

STATISTICS

# Main Objectives, Priorities, and Procedures for Updating BPM and SNA

MARCH 6-7, 2024

United Nations Economic Commission for  
Europe – IMF Statistics Department  
SNA / BPM Joint Virtual Outreach Seminar

# AGENDA



Why Update  
the  
Standards?



Key Update  
Themes



Update  
Process



Support to Our  
Members and  
Recommendations

# Self-driving car



# Crowdfunding



Credit: lemontreeimages/Adobe Stock

## Uber (ride-sharing)



Credit: thanakorn/Adobe Stock

## Mobile phone in 2008



Credit: thanakorn/Adobe Stock

# AirBNB (accommodation-sharing)



Credit: wbtiky /Adobe Stock

# Electric car



Credit: Michael Flippo/Adobe Stock



# Carbon capture



Credit: Justlight/Adobe Stock

# Bitcoin



Credit: Rodnea Productions / Pexels

# Complex Global Value Chains



Credit: delectus/iStock by Getty Images

# Special Purpose Entities



# OpenAI



# Why Update the Standards?

- **Tectonic shifts in the global economy**
  - 2008 global financial crisis highlighted data shortcomings
  - Digitalization, financial innovation, globalization,
  - Increasing demand for data to address climate change
- **The conceptual frameworks designed to be robust and resilient**
  - But shortcomings in analytical usefulness exposed
  - Digitalization and globalization posed new challenges to data compilation
- **Respond to data needs identified through global reviews**
  - The G20 Data Gaps Initiative
  - The Stiglitz-Sen-Fitoussi Commission

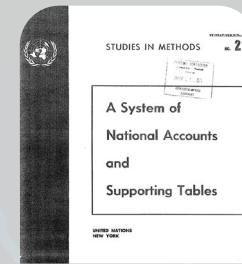
**Ensure that policymakers have access to data to help them achieve financial stability and economic growth objectives.**



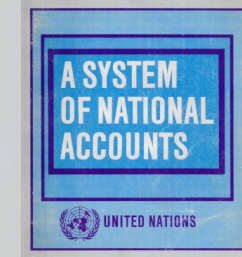
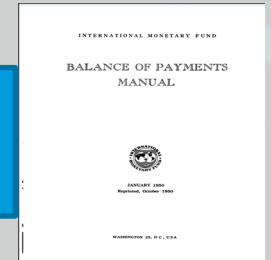
Why Update  
the  
Standards?

# Updating Macroeconomic Statistical Standards

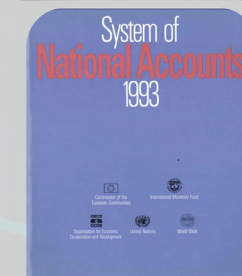
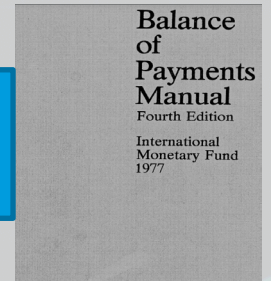
- Macroeconomic statistical standards are regularly updated **to reflect changes in the economy**
- The “updates” can be categorized into three main groups:
  1. **Conceptual updates** (i.e., change in what is measured)
  2. **Methodological updates** (i.e., change in how activities are measured)**Presentational updates** (i.e., change in how the statistics are presented)
- In the past decades, more and more attention to arrive at **consistency with other standards** (e.g., GFSM and MFSM, SEEA)



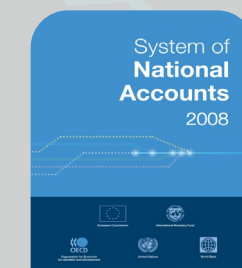
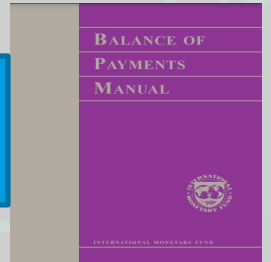
**SNA 1953  
BPM1-2 (1948- 1950)**



