



Accounts, Indicators and Policy Use with 2008 SNA Framework

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

20-23 August 2013 Apia, Samoa

Outline of Presentation

- * SNA as demand driven response
- * Location of 2008 SNA for policy analysis
- * Advantages of economic indicators approach to macroeconomic analysis
- * Analysis of scope of implementation of Supply and Use Table (SUT)
- * Analysis of scope of implementation of Integrated Economic Accounts (IEA)
- * Scope of macro-economic analysis by implementation of Supply and Use Table (SUT) and Integrated Economic Accounts (IEA)
- * Selected economic performance indicators
- * Satellite extensions of the 2008 SNA

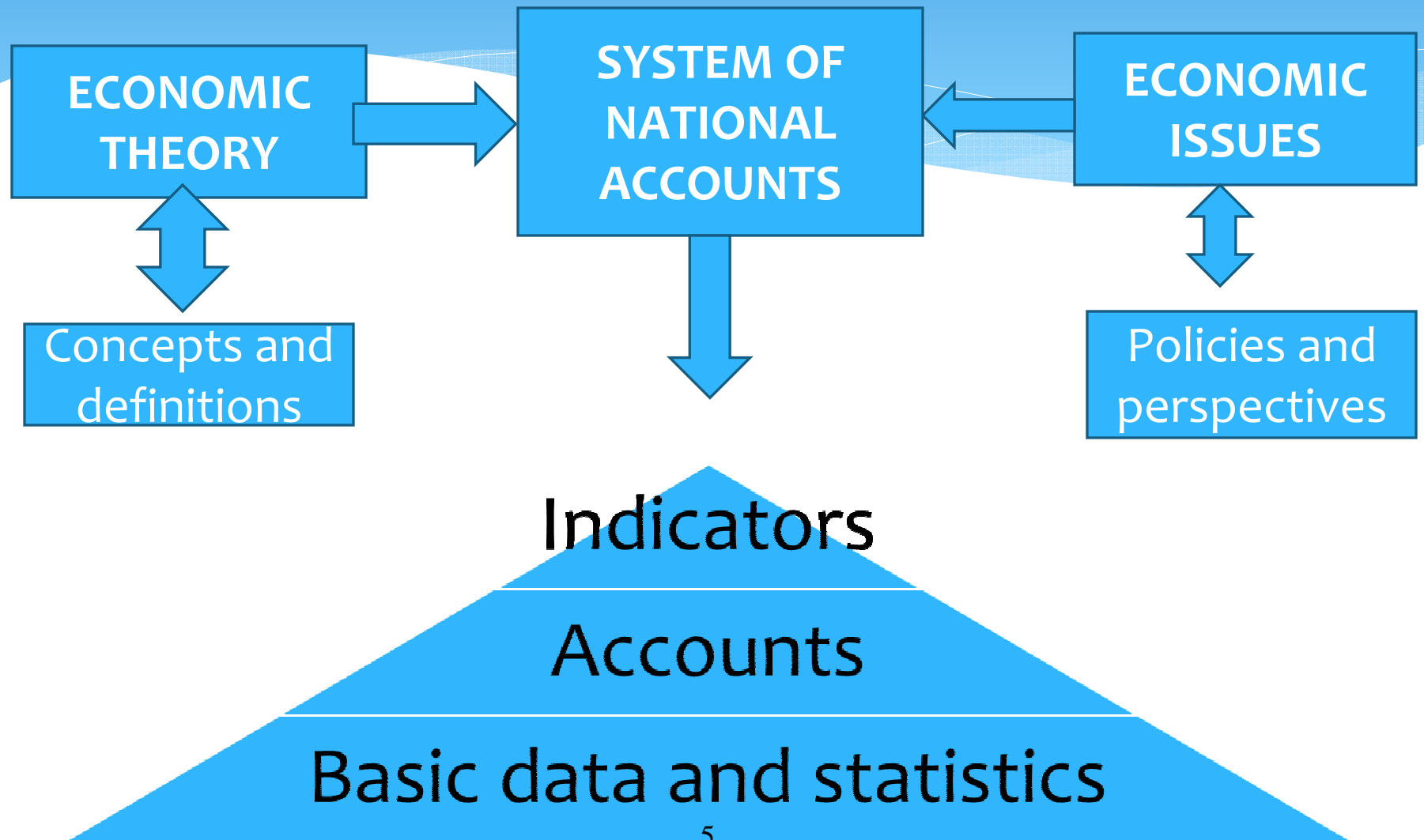
SNA as demand driven response

- * SNA is demand driven and a **statistical response** of market economies to address macroeconomic issues with macroeconomic theory
- * The SNA provides a frame of reference for the development of a capacity to **analyze macroeconomic challenges and to monitor progress**, e.g. growth and macroeconomic stability
- * **Economic theory and SNA interact** in the development of concepts and definitions, accounts and tables, classification, etc. to analyze the economy in an integrated framework

