

# ISWGNA Technical Level Meeting, New York, 5-7 April 2000

## Minutes of the meeting

The meeting was hosted by the UNSD and chaired by OECD. The full list of participants is shown in Annex 1.

### Agenda item 1: Adoption of the agenda

The agenda (see Annex 2) was adopted with the only change being to consider item 3 before item 2.

### Agenda item 3: Review of actions agreed upon at last meeting

Action	Responsible	By when	Comments
1) Reference list of NA books to be sent to R. Lynch	All		No action - Paul McCarthy will contact Robin Lynch to obtain the list
2) Request moderator for 'Interest under high inflation' EDG	World Bank	ASAP	Robin Lynch (UK ONS) has agreed to act as moderator
3) Financial derivatives - changes to SNA93			(Clean text is now available and the changes will be sent for printing shortly)
a) Finalise proposal	IMF	15 Oct	Done
b) Distribute revised proposal to SC members for approval	UNSD	End Oct	Done
c) Reply to correspondence received on financial derivatives	UNSD	ASAP	Done
d) Reply to those countries raising questions/asking for clarification	IMF	ASAP	Done
e) Inform national statistical offices that the amendment to SNA93 is approved by the UNSC	UNSD	ASAP after approval	Done at UNSC, but UNSD will also include a note in the next issue of SNA News and Notes
4) Revision of Chapter 18 and Annex V			Approved by the UNSC at its March 2000 meeting
a) Update/add to the text in chapter 18 and Annex V, to be in line with the changes in classifications	OECD	29 Oct	Done
b) Distribute to national statistical offices for comments (allow 60 days for feedback)	UNSD		Done
c) Distribute new proposal to the members of the UNSC	UNSD		Done (OECD now has to put through suggested changes)
5) Produce an official booklet as an addition to the SNA	UNSD	March 2000	Still to be done (by late 2000 - see note below).

6) Incorporate changes to SNA93 when it is posted on the internet	UNSD		To be done later in 2000
7) Report of the ISWGNA to the UNSC			
a) Input as agreed, including updates of table 1 and 2	All	8 Oct	Done
b) UNSD to review and circulate to members of ISWGNA for comments	UNSD	14 Oct	Done
c) Comments on the revised report	All	22 Oct	Done
d) Finalise report	UNSD	31 Oct	Done
8) Inform about the discussion of the Eurostat NAWP on the treatment of transfer costs	Eurostat		Done - the issue was raised at the December 99 NAWP meeting and countries attending preferred the existing SNA93 treatment
9) Propose guidelines for a 'broader' expert group	IMF	March 2000	Still to be done
10) Comments on articles for News & Notes #10	All	8 Oct	Done
11) Articles for News & Notes #11	All - according to list	15 March 2000	Discussed at this (ie, April) meeting
12) Implementation of new questionnaire			
a) Provide UNSD with the latest version of the SNA Glossary	OECD	ASAP	Done
b) Circulate questionnaire and companion booklet (Glossary) to ISWGNA members	UNSD	ASAP	Done
13) Reprint Russian version of SNA93	World Bank	ASAP	Done
14) Prepare next meeting	OECD		Done

### Comments on matters arising

The UNSD will publish and distribute booklets in each of 6 languages showing details of the changes to financial derivatives and the classifications and also including the SNA glossary. It will take 6-9 months to publish the English version.

The Eurostat delegate asked UNSD to put a note in SNA News and Notes that the financial derivatives changes have been approved by UNSC. It should show the web address where the changes can be found and note that a booklet will be distributed later in 2000. It was also agreed that a list of all ISWGNA Member web sites would be shown in SNA News and Notes.

The OECD undertook to put through all the comments received on the proposed changes to Chapter XVIII and Annex V (i.e. the classifications changes) by 21 April.

Detailed listings of the four SNA93 classifications developed over the past few years (COICOP, COFOG, COPNI and COPP) are on the UNSD web site. They are linked to each other and provision is made for user feedback, which will be summarised and presented to ISWGNA as appropriate.

In response to a suggestion that the ISWGNA should have a specific web site, the UNSD undertook to present a proposal at the next meeting.

The ECA delegate said that the French version of SNA93 is not entirely consistent with the English version. The meeting decided that when any ambiguities are found they should be flagged in SNA News and Notes. A list of important problems needs to be made for detailed examination in the longer term. It was noted that there are also inconsistencies between the Arabic and English versions.

The IMF proposes to distribute the reprinted Russian copies of SNA93 mainly during IMF courses. Hard copies will be needed for some time to come but there is also a need for an electronic version in Russian.

