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## THE SNA UPDATE PROJECT: MILESTONES PASSED AND ON THE ROAD AHEAD By Carol S. Carson, Project Manager for the SNA Update

The turn of the year is usually a good time to step back to get an overview of the milestones just passed and on the road ahead. For the SNA update, such an overview may be particularly useful because of the project's complexity – a number of different groups are involved in several different steps, some of which run in parallel. Looking back over 2006, it is clear that a number of important milestones were passed, but certainly there are challenges ahead for 2007.

### Milestones passed in 2006

Early in the year, the fourth meeting of Advisory Expert Group on National Accounts (AEG), in Frankfurt, marked the formal end of the issue-oriented phase of the update project. The AEG considered papers that represented the research by a wide range of topical expert groups. These included the Canberra II Group on Non-Financial Assets, the Task Force on Pensions, the Task Force on the Harmonization of Public Sector Accounts, the Task Force on the Valuation and Measurement of Equity, the Task Force on Financial Services, the Expert Group Meeting on Industrial Statistics, and the IMF Committee on Balance of Payments Statistics. The agenda for the meeting was heavy both in terms of the number of issues and of their difficulty and importance. The AEG agreed on recommendations on almost all points of the issues before it. On the few where it did not, a time-bound way forward was identified so that the drafting of the *1993 SNA, Rev. 1* could proceed. Over its four meetings beginning in

2004, the AEG had considered each of the 44 issues it was asked to review. (For a list of the 44 issues, see the Special Supplement to No. 18 of *SNA News and Notes*.)

In March 2006, at its 37<sup>th</sup> session, the Statistical Commission concluded that the update project was moving ahead well in accordance with the agreed timeframe. The Commission welcomed the inclusion of a chapter on the measurement of the informal sector activities in the updated 1993 SNA. It noted concerns about the treatment of unfunded pension schemes and the need for continuing consultation on the issue. The Statistical Commission accepted the offer by the Intersecretariat Working Group on National Accounts (ISWGNA) to provide a strategy for implementing the updated SNA, along with the draft of *1993 SNA, Rev. 1* in 2008.

The work programme adopted by the Statistical Commission in 2004 called for a review of the consistency of the recommendations and the overall integrity of the System in 2006. The *Full Set of Provisional Recommendations* was the main vehicle to support this review. This document, which was completed in April 2006, assembled the descriptions of the issues and the AEG's recommendations as of that date. It was posted in four languages on the project website (<http://unstats.un.org/unsd/nationalaccount/snarev1.asp>, maintained by the United Nations Statistics Division) and sent to national

statistical offices and interested central banks with an invitation to comment by mid-September 2006. The document also served as the basis of discussion at several meetings and workshops, including the joint United Nations Economic Commission for Europe/Eurostat/OECD meeting of national accountants in April 2006 and the conference of the International Association for Research in Income and Wealth in August 2006.

Although formally the issue-oriented phase had ended with the fourth AEG meeting, research and consultation on some issues continued into 2006. In accordance with the need expressed by the Statistical Commission for more consultation on the treatment of government unfunded pensions, consultations proceeded in several stages, leading to a compromise that has been widely accepted. The winding up of work on contracts, leases and licenses proved to be complex and required extensive consultation with the AEG. These consultations and work on several points of consistency – for example, on the distinction between market and non-market production and on the treatment of holding gains in property income – proved to be time consuming, and therefore, it took until early October 2006 to conclude on almost all of them. (A few will be resolved as part of the review of draft chapters.)

The ISWGNA launched a page on the project website for the long-term research agenda. It identifies topics related to the SNA that need to be explored but were considered outside the scope of the present update or were likely to take more time than was available.

Meanwhile, the editor began drafting chapters in earnest. In all, some 27 chapters will make up *1993 SNA, Rev. 1*. As described by the editor of the SNA update in No. 22 of *SNA News and Notes*, the first 13 chapters will look recognizably the same as the 1993 volume, although they will be updated as necessary for the changes accepted. More extensive description of new material will mainly appear in new chapters explaining key features and uses of sector accounts. The rest of the world chapter will be revised to link to the ongoing revisions of the *Balance of Payments Manual*, and another chapter will provide a link to monetary and financial statistics. An extended chapter will cover

population and labor input. The first draft chapters were posted on the website for comment by countries and the AEG in early October 2006. More will be posted by the turn of the year. These chapters are part of the first tranche, which mainly covers the sequence of accounts. While the drafts are being reviewed and comments assembled on this first tranche, the editor will begin work on the second tranche in early 2007.

Counting the comments on the *Full Set of Provisional Recommendations* and in the rounds after each of the four AEG meetings, by the end of the comment period almost 100 different countries had commented on the AEG's provisional recommendations. The comments, which are posted on the project website, provide a rich source of information on why countries supported the recommendations or in some cases why they did not, their views on implementation of the recommendations, and ideas about the kind of guidance they hope to find in the updated SNA and in supporting manuals. In depth and breadth, the country involvement has been noteworthy. More is probably known about countries' views at this stage than has ever been known on an international project of a similar scope.

