

**STATISTICS**

# **Update of the Macroeconomic Statistical Standards: BPM, SNA, GFSM, MFSMCG**

**Arabstat Steering Committee**

**NOV 13-14, 2024**

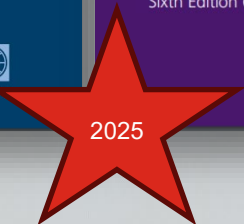
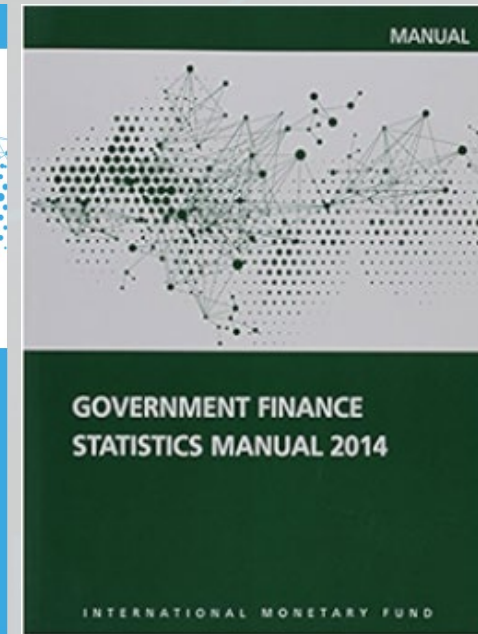
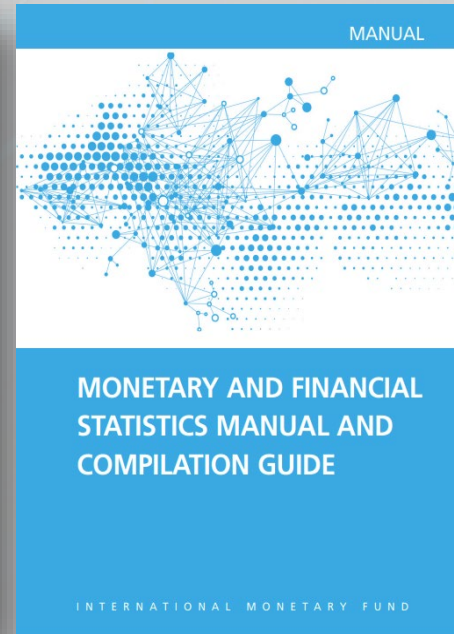
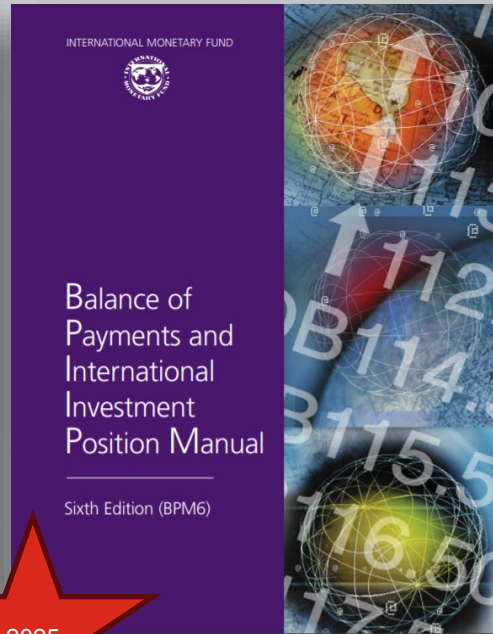
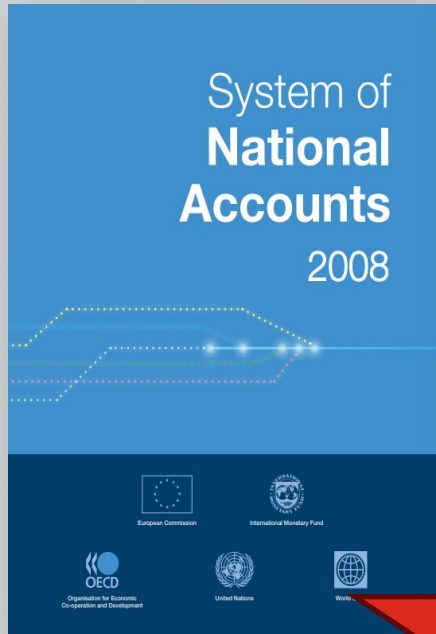
Kristy Howell

IMF Statistics Department, Balance of Payments

# Agenda

- Why Update the International Statistical Standards?
- Towards an Implementation Plan
- IMF Support to Our Members
- An Eye to the Future

# Macroeconomic Statistical Standards



# Why Update the Macroeconomic Statistical Standards?

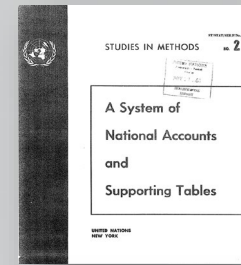
- **Tectonic shifts in the global economy**
  - ▶ The 2008 global financial crisis highlighted data shortcomings
  - ▶ Digitalization, financial innovation, globalization increased demand for data to address climate change
- **The conceptual frameworks designed to be robust and resilient**
  - ▶ But shortcomings in analytical usefulness exposed
  - ▶ Digitalization and globalization posed new challenges to data compilation
- **Respond to data needs identified through global reviews**
  - ▶ The G20 Data Gaps Initiative
  - ▶ The Stiglitz-Sen-Fitoussi Commission