Eurostat has 176 CD-ROMS of SNA93.

## **Agenda item 2: What does it mean “to implement SNA93”?**

### Background

At its recent meeting, the UNSC suggested that quality issues need also to be considered in assessing a country’s SNA93 implementation status, based on the UNSC “milestones”. A further problem is that the milestones do not show whether countries are on SNA68 or SNA93 so it is necessary to expand the criteria in some way to assist in this assessment. In fact, the milestones can give the wrong idea of SNA93 implementation because there are different degrees of implementation – for example, for some countries with relatively small economies having a narrow range of major activities, a “full” implementation could be a much smaller subset of the SNA than is required for others.

The meeting identified three broad areas that need to be examined to determine the extent of a country’s compliance with SNA93:

1. compliance with concepts
2. scope
3. quality.

### Compliance with concepts

The ISWGNA considered a paper prepared by the OECD and a note and a table prepared by the UNSD, both of which showed a checklist of broad concepts which should be included in a country’s accounts if SNA93 has been implemented. The main test is the extent to which SNA93 conventions, accounting rules and classifications are being used. In practice, this should not just apply to GDP; the whole accounts need to be examined for compliance. However, the meeting thought that compliance with SNA93 could be assessed reasonably by concentrating on the major conceptual differences between SNA93 and SNA68 which affect GDP and GNI.

The meeting considered the following are the key concepts to be considered in assessing to what extent SNA93 recommendations have been implemented. The list is not exhaustive; it simply covers some of the key differences between SNA93 and SNA68 (they are shown in the format of a questionnaire which could potentially be sent to countries).

## IMPLEMENTATION OF SNA93

### Compliance with SNA93 concepts

**Does your country's published national accounts data currently include estimates for:**

	Yes	No	Partly	Not applicable
<b>Gross capital formation (GCF)/output</b>				
Is government defence expenditure on fixed assets other than offensive weapons and their means of delivery included in GCF?				
Is consumption of fixed capital included on all government fixed assets including roads and bridges?				
Is all mineral exploration (successful and unsuccessful) capitalised?				
Is expenditure on computer software purchases included in GCF and on software development capitalised and included in output?				
Is expenditure on entertainment, literary or artistic originals included in GCF and on their development capitalised and included in output?				
Is expenditure on valuables included in GCF?				
Is the natural growth of cultivated forests and crops included in GCF?				
SNA93 extends the production boundary of households to include goods that are not made from primary goods – are these goods included in output?				
SNA93 extends the production boundary of households to include goods that are processed from primary goods which are not self-produced – are these goods included in output?				
<b>Volume estimates</b>				
Are chain volumes estimated using annually changing weights?				
<b>Social contributions/insurance</b>				
Are private employer-initiated schemes included as social insurance schemes?				
Do life insurance estimates include premium supplements rather than being based just on premiums less claims?				
<b>Valuation of GDP</b>				
Is GDP published expressed in market prices?				
<b>Elements affecting GNI</b>				
Are reinvested earnings estimates included in the rest of the world account?				

It is difficult to objectively identify a boundary beyond which a country can be considered to have “implemented SNA93 concepts”. It is clear that it is not necessary for **all** the above components to be implemented for a country to comply with SNA93 requirements. However, for a country to not comply

with a significant number of them could lead to doubts about the extent to which SNA93 has been implemented in practice.

ECE and ECA volunteered to pilot test this questionnaire on several countries in each of their regions. UNSD will contact ECWA, ESCAP and ECLAC and ask them also to assist in this pilot test. If the results are satisfactory then the questionnaire should be sent to all countries after clearance by the high-level group of the ISWGNA and the “friends of the UNSC chair”.

### Scope

At its recent meeting, the UNSC requested the ISWGNA to recommend a different approach to the “milestone assessment” which would better measure the degree of implementation and which would not imply a particular order of implementation of the accounts (the current milestones were seen by some countries as indicating the order in which additions to national accounts had to be approached). The ISWGNA considers that splitting the milestones into a larger number of items, all of which score one point in assessing the degree of implementation, would be a practical alternative. An implication is that each “point” is of equal importance or would take the same amount of work to implement (neither of which is true). However, the meeting considered that, by having the potential to score more than 30 points rather than the current scale of only 6, the impact of such differences would be much less marked than is currently the case, and would address the issue of the “non-linearity” of the current milestones.

