

Economic and Finance statistics



Economic actors and transactions

Andreas Dollt (Eurostat)

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European Statistical System (ESS)



EMOS core module on economic and finance statistics

European System of Central Bank (ESCB)



EMOS labelled programmes



Overview of this session

- Economic territory
- Economic actors: statistical units
- Kind of activity units (KAUs) and industries
- Institutional units and sectors
- Description of ESA 2010 sectors
- Flows and stocks
- Economic transactions
- Overview of ESA 2010 flows and changes in balance sheets

Definition of the limits of the national economy

- All activities of units that have their ***centre of predominant economic interest*** on the ***economic territory***
 - = Resident units

The economic territory

- Includes:

- Geographical territory
- including free zones
- national air-space
- territorial waters
- continental shelf
- territorial enclaves (your embassies etc.)
- oil/gas reserves

- Excludes:

- Extraterritorial enclaves (other embassies, military bases, etc.)
- government agencies of other countries
- institutions of the EU
- international organisations

Centre of predominant economic interest

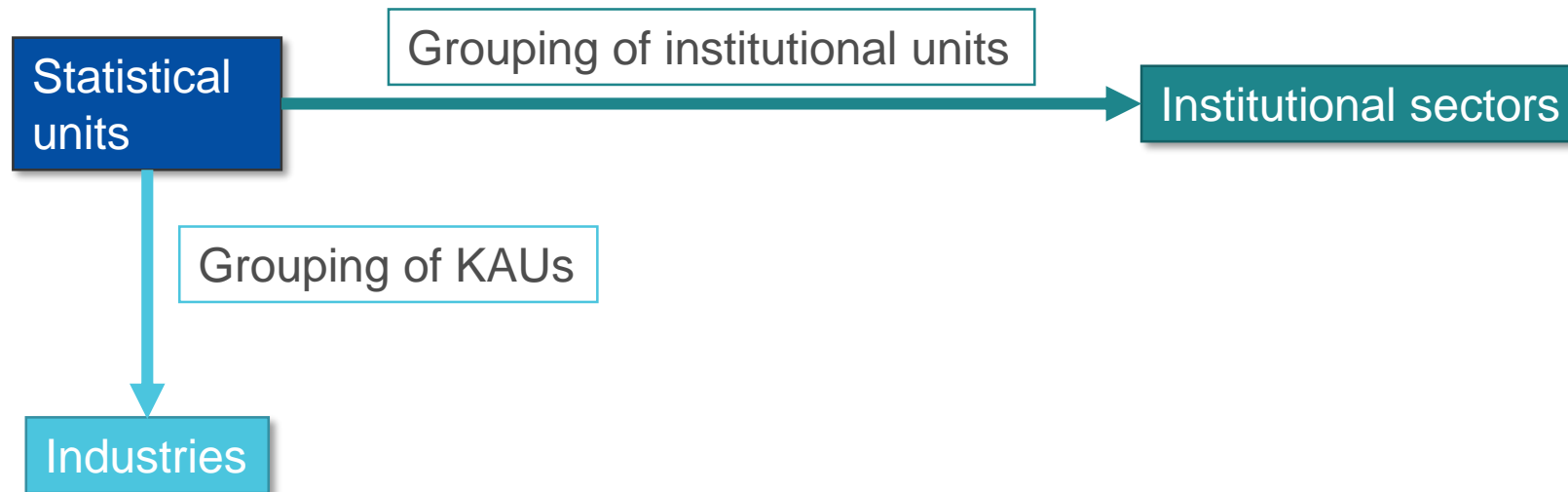
- Location where a unit engages in **economic activity** indefinitely or **for more than one year**
- Owners of **land and buildings**

Resident units – some specific cases

- Residents providing periods spent abroad less than one year, includes:
 - border workers
 - seasonal workers
 - tourists, businessmen, crew members
 - locally recruited staff of extraterritorial enclaves
- Students – always resident of home country, irrespective of study time abroad

The economic actors - Statistical units

- The ESA 2010 system uses two types of unit, which serve two specific needs and presentations: **institutional units** and **kind of activity units (KAUs)**



- Same economic activity
- Defined on 4digit level of classification of economic activities (NACE Rev.2)
- e.g. growing of citrus fruits, manufacture of motor vehicles, hairdressing, tertiary education
- → Used in supply and use tables (see later session!)