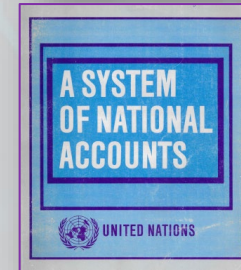
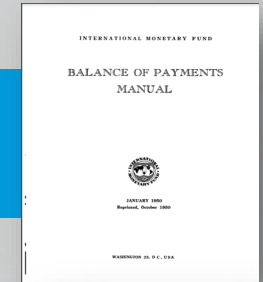
**Ensure that policymakers have access to data to navigate in today's (and tomorrow's) economy.**

# Updating Macroeconomic Statistical Standards

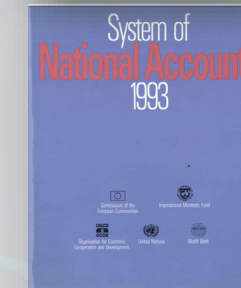
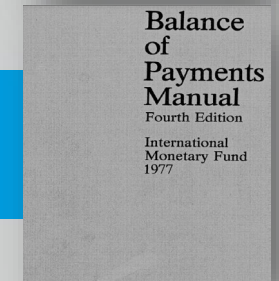
- Macroeconomic statistical standards are regularly updated **to reflect changes in the economy**
- These updates can be categorized into three main groups:
  1. **Conceptual updates** (i.e., change in what is measured)
  2. **Methodological updates** (i.e., change in how activities are measured)
  3. **Presentational updates** (i.e., change in how the statistics are presented)
- In the past decades, increasing attention has been given to achieving **consistency with other standards** (e.g., GFSM and MFSM, SEEA)



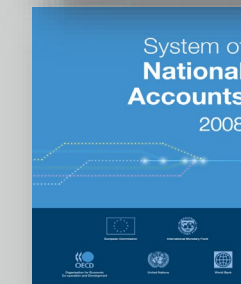
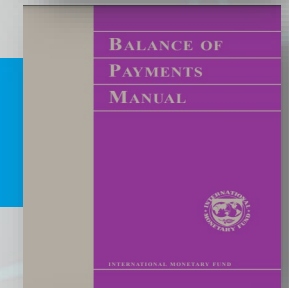
**SNA 1953  
BPM1-2 (1948- 1950)**



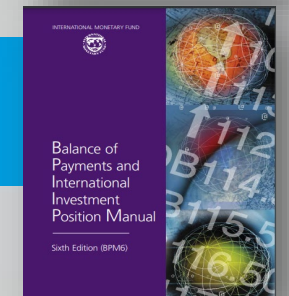
**SNA 1968  
BPM3-4 (1961-1977)**



**SNA 1993  
BPM5 (1993)**



**SNA 2008  
BPM6 (2009)**





# Status of the SNA Update

The global consultation of the full SNA (all chapters) took place during June–September 2024

It concluded on September 13

There were 1,295 comments from 63 respondents

The results of this GC is being analyzed by the editors and will be placed before AEG at the meeting October 28-30 for endorsement.

The final editing process will fully align inter- and intra- text references, formatting, glossary definitions, and style.

SNA 2025 will be submitted to UN Statistical Commission for endorsement in March 2025.

# Status of the BPM Update

The global consultation of the full BPM7 (all chapters) took place during July–September 2024 (alongside the SNA global consultation)

It concluded on September 13

There were 161 comments on BPM7-specific content (in addition to the comments on the joint BPM-SNA chapters)

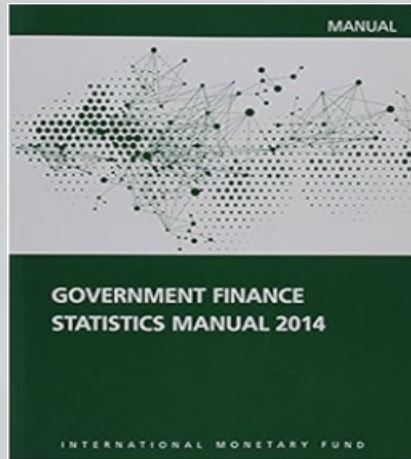
The results of this GC is being analyzed by the editors and will be placed before BOPCOM at the meeting November 5-7 for endorsement.

The new manual also has 14 Annexes. These are underway to be completed by the end of 2024.

The final editing process will fully align inter- and intra- text references, formatting and IMF style.

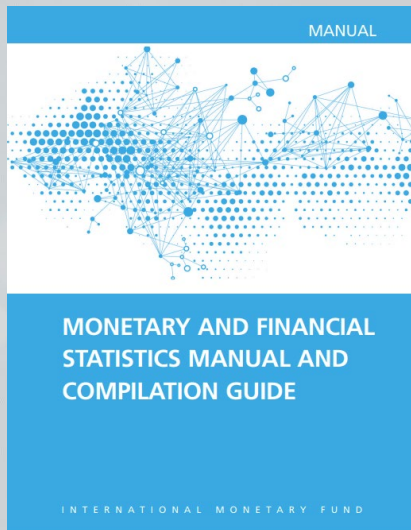
BPM7 will be endorsed by BOPCOM and published in white paper format in March 2025.

# GFSM and MFSMCG



## Government Finance Statistics Manual (GFSM) Update

- The IMF launched the update process for the GFSM earlier this year under the Government Finance Statistics Advisory.
- The update process will build on the work that was already completed during the BPM and SNA update process.
- Expectation is that the new manual will be delivered by the end of 2027.

