

MINUTES
ISWGNA TELECONFERENCE 25 MARCH, 2008

Participants

Eurostat: G. Gueye (Chair), C. Ravets, L. Frankford
IMF: K. Zieschang
OECD: C. Aspden, P. Schreyer, N. Ahmad
UNSD: I. Havinga, G. Singh, H. Smith, A. Becker (Minutes)
1993 SNA Update project: P. McCarthy (Project Manager), A. Harrison (Editor)

1. Status of chapters 1, 2 and 16

The Editor reported that the revised versions for all three chapters have been circulated to the ISWGNA for comments by cob Wednesday, 26 March. The ISWGNA asked the Editor to provide the tables to be included in chapters 2 and 16. It was agreed that these chapters should be posted as soon as the Editor provides the revised versions incorporating the ISWGNA comments.

2. Status of chapters 20, 22 and 25

The ISWGNA assessed the suitability for posting earlier draft versions of these chapters and made the following conclusions.

2.1. Chapter 20 – The role of capital services in the national accounts

The ISWGNA agreed to remove from chapter 20 any reference to include a rate of return to capital when estimating non-market production. This chapter will be posted for world-wide review with a 30 day deadline for comments as soon as the amended version is available. The target date for posting is 8 April 2008.

2.2. Chapter 22 – The government and public sectors

The Project Manager noted that this draft has some duplication of content within the chapter and with other parts of the updated SNA, which should be removed. The Editor will inform the ISWGNA by cob Friday 4 April if the revised version could be made available by 15 April for discussion at the ISWGNA meeting on 21 April in Geneva.

2.3. Chapter 25 – The informal sector

OECD and Eurostat had provided comments on chapter 25, mainly regarding the international comparability in the treatment of the informal sector. UNSD and OECD will work together to provide the ISWGNA with a revised version of chapter 25 by 15 April, for discussion at the ISWGNA meeting on 21 April in Geneva.

3. ISWGNA longitudinal review by issues

Issue	Comment	Editor's response	ISWGNA decision
11	The recognition that leases, etc, can have a negative value as recommended by the AEG in the e-consultation on leases and licences in 2006 is not incorporated in chapters 10, 12 and 17.	It was agreed that leases are recorded only when they are actually exercised. This means they are never negative	OECD will circulate a note with an example
18	The text in chapter 4 seems to be out of date. The AEG recommendation refers to legal owners of land, but given that the update allows for economic and legal ownership of land to differ, reference should be made to economic ownership.	This suggests a change to BPM6 text; we cannot do that nor should we. We could check with BPM about whether we could add some explanatory text along the lines that when a non-resident is a legal owner of land or buildings, the creation of a notional resident unit with the non-residents interest being transformed to a financial interest has a similar motivation to financial leasing.	ISWGNA agreed to the Editor's suggestion
15	Should there be a statement in chapter 7 to the effect that capital services can be shown as a memorandum item, with a reference to chapter 19 for further details?	I think we agreed not to push this in chapter 7	Eurostat will send clarification on the statement in chapter 7 about capital services and reference to chapter 19

34	It is recommended that in the revised SNA the exceptional payments from government to public corporations should be treated as capital transfers, not only in the case of public corporations but also for public quasi corporations. This rule seems not clearly implemented. We propose to amend paragraph 10.207 c on capital transfers: "Transfers from government unit to privately owned enterprises or to <u>public corporations and public quasi corporations</u> to cover large operating deficits accumulated over two or more years". And paragraph 11.91 (3 rd sentence): "If the payment from government is irregular but clearly designed to cover accumulated losses, it is treated as a capital transfer <u>to the public corporation or to the public quasi corporation as well</u> ".	In the System corporations always includes quasi-corps. To make an exception by including them specifically here implies they may not be included everywhere.	The Editor will amend the text to mention public quasi-corporations following a request from Eurostat
----	--	---	---

As part of the update, the treatment of costs of ownership transfer on land and on fixed assets has been subject to scrutiny but not the costs of ownership transfer on other non-produced assets and valuables. The treatment of these now appears inconsistent in some respects and it is suggested that a more comprehensive review of costs of ownership transfer should be placed on the research agenda.

Discussions on the ISWGNA longitudinal review will be continued at the next meeting of the ISWGNA on 3 April.

4. ISWGNA meeting in Geneva

The ISWGNA agreed to meet on 21 April in Geneva, hosted by UNECE. The Project Manager proposed to move the deadline for the outlines of the remaining chapters of Volume 2 forward to 21 April, in order to discuss them at the meeting. The ISWGNA agreed to the proposal.

5. Deadline for comments on Volume 2 in the world-wide review

The ISWGNA agreed that the deadline for comments for chapters posted from mid July should be extended to 45 days, taking into consideration the summer holidays of countries in the Northern Hemisphere.

6. Addition to the FSCR

UNSD had circulated a document containing substantive issues discussed in ISWGNA teleconferences and meetings. Comments on the document are expected by cob Friday, 28 March.

7. Comments on ISIC

UNSD will send the comments to the ISWGNA by cob Thursday, 3 April.

8. Classification of international trade in different types of intellectual property products

OECD raised the issue of the treatment of the classification of trade in intellectual property products in BPM6 and recommended to send a letter to the BOPCOM chairman urging BOPCOM to treat all licenses to use software as services. The ISWGNA agreed that OECD together with Eurostat will draft the letter by cob Wednesday, 26 March and that the letter should be send to the chairman of BOPCOM by early next week.

