



# **Guidelines for Monitoring 2008 SNA Implementation**

**Regional Seminar on Developing a Programme for the  
Implementation Programme of the 2008 SNA and the  
Implementation Strategy for the SEEA Central Framework in  
the Pacific Region**

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**United Nations Statistics Division**



## Outline of presentation

- Overview
- Milestones
- Required data sets
- Conceptual compliance
- Data-quality assessment of national accounts
- Scope and compliance measures for the 2008 SNA



## Overview

- For monitoring the implementation of the 1993 SNA the ISWGNA developed a set of six milestones to assess the scope of accounts that are compiled by countries.
- These milestones were later supplemented by three data sets describing (a) minimum set of accounts that need to be compiled; (b) a recommended set of accounts; and (c) a desired set of accounts.
- To assess the compliance with major 1993 SNA concepts the ISWGNA developed a set of questions.
- The quality of the national accounts dimension was assessed using the IMF quality assessment framework



## Milestones

- The Commission approved the milestone measures at its 29<sup>th</sup> session.
- The purpose of the milestones is twofold.
  - To provide some guidance to countries who are considering expanding the scope of their national accounts coverage in line with the recommendations of the SNA.
  - To serve as a monitoring instrument that permits for measuring the level of national accounts development at different points in time, permitting the identification of the groups of countries (by type or by region) that would need particular attention from the international community.



## Limitations of the Milestones

- Countries have taken the milestones as representing the order in which additions to national accounts must be approached.
  - Countries may choose a different path of implementation than the one suggested by the milestones
- The milestones can also give the wrong impression of SNA implementation because there are different degrees of implementation.
  - Some countries with relatively small economies that have a narrow range of activities – full implementation could be a much smaller subset of the SNA than is required for others
- The milestones make no reference to conceptual or quality issues since they are concerned only with coverage in terms of the accounts and tables recommended by the SNA.



## Limitations of the Milestones - overcoming

- In order to better assess to what extent countries have implemented the 1993 SNA, the ISWGNA at its April 2000 meeting identified 3 main dimensions that needed to be examined:
  - Scope of the accounts
  - Compliance with 1993 SNA concepts and
  - Quality issues
- All 3 aspects need to be assessed for a better and more comprehensive evaluation of the SNA implementation.



## Required Data Sets

- ISWGNA developed 3 data sets to assess the scope of national accounts implementation according to the 1993 SNA.
  - The first set is a defined benchmark called the [minimum requirement data set](#) (MRDS) . The MRDS is a set of annual accounts that essentially groups together the accounts recommended in milestones 1 and 2.
  - The second set is the [recommended data set](#), which are annual accounts “recommended” for compilation by all countries plus some “recommended” quarterly accounts; these are recommended because of their importance in assessing developments of an economy.
  - The third data set is the [desired data set](#), which comprises useful data that should be compiled, if possible.



## Conceptual Compliance

To determine conceptual adherence to the 1993 SNA the ISWGNA developed a set of questions.

The questionnaire is limited in scope covering only some of the key conceptual differences between the 1993 SNA and the 1968 SNA.

The questionnaire requires simple answers of **yes/no/partly**, with some elaboration if necessary.

Its objective is to determine to what extent important concepts in the 1993 SNA affecting the level of GDP, gross capital formation and gross national income (GNI) have been implemented.





## Data Quality Assessment of National Accounts

- To assist in formulating strategies to improve data quality, IMF has developed a framework (DQAF) for assessing the quality of national accounts and other macroeconomic statistics.
- The framework provides a structure and common language for best practices as well as internationally accepted concepts and definitions.
- The framework follows a cascading structure that begins with a set of prerequisites and five dimensions of quality: integrity, methodological soundness, accuracy and reliability, serviceability and accessibility



## **Data Quality Assessment of National Accounts**

- The IMF has used the framework as a tool for preparing the data module of Reports on the Observance of Standards and Codes (ROSCs) for its Member States.
- The DQAF is currently being reviewed to take on board recent changes in statistical methodologies.
- The framework is also being used outside IMF since it encompasses the most important aspects of the statistical system and organizes them into a systematic framework that can be used across various statistical domains.



## **Scope and Compliance Measures for the 2008 SNA**

- The elements of the scope and compliance measures used for the 1993 SNA are deemed to be adequate to also assess the scope and compliance for the 2008 SNA.
- However, the need for more timely information to facilitate appropriate policy responses highlights the importance to include also the compilation of quarterly national accounts, which require some adjustments to the scope measure as reflected by the required data set measure.



## Scope and Compliance Measures for the 2008 SNA

- The MRDS was broadened to include
  - Quarterly accounts for the nominal and volume measure of GDP
    - by industry or
    - by expenditure components
  - Quarterly compilation of the integrated accounts until net lending for the total economy and the rest of the world.
  - Compilation of annual institutional sector accounts until net lending for the corporate, government, households and non-profit institutions serving households sectors
- Quarterly compilation of these sectors is now recommended.