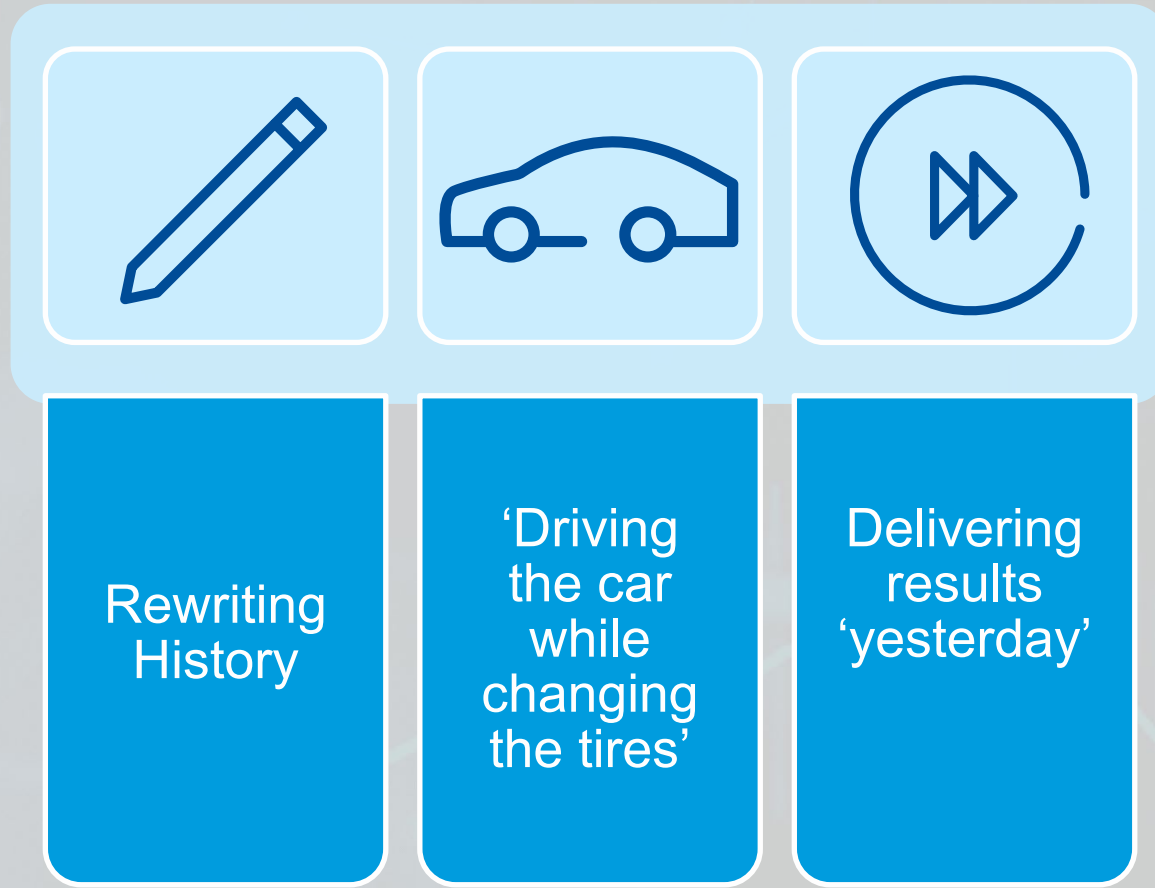


## Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG)

- To be launched in 2024



# Towards an Implementation Plan: Understanding the Challenges



All stakeholders must acknowledge upfront that implementing a new statistical standard is a complex and resource intensive task.

# Implementation Plan: The Importance of Branding the Work

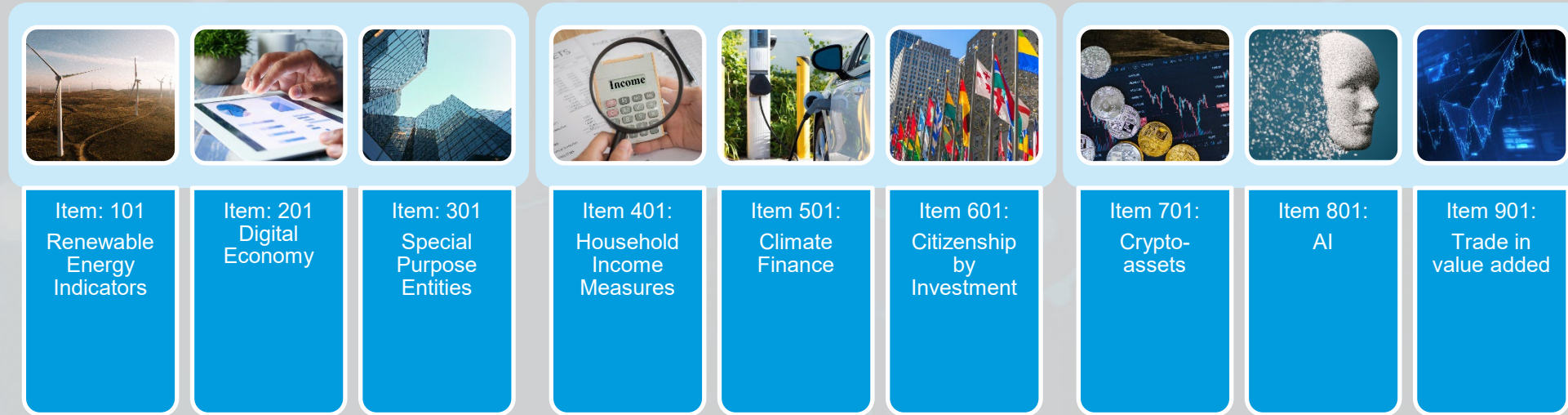


- From the start, this needs to be branded beyond simply a statistical project.
- It needs to be seen as a National Statistical Initiative – akin to running a Census of Population.