SNA as demand driven response

- * The Central Framework of the SNA embodies basic distinctions as required by economic theory such as:
 - * **production** (aggregate supply) and **use** (aggregate demand) with prices
 - **factors of production** such as labor, capital, technology
 - * **transactions** such as income, consumption, investment, exports, imports, transfers, financial assets and liabilities ..
 - * **balance sheets** with positions of assets and liabilities
 - * (institutional) **sectors** such as household sector, corporate sector, monetary sector, government sector, external sector

Location of System of National Accounts and Intermediate Accounts for Policy Analysis



Advantages of economic indicators approach to macroeconomic analysis

- * **Simple and understandable** economic constructs that summarize the development of the economy and the economic and financial vulnerabilities over time
- * Economic indicators within a balanced system of national accounts are **mutually consistent**
- * Economic indicators use the real and financial **interconnectedness** within sectors, between sectors and their counterparties in the rest of the world
- * Economic indicator analysis improve the **use** of national accounts and its quality and **reveal data gaps**

Integration of Industry Data in SUT

	OUTPUT Total economy	OUTPUT Agriculture, hunting, forestry and fishing	OUTPUT Mining, manufacturing, electricity, gas, water, construction	OUTPUT Services industries	Imports
Agriculture, forestry and fishery products	87	87	0	0	37
Mineral, manufacturing, electricity, gas, water and construction products	2,153	2	2,112	39	345
Services products	1,364	0	11	1,353	117
TOTAL	3,604	89	2,123	1,392	499

	Intermediate consumption	Intermediate consumption	Intermediate consumption	Intermediate consumption
Agriculture, forestry and fishery products	88	3	71	14
Mineral, manufacturing, electricity, gas, water and construction products	1,251	36	969	246
Services products	544	8	218	318
TOTAL	1,883	47	1,258	578

Exports
7
435
98
540

Final consumption expenditure		
Government	Households	NPISH
2	28	0
3	608	0
363	379	16
368	1,015	16

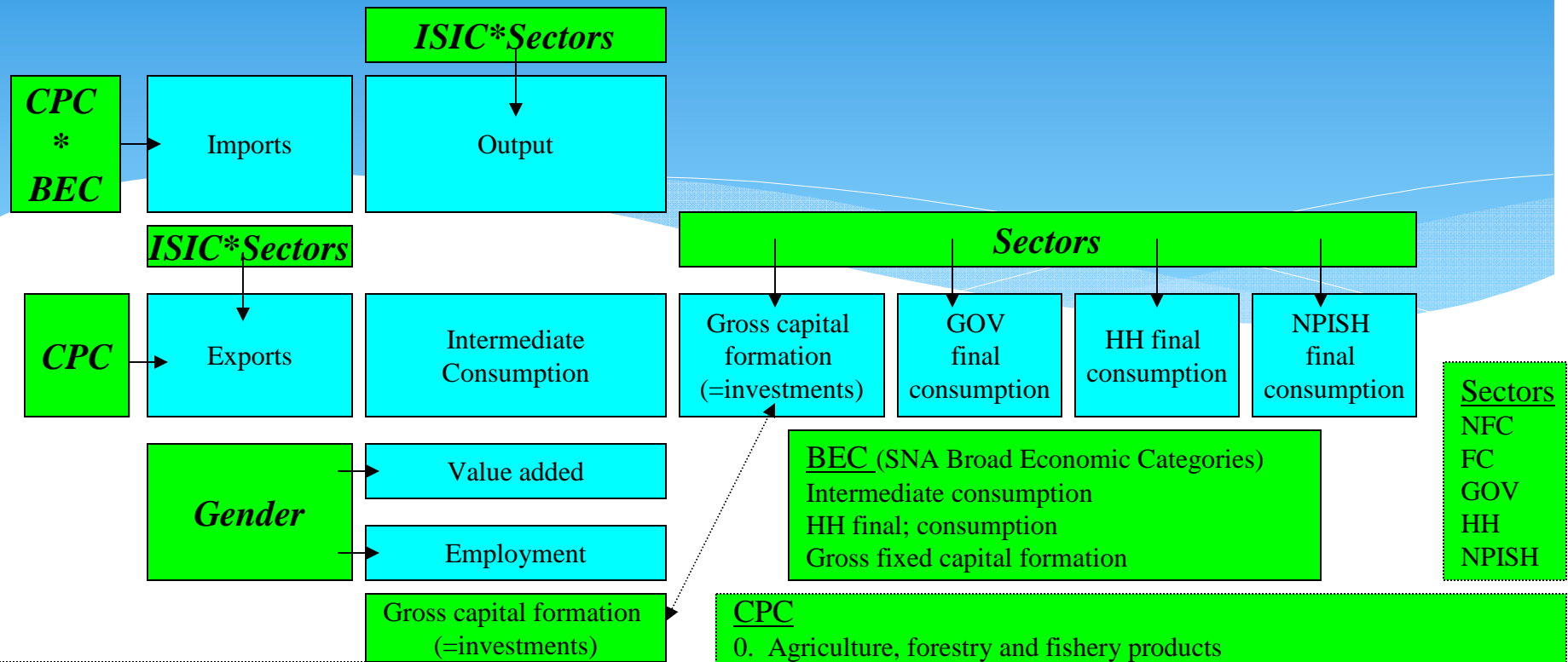
Gross capital formation		
Gross fixed capital formation	Change in inventories	Acquisitions less disposals of valuables
2	1	
351	27	10
23		
376	28	10

