Looking Forwards, Looking Back

ESCWA
August 2018

Outline of presentation

- Background
- What are the achievements?
- What more needs to be done?
Background

- This year marks the 10th anniversary of the adoption of the 2008 SNA
- It is a time to celebrate

- It is also a time to reflect on
  - Progress made with regards to the implementation of the SNA
  - Whether the 2008 SNA remains relevant for measuring new economic developments and new socioeconomic phenomena relevant for the policy framework of the 2030 Agenda for Sustainable Development

What are the achievements?
**What are the achievements?**

- Achievements can be grouped into
  - Implementation of SNA which compares
    - All Member States and
    - ESCWA Members (17 Member States and State of Palestine)
  - Resolution of issues on the SNA research agenda
  - Completion of manuals and handbooks

**Achievements – Implementation of SNA**

**Implementation of the SNA**

- There has been noticeable progress in the reporting of national accounts data from analyzing replies to United Nations national accounts questionnaire in terms of
  - Conceptual compliance with the SNA
  - Compliance with minimum required data set (MRDS)
  - Timeliness
Achievements – Implementation of SNA

Conceptual compliance with the SNA – All Member States

- Member States on 1993/2008 SNA: 180 (≈93%) in 2017 vs 134 (≈70%) in 2009
- Member States on 2008 SNA: 79 (≈41%) at end of 2017

Achievements – Implementation of SNA

Conceptual compliance with the SNA – ESCWA Members

- ESCWA Members on 1993/2008 SNA: 13 (≈72%) in 2017 vs 8 (≈50%) in 2009
- ESCWA Members on 2008 SNA: 3 (≈17%) at end of 2017
### Achievements – Implementation of SNA

**Member States satisfying MRDS**

- All Member States: 102 (≈53%) in 2017 vs 79 (≈41%) in 2009
- ESCWA Members: 8 (≈44%) in 2017 vs 4 (≈22%) in 2009

### Achievements – Implementation of SNA

**Timeliness of reporting national accounts**

- All Member States: 112 (≈58%) in 2017 vs 66 (≈34%) in 2009
- ESCWA Members MS: 5 (≈28%) in 2017 vs 2 (≈11%) in 2009
A number of issues have been clarified or interpreted
- Recording of flows between a defined benefit pension fund and its sponsor
- Negative interest
- Treatment of land
- Global production
- Delineation of holding companies and head offices
- Research and development
- Deposit insurance and financial stability schemes
- Treatment of freight and insurance in the 2008 SNA

For more information, see https://unstats.un.org/unsd/nationalaccount/research.asp
Achievements – Manuals and handbooks
United Nations Statistics Division

- A number of handbooks/compilation guides have been published
- Publications completed in 2017 include
  - Supply, Use and Input-Output Tables with Extensions and Applications (United Nations)
  - Satellite Account on Nonprofit and Related Institutions and Volunteer Work (United Nations)
  - Quarterly National Accounts Manual (IMF)
  - Overview of GDP Flash Estimation Methods (Eurostat)
  - Understanding Financial Accounts (OECD)
  - Compilation Guide on Inventories (Eurostat and OECD)

For more information, see https://unstats.un.org/unsd/nationalaccount/pubsDB.asp?pType=0
What more needs to be done?

- Too many countries are still lagging in the implementation of SNA
- What are the symptoms?
What more needs to be done? – Implementation of SNA

Member States still on the 1968 SNA

- 13 Member States (≈7%) are still using the 1968 SNA

Achievements – Implementation of SNA

ESCWA Members still on the 1968 SNA

- 5 countries in ESCWA remain
- Their national accounts may not be internationally comparable
What more needs to be done? – Implementation of SNA

Member States unable to meet MRDS

- 91 (≈50%) Member States are unable to meet the MRDS
- 10 (≈55%) are from ESCWA
- Basic data on GDP and its main components for informed policy monitoring and decision-making are unavailable

What more needs to be done? – Implementation of SNA

Tardiness in reporting national accounts

- 81 Member States (≈42%) are not reporting national accounts data on a regular and timely basis
- 13 (≈72%) are from ESCWA
- Statistics produced may not be analytically useful for policy monitoring and decision-making
What more needs to be done? – Implementation of SNA