# Implementation Plan: National Statistical Initiative

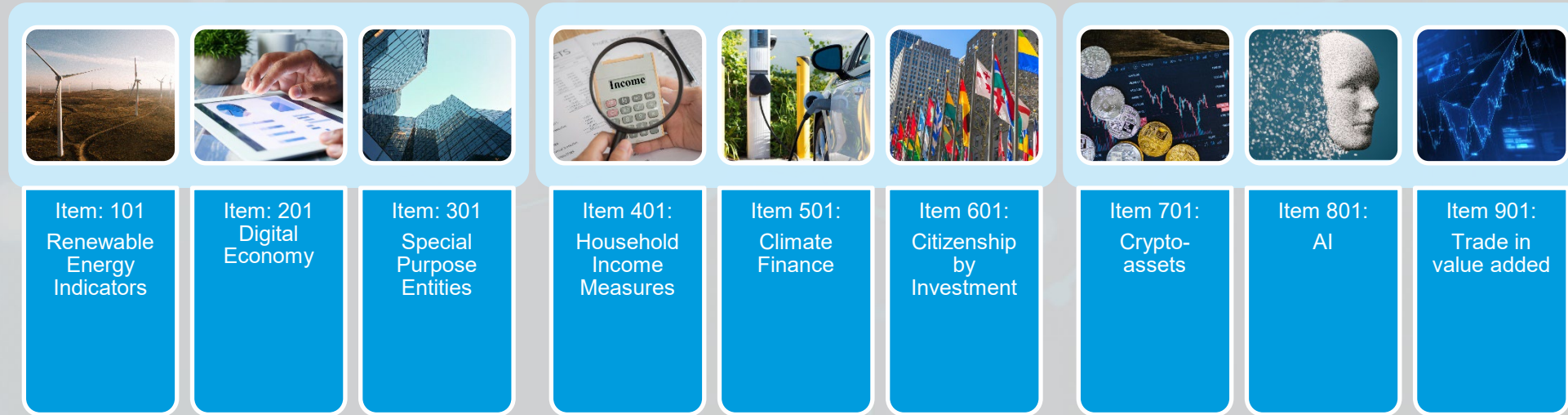


# National Statistical Initiative – (1) Scope



- The scope must be determined in collaboration with users.
  - ▶ Consider setting up a user advisory committee (broad membership: Central Bank, Finance ministry, academics, trade associations etc.) to help determine the scope and manage the update process.

# National Statistical Initiative – (1) Scope



- Key characteristics to consider when determining the scope:
  - ▶ Materiality
  - ▶ International / regional comparability
  - ▶ Emerging activities
  - ▶ Target Quality (Granularity, timeliness, accuracy and reliability, serviceability, accessibility)
  - ▶ Legacy statistical issues



