

## ISWGNA TELECONFERENCE JANUARY 17, 2007

### Participants

Eurostat: G. Gueye, C Ravets  
IMF: A. Bloem (Chair), K. Zieschang, L. Rivas (minutes)  
OECD: F. Lequiller  
UNSD: I. Havinga, V. Viet, A. Becker  
UNECE: L. Bratanova  
World Bank: B. Hexeberg  
1993 SNA Update project: C. Carson (Project Manager)

### 1 Drafting process

The Project Manager informed the meeting that the Editor was in Australia and could not participate in the teleconference. She reported that the Editor expects that chapter 7, The Distribution of Income Accounts, and part of chapter 17, Cross-cutting and other special issues would be ready by the end of that day. The Project Manager informed the meeting that chapters 8 to 14 and 26 were available on the UN website for world-wide comments and with chapters 6, 7 and 17, there would be 11 chapters available in time for consideration of comments by the AEG at the AEG meeting. These will include the chapters that make up the full sequence of accounts.

The Inter-secretariat Working Group on National Accounts, National Accountants (ISWGNA: NA) agreed that the eagle-eye review of chapters 7 and 17 and the one in progress on chapter 6 would be done quickly by two or three organizations. The review of chapter 7 is due on Friday January 26 and that of chapter 17 on January 30. The Project Manager reminded the meeting to make only the comments that were warranted for the eagle-eye review. She also mentioned that the AEG would be asked for comments within one month of the posting of the chapters on the UN website to identify points that should be discussed in the AEG meeting in March. World-wide comments will have the standard 60-day period.

### 2 Preparation for Statistical Commission

The Project Manager discussed the steps needed to prepare the committed room document for the Statistical Commission, 26 February-2 March, 2007, on issue 16, Government and Other Non-market Producers: Cost of Capital Services. The steps are the following: (i) get comments on the e-consultation from the AEG; (ii) NA group reviews the comments and considers a recommendation to the Management Group (MG); (iii) MG consideration; and (iv) preparation of the room document to be ready no later than a week before the Statistical Commission, so that attendees would have time to prepare for the discussions.

Mr. Havinga (UNSD) informed the meeting about the UNSD's position on issue 16. Mr. Lequiller mentioned that he still had comments on the Full Set of Consolidated Recommendations (FSCR); in particular, on the way permits and licenses are presented. He said that it might be concluded from the document that all government permits are treated as

taxes and that is different from what was agreed for licenses with underlying assets. The ISWGNA agreed to send any corrections in an email to the Project Manager by the end of January. ISWGNA members will review all proposed corrections and indicate if they agree with them. The review will focus on the accuracy of the document in presenting AEG recommendations. The subject line of the email will read Proposed corrections on the FSCR.

### **3 Work ahead**

The Project Manager mentioned that she would suggest the content of the next progress report to Mr. Edwards. She said she would have a full draft in the middle of February.

### **4 Preparation for the AEG meeting**

The Chair asked the ISWGNA to look at the comments on the draft chapters and consider the ones that are not in agreement with the AEG recommendations, avoiding getting back to discussions of AEG recommendations. The essential focus of the AEG meeting will be on the checking of the substance of the draft chapters; in addition, the AEG will discuss initial exploration on implementation and the research agenda.

The Project Manager presented a format UNSD had prepared for the presentation and analysis of country comments on the draft chapters. She and UNSD are testing the draft format based on chapters 9 and 14, which are the chapters on which the comments period has closed. The testing will be completed next week. Each organization will work on pulling the comments on two chapters and identifying those issues/comments that should be discussed in the AEG meeting and the ones that are lower priority.

Then, the ISWGNA will look across chapters to ensure consistency and time available to discuss the comments. The ISWGNA members that had seen the format agreed that it was useful for combining and prioritizing the comments. Mr. Havinga suggested looking at his email on the process and preference for working on the comments. Each ISWGNA member agreed to propose by the end of next week which chapters (four chapters in order of preference) among 6 to 14, 17 and 26 they would like to work on preparing the discussion paper for the AEG.

### **5 Process**

The Project Manager reconfirmed that the purpose of the eagle eyes review was to detect mistakes such as typos; substantive issues would be addressed in the second phase of the review process.

The Project Manager identified several topics, including preparing for the room document on issue 16 and identifying the substantive comments, that might be best handled in a face-to-face meeting. The ISWGNA decided to keep the option open for the next teleconference.

Regarding the venue for the AEG meeting during March 19-23, the UNSD concluded that due to various reasons a new venue would be sought.

### **6 Implementation proposal**

The ISWGNA agreed that the Chair (IMF) and Mr. Havinga (UNSD) would prepare a proposal on implementation of recommendations. Mr. Havinga informed the meeting that the OECD and some countries are working on implementation. The Project Manager suggested

asking some countries to present their plans for implementation in the March meeting. The ISWGNA is committed to present an implementation strategy in March 2008.

Mr. Lequiller informed the meeting that the OECD is preparing a handbook on the implementation of R&D as capital. Mr. Gueye informed the meeting that Eurostat will work on the development of compulsory satellite accounts in order to support the implementation of R&D. Mr. Havinga also mentioned that the ABS is well advanced in implementation of the recommendations. The ISWGNA agreed that the focus of the implementation proposal should be on the possibilities of countries that have implementation plans.

## **7 Pensions**

Mr. Lequiller informed the meeting that the European Task Force on Pensions had sent a letter suggesting the use of the projected benefit obligation (PBO) approach for actuarial estimates of pension entitlements in the national accounts instead of the actual benefit obligation (ABO) approach. The Chair said that this proposal would be sent to the IMF-BEA Task Force on Pensions this week expecting response by the second week of February, and at some point, they would have a discussion on this issue.

## **8 Classification**

Mr. Lequiller informed the meeting that the UN Classification Division was changing the classification of manufacturing companies that outsource most of their production based on the conclusion on goods for processing. Mr. Havinga said that the UNSD is preparing an introduction to ISIC version 4 explaining that these companies are to be classified as manufacturing companies only when they take the risks and rewards of the transformation of the goods and they own the inputs. He agreed to circulate the paper on this classification to the ISWGNA.

## **9 Long-term research agenda**

The Project Manager proposed the AEG meeting consider how to operationalize the website on the long-term research agenda. Operationalizing would include a review of the list of topics, identifying a time horizon, and preparing a write up on each issue similar to the one on repos. Ms. Bratanova volunteered UNECE to undertake this task.

## **10 Next meetings/teleconferences**

The meeting decided to keep open the possibility of having a face-to-face meeting and have its next teleconference on January 30 at 9:30 am US Eastern time.

## **11 To-do list**

<b>Action</b>	<b>By when</b>	<b>Responsible</b>	<b>Status</b>
Revise note on own funds and reinvested earnings	In due course	Editor	In progress
Comments on chapter 7	January 26	Volunteer organizations	In progress
Comments on chapter 17	January 30	Volunteer organizations	In progress
Send proposal on corrections of FSCR	January 30	All	
Proposals on which chapters to work on comments' presentation and analysis	Next week	All	
Proposal on implementation	In due course	Chair and Mr. Havinga	
Send letter on the use of PBO vs. ABO to IMF Task Force on Pensions	This week	IMF	In progress
Circulate paper on classification of manufacturing companies	January	Mr. Havinga	
Review research agenda and prepare a write-up	January	Mrs. Bratanova	In progress