Value added by components	Value added	Value added	Value added	Value added
Compensation of employees	762	9	407	346
Taxes less subsidies on production and imports	58	-2	49	11
Consumption of fixed capital	222	11	92	119
Operating surplus / mixed income, net	679	24	317	338
TOTAL	1,721	42	865	814

*)

The data presentation in the present exercise is based on the assumption of full allocation of FISIM to industries and sectors using those services. If the allocation is to a nominal sector, negative adjustments to GDP are needed in the cells indicated.

Refining SNA scope through classifications into the SUT



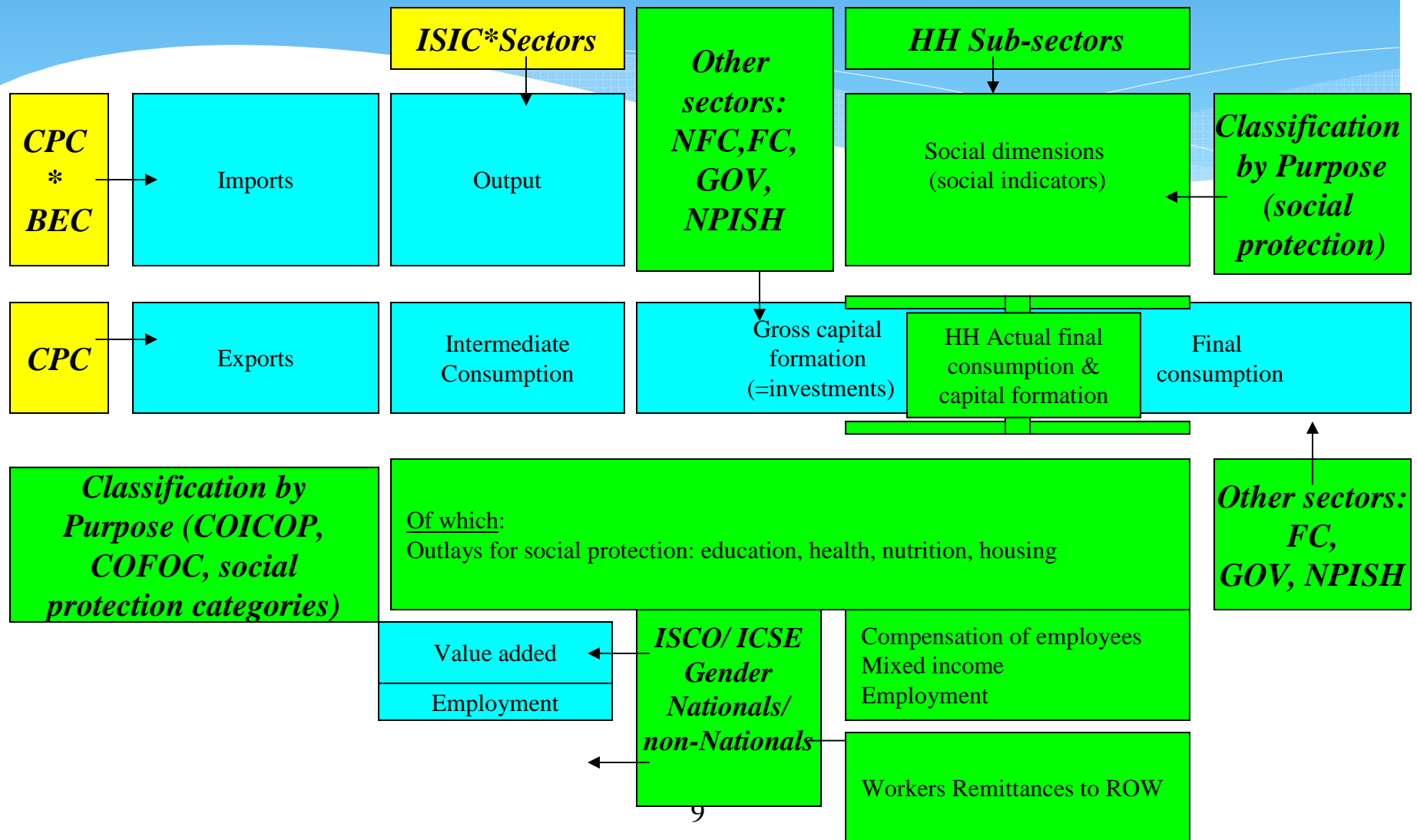
ISIC Revision 4

- A - Agriculture, forestry and fishing
- B - Mining and quarrying
- C - Manufacturing
- D - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management, etc
- F - Construction
- G - Wholesale and retail trade; repair of motor vehicles, motorcycles
- H - Transport and storage
- I - Accommodation and food service activities
- J - Information and communication
- K - Financial and insurance activities, etc.

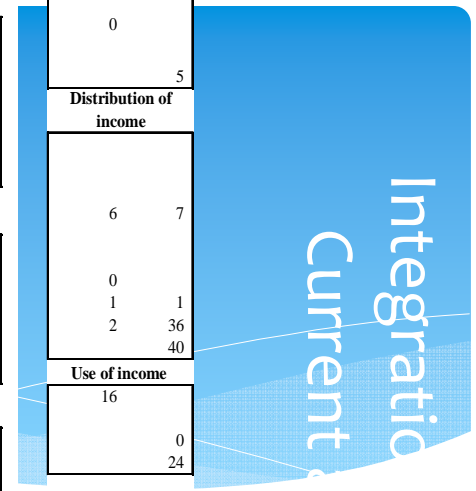
CPC

0. Agriculture, forestry and fishery products
1. Ores and minerals; electricity, gas and water
2. Food products, beverages and tobacco; textiles, apparel and leather products
3. Other transportable goods, except metal products, machinery and equipment
4. Metal products, machinery and equipment
5. Constructions and construction services
6. Distributive trade services; accommodation, food and beverage serving services; transport services; and electricity, gas and water distribution services