# National Statistical Initiative – (1) Scope

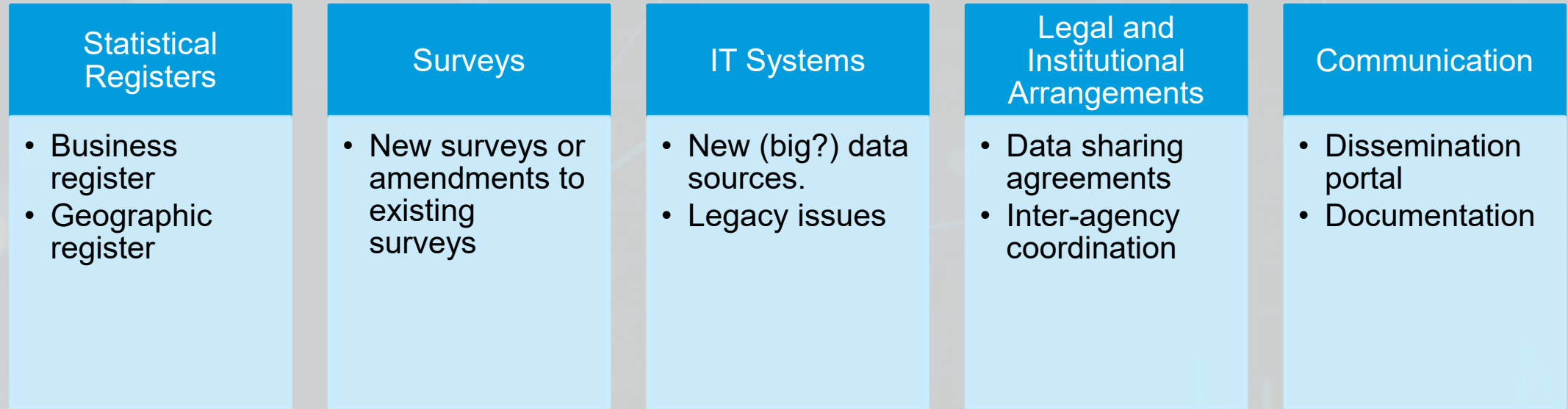
Benefit



Cost

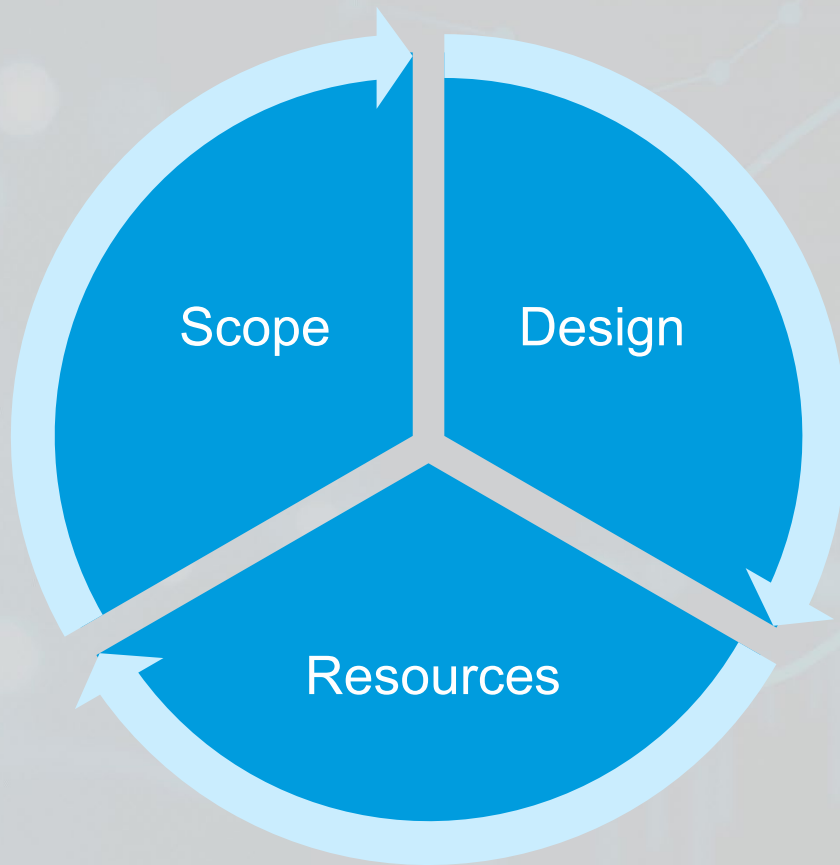
- One way to think about scope is through the lens of a cost-benefit analysis.

# National Statistical Initiative – (2) Design



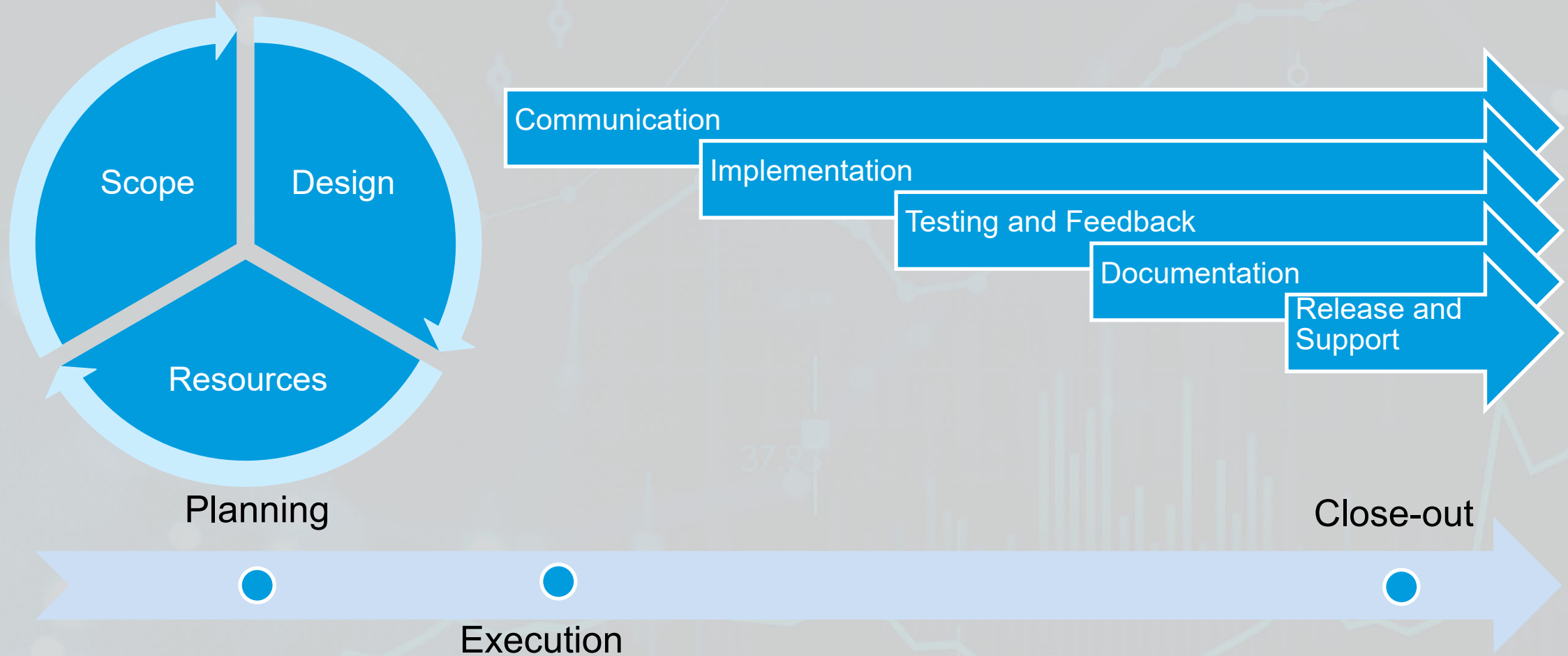
- Once the proposed (initial) scope is determined you can start identifying the type updates (and the related costs) to the statistical system that are needed to address the scope.

# National Statistical Initiative – (1) Scope, (2) Design, (3) Resources



- Once you understand the impact of the proposed scope on your statistical system, you can estimate the project's costs.
- Within the statistical world – budget holders are users, so you need to make them aware of what they are buying.
- Once they see the costs, scope will be refined.
- At some point you will reach an equilibrium where the scope aligns with the resources allocated.
- It is important that you do not begin execution before the scope and resource envelopes have been agreed to.