The issue of quarterly accounts was considered in this context, as well as under the heading of “quality”. The meeting thought that various aspects of quarterly accounts should also count towards the milestones, although only a restricted data set was classified as “recommended”. However, it was recognised that this could not be done directly from the UNSD database, which was one of the reasons originally behind the milestones being set up in their current form. If the UNSC considers it is desirable to base the assessment on the contents of the UNSD database then the quarterly aspects would be omitted from the overall assessment because quarterly information is not available from this source.

In addition, the meeting decided that a minimum set of data is required for a country before it could be considered as having “implemented SNA93”. (At its March 2000 meeting, the UNSC asked the ISWGNA to define a “core” set of accounts, but the ISWGNA preferred to refer to this as a “minimum” set.) The data sets identified are shown in the following table, which is presented in terms of the tables collected in the UN questionnaire.

Note: The legend is as follows:

Min req't	Table is required before SNA93 is considered to be implemented
Recomm	Highly recommended for compilation by all countries
Desirable	Useful data which should be compiled if possible
*	Other data sets which would count in assessing the degree of SNA93 implementation.

Tables shown without a number are not included in the annual SNA questionnaire

## Scope of the compilation of 1993 SNA tables and accounts

SNA segments		Annual accounts	Quarterly accounts
Numbers of related tables of UN questionnaire on SNA	Name of SNA segment		
	Integrated satellite accounts		
<b>Value added, GDP and Employment</b>			
2.1	Value added and GDP in current prices by industry	Min req't	Recomm
2.2	Value added and GDP in constant prices by industry	Min req't	Recomm
1.3	Expenditures of the GDP in current prices	Min req't	Recomm
1.4	Expenditures of the GDP in constant prices	Min req't	Recomm
2.3	Value added components by industry, current prices	Min req't	Desirable
	Employment by industry	Min req't	Recomm
<b>Integrated accounts and tables, including integrated satellite accounts</b>			
1.5/4.1	Accounts for the total economy	Min req't	Recomm
	Supply and use table	Recomm	Desirable
5.1	Cross-classification of output/value added by industries and sectors	Recomm	
	Integrated economic accounts	*	
	Tourism accounts	*	
	Environmental accounts	*	
	Social Accounting Matrices Other socioeconomic accounts	*	
<b>Purpose classification of expenditures</b>			
3.1	General government final consumption (and other) expenditure by purpose in current prices	Recomm	
	General government final consumption expenditure by purpose at constant prices	*	
3.2	Individual consumption (and other) expenditures by purpose in current prices	Recomm	
	Individual consumption expenditures by purpose at constant prices	*	
	Purpose classification of intermediate and final consumption across all sectors	*	
<b>Sector accounts (up to net lending)</b>			
4.2	Rest of the world accounts (up to net lending)	Min req't	Recomm
4.3	Non-financial corporations sector accounts (up to net lending)	*	
4.4	Financial corporations accounts (up to net lending)	Recomm	
4.5	General government sector accounts (up to net lending)	Recomm	
4.6	Household sector accounts (up to net lending)	*	
4.7	Non-profit institutions serving households sector accounts (up to net lending)	*	
<b>Financial and capital stock accounts and tables</b>			
4.1-4.7	Financial accounts for all sectors	*	
	Balance sheets, revaluation and volume changes in asset accounts	*	
	Asset accounts for financial assets	*	
	Asset accounts for produced assets	*	
	Asset accounts for non-produced assets	*	

The UNSD, in conjunction with ECE and ECA, agreed to pilot test this questionnaire approach.

### Quality

Quality was another issue raised at the recent UNSC meeting. Apart from the traditional measures of national accounts quality (i.e. accuracy and reliability) issues such as the length of time series, consistency of the time series, timeliness of release etc, should also be included when assessing overall quality.

Another dimension of quality is related to the types and characteristics of the data feeding into the accounts - coverage, comprehensiveness, timeliness etc. If timeliness is achieved simply by using assumptions rather than being based on hard data then the quality of the accounts is going to suffer. However, some indirect methods can be used; for example, if it is not possible to have a census of agriculture, then a suitable alternative could be a survey of land use. It is clear though that improving the quality of national accounts is critically dependent on improving the quality of the source data.

Quality and scope are overlapping characteristics. For example, supply/use tables can be used to improve data quality but only if the scope of data available is adequate. In this context, it is necessary to determine the extent to which the data underlying the SUT are complete (e.g. is GFCF estimated from supply-side data or independently).

