

EGSS Production Account Exercise

Using the below information, fill in the simplified EGSS production account table, using the EP and RM classification.

- A national government agency expended 5,300 Ringgits in 2012 on environmental protection for national protected areas of environmental significance, including for salaries of 12,000 protected area employees.
- The national government spent 3,200 Ringgits to implement a paper recycling programme in order to reduce inputs of timber. For this programme, 1,000 employees worked full time.
- A non-government (private sector) producer of a new product designed to reduce the amount of fossil fuel inputs needed for pumping water and for running air conditioning reported sales in 2012 valued at 11,500. The industry also reported employment of 2,000 persons nationally. Using accounting standards defined by the SNA, the intermediate consumption by the producer related to this output was valued at 500.
- Private mining companies reported investment of 6,400, and employment of 2,000 persons for development of a new technology that reduces the use of water in their operations. The companies reported gross value added for sales in the new technology at 11,500 and output in extracted minerals valued at 18,000.
- A rural community of farmers reported that installment of solar panels to help power certain appliances (e.g. water pumps) used in their farms. Their energy production for in 2012 of electricity for owns use is believed to have been equivalent, in market prices, to 3,000. The community spent 1,000 on materials for the installment of solar panels and laborers were paid 400 to help with their construction and installation. In addition, the community was paid 200 Ringgits by the government as part of a national clean energy subsidy program.

Solutions

Note: the purpose of this exercise is to reinforce the concept of the environmental goods and services sector (EGSS), its environmental protection (EP) and resource management (RM) components, and to imagine how information like that provided above might be recorded in an EGSS satellite account. It is not necessarily a realistic case, but rather a simple example to reinforce the concepts.

From the 1st point, we can derive 5,300 in output 12,000 in employment for EP from government specialist producers. From the 2nd point, there is 3,200 in output, and 1,00 for employment for RM from government specialist producers. From the 3rd point, output from other specialist producers includes 11,500, related to RM, and value added of 11,00 (excluding the relevant intermediate consumption). From the 4th point, we have a total output from non-specialist producers of 29,500 (11,500 + 18,000), but only the 11,500 portion applies to this table since sales of extracted minerals would not be included as part of either RM or EP. There was also employment of 2,000 persons related to non-specialist production of RM.

The final point refers to production of RM services on own-account. In contrast, to the SNA, the SEEA recommends to include this activity for calculating EGSS, but separately identified so that the totals can be related back to the rest of the economy, as estimated via the SNA. Normally, it is unlikely that both types of information under this point would be available, but in the case where such information were available, the accountant would have 2 options for valuing the output: either using the expected market price value (3,000) or a cost-based approach similar to the approach for government production of services (1000+400-200). In either case, this output should be separately identified from the rest of the EGSS production.

2012 Simplified Environmental Goods and Services Production Account

	Government specialist producers	Other specialist producers	Non-specialist producers	Own account producers	Total
Output					
EP	5,300				
RM	3,200	11,500	11,500	3,000 or 1,200	
Intermed. Consumption		500			
Gross value added		11,000			
Supplementary Information					
Employment (in '000)	12 (EP) + 1 (RM)		2(RM)		