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## Statistical Commission

### Fifty-third session

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Item 3 (n) of the provisional agenda\*

**Items for discussion and decision: national accounts**

## Report of the Intersecretariat Working Group on National Accounts

### Note by the Secretary-General

In accordance with Economic and Social Council decision 2021/224 and past practices, the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts, which is submitted to the Commission for discussion. In the report, the Working Group provides information on the progress with the three elements of the work programme for the update of the 2008 System of National Accounts (SNA) namely, the development of guidance notes on the research issues identified for the 2008 SNA update; the outreach initiative to inform national accounts compilers and users about the update process and to collect feedback from them; and the coordination with the update of other economic statistical standards, including balance of payments, classifications and international trade statistics. In addition, the report contains the programme of work of the Working Group and of the regional commissions, and an update on the scope and timeliness of the implementation of SNA at the country level. The Commission is invited to express its views and to provide guidance on the elements of the work programme for updating the 2008 SNA and on the programme of work of the Working Group.

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\* [E/CN.3/2022/1](#).



## Report of the Intersecretariat Working Group on National Accounts

### I. Introduction

1. At its fifty-second session, held on-line New York from 1–3 and 5 March 2021, the Statistical Commission adopted decision 52/106 (see [E/2021/24](#), chap. I.B), in which it:

(a) Welcomed the report of the Intersecretariat Working Group on National Accounts ([E/CN.3/2021/8](#)), expressed its appreciation for the activities undertaken by the members of the Advisory Expert Group on National Accounts, the Working Group, the regional commissions, other regional organizations and countries to facilitate the implementation of the System of National Accounts 2008 (2008 SNA) and supporting statistics, and endorsed the programmes of work for 2021 of the Working Group and the Advisory Expert Group;

(b) Endorsed the work programme for the updating of the 2008 SNA and the timeline for undertaking technical research, engaging in broad consultations and ensuring overall consistency with the other manuals of the system of economic statistics, but noted that the programme for updating the 2008 SNA was ambitious and would require significant resources from the statistical community;

(c) Expressed its appreciation for the in-kind contributions and the willingness of some Member States to contribute also financially to the work programme for the updating of the 2008 SNA;

(d) Welcomed the progress made on the preparation and elaboration of guidance on the relevant issues for the updating of the 2008 SNA, encouraged Member States to participate in the evaluation process and experimentation and testing of the feasibility of the recommendations of guidance notes, emphasized the need for coordination and collaboration between countries and subregional, regional and international agencies to facilitate the experimentation and testing of the guidance notes, and stressed the importance of providing financial and in-kind support to countries with limited resources;

(e) Welcomed the work to develop guidance for measuring the digital economy, the informal economy, unpaid household service work, household income and wealth distribution, Islamic finance and global production arrangements, and the alignment of the system of health accounts, stressed that the monitoring and analysis of well-being and sustainability should not compromise, but rather enhance traditional analyses for macroeconomic statistics in extended or supplementary tables and thereby carefully consider the impact on the core accounts of SNA, and supported the work on developing the compilers' hub, digitizing of international statistical and classification standards, and enhancing the communication mechanisms for macroeconomic statistics;

(f) Noted the need for an adequate statistical infrastructure, including statistical business registers, legal framework and technology infrastructure to implement the proposed recommendations for the updating of the 2008 SNA;

(g) Expressed its appreciation for the guidance notes developed by the Working Group on the recording of coronavirus disease (COVID-19) support measures in the national accounts, and encouraged the development of similar guidance on major issues in the future;

(h) Emphasized the need for continued attention devoted to capacity-building and funding for many developing countries to facilitate the implementation of SNA;

(i) Encouraged the continued reporting and evaluation of the availability and scope of official national accounts data reported by Member States, and noted the importance of quality information in support of international comparisons and a global understanding of the world economy.

2. Information on the update programme of the 2008 SNA is set out in section II of the present report. Section III provides an overview of the activities on national accounts and supporting statistics of the Working Group and of the regional commissions. Section IV contains an update of the scope and timeliness of the implementation of SNA at the country level. Points for discussion are set out in section V.

## **II. Work programme for updating the System of National Accounts 2008**

### **A. Background**

3. At its fifty-second session, the Commission endorsed the work programme for the updating of the 2008 SNA with the aim of submitting the updated SNA to the Commission for its consideration in 2025. The programme for the updating of the 2008 SNA follows a three-pronged approach: (a) undertaking technical research on prioritized and other national accounts issues, including better supporting sustainable development from a macroeconomic perspective; (b) engaging in a broad consultation on the issues relating to the thematic areas of globalization, digitization, well-being and sustainability, communication, financial and payments systems, the informal economy, and Islamic finance; and (c) ensuring overall consistency with the system of economic statistics.