Objective measures of quality are possible in respect of characteristics such as length of time series, timeliness of release etc. However, the quality of data is more difficult to measure. Revisions analysis is a commonly used approach but it provides a valid measure only to the extent that the data sources used for the final version of the national accounts are completely accurate. UNSD provided a proposal for a survey on timeliness and reliability of national accounts. The ISWGNA was sceptical about the practicalities of this approach because of UNSD's past experience with poor response to such surveys and the poor quality of the responses that are received. The meeting decided to re-examine the possibility of a questionnaire after the results of the pilot test on the (simpler) "concepts questionnaire" become available.

The meeting agreed it is not possible to measure accuracy in a completely objective way. The best approach would be to have an expert examine the national accounts of each country and provide an assessment of the underlying quality. Eurostat has used such an approach in assessing the consistency of EU Member states' accounts, but it has taken about 6 staff months work for each country. Given that such an approach is impossible world wide, the ISWGNA thought the best approach would be to identify a series of "quality indicators" and use them to make some overall assessment of quality (along the lines now being adopted for the IMF's SDDS). A possible list of quality indicators is shown below but this is only an illustrative list. However, it should be noted that such a major project would not be able to be undertaken within the existing resources of the UNSD. It is possible though that UN Regional National Accounts Advisors could be used in providing a subjective assessment of the quality of national accounts in their region, based on their knowledge of their countries' compliance with the check list.

### Summary of quality indicators

1. Are annual accounts available within one year of the end of the reference year?
2. When a methodological change is made, are the historical time series made consistent?
3. Are expenditure and production estimates of GDP estimated independently?
4. If so, are they reconciled in a supply and use framework?
5. Is there an independent estimate of GDP based on income?
6. What is the proportion of GDP accounted for by subsistence agriculture?

7. What is the proportion of GDP accounted for by other small-scale/informal activities?
8. Are quarterly accounts available?
9. Is the external sector fully consistent with BOP ?
10. What is the legal basis for data collection?
11. How detailed is the documentation available publicly?
12. Are the underlying source data collected in a consistent way?

The IMF is currently looking at this type of approach. One aspect being examined is the possibility of specifying a core set of indicators which could indicate overall quality. The aim is to develop a limited set of indicators by June, which will then be pilot tested. The results of the pilot tests will be presented at a meeting in Korea in December.

In addition to any new approach adopted as a result of the above discussion, UNSD will be producing the milestones, on the previous basis, for consideration by next year's UNSC meeting.

#### **Agenda item 4: Update of SNA93**

The UNSD informed the meeting that the changes to SNA93 for derivatives have been approved by the UNSC. This approval will be notified in the next issue of SNA News and Notes (UNSD to arrange). The UNSC meeting also approved in principle the proposed changes to Chapter XVIII and Annex V resulting from the updated SNA classifications (COICOP, COFOG, COPNI and COPP), subject to countries' comments being put through to the version that was circulated at the end of October 1999.

The meeting discussed a problem arising in the SNA93 amendment process in handling an objection other than by discussing it at a UNSC meeting. The key issue is to ensure that everyone is kept informed about what is happening. The solution suggested is for the UNSD to write to all interested parties, as was done in the recent case with the objections to the financial derivatives changes. Also, UNSD should send a note after the 60-day period expires to each member of ISWGNA informing them of the outcome.

Another issue is how to tell people a change has been made to SNA93. ISWGNA agreed a couple of years ago to release a booklet containing the details at intervals of no less than 2 years. At this stage there was no reason to consider changing this earlier decision.

The changes to derivatives and classifications will be released in a booklet. This will be notified in SNA News and Notes (UNSD to be responsible), which will be put on the internet as soon as it is cleared. UNSD will also put a note on the web site that the classifications changes have been approved by the UNSC. In addition to the details of the changes to financial derivatives and classifications, the first "amendment booklet" will contain a copy of the SNA93 Glossary. OECD will translate the Glossary into French and ECLAC is translating the SNA93 Glossary into Spanish. Eurostat agreed to translate the derivatives part of the booklet into both French and Spanish. The IMF will send copies of the final version of the derivatives changes to UNSD and Eurostat. The IMF agreed to translate the booklet into Russian, but this will be done in 2001 rather than during 2000. UNSD will be responsible for all other translations associated with the first booklet.

Given the booklet is to be a joint publication then each organisation will have to arrange ISBN numbers plus handle any agency specific issues. The UNSD will examine the SNA93 documents and inform ISWGNA members of the steps involved (copyright, separate classification numbers, etc).

The meeting thought that the derivatives changes should be included as soon as possible in the annual questionnaire. It will be important for UNSD, OECD and Eurostat to coordinate changes to the questionnaire to ensure all sets of changes to the questionnaire are put through consistently to the

different versions of the questionnaire. In future, proposed conceptual changes should also indicate the implications for changes in the questionnaire and their likely timing.

