SEEA: The International Standard for Environmental-Economic Accounting

Recording of Losses

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Background

- Issue #17 in SEEA revision
- Recommendations to UNSC in February 2011
- Text in SEEA CF White cover
- Discussions in the finalisation of SEEA CF for publication

Recommendations to UNSC

- (i) Within the context of the production boundary of the 2008 SNA, losses should be comprised of (a) flows of natural resources from the environment that are not available for further use in the economy because they are immediately returned to the environment and are not retained in the inventories of the extractor; and (b) products that do not reach their intended destination or have disappeared from storage.

Recommendations to UNSC

- (ii) Five types of losses should be defined: (a) losses during extraction/abstraction; (b) losses during distribution/transport; (c) losses during storage; (d) losses during conversion; and (e) losses due to theft. Losses due to theft should be recorded separately as they are not losses returned to the environment.

- (iii) In the monetary flow accounts of the revised SEEA the treatment of losses should be consistent with the treatment of losses in the 2008 SNA.

Recommendations to UNSC

- (iv) In physical terms all losses should be recorded in the physical supply and use tables. In the derivation of measures of output in physical terms losses during extraction/abstraction should be netted off total amounts extracted. For losses during distribution, losses during conversion and losses due to theft, output should be derived net of these losses. Losses during storage may impact on measures of output or intermediate consumption. Losses of finished goods from storage should be deducted in the derivation of measures of output. Losses of materials or supplies from storage should be added in the derivation of measures of intermediate consumption.

General accounting identity

- Supply equals use
- In deriving losses estimate the use of product as equal to what is received and then set supply of products equal to use
- Also ensure that input-output identity holds in the column for each unit

Supply table	Mining industry	Electricity industry	Other economic units	Households	Environment	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Energy from natural inputs						
Natural gas					1161	1161
Energy products						
Natural gas	1116					1116
Electricity		598				598
Energy residuals						
Losses during extraction	45					45
Losses during transformation		418				418
Losses during distribution		100				100
Other energy residuals			402	196		598
						1161
Use table	Mining industry	Electricity industry	Other economic units	Household final consumption	Environment	TOTAL
Energy from natural inputs						
Natural gas	1161					1161
Energy products						
Transformation of energy products						
Natural gas		1116				1116
End-use of energy products						
Electricity			402	196		598
Energy residuals						
Losses during extraction					45	45
Losses during transformation					418	418
Losses during distribution					100	100
Other energy residuals					598	598
					1161	1161

Conclusions

- Importance of structure of the table in tracking all flows
- Ensure supply and use of products balanced
- Derive indicators following recording the flows

THANK YOU