



# Economic and Social Council

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## Economic Commission for Europe

### Conference of European Statisticians

#### Group of Experts on National Accounts

#### Eleventh session

Geneva, 30 April - 4 May 2012

### **Annotated provisional agenda for the eleventh session**

To be held at the Palais des Nations, Geneva starting on 30 April at 14:30 in Salle XI.

#### **I. Provisional agenda**

##### **A. First module: IMF/UNECE Session on the Introduction of the 2008 SNA for Users**

##### **B. Second module: Special session for Economies in Transition**

1. Presentation and discussion of national implementation plans
2. Presentation and discussion of a regional implementation plan
3. Further work to support the implementation of the 2008 SNA in the region

##### **C. Third Module: Expert Group on National Accounts**

4. Volume measures of services
5. Household sector and unincorporated enterprises
6. Measuring financial services including FISIM
7. Sub-sectoring of the financial corporations
8. Globalization
9. Future work and adoption of the report
10. Other business

## **II. Annotations to the provisional agenda**

### **A. First module: IMF/UNECE Session on the Introduction of the 2008 SNA for Users (30 April 2012)**

*Organisers: International Monetary Fund (IMF) and United Nations Economic Commission for Europe (UNECE)*

1. This module is designed to inform the users of national accounts statistics on the 2008 SNA and the recommendations of the Guide “Impact of Globalization on National Accounts”.

### **B. Second module: Special session for Economies in Transition (1 May 2012)**

*Organisers: European Free Trade Association (EFTA), European Commission (Eurostat) and UNECE*

*Contributions by: UNECE, National Statistical Office of Georgia, The Agency of Statistics of the Republic of Kazakhstan, National Statistical Office of Mongolia and State Statistics Service of Ukraine and other selected countries from Eastern Europe, Caucasus and Central Asia and SEE countries (to be confirmed).*

2. This module is devoted to issues related to the implementation of the 2008 SNA in economies in transition.

#### **Item 1. Presentation and discussion of national implementation plans**

3. The purpose of this item is to identify the priorities and the main challenges for transition economies concerning the implementation of the 2008 SNA based on the conclusions of Workshop on Implementation of the 2008 SNA in the Eastern European and Central Asian countries held in Kiev on 29 November – 2 December 2011. In this workshop, countries agreed to provide draft plans for the implementation of the 2008 SNA. Specific needs for future supporting activities in terms of technical assistance, methodological guidance, regional activities or study visits will also be discussed.

#### **Item 2. Presentation and discussion of a regional implementation plan**

4. UNECE will present a draft regional plan for the 2008 SNA implementation based on the national plans. The regional plan should follow the global implementation strategy supported by the United Nations Statistical Commission and provides an overview of the planned activities, proposes further supporting activities at the regional level and suggests monitoring measures.

#### **Item 3. Further work to support the implementation of the 2008 SNA in the region**

5. Follow-up activities to support and monitor the implementation of the 2008 SNA in the region will be discussed and agreed upon under this item.

## C. Third module: Expert Group on National Accounts (2-4 May 2012)

### Item 4. Volume measures of services

*Organiser: Statistics Canada*

*Contributions by: Statistical Office of the Republic of Slovenia, Statistics Canada and Statistics Norway*

*Discussant: U.S. Bureau of Economic Analysis (BEA)*

6. Many countries update their methodologies, exploit new statistical products and adopt new classification systems in the course of implementing the 2008 SNA. Despite the increasing importance of the services sector, there is insufficient collective experience in producing detailed volume measures of services. The challenge is even more emphasised when we consider that many of the services produced and consumed are not sold on the market and therefore a price is not readily available. This session explores work that is being done in the area of volume measures of both market and non-market services through presentations by and Slovenia, Canada and Norway. The presentations cover measurement issues and data limitations in estimate the volume of services and what countries are doing to overcome both of these challenges.

7. *Measurement of the Volume of General Government Education and Health Services, and Research and Development for Slovenia.* In the absence of information on prices, direct output or input methods are used in measuring volume changes. Slovenia in this paper presents the results obtained for volume measurement of education and health using both methods and for research and development using the input method.

8. *Measuring the Volume of Wholesale Services in Canada.* A little over six years ago Statistics Canada launched a programme to develop service producer price indexes (SPPIs). The first set of indices has recently been published and is being used to derive volume estimates of service in the Canadian System of National Accounts (CSNA). This paper discusses Statistics Canada's SPPI program as well as the use of the data in the CSNA.

9. *Measuring Volume of Market Services in Norway.*

### Item 5. Household sector and unincorporated enterprises

*Organiser: UNECE*

*Contributions by: Hungarian Central Statistical Office, National Statistical Service of the Republic of Armenia and Italian National Institute of Statistics*

*Discussant: Organisation for Economic Co-operation and Development (OECD)*

10. This session focuses on the measurement of the household sector through experiences from Hungary, Armenia and Italy.

11. *Estimation of Gross Value-Added Generated by Sole Proprietors.* Hungary, in this paper, presents their new model for estimating the Gross Value-Added of sole proprietors by different categories of non-observed economy, i.e. non-observed GVA due to VAT evasion (producers deliberately misreporting); non-observed GVA due to incomplete data and non-observed GVA due to lack of data (registered entrepreneurs not surveyed).

12. *Measuring the Contribution of the Informal Sector to the Total Economy.* Armenia's paper focuses on estimating the GDP contribution of household unincorporated enterprises in the informal sector. The different sections cover data collection through mixed survey, estimation of the GDP component and the implementation of the Eurostat tabular approach to exhaustiveness of GDP.

