



# SNA 2025 Project Update

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**ISWGNA Meeting 2 October 2024**

# Outstanding issues – Natural Capital

- An Issues Note regarding Natural Capital was presented to the July 2024 AEG meeting
- It was subsequently updated and circulated to the AEG for their views on the Note’s recommendations
  - The outcome of the AEG consultation was as follows:

	Agree	Don't agree
Issue 1: Recording of regeneration of biological resources	8	0
Issue 2: Asset classification of non-renewable mineral and energy resources	8	0
Issue 3: Treatment of land, specifically forest land		
3a Do you agree with the recommendation to classify forest land under land resources, with forest land understood as having both a ‘space’ and ‘provisioning’ element?	7	0
3b Do you agree with the recommendation to revise the classification of biological resources, as originally recommended in Guidance Note WS.8?	8	0
Issue 4: Classification of land improvements	1	7
Issue 5: Treatment of long-term leases on land	7*	1

\* Includes 1 “Partly agree”

3c Alternative classification	n
Option 1	5
Option 2	1
No preference	2

# Outstanding issues – Natural Capital (continued)

- The Issues Note was also discussed with the SEEA Central Framework Technical Committee
  - For the most part, the TC members had similar views to the AEG members. However:
    - Issue 2: Two people spoke strongly against the recommendation, arguing that oil and natural gas should be kept separate
    - Issue 3(c): There was general support for option 2 (noting that only a few people commented on this)
  - For issue 3(a), while it was recognised that the recommendation would create a difference with SEEA, no one spoke out strongly against the recommendation
  - For issue 4, a few people said the title of the category should be changed from “land improvement” to something like “land preparation” to remove the impression that all changes to land were “improvements” from an environmental sense

# Outstanding issues – Natural Capital (continued)

- CONCLUSION

- As there is generally a clear majority view, all recommendations other than issue 4 should be considered as endorsed
- On issue 2, to take account of the SEEA CF TC views, it could be recommended that where it is significant and where countries are able to do so, that oil and natural gas can be shown separately, but the standard item is for them to be combined
- On the revised classification of biological resources, we should go with option 1. This was the majority view of the AEG. While some in the SEEA CF TC expressed support for option 2, we don't think this should be sufficient to over-turn the AEG view
- On issue 4, what to make of the suggestion to retitle it to “land preparation” (or something else)? It would show that we listened to the SEEA CF TC, but is it too late to contemplate such a change? One would hope that it would not be too controversial, but it might be.

# Outstanding issues – transactor vs creditor-debtor approach

- This issue has arisen late in the update process. It is mainly raised by Europeans. It mainly affects chapter 37 (From-whom-to-whom tables), but it also has BOP implications
- The following resolution of the issue is proposed:
  - For the purposes of SNA 2025 chapter 37
    - the transactor approach and the debtor-creditor approach will both be described
    - It will be noted that the transactor approach is consistent with the underlying principles of the SNA
    - However, it will be recognised that in certain circumstances it may be useful to compile fwtw tables (which are analytical tables and not part of the SNA sequence of economic accounts) using the debtor-creditor approach and compilers should do this if they wish
    - It will be made clear that this alternative analytical approach is only relevant for fwtw tables and does not have any impact on the SNA sequence of economic accounts or on the BOP/IIP.
  - The issue will be included on the post SNA2025/BPM7 research agenda.
- This way forward is supported by the IMF BOP Team and Celestino Giron (who is one of the main protagonists in the debate)
  - It was also mentioned at the July 2024 AEG meeting, and no-one spoke against it

# Other outstanding issues

- Treatment of crypto lending and other arrangement involving crypto assets
  - A paper prepared by the IMF was discussed at the July 2024 AEG meeting
  - The IMF is updating the paper to take account of the AEG discussion and other discussions with key stakeholders
  - The updated paper will be presented to the upcoming AEG and BOPCOM meetings for a decision
- Estimating return on capital for valuing output of non-market producers
  - A preliminary note was presented at the July 2024 AEG meeting
  - A more comprehensive note is being developed and will be circulated shortly to key stakeholders for consultation
  - It is proposed that this note be discussed at the upcoming AEG meeting

# Other outstanding issues

- Treatment of loyalty schemes
  - A paper prepared by UNSD was discussed at the July 2024 AEG meeting
  - The paper was subsequently circulated to the AEG and other key stakeholders (IMF MFS, GFS and the ISWGP Secretariat) for consultation
  - While there is a level of support for treating these schemes as financial instruments, this would represent a significant change to macro-economic statistic standards
  - It is view of the SNA and BPM update project teams that it is probably too late to be contemplating such a significant change as the ramifications have not been fully worked through and the issue has not undergone broader consultation
  - Instead, it is suggested that it be placed on the Research Agenda for investigation soon after the 2025 SNA is finalised (recognising that a more adroit process for updating macro-economic statistics standards in future is envisaged)

