

Developing practical compilation guidance and other activities supporting the implementation of the 2025 SNA

Speakers:

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2025 SNA in the CES member countries
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Part 1

Overview of activities in support of 2025 SNA implementation

- Outreach
- Early implementation
- Development of practical compilation guidance
- Implementation strategy

Outreach

There has **already** been significant outreach regarding the SNA update, including:

- Several **regional webinars ensuring global coverage**, discussion of the SNA update at **key regional meetings** (e.g. UNECE, OECD, Eurostat meetings), World Statistical Congress, November 2022 Eurostat and UNSD **conference on macroeconomic statistics for the future**, August 2023 **webinar on the consolidated list of changes**,
- In addition: **global consultations** on the guidance notes, the annotated outlines, the consolidated list of changes and the updated SNA chapters (ongoing), **dedicated 'Towards SNA 2025' website**, reports to the **UNSC**.

Looking **forward**:

- Development of microlearning videos on why the standards need updating, main themes and major changes
- The 2025 UNSC meeting could provide an opportunity for outreach events
- In 2025 a second round of regional outreach events is planned, following the endorsement of the 2025 SNA and BPM7

Early implementation

Aim: to assist countries in preparing for the implementation of the updated SNA and BPM after their adoption in 2025

This will be achieved by:

- Developing guidelines to aid in the implementation of recommendations in GNs
- Encouraging countries in the early implementation of recommendations by developing sources, methods and processes
- Gaining an understanding of the impact of recommendations on key national accounting aggregates

Primary focus will be on items expected to have an impact on key national accounts aggregates (e.g., GDP) or items that involve significant methodological challenges

Development of practical compilation guidance

Several activities already ongoing on priority topics :

- Eurostat-IMF TT on **Data as an asset**, OECD EG on **Natural capital**, IMF TT on **Marketing assets**, IMF work on **Crypto assets** [more details on these four topics in Part 2]

Developing **guidance on other topics** is being considered

- e.g. on artificial intelligence, cloud computing, digital intermediation platforms, including certain autonomous employer-independent schemes as social insurance, “free” products satellite account, supplementary tables on retained earnings for all equity relationships, statistical framework for the informal economy

This adds to extensive **existing guidance** produced by international organisations over time

- Eurostat Handbook on prices and volumes measures in national accounts
- OECD Handbook on Compiling Digital Supply and Use Tables
- EUROSTAT – OECD Report on Intellectual Property Products
- UNECE guides on Global Production, Human Capital, Unpaid Household Service Work
- IMF Quarterly National Accounts Manual
- ... and many more

Developing an implementation strategy

The strategy is at an initial development stage. Initial ideas discussed with the AEG

The AEG will provide ongoing advice to the ISWGNA on the development of the strategy

The strategy will also undergo broader consultation

The finalized implementation strategy will be presented to the 2025 UNSC meeting

More details on the implementation strategy are available in the background paper ECE/CES/2024/18 “Toward the 2025 System of National Accounts” prepared by the SNA update Project Team

Part 2

Focus on TTs and EG work to develop practical compilation guidance

- Background and objectives
- Composition and timeline of the TTs on data and marketing assets and the EG on natural capital
- For each area, main issues and envisaged solutions
- Conclusions

Background and objectives

4 main workstreams, covering the **main conceptual changes** being introduced in the 2025 SNA:

- Eurostat-IMF TT on **Data as an asset**
- OECD EG on **Natural capital**
- IMF TT on **Marketing assets** (Marketing assets will remain non-produced - hence no impact on GDP; however, countries with significant marketing assets are encouraged to compile **extended** accounts where marketing assets are treated as produced assets)
- IMF internal team of experts on **Crypto assets**

While concepts will be clearly defined in the 2025 SNA [drawing from the guidance notes], their practical implementation requires precise guidance →

→ **Overall objective** of these workstreams: provide guidance for **plausible** and **internationally comparable** estimates of *flows* and *stocks* of these categories of assets

- Approach: identification of **data sources** and **methods** building on the experience of countries that have already produced experimental estimates

Composition of TTs and EG

A **global and inclusive process**, involving countries from all world regions and different statistical development

TT on Data as an asset: Australia, Austria, Canada, Chile, China, Denmark, Germany, Japan, Netherlands, Norway, Pakistan, United Kingdom, United States as well as the OECD, UNSD

EG on Natural capital: Austria, Bulgaria, Canada, Chile, Colombia, Costa Rica, Egypt Germany, France, Japan, Indonesia, Korea, Mexico, Norway, Sweden, South Africa, United Kingdom, United States, as well as Eurostat, IMF, IPSASB, UNECE, UNSD, World Bank, UNECA, UNCEEA, GFS, OECD/UNECE Seminar and international experts in relevant fields

