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**Projet régional pour
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CARIBBEAN NATIONAL ACCOUNT TRAINING PROGRAM

Project for the Advancement of Statistics in the Caribbean Region (PRASC)
National Accounts Training
Session 7 – Essential Concepts (5)

January 2018



National Accounts

Essential Concepts – How is it presented?

National Accounts - Overview



➤ Course Objective

- ✓ Provide national account compilers with an overview of how national accounts are presented to users.

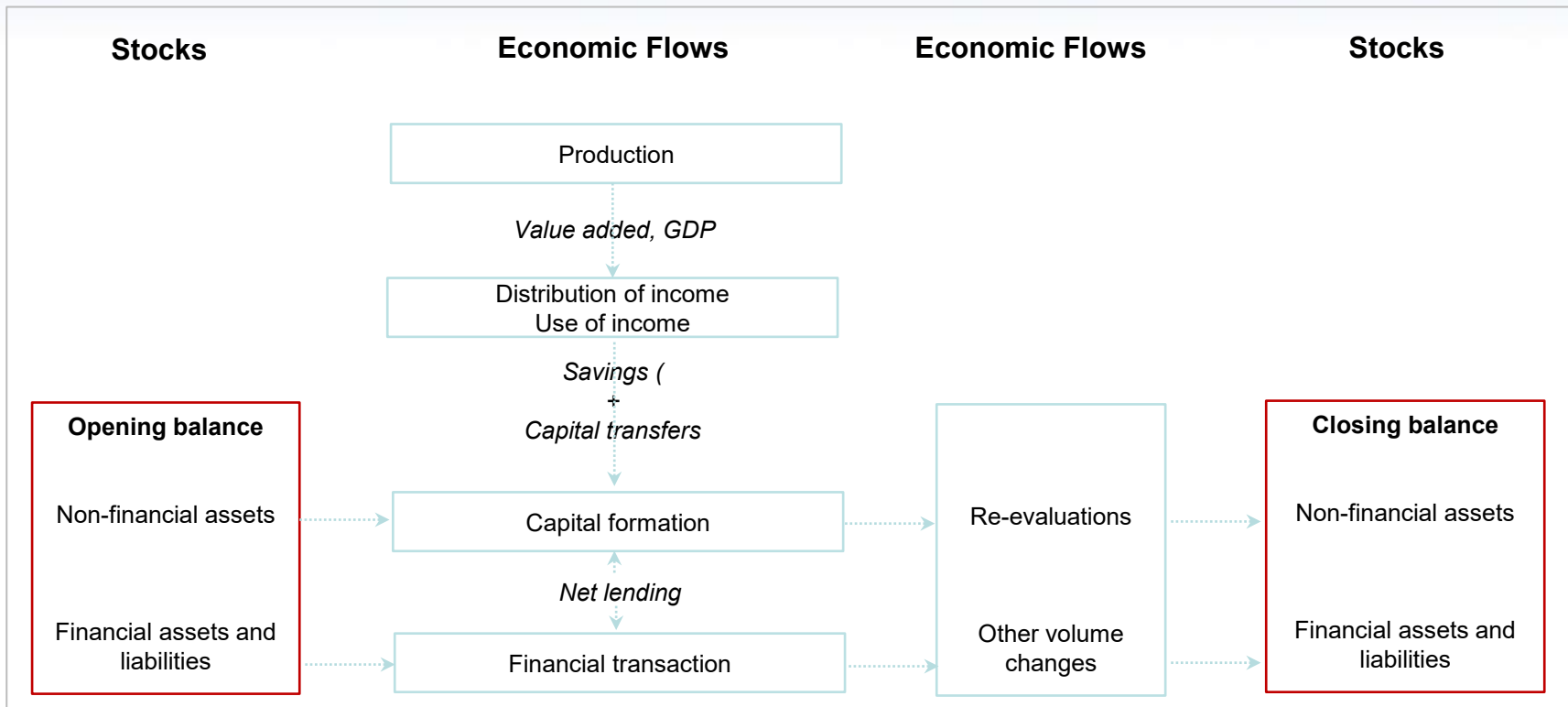
Macroeconomic accounting: sequence of accounts



- The national accounts are arranged in a series of interconnected accounts – hence the term sequence of accounts.
- The accounts measure production, the generation of income, allocation of income, re-distribution of income, use of income, capital investment, financial transactions, other flows and wealth
- Essentially the sequence of accounts show how day-to-day activities in a given period impact wealth at the end of the period.

Sequence of Accounts

- At the basic level the national accounts show stocks and flows and articulate, production, consumption and accumulation.



CSNA: Resources, Uses and Balancing Items



- Each account consists of three parts:
 - **Resources:** shown on the right-hand side of the account and is closely aligned with the concept of revenue or income (increase economic value).
 - **Uses:** shown on the left-hand side of the account and is closely aligned with the concept of expense (decrease economic value).
 - **Balancing items:** represents the difference between resources and uses.
- ❖ Resources and Uses are generic terms used by the 2008 SNA. One way to understand this as to view resources as something that adds to your economic value and uses as something that takes away from your economic value.

SNA Sequence of Accounts: Production Account

		Households	Governments	NPISH	Financial Corporations	Non-Financial Corporations
Resources	Output					
	Commodity 1					
	Commodity 2					
	Commodity 3					
					
	Total Output					
Uses	Intermediate Consumption					
	Commodity 4					
	Commodity 5					
	Commodity 6					
					
	Total Intermediate Consumption					
Balancing Item						
	Gross Value Added					

- In the case of the production account – the output is the resources and the inputs are the uses. Gross Value Added (Output minus Intermediate Consumption) is the balancing item.

System of National Accounts: sequence of accounts

Account	Balancing item	Main aggregates
Current accounts		
<i>Production account</i>		
Production account	Value added	Domestic product
<i>Distribution and use of income accounts</i>		
Primary distribution of income accounts		
Generation of income account	Operating surplus/mixed income	
Allocation of primary income account	Balance of primary income	National income (GNI, NNI)
Entrepreneurial income account	Entrepreneurial income	
Allocation of other primary income account	Balance of primary income	
Secondary distribution of income account	Disposable income	National disposable income
Redistribution of income in kind account	Adjusted disposable income	
<i>Use of income accounts</i>		
Use of disposable income account	Saving	
Use of adjusted disposable income account	Saving	National saving
Accumulation accounts		
Capital account	Net borrowing (+) / net lending (-)	
Financial account	Net borrowing (+) / net lending (-)	
<i>Other changes in assets accounts</i>		
Other changes in the volume of assets account		
Revaluation account		
Balance sheets		
Opening balance sheet	Net worth	National wealth
Changes in assets and liabilities	Changes in net worth	
Closing balance sheet	Net worth	National wealth
<i>Contributions to change in net worth</i>		
<i>Capital account</i>		
<i>Other changes in the volume of assets account</i>	<i>Change in net worth due to other changes in the volume of assets</i>	
<i>Revaluation account</i>	<i>Change in the value of net worth due to nominal holding gains and losses</i>	



Thank you!