## Scope and Compliance Measures for the 2008 SNA

- Annual compilation of the sectoral financial accounts and sectoral balance sheets and other changes in assets accounts is now recommended,
  - Compilation of their quarterly accounts is desirable.
- The adjusted MRDS, recommended and the desirable data sets are provided in Table 2.
- The compliance questionnaire was adjusted to reflect the 2008 SNA concepts for determining the conceptual adherence to the 2008 SNA. The questionnaire is presented in Table 3.



## Scope and Compliance Measures for the 2008 SNA

- Its objective is to determine to what extent important concepts in the 2008 SNA have been implemented affecting the level of:
  - GDP,
  - gross capital formation and
  - gross national income (GNI).
  
- The ISWGNA will assess the need to expand the compliance questionnaire to include also other 2008 SNA concepts not currently covered in the compliance questionnaire at a later stage.



## Implementation milestones for the 2008 SNA

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Implementation milestones	Complementary data systems	SNA-related data and dev.
<b>Pre-SNA phases</b>	<ul style="list-style-type: none"> <li>- Basic data (production etc.)</li> <li>- BOP goods and services account</li> <li>- Monetary survey statistics</li> <li>- Consumer, producer Price indices</li> </ul>	
<b>Milestone 1.</b> Basic indicators of GDP - Final expenditures on GDP prices - GDP by industry <div style="float: right; margin-left: 20px;">             } Current and constant prices           </div>	<ul style="list-style-type: none"> <li>- Supply and Use worksheets</li> <li>- BOP current, capital and fin a/c</li> <li>- GFS transaction accounts</li> </ul>	
<b>Milestone 2.</b> GNI and other primary indicators - External account of primary incomes and current transfers - Capital and financial accounts for the rest of the world	<ul style="list-style-type: none"> <li>- Capital stock statistics</li> <li>- International Investment Position</li> <li>- GFS stock in assets and liabilities</li> <li>- Monetary and financial statistics</li> </ul>	<ul style="list-style-type: none"> <li>- QNA</li> <li>- Regional accounts</li> <li>- Satellite a/cs for environment and other country priority satellite a/c</li> <li>- Input-output analysis</li> </ul>
<b>Milestone 3.</b> Institutional sector accounts: first steps - Production accounts for all institutional sectors - Generation of income - Allocation of primary income - Secondary distribution income - Use of income - Capital and financial accounts <div style="float: right; margin-left: 20px;">             } for general govt.           </div>	Same as for milestone. 2	Same as for milestone 2
<b>Milestone 4.</b> Institutional sector accounts: intermediate step 1: - Generation of income - Allocation of primary income - Secondary distribution of income - Use of income - Capital accounts <div style="float: right; margin-left: 20px;">             } for all institutional sectors           </div>	Same as for milestone 2	Same as for milestone 2
<b>Milestone 5.</b> Institutional sector accounts: final step : - Financial accounts for all institutional sectors	Same as for milestone 2	Same as for milestone 2
<b>Milestone 6.</b> Institutional sector accounts: intermediate step 2: - Other changes in assets accounts - Balance sheets <div style="float: right; margin-left: 20px;">             } for all institutional sectors           </div>	Same as for phase 2	Same as for milestone 2



## UNSD National Accounts Questionnaire

NAQ Table number		Annual accounts	Quarterly accounts
<b>GDP, value added and employment</b>			
	Nominal and volume measure of GDP by industry or by expenditure components	Minimum requirement	Minimum requirement
1.1	Expenditures of the GDP in current prices	Minimum requirement	Optional Min Requirement
1.2	Expenditures of the GDP in constant prices	Minimum requirement	Optional Min Requirement
2.1	Value added and GDP in current prices by industry	Minimum requirement	Optional Min Requirement
2.2	Value added and GDP in constant prices by industry	Minimum requirement	Optional Min Requirement
2.3	Value-added components by industry, current prices	Minimum requirement	Recommended
	Employment by industry	Minimum requirement	Recommended





## UNSD National Accounts Questionnaire

NAQ Table number		Annual accounts	Quarterly accounts
<b>Integrated accounts and tables, including integrated satellite accounts</b>			
1.3/ 4.1	Accounts for the total economy (until net lending)	Minimum requirement	Minimum requirement
	Supply and use table	Recommended	Desirable
5.1	Cross-classification of output/value added by industries and sectors	Recommended	
	Tourism accounts, environmental accounts and other socio-economic accounts	*	

