

ANNEX: STRUCTURE AND MAIN COMPONENTS OF SNA '93

The structure of SNA '93 is characterized by two closely interrelated parts, i.e.

- (i) the 'Integrated Economic Accounts';
- (ii) the 'Other Parts of the Accounting Structure'

Each part is composed of a number of components, as follows:

I. THE INTEGRATED ECONOMIC ACCOUNTS

- a. The sequence of institutional sector accounts
- b. The transaction accounts
- c. The asset and liabilities accounts
- d. The rest of the world accounts
- e. The aggregates
- f. Overview

II. THE OTHER PARTS OF THE ACCOUNTING STRUCTURE

- a. The central supply and use table, and other I-O tables
- b. Complete balance sheets and assets and liabilities accounts
- c. Functional analysis
- d. Population and labour input tables

Components Ia and IIa are among the most important components of the system. Below a brief outline will be given of these components, as well as of the other ones that form part of SNA '93.

I.a. SEQUENCE OF INSTITUTIONAL SECTOR ACCOUNTS

This component contains a set of different types of accounts for each domestic institutional sector, as well as for the aggregate economy.

At the primary level, the system distinguishes the following five domestic institutional sectors:

- . Non-financial corporations, corporate & quasi-corporate
- . Financial corporations
- . Households, including unincorporated enterprises
- . General government
- . Private non-profit institutions serving households

Regarding the main types of accounts distinguished in this component are in a simplified manner presented below. Note, that the two sides have been termed in conformity with SNA '93.

1. Production Account

Shows the value of the gross output produced, and of the intermediate inputs used in production. The difference between gross output value and intermediate inputs value is gross value added. Production accounts may be compiled for institutional sectors and for the aggregate economy. (Part II.a. of the system calls for the compilation of production accounts by kind of production activity). Economy-wide gross value added represents the GDP. By deducting from gross value added the value of consumption of fixed capital the net value added is obtained. At the economy-wide level this corresponds to the NDP.

PRODUCTION A/C	
Uses	Resources
===== Interm. Cons. Cons. of Fixed Cap. V. Add N. =====	===== Gross Output =====
Total	Total

2. Income Generation Account

This account shows the distribution of value added to primary factors of production (i.e labour and other) in the form of compensation of employees and operating surplus; and to government in the form of net indirect taxes.

Income Generation accounts may be compiled for institutional sectors, for branches of economic activity (see part II.a.) and for the aggregate economy.

INCOME GENERATION A/C	
Uses	Resources
Comp. of Empl.	V. Add N
NIT	
Op. Surplus	
Total	Total

NB: Consolidation of the Production Account and the Income Generation Account gives a type of account corresponding to the Production Account presented in SNA '68.

3. Allocation of Primary Income Account

Shows how the primary incomes (i.e. compensation of employees, operating surplus and net indirect taxes) are distributed to those having claims on these factor incomes. The difference between primary incomes received and primary incomes paid is the 'balance of primary incomes'. This type of account may be compiled for institutional sectors and for the aggregate economy. At the level of the aggregate economy the 'balance of primary incomes' concept corresponds to the National Income.

ALLOCATION OF PRIMARY INCOME A/C	
Uses	Resources
Fact. inc. paid	Op. Surplus
Prim. Inc	Comp. of Empl.
	Fact. inc. rec.
	NIT
Total	Total

4. Secondary Distribution of Income Account

Shows the redistribution of income through transfers in the form of direct taxes paid/received; social contributions paid/ social benefits received; and other income transfers paid/received. The difference, after redistribution, between incomes received and paid is the 'disposable income'. This type of account may be compiled for institutional sectors and for the aggregate economy. At the level of the aggregate economy the 'disposable income' concept corresponds to the National Disposable Income.

SECONDARY DISTR. OF INCOME A/C	
Uses	Resources
Dirtax paid	Prim. Inc
Curr. Transf. paid	Dirtax rec.
	Curr. Transf. rec.
Disp. Inc	
Total	Total

5. Use of Disposable Income Account

Shows how the disposable income is allocated between final consumption expenditure and saving. This type of account may be compiled for institutional sectors and for the aggregate economy.

USE OF DISP. INCOME A/C	
Uses	Resources
Fin. Cons. Exp.	Disp. Inc
Saving	
Total	Total

NB: Consolidation of the Allocation of Primary Income Account, the Secondary Distribution of Income Account, and the Use of Income Account gives a type of account corresponding to the Income & Outlay Account presented in SNA '68.