#### **Agenda item 5(a): SNA conceptual questions - treatment of transfer costs**

The moderator of the EDG on the treatment of transfer costs produced a summary report in January. He concluded that the recommendations in SNA93 should not be changed because there was insufficient consensus on the issue. In addition, a variation on the treatment generally adopted would largely overcome the problem and would be consistent with the spirit of SNA93. It involves capitalising and writing off the transfer costs over the average period between transfers rather than over the average life of the property being transferred.

Since this report was written, a contribution to the EDG has been made by the UNSD and Anne Harrison has indicated she would also like to add further to her earlier input. The ISWGNA decided the EDG will not be closed off immediately. However, an announcement will be made in the next issue of SNA News and Notes and on the EDG itself that further contributions will be accepted only until the middle of August this year with a view to finalising the discussions in time for a report to be prepared for consideration by the September ISWGNA meeting.

#### ***Action required:***

OECD: Put a note on the EDG indicating that contributions will be accepted only until the middle of August.

OECD: Inform the moderator (Peter van de Ven) of this decision.

UNSD: Include an item in the next issue of SNA News and Notes stating that contributions to this EDG will be accepted only until the middle of August.

#### **Agenda item 5(b): SNA conceptual questions - intellectual property**

Three members of the Expert Groups set up in the late 1980s to co-ordinate the new SNA confirmed that the authors of SNA93 were aware of the inconsistency regarding the treatment of intellectual property. It was due to the decision made to not capitalise research and development expenditures. An article by Peter Hill in the July 1997 issue of SNA News and Notes (Intangible assets, patents and copyrights in the 1993 SNA) set out the issues and concluded that any change would be difficult.

The ISWGNA decided to put this issue on the agenda of the September ISWGNA meeting, with the aim being to reach an “official position” which will be presented in SNA News and Notes. Unless one of the ISWGNA members presents an alternative solution prior to the meeting, the official position will be that we will continue to accept the inconsistency in the foreseeable future.

#### **Agenda item 5(c): SNA conceptual questions - accrual accounting for interest**

The IMF representative said that the papers received to date had been split on the appropriate methodology. The IMF has decided to send a questionnaire on this topic to National Statistical Offices, Ministries of Finance and Central Banks. It should be possible to produce a report on the outcome of this survey to the September ISWGNA meeting.

#### ***Action required:***

IMF: Produce a report on the outcome of the IMF survey for consideration by the September ISWGNA meeting.

#### **Agenda item 5(d): SNA conceptual questions - treatment of interest under conditions of high inflation**

The World Bank reported that there had been little activity on the EDG. The ISWGNA considered it is necessary to publicise the fact that the EDG is now “open” rather than having to be accessed using a

password, as had been the case when it was first established. The aim is to close off discussion on the issue by the end of August this year.

***Action required:***

- UNSD: Put a short note in the next SNA News and Notes showing the address of this EDG and indicating that it is now more accessible than was the case in the past. The note will also announce that contributions on the debate will be accepted until 31 August 2000. The UN Regional Commissions should encourage their Member countries to enter this debate.
- WB: Put a note on the EDG indicating that contributions on the debate will be accepted until 31 August 2000.

**Agenda item 5(e): SNA conceptual questions - other**

Three issues under this heading were briefly discussed - unfunded pension funds for government employees, stock options, and e-commerce.

Unfunded pension funds for government employees

Statistics Canada sent an e-mail to the OECD on 11 February 2000 asking for this item to be put on the agenda.

The treatment suggested by SNA93 for the liabilities of government in respect of unfunded government employee pension funds is to not include such liabilities in the accounts but to show them as a memorandum item in the balance sheets (see SNA93, para 13.88). However, Australia currently adopts non-SNA93 based treatments for the unfunded parts of government employees' pension schemes. The impact is that government saving is reduced as the increments to the unfunded liability add to government expenditure each year. Household saving increases as an offset, with total national saving being unaffected by this treatment. In the Canadian national accounts release for the first quarter 2000, Statistics Canada is proposing to adopt a similar treatment to that used by the USA.

This issue had been carefully considered by the relevant Expert Group during the SNA update process in the late 1980s. The main reason for not showing the unfunded parts of such schemes as government liabilities and as household assets was the uncertainty attached to them ultimately being paid in full. However, the ISWGNA recognised that the situation has changed in some countries at least, as indicated by some governments showing the unfunded liabilities in their accounts. Therefore, it was decided to ask Statistics Canada to present a brief paper to the OECD national accounts meeting in September setting out their reasons for including these liabilities in their national accounts. The ISWGNA will then consider the issue again at its meeting in September.