13. *The Household Sector in Italy: An Analysis for Producer and Consumer Units.* In Italy, separate accounts are compiled for producer and consumer households, given the sizeable contribution of small enterprises to the economy. The Italian contribution gives an overview of the methodologies developed to compile a complete set of non-financial institutional accounts for the two subsectors. This is followed by the presentation of time series data at the national, regional and international level. The last section focuses on the endowment of non financial assets for producer and consumer households.

#### **Item 6. Measuring financial services including FISIM**

*Organiser: United States Bureau of Economic Analysis (BEA)*

*Contributions by: International Monetary Fund (IMF), European Central Bank (ECB), Federal Statistical Office of Germany and Bank of Portugal*

*Discussant: Statistics Canada*

14. This module addresses practical issues that arise in the measurement of financial services in the 2008 SNA. While the SNA provides general conceptual guidance on the measurement of these services, the increasing sophistication and complexity of global financial markets has pointed to practical issues that need to be resolved in implementing the SNA's recommendations. Furthermore, the importance of these services internationally necessitates harmonisation of methods used for measuring these services.

15. *FISIM Accounting.* A Task Force commissioned by the Inter-secretariat Working Group on National Accounts (ISWGNA) is working on clarifying issues such as the choice of a key variable and the reference rate of interest in order to implement the 2008 SNA's recommendations on FISIM. IMF, as a member of this Task Force, has applied variables and concepts drawn from the SNA 2008 for a straightforward cash flow identity for banks and presents this experience in their paper.

16. *Measuring FISIM in the Euro Area under Various Choices of Reference Rates.* FISIM relate to services that banks provide on loans and deposits, and whose payment is bundled with the offered interest rates rather than being directly charged for. Traditionally, for statistical purposes most countries have imputed this output by comparing interest rates offered by banks to a single reference rate which represents the average rate on the interbank market (typically short-term and with low-risk). ECB's paper reviews the FISIM estimates obtained for the euro area under the various approaches that the dedicated European and international Task Forces have decided to test. The impact of these approaches on GDP is also discussed.

17. *Reinsurance in the 2008 SNA.* In the 2008 SNA, reinsurance transactions are now treated in the same manner as direct insurance. Given appropriate data by the National Supervisory Authority, reinsurance service output (and exports) of specialized reinsurers and direct insurers can be calculated. The calculation of the value of imported reinsurance services is problematic, because national accounts statisticians of the importing country will hardly have the necessary information. Germany's paper recommends using the relation between cross-border actual premiums received by the exporting countries and the corresponding service charges and apply this ratio to the actual premiums paid for reinsurance of the importing country.

18. *Compilation and Measurement Issues for the Financial Sector: The cases for FISIM and Securitisation in Portugal.* Portugal's paper advocates for using different interbank reference rates conferring the maturity and currency in which loans and deposits are denominated. Regarding the Portuguese economy, the adoption of this methodology, as an alternative to the one based solely on Euribor, leads to an increase of the impact on the GDP justified by the FISIM allocated to the final consumption of households. The paper

subsequently depicts some of the main features of Portuguese securitisation structures, describes the sources and methods used in the compilation of related statistics and offers a quantitative assessment of the securitisation market in Portugal. To conclude, a few short remarks on data dissemination and institutional reporting are put forward.

### **Item 7. Sub-sectoring of the financial corporations**

*Organiser: ECB*

*Contributions by: Hungarian National Bank and European Central Bank*

*Discussant: Central Bank of the Republic of Austria*

19. One major enhancement of the 2008 SNA is to request a more detailed breakdown of the financial corporations sector, including the separate identification of nine different sub-sectors in order to better understand the financial intermediation process and better identify risks to the financial sector that may spill over to the real economy. However, the classification of the vast range of financial corporations and units into the new sub-sectors is not always a straightforward task for compilers of national accounts. The new requirements may imply changes to the collection of source data from financial corporations. The increased granularity in classification offered by the new sub-sector categories results in delineation problems, often due to particularities of each national financial system. The delineation of holding companies and head offices, classified in different sub-sectors, may be problematic in practice and Special Purpose Entities (SPEs) may in some cases even be classified outside the financial corporation sector. The session informs on the progress made in implementing the 2008 SNA and offers practical guidance to compilers for a more harmonized classification of financial corporations leading to comparable world-wide national accounts statistics.

### **Item 8. Globalization**

*Organiser: Statistics Netherlands, IMF, UNECE*

*Contributions by: UNECE, Statistics Netherlands/Chair of CES Task Force on Global Production, U.S. BEA and OECD*

20. This session focuses on the work undertaken by the CES Joint UNECE/OECD/Eurostat Working Group on the Impact of Globalization on National Accounts (WGGNA) which produced the publication *Impact of Globalization on National Accounts* and the follow-up work on Global Production for which a new Task Force has been established by CES Bureau.

#### **Sub-item 1. Launch of Impact of Globalization on National Accounts**

21. *Impact of Globalization on National Accounts* was published by UNECE in early 2012. An overview of the publication will be presented and the relevance of this publication for countries of different regions and levels of development will be discussed.

#### **Sub-item 2. Presentation of the work of the Task Force on Global Production**

22. *Linking the work on Globalization and Global Production.* Under this item, UNECE will present the follow-up work emanating from the *Impact of Globalization on National Accounts* publication. Global production is one of the areas of further work suggested in this guide for which a dedicated Task Force was established at the end of 2011. UNECE's presentation will cover the mandate and the Terms of Reference of this Task Force.

23. *Work Programme and Timeline for the Task Force on Global Production.* Statistics Netherlands will present the overall work programme and an annotated outline of the Report of the Task Force on Global Production as well as a detailed timeline and the division of responsibilities.

24. *Typology of Global Production.* U.S. BEA will give a more detailed overview of the chapter on the Typology of Global Production, delineating what global production entails and excludes.

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