

SNA News

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TOWARDS THE 2025 SNA

STRONG PROGRESS BEING MADE ON DEVELOPING IMPLEMENTATION GUIDANCE

Introduction

A key feature of the update of the 2008 System of National Accounts, which will result in the 2025 SNA, has been a focus on implementation issues to complement the work on developing the agreed recommendations for changes to the 2008 SNA. This work commenced with the testing of recommendations in certain guidance notes to determine their feasibility of implementation, which was an important element in the finalization of recommendations.

At its meeting from 27 February to 1 March 2024 the United Nations Statistical Commission (UNSC), when considering the recommendations for changes to the 2008 SNA, stressed the importance of developing compilation 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 measurement guidance in the following areas: treating data as an asset, various issues regarding natural capital and crypto assets. The work in each of these areas is set out below.

Furthermore, compilation guidance is being developed for marketing assets. Although the recommendation to treat marketing assets as produced assets within the SNA's sequence of economic accounts was not agreed to at the

recent UNSC meeting, the work on developing compilation guidance will inform the ongoing research into the measurement of these assets in the SNA, as well as provide guidance for countries that wish to compile extended accounts that treat marketing assets as produced assets. This work is also described in this article.

As well as the areas mentioned, the development of compilation guidance in determining the return on capital in measuring non-market production using the sum of costs methods is also considered as a priority. This work will commence in the middle of 2024. The initial guidance will be prepared by the SNA Update Project Team, and will include consultation with experts in this area as well as consideration of related work on this issue that has already been undertaken. The initial guidance will then be discussed by the Advisory Expert Group (AEG) on National Accounts. This will be followed by global consultation later in 2024. The finalized guidance will be submitted by the Intersecretariat Working Group on National Accounts (ISWGNA) to the 2025 UNSC meeting.

There are other areas that are considered to be of lower priority for which compilation guidance will be developed in the next few years, including improving the visibility of artificial intelligence in the SNA, measuring cloud computing, incorporating digital

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intermediation platforms into the SNA, recording and valuing “free” products in an SNA extended account, extending the treatment of reinvested earnings in supplementary tables and the informal economy.

The development of compilation guidance will form part of the strategy for implementing the 2025 SNA. This strategy is currently being developed under the oversight of the AEG and ISWGNA. It is expected that the strategy will be subject to global consultation toward the end of 2024. Following this it will be finalised and presented to the 2025 UNSC meeting for its endorsement.

The work on developing compilation guidance is underpinned by the sharing of country experiences, and countries are encouraged to contribute any relevant work that they have undertaken.

This article has been informed by contributions from the secretariats of the various Task Teams that are compiling the guidance.

Joint Eurostat/IMF Task Team on Measuring Data as an Asset in National Accounts

As one of the main conceptual changes, the 2025 SNA will include the recording of data as a produced asset. This means the value of data will be included in the production and the asset boundaries.

Estimating the value of data assets is not straightforward, particularly because most of these assets are produced on own account. To address the measurement issues, Eurostat and the International Monetary Fund (IMF) set up a joint task team on 'Measuring Data as an Asset in National Accounts', with the ultimate goal to develop an appropriate methodology to produce meaningful estimates of data assets in a comparable way across countries. The final product by the Task Team will be a compilation guide in the form of a handbook in line with the 2025 SNA.

The task team is exploring data sources and methods, building on the experience of countries that have already produced experimental estimates of data assets, among

which are the United States, Australia, Canada, Germany, Japan and Pakistan.

The task team has identified the following measurement aspects as fundamental:

- producing estimates of data assets in current prices. For data produced on own account, this relies on the application of a suitable sum-of-costs method. A crucial step is identifying the occupations involved in producing data assets;
- producing volume estimates of data assets, including identifying suitable price indices to deflate a product that is rarely exchanged on the market;
- producing capital stock estimates. For this the Perpetual Inventory Method is used, which in turn requires defining suitable service lives and discount rates for data assets.

The task team is chaired by the IMF, with the support of Eurostat which provides the secretariat. Members include representatives of national statistical offices of Australia, Austria, Canada, Chile, China, Denmark, Germany, Japan, the Netherlands, Norway, Pakistan, the United Kingdom, the United States as well as the Organisation for Economic Cooperation and Development (OECD), the United Nations Statistics Division (UNSD), and the lead editor and the project manager for the 2008 SNA update. The work relies heavily on the support of an expert who has been engaged to assist in the work.