The ISWGNA began its review of the country comments on the *Full Set of Provisional Recommendations* in the final months of the year. As this issue of *SNA News and Notes* is prepared, the ISWGNA is putting final touches on its report for the Statistical Commission's consideration in early 2007. This report will transmit the ISWGNA's recommendations for the update of the SNA, and it will be accompanied by a background document entitled *The Full Set of Consolidated Recommendations*. This document also includes complete recommendations where consultations were still in progress earlier in the year and selected clarifications.

### Milestones Ahead

It is likely that the progress matrix of the draft chapters on the project website will prove its worth in 2007. (See <http://unstats.un.org/unsd/sna1993/draftingPhase/ChapterIssueMatrix.asp> .) At times during 2007, the editor will be drafting chapters,

countries and the AEG will be reviewing chapters, and the ISWGNA will be assembling comments on chapters posted earlier. The progress matrix is designed to help track all these efforts and their timelines. In this issue-by-chapter matrix, the entry for each chapter changes color to indicate the advancing stages of the chapters. From the progress matrix, two mouse clicks take the website's user to the draft chapters. For the chapters out for comment, there is a template for comments and a clear statement of the end of the 60-day comment period to encourage timely submission.

The AEG will meet during 19-23 March, 2007, hosted by the United Nations Economic Commission for Africa in Addis Ababa, Ethiopia. The timing was planned so that the meeting would have the benefit of the Statistical Commission's reactions to the recommendations. The main agenda item will be on draft chapters, drawing on the Commission's reactions to the recommendations and comments received from countries and AEG members on the draft

chapters in the first tranche. Other agenda items will include proposals for manuals to support the SNA, opening consideration of the topic of general implementation, and early organizational steps on the long-term research agenda. A second AEG meeting in 2007 is planned toward the end of the year to deal with the second tranche of chapters and more on implementation.

The ISWGNA, in addition to overall coordination, will continue to support the editor by reviewing drafts and by researching and helping to reach conclusions on points that come up in the drafting, consulting the AEG as appropriate. The attention of the ISWGNA will increasingly turn to implementation of the recommendations, with a view to delivering on its commitment to present an implementation strategy to the Commission in 2008.

All these efforts will need to come together to meet the goal of having the draft *1993 SNA, Rev. 1* ready for adoption by the Statistical Commission at its session in early 2008. The year 2007 will be a busy one!

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## UPDATE OF THE BALANCE OF PAYMENTS MANUAL, FIFTH EDITION (BPM5) By Robert Dippelsman, IMF

The *Balance of Payments Manual* is being updated under the auspices of the International Monetary Fund's Committee on Balance of Payments Statistics (Committee), a continuing body consisting of experts from national compiling bodies and international organizations. The edition being updated is the fifth edition, which was released in 1993 and marked the harmonization of balance of payments statistics with the *System of National Accounts, 1993* (1993 SNA). As such, the BPM5 update is closely aligned with the update of the 1993 SNA with a view to maintaining the harmonization. Many of the major issues that have emerged or have become more important in international transactions and positions also arise in the SNA process. The Committee nominated about twenty issues adopted for the current review of the SNA and the new Manual will be consistent with the agreements reached. The update also takes into account the methodological progress made in recent years

on international reserves, international trade in services, and external debt.<sup>1</sup>

Abstracting for specific issues, three main themes can be identified: globalization, the increased emphasis on balance sheet issues, and financial innovation.

### Driving Themes and Major Issues

**Globalization** has brought several issues to greater prominence. An increasing number of individuals and companies have connections to two or more economies, so that additional guidance needs to be provided on the residence concept. In particular, there has

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<sup>1</sup> The work incorporated *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (2001), *Manual on Statistics on International Trade in Services* (2002), and *External Debt Statistics: Guide for Compilers and Users* (2003), respectively.

been increasing interest in information on migrant workers and their associated remittances flows. As well, globalized production processes have become more important, so treatments have been developed to provide a fuller and more coherent picture of outsourced physical processes (goods for processing) and sales or management of manufacturing that are separated from physical possession (merchandising). Guidance will also be provided on the residence and activities of special purpose entities and other legal structures that are used for holding assets and that have little or no physical presence. For the first time, there will be specific guidance on the treatment of currency unions, which will be covered in a separate appendix.

The new manual will reflect increased interest in **balance sheet** analysis for understanding international economic developments in terms of vulnerability and sustainability. The new manual will provide considerably more detailed guidance on the international investment position, which is a country's balance sheet of external financial assets and liabilities. It will also provide much greater discussion of revaluations and other volume changes and their impact on assets and liabilities. Specific publications have been developed over the last decade on international investment position, external debt, financial derivatives, and reserve assets. The results of this detailed work will be incorporated into the new manual. In recognition of the emphasis on balance sheet aspects, it is planned to entitle the new edition *Balance of Payments and International Investment Position Manual*, although the acronym *BPM6* will be adopted.