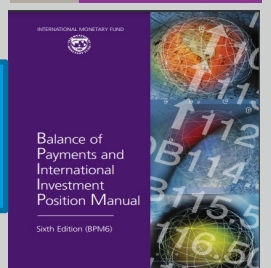
**SNA 1968  
BPM3-4 (1961-1977)**



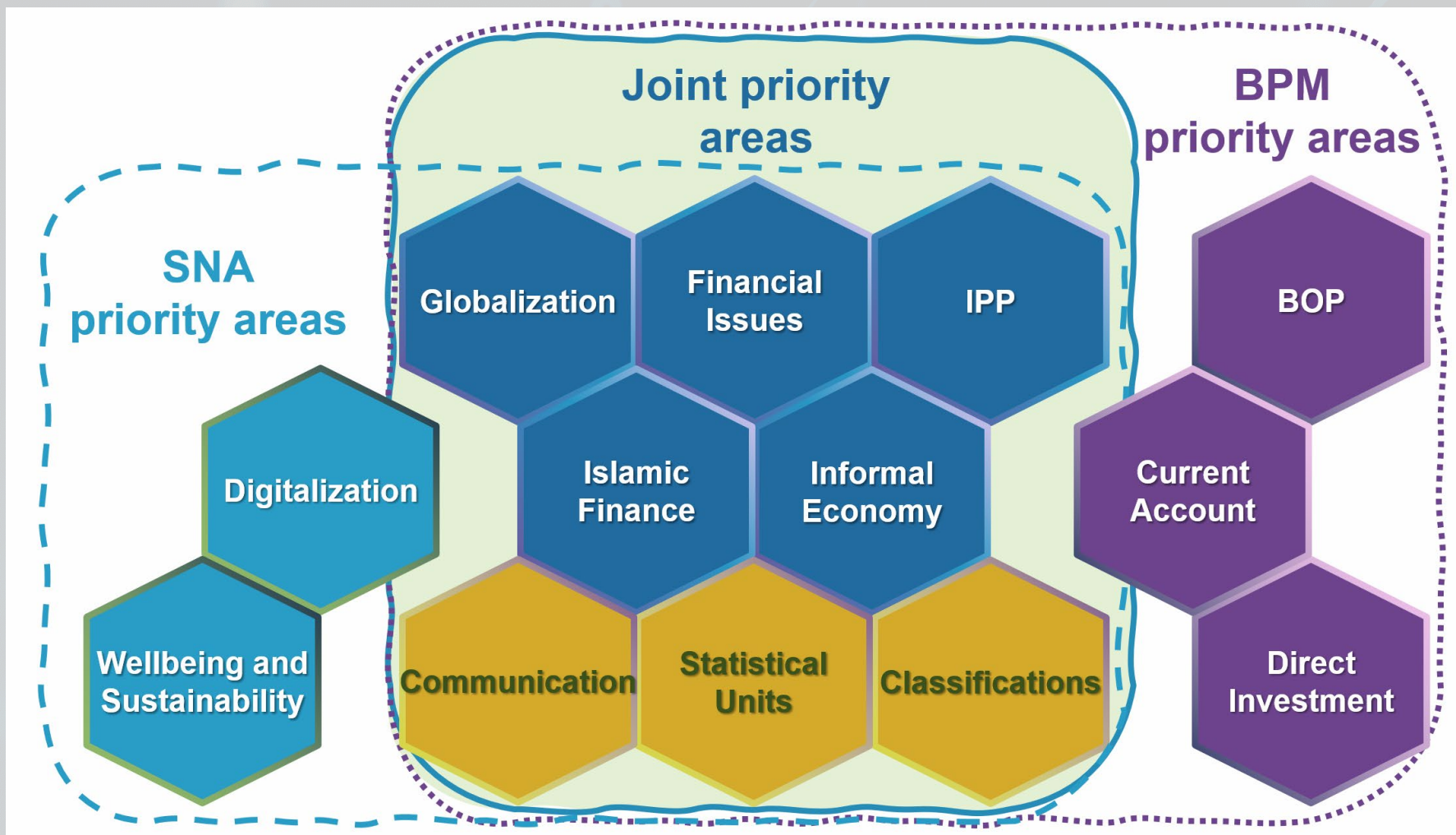
**SNA 1993  
BPM5 (1993)**



**SNA 2008  
BPM6 (2009)**



# Update Priority Areas



Key Update Themes



# Digitalization and Financial Innovation

## Policy needs

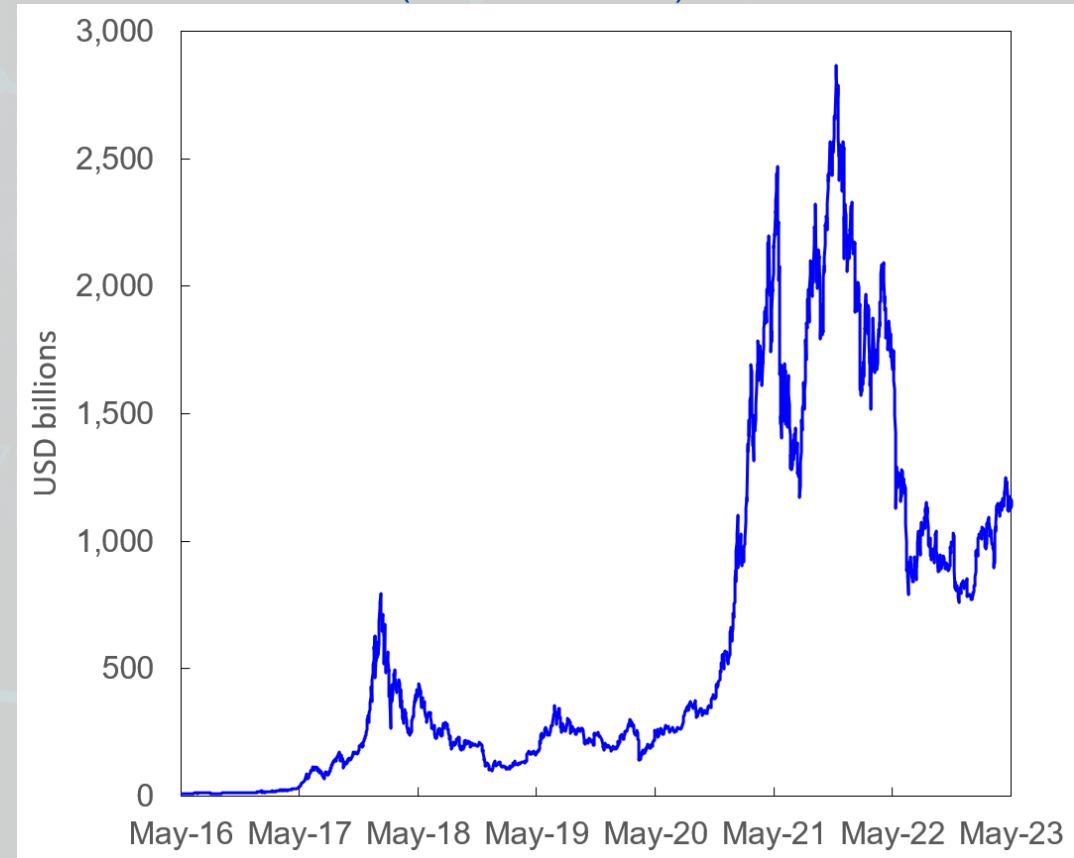
- Macrofinancial surveillance
- Fintech
- Digital money



## Selected Update Issues

- Recording fintech
- Recording crypto assets
- Financial derivatives by type
- Non-bank financial institutions

Global market capitalization of crypto assets  
(In USD billions)



Source: Coin Dance.

