

UK STATISTICS AUTHORITY

 NATIONAL STATISTICIAN'S COMMITTEE FOR ADVICE ON STANDARDS FOR
 ECONOMIC STATISTICS

NSCASE(22)06

International Guidance Update
Summary

International discussions continue as the wider community continues to review guidance notes on key issues before the drafting of draft chapters of the SNA and BPM begin. These issues have been mapped to the proposed chapter structure and a series of international events have been organised.

One rising issue is the UN under the present Secretary-General has become increasingly focussed on the need to accelerate and widen work on 'Beyond GDP', including potentially re-opening Sir Richard Stone's proposal for a System of Population and Demographic Accounts. It appears possible there may be a summit on wellbeing and Beyond GDP in 2023, which may introduce a parallel stream of activity to the SNA revision and raises questions whether the System of National Accounts is the right place to consider some of the issues being brought into its scope.

Guidance Notes issues for consultation

Since NS-CASE's last meeting in June 2022, the following guidance notes have been issued.

Consultation	Posted	Status	Deadline
WS.14 Distinction between recording a tax, a services transaction and similar boundary cases	pending	pending	pending
WS.9 Recording of Provisions	29/07/2022	Closed	24/08/2022
WS.8 Biological Resources & WS.10 Mineral and Energy Resources & WS.11 Renewable Energy Resources	06/07/2022	Closed	31/08/2022
WS.7 Treatment of Emission Trading Schemes	25/06/2022	Closed	23/06/2022
DZ.9 Incorporating Digital Intermediation Platforms into the System of National Accounts	18/05/2022	Closed	16/06/2022
DZ.7 Improving the Visibility of Artificial Intelligence in the National Accounts	18/05/2022	Closed	16/06/2022
F.14 Treatment of Factoring Transactions	17/05/2022	Closed	10/06/2022
F.13 Margins on Buying and Selling Transactions	17/05/2022	Closed	10/06/2022

*WS = Wellbeing & Sustainability, DZ = Digitalisation, G = Globalisation and F= Financial / BPM

Of these the majority have been technical but reasonably uncontentious. WS.8, WS.10 and WS.11 had raised more questions as they attempt to tackle the complex question of how to bring enhanced reporting of non-produced assets into the national accounts. These papers effectively raised three core issues:

- They assume that the SNA is the ‘first amongst equals’ and should subsume data contained within, for example, the environmental accounts drawn up under the SEEA. This may lead to the same data being reported in different places, and introduces risks of double-counting if one brings together data from the different accounts.
- An inconsistency of treatment between different types of assets, so oil considered inaccessible under the ocean floor is included, but a tree in a suitably remote part of the Amazon is excluded because it is inaccessible. This makes the choice of which assets to bring into the national accounts appear rather partial.
- The papers fail to recognise that there are assets within the accounts which may be affected. For example, if one capitalises mineral reserves, how does one take this into account in terms of mineral exploration IPPs, or if one capitalises fish reserves how does one now treat fishing permits?

We have raised these questions in our responses to the consultations and wait to see how they are accounted for in the evolution of these documents.

Forthcoming Events

There are two significant events in the next quarter:

- An OECD conference on the proposed changes for economic statisticians from 25th-27th October in Paris.
- A joint UN / Eurostat event – the ‘Global Conference on Macro-Economics Statistics for the Future’ from 10th-11th November in Paris. This will be aimed at senior leaders in NSIs, and key users at Finance Ministries and Central Banks. We have secured an invitation for the Chair of NS-CASE to this event.

UN Secretary General’s Beyond GDP Initiative

The recently released *Our Common Agenda*¹ makes explicit reference to the need to bring together Member States, international financial institutions and statistical, science and policy experts, to identify a statistical complement or complements to GDP that will measure inclusive and sustainable growth and prosperity, building on the work of the Statistical Commission. In addition to identifying complementary measures, the process would also need to agree on pathways for national and global accounting systems to seek coherence among the complementary measures, by including these additional measurements, and to establish a system framework for regular reporting as part of official statistics.

A review by the agencies of the UN System of the Secretary General’s Beyond GDP initiative indicated that a new broad-based conceptual framework should be developed that

¹ <https://www.un.org/en/un75/common-agenda>

describes an integrated system of flows and stocks and additional indicator and composite index dashboards for measuring wellbeing, inclusion, and sustainability that are complementary to the measurement of GDP. These complementary measures should inform the changing nature of wider economic growth, not just that within the GDP production boundary; environmental impacts; human development and wellbeing; inclusion, and good governance; and the sustainability of wellbeing for future generations.

Consideration is being given by the UN around ‘the missing pieces’ in the statistical landscape, including whether Sir Richard Stone’s idea of a System of Population and Demographic Accounts, of equivalence to the SNA and SEEA might be a valuable addition, along with a Central Framework to bring together data from across the different statistical domains to allow wellbeing assessment. This, however, remains early work and may be subject to significant revision before presentation to the UN Statistical Commission in March 2023. In particular how this agenda interlocks with the SNA revision is yet to be resolved so should be considered as being at a very early stage of development.