Outdated base years of volume measures of GDP

- 102 Member States (≈53%) are compiling volume measures of GDP using base years from 2010 onwards
- 9 (≈50%) are from ESCWA
- Outdated base years may result in biased real GDP growth rates

Availability of QNA

- 113 Member States (≈68%) publish QNA
- 10 (≈55%) are from ESCWA
- Unavailability of QNA suggests policy-makers and other stakeholders do not have access to more frequent national accounts data for speedy policy monitoring and decision-making
What more needs to be done? – Implementation of SNA

Why are Member States lagging?

- Report by a Friends of the Chair group on the slow progress of the implementation SNA and production of national accounts of sufficient scope and detail identified following main barriers
  - Limited political support
  - Unavailability of requisite basic economic statistics
- 11th meeting of the AEG recommended to establish an ISWGNA Task Force on SNA Capacity Building, chaired by UNSD, to
  - Prepare guidance based on available materials developed by the ISWGNA members and their development partners to support the practical implementation of the SNA in countries that are lagging behind

ISWGNA Implementation Taskforce

- Implementation taskforce formed, this will help balance the focus of ISWGNA attention on both research & implementation issues
- Taskforce formally reports through to ISWGNA (and ultimately UNSC). And will engage with AEG for advice and feedback
- Currently ISWGNA members are on the task force but will look to expand to regional bodies in the future
Elements of the work program

1. Develop an ‘implementation toolbox’, a discoverable and accessible set of (already existing) tools including:
   - Handbooks and manuals, guidance notes etc.
   - Training material, courses and timetables
   - Compilation systems (including assessment of in what circumstances the systems may be most appropriate)
   - Compilation environments e.g. supported cloud environments (including assessment of in what circumstances the environments may be most appropriate)

   Encouraging a ‘creative commons’ approach to sharing tools which taskforce members have already developed.

2. Identify missing ‘tools’ and cooperate to fill these gaps. Develop practical tools which are pragmatically targeted towards the least developed, the island, and the fragile states. Ideas suggested include:
   - Making use of already available data (tax, customs, tourist numbers, satellite, mobile phone etc.) rather than on the establishment of new surveys
   - Developed advice on a ‘minimum viable set’ of source data required to produce fit for purpose benchmarks?
   - Is there a need for advice on ‘c’ of ‘d’ methods to be used when best practice is not possible?
Elements of the work program

3. Develop, test and share new ways of working in capacity development. How can we use concepts of ‘just enough design’ and ‘iteration’ to increase the pace of development. Ideas suggested include:

- making use of cloud based storage to facilitate sharing of data between participants, and to share results
- increase the use on new approaches such as sophisticated auto-balancing to enable more efficient operations
- use of ‘sprints’ and ‘hacks’ to develop immediate solutions which can later be iterated on and improved, rather than aiming for the ideal with the first attempt
- produce ‘quick wins’ to demonstrate the utility of statistics/statistical offices and, at a minimum, maintain the current level of resources

What more needs to be done? – research agenda

- 11th AEG meeting
  - Reconfirmed that at present there is no desire for an update of the SNA, but recognized the need to advance the research on issues that may go beyond the 2008 SNA in addition to guidance on practical implementation issues
  - Recommended to establish an ISWGNA Task Force on the SNA research agenda to develop a work programme to resolve issues related to the three priority research areas, i.e., globalization, digitalization and economic well-being and sustainability, through broad consultation among key stakeholders
  - Agreed that ongoing research work to facilitate the implementation of the SNA will continue as planned
What more needs to be done? – Research agenda

- 11th meeting of the Advisory Expert Group (AEG) on national accounts
  - Agreed on following three priority areas for further research
    - Globalization
    - Digitalization
    - Economic wellbeing and sustainability
  - Agreed on how to develop guidance to facilitate the implementation of SNA on issues such as
    - Accounting for pensions
    - Islamic finance
    - Statistical units
    - Harmonization of balance of payments and national accounts data
    - Distributional aspects of income, consumption and saving

Thank you