**Minimum requirement** indicates an adequate scope of implementation of the 2008 SNA, when relevant.

**Recommended:** recommended for compilation by all countries.

**Desirable:** Useful statistics that should be compiled, if possible.

\* Other data sets that would count in assessing the degree of 2008 SNA implementation



## UNSD National Accounts Questionnaire

NAQ Table number		Annual accounts	Quarterly accounts
<b>Purpose classification of expenditures</b>			
3.1	General government final consumption (and other) expenditure by purpose in current prices	Recommended	
	General government final consumption expenditure by purpose at constant prices	*	
3.2	Individual consumption (and other) expenditures by purpose in current prices	Recommended	
	Individual consumption expenditures by purpose at constant prices	*	
	Purpose classification of intermediate and final consumption across all sectors	*	

\* other data sets that would count in assessing the degree of 2008 SNA implementation



## UNSD National Accounts Questionnaire

NAQ Table number		Annual accounts	Quarterly accounts
<b>Institutional sector accounts (until net lending)</b>			
4.2	Rest of the world accounts (until net lending)	Minimum requirement	Minimum requirement
4.3	Non-financial corporations sector accounts (until net lending)	Minimum requirement	Recommended
4.4	Financial corporations accounts (until net lending)	Minimum requirement	Recommended
4.5	General government sector accounts (until net lending)	Minimum requirement	Recommended



## UNSD National Accounts Questionnaire

NAQ Table number		Annual accounts	Quarterly accounts
4.6	Household sector accounts (until net lending)	Minimum requirement	Recommended
4.7	Non-profit institutions serving households sector accounts (until net lending)	Minimum requirement	Recommended
<b>Financial accounts</b>			
4.1-4.7	Financial accounts for all sectors	Recommended	Desirable
<b>Balance sheets and other changes in asset accounts</b>			
	Balance sheets, revaluation and other volume changes in asset accounts for all sectors	Recommended	Desirable



## Compliance with 2008 SNA concepts

### Elements affecting the level of GDP

#### Gross capital formation (GCF)/output

- Entire defence expenditure incurred by government included in the GCF?
- Consumption of fixed capital measured on all government fixed assets (airfields, roads, hospitals, dams and breakwaters and other forms of construction except structures) including military weapon systems?
- Expenditure on Research and Development included in the output and GCF?
- All (successful and unsuccessful) mineral exploration expenditure capitalized?
- Purchases of computer software expected to be used for more than a year included in GCF?
- Expenditure on software development on own account expected to be used for more than a year and for sale included in GCF and output?
- Expenditure on all databases expected to be used for more than a year, whether purchased on the market or developed in-house, included in the GCF and output?
- Expenditure on entertainment, literary or artistic originals included in the GCF and on their development included in the output?
- Expenditure on valuables included in the GCF?
- Natural growth of cultivated forests included in output in GCF?



## Compliance with 2008 SNA concepts

- Output of financial intermediation services indirectly measured (FISIM) calculated on loans and deposits only using interest rates on deposits and loans and a reference rate of interest?
- Output of FISIM allocated to users?
- Production of all goods that are produced by households whether for sale or not — included in the output?
- Activity of the own-account money lenders included in the output?
- Value of output of goods and services produced by households and corporations for own final use, when estimated on cost basis, include a return to capital?
- Output of non-life insurance services in the event of catastrophic losses estimated using adjusted claims and adjusted premium supplements?
- Output of the Central Bank estimated separately for financial intermediation services, monetary policy services and supervisory services overseeing financial corporations?
- Unit undertaking purely ancillary activity, located in a geographically separate location from establishments it serves, treated as a separate establishment?
- Output of the activity of non-autonomous pension funds and unfunded pension schemes separately recognized?

### Volume estimates

- Volumes estimated using a chaining procedure with annually changing weights?



## Compliance with 2008 SNA concepts

### **Social contributions/insurance**

- Unfunded social contributions (for sickness, unemployment, retirement etc.) by enterprises imputed as compensation of employees and included as contributions to social insurance?
- Non-life insurance estimates include premium supplements rather than being based just on premiums less claims?
- Life insurance estimates include premium supplements rather than being based just on premiums less claims?

### **Elements affecting GNI**

- Reinvested earnings estimates included in the rest of the world account?
- Foreign workers' remittances excluded from GNI?

### **Elements not affecting the level of GDP/GNI - *Valuation of output***

- Output and value added measured at basic prices?
- Output and value added measured at producers' prices?
- Value added measured at factor cost? (not part of the 2008 SNA)
- Goods for processing recorded on a net basis?

### **Final consumption**

- Government final consumption expenditure broken down into individual and collective consumption?

### **Status of implementation of the 2008 SNA**

- 2008 SNA has not been implemented in officially reported national accounts, when does the country plan to implement and release data based on the 2008 SNA? (Specify the year.)



Thank You