# Globalization

## Policy needs

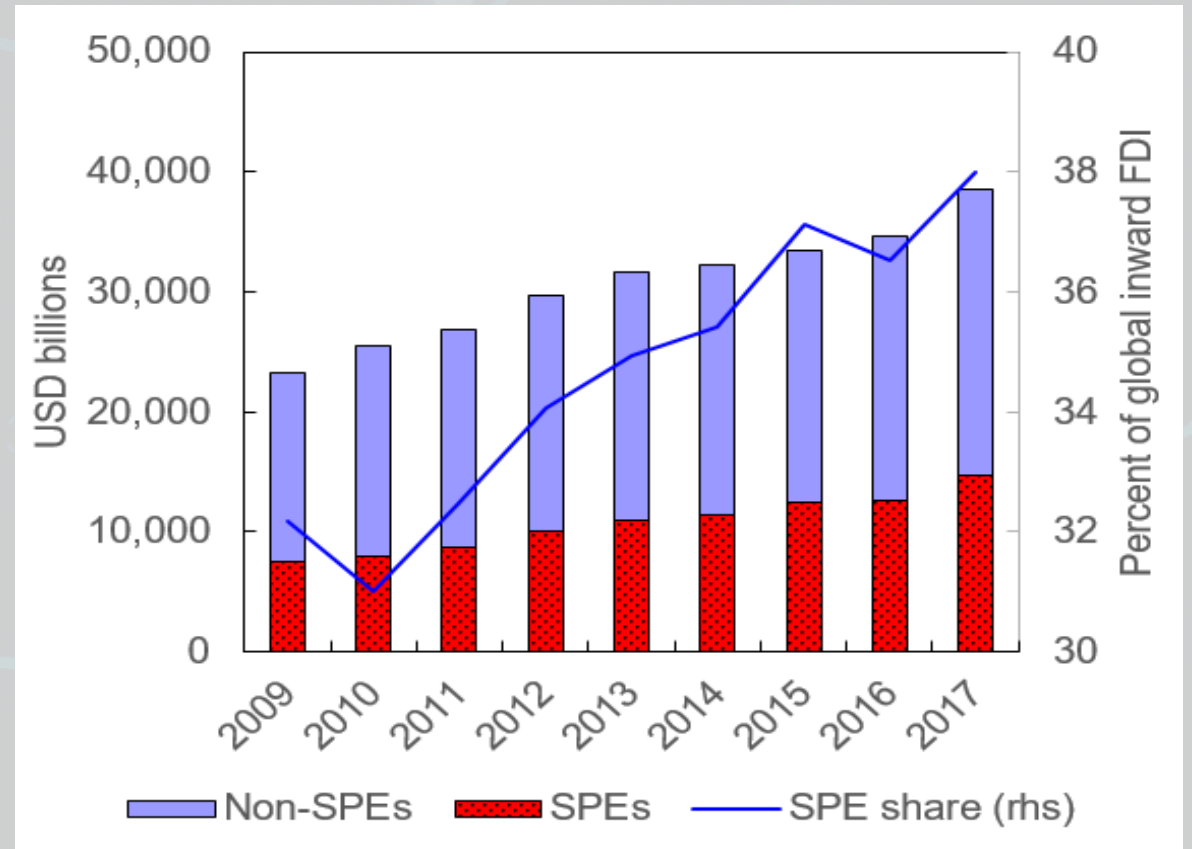
- Trade
- International taxation
- Capital flows



## Selected Update Issues

- Global value chains
- Multinational enterprises
- Special purpose entities (SPEs)

Global inward FDI position and SPEs  
(In USD billion and percent of FDI)



Source: Damgaard, Jannick, Thomas Elkjaer, and Niels Johannesen, "What Is Real and What Is Not in the Global FDI Network?", IMF Working Paper No. 19/274, 2019.

# External Sustainability

## Policy needs

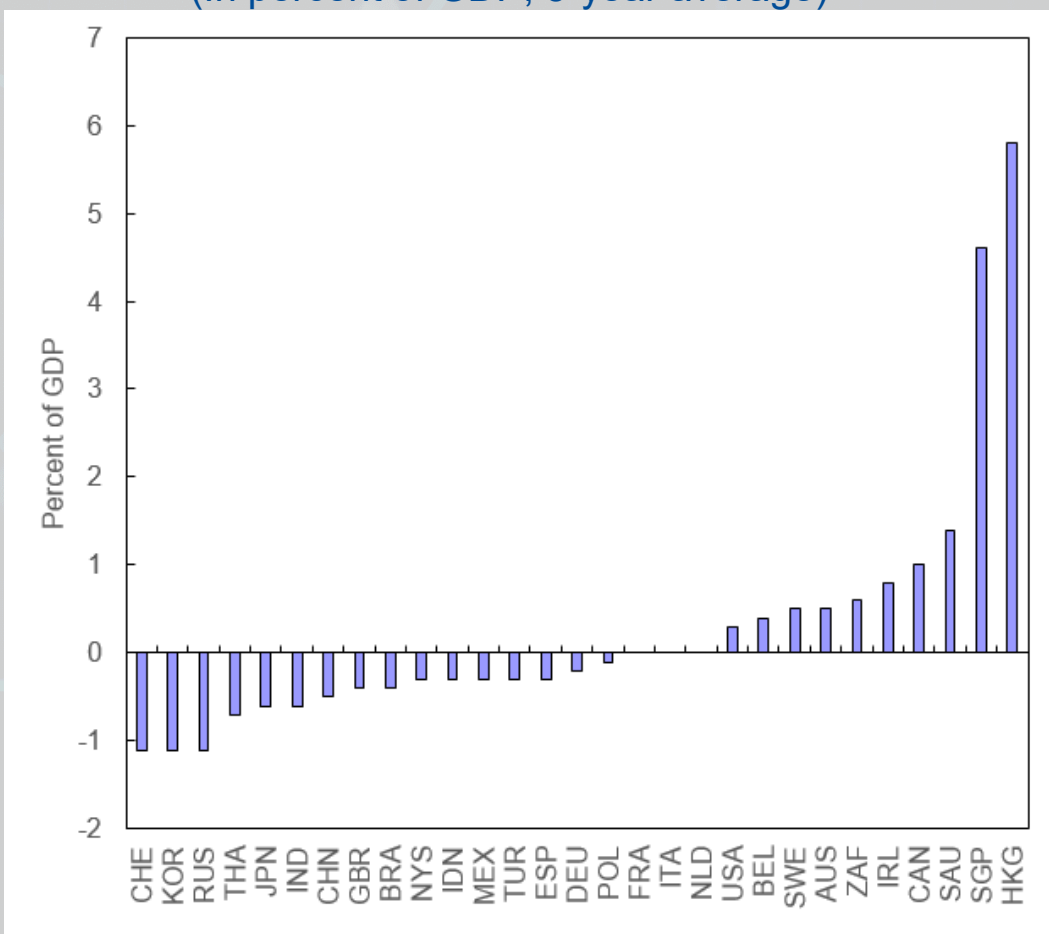
- External sector stability and interconnectedness



## Selected Update Issues

- Net international reserves
- Trade classified by currency
- Stock/flow reconciliation
- Reinvested earnings (RIE)
- Unlisted equity

Estimated current account impact when including RIE on portfolio investment  
(In percent of GDP; 5-year average)



Source: IMF, "External Sector Report," 2018.