***Action required:***

The OECD, as Chair of the ISWGNA, will contact Statistics Canada and ask for a short paper on this topic to be prepared for the OECD national accounts meeting in September.

Stock options

Stock options have become an increasingly important means of paying employees in some countries. While the conceptual treatment of such transactions is reasonably clear, some difficult problems arise in putting values on the amounts involved. The OECD said that this issue was being considered at the OECD national accounts meeting in September. The ISWGNA decided that it should be included on the agenda for the next meeting, by which time the OECD meeting papers will be available.

E-commerce

Identifying and measuring the various types of e-commerce has become a major task because of the rapid increase in the volume and breadth of such activities. The ISWGNA decided to include this on the agenda for the September meeting to enable a more informed discussion of this topic.

### **Agenda item 6(a): Approve issue number 11 of SNA News and Notes**

It was not possible to approve this issue because the feature article (When can a country claim it has “implemented SNA93”?) depended on the outcome of the discussions of the ISWGNA meeting itself. This article will be rewritten by the OECD taking the deliberations of the ISWGNA into account. The IMF circulated a draft article on revision policies.

The meeting decided that a draft of the whole issue would be circulated for comment to all ISWGNA members as early in May as possible. It will contain the following:

- OECD: When can a country claim it has “implemented SNA93”?
- Eurostat: The effect on aggregates of moving from SNA68 to SNA93
- IMF: Revision policies
- World Bank: The different techniques used in backcasting
- UNSD: Details of the various EDGs and how/where to access them
- UNSD: Details of the web site set up for the ISIC review.

All contributors were asked to provide drafts of their articles to the UNSD by the end of April to enable this deadline to be met.

### **Agenda item 6(b): Propose topics for issue number 12 of SNA News and Notes**

The topics proposed for issue number 12 of SNA News and Notes are:

- Describe the outcomes reached as a result of the various EDGs being finalised in the next few months
  - treatment of transfer costs (OECD)
  - interest under conditions of high inflation (World Bank)
  - accrual accounting for interest (IMF).
- A short description of the issues associated with the inconsistency in the SNA recommendations on intellectual property with the aim being to elevate Peter Hill’s article in issue number 6 of SNA News and Notes to an “official position” on this matter, subject to agreement being reached at the September ISWGNA meeting (UNSD).
- A summary of the first global results from implementing the new national accounts questionnaire (UNSD).
- Implementing SNA93 (ESCWA). Note: this article will probably be prepared jointly by ESCWA and Jordan and will be the last general article on this topic to be included in SNA News and Notes.
- Treatment of stock options (OECD).
- E-commerce (OECD).

### **Agenda item 7: Handbooks and manuals**

There are still significant numbers of books of the English, French and Spanish versions of SNA93 available at the UN.

The UNSD will put a list of all the national accounts handbooks etc on the web.

UNSD will examine the implications of producing a revised CD-ROM and will inform ISWGNA members of the outcome at the next meeting. UNSD would like to link this work with putting SNA93 on the web (including links to interpretations, classifications, etc).

The IMF has produced a draft “Textbook on quarterly national accounts”. A workshop to discuss this draft is to be held at the IMF on 19-21 June, followed by a seminar on quality assessment on 22 June.

The manuals on income distribution and SEEA are the products of “city groups” rather than of ISWGNA member organisations so issues of responsibility and support arise. Some members of the UNSC want all manuals to be published by one or more of the international organisations. In other words, a handbook produced by a city group and which is related to national accounts should be published under the auspices of the ISWGNA. All city groups are aware of a requirement for ISWGNA to “clear” the manuals. Often these manuals differ from SNA93 concepts to some extent.

The meeting considered it is not satisfactory for manuals to be just “run past” the ISWGNA. They should either be dealt with in detail or not at all. Ideally, the ISWGNA should have a couple of representatives on the groups producing the manuals (as is the case with the Capital Stock manual being produced by the OECD in conjunction with the Canberra Group on Capital Stock), otherwise it is very difficult for the ISWGNA to adequately handle the responsibility for clearing such handbooks. At a minimum any specific areas in which the manual diverges from SNA93 should be specifically brought to the attention of ISWGNA. The best way of doing so would be for each manual to have a chapter explicitly showing each divergence from SNA93 and the reasons. These details would have to be provided to the ISWGNA about 2 months ahead of its next meeting. However, it was also recognised that many manuals are specifically devoted to satellite accounts which allow for deviations from normal SNA conventions. It is important to have these spelled out and to be sure that no unintended deviations have been adopted inadvertently.

