

SNA News

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TOWARDS THE 2025 SNA

UNSC ENDORSES PROPOSED CHANGES TO SNA

Introduction

At its meeting from 27 February to 1 March 2024, the United Nations Statistical Commission endorsed the recommendations for changes to the 2008 System of National Accounts (SNA) that will be incorporated into 2025 SNA¹.

This follows on from an extensive research and consultation process that began in 2020. In the middle of 2023, a consolidated list of recommendations drawn from various guidance notes and issues notes was prepared for global consultation. The list of recommendations was updated to take account of feedback from the global consultation, and then provided to the Statistical Commission for its consideration. The Statistical Commission supported all the recommendations apart from a recommendation to recognize marketing assets as produced assets. This recommendation was rejected on the basis of both conceptual and practical concerns and has been placed on the research agenda for future further investigation.

The recommendations for change can be split into three broad categories:

- Recommendations for conceptual change
- Recommendations for additional statistics

- Recommendations for clarification of existing material or for guidance in new areas

This article summarises the most important changes to the SNA in the first and second of these categories. For a full list of the proposed changes please see [Report of the Intersecretariat Working Group on National Accounts on the recommendations for the update of the 2008 SNA](#).

Proposals for conceptual changes

There are twelve proposals for change that involve conceptual change to the SNA. Four proposals have an impact on gross and/or net domestic product (GDP/NDP). None of the proposals have a direct impact on government net lending/borrowing (i.e., government deficit). The remaining proposals for conceptual change have no direct impact on the key macro-economic indicators..

1. Data as an asset

The information content of electronic data collected and used in production will be included in the asset boundary, as a new asset category – data – under (produced) fixed assets. In respect of calculating the production of data for own final use, the use of the sum-of-costs

¹ More information about the update process is available at: [Towards the 2025 SNA](#)

method will be recommended. This change may have an impact on GDP/NDP and net worth.

2. Depletion as a cost of production

Depletion of mineral and energy resources and of biological resources will be recorded as a cost of production, instead of other changes in the volume of assets and liabilities. Consequently, NDP will be calculated by deducting depletion as well as consumption of fixed capital (which will be known as depreciation) from GDP.

3. Consistency in the application of the sum of costs approach

A number of changes will be made to the application of the sum-of-costs approach. The most significant of these will be to include a return to capital in all cases, including in valuing the output of non-market producers, which will ensure consistency of treatment with the measurement of own-account production of market producers. The other changes are to include a return to capital on all non-financial assets and not just fixed assets, to include rent and depletion (where relevant) as cost elements. These changes will have an impact on GDP and net worth.

4. Measuring the output of central banks

All services provided by central banks will be treated as collective services, valued using the sum-of-costs method and recorded as final consumption expenditure of the central banks (instead of being allocated to government). As a consequence, any transfers in relation to these services from the financial corporations sector to the central bank will be recorded as current transfers (instead of sales/purchases of services). This will increase the value added of financial corporations and accordingly increase GDP/NDP.

5. Renewable energy resources

The asset boundary for mineral and energy resources will include renewable energy resources (i.e. the exclusive use of solar, wind, etc., to produce energy) if not already reflected in the value of land. Like non-renewables, renewable energy assets will be typically valued using the net present value of future

resource rents. This change will affect net worth, but not GDP.

6. Adopting the “split asset” approach

Recognising that in many cases the resource rent associated with mineral and energy resources is shared between the legal owner and the extractor of the resources, the “split-asset” approach will be adopted. Under this approach, the full value of the asset is apportioned in line with the appropriation of resource rents by both the legal owner (reflected as receipt of rents) and the extractor (reflecting the residual value of the resource rent). The “split asset” approach will also be adopted, where relevant, for biological resources. This change will not impact GDP/NDP or net worth, but only change the allocation of assets across sectors.

7. Other changes

There will be other conceptual changes relating to the treatment of biological assets, the definition of rent, concessional lending, dividends related to foreign direct investment, work in progress, equity in international organizations and securities provided by central banks as collateral. None of these changes will have an impact on the key macroeconomic indicators.

Proposals for the compilation of additional statistics

It is very important that countries compile their national accounts according to the conceptual framework of the SNA. Apart from providing a comprehensive and internally consistent framework for tracking economic developments, the international comparability that arises when countries compile their national accounts according to the SNA is perhaps the single most important factor contributing to the success of the SNA.

In considering the proposals for additional statistics, it is helpful to remember that the SNA recommendations cannot be enforced, so it is not possible to use terms for them such as “mandatory”. Regarding the details of a country’s national accounts, the SNA recommends the compilation of a standard set of data – the sequence of economic accounts – including the (standard) breakdowns and economic tables associated with the sequence

of economic accounts. In addition, the SNA encourages countries to compile various supplementary data, tables and accounts. However, especially regarding the latter, it is important to take account of national priorities as well as the priorities for the collection of national accounts data by international organisations. Countries and regions may have different priorities, and therefore put emphasis on the compilation of different sets of tables and accounts.

The proposals for additional statistics can be grouped into those proposals relating to improved accounting for (a) globalization, (b) digitalization, (c) well-being and sustainability, and (d) financial risks and vulnerabilities, as well as (e) other proposals for additional data items and tables.

1. Globalization

To obtain a better understanding of the impact of globalization on the generation and distribution of income of a country, it is recommended to have breakdowns of corporations into foreign-controlled corporations, public corporations, and national private corporations.

In addition, various supplementary items and tables are encouraged: extended supply and use tables to provide more granularity regarding transactions associated with globalized production processes, and data on special purpose entities for those countries where these entities are important.