# Finalizing the 2025 SNA Annexes

- Annex 1: International standards for macro-economic statistics, and the links with the SNA
  - Currently being drafted
  - Will be circulated to the custodians of the standards later in October for their comments
  - Will then be circulated to AEG/ISWGNA for comment probably in the second half of November
- Annex 2: The classification hierarchies of the SNA and associated accounts
  - Currently being prepared
  - Given the nature of this Annex, no AEG consultation is proposed. However, it will be circulated to ISWGNA members if they are interested in looking at it, probably in November
- Annex 3: The sequence of accounts
  - This Annex will be drawn from spreadsheets. UNSD has the spreadsheets underlying the equivalent Annex in the 2008 SNA. UNSD will update these spreadsheets to reflect the 2025 SNA changes. For approval by Peter van de Ven
  - Given the nature of this Annex, no AEG consultation is proposed. However, it will be circulated to ISWGNA members if they are interested in looking at it, probably in November/early December
- Annex 4: Changes from the 2008 SNA
  - Currently being drafted
  - Will be circulated to AEG/ISWGNA for comment probably in early November
- Annex 5: Research Agenda
  - It is proposed to have a joint SNA/BPM research agenda
  - The UNSD is updating a paper that was discussed at the October 2023 AEG meeting to take account feedback from that meeting and also feedback from the IMF BOP Team
  - The updated paper will be discussed at the upcoming AEG and BOPCOM meetings
    - It is then planned to have global consultation during the second half of November



# Finalizing the other components of the 2025 SNA

- Preface
  - This will be drafted soon
  - It is proposed to circulate it for ISWGNA (AEG?) comments in November
- Glossary
  - The master glossary is currently being 'finalised' by PVDV in consultation with IMF BPM Team. The glossary in the printed version of the SNA will be drawn from this.
- Index
  - UNSD will undertake research into 'best practice' for developing indexes. It is considered that it is not necessary to have the index ready when the 2025 SNA goes to the UNSC for its approval, as indexes are typically prepared in the final editorial stage.
- Tables in chapters
  - There are two type of these tables: (1) those drawn from the sequence of economic accounts (ie those tables typically appearing at the bottom of pages in the 2008 SNA) and (2) other tables. The former will be produced as a by-product of preparing Annex 3. UNSD will take responsibility for this, with PVDV to check. Regarding the latter, UNSD will identify from the draft 2025 SNA those tables that need to be produced and prepare the drafts of these for PVDV to check.
  - As this is essentially 'editorial' work it is proposed not to consult ISWGNA or AEG on these.
- Figures in chapters
  - UNSD will identify from the draft 2025 SNA those figures that need to be produced and prepare 'suitable' versions of these for PVDV to check.
  - As this is essentially 'editorial' work it is proposed not to consult ISWGNA or AEG on these

# Global consultation on the draft 2025 SNA

- This commenced in mid-June and concluded on 13 September 2024
- **1257** comments were provided by **48** respondents
  - In contrast, the consultation on BPM7, which ran in parallel, received 200 comments from 10 respondents
  - A number of the BPM7 comments related to joint BPM/SNA chapters
- We (Peter van de Ven, Carl Obst and Pete Harper) are going through the comments and preparing chapter-by chapter summaries of the comments and the proposed response
  - We are more than halfway through and aim to have these summaries all completed by 17 October
  - These will be discussed at the upcoming AEG meeting (the summaries will be sent to the AEG in tranches to spread the load)
  - We are taking into account comments from the BPM7 consultation on the joint chapters
  - We are working closely with the IMF BPM Team and the other members of the SNA editorial team where relevant
  - The summaries on the joint chapters will also be taken to the upcoming BOPCOM meeting
- Following the AEG (and BOPCOM) meetings the draft chapters will be finalized

# Global consultation on the draft 2025 SNA (continued)

- We have not identified any ‘show stopping’ issues
- The changes that we will be proposing to make will generally involve rather minor editing and not substantial re-writing
- Some (but generally only a few) respondents continue to raise issues that have been agreed to by the UNSC including:
  - Treatment of real estate trusts
  - Return to capital for valuing output of non-market producers
  - Biological resources
  - The treatment of crypto assets without a corresponding liability used a medium of exchange
- We will be reporting on these for information but do not plan to have them discussed at the AEG meeting
- The issue of the transactor vs debtor-creditor approach was raised by several respondents
- One respondent suggested that only the first part of the 2025 SNA should be presented to the UNSC next year for endorsement, with the second half presented in 2026
  - From the point of view of the project team this would be untenable
- Notwithstanding the above, we have received many useful comments which will make the 2025 SNA a better document

# Implementation strategy

- This is in the process of being updated following various consultations
- It will now be a joint SNA 2025/BPM7 implementation strategy
- The updated strategy will be presented to the upcoming AEG and BOPCOM meetings
- The early development of “advocacy” materials will be a priority, targeted at:
  - Senior government officials in countries
  - Potential donors
  - Key users of national accounts statistics (including in IOs)

# Suggested agenda items for the upcoming AEG meeting

- A general status update
- A chapter-by chapter discussion on the global consultation feedback
  - This is the most important aspect of the meeting and will take the bulk of the time
  - However, for some chapters the discussion will likely be quite brief
  - Cross-cutting issues resulting from the global consultation feedback will also be discussed
- Crypto lending and associated issues
- Determining the rate of return for capital used in production for non-market producers
- The 2025 SNA/BPM7 Research Agenda
- Update of the 2025 SNA implementation strategy
- (Possibly) each of the TTs preparing implementation guidance to give a short update
- If timing is an issue, then some things might need to be dealt with by written consultation – we will have a better idea of this when we finish going through the feedback from the global consultation



**THANK YOU!**