### **B. Beyond gross domestic product**

4. A unique feature of the updating of the 2008 SNA is to define a broader framework of accounts, which can provide a tool for improved monitoring and analysis of well-being and sustainability. The aim is to inform various policy goals, including the 2030 Agenda for Sustainable Development and, in the context of accounting for people's well-being, the call made by the Secretary-General for new measures of progress to be found that complement gross domestic product (GDP), which measures only economic performance.<sup>1</sup>

5. The continuous debate on moving the statistical measurement framework beyond GDP requires a reflection on the relation between the central framework of SNA, the accounting framework for the System of Environmental-Economic Accounting (SEEA) and measures of human well-being and the sustainability of societal developments. Research is under way in the framework of the updating of the 2008 SNA to provide better information on who is benefiting from growth and employment and how the benefits of economic activity are distributed across enterprises, households, persons and geography.

6. The idea is not to redefine the current set of macroeconomic indicators, such as GDP, but to develop recommendations that encourage countries to produce statistics that provide important information for policymakers about measures "beyond GDP".

7. First and foremost are recommendations related to the development of supplementary accounts and tables that incorporate estimates of unpaid household service work, human capital, and health and social conditions. These supplementary

<sup>1</sup> See [A/75/982](#), sect. D.

accounts and tables aim to better capture the economic contribution of unpaid workers and the stock of human knowledge. In addition, these supplementary accounts or tables can be disaggregated by socioeconomic group, enabling analysis by gender, age, education status or household composition.

8. Aggregate measures of household income reveal very little about the welfare of specific household groups, while household surveys and microdata sources are not aligned with SNA concepts. The updated SNA will include a series of supplementary tables that present the distribution of income, savings, consumption and wealth across households. These tables will enable users to analyse within the SNA framework how changes in national income are distributed across household groups and whether national income and wealth are becoming increasingly concentrated.

9. The updated SNA will encourage countries to develop measures of net product and net income to account for the consumption of fixed capital and the depletion of natural resources. The development and greater use of net measures are a first step towards measuring the sustainability of current production and consumption, as users will be able to understand how much of the stock of produced and natural resources assets were ‘consumed’ to produce current period goods and services.

10. The updated SNA will better align with SEEA through a series of recommendations that utilize classification systems to make the link between the economy and the environment more visible. In addition, the treatment of biological assets, the valuation of natural resources and the treatment of emissions trading schemes are also being examined.

11. The updated SNA will also include a series of recommendations to better identify, measure and present informal economic activities. Informal economic activity is growing in both developing and developed economies; however, very few countries separately identify those transactions. A better understanding of informal activities will permit policymakers to tailor industrial and labour policies to address the needs of informal workers and informal production arrangements.

12. While the updated SNA will not propose a “beyond GDP” headline measure to replace GDP, it will result in a suite of new measures, accounts and tables that will assist users in understanding issues of economic inclusion and sustainability.

### **C. Advisory Expert Group on National Accounts and collaboration with other expert groups**

13. In 2021, three meetings of the Advisory Expert Group on National Accounts were held online in April, July and October/November. The main purpose of the meetings was to provide guidance on the work programme for updating the 2008 SNA and to review and advise on the finalization of draft guidance notes prepared by the task teams. The progress made with regard to resolving research issues is set out below. The conclusions of the meetings are available on the website of the Advisory Expert Group (<https://unstats.un.org/unsd/nationalaccount/ramtg.asp?fType=2>).

14. A key principle in the present round of updating the 2008 SNA is coordination and cooperation between the various economic statistics expert groups in order to ensure that substantive discrepancies are avoided and that consistent terminology is used across manuals, to reduce duplication of effort and to lead to optimal outcomes given the broader range of consultation. Formal collaboration agreements were established with the Committee on Balance of Payments Statistics of the International Monetary Fund and the Committee of Experts on Environmental-Economic Accounting.

