well as household sector current and capital accounts. However, there are issues with respect to regional price differences, conflicting signals, and measurement of inter-regional trade. Some regions are relatively small, and their economies are focused on one or two main sectors, which adds to the measurement complexity.

41. *Quarterly Indicator of Economic Activity by State (QIEAS)* compiled by INEGI Mexico is a short-term indicator that provides a general overview of the macroeconomic situation and the evolution of the economy of the states of the country. In addition of providing greater temporal disaggregation, QIEAS can also be considered an advance calculation of GDPR broken down into three types of economic activities (primary, secondary and tertiary) and sectors. The estimates are compiled in accordance with the methodology of the 2008 SNA, the Eurostat Manual on Regional Accounting Methods and the IMF Quarterly National Accounts Manual: Concepts, Data Sources and Compilation. The QIEAS data are available since the first quarter of 2003 and are expressed in physical volume indices with a fixed base year 2018=100. The results are published approximately 120 calendar days after the end of the reference quarter, thereby complying with the Special Standards for Data Dissemination (SDDS) of IMF.

42. The agenda item will also include supporting papers by BPS Indonesia and ISTAT. *The Compilation of Quarterly GDPR of Regencies in Indonesia* will inform on the approach and methodology developed to further disaggregate the GDPR compiled for 34 provinces to the level of 514 regencies. This resource intense exercise is undertaken to respond to high demand for timely and detailed economic data at the regency level to inform regional policies. *A regional estimate of General Government GFCF of Italy: different strategies for different assets and subsectors* will describe the work carried so far to implement regional estimates of General Government sector GFCF in line with the recommendations of the Eurostat Task Force On Regional Investment. The analysis was firstly aimed at regionalizing the GFCF expenditure in infrastructures, and later also focused on remaining assets such as on weapons and Research & Development.

5. Main revisions and benchmarking – policy and practice

43. The agenda item is organized by Statistics Netherlands and US BEA and will include contributions by National Statistic Service of Republic of Armenia (Armstat), Statistical Institute of Belize, Central Bank of Costa Rica, US BEA and Eurostat. It will focus on country experiences with conducting comprehensive and benchmark revisions and identifying ways to improve the process going forward. Benchmarking statistics to periodic dated economic censuses is extremely costly to national statistical offices and places substantial burden on census respondents. Current practices should be carefully evaluated, including weighing pros and cons for conducting existing benchmarking practices. Alternative methods should be presented, potentially using real-time "big" data, machine-learning techniques, administrative data, etc.

44. *Harmonized European revision practices (HERP) and preparation for the 2024 benchmark revision* by Eurostat will present the respective recommendations agreed by the European Statistical System in 2019. The presentation will stress the importance of coordinated revisions for the EU (comparability of data for EU policy/administrative uses), will acknowledge difficulties to reach coordinated benchmark revision every 5 years and advocate for a follow up discussion on how to ensure full coordination for 2029 benchmark revision which will coincide

with the implementation of the updated national accounts standards (the European system of accounts) in the EU.

45. *Main revisions and benchmarking – policy and practice: Perspectives from the U.S.* will delve into the best practices that US BEA deploys as part of the comprehensive or benchmark updates, including production and communication strategies. These updates, the last one released in September 2023, are conducted each five years and feature a number of regular elements, including benchmarking the level of GDP using the most recent Economic Census, introducing definitional and methodological improvements, and updating the reference year. The presentation will also discuss the challenges faced with a 5-year benchmarking schedule, including a lack of timely information. Ideas for future comprehensive updates that are potentially more sustainable for the producers while ensuring timely, accurate and relevant economic statistics will also be discussed.

46. *National accounts benchmark revisions in Costa Rica. Policy and practice* by Central Bank of Costa Rica will provide an overview of the process of implementing revisions, which are caried out each five years and are based on memorandums of understandings for data access with institutions such as the National Institute of Statistics and Censuses and the Ministry of Finance. Administrative records are used for the government and financial sector but also increasingly applied for non-financial private sector and households to streamline the process and ease response burden. Businesses surveys are under revision and redesign to focus only on those variables that are not available through administrative records. In addition, automation of microeconomic data capture, coding and processing have been developed. The software allows national accounts compilers to modify questionnaires, classifications, codes, and redesign the sequence of accounts when needed. This will facilitate incorporating the most relevant for Costa Rica recommendations of the 2025 SNA in the next benchmark revision.

47. *Belize System of National Accounts Restructure from 2000 benchmark to 2014 benchmark* by Statistical Institute of Belize will discuss the steps taken to revamp the National Accounting System of the country. The national accounts of Belize were compiled using 2000 benchmark, which had industry cost to production ratios dated between 1984 to 1992. Therefore, the Statistical Institute of Belize undertook a major revision, which included among other things moving to 2014 base year, introduction of new industries that were not considered in the 2000 base or emerged later and transition from 1993 to 2008 SNA.

48. *Developing national accounts revision policy in Armenia* by Armstat will provide an overview of the GDP revision policy and revision timetable. It will also cover the revision policy of HFIEA (monthly indicator of economic activity) and directions to improve the revision process in line with recent requirements.

6. Information items

49. Update on recent activities undertaken by UNECE in cooperation with partner organizations will be presented to the Group of Experts for information.

7. Conclusions, next steps, and adoption of the report

50. In this item, the proposals for future work will be presented and discussed. The main decisions of the meeting will be put for adoption.

8. Other business

51. Participants wishing to propose additional points under this item are requested to inform the secretariat as soon as possible.