7. Financial and related services; real estate services; and rental leasing services
8.

Extending the SUT to Socio-Economic Analysis



	AND SERVICES											
			-41								23	
Production account	Production		Production		Production		Production		Production		0	
	output	3604	1753	102	440	1269						5
	intermediate consumption	1883	899	29	252	694						
	consumption of fixed capital	222	137	10	30	42						
												Distribution of income
												6
												7
												0
												1
												2
												36
												40
												Use of income
												16
												0
												24
												Capital flows
												19
												0
												-3
												1
												3
												0
												4
												21



NFC/FC

- Public non-financial corporations
- National private non-financial corporations
- Foreign controlled non-financial corporations

NFC/FC

ISIC - main economic activity

- Central bank
- Deposit-taking corporations except central banks
- Money market funds (MMF)
- Non-MMF investment funds
- Other financial intermediaries, except insurance corporations and pension funds
- Financial auxiliaries
- Captive financial institutions and money lenders
- Insurance corporations
- Pension funds

- Central government
- State government
- Local government
- Social security funds
- Central government social security funds
- State government social security funds
- Local government social security funds

- HH by regions
- Agric. vs. non-agric. HH
- Urban vs. rural HH
- Level of education of Head of HH
- Age groups of Head of HH
- Disposable income per capita/ HH
- Status of employment of Head of HH.