Institutional units

- Decision-making units
- autonomy of decision of the entity
 - own goods and assets
 - take economic decisions
 - accountable at law
 - incur liabilities
 - complete set of account (ability not publication)
- households

Institutional sectors in NA

- Groups together institutional units with similar type of economic behaviour
 - **Non-financial corporations (S.11)**
 - **Financial corporations (S.12)**
 - **Government (S.13)**
 - **Households (S.14)**
 - **Non-profit institutions serving households (NPISH) (S.15)**
 - **Rest of the World (S.2)**
- } Corporations (incl. quasi corporations)

Non-financial corporations (S.11)

- Principally engaged in production of market goods and non-financial services
 - private corporations
 - co-operatives and partnerships
 - public producers recognised as separate units
 - non-profit institutions serving corporations
 - head offices controlling a group of corporations
 - SPEs
 - private and public quasi-corporations

Focus on...quasi-corporations

- Bodies without legal status, but which meet the following criteria:
 - Keep a complete (separate) set of accounts
 - Economic and financial behaviour that is different from the owners and similar to corporations
- Includes unincorporated bodies owned by households and government – difficult borderline issue to decide what behaviour is similar to corporations!

Financial corporations (S.12)

- Principally engaged in financial intermediation and financial auxiliaries
- Financial intermediation means
 - acquire assets and incur liabilities on own account
 - transform/repackage maturity, scale, risk
- Financial auxiliaries facilitate financial intermediation, but do not acquire assets or incur liabilities

Financial corporations – subsectors

- Central bank (S.121)
- Deposit-taking corporations, except the central bank (S.122)
- Money market funds (MMF) (S.123)
- Non-MMF investment funds (S.124)
- Other financial intermediaries, except insurance corporations and pension funds (S.125)
- Financial auxiliaries (S.126)
- Captive financial institutions and money lenders (S.127)
- Insurance corporations (S.128)
- Pension funds (S.129)
- For detailed definitions see: <https://ec.europa.eu/eurostat/esa2010/chapter/view/2/#h69>

General Government (S.13)

- Produces non-market services
 - for individual and collective consumption
- Redistributes income or wealth
- Sub-sectors
 - Central (S.1311)
 - State (S.1312)
 - Local (S.1313)
 - Social security funds (S.1314)

Households (S.14)

- Individuals or groups of individuals
- Consumers
- Person living in institutions (e.g. monasteries, prisoners, retirement homes)
- Entrepreneurs, self-employed (market producers)
- Producers exclusively for own final use
- Sub-sectors
 - Employers (S.141) and own-account workers (S.142)
 - Employees (S.143)
 - Recipients of property income (S.1441)
 - Recipients of pensions (S.1442)
 - Recipients of other transfers (S.1443)

Non-profit institutions serving households (S.15) (NPISH)

- Separate legal entities
- Serving households
- Non-market producers
- Resources mainly voluntary contributions
- Examples: trade unions, political parties, churches, charities; hospitals/universities!

Rest of the World (S.2)

- Not strictly a sector
= non-residents with transactions with our economy

→ Only counter-part (mirror) of national economy
- Link to balance of payments

Flows and stocks

- Two basic kinds of information are recorded: flows and stocks
- **Flows** refer to actions and effects of events that take place within a given **period of time**
 - Economic transactions
 - Other economic flows
- while **stocks** refer to positions at a **point of time**
 - Stocks of non-financial assets
 - Stocks of financial assets / liabilities