6. Capital Account.

Gives details on the size and composition of net investments (i.e. total investment minus consumption of fixed capital) in non-financial assets; and on savings and net capital transfers received, the latter two categories being major sources for financing the investments made. The difference between the net investments made in non-financial assets and the sum of savings and net capital transfers received is called 'net lending', and forms the balancing item of this account. This item, which may be positive or negative, indicates to what extent the earlier mentioned sources of finance were in excess or fell short of the investments made. Capital Accounts may be compiled for institutional sectors and for the aggregate economy.

CAPITAL A/C	
Changes in assets	Changes in liabilities and net worth
Non-financ. Inv.	Saving
Cons. of F. Cap. (-)	Cap Tranf. rec. net
Lend. net	
Total	Total

7. Financial Account

This account shows the transactions in financial instruments, i.e. changes in different kinds of financial assets and changes in different kinds of liabilities. The balancing item of the account is again 'net lending'. As such, this account shows how the surplus or deficit of the Capital Account is accommodated by changes in financial assets and/or changes in liabilities. Financial Accounts may be compiled for institutional sectors and for the aggregate economy.

FINANCIAL A/C	
Changes in assets	Changes in liabilities and net worth
=====	
	lend.net
Ch. in Fin Ass.	Ch. in Liabil.
=====	=====
Total	Total

8. Other Changes in Volume of Assets Account

Shows changes in the volumes of different kinds of financial and non-financial assets and liabilities due to causes other than the accumulation transactions recorded in the Capital Account and the Financial Account. Examples include: discoveries or **depletion of subsoil resources**, destruction by political events (e.g. war) or by natural catastrophes (e.g. earthquakes). But also **degradation of land, water resources and other natural assets** is recorded in this account. This type of account may be compiled for institutional sectors and for the aggregate economy.

OTHER CHANGES IN VOLUME OF ASSETS A/C	
Changes in assets	Changes in liabilities and net worth
=====	
Ch. in Non-fin. Ass.	Ch. in Liabil.
Ch. in Fin. Ass.	Ch. in Net Worth
=====	=====
Total	Total

9. Revaluation Account

This account shows changes in the values of assets and liabilities due to changes their (relative) prices during the accounting period. This type of account may be compiled for institutional sectors and for the aggregate economy.

REVALUATION A/C	
Changes in assets	Changes in liabilities and net worth
Ch. in Non-fin. Ass.	Ch. in Liabil.
Ch. in Fin. Ass.	Ch. in Net Worth
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Total	Total

10. Balance Sheet

The Balance Sheet, which is a stock account, shows the value of the assets (financial and non-financial) and the liabilities at a specific point in time, as well as the difference between assets and liabilities, called 'net worth'. The latter item is the balancing item.

Balance Sheets may be compiled for institutional sectors and for the aggregate economy.

BALANCE SHEET	
Assets	Liabilities and net worth
Non-fin. Ass. gross	Liabil
Accum. Cons. F. Cap. (-)	
Non-fin. Ass. net	Net Worth
Fin. Ass	
=====	=====
Total	Total

11. Changes in Balance Sheet

This account shows the differences in balance sheets for two successive accounting periods. This type of account may be compiled for institutional sectors and for the aggregate economy.

CHANGES IN BALANCE SHEET (BS 31/12 - BS 1/1)	
Assets	Liab. & net worth
Ch. in NF Ass gr	Ch. in Liabil
Ch. Accum. Cons. F. C. (-)	
Ch. in NF Ass n	Ch. in Net Worth
Ch. in Fin Ass	
=====	=====
Total	Total

In schematic form, the Sequence of Institutional Sector Accounts may be presented as follows:

Production accounts					
Non-fin Corp.	Fin. Instit.	House-holds	NonProf Instit.	Gener. Govt.	ECON
-----	-----	-----	-----	-----	-----

Income Generation accounts					
Non-fin Corp.	Fin. Instit.	House-holds	NonProf Instit.	Gener. Govt.	ECON
-----	-----	-----	-----	-----	-----

Allocation of Primary Income accounts					
Non-fin Corp.	Fin. Instit.	House-holds	NonProf Instit.	Gener. Govt.	ECON
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Balance Sheets					
Non-fin Corp.	Fin. Instit.	House-holds	NonProf Instit.	Gener. Govt.	ECON
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Change in Balance Sheet Accounts

Non-fin Corp.	Fin. Instit.	House-holds	NonProf Instit.	Gener. Govt.	ECON
-----	-----	-----	-----	-----	-----

I.b. TRANSACTION ACCOUNTS

Transaction accounts show, for a given transaction or groups of transactions (e.g. gross output, intermediate consumption, compensation of employees etc.) resources and uses for each sector engaged in this type of transaction.

