

## ISWGNA Teleconference 19 May 2014

### Minutes

Participants: Gallo Gueye, Jens Gruetz, Christian Ravets (Eurostat), Tihomira Dimova (UNECE), Kim Zieschang, Rob Dippelsman (IMF), Herman Smith, Benson Sim, Ilaria DiMatteo (UNSD), Peter van de Ven, Jennifer Ribarsky (OECD), Maurice Nsabimana, Grant Cameron, and Barbro Hexeberg (World Bank)

#### 1 AEG membership and invitations

Invitation letters to two *new* members of the AEG replacing Ebo Duncan and Art Ridgeway are ready, and will go out this month. As Salima Al Harthy is also exiting the AEG, one further replacement is needed. Potential candidates should be suggested by the ISWGNA members as soon as possible.

#### 2 2014 AEG meeting invitation

Invitation to the September 2014 AEG meeting will go out as soon as the revised annotated agenda (next agenda item) has been finalized.

#### 3 2014 AEG meeting agenda

The meeting reviewed the draft annotated agenda distributed to AEG members in late March for comments. The meeting agreed to include the following issues on the agenda (lead organizations in parenthesis).

- Implementation of the SNA 2008 (UNSD)
- Accounting for pensions (Eurostat and OECD):
  - Methodology for delineation and measurement of pension liabilities
  - Table on household resources for retirement
- Treatment of holding gains and losses in investment income (UNSD)
- Imputation of property income in the case of liabilities between the sponsor and the pension fund (BEA)
- Global production (UNECE)
  - Definition of economic ownership over Intellectual Property Products (IPPs) within global production arrangements
  - Factoryless goods producers
- Land and other non-financial assets (OECD)
  - Distinction between volumes and prices in the case of value changes due to characteristics not directly related to the land (and structure)

as such [Follow up/confirmation of virtual discussion]

- Methodology for the valuation of natural resources
- Treatment of the output of international financial institutions (IMF)
- SDMX-initiative (Ownership Group SDMX for BoP, FDI and NA) (OECD) – for information
- Government finance: the use of indicators on deficit and debt (IMF)
- Manuals, handbooks and other guidance (UNSD)
- Statistical units in Supply and Use Tables and Institutional Sector Accounts (OECD, with input from UNSD)
- Distribution of income, consumption and wealth (OECD)
- Practical issues in national accounts: Backcasting (UNSD/2 country presentations)

It was suggested to include an agenda item on the ‘Use of big data’. The ISWGNA agreed to consider the suggestion, and make a decision at its next meeting.

Next steps: Each lead organization (identified above) to provide a short paragraph describing the issues by June 6. The secretariat will revise and finalize the annotated agenda, and attach it to the invite that will go to AEG members as soon as possible thereafter.

#### 4 Outcome of the AEG consultation on Value of Land<sup>1</sup>

The deadline for the electronic consultation was May 9<sup>th</sup>, by which time nine AEG members had replied. OECD offered to summarize the consultation and prepare a short paper, which will be shared with the TF on Land and Other Non-financial Assets and feed into the manual currently being drafted. The outcome of the consultation will also be confirmed, and any outstanding issues discussed, at the upcoming AEG meeting.

#### 5 Classification of Factoryless Goods Producers<sup>2</sup>

Following interaction with the Expert Group on Classifications, there seems to be a need to provide more information on the actual transactions related to factoryless goods production, and implications on the suggested treatment/classification. The

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<sup>1</sup> The joint Eurostat-OECD Task Force on Land and Other Non-financial Assets currently working on a compilation guide on the recording and measurement of land could not find an agreed solution on the decomposition of changes in the relevant balance sheet item. The 2008 SNA did not seem to provide clear guidance on whether to record the change in the value of land as another change in volume or as a revaluation when the change in the value of the land is due to changes in the surrounding amenities of the land instead of due to a change in economic use of the land. Thus, an electronic consultation with AEG members was initiated.

<sup>2</sup> Background: A note written by the Expert Group on Classifications expressed the group’s view that some chapters of the report of the TF on Global Production could be in contradiction with existing concepts of National Accounts. The AEG, which discussed the issue at its last meeting, strongly disagreed with the classification experts evaluation and supported the recommendations of the TF on Global Production. Subsequently, the Expert Group on Classifications requested the ISWGNA to provide a position paper on the issue. A short paper was shared with the chair of the classification TF.

TF on Global Production will produce a paper for the AEG. Based on the AEG's recommendation, the ISWGNA can get back to the Expert Group on Classifications. The ISWGNA will also be in further contact with the chair of the Expert Group regarding the timeline for solving the issue.

## 6 Format of AEG papers

The last AEG meeting called for improvements to the outline of AEG papers. In particular, it was noted that the papers should spell out the specific questions to which AEG inputs and/or decisions would be required. It was agreed that the Chair and Secretariat would propose a template for the ISWGNA to consider.

## 7 Additional experts for the September 2014 AEG meeting

Following the decision of the ISWGNA:MG in March 2014 not to expand the membership of the AEG, but to invite additional experts if required on a case-by-case basis, the meeting discussed the need for additional expertise at the upcoming meeting. It was agreed that additional expertise would be essential for having a thorough discussion on several items. Thus, it was agreed to invite four additional experts for the duration of the meeting, plus one additional expert for the discussion on issues related to the treatment of pension.

## 8 AOB

### *Contribution of the insurance industry to GDP – Treatment of Capital Income*

OECD informed the meeting of a letter received from the Global Federation of Insurance Associations (GFIA) on the above issue. As only two organizations had yet had the opportunity to read the letter, which raises an issue that may require further consideration, it was agreed to discuss the issue at a later meeting. To facilitate later discussion, the letter will be forwarded to all ISWGNA members.

### *Head offices, holding companies and special purpose entities*

Statistical offices are asking for guidance regarding the treatment of HC and SPE. The AEG discussed the treatment at its last meeting. Thus, it was suggested a note based on the paper produced for the last AEG meeting - and in accordance with the AEG's decision - providing clear guidance on the treatment of these entities, to be written and published in the SNA News & Notes. Eurostat volunteered to draft the note, which before being published would need to be vetted by the AEG.

### *Next meeting*

Next meeting/teleconference is scheduled for June 18<sup>th</sup>.