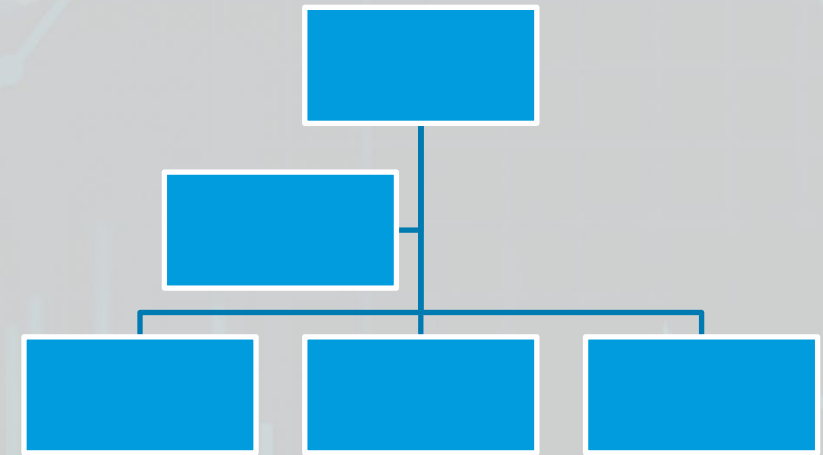
# National Statistical Initiative – (4) Establishing a Timeline



- This is a critical step because it needs to be coordinated with the other parts of the statistical system, the users, and the international community.

# National Statistical Initiative – (5) Implementation

- Unique to the implementation is backcasting.
- Since users require consistent time-series, they require the national statistical system to ‘backcast’ series to the point of materiality.
- For a period of time, you will need to operate ‘two’ systems in parallel.

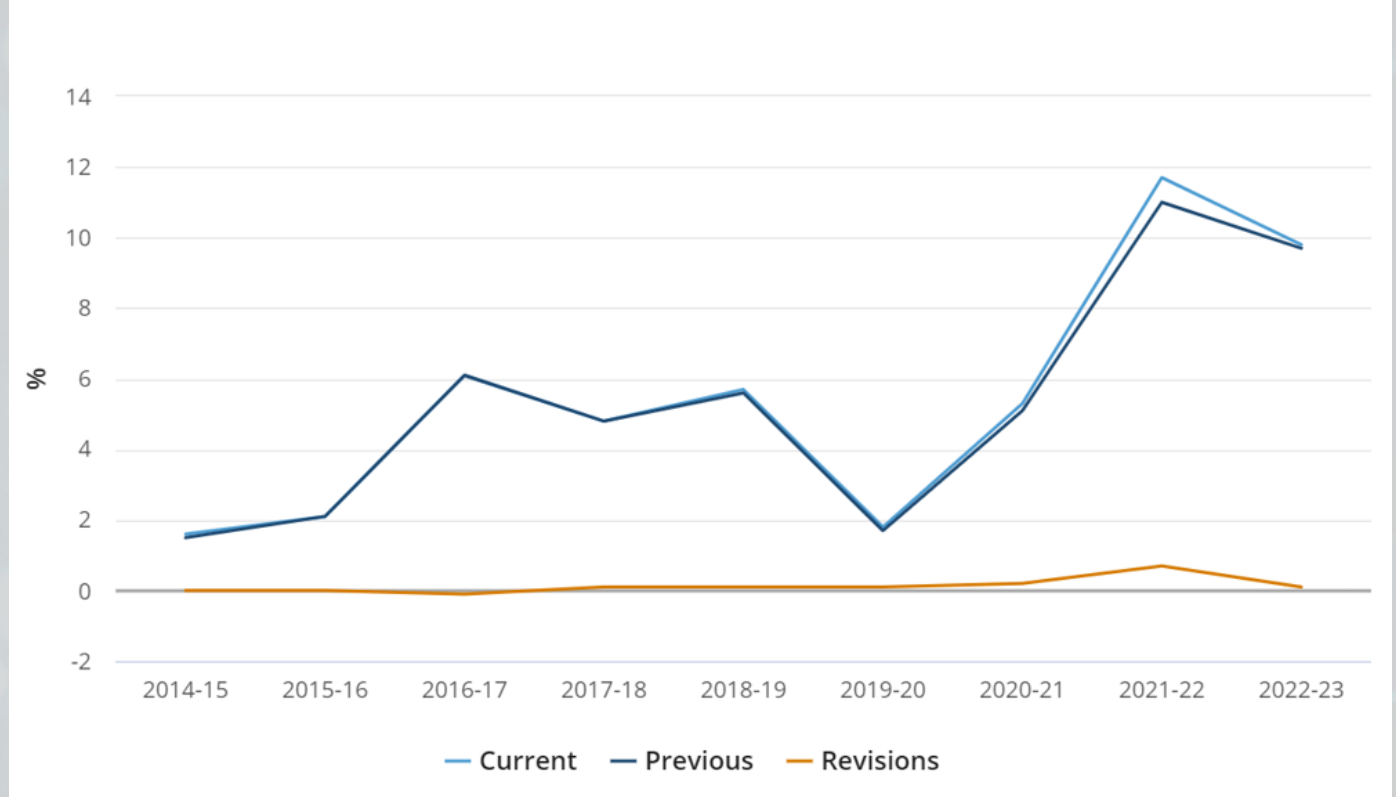


You will need to determine the best way to organize this within your office (e.g. should the same team take care of both current production and implementation or should you establish a dedicated implementation team).



# National Statistical Initiative – (5) Testing and Feedback

Figure 1: Gross domestic product growth rate (%), current prices, 2014-15 to 2022-23 (a)



- Many countries ‘test’ the results with users prior to finalizing the estimates (work in progress).
- This serves two important purposes – it incorporates user insight into the estimates and also sensitizes the users to the changes.

# National Statistical Initiative – (6) Documentation

## Sources and Methods

- Guides
- Metadata
- International documentation (SDDS)

## Revisions

- Revisions Policy
- Revisions analysis

## Applications of the new data

- Support the use of data by partnering with policy departments

- Employ the ‘cite as you write’ principle.
- Documentation is often an afterthought – it should be planned (and resourced) as part of the implementation.