The Task Team reports to the ISWGNA, which in turn also keeps the AEG informed of its activities.

The task team commenced its work in June 2023 and aims to complete its work by the end of 2024, with a view to submit the handbook to the UNSC in March 2025 together with the updated SNA.

The proposed structure of the handbook is as follows:

- Executive summary
- Introduction
- Chapter 1 – Defining the conceptual boundary of data for inclusion in the 2025 SNA

- Chapter 2 - Compiling nominal estimates GFCF through the sum of costs method
- Chapter 3 – Compiling volume estimates of data
- Chapter 4 – Compiling capital stock estimates
- Chapter 5 – Overarching measurement questions
- Chapter 6 – Conclusion
- Annex 1 – List of occupations used by countries in initial estimation of data
- Annex 2 – Numerical example showing basic construction of sum of costs approach
- Annex 3 – National Accounting T diagrams showing the sale of data, either as a sale of a produced nonfinancial asset or as an output within the production account.

OECD Expert Group on Natural Capital

There will be several important changes in the 2025 SNA regarding the measurement of natural capital, such as the recording of depletion as a cost of production, the explicit recognition of renewable energy resources (such as wind and solar) as economic assets, changes in the treatment of single-use biological resources such as timber and fish, and splitting ownership of natural resources between the legal owner (typically a government) and the extractor. These changes are important to improve the analytical usefulness and relevance of the accounts in responding to the pressing policy needs such as climate change.

To address the practical implementation challenges of these changes the ISWGNA asked the OECD to lead a new task team. This task team was established in July 2023 and is formally called the OECD informal Expert Group on Natural Capital (EG NC). The objective of the EG NC is to provide practical guidance to countries on the measurement of natural capital in the 2025 SNA in the form of a handbook, which has the working title Natural Capital Compilation Guide.

The EG NC consists of i) countries – currently there are 18 countries participating; ii) international organisations; iii) selected experts; and iv) representatives of communities that have a key stake in the guidelines such as

the System of Environmental Economic Accounts (SEEA) and the Government Finance Statistics (GFS) communities. The EG NC reports to the annual meetings of the OECD Working Party on National Accounts on the progress of the work, as well as regular updates to the ISWGNA and the AEG. It also keeps the UN Committee of Experts on Environmental-Economic Accounting and the Joint OECD/UNECE Seminar on the Implementation of SEEA informed of its activities.

To allow for in-depth technical discussions 5 topical subgroups have been formed that meet regularly on the compilation of measures for the following categories:

- depletion
- subsoil assets
- renewable energy
- biological resources – timber
- biological resources – fish

For each of the subgroups a note has been developed, which contains draft guidance (in the form of compilation steps) as well as issues for discussion and testing. Testing of the emerging guidance by member countries of the Task Team has been taking place. In addition, several accompanying spreadsheets with numerical examples have been developed that detail the calculations.

The EG NC has met so far twice to discuss progress made in the subgroups, various cross-cutting issues such as discount rates, rates of return on produced assets and volume measures, and the outline of the handbook.

The handbook itself will be developed progressively over the coming months with an initial draft for wider consultation planned for end of October 2024, aiming for a release by early 2025.

IMF Crypto Assets Compilation Guidance

The purpose of IMF’s crypto asset compilation guidance is to provide practical guidance on the source data and compilation methods for measuring crypto assets related transactions and positions in macroeconomic statistics –

covering national and external accounts, and monetary and financial statistics (MFS).

This guidance aims to provide national compilers with advice on data sources and compilation methods, aligned with national circumstances, to ensure compilation and dissemination of consistent and comparable estimates related to these assets across countries.

Further, the IMF is leading the G20 DGI-3 Recommendation 11 on Digital Money, for which compilation guidance is also required to support the work on its implementation.

The IMF Statistics Department established an intra-departmental team with experts from the external sector statistics, monetary and financial statistics, and national accounts for developing the compilation guidance. The team started working in August 2023.

The team prepared a draft outline of the compilation guidance, which was presented to meetings of the AEG and the IMF's Committee of Experts on Balance of Payments Statistics in October 2023.

