

Terms of Reference

“Series of Webinars on SNA update”

Webinar #4: Globalization

Date/Time: Thursday March XXth, 2023 (13:00-15:00 / Tunis Time),
Venue: Connect all participants by ZOOM. Q&A will be managed by ZOOM's Q&A function.
Audience: Open Webinar. Target audiences would be National Accounts Experts who oversee national accounts compilation, but open to other relevant institutions (Central Banks and/or Supervisory-Monetary Authorities) and other interested partners.

1. Background

The System of National Accounts (SNA) is designed to provide a realistic and compact view of the economy suitable for policy and analytical use. As the economy evolves and policy and analytical needs change, the SNA should be revised periodically to reflect the real changes taking place within economies, the evolution of financial and fiscal instruments, and the improvements in accounting methodologies. The SNA, as a macroeconomic statistical manual, is regularly being revised to reflect changes to the economy, to process improvements in the measurement of specific economic phenomena, and/or to update the way in which results are presented to users. The last version of the System of National Accounts dates to 2008 and a lot has changed since then.

For the current 2008 SNA revision, started upon the 52nd United Nations Statistical Commission in 2021, several workstreams organized by the National Accounts Advisory Expert Group (AEG) and Task Teams were launched to resolve issues related to priority areas. Consolidated guidance notes GN were developed (or are under global consultation) for each of the prioritized issues covering both conceptual and practical guidance. Identified issues have been grouped into the following main areas: globalization, digitization, well-being and sustainability, Islamic finance, communications, payment and financial systems, informal economy; statistical units and balance of payments; and the long-term research program of the SNA. The long-term SNA research agenda includes issues that would not be addressed for the 2008 SNA update.

This work is coordinated under the auspices of the Inter-Secretariat National Accounts Working Group (ISWGNA) to ensure global representation in the deliberation of issues under consideration and the successful implementation of the results in international standards or manuals. Proposals for working groups or expert groups to carry out research on specific topics should be submitted to the ISWGNA, which will assess the results in accordance with the SNA update procedures established by the United Nations Statistical Commission.

2. Objective of the series of webinars

The African Union Commission, through African Union Institute for Statistics (Statafric), and in line with its commitment to further harmonizing and upgrading official statistical systems across Africa, seeks to support and accompany the compilers of national accounts in African countries in this updating process and mobilize their possible contribution. Indeed, through the PAS program, Statafric has already provided a wide range of technical assistance to African countries in the field of national accounts. While in this context of the SNA update, Statafric aims to tag along with national accountants in Africa, enable/coordinate their active participation and support them in clinging to the current update process.

This webinar is the first in a series of regional seminars within the framework of the updating process of the System National Account (SNA) and is organized by Statafric, in collaboration with the Economic Commission for Africa

(UNECA). In general, these webinars aim to further inform Member States about the current SNA review process and to collect their proposals/contributions on the issues addressed for submission to the ISWGNA.

In this framework, the purpose of the webinars is to achieve the following objectives and the related documentation:

- Inform compilers on progress with the SNA and BPM update program.
- Introduce conceptual / compilation topics to encourage informed participation in global consultation on Guidance Notes (GN)
- Collect and verify information from the baseline evaluation (on the statistical capacity of the countries to implement the new recommendations)
- Obtain opinions on user demand for the new recommendations.
- Explore potential volunteers for early implementation of the new recommendations.
- Gather information on the countries' implementation plans.

3. Fourth webinar subject: National accounts in a globalizing world

Over the last several decades, the global economy has experienced tremendous globalization. Production and international trade of goods and services have been increasingly linked to global value chains (GVCs), which has significantly changed the nature and structure of international trade, especially with growing intermediate goods trade. Economic globalization has also created new opportunities for businesses to organize their production chains more efficiently. This has increased the complexity of compiling economic statistics as it is more difficult to break down production activities on country-by-country basis. Globalization has led to increasingly complicated supply chains as raw materials and other intermediate goods move strategically throughout the world as they are transformed step by step into final goods sold to final users. Obviously, existing data on gross trade flows continue to answer many important questions about the global economy; however, the growth of GVCs means that additional data are necessary for a more complete and more nuanced understanding of global trade.

Emerging global production arrangements pose challenges to business and macroeconomic statistics, business registers and economic classifications. These challenges include implementation of the principle of economic ownership, especially in relation to intellectual property products, and the recording of cross-border transactions in goods and services in compiling national accounts and balance of payments statistics.

Globalization has large impacts across different areas of statistics, particularly balance of payments and international investment position statistics. With the official simultaneous launch of the updates of the System of National Accounts 2008 (2008 SNA) and the Balance of Payments and International Investment Position Manual, sixth edition (BPM6), a joint Globalization Task Team (GZTT) was mandated to advise in the process of updating both the 2008 SNA and the BPM6. To ensure overall consistency and avoid duplication, GZTT worked closely with other task teams created by the IMF Committee on Balance of Payments Statistics BOPCOM and the other ISWGNA Committee's task teams established for the 2008 SNA update where issues overlap. To bring in perspectives from other statistical areas, the joint Globalization Task Team task team will have representation from compilers of international accounts, and the national accounts specialists will be encouraged to consult with other statisticians in their countries. As balance of payments and national accounts statistics are typically compiled in different agencies, coordination is crucial.

4. Webinar content

The task team developed guidance notes on globalization issues identified by the AEG as a priority: Economic ownership and recording of intellectual property products; Treatment of multinational enterprises MNE and special purpose entities; intra MNE flows; CIF-FOB valuation of imports/exports; Identifying economic presence and residency. Additional issues were identified and submitted to the GZTT for consultations in line with the update of the 2008 SNA (A typology of global production arrangements / Factory-less goods producers and recording of their transactions / Merchanting / Global value chains and trade in value added).

In the context of African countries, the webinar will present, discuss, and exchange knowledge around globalization from a statistical perspective by covering the following topics:

- increasing trend of globalization, whereby products are the result of processes taking place all around the world, the role of multinational enterprises MNE and the impact they may have on the interpretation of trade flows and the competitiveness of national economies, based on brief presentation of a statistical tool, Trade in Value Added (TiVA) to better understand these interlinked international trade flows and help complete the picture of global trade by tracing the value-added contributions of domestic industries and the role of imported content in the global supply chains that support domestic production;
- challenges in maintaining the quality of national accounts statistics in this more and more globalized world.
- importance of fostering comparability and consistency between National Accounts and Balance of Payments BOP statistics in African national practices;
- overview on the GZTT recommendations of the guidance notes from the SNA and BOP perspectives and the way forward.

5. Webinar running

Facilitator / Moderator & Presenter: Statafric / UNECA / UNSD / BOPCOM.