

**Meeting of the ISWGNA
4 October 2012, 6:30 pm
Paris, OECD, Marshall Building, Room 1122**

Participants:

EUROSTAT: Leonidas Akritidis

IMF: Manik Shrestha

UNSD: Herman Smith

UNECE: Tihomira Dimova

OECD: Peter van de Ven (chair), Nadim Ahmad, Gyorgy Gyomai

1. Welcome and adoption of the agenda

The agenda was adopted without comments.

2. Status of ongoing research agenda projects

FISIM

- The Eurostat Task Force has completed its work. The final results of the tests carried out in Europe on maturity and default risk will be submitted for approval to the meeting of the Directors of Macro-economic Statistics (DMES), to be held on November 7th. The final report recommends a single reference rate approach, and DMES will be invited to comment on whether a weighted (EURIBOR and ISDAFIX) or simple versions of a single reference approach should be adopted; based on the returned simulation results provided by countries. The report will also recommend that credit default risk remains within FISIM on practical grounds.
- **OECD will prepare a brief cover note for the distribution of the report of the Eurostat Task Force to the International Task Force (ITF).** The cover note will contain a summary of the results of the FISIM-exercise, as conducted by the EU countries and two non-EU respondents. The summary will also mention the debate on credit default risk
- ISWGNA members agreed that, subsequent to the feedback from the ITF, the final report would be submitted to the AEG for final consultation.

R&D

- Similar to FISIM, a Eurostat report on the treatment and measurement of R&D will be ready by November 7th. The report contains calculations of the impact of R&D-capitalisation on GDP, based on data for two years. Figures are calculated for the total economy and by institutional sector. A bridge-table with the data according to the Frascati Manual will also be made available by Eurostat. **Eurostat will provide the results of the Eurostat Task Force to ISWGNA members. Eurostat will seek the approval of participating countries to make the results publicly available.**
- The OECD questionnaire on service lives and country methods for the measurement of R&D will need to be further processed. **The documentation will be made available to ISWGNA members, for publication on the SNA- and OECD-websites.**
- There was some discussion on the final agreement of the treatment of freely available R&D produced by non-market producers. **UNSD will look for the relevant report of the discussion, and send it to the other members of the ISWGNA.**
- The ISWGNA agreed that no further conceptual work is needed in the short term

Global production

- The chapters for the report of the Task Force on Global Production will be available in spring 2013, including recommendations on the typology and classification of the various forms of global production, and measurement guidance.
- The ISWGNA agreed that it would be desirable to discuss the report in a physical meeting of the AEG, but realized that the preparatory work may not be fully completed for the planned May 2013 meeting of the AEG. As a result, a written procedure may be needed for the consultation. **It was however agreed that the Task Force should try to put forward, for consideration at the AEG-meeting, an issues paper on the main issues which may affect the interpretation of the 2008 SNA.**

Land and other non-financial assets

- The second meeting of the Eurostat/OECD Task Force on Land and non-financial assets will take place in December in Paris. No conceptual issues are pending, only measurement issues. The goal is to have a first draft of the handbook by July 2013. It was agreed that the handbook will be put forward for consultation to the ISWGNA and the AEG.

Holdings, head offices and SPEs

- It was mentioned that the creation of an ECB/Eurostat/OECD Task Force on holdings, head offices and SPEs is in the pipeline, with first results to be delivered early next year. Countries seem to have a common understanding of the main conceptual issues involved. Therefore, it was considered feasible that the Task Force could come up with guidance, mainly on practical issues, rather quickly.
- The ISWGNA agreed that a typology and classification of SPEs would be very helpful, in order to provide clarification to the 2008 SNA. The issue should be discussed by the AEG in its meeting of next year. **The terms of reference of the Task Force will be provided to the ISWGNA as soon as it is available.**
- **UNECE will circulate the terms of reference of a CES Task Force on International Guidelines for Statistical Business Registers, which also touches upon the issue, to the ISWGNA.**

3. Next meeting of the AEG

The ISWGNA agreed that there are a sufficient number of issues on the SNA research agenda for the AEG to be discussed at a meeting in May 2013. The following items were put forward for discussion:

- Global production (the Task Force should provide discussion material by April);
- FOB issue (raised by Korea);
- FISIM;
- Holdings, head offices and SPEs;
- Stability fees;
- Issues pending with respect to pensions.

Eurostat has offered to host the next meeting of the AEG (this is the first option of the ISWGNA). Alternatively, the meeting could take place in New York, with UNSD as the host.

4. Feedback from the Inter Agency Group on Economic and Financial Statistics (IAG)

The most important G20-recommendation affecting the work of the ISWGNA relates to the institutional sector accounts. The OECD is coordinating the collection of data; an international working group (consisting of BIS, ECB, Eurostat, the IMF (chair), the OECD, and the UN) has provided a template for the collection of the relevant data. Available data are published on the G20 Principal Global Indicators (PGI) website. The template has been posted on the IMF website and an article was published in SNA News and Notes (issue 34). The ISWGNA considers the institutional sector accounts as the starting point for aligning and harmonizing other areas of macro-economic statistics.