15. The first ever joint meeting of the Advisory Expert Group and the Committee on Balance of Payments Statistics was held online on 26 and 29 October and 1 November 2021. The historic event was the result of the commitment to align the work related to the updating of the 2008 SNA and the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) and represented a concerted effort to resolve research issues of common interest in the most efficient way. The collaboration with the Committee of Experts on Environmental-Economic Accounting will focus on the issues being addressed by the subtask team on environmental-economic accounting of the well-being and sustainability task team. The agreement envisages cross-participation between members of the subtask team and the technical committee of Committee of Experts, as well as joint global consultation on related issues.

16. The informal economy task team is working closely with the International Labour Organization working group for the revision of the standards for statistics on informality, which was established to develop a coherent set of standards that provide conceptual and operational definitions for the comprehensive measurement of informality. It is expected that the collaboration will establish a coherent set of recommendations for defining the informal economy in the SNA and in labour statistics.

17. In addition, members of the Advisory Expert Group and the Intersecretariat Working Group on National Accounts actively participate in the activities of the task teams working on the ongoing revision processes for the International Standard Industrial Classification of All Economic Activities and Central Product Classification to ensure that the classifications are fit for purpose when it comes to compiling national accounts.

## **D. Progress in resolving research issues**

18. To avoid duplication of efforts, ensure consistency across guidance notes and simplify the global consultation process, the task teams were requested to consolidate guidance notes, where possible. Following the exercise, a total of 57 guidance notes covering the research issues relevant to the updating of the 2008 SNA remain. Of those 57 notes, 52 are assigned to the SNA, joint SNA and balance of payments task teams, and the work on the remaining five guidance notes is led by the balance of payments task teams.

19. After the initial research and drafting phase, which mainly takes place within the task teams, guidance notes typically go through the following three major milestones: (a) Advisory Expert Group approval for global consultation; (b) completion of the global consultation and any experimentation and testing activities where relevant (see below); and (c) final endorsement for publication by the Advisory Expert Group. To ensure consistency across the macroeconomic accounting standards, decisions on approval for consultations and final endorsement are made jointly with the balance of payments task team and the Committee on Balance of Payments Statistics respectively, when guidance notes are relevant to the BPM6 update.

20. As at November 2021, the Advisory Expert Group had endorsed nine guidance notes for publication, global consultations had been finalized for an additional 14 guidance notes and nine had received approval for global consultation from the Advisory Expert Group at its most recent meeting. Thus, for 32 out of 57 notes the initial drafting phase and most of the substantive research work by the task teams had been concluded. The task teams are expecting to receive Advisory Expert Group approval for global consultation for 11 guidance notes by the end of February 2022 and for the remaining 14 guidance notes later in 2022.

21. Section II of the background document to the present report provides a further update on the progress made in resolving issues related to globalization, digitalization, well-being and sustainability, communication; financial and payments systems, the informal economy and Islamic finance.

## **E. Outreach**

22. To ensure that all countries benefit from the improved national accounts standards, and notably from guidance on the priority areas, an outreach programme was established to facilitate regular regional and global consultations. The outreach programme aims to: (a) inform and keep countries updated on the process of updating the 2008 SNA; (b) foster global consultation on the guidance notes; (c) collect feedback from countries and regions on their thematic priorities; and (d) explore possible volunteer countries and liaise with them for an early implementation of the new recommendations in the form of experimental estimates.

23. The initiative is being operationalized through a series of online regional seminars, being held in collaboration with the regional commissions, which first began with introductory webinars intended to inform countries about the overall process of updating the 2008 SNA, working methods, timelines and expected country involvement. Following those inception webinars, a series of thematic webinars are being organized as a mechanism for discussing more specific research topics and guidance notes with countries, informing countries about the impact of the new recommendations on the national accounts compilation and promoting country participation in the global consultations on the guidance notes. In addition, the regional commissions are helping to translate selected priority guidance notes for each region in the respective languages to ensure the broad involvement of all countries in the consultation process.

24. During the reporting period, outreach activities were organized in collaboration with the regional commissions and with the support of members of the Advisory Expert Group. As at August 2021, five inception webinars had been conducted, including two for the region covered by the Economic Commission for Latin America and the Caribbean (ECLAC) region, and one apiece for the regions covered by the Economic Commission for Africa (ECA), the Economic Commission for Europe (ECE), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA) (within the framework of scheduled regional activities). In broad terms, the seminars reached more than 800 participants from about 180 countries. The first round of thematic webinars will be held between November 2021 and May 2022 and will include online meetings with countries in the regions covered by the above-mentioned regional commissions. The webinars will elaborate on the priority research topics most relevant to each region and will present various guidance notes that have been completed. In addition, a topical webinar on Islamic finance was conducted for interested countries in the ECA, ESCAP and ESCWA regions.