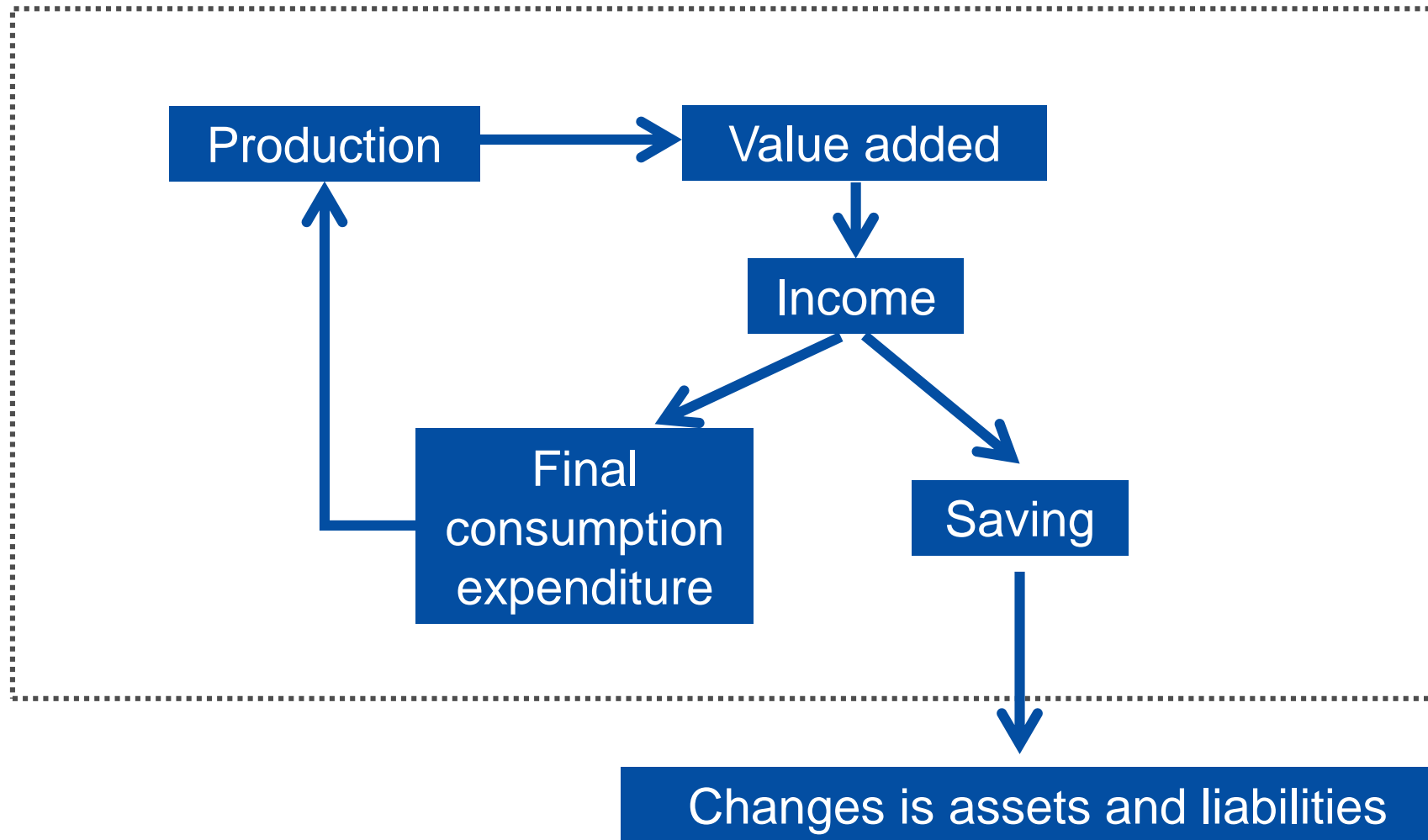
Transactions

- A transaction is an **economic flow** that is an **interaction between institutional units** by **mutual agreement** or an action within an institutional unit that it is useful to treat as a transaction, because the unit is operating in two different capacities. Transactions are split into four main groups:
 - a) transactions in products
 - b) distributive transactions
 - c) financial transactions
 - d) acquisitions less disposals of non-produced non-financial assets

Transfers

- Transactions involving more than one unit are of two kinds:
 - requited transactions are exchanges between institutional units, i.e. provision of goods, services or assets in return for a counterpart, e.g. money;
 - unrequited transactions are payments in cash or in kind from one institutional unit to another without counterpart.
- **Unrequited transactions** are mainly distributive transactions, for example, taxes, social assistance benefits or gifts. They are called **transfers**.

