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**STATISTICS DIRECTORATE
COMMITTEE ON STATISTICS**

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Working Party on National Accounts

**UNDERSTANDING NATIONAL ACCOUNTS: A NATIONAL ACCOUNTS MANUAL FOR
STUDENTS**

**To be held on 10-12 October 2006
Tour Europe - Paris la Défense
Beginning at 9:30 a.m. on the first day**

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UNDERSTANDING NATIONAL ACCOUNTS: A NATIONAL ACCOUNTS MANUAL FOR STUDENTS

1. One of the most basic “cultures” that the OECD staff has developed from its origin, under the direction of its member countries, is the systematic use of statistics to support the policy recommendations issued by the organisation. In other words, policy recommendations or recommended best practices in all domains covered by the OECD (and they are very various) are systematically based on a deep and objective analysis of the statistics pertaining to the domain.

2. Thus, statistics are essential to the OECD “culture”. In fact, internationally comparable statistics are considered, as such, as one of the main outputs of the OECD. National accounts data compose a very significant sub-set of these statistics. In this context, the OECD Secretariat has particular interest in having an active contribution in the training of future macro-economists who will analyse OECD policy recommendations and who will be using OECD statistics.

3. These reasons led the Statistics Directorate and the Publication and Communication Directorate to jointly publish in October 2006 the manual titled “UNDERSTANDING NATIONAL ACCOUNTS”. It is mainly directed to students in macro-economics and other current and/or future users (and producers) of national accounts data for OECD countries and partner countries.

4. This book is not an “OECD Manual” in the strict sense, as it was not reviewed by our member countries’ delegates. This is why it will be, contrary to normal OECD practice, signed by the two main authors (F. Lequiller and D. Blades) who keep responsibility of the text. They have both been head of the national accounts division in the OECD. They probably know less than each national accountant of the WPNA of the national account of his(her) own country, but are well placed to know the common (and uncommon) practices of OECD countries.

5. The book contains 15 Chapters (see annex), of which three special chapters on US, Chinese and Indian national accounts, because of the importance in size of these countries and of some particularities in their national accounts. In addition, a special chapter is devoted to international comparisons.

6. Here are some extracts of the foreword drafted by the OECD Chief Statistician, Enrico Giovannini:

“The authors have made a special effort to try to answer to the questions of users keeping the necessary conceptual and statistical rigour, but using, as much as possible, a language that will allow non-specialists to better understand the “religion of national accounts”. Because of the complexity of the topic, national accountants have been sometimes considered as an esoteric group of “statistical priests”, but this book demonstrates that at least some of them are able to explain to the wide public the key concepts (and even some secrets) of national accounts in an attractive and interesting way. The authors have made interesting and courageous choices to achieve this goal: for example, each chapter begins with an introduction discussing some economic statements or policy recommendations of the OECD, and then the chapter explains the definition of the variables used in these economic analyses and, also, their limitations. The book

also contains a notable number of concrete examples, illustrated by data of different OECD countries.

Another smart choice made by the authors is to conclude each chapter with a summary of "what should be remembered" and several exercises, whose answers will be made available on the web pages devoted to the manual. Last, but not least, the book has a special attention to international comparisons and three special chapters on United States, China and India. These chapters are especially important for those who want to understand how the world economy works and will work in future. The risk of making wrong comparisons is, unfortunately, much more than a risk at least looking at what is available in the economic literature. Therefore, even readers who have basic notions of NA will especially enjoy these chapters. By the way, while the US case is especially important for the completeness of its NA data, this book offers, for the first time, a well structured description of Chinese and Indian data extremely useful even for specialists of NA."

7. In addition to these special chapters, the book contains numerous boxes on specific issues of national accounts, including the descriptions of sources. It explains the impressive amount of data which is incorporated inside the national accounts data framework. It will help users to understand that national accounts are not only GDP. They are also household accounts, general government accounts, financial accounts and balance sheets, etc.

8. This manual is one of the first E-Books of the OECD. It is available in a printed version but is also available in electronic format on the Web site of the OECD, chapter by chapter. Most tables of the electronic version possess a "Statlink" with an Excel file in which the reader can find more data than in the printed table.

9. The objective of the OECD Secretariat with this manual is to contribute to the better understanding of national accounts by users of OECD statistics. The OECD Secretariat welcomes comments to improve this textbook in the future.

Annex

UNDERSTANDING NATIONAL ACCOUNTS

- Chapter 1: The Essential Macroeconomic Aggregates
- Chapter 2: Distinguishing between Volume and Prices
- Chapter 3: International Comparisons
- Chapter 4: Production: What it Includes and Excludes
- Chapter 5: Defining Final Uses, or Demand
- Chapter 6: The Household Account
- Chapter 7: Business Accounts
- Chapter 8: The Financial and Balance Sheet Accounts
- Chapter 9: The General Government Account
- Chapter 10: The Input-Output Table and Integrated Economic Accounts
- Chapter 11: The National Accounts Machinery: Compilation and Reporting
- Chapter 12: The National Income and Product Accounts of the United States (NIPAs)
- Chapter 13: China's National Accounts
- Chapter 14: India's National Accounts
- Chapter 15: International Systems of National Accounts: Past and Future