

**Issue no.: 16, Government owned assts.**

AEG recommendations:

- (1) The AEG reaffirmed the principle to include a return to capital on non-financial assets used in non-market production.
- (2) It was agreed to follow-up on a one-on-one basis the comments from the global and country consultations, including those comments on the scope, and report back to the next AEG Meeting in early 2006.

View of Statistics Denmark: ( A (agreement), FC (needs further consideration) NA (non-agreement)

- (1) Non-agreement
- (2) Non-agreement

Comments from Statistics Denmark:

Regarding recommendation (1):

Statistics Denmark agrees in principle that capital services should replace consumption of fixed capital summing costs to derive estimates of output of government and other non-market producers.

However, Statistics Denmark opposes the recommendation for practical reasons:

- 1) Time series data available too short and therefore stock data for nonmarket producers not yet available,
- 2) Concerns about having to make assumptions about rates of return and
- 3) Concerns about comparability among countries of such estimates.

Regarding the scope of asset included in the estimation of capital services: If a majority supports recommendation (1), then Statistics Denmark would prefer that the estimation of capital services should be limited to fixed assets. This implies that all non-produced assets and inventories should be excluded.

Regarding recommendation (2):

It is Statistics Denmark's view that this proposal had not received sufficient support in the earlier world wide consultation to go further in the process of updating the SNA. Since the World Community had not endorsed the recommendations from the Canberra II group, the proposal for change is rejected. Allowing further discussions on this subject is against the principles underlying the updating process. A rejection of a proposal should be respected.