# Wellbeing and Sustainability

## Policy needs

- Inequality and inclusive growth
- Climate change

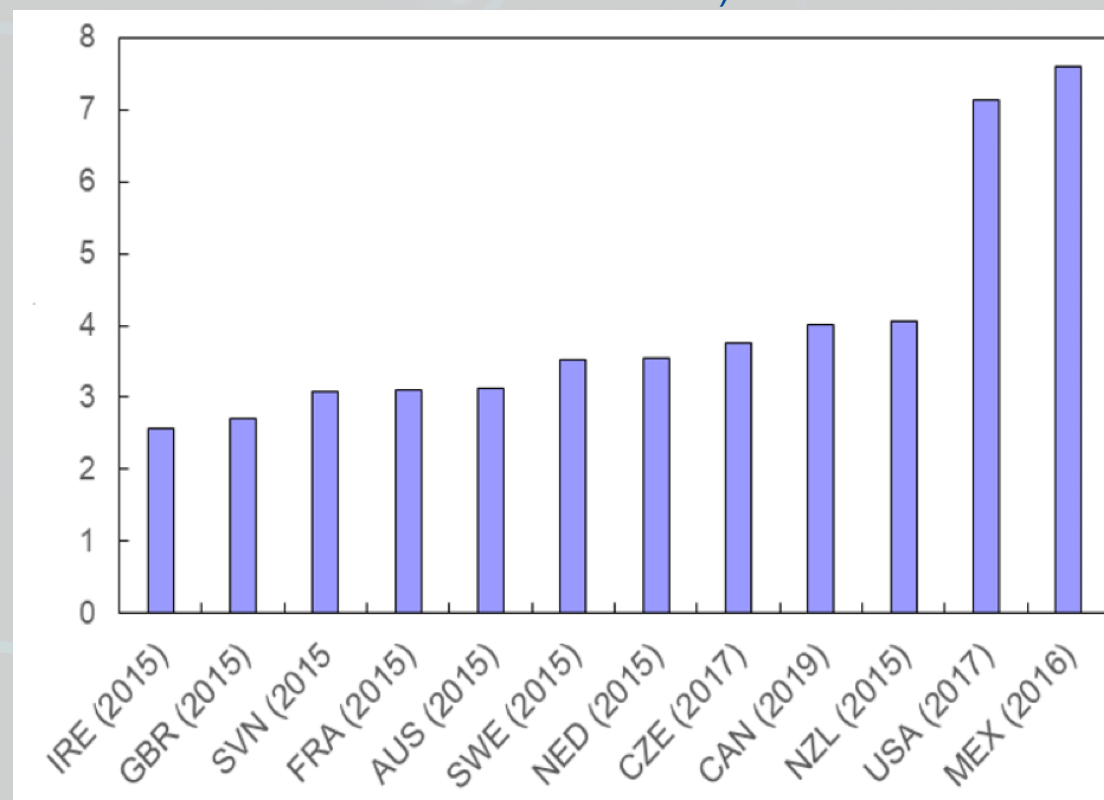


## Selected Update Issues

- Distributions of household income, consumption, saving, and wealth
- Unpaid household activities
- Environmental-economic accounting

## Household disposable income

(Ratio, income of top 20 percent to income of bottom 20 percent of households)



Source: OECD.

# Informal Economy

## Policy needs

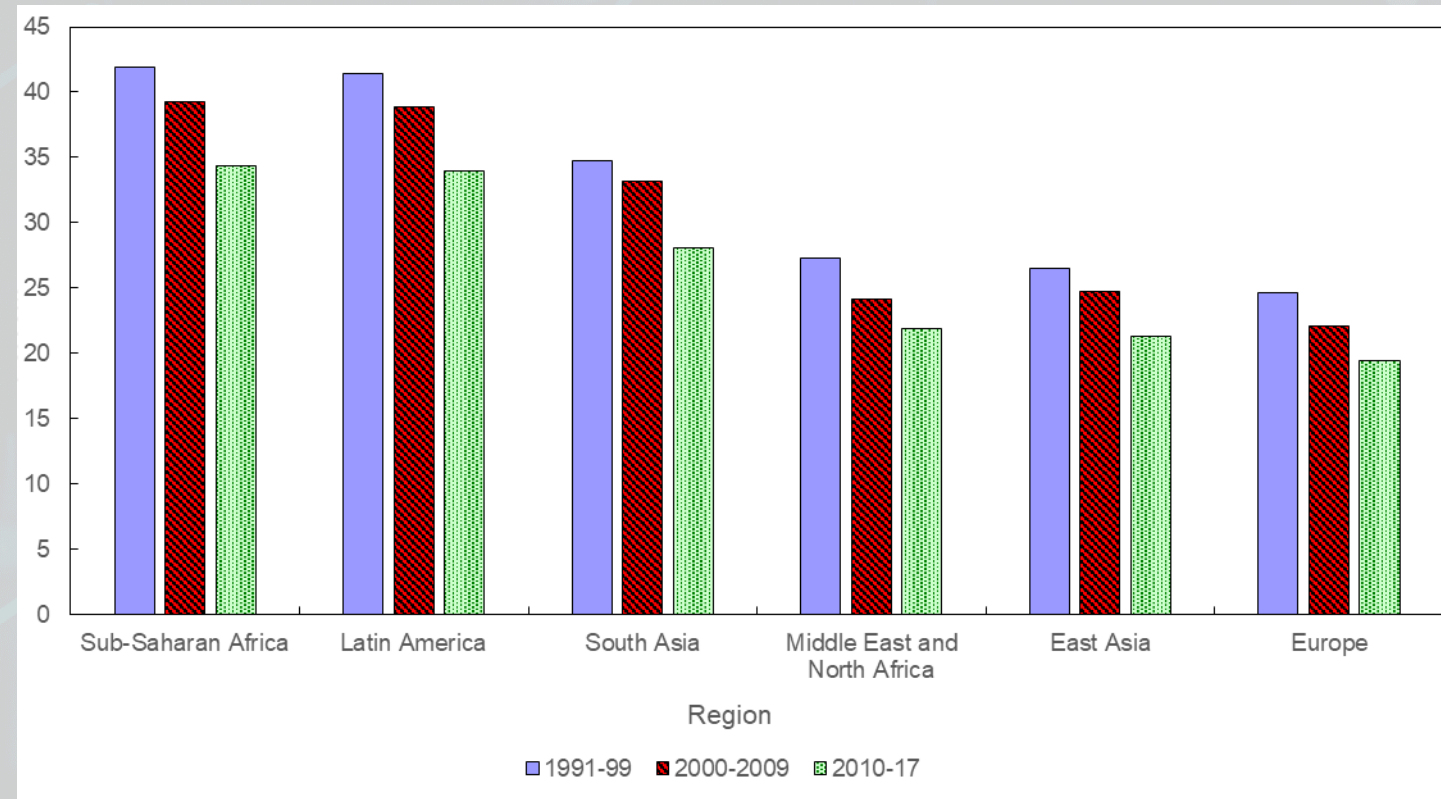
- Gender analysis
- Domestic revenue mobilization
- Inclusive growth



