

**UPDATE OF THE 1993 SNA - ISSUE No. 39c  
ISSUES PAPER FOR THE JULY 2005 AEG MEETING**

**RESIDENCE OF HOUSEHOLDS: SHIPS' CREW AND PATIENTS**

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The views expressed in this paper are those of the author and should not be attributed to the International Monetary Fund, its Executive Board, or its management.

**Executive Summary**

1. The treatment of ships' crew and long-term patients was covered in the AEG paper on residence of households but conclusions on their treatment were not made at the December 2004 AEG meeting. The paper proposes to retain the existing treatment of both the *SNA* and *BPM5*. That is, the residence of ships' crew and medical patients is based on the location of a dwelling place other than on the ship or place of medical treatment, respectively..

**Introduction**

2. Some remaining issues on residence of households were considered minor and not taken up in discussion at the previous BOPCOM and AEG meetings. As a result, no conclusions on them were reached.

3. The issues associated with the residence of households generally were discussed in SNA/M2.04/20 presented to the AEG meeting in December 2004. The issues papers on these issues prepared for the Balance of Payments Technical Expert Group are available at:  
<http://www.imf.org/external/np/sta/bop/pdf/bopteg8.pdf>  
<http://www.imf.org/external/np/sta/bop/pdf/bopteg8a.pdf>

**Crews of ships and similar cases**

4. In current standards, crew members of ships, aircraft, or other mobile equipment operating partly or wholly outside an economic territory are regarded as residents of the territory where the crew member spends most time other than time on board. (See *1993 SNA* para. 14.16(v) and *BPM5* para. 67.) The alternative would be to treat them as residents of the economy from which the equipment is operated. As the link between the crew member and the operator's territory is fairly weak, it is proposed to keep the current treatment.

5. The manuals could also mention the application of this principle to some related instances. A crew member of a ship that operated mostly in a particular economy's territorial waters, but had no other connection to that economy, would not be a resident of that economy. In addition to ships and other mobile equipment, there are analogous cases of operations outside an economic territory, such as oil rigs or space stations, that should be treated in the same way.

### **Long-term medical patients**

6. In current standards, long-term medical patients are classified as residents of the economies from which they come, rather than where they are physically located. (See *1993 SNA* para. 14.20 and *BPM5* para. 71.) A few economies with small populations and limited health care facilities may have long-term patients being treated abroad but funded from their home economies in sufficient numbers to be economically significant. It is proposed to continue the current treatment, to provide a more suitable treatment for those small economies by showing imports of health services, avoid an unnecessary change in the standards, and maintain the consistency with the student exception.

### **Points for discussion**

- 1. Does the Group agree with the continuation of the existing treatment of ships' crew and similar cases as residents of the economy where they spend the most time other than on board?*
- 2. Does the Group agree with the continuation of the existing treatment of patients as residents of the home country?*