TT on Marketing assets: Australia, Ireland, Japan, Netherlands, South Africa, Spain, United Kingdom, United States as well as Eurostat, IMF, UNSD, World Bank

The lead editor and the project manager for the SNA update are closely involved in all workstreams

Timeline

Data TT



Natural capital EG



Marketing assets TT



TT Data as an asset – main issues and envisaged solutions

Estimating **production of data assets** *at current prices* based on **sum-of-costs** method (as for other intellectual property products produced on own account)

- Entails identifying **occupations** involved in producing data assets and an appropriate **mark-up**

Estimating **production** of data assets *at constant prices* (volume estimates)

- Entails identifying suitable **price indices**

Estimating the value of data assets as **capital stock**

- Entails defining suitable **service lives** and **discount rates** for data assets

Main issue: assumptions required → Approach:

- Recommendations based on experience of countries in the TT
- Definition of **default options, ensuring international comparability** in homogeneous regions like the EU. Countries may use more specific information if available

EG Natural capital – main issues and envisaged solutions

To allow for in-depth technical discussions, 4 topical subgroups have been formed that meet regularly:

- **Subsoil assets; Renewable energy;** Biological resources – **timber**; Biological resources – **fish**
- **Testing** of the emerging guidance by member countries has been taking place in each of these areas

The guide will provide detailed guidance for each of those 4 topics in several compilation stages:

- Scoping (SNA boundaries; thresholds; classifications); Valuation (selecting suitable methods for flows and stocks); Integration (of depletion, regeneration, revaluation etc. in SNA sequence of accounts)
- Topic specific compilation issues will be addressed (e.g. stranded assets; decommissioning costs)

The guide will also include recommendations (agreed by the EG NC) on **cross-cutting topics**:

- **Discount rates, rates of return** on fixed assets, treatment of **(specific) taxes / subsidies** in deriving resource rent, **smoothing of rents**; cost of **depletion, splitting value of assets, constant price** estimation

The guide will include descriptions of data sources, country examples, as well as accompanying workbooks that illustrate and facilitate the calculations

The guide will recommend **default options, ensuring international comparability** in homogeneous regions like the EU. Countries may use more specific information if available

TT Marketing assets – main issues and envisaged solutions

Guidance to develop an extended account, treating marketing assets as produced assets

- **Capitalized value of expenditures on advertising and promotional activities** (whether purchased or produced on own account) at current-prices
 - **Direct purchases:** on advertising and marketing may be derived from advertising and media companies as well as purchases from other units that are not classified as advertising companies
 - *Key is to understand the proportion of expenditures considered gross fixed capital formation (GFCF) versus intermediate consumption*
 - **Own-account GFCF:** based on sum of costs
 - *Key is to understand occupations engaged and average time spent on producing marketing assets*
- **Estimating volume measures and capital stock**
 - Identifying appropriate price indices and service lives, discount rates
- **Cross-border flows**
 - Purchases of marketing assets can be large and lumpy

IMF work on Crypto assets – main issues and envisaged solutions

- IMF's **Compilation Guidance on Crypto Assets** aims to provide practical guidance on the source data and compilation methods for measuring crypto assets related transactions and positions in macroeconomic statistics—covering national and external accounts, and monetary and financial statistics (MFS).
- **Draft annotated outline** covers: Overview of crypto assets ecosystem; Methodological framework; Data sources and compilation methods and, Use cases and country experiences. In addition, three **annexes** will cover **data reporting templates** and **survey instructions**; **concepts of money and liquidity** in MFS; **CBDCs and data needs**.
- Guidance will follow an **evolving approach** as crypto assets ecosystem is fast changing and they are becoming more mainstream in the world of finance and business.
- Work to date includes the **exploration of commercial and publicly available data sources** as well as the **projects of international organizations** (e.g., project Atlas of BIS). Outreach to country compilers is planned for incorporating relevant country experiences.
- At a recent workshop, issues relating to crypto lending, staking, pooled and cloud mining were raised
 - To address these issues the drafting team is working on an Issue Note providing further clarification and elaboration in consultation with the AEG/BOPCOM
- Compilation guidance expected to be circulated for AEG/BOPCOM consultation towards the end of 2024

Conclusions

ISWGNA is aware of the practical challenges to implement the 2025 SNA innovations. This is why several initiatives have been launched at an early stage. By way of comparison, the implementation strategy for the 2008 SNA was presented to the 2009 UNSC Meeting and work on implementation started afterwards

The preparation of the handbooks is progressing well and we are confident that they will ensure sufficient guidance to implement the innovations in a reliable and comparable way

In general, the set of initiatives presented here aim at addressing the practical implementation challenges

International organisations (IMF, World Bank, Eurostat, UN, OECD) will support countries in implementing the 2025 SNA financially and/or with expert advice