## Selected Update Issues

- Develop an enhanced, consistent framework for measurement
- Incorporate unpaid household services

Informal economy by region  
(In percent of GDP)



Source: Medina, Leandro and Friedrich Schneider, "Shedding Light on the Shadow Economy: A Global Database and the Interaction with the Official One," CESifo Working Paper No. 7981, 2019.

# Governance Arrangements—SNA and BPM

## United Nations Statistical Commission (UNSC)

Provides the mandate on national accounts, endorses and monitors the work program.

## Inter-Secretariat Working Group on National Accounts (ISWGNA)

Carries out the mandate and reports progress on its work program to the UNSC.

Membership comprises international agencies, including the IMF.

Engages technical expert groups to carry out the work program.

## Advisory Expert Group on National Accounts (AEG)

Assists the ISWGNA in carrying out its work program. Resolves issues on the SNA research agenda.

Membership represents global community of national accounts compilers in their personal capacity.

## IMF Committee on Balance of Payments Statistics (Committee)

Advises the IMF on methodological and compilation issues in external sector statistics.

Membership represents global community of external statistics compilers in their personal capacity.

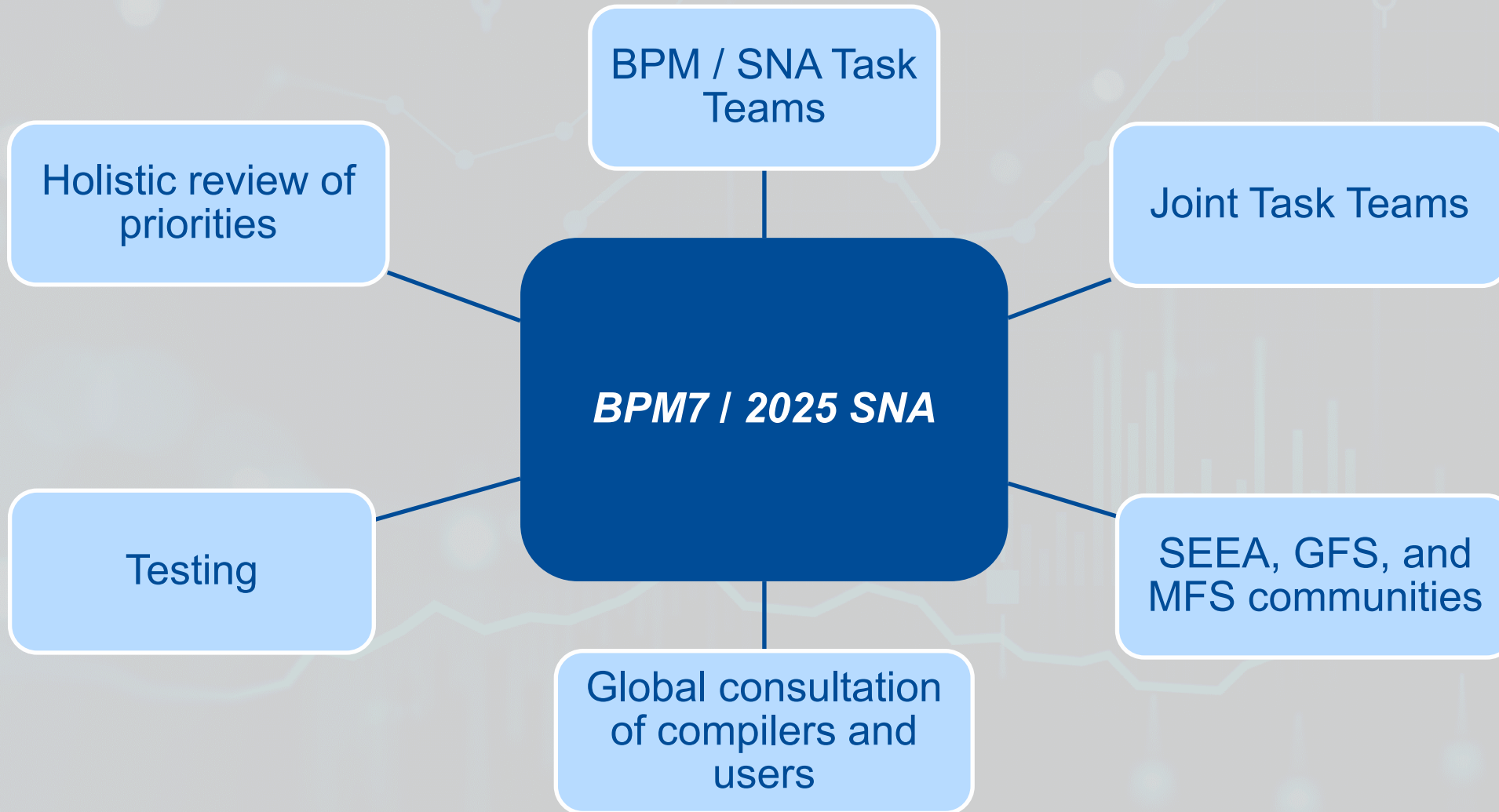


Update  
Process

# Update Process and Cooperation between the BPM and SNA Drafting Teams

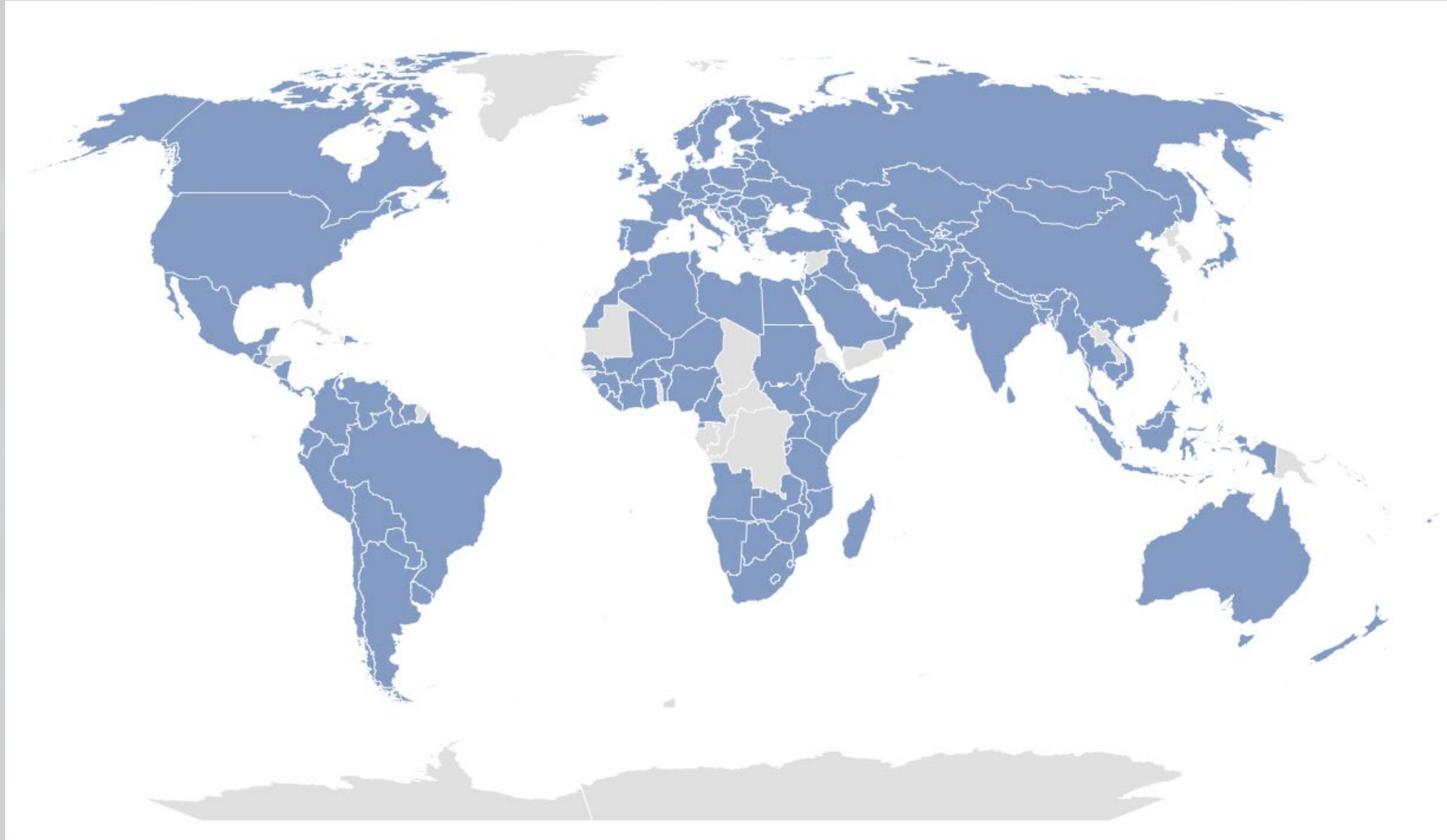
- **Research agenda: joint expert groups (Task Teams)**
  - Participation of GFS, MFS, SEEA, classification updates (ISIC, CPC), and users
- **Joint meetings of the AEG and the Committee**
  - Decisions taken together / key role of editors in the event of disagreements
- **Coordinated drafting of annotated outlines (new / substantially revised chapters)**
  - Including four joint SNA/BPM chapters
  - AOs circulated for global consultation
- **Common glossary and common text for general principles**

