Key conclusions of the 10th meeting of the Advisory Experts Group (AEG) on national accounts

Seminar Component of Asia-Pacific Economic Statistics Week

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United Nations Statistics Division
Outline of presentation

- Overview of AEG
- Topics discussed at 10th AEG meeting
- Key conclusions of 10th AEG meeting
Overview of AEG

- Was initially formed in 2002 to assist the Intersectariat Working Group on National Accounts (ISWGNA) with the update of the 1993 SNA
- Was re-established at 41st session of the United Nations Statistical Commission (UNSC) to support the ISWGNA in its work
- Aim: To assist ISWGNA in
  - Resolving issues on the research agenda of the SNA and emerging research issues
  - Review of the SNA implementation programme
Overview of AEG

- Composition reflects the global community representing all regions in the world
  - Comprises 16 members (not including the five representatives of the ISWGNA organizations)
- Physical meetings are typically held once a year
- 10th meeting was held in Paris, France, from 13-15 April 2016
Topics discussed at 10th AEG meeting

- 2008 SNA research agenda
- Globalization
- Statistical units
- Internet economy
- Accounting for pensions
- Financial services
  - Treatment of credit default risk in FISIM
  - Islamic banking instruments
  - Islamic banking in the SNA
- Implementation of the 2008 SNA
- National accounts and big data
- National accounts and SDGs
- Informal sector
Key conclusions of 10th AEG meeting

2008 SNA research agenda

- Agreed that guidance on the practical implementation issues should remain the focus of the SNA research agenda
- Recognized that some issues may take a long time to resolve and a mechanism to address them should be set up
Globalization

- Welcomed the work programme on measuring global production issues and the handbook on international accounts
- Proposed to summarize relevant clarifications of the 2008 SNA in relation to globalization issues in the SNA News and Notes
Key conclusions of 10th AEG meeting

Statistical units

- Provided guidance to the work programme of the task force on statistical units (e.g. practical guidance on the allocation of enterprise data to establishment level, etc.)
- Suggested the task force to conduct a survey on current practices of statistical units used in the national and regional accounts
Key conclusions of 10th AEG meeting

Internet economy

- Agreed that the conceptual framework of the SNA is robust in capturing the internet (digital) economy, but measurements issues still exist
- Agreed that a short paper on the recording and measurement of internet related activities in the national accounts should be prepared
Accounting for pensions

- Recognized the need for additional compilation guidance on the calculation of pension entitlements

- Agreed that more practical examples - from a broad range of countries - of completing the supplementary pensions table should be analysed to assess what criteria are being used to differentiate between employer related pension schemes and social security schemes

- Agreed that - based on this practical experience - further guidance should be developed in the short term on the distinction between social security and employment-related schemes to determine which schemes should be recorded in the central framework
Key conclusions of 10th AEG meeting

Financial services – treatment of credit default risk in FISIM

- Agreed that the Task Force on FISIM could revisit the conceptual merits of either excluding or including credit default risk in the calculation of FISIM, and in the case of the exclusion of credit default risk developing practical methods that could support such exclusion.
Key conclusions of 10th AEG meeting

Financial services – Islamic banking in the SNA

- Noted the difference in business arrangements between Islamic Banking and conventional banking
- Recognized the systemic importance of Islamic Banking for some economies and their relative rapid growth
- Agreed that further research on the statistical implications of Islamic Banking in the national accounts is required and that practical guidance on the treatment of Islamic Banking transactions needs to be developed
Key conclusions of 10th AEG meeting

Implementation of the 2008 SNA

- Agreed that countries should follow an integrated statistics approach to improve the scope, detail and timeliness of their national accounts
- Recognized the importance of the advocacy support of the international organizations to facilitate the coordination among the various national institutions involved, directly and indirectly, in the compilation of macro-economic accounts, and to promote a better understanding of the policy use of these data
Key conclusions of 10th AEG meeting

National accounts and big data

- Stressed the need for the standardization of terminology
- Took note of the various examples in which big data are being used in the statistical processes as illustrated by a number of countries, the UN GWG on big data, and IMF’s Statistical Forum
Key conclusions of 10th AEG meeting

National accounts and SDGs

- Took note of the work related to the development of indicators for the SDGs
- Expressed concern about possible problems with the international comparability of national indicators, and in this respect proposed to review the metadata for those indicators related to the SNA through electronic consultations
Regional and country experiences

Informal sector

- Recognized that an exhaustive measure of the informal sector is a challenging issue, particularly in terms of the collection and integration of the source data into the system of national accounts.
- Recognized that data collected for understanding the informal sector are often not sufficient for measuring economic activity and agreed that various surveys and collecting methods – focusing on household, consumption and employment data – may be needed as source data for an exhaustive measure of the informal sector in the national accounts.
Informal sector

Agreed that using the supply and use framework, in which available source data are combined and balanced, provides the greatest potential to arrive at exhaustive estimates of economic activity. In this respect, also suggested to include, if possible, a distinction between formal and informal activities.
Thank you