# National Statistical Initiative – (7) Communication

The screenshot shows the BEA website's navigation bar with links for Data, Tools, News, Research, Resources, About, and Help. The main heading is 'Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts'. The page content includes a paragraph about the 2024 annual update, a '2023 Comprehensive Updates' section, a 'Contact Personnel' section listing Lisa Mataloni and Connie O'Connell, and a 'Methodology improvements and presentational changes' section with several bullet points.

Home | Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts

## Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts

The U.S. Bureau of Economic Analysis (BEA) plans to release the results of the annual update of the National Economic Accounts (NEAs), which include the National Income and Product Accounts (NIPAs) and the Industry Economic Accounts (IEAs), on September 26, 2024. With the concurrent production and publication of the NIPAs, the IEAs, and the Regional Economic Accounts (REAs), improvements incorporated as part of the NEA annual update will impact all three sets of accounts, and each account will reflect the same update period. The annual update of the REAs will begin on September 27.

**2023 Comprehensive Updates**

Information on 2023 Comprehensive Updates to the National, Industry, and State Economic Accounts

National and Industry Data | **State and Local Area Data**

The update of the NEAs will cover the first quarter of 2019 through the first quarter of 2024 and will result in revisions to gross domestic product (GDP), GDP by industry, gross domestic income, and related components. The reference year for index numbers and chained-dollar estimates will remain 2017.

**Source data updates.** The annual update will incorporate source data that are more complete and more detailed than those previously available, including the following:

- U.S. Census Bureau (Census) annual surveys of merchant wholesale trade, retail trade, services, and state and local governments
- Federal government budget data
- Internal Revenue Service tabulations of tax returns for corporations, for sole proprietorships, and for partnerships
- U.S. Department of Agriculture farm income statistics
- National Science Foundation annual surveys

**Incorporation of International Transactions Accounts.** In addition to the source data listed above, the annual update will incorporate results from the 2024 annual update of BEA's International Transactions Accounts, released on June 20, 2024.<sup>1</sup>

**Methodology improvements and presentational changes**

- BEA will improve the territorial adjustment for trade in services with Puerto Rico. The improved measures will be prepared using exports and imports of services data from BEA's Puerto Rico GDP estimates. Currently, the territorial adjustment for trade in services with Puerto Rico is based on balance-of-payments data from Puerto Rico. This change will improve the accuracy of the estimate and better align the NIPAs with BEA's Puerto Rico GDP estimates.
- BEA will use data from Census' Value of Construction Put in Place Survey to define the amount of aggregate investment in new structures by state and local governments each year. This amount was previously defined using data from Census' Annual Survey of State and Local Government Finances (GF). A change was necessary due to a consolidation of data on capital outlays in the GF survey.
- BEA will improve the classification of financial assistance provided by the federal government to extend the solvency of financially troubled multiemployer pension plans, as authorized by the American Rescue Plan Act of 2021. This assistance will be recorded as capital transfers to businesses rather than as financial transactions. Additionally, a new line "net transfers from other sources" will be added to the following tables:
  - NIPA Table 7.20, "Transactions of Defined Benefit and Defined Contribution Pension Plans"
  - NIPA Table 7.21, "Transactions of Defined Benefit Pension Plans"
  - NIPA Table 7.22, "Transactions of Private Defined Benefit Pension Plans"

**Contact Personnel**

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✉ [Connie.OConnell@bea.gov](mailto:Connie.OConnell@bea.gov)

- Communicate the scope
- Communicate the timeline
- Communicate any changes to the scope or timeline
- Communicate the results (in stages if possible)
- Communicate the details
- Communicate the mundane!
- Communicate often

# Support by the international community

## *Outreach Events*

- **A first round of outreach (regional workshops) was conducted:** to raise global awareness, engage with countries, explain the proposed changes in *BPM7/SNA2025*.

Regional Area	Hosting Institution	Dates
Africa	STATAFRIC	April 23–25, 2024
Asia & Pacific Group 1	UNESCAP	March 26–27, 2024
Asia & Pacific Group 2	UNESCAP	April 3–4, 2024
Europe Group 1	ECB/Eurostat	March 13–15, 2024
Europe Group 2	UNECE	March 6–7, 2024
Middle East & Central Asia Group 1	AMF	December 12–14, 2023
Middle East & Central Asia Group 2	CCAMTAC	January 23–25, 2024
Western Hemisphere (only <i>BPM7</i> )	CEMLA	May 23–24, 2023

- **The second round of outreach will kick off in 2025:** collect input from compilers and discuss implementation plans.

# Support from the international community: *Collaboration between the SNA2025 and BPM7*

- **A joint implementation strategy for the 2025 SNA/BPM7 to be discussed by the BOPCOM and AEG.**
  - ▶ Work with countries to build the implementation of 2025 SNA and BPM7 in their **national strategic plans**.
  - ▶ Engagement with key stakeholders.
  - ▶ **Technical assistance and training (on-line and in person)**, well coordinated among international organizations
  - ▶ Develop methodology handbooks and **compilation guides**
  - ▶ Mobilization of **donor organizations** to provide funding support.