# Coordination and Involvement of Stakeholders



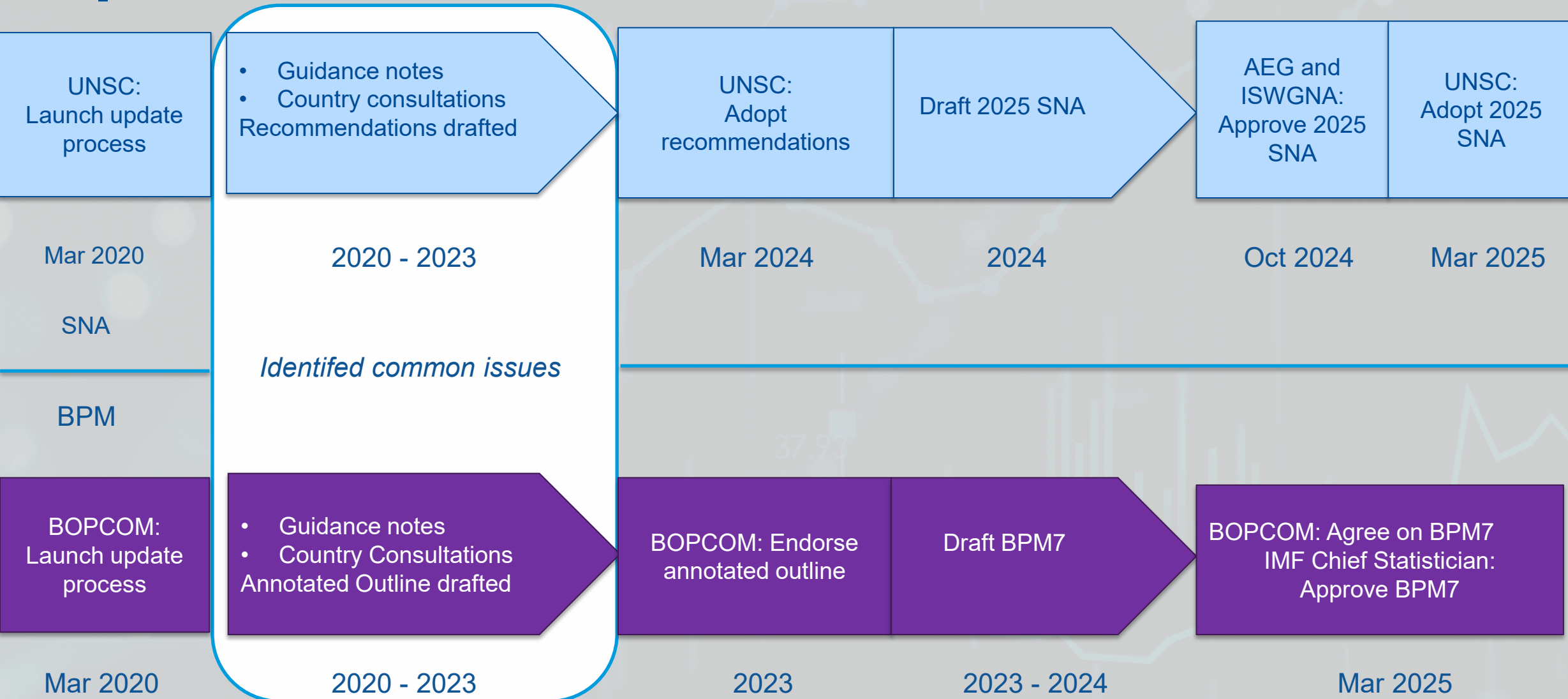


# Worldwide Participation in SNA/BPM Global Consultations



Thus far, 176 economies have participated in at least one of them

# Update Process and Timeline



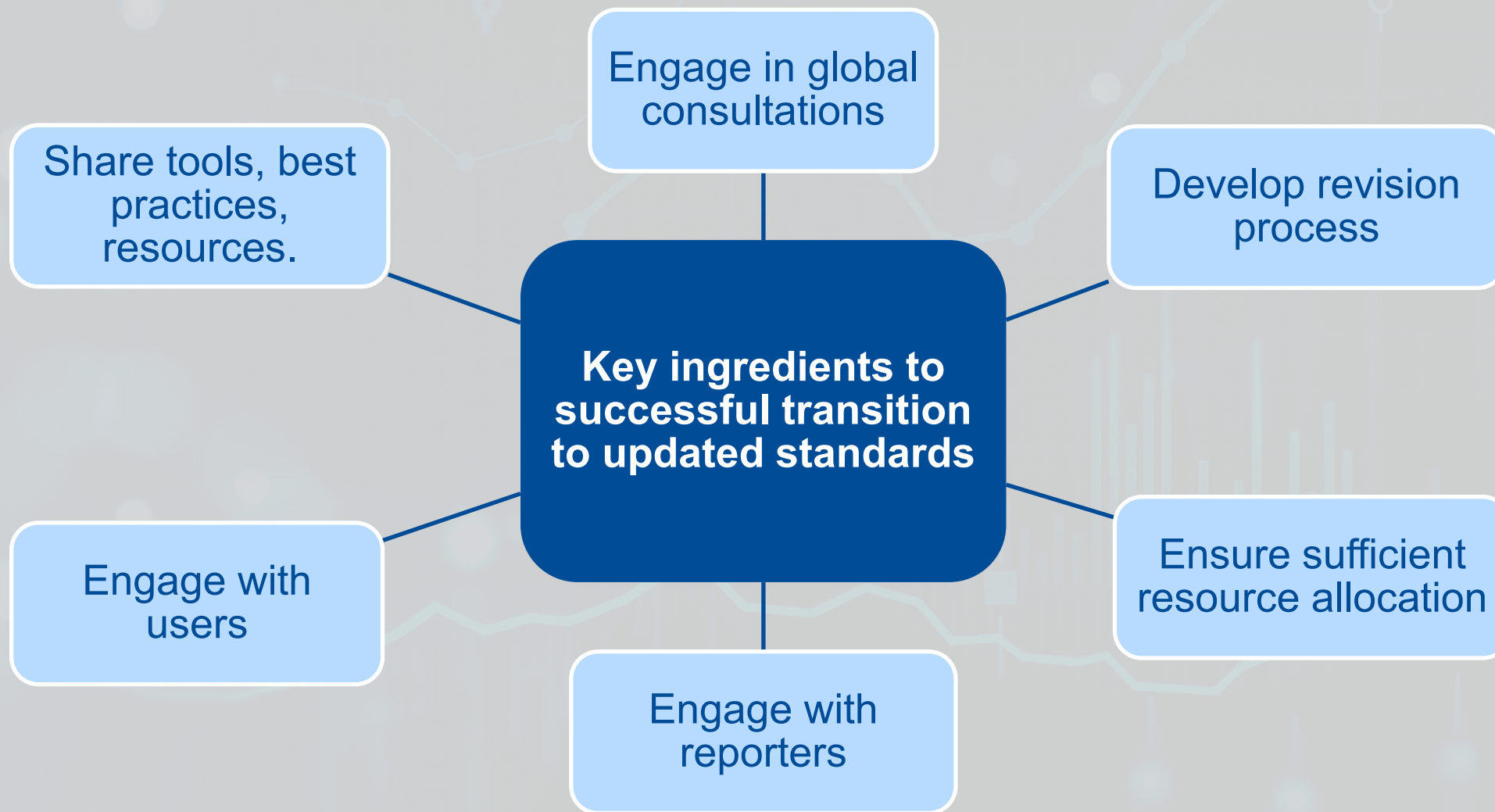
# Supporting implementation

- **Implement multipronged strategy**
  - Organize regional workshops
  - Provide technical assistance and training
  - Develop methodology handbooks and compilation guides
  - Coordinate among international organizations
- **Utilize new digital platform for collaboration**
  - Transition to electronic publications
  - Share common concepts across all statistical domains
  - Host a forum for interaction between compilers and users and peer-to-peer collaboration
  - Development of a compilers' hub to facilitate sharing of best practices

**Tailor implementation  
approach to user  
needs and materiality**



# Supporting implementation





**Thank you very much for your attention!**

The background features a light blue and white color scheme with faint, semi-transparent financial data visualizations. These include several line graphs with circular markers, a bar chart, and a candlestick chart. Some data points are labeled with numbers like '18.34', '37.93', and '27.84'.

