



Classification of natural assets: Linking the 1993 SNA Rev.1 and the revised SEEA-2003

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Background

- 1993 SNA update considered the issue of classification of assets
- AEG recommended that 1993 SNA and SEEA-2003 be aligned, in particular for classification of natural resources
- 1993 SNA Rev.1 draft Chp.10 and 13 reflect this recommendation but few differences remain



Main changes in the 1993 SNA Rev.1 asset classification

- Replace “tangible non-produced assets” with “natural resources”
- Replace “intangible non-produced asset” and split it into
 - Contracts, leases and licenses
 - Goodwill and marketing assets
- Record “Land improvements” as GFCF of buildings and structures and not under land
- Align terminology of natural resources with SEEA-2003



Definition of asset

1993 SNA

Economic assets are entities:

- a) Over which ownership rights are enforced by institutional units
- b) From which economic benefits may be derived

SEEA-2003

Environmental assets are defined in terms of the environmental functions which yield benefits to the economy.

Benefits include use and non-use benefits.

Recommendation #1:

The definition of assets in the SEEA-2003 should be tightened



What has the 1993 SNA Rev.1 changed to align with SEEA-2003

- Water
 - Expand the asset boundary to include all surface and groundwater

Fish

- Expand the asset boundary to include fish in international waters

Align terminology



Classification of natural resources

- Land
- Soil resources
- Presentation/order of items in the classifications
- Terminology



Land

- 1993 SNA Rev.1 asset classification is completely aligned with the SEEA-2003
 - Recreational land has been removed from the 1993 SNA Rev.1 following the SEEA-2003
- 1993 SNA Rev.1 includes land as part of natural resources
- SEEA-2003 includes land as a separate category – as provider of space

Recommendation #2 *In the SEEA-2003, land is recorded as part of natural resources to further align the two classifications*

Recommendation #3

The category “of which recreational land” is removed



Soil resources

- In 1993 SNA Rev.1 soil is explicitly included in the definition of land
- In the SEEA-2003 it is a separate category

Recommendation #4

Soil is maintained as a separate category in the SEEA-2003 given its importance



Presentation/order of items

- SEEA-2003 does not distinguish explicitly fixed assets, inventories and non-cultivated resources
- Cultivated biological resources are included under natural resources



Differences in presentation

- Order in presentation of natural resources
 - SNA: cultivated assets, work-in-progress, land, subsoil, non-cultivated biological resources, water, other
 - SEEA: Mineral and energy, soil, water, biological resources, LAND (separate from natural resources), Ecosystems



Why differences in presentation?

- Perspective
 - SNA groups the items according to how to value them
 - SEEA groups them according to the resource



Presentation/order of items

1993 SNA Rev.1	SEEA-2003
<p>Produced assets</p> <ul style="list-style-type: none"> Fixed assets <ul style="list-style-type: none"> Cultivated biological resources <ul style="list-style-type: none"> Animal resources yielding repeat products Tree, crop and plant resources yielding repeat products Inventories <ul style="list-style-type: none"> Work in progress <ul style="list-style-type: none"> Work in progress on cultivated biological resources <p>Non-produced assets</p> <ul style="list-style-type: none"> Natural resources <ul style="list-style-type: none"> Non-cultivated biological resources, water resources and other natural resources 	<p>Biological resources</p> <ul style="list-style-type: none"> Timber resources <ul style="list-style-type: none"> Cultivated Non-cultivated Crop and plant resources other than timber <ul style="list-style-type: none"> Cultivated <ul style="list-style-type: none"> Yielding repeat products Yielding one-time harvests Non-cultivated Aquatic resources <ul style="list-style-type: none"> Cultivated Non cultivated Animal resources <ul style="list-style-type: none"> Cultivated Non cultivated



Presentation/order of items

Recommendation #5

*Align the order of the items in the revised
SEEA-2003 classification with the 1993
SNA Rev.1*

Recommendation #6

*Include the category produced assets in the
SEEA asset classification*



Terminology

1993 SNA	SEEA-2003
Mineral exploration and evaluation	Mineral exploration
Tree resources	Timber resources
Coal, oil and natural gas	Fossil fuels

Recommendation #7

Align the terminology with 1993 SNA Rev.1



Terminology

- 1993 SNA Rev.1 “mineral and energy reserves”
- SEEA-2003 “mineral and energy resources”

Recommendation #8

Maintain the difference. “Reserves” reflects a narrower asset boundary than “resources”

Recommendation #8

1993 SNA Rev.1 expand the asset boundary to include proven + probable reserves defined as those reserves that have a probability higher than 50 percent to be exploited.



Ecosystems

- 1993 SNA Rev.1 : No mention of ecosystems

Recommendation #10

The 1993 SNA Rev.1 should mention that several ecosystem goods and services are implicitly included in the SNA, although not explicitly recognized in the classification



Questions to the LG?

Do you agree with recommendation #:

1. Tighten the definition of assets?
2. Include land as part of natural resources to align the SEEA classification with that of the 1993 SNA Rev.1?
3. Dropping the item “of which recreational land” in the SEEA?
4. Maintain soil as a separate category in the SEEA?
5. Align the order of items in the two classifications?



Questions to the LG? (2)

6. Include produced assets in the classification?
7. Align the terminology with 1993 SNA Rev.1?
8. Maintain the difference between “reserves” in SNA and “resources” in the SEEA?
9. Mention ecosystems in the 1993 SNA Rev.1?