NB: Totals of resources and of uses for each type of transaction balance by definition.

Uses					Resources						
HH	ENT	GOV	ECO	ROW	COM	HH	ENT	GOV	ECO	ROW	COM
TRANSACTIONS											
			X					X			
		X									X
X	X	X	X			X	X	X	X		
											X

A special type of transaction account is the Goods and Services account.

This account presents for more or less homogeneous groups of commodities details with regard to their origin (domestic production, imports) and their destination/use (i.e. intermediate use, final consumption, capital formation, export).

Goods and Services account for commodity group i	
supply	use
- supply by domestic producers of comm. i	- use for intermediate purposes of comm.i
- imports (incl. duties) of comm.i	- use for final consumption of comm i
	- use for capital formation of comm. i
	- exports of comm i
Total Supply	Total Use

I.c. THE ASSET AND LIABILITIES ACCOUNTS

The asset and liabilities accounts record for each type of asset and liability distinguished in the system the opening stock, the various types of changes occurring during the accounting period, and the closing stock.

Opening stock value

- Plus: capital account transactions
- Plus: financial account transactions
- Plus: other changes in volume
- Plus: revaluations

Equals: Closing stock value

The main types of assets and liabilities distinguished in the system are:

ASSETS

A. Non-financial assets

Produced: Fixed assets

Inventories
Valuables

Non-Produced: Land
Subsoil assets
Non-cultivated biological resources
Water resources
Other (including patents and goodwill)

B. Financial assets

Monetary gold and SDRs
Currency and deposits
Loans
Shares and other equity
Insurance technical reserves
Other accounts receivable

NB: Only so-called economic assets (i.e. assets over which ownership rights can be enforced, and from which economic benefits may be derived) are included in the system. Many types of natural assets do not satisfy this criterion, and are therefore excluded from the SNA.

I.d. THE REST OF THE WORLD ACCOUNTS

The Rest of the World (or: Foreign) accounts cover transactions between resident and non-resident institutional units and the related stocks of assets and liabilities when relevant. These accounts follow the general accounting structure for institutional sectors, but they differ slightly in order to focus on the relevant characteristics of external transactions.

EXTERNAL A/C OF GOODS AND SERVICES	
Uses	Resources
Export of G&S	Import of G&S
Ext. balance of G&S	
Total	Total

EXTERNAL A/C OF PRIM. INC. AND CUR. TRANSF.	
Uses	Resources
Fact. inc. rec.	Ext. balance of G&S
Curr. tr. rec.	Fact. inc. p.
Curr. ext. balance	Curr. tr. p.
Total	Total

CAPITAL A/C	
Ch. in assets	Ch. in liabilities and net worth
Acq. less disp. of non-prod. NFin. assets	Curr. ext. balance
Lend. net	Tr.Cap, r.
Total	Tr.Cap, p. (-)
Total	Total

FINANCIAL A/C	
Ch. in assets	Ch. in liabilities and net worth
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	lend.net
Ch. in Fin Ass	Ch. in Liabil
Total	Total

OTHER CHANGES IN VOLUME OF ASSETS A/C	
Ch. in assets	Ch. in liabilities and net worth
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Ch. in NF Ass	Liabil
Ch. in FIN Ass	Ch. in Net Worth
Total	Total

REVALUATION A/C	
Ch. in assets	Ch. in liabilities and net worth
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Ch. in NF Ass	Liabil
Ch. in FIN Ass	Ch. in Net Worth
Total	Total

BALANCE SHEET	
Assets	Liabilities and net worth
=====	
NF Non-prod. Ass	Liabil
Fin Ass	Net Worth
=====	
Total	Total

CHANGES IN BALANCE SHEET	
Assets	Liabilities and net worth
=====	
Ch. in NF Non-prod. Ass	Ch. in Liabil
Ch. in Fin Ass	Ch. in Net Worth
=====	
Total	Total

I.e. THE AGGREGATES

The aggregates of the system - e.g. GDP, National Income, National Disposable Income, final consumption expenditure, saving - are composite values which measure the result of the economic activities of the entire economy considered from a particular point of view.

Some aggregates may be obtained directly as totals of particular transactions in the system; examples are final consumption expenditure, gross fixed capital formation and social contributions. Others may result from summing up balancing items for the institutional sectors; examples are value added (sum value added = GDP), balance of primary incomes (sum balance of primary incomes = National Income), disposable income (sum disposable income = National Disposable Income). Furthermore it may be noted that some aggregates may be obtained in more than one way, e.g. GDP = sum value added = sum of final uses of goods and services - import of goods and services = sum of primary income distributed by domestic producers.