2. Digitalization

To improve the visibility of the digital economy, there will be more detailed breakdowns of certain asset categories within intellectual property products in the sequence of economic accounts.

In addition, the compilation of digital supply and use tables is encouraged, as well as extended accounting for “free” digital services (such as Facebook, Instagram, etc.).

There will also be standard breakdowns under non-produced non-financial assets for ‘crypto assets without a corresponding liability designed as a medium of exchange’ (e.g. Bitcoin) and non-fungible tokens. More

generally, the 2025 SNA will provide specific guidance on the measurement of crypto assets, which is absent in the 2008 SNA.

3. Well-being and sustainability

For the analysis of well-being, it is considered important to have statistics on the distribution of household disposable income, consumption, saving and wealth, consistent with national accounts aggregates. For this purpose, standard breakdowns for households by income and wealth deciles are recommended. In addition, various other breakdowns of households (such as by household composition or main source of income) are encouraged as supplementary items. It is also recommended to have more detailed labour market tables. The compilation of extended/thematic accounts for unpaid household service work, education and human capital, and health is also encouraged.

Regarding improved accounting of environmental sustainability, the compilation of statistics in accordance with the SEEA Central Framework 2012 and SEEA Ecosystem Accounting is strongly encouraged. In addition, the 2025 SNA will place more emphasis on natural capital, by separately distinguishing this category of assets, as well as including additional details for certain types of assets as standard or supplementary breakdowns.

The 2025 SNA will also include, as standard breakdown, information on emission permits. It will provide guidance that emission permits are to be recorded as financial assets with taxes on production recorded at surrender, valued at issuance value.

4. Financial risks and vulnerabilities

Since the 2007-2008 global financial crisis, there has been a focus on improving the accounting for financial risks and vulnerabilities. To this end, for non-bank financial intermediation there will be supplementary tables with more detailed breakdowns of financial corporations, as well as additional details for certain financial instruments. There will also be supplementary breakdowns for financial derivatives. The compilation of from whom-to-whom tables, as supplementary tables, will also be encouraged.

5. Other additional statistics

Other additional statistics include: (a) supplementary data on concessional loans provided by government and international organizations; (b) supplementary data on recording reinvested earnings for all equity in corporations, domestic and foreign, for portfolio as well as direct investment; (c) for foreign direct investment (FDI) related dividends, a supplementary breakdown into the component equivalent to dividends as defined for non FDI dividends and a residual payment; (d) the valuation of debt securities at nominal as well as market value for liability positions as supplementary items and (e) a supplementary table on provisions.

Preparing the 2025 SNA

Work is progressing on the drafting of the chapters for the 2025 SNA. The chapter structure for the 2025 SNA was endorsed by the Statistical Commission at its 2023 meeting (see [2025 SNA Chapters](#)).

The initial focus of this work was on chapters that are new to the SNA or will be significantly revised from the 2008 SNA. There are 16 chapters in this category. The drafting of these chapters is based on annotated outlines that were prepared in 2022 and were subject to global consultation.

As each of these new and significantly revised chapters is drafted, it is next reviewed by experts, and then subject to global consultation. The first chapter was made available for global consultation in September 2023 and the global consultation process for these chapters is expected to be completed by May 2024.

The remaining 23 chapters are being drafted based on the equivalent chapters in the 2008 SNA. For these chapters, the only changes being made relate to the agreed changes to the 2008 SNA. These chapters are subject to expert review, but because the extent of change in them is more limited they will not be subject to global consultation on a chapter-by-chapter basis.

In June 2024 all 39 chapters of the 2025 SNA will be made available for global consultation for a three month period. For the chapters that are new or substantially revised, the changes to the versions that were previously subject to

global consultation will be shown in ‘track changes’. For the other chapters, the changes to the 2008 SNA versions of these chapters will be shown in ‘track changes’.

Parallel to this process, the various annexes for the 2025 SNA will be prepared.

The chapters will be updated to take account feedback from the global consultation in the latter part of 2024. The 2025 SNA will then be submitted for the endorsement of the Statistical Commission at its 56th session from 4 to 7 March 2025. Following this, the publication will be formally edited by the United Nations Secretariat, and subsequently translated into the five other official United Nations languages.

It is important to note that the update of the 2025 SNA is proceeding in parallel with the update of the International Monetary Fund’s Balance of Payments and International Investment Position Manual (BPM). The seventh edition of the BPM is expected to be approved by the IMF’s Chief Statistician in early 2025. There has been extremely close cooperation in the preparation of the 2025 SNA and BPM7, including the development of a common glossary, the preparation of several joint chapters that will feature in both manuals, and ensuring the consistency of text in other chapters. As a result, for the first time, the SNA and BPM will be fully integrated.

Looking ahead to implementation

The 2024 Statistical Commission meeting stressed the importance of developing implementation guidance on the new recommendations to facilitate the implementation of the 2025 SNA in an internationally comparable way. Work is proceeding on this, with particular focus on providing guidance in the following areas: treating data as an asset, various issues regarding natural capital, and crypto assets. More details on this work will be available shortly in an SNA News and Notes article.

More generally, a strategy for the implementation of the 2025 SNA is being developed. This strategy will be subject to global consultation later in 2024. It will then be finalised for the endorsement of the Statistical Commission at its meeting in March 2025.

MEETINGS AND SEMINARS

8-9 July 2024 – Twenty Fifth Meeting of the Advisory Expert Group on National Accounts.

Editorial Note

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