For non-financial accounts, Eurostat data is already available. Financial accounts are not yet part of the official data transmission programme, but are collected by the ECB. The discussion on obligatory and voluntary tables is still open in the EU. Several non-EU countries have also seen considerable progress in the implementation of institutional sector accounts. In the course of next year, OECD and Eurostat will prepare a joint proposal for voluntary tables/details to be included in the data transmission programme.

Also based on recent work by Eurostat and the OECD, the ECB has put forward a proposal for a formal agreement on data sharing between International Organizations. IAG-members will further discuss and finalize this agreement. The SDMX meeting in Frankfurt to be held on 14 December will be used to organize a back-to-back meeting on data sharing and related issues.

The IMF will request the IAG to share its minutes with the ISWGNA to facilitate communication on the topics discussed by the IAG.

5. Feedback on the development of SDMX for National Accounts

There was a short feedback from the Steering Group on SDMX Implementation for National Accounts, consisting of the ECB, Eurostat and the OECD. At the moment, the concepts and the code lists have been defined, and national accounts related Data Structure Definitions (DSDs) are being prepared. In November, an invitation letter will be sent out to the constituencies of the various international organizations. Countries and international organizations will be invited to participate in a content review (December 2012 - February 2013) and, somewhat later, in a technical review (Q2/2013). The main goal of the reviews will be to check the dimensions and codes of the various templates for data transmission. It was stated that the DSDs should at least cover what is included in annex 2 of the 2008 SNA. The ISWGNA agreed that in the development of SDMX DSDs, the templates for institutional sector accounts (see point 4) should be taken into account as well.

6. Feedback on the development of handbooks and guidance documents

- Handbook on Financial Production, Flows and Stocks in the SNA (UN/ECB)
- Quarterly National Accounts Manual
- WB handbooks on Introduction to SNA and SNA compilation

The Handbook on Financial Production, Flows and Stocks in the SNA is in a process of consultation, chapter by chapter. A meeting to finalize discussions on remaining issues is planned for November 2012.

In relation to the Quarterly National Accounts Manual, the IMF informed the ISWGNA that a webpage will be created in 2013 for posting draft chapters for world-wide consultation. The plan is to provide a three-month period for consultation with the ISWGNA and the AEG on a complete draft manual.

The WB handbooks on Introduction to the SNA and SNA compilation are in the final editing stages, and can hopefully be finalized by the end of this year.

Eurostat informed the ISWGNA that the Handbook on Price and Volume Measurement in the National Accounts is being revised. The revisions will be rather limited, taking into account changes coming from the revision of the ESA-standards and recent decisions made in this area.

7. SNA News and Notes 35 (December 2012)

It was agreed that the following SNA News and Notes should contain the following topics:

- Trade in Value- Added (OECD)
- SDMX-developments (OECD);
- G20-Data Gaps Initiative in general (IMF);
- Outcome and progress with current SNA research issues under discussion (box – UNSD).

The deadline for contributions is the end of November, to allow for circulation among ISWGNA members, and to secure a release in 2012.

8. Assisting member countries in SNA implementation through technical assistance and training, and collaboration among IOs

IMF will become (even) more active in providing training and technical assistance on sectoral accounts and balance sheets. For G20-members, and especially for emerging countries, only country commitment is needed to trigger the technical assistance. In the EU, specific trainings on the implementation of the 2010 ESA are being provided by Eurostat.

The Management Group of the ISWGNA indicated that a meeting of the ISWGNA with the UN regional commissions should be organized in the margins of the February 2013 meeting of the UN Statistical Commission to discuss the collaboration among the IOs on technical assistance and training. **UNSD will follow up.**

9. Report to the UN Statistical Commission

By the end of November, **UNSD will put forward a suggestion for the contents of the ISWGNA-report to the UN Statistical Commission**, after discussion with the ISWGNA Chair.

10. Any Other Business

FOB and treatment of freight and insurance in the SNA

IMF will provide a short paper, based on a question raised by Korea (mentioned above). The paper will be submitted to the AEG. The main issue is that the 2008 SNA includes an internal inconsistency between FOB valuation of exports and the treatment of transport and insurance, which should be resolved to avoid confusions in the implementation of the 2008 SNA.

Possible inconsistency between BPM6 and SNA 2008 in the treatment of R&D

Statistics Canada raised the issue that BPM6 incorporates trade in patents in commercial services under R&D services; however, it includes a much broader definition of patented entities than what is defined as R&D fixed assets by the SNA. **OECD will contact Statistics Canada to follow up the issue.**

Treatment of stability fees

The CTP Directorate of the OECD requested a solution for the recording of stability fees. There is, however, no full agreement with IMF/GFS. The ISWGNA is concerned about the possible scope for inconsistencies on the treatment. **OECD will investigate an intermediate solution.**

Differences between 2008 SNA and ESA 2010

There seems to be an inconsistency between the 2008 SNA and the 2010 ESA regarding the treatment of non-market output of central banks. **IMF will provide a note on the issue to Eurostat in order to resolve the issue urgently.**

Next meeting of the ISWGNA

A teleconference will be organized in December.