The meeting decided to send a letter to Mr Habermann (Head of the UNSD) setting out the procedures for clearance of manuals and pointing out the time needed for clearance. It would specifically note the timing problem associated with any ISWGNA endorsement of the SEEA manual caused by the UNSC request for a draft manual to be provided to next March’s UNSC for “approval in principle” (the only ISWGNA meeting prior to next year’s UNSC is in September which would be too early to clear the manual). The only solution in this case would be to use e-mail and have no ISWGNA meeting for a proper review. However, ISWGNA members felt that shortcutting in this way would be difficult given the complex concepts contained in the SEEA Manual.

The following have to be added to the list of Manuals and Handbooks shown in Table 1 attached to UNSC document E/CN.3/2000/2:

Quarterly National Accounts Handbook (Eurostat) – released in November 1999.

SEEA2000 (London Group) – draft scheduled to be discussed by UNSC in March 2001.

Income Distribution Manual (Canberra Group on Income Distribution) – draft due for completion at the end of 2000.

Capital Stock Manual (OECD in collaboration with the Canberra Group on Capital Stock) – final draft scheduled June 2000

Non-Observed Economy Handbook (OECD Working Group) – final draft scheduled September 2000.

Prices Manuals (ISWGP) – draft of CPI manual due for completion by October 2000 and a first draft of the PPI manual scheduled for April 2000.

Tourism Satellite Accounts (ISWGTSA) – final version now available for printing.

Manual on Statistics of International Trade in Services (OECD) – final draft to be discussed in July 2000.

Foreign Trade Operational Manual (UNSD) – July 2000.

Handbook on Prices and Volumes (Eurostat) - draft to be discussed at a meeting in March 2001.

Manual on non-profit organisations (Johns Hopkins University) - December 2000

### **Agenda item 8: Meetings, training and seminars**

22-25 May 2000	Classifications review meeting - Luxembourg
19-21 June 2000	IMF workshop on the quarterly national accounts training manual - Washington
22 June 2000	IMF seminar on quality assessment - Washington
21, 22 September 2000	ISWGNA meeting - Paris
25 September 2000	OECD workshop on accounting for depletion - Paris
26-29 September 2000	Annual OECD national accounts meeting - Paris
October 2000	Classifications review meeting - New York
March 2001	Eurostat workshop on the prices and volumes handbook - Luxembourg
April 2001	ISWGNA meeting - Washington
September 2001	ISWGNA meeting - Geneva

### **Agenda item 9: Research agenda**

Generally, the items currently on the research agenda are being handled by means of EDGs.

Eurostat is discussing trial estimates of FISIM at its National Accounts Working Party meetings this year. Eurostat also intends to produce a handbook on prices and volumes during 2001. It will be based on the deliberations of about 10 different Task Forces during the past 3 years which have investigated various issues relating to ensuring the consistency of volume measures in EU national accounts. While this work has had an EU-specific focus, the outcomes are likely to be of interest in NSOs throughout the world. Eurostat will hold a seminar in March 2001 to discuss a draft of this handbook.

Another issue raised by the UNSC for the ISWGNA to consider was the link between national accounts data and employment. This issue is related to the consistency of source data and was the subject of a couple of papers at the 1998 OECD national accounts meeting. The ISWGNA decided to consider this issue at the September meeting because there had not been sufficient time to examine it in any detail prior to this current meeting.

### **Agenda item 10: Other business**

Mary Chamie, Head of the UN Classification Unit, described the UNSC's request for ISIC to be reviewed. Particular emphasis will be placed on introducing an "information sector" into ISIC. The review process will take several years and is scheduled to be finished in 2007. A classifications review meeting will be held in Luxembourg from 22-25 May 2000, followed by a further meeting in New York in October 2000.

Regarding the coordination of the international data collection activities agreed by the Sub-Group of the ISWGNA on Implementation of the New Questionnaires, UNSD stressed the importance for this sub-group to continue to have regular meetings as it did in 1997 and 1998 to ensure timely data sharing and related implementation activities between the focal point organisations (Eurostat, OECD, UNECE and UNSD). The next ISWGNA meeting in September in Paris should devote some time to discuss questionnaire implementation issues or add a half day meeting for the sub-group to meet.

The next ISWGNA meeting is to be held at the OECD in Paris on Thursday and Friday 21, 22 September 2000 (note the change in dates compared with the dates shown in the report of the September 1999 meeting).