The proposed structure of the guidance is as follows:

- Chapter 1 – Overview of the crypto assets ecosystem.
- Chapter 2 – Methodological framework.
- Chapter 3 – Data sources and compilation methods. This chapter will provide recommendations based on the assessment of administrative data sources, existing and new surveys (covering for example mining companies, centralized/decentralized crypto exchanges and custodians) and other data sources.
- Chapter 4 – Use cases and country experiences. This chapter will describe the crypto assets data related project of international organizations (e.g., Project Atlas of BIS) and the experiences of some countries that have started publishing the crypto assets data.
- Annex 1 – Data reporting templates and survey instructions.
- Annex 2 – The concepts of money and liquidity in MFS.
- Annex 3 – Central Bank Digital Currencies (CBDCs) and data needs.

It is proposed to follow an evolving approach for developing the compilation guidance on crypto assets. Considering the fast-changing nature of crypto assets ecosystem and the uncertainties associated with the regulatory/legal/accounting/institutional frameworks on these assets, it is noted that the compilation guidance will be based on the current knowledge related to existing data sources and methodology. The guidance may require further/ongoing updates depending on the changes that may occur in the coming years. So far, the following items have been explored:

- Commercial data sources. The data available from these sources, their usability for macroeconomic statistics, and their limitations have been explored.
- Project Atlas of BIS: These data provide cross-border flows in all crypto assets combining both on-chain and off-chain, but there are certain important limitations (e.g., residence of the clients associated with the flows) that need to be addressed.
- Mining of crypto assets. Different approaches for collecting data on mining and measuring related output and other aggregates are being explored, including a) template for collecting data on mining from relevant entities; b) alternate data sources and indirect estimation, and c) financial statements of mining companies.

A concerted effort has been made to establish contacts with major crypto exchanges, recognizing their pivotal role as crucial intermediaries. However, attempts thus far have not yielded success. The trajectory of the overall progress hinges significantly on the outcome of ongoing efforts in this area.

The recording of crypto assets activities in macroeconomic statistics was discussed at the DGI Recommendation 11 hybrid workshop during April 30-May 2. National and external sector accounts compilers from the AEG/BOPCOM member countries (in addition to those from G20) were invited. The workshop also helped in gaining further insights on country practices including the use of administrative and commercial data sources, and additional issues to be addressed in the compilation guidance.

It is expected that draft compilation guidance will be circulated for consultation around November/December 2024.

IMF Task Team on Measuring Marketing Assets

The purpose of the task team on measuring marketing assets is to provide recommendations on measuring knowledge-based capital (marketing assets) in macroeconomic statistics as produced assets in extended accounts. This will assist countries for which these types of assets are important in compiling extended accounts, as well as in advancing the research agenda.

The main activities of the task team are as follows:

- To identify the main points of practical guidance needed.
- To review experimental work already undertaken in countries.
- To develop an initial draft of the compilation guidance in the form of a handbook, including discussing practical guidance issues as the draft is developed.
- To oversee the development of estimates by volunteering countries during 2024-2025 based on the draft guide under development.

The Task Team is chaired by the IMF, who also provides the secretariat. The task team commenced its work in September 2023 and so far, has held four meetings. It has developed an outline for the compilation guide, which was submitted to the 2024 UNSC meeting.

The proposed chapter structure of the handbook is:

- Chapter I – Introduction and overview -- purpose of the handbook and conceptual framework
- Chapter 2 – Definition and scope -- functional definition of marketing assets and boundaries and overlaps.

- Chapter 3 – Data sources and estimation -- direct purchases, own account production and measuring cross-border flows.
- Chapter 4 – Capital stock -- the perpetual inventory method, including estimating service lives.
- Chapter 5 --Price and volume measures -- developing price and volume indices and accounting for quality adjustment.

Members of the task team include representatives from national statistical institutes in Australia, Ireland, Japan, Netherlands, South Africa, United Kingdom, United States as well as Eurostat, IMF, UNSD, the World Bank and the lead editor and the project manager for the 2008 SNA update.

Drafting of the chapters of the compilation guide will take place during April 2024 to June 2025. Following consideration by the AEG of the full draft in October 2025, global consultation will be undertaken. The guidance will be finalized in early 2026 for approval by the AEG and the ISWGNA.

Editorial Note

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The website of the ISWGNA includes, in addition to information about the ISWGNA activities, a platform for monitoring the implementation of the SNA with links to the work programmes of the ISWGNA members and regional commissions; information about the research agenda of the SNA; and the activities of the AEG. The website is available at: [Inter Secretariat Working Group on National Accounts](#). Searchable PDF copies of the 2008 SNA and earlier versions of the SNA are available at [System of National Accounts](#).

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