25. Following the broad awareness-raising process, it is expected that the development of experimental estimates based on the guidance notes will commence in early 2022. Although some countries have already started to develop experimental estimates on selected recommendations, the Intersecretariat Working Group aims to involve countries from different levels of statistical development and ensure broad geographic representation. Countries are therefore encouraged to respond to calls, through the regional commissions, to volunteer for the early implementation of the recommendations in the form of experimental estimates.

## **F. Editorial team and project manager**

26. Given that the work on the update of the 2008 SNA is progressing, it was decided to appoint a lead editor to facilitate the drafting of the update of the 2008 SNA, and a project manager to assist the Intersecretariat Working Group in coordinating the update process using the existing institutional arrangements and project infrastructure. A letter announcing the two positions has been dispatched on behalf of the Intersecretariat Working Group to the heads of national statistical offices and governors of central banks. In addition, the members of the Intersecretariat Working Group placed a call for candidates on their websites and circulated the announcement among their respective national accounts constituents.

27. It was further decided to establish an editorial team comprising the lead editor and supporting editors. The lead editor will be responsible for the overall editorial process and the final updated SNA. Members of the editorial team would be brought on board, in consultation with the lead editor, on an as-needed basis according to their areas of specialty.

## **III. Work programmes of the Intersecretariat Working Group on National Accounts and of the regional commissions**

28. The Working Group and the regional commissions continue to support the implementation of SNA and other internationally agreed standards in economic statistics in accordance with the global implementation programme of SNA and supporting statistics. In that regard, the activities undertaken cover various aspects of the statistical production process for national accounts, as reflected in the various training workshops and seminars organized by the Working Group and the regional commissions. A summary of activities related to economic statistics and national accounts, undertaken in 2021 and to be undertaken in 2022, by the Working Group and the regional commissions is provided in section III of the background document.

## **IV. Reporting of annual national accounts data**

29. In accordance with the request of the Commission, the Statistics Division of the Department of Economic and Social Affairs of the Secretariat regularly evaluates the availability and scope of official national accounts data reported by Member States and their conceptual compliance with the recommendations of the 2008 SNA. Although the need for quarterly national accounts data to facilitate appropriate policy responses is recognized in the minimum required data set, the relevant data are only available for 137 Member States. For that reason, the evaluation is limited to the availability and scope of official annual national accounts data.

30. Following a decline in responses in 2020 due to the COVID-19 pandemic, 170 Member States submitted national accounts data to the Statistics Division during the 2021 reporting period – the highest number of responses received in a single reporting period compared with an average of around 165 in the previous five reporting periods. It should be noted that the same Member States do not always report every year. The timeliness of data has also dramatically improved in the 2021 reporting period, with 115 Member States submitting data for the year 2020, while 106 Member States reported data for the year 2019 in the 2020 reporting period.

31. Assessing the scope of national accounts data using the minimum required data set shows that there is still a relatively large number of Member States that do not comply with the minimum required scope and detail of national accounts data. It is

concerning that most of these Member States also have outdated benchmark estimates, which severely impact the quality of their national accounts data.

32. Conceptual compliance with either the 1993 or the 2008 SNA increased from 97 Member States in 2007 to 188 Member States in 2021, with 116 Member States having implemented the 2008 SNA as at the end of 2021. The latter group includes Member States that have implemented the 2008 SNA without necessarily having implemented the 1993 SNA. Only five Member States are deemed to compile their national accounts according to the 1968 SNA.

33. The more detailed assessment provided in section IV of the background document is based on replies received to the United Nations national accounts questionnaire over the past five reporting periods (2016–2020).

## **V. Action to be taken by the Statistical Commission**

34. **The Commission is invited:**

(a) **To express its views on the progress with the work programme for updating the System of National Accounts 2008, as presented in section II, subsections A, B, C and D;**

(b) **To encourage countries to participate in the regional outreach seminars, in global consultations on the guidance notes and in the experimentation and testing of guidance notes, as presented in section II, subsection E;**

(c) **To take note of the appointment of the lead editor and project manager for the 2008 SNA update, as presented in section II, subsection F;**

(d) **To express its views on the work programmes of the Working Group and of the regional commissions, as presented in section III;**

(e) **To express its views on the reporting of annual national accounts data, including the changeover to the 2008 SNA, as presented in section IV.**

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