The IMF offered to hold the first ISWGNA meeting in 2001 (late March/early April) in Washington. The ECE offered to have the second meeting next year (around late September) in Geneva. This meeting will be timed to align with the OECD national accounts meeting. These locations were accepted by the ISWGNA.



## **ANNEX 2: Draft agenda**

### **ISWGNA Technical Level Meeting**

**New York, 5-7 April 2000**

#### **AGENDA**

- 1. Adoption of the Agenda**
- 2. What is meant by "implementing the 1993 SNA"**
- 3. Review actions agreed upon at the last meeting**
- 4. Update of the 1993 SNA**
- 5. SNA conceptual questions / Review of Electronic Discussion Groups**
  - a) Treatment of transfer costs and improvements to land
  - b) Intellectual property - inconsistency in SNA
  - c) Accrual accounting for interest
  - d) Treatment of interest under conditions of high inflation
  - e) Others
- 6. SNA News and Notes**
  - a) Approve Number 11
  - b) Propose topics for Number 12
- 7. Handbooks and manuals**
- 8. Meetings, training and seminars**
- 9. Research agenda**
- 10. Other business**

### ANNEX 3: Summary of action items

Action	Responsible	By when	Comments
1) Reference list of NA books to be set up	All	End April	Paul McCarthy will contact Robin Lynch to obtain the current list
2) Next issue of SNA N&N			
a) Note announcing the changes to SNA93 for financial derivatives and classifications have been approved by UNSC	UNSD	May	
b) List of ISWGNA member web sites	UNSD	May	
c) Article: "When can a country claim it has implemented SNA93?"	OECD	30 April	
d) Article: "The effect on aggregates of moving from SNA68 to SNA93"	Eurostat	30 April	
e) Revised version of article: "Revision policies"	IMF	30 April	
f) Article: "Different techniques used in backcasting"	WB	30 April	
g) Details of EDGs and where to access them; address of ISIC Review web site.	UNSD	May	
h) List of ISWGNA member web sites	UNSD	May	
3) Put through countries' comments on the proposed classification changes to SNA93	OECD	21 April	
4) SNA93 "concepts" questionnaire			
a) Pilot test the questionnaire on some Member countries	ECE and ECA	July	
b) Ask ESCWA, ECLAC and ESCAP to pilot test the questionnaire on some of their Member countries	UNSD	End April	Pilot tests should be completed by end July and results presented to the next ISWGNA meeting
5) Produce proposal for ISWGNA website	UNSD	31 August	To be considered at next ISWGNA meeting
6) Translations for the first SNA93 "amendments booklet"			
a) Russian translation of the whole booklet	IMF	During 2001	
b) Spanish and French translations of the derivatives section	Eurostat	ASAP	IMF will send the final English version of the derivatives changes to Eurostat asap

c) Spanish translation of the SNA93 Glossary	ECLAC	ASAP	IMF will send the final English version of the derivatives changes to Eurostat asap
d) French translation of the SNA93 Glossary	OECD	June	
e) All other translations	UNSD	During 2001	
f) Examine processes required for releasing the booklet (copyright, ISBN numbers etc) and inform ISWGNA members	UNSD	May 2000	
7) Co-ordinate changes to the annual SNA93 questionnaire required because of the derivatives changes	UNSD, OECD, Eurostat	ASAP	
8) Transfer costs EDG			
a) Put a note on the EDG indicating contributions will be accepted only until the middle of August	OECD	21 April	
b) Inform the moderator (Peter van de Ven) of the above decision	OECD	21 April	
c) Include an item in the next SNA N&N stating that contributions to this EDG will be accepted until the middle of August.	UNSD	May	
9) Put intellectual property inconsistency on agenda for September ISWGNA meeting	OECD	August	
10) Produce report for September ISWGNA meeting on the survey concerning approaches to accrual accounting for interest	IMF	August	
11) EDG on treatment of interest under high inflation			
a) Put note in next SNA N&N showing address of EDG, noting it is no longer password protected and contributions will be accepted until 31 August	UNSD	May	
b) Put a note on the EDG indicating contributions will be accepted until 31 August	WB	21 April	

12) Ask Statistics Canada for a paper on treatment of unfunded pensions of government employees for the OECD national accounts meeting in September	OECD	21 April	
13) Put stock options and e-commerce on agenda of next ISWGNA meeting	OECD	August	
14) Put list of all national accounts handbooks, manuals etc on the internet	UNSD	May	
15) Circulate OECD meeting papers on the consistency of national accounts and employment estimates	OECD	August	
16) Examine implications of producing a revised CD-ROM	UNSD	August	
17) Prepare next meeting in Paris	OECD	August	