# BACKGROUND SLIDES

# More Information on the Update of the 2008 SNA

<https://unstats.un.org/unsd/nationalaccount/towards2025.asp>



The screenshot shows the United Nations Statistics Division website. The header includes the UN logo and the text 'United Nations Statistics Division'. A navigation menu contains 'Home', 'SNA', 'ISWGNA', 'Knowledge Base', 'Data', 'Capacity development', and 'Publications'. A search bar is located on the right. The main content area is titled 'Towards the 2025 SNA' and is divided into two columns. The left column, titled 'About the updating process', contains detailed text about the ISWGNA's role, the project management page, and a three-pronged approach (A, B, and C) for the update. The right column, titled 'List of Task Teams', lists ten teams, each accompanied by a small icon of two people.

**About the updating process**

The **Intersecretariat Working Group on National Accounts (ISWGNA)**, assisted by the **Advisory Expert Group on National Accounts (AEG)**, oversees the overall 2008 SNA update programme.

The **Project Management** page contains all documents (workprogramme, governance arrangements, progress reports of the project manager, reports to the UNSC, minutes of ISWGNA meetings, etc.) relevant to the management of the update project.

A three-pronged approach is envisaged for the update of the 2008 SNA:

**A. Undertaking technical research in prioritized and other national accounts issues and experimentation and testing of selected recommendations.**

To address the issues a series of **Guidance Notes** are being developed. This list is based on the consolidated SNA research agenda and an **initial list of issues** considered for updating the 2008 SNA which was identified in July 2020.

A novel key feature within the research component of the update of the 2008 SNA work programme is the explicit inclusion of an **experimental estimation / early implementation** component for some recommendations in the guidance notes.

Dedicated task teams were established to undertake the technical research and draft guidance notes.

**B. Engaging in a broad consultation on the issues related to the thematic areas.**

The Broad Consultation component of the SNA update constitutes several rounds of interactions with various groups of stakeholders such as compilers, policymakers, academia, and the private sector. Among the instruments used to broadcast the update and collect feedback are online **Global Consultations** on the guidance notes and **Outreach** activities through global and regional webinars and forums.

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

For overlapping issues in the research agendas identified for the SNA, BPM, GFS, MFSM, SEEA, ISIC and CPC etc., the Task Teams were established consisting of subject matter experts from relevant Committees of Experts and other groups.

As of March 2022, of specific note is the historically close collaboration of the work on the **update of the BPM6** and the 2008 SNA and the efforts to align the two standards, as well as the engagement of the **Government Finance Statistics Community** in the update programme.

**List of Task Teams**

-  **Digitalization Task Team**
-  **Wellbeing and Sustainability Task Team**
-  **Joint Globalization Task Team**
-  **Joint Communication Task Team**
-  **Joint Financial and Payment Systems Task Team**
-  **Joint Informal Economy Task Team**
-  **Joint Islamic Finance Task Team**
-  **BPM Balance of Payments Task Team**
-  **BPM Current Account Task Team**
-  **BPM Direct Investment Task Team**

# More Information on the Update of *BPM6*

<https://www.imf.org/en/Data/Statistics/BPM>



The screenshot shows the IMF website's header with the logo and navigation menu. The main content area features a blue banner with the title 'UPDATE OF THE SIXTH EDITION OF THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION MANUAL (BPM6)'. Below this, there are two columns of text. The left column lists various task teams and research issues, while the right column provides a detailed overview of the update process, including the timeline and key elements endorsed by the IMF's Committee on Balance of Payments Statistics (BOPCOM).

**UPDATE OF THE SIXTH EDITION OF THE BALANCE OF PAYMENTS AND INTERNATIONAL INVESTMENT POSITION MANUAL (BPM6)**

**Compendium of Research Issues**

**Task Teams (BOPCOM)**

- Balance of Payments Task Team (BPPT) ▶
- Current Account Task Team (CATT) ▶
- Direct Investment Task Team (DITT) ▶

**Joint Task Teams (BOPCOM/ISWGNA)**

- Financial and Payments Systems Task Team (FITT) ▶
- Joint Globalization Task Team (GZTT) ▶
- Informal Economy Task Team (IETT) ▶
- Islamic Finance Task Team (IFTT) ▶
- Joint Communications Task Team (CMTT) ▶

**Approved Guidance Notes**

**Update of the sixth edition of the Balance of Payments and International Investment Position Manual (*BPM6*)**

The IMF Statistics Department has launched the update of the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* targeting to publish an updated version of the Manual (*BPM7*) by March 2025. The *BPM6* update is being coordinated with the update of the *System of National Accounts 2008 (2008 SNA)*, which was officially launched by the United Nations Statistical Commission (UNSC) also with a target release date of March 2025.

Key elements of the *BPM6* Update process and the timetable were endorsed by the IMF's Committee on Balance of Payments Statistics (BOPCOM) at its Thirty-Third Meeting in March 2020.

**The two phases of the update process are:**

- **Phase I** (March 2020–March 2022): finalization of the detailed research on the issues identified in the *Compendium of Research Issues* and discuss how they would impact the new version of the Manual (*BPM7*) and
- **Phase II** (April 2022–March 2025): finalization of the Annotated Outline and drafting of the chapters/appendixes of the *BPM7*, and extensive consultations about the proposed changes;