A map of ESA 2010 flows



Changes in balance sheets

Opening Balance Sheet (on 1.1.Year t)

+/- Transactions (in year t)

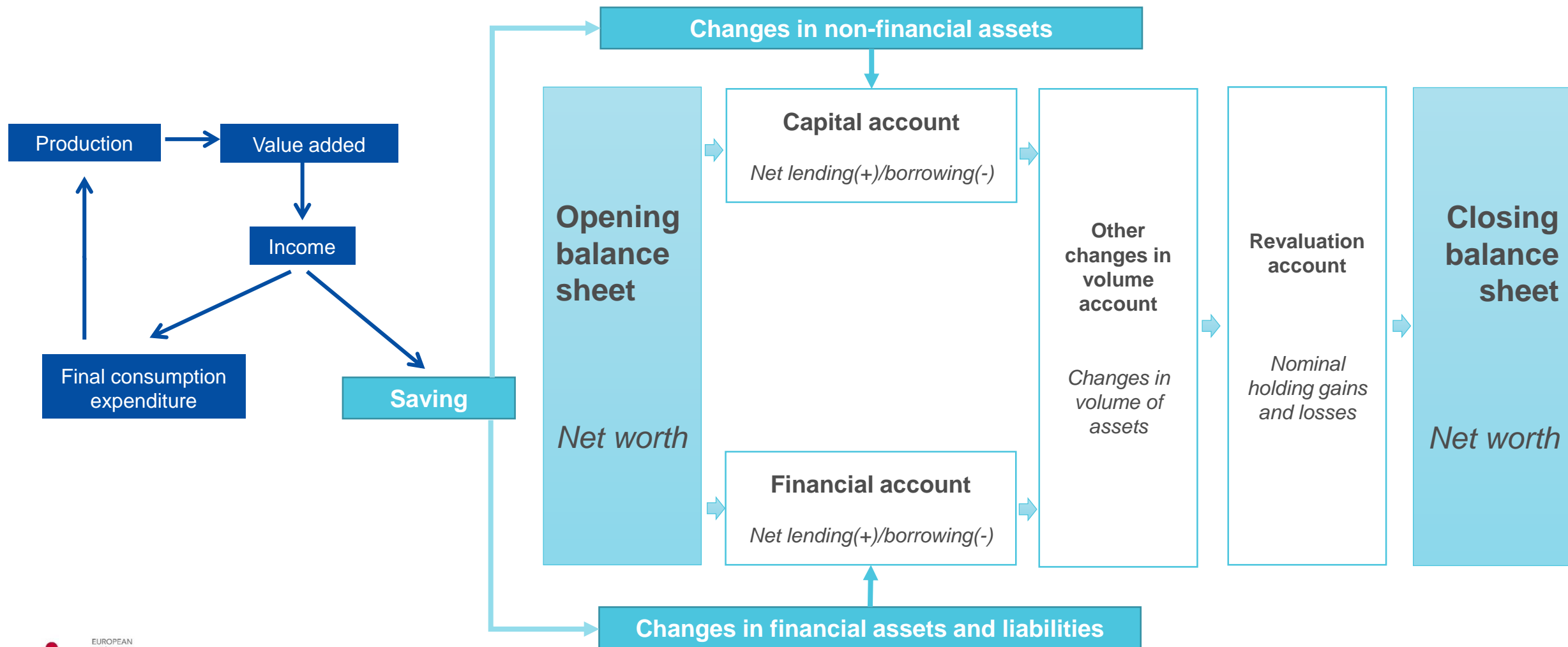
+/- Other changes in volume of assets (in year t)

- For example: new oil fields discovered (appearance/disappearance of assets), effects of natural disasters or wars, changes in statistical classifications and structure

+/- Revaluations (in year t) → holding gains and losses

= Closing Balance Sheet (on 31.12.Year t)

National accounts flows and changes in balance sheets



Resources

- ESA 2010, chapter 1 and 2
 - Publication: <https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-02-13-269>
 - ESA interactive: <https://ec.europa.eu/eurostat/esa2010/>
- 2008 SNA, chapter 2 to 5
 - <https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>

Thank you! 😊

Contact: andreas.doltt@ec.europa.eu