I.f. OVERVIEW

The various elements mentioned above may be brought together into one table. This table assembles the institutional sector accounts, the rest of the world accounts, transaction accounts and simplified assets and liabilities accounts.

Schematically this table follows the structure as presented on the next page.

SCHEMATIC PRESENTATION OVERVIEW INTEGRATED ECONOMIC ACCOUNTS

USES

RESOURCES

TOTAL	G&S	ROW	ECON	DOM. SECTORS					Transactions; Other flows; Stocks	DOM. SECTORS					ECON	ROW	G&S	TOTAL	
ACCOUNTS				E	D	C	B	A		A	B	C	D	E	ACCOUNTS				
Prod. Acc.															Prod. Acc.				
Inc. Gen. Acc.															Prim. Inc. Gen. Acc.				
Alloc. Prim. Inc. Acc.															Alloc. Prim. Inc. Acc.				
.															.				
.															.				
.															.				
Opening Bal. Sheet															Opening Bal. Sheet				
Ch. in Bal. Sheet															Change in Bal. Sheet				
Closing Bal. Sheet															Closing Bal. Sheet				

II.a. The central supply and use table, and other I-O tables

THE CENTRAL SUPPLY AND USE TABLE

The supply and use table forms the basis for the input-output system (see chapter 6). Schematically its two components, i.e. the supply table and the use table, may be presented as follows:

The Supply Table

		DOM. INDUSTRIES						
		1	2	N			
	1	MAKE MATRIX				DOM	I	TO
COMM						COM	M	TAL
MO	2						P	
DI	.						O	COM
TIES	.						R	
	.						T	SUP
	.		S	PLY				
	N							
		GO1	GO2	GON			

$$\text{SUPPLY TABLE} = \text{MAKE MATRIX} + \text{IMPORT COLUMN}$$

The supply table shows row-wise the supply of commodities from domestic production activities (or: industries), presented in the so-called make matrix; and from imports, presented in the import column.

Attention may be drawn to the close correspondence between the supply table on the one hand, and the supply sides of a set of commodity accounts on the other, in particular when the domestic supply in the commodity accounts has been broken down by industry. In that case the supply table may be seen as a system which brings together in one table the data that are found on the supply sides of such a set of commodity accounts.

The Use Table (plus Value Added matrix)

	INTERM. USES		FINAL USES			
	DOM. INDUSTRIES		F	I	E	TO
COMM	1	2				
MODI .	INTERM. CONSUMPTION		N	V	P	USE
TIES.						
.			N	T	T	
.			S	M	S	
<hr/>						
	IC1	IC2 ICN			
<hr/>						
PRI	VALUE ADDED COMPONENTS					
MARY						
INPUTS						
<hr/>						
	GO1	GO2 GON			

USE TABLE, INCL. VALUE ADDED MATRIX

The use table (i.e. the upper part of the table presented above) shows the different uses (intermediate and final) of commodities.

Here we may point to the close correspondence that exists between the use table on the one hand, and the use sides of a set of commodity accounts on the other, in particular when the use for purposes of intermediate consumption in the commodity accounts has been broken down by industry. In that case the supply table may be seen as a system which brings together in one table the data that are found on the supply sides of such a set of commodity accounts.

The block referring to the intermediate uses by domestic industries is extended by a module presenting the value added components for the domestic industries.

PRODUCTION AND GENERATION OF INCOME ACCOUNTS FOR INDUSTRIES

Production and generation of income accounts for industries also form part of this component of SNA '93. These accounts are in format similar to the production and generation of income accounts for institutional sectors. They are based on establishment data, classified by kind of production activity (agricultural activities, mining activities etc.) irrespective of the institutional sectors to which the establishments may belong. The close correspondence between these accounts for industries and part of the supply and use table (see above) will be clear.

II.b. COMPLETE BALANCE SHEETS AND ASSETS AND LIABILITIES ACCOUNTS

This part of the system aims at presenting at greater detail than was earlier done data on changes in assets and liabilities, including balance sheets, for each sector, as well as financial transactions between sectors.

II.c. FUNCTIONAL ANALYSIS

This part of the system presents details about the purposes of certain kinds of transactions, such as government final consumption expenditure, private final consumption expenditure; gross fixed capital formation etc. The different purposes of the transactions in question are presented in a set of tables which follow recommended classifications for the various purposes for which each type of transaction may be used.

II.d. POPULATION AND LABOUR INPUT TABLES

This part of the system concerns tables in which data on population and labour inputs are presented. These data will be required for the calculation of per capita figures, labour productivity figures etc.