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**Working Party on National Accounts**

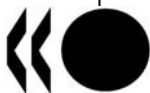
**ROADMAP FOR THE IMPLEMENTATION OF 2008 SNA IN KOREA**

**To be held on 1-3 December 2010**  
**OECD Conference Centre**  
**Beginning at 9:30 a.m. on the first day**

*This document has been prepared by Min Woo KIM (National Income Statistics & Coordination Team, National Accounts Office, Economic Statistics Department - The Bank of Korea) and will be presented under item 3 of the draft agenda (common day with WPFs)*

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## ROADMAP FOR THE IMPLEMENTATION OF 2008 SNA IN KOREA

### I. Introduction

- Korea reached Phase 6 in the milestone assessment for the implementation of the 1993 SNA in 2009. The level of Korea advanced from Phase 3 in 1995 to Phase 5 in 2000, and further to Phase 6 last year on completion of the test compilation of the National Balance Sheet.
- The Korean national accounts based on 2008 SNA will be released in 2014.

**Figure 1**  
**Milestone Assessment**

Phase	Milestones	Implementation
Pre SNA	Basic data on production, prices, consumption, trade, etc.	
Phase 1	GDP by industry and expenditure at current and constant prices	
Phase 2	Phase 1 plus External transactions and aggregates: GNI, GDI, savings, and etc.	
Phase 3	Phase 2 plus Production account for all institutional sectors and Government integrated account	1995
Phase 4	Phase 3 plus integrated accounts for all institutional sectors until capital accounts	↓
Phase 5	Phase 4 plus financial accounts for all institutional sectors	2000
		↓
<b>Phase 6</b>	Phase 5 plus Other changes in assets accounts and Balance sheet for all institutional sectors	<b>2009</b> (Test Compilation Completed)

### II. Review: Implementation of 1993 SNA in Korea

- On the production side, Korea fully implemented the recommendations of 1993 SNA. The expenditure side has been also fully implemented.

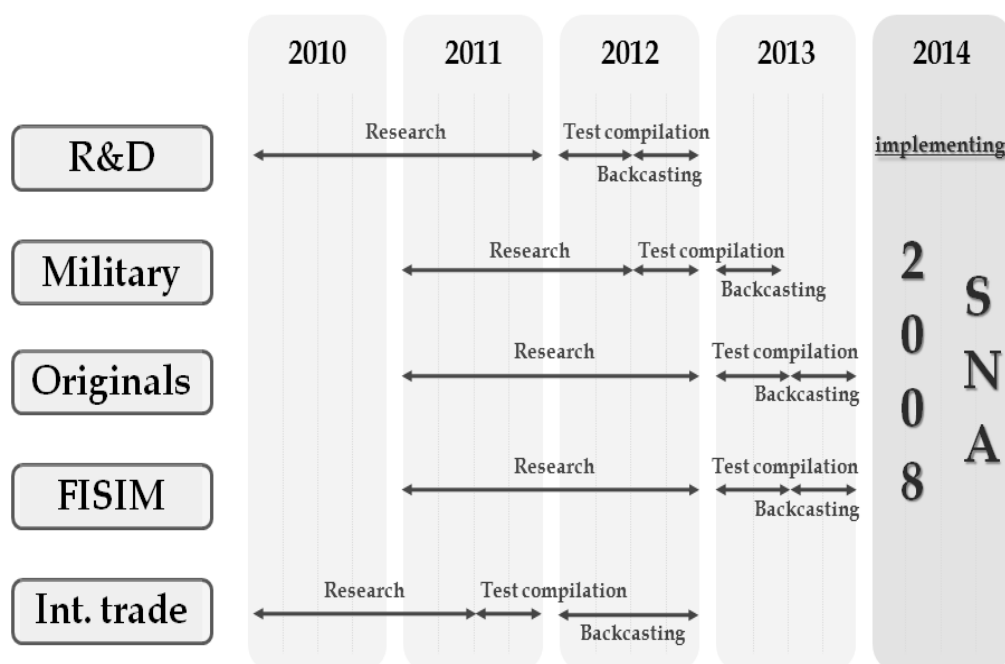
- In the institutional sector classification and sequence of accounts, the entire recommendations have been implemented, too. The integrated set of economic accounts has been established in full as completing the test compilation of the National Balance Sheet.
- Concerning economic assets, all the recommendations, except for entertainment, literary or artistic originals, have been implemented. In case of mineral exploration, though it is not explicitly shown in the table owing to its insignificant weight in the Korean economy, this is also treated as capital formation. Expenditures on software, government defense spending other than weapons, and etc are faithfully recorded in the national accounts.
- In regard to prices and volume measures, chain volume measures are applied to the full system of national accounts.
- Time of recording also follows the recommendations of 1993 SNA. In the case of satellite accounts, though not compiled at this stage, natural resources accounting is not needed in Korea due to the lack of natural resources, but tourism accounts and a social accounting matrix are compilation-ready should there be a pressing need. The Bank of Korea has already completed several studies, which are sufficient to allow application in practice.
- The results of data quality assessment according to the Report on the Observance of Standards and Codes of IMF, which was undertaken last year, show that Korean national accounts faithfully follow the global standards in almost all items of assessment.

### **III. Setting Roadmap for the Implementation of 2008 SNA**

- Korea is, in the process of setting the roadmap for the implementation of 2008 SNA, considering the following points. First, the Bank of Korea completed the translation of 2008 SNA manual book into Korean last year for the purpose of enabling national accounts related institutions and users grasp the detailed content of the newly established system.
- Secondly, the Bank of Korea is going to change its internal organization for more efficient implementation of the 2008 SNA. There will be a team in charge of coordinating overall implementation issues, including setting up the research agenda and the schedule of implementation, while each team related to the change of the national accounting system will be free to research and develop the major issues involved in their particular areas of concern separately.
- Thirdly, going into the details, the Bank of Korea will approach the major implementation issues, step by step, setting certain criteria, rather than following a strategy of full scale across-the-board implementation. The main criterion will be the magnitude of the impact on economic statistics. So, the Bank of Korea will, as its overriding concern, select those issues which have important implications for the Korean economy and give them especially careful consideration.
- Fourthly, the Bank of Korea will hold a seminar or workshop to gather opinions about implementation issues and to clarify the path to the 2008 SNA.
- In regard to organization, this mainly focuses on the integration of the team unit by the relevance of its statistical products, while assuring the independence of each team compiling statistics, so as to facilitate the compilation of economic statistics that take a more coherent form in terms of an integrated economic perspective and make the implementation process more seamless and friction-free.

- Under the 2008 SNA, the statistical profile of the Korean economy will be shown a little differently than before. Those items which cause large changes in the Korean economy will have priority in the task of implementation.
- The implementation plan for major issues in Korea is sequenced as in <Figure 2>. The Bank of Korea is planning to carry forward implementation through partial, comparative static analysis, which includes test compilation, calculation of the effect of the changes, and the backcasting of the estimates.

**Figure 2**  
**Timing and Sequencing of Major Changes**



#### IV. Dissemination of Statistics and Metadata to Users

- The Bank of Korea is planning to support greater convenience for users in adapting 2008 SNA by employing the following means for distributing information before releasing statistics according to the new criteria.
  - Publication of “Korean System of National Accounts 2014” and “Comparison Table”.
  - Open lectures and seminars with policymakers, academia, journals, and the general public.
  - Simultaneous compilation of National Accounts based on 1993 and 2008 SNA, if needed.
  - Implementation assessment with the international organizations.