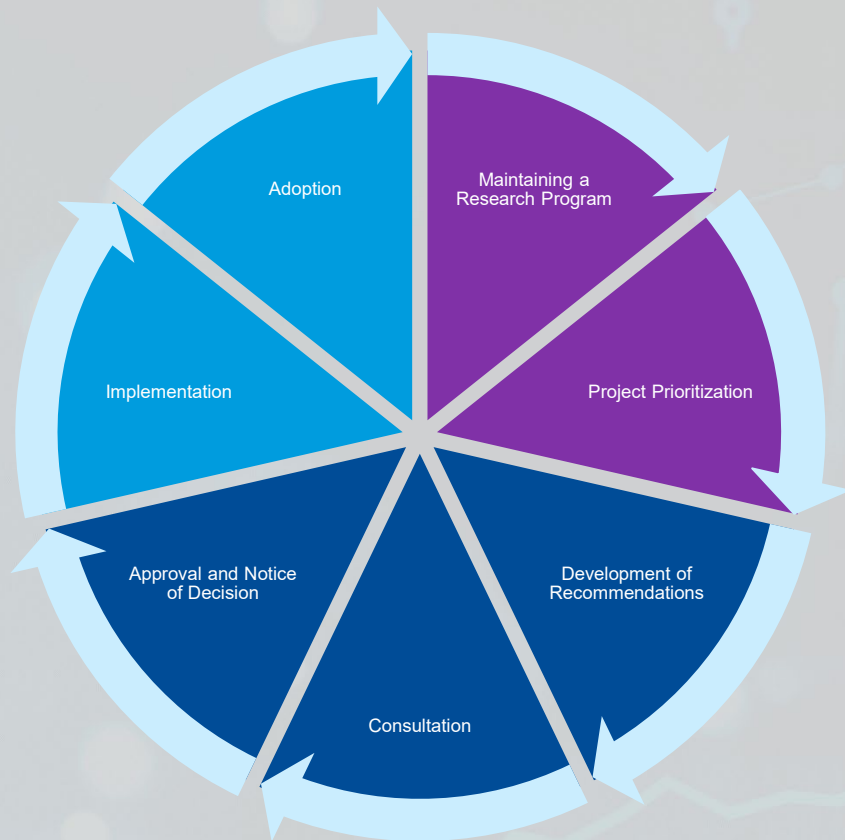
# Support from the international community: *Going Digital*

- **Utilize new digital platforms for collaboration**
  - ▶ Using of **new technologies** such as GenAI to support the implementation process, including transition to electronic publications.
  - ▶ Development of a **compilers' hub** to facilitate sharing of statistical guidance, tools, peer advice, and compilation practices
  - ▶ Share common concepts across all statistical domains (**common glossary**)
  - ▶ Post-2025 **research agenda** of the 2025 SNA and BPM7

# Support from the international community: *Building a plan*

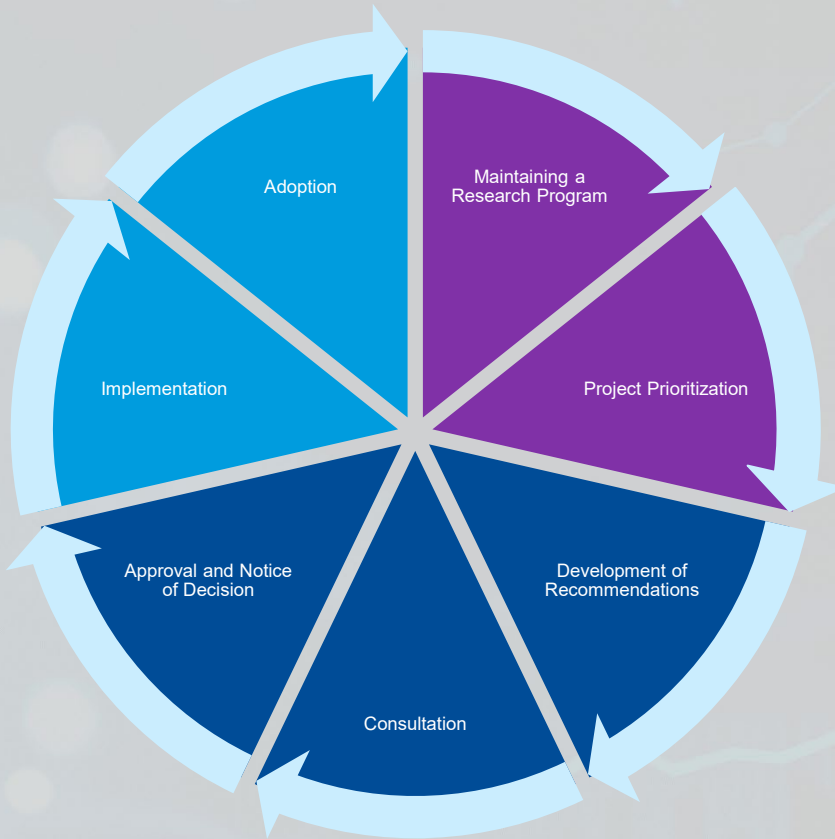
- **Monitoring and evaluating implementation**
  - ▶ **Assessment of country preparedness** for implementation building on existing frameworks (the framework developed by the Communications Task Team and the IMF's Data Quality Assessment Framework)
  - ▶ **Timeline** for implementation considering country circumstances.
  - ▶ Encouraging **impact assessment** by countries.
  - ▶ Continued **cooperation** between the SNA and BPM teams.

# An Eye to The Future



- The international statistical standard setters are exploring a new framework to manage the update of statistical standards.
- Move away from every 15 year 'big bang', loosely coordinated approach towards a 'every 5 year' coordinated approach.
- The foundation of the framework is an actively managed research program.
- Research projects are identified by the international community and prioritized.
- Projects are executed and recommended updates are developed.

# An Eye to The Future



- Consultation is undertaken and decisions are taken.
- An adoption date is identified (e.g. five years in advance) and countries can begin implementation activities as soon as decisions are reached and well in advance of the adoption date.
- From a statistical system perspective, this means that the infrastructure in place to implement newly issued statistical standards should become a ‘permanent feature’ of the national statistical system.