	TOTAL	External sector		Non-financial corporations		Financial corporations		Government		Households		NPISH	
		U	R	U	R	U	R	U	R	U	R	U	R
External sector													
External trade		540											
Production													
consumption of fixed capital				899	1753	29	10	252	440				
Taxes less subsidies on production				137		10		30					
VALUE ADDED/ DOMESTIC PRODUCT, NET					717				158				28
Income generation													
compensation of employees				545				140					23
taxes less subsidies on production imports								2					
mixed income, net operating surplus, net													
Distribution of income accounts													
compensation of employees less payable													
property income, receivable less payable													
taxes less subsidies on production and imports		191	0	0									
current taxes on income		212	213	1	0								
social transfers		654	654	0	0								
other current transfers		269	239	9	39								
DISPOSABLE INCOME, NET			1632										
Use of income													
final consumption expenditure		1399											
Adjustment for the change in net equity of households in pension funds			0	0									
SAVINGS, NET			233										
CURRENT EXTERNAL BALANCE													
Capital flows													
gross capital formation of which: additions to the value of non-produced assets		414			278	9		40		68		19	
less: consumption of fixed capital		22			20	0		2		0		0	
acquisition less disposal of non-produced assets, net		-222			-137	-10		-30		-42		-3	
capital transfers, receivable less payable		0	0		-7	0		2		4		1	
NET LENDING		65	62	1	16	33	7	34	6	5	23	3	0
CHANGES IN NET WORTH DUE TO SAVINGS AND CAPITAL TRANSFERS			38			-69			-50		148		4
			230			65			-38		178		21

Financial Instruments in a From-Whom-to-Whom Framework by Residency and Resident Sector of Creditor and Debtor

Debtor by residency and resident sector and by financial instrument			Creditors by residency and resident sector					
			Resident				Non-resident	All creditors
			Non-financial corporations	Financial corporations	General government	Households and npish		
Residents	Non-financial corporations	Monetary gold and SDRs						
		Currency and deposits						
		Debt securities						
		Loans						
		Equity and investment fund shares or units						
		Insurance, pension and standardized guarantee schemes						
		Financial derivatives and employee stock options						
		Other accounts receivable/payable						
	Financial corporations	Monetary gold and SDRs						
		Currency and deposits						
		...						
	General government	Monetary gold and SDRs						
		Currency and deposits						
		...						
	Households and npish	Monetary gold and SDRs						
		Currency and deposits						
		...						
	Non residents		Monetary gold and SDRs					
			Currency and deposits					
			...	12				
All debtors		Monetary gold and SDRs						
		Currency and deposits						

Scope of Macro-economic Analysis by Milestones and Minimum Required Data Set (MRDS)

- * Milestone 1. GDP by Industry and Expenditure in current and constant – Growth analysis
- * Milestone 2. GNI from Total Economy and Balance of Payments (current, capital and financial accounts) and GFS transaction accounts
- * Growth analysis and BOP analysis
- * Milestone 3. Production and generation of income accounts for institutional sectors and general government (including IIP for BoP and GFS transactions and stock in assets and liabilities)
- * Growth analysis, BOP analysis, productivity analysis and fiscal analysis
- * Milestone 4. Production, generation, distribution, redistribution and use of income accounts and capital accounts for all institutional sectors (upto net lending)
- * Growth analysis, BOP analysis, productivity analysis, fiscal and income distribution analysis
- * ----- **Minimum required macroeconomic data set, annual institutional sector accounts upto net lending and quarterly GDP and quarterly BoP**
- * Milestone 5. Production, income and use accounts, capital accounts and financial accounts for institutional sectors
- * Growth analysis, BOP analysis, productivity analysis, fiscal, income distribution analysis and investment- financing analysis
- * Milestone 6. All transaction and flows accounts plus balance sheets
- * Growth analysis, BOP analysis, productivity analysis, fiscal income distribution analysis, financing-debt analysis (Flow of funds) and vulnerability analysis (currency mismatches, maturity mismatches (roll-over of debt), capital structure (equity vs debt), solvency (assets over liabilities)

Point for discussion

- * Does the present scope, detail and quality of National Accounts for your country meet present policy demands in an interconnected economic and financial domestic and global economy?