9. Annexes to chapters in Volume 1

The ISWGNA evaluated the relevance of the annexes to the following chapters of the “old” SNA:

- Chapter 6: Measurement of storage
- Chapter 10: COT
- Chapter 12: Revaluation

and decided that only the annex to chapter 6 is still relevant in the updated SNA. This annex will be available by cob Friday, 4 April for posting on the website.

10. Next teleconference

The next teleconference will take place on 3 April at 8 am (USA), 2 pm (Europe) and 11 pm (Australia).

11. To-do-List

Action	By when	Responsible	Status
The Project Manager will prepare a draft letter to the ECB about ECB's comments on the mapping of taxes from the classification in the GFSM and the OECD's Revenue Statistics	End-July 2007	Project Manager	On hold
Update of the Full Set of Consolidated Recommendations (44 issues document) to incorporate changes and UNSC decisions	When possible	Editor	Pending
Draft an example on insurance that includes the compilation of the complete set of accounts with data from the books of insurance companies.	March 2008	UNSD, Eurostat	Pending
Letter to BOPCOM regarding the classification of international trade in intellectual property products	2 April	OECD, Eurostat	
Actions for Volume 1			
Launch of the global review of Volume 1	3 March	UNSD	Done
Submission of revised chapters 1, 2 and 16 to the ISWGNA for review	14 March	Editor	Done
Preparation of electronic annexes for chapters 6, 10 and 12 - if still relevant and submission to the Editor	14 March	OECD, IMF, Editor	Pending
Newsletter to the AEG reporting on the outcome of the UNSC 2008	14 March	Project Manager	Done
Submission of comments from the longitudinal review to the Editor	14 March	ISWGNA	Done
Indication of where reviewers can find documentation on all changes in volume1, the 44 issues, clarification items and consistency items.	20 March	UNSD	Pending
Comments by the Editor on the longitudinal review	20 March	Editor	In progress, due 1 April
Comments by the ISWGNA on revised chapters 1, 2 and 16	20 March	ISWGNA	Done
ISWGNA teleconference to reach agreement on comments from the longitudinal review and chapters 1, 2 and 16	Week of 24 March	ISWGNA, Editor, Project Manager	Done, longitudinal review issues in progress

Action	By when	Responsible	Status
Preparation by Editor of ISWGNA longitudinal review and revised chapters 1, 2 and 16 for posting	One week after tele-conference	Editor	In progress
Comments on the document containing substantive issues discussed by the ISWGNA in addition to the FSCR.	28 March	ISWGNA	
Index for one chapter of Volume 1	31 March	Project Manager	
ISWGNA teleconference to reach agreement on comments from the longitudinal review	3 April		
Conclusion of global review on Volume 1	30 April		
Reader's Guide	30 April	Project Manager	
Submission of consolidated country comments from the global review to the Editor	5 May	Eurostat, OECD, UNSD	
ISWGNA meeting in Luxembourg to discuss country comments	9 May	ISWGNA, Editor, Project Manager	
Consolidation and posting of finalized country comments	14 May	UNSD	
Submission of the revised chapters of Volume 1 to the ISWGNA for review, including cross-references, external references, glossary, list of abbreviations	23 May	Editor	
ISWGNA teleconference to discuss issues related to the revised chapters and to prepare a recommendation regarding the adoption of the revised Volume 1	Week of 26 May	ISWGNA, Editor, Project Manager	
White-cover version to be submitted for UN-editing. Electronic version posted on the web site; hard copy to be prepared for dissemination;	30 May	UNSD	
Actions for Volume 2			
Comments by ISWGNA if chapters 20, 22 and 25 can be posted in their current state	20 March	ISWGNA, Editor, Project Manager	Done
Posting of chapters 20, 22 and 25	28 March	UNSD	Delayed, subject to incorporate comments

Action	By when	Responsible	Status
Prepare annotated outlines for remaining chapters/annexes of Volume 2	30 April	ISWGNA, Editor, Project Manager	Moved forward to 21 April
Close of comment period on chapters 20, 22 and 25	30 April		Delayed, subject to posting
ISWGNA meeting to discuss annotated outlines	9 May	ISWGNA, Editor, Project Manager	Moved forward to 21 April
Summary of comments from world-wide review on chapters 20, 22, 25 and 27 submitted to the Editor	31 May	ISWGNA	
Finalized detailed outlines	31 May	ISWGNA, Editor, Project Manager	
Drafting of the remaining chapters/annexes of Volume 2 and submission to ISWGNA	30 June – 15 July	ISWGNA, Editor, Project Manager	
Revision and posting of the remaining chapters/annexes of Volume 2	15 July – 31 July	ISWGNA	
Conclusion of the world-wide review on Volume 2	31 August		
Finalize chapters 20, 22, 25 and 27 and submit to the ISWGNA	30 September	Editor	
Summarise world wide comments on remaining 8 chapters and 2 annexes and submit to the Editor	30 September	ISWGNA	
Meeting to discuss final version of 4 chapters, comments on 8 chapters and 2 annexes	Mid- October		
Revised Volume 2 for submission to the UNSC in 2009	Mid- December	Editor	

Items marked as 'Done' in this to-do list will be omitted in the following to-do list.