**Financial innovation** includes the growth of new financial instruments and arrangements among institutional units. Examples of

instruments include financial derivatives, index-linked securities, and gold accounts, and of special purposes entities as institutional arrangements. While the basic concepts of direct investment remain essentially unchanged, with growth of complex cross-border company structures, there is a need to provide guidelines on identifying direct investment in cases of long and complex chains of ownership. The direct investment treatments are being revised in conjunction with the OECD, which is also revising its *Benchmark Definition of Foreign Direct Investment* at the same time.

### The Update Process

The preparatory work for the update of the Manual included several rounds of input from compilers and users. Technical expert groups were established to deal with specific areas, namely, currency unions, direct investment, and other issues (all in 2003) and reserves (in 2005). The groups made recommendations that were taken to the Committee. The issues and proposals for dealing with them were spelled out in an annotated outline, which was sent to all member countries for comment in April 2004 and published on the IMF's website at the same time. The first published draft of the manual is expected to be made available on the website in early 2007. Comments will again be invited and a final version will be produced in 2008.

A section of the IMF website deals with the update process:

<http://www.imf.org/external/np/sta/bop/bopman5.htm>

It includes the annotated outline as well as papers and reports from the technical expert groups.

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## UPDATING TOURISM STATISTICS STANDARDS By World Tourism Organization

Two international standards on tourism statistics are currently under review: the *Tourism Satellite Account: Recommended Methodological Framework* (TSA) approved by the Statistical Commission in 2000 and *1993 Recommendations on Tourism Statistics*.

The update of the TSA is carried out by the Inter-agency Coordination Group on Tourism Statistics (IACG on TS) created in

2004 at the request of the Commission, comprising the UNWTO – acting as convener – UNSD, IMF, OECD, Eurostat, WTO and ILO. The scope of this work included the identification of issues where coordination was required in order to find mutually accepted solutions to close conceptual gaps between the TSA and related macroeconomic frameworks (1993 SNA, BPM5, Manual on statistics of international trade in services, household and

migration statistics). In the update process it has become evident that most gaps require *amendments* (mostly clarifications, editorial amendments and interpretation) in the text of the frameworks. Only one issue, the definition of visitor – with particular emphasis on the precise identification of business visitors – was identified to require a *change* in the present TSA standard.

In contrast, the 1993 *Recommendations on Tourism Statistics* requires a thorough revision. As the work on the TSA update progressed, it underlined the need to simultaneously revise the 1993 standard, in which the basic elements of the System of Tourism Statistics (STS) were set up: partly because the TSA already modified and expanded some of the 1993 Recommendations' concepts, definitions and classifications, and also due to the development in national STSs since 1993. UNWTO presented a list of issues related to tourism statistics that required specific discussion.

Based on these considerations, the IACG on TS agreed in September 2005 on a parallel revision and updating of tourism statistics international standards emphasizing the need for consistency between the TSA update and the revision of the 1993 Recommendations.

An electronic forum was launched by UNWTO in April 2006 that identified issues related to each of the standards separately and asked for comments on IACG on TS and UNWTO contributions and for new proposals. The discussion carried out by the IACG on TS both at the plenary and technical levels has been the initial input for the forum.

As an additional contribution to this revision process, UNSD and UNWTO jointly organized an International Workshop on Tourism Statistics on 17-20 July 2006 at UNWTO headquarters in Madrid. It was attended by 79 participants representing 33 countries and 7 international and regional organizations. It focused on areas where revision of the existing 1993 Recommendations standard is needed and made concrete proposals regarding suggested revisions already available on specific recommendations. Also the need for establishing connection between tourism statistics and the TSA and related

macroeconomic frameworks was identified as an objective of the revision process.

The workshop provided a lively discussion forum in which it became clear that both *changes* and *amendments* to the 1993 standard were needed:

- *Changes*: (i) will be justified by national experiences since 1993, (ii) will foster international comparability by developing national STSs and (iii) will be focusing on the need to close conceptual gaps in the present TSA standard *vis a vis* other related macroeconomic frameworks;
- *Amendments* are extensively required both in the restructuring of the present document and in the rephrasing of a significant number of existing paragraphs.

During 2007, the revision/update process of both standards is planned to be finalized. Regarding the TSA update, in the meeting scheduled for 23 January 2007 in Madrid the IACG on TS is expected to complete the work that has focused on a number of issues (see <http://www.worldtourism.org/statistics/forum/login.php>). By September 2007, the IACG on TS will approve the final text to be presented to the Statistical Commission.

Regarding the revision of the 1993 standard, the Expert Group on Tourism Statistics will meet in New York in 2007 and discuss the full provisional draft. In March 2008, both documents will be presented to the 39<sup>th</sup> session of the Statistical Commission in the following way:

- UNSD and UNWTO will jointly present the revised 1993 standard for discussion and approval.
- UNWTO and IACG on TS will present the updated TSA standard as a room document for information. It would only differ from the text of the present publication in some paragraphs (including mostly clarifications and other types of amendments) and will include updated classifications due to the revision of ISIC and CPC, already adopted in 2006.

The IACG on TS also agreed in its meeting held in Montreal in September 2006 that the two standards will be published separately by the United Nations. Subsequently, UNWTO will re-package and

distribute them as a single set entitled “Principles and Recommendations on Tourism Statistics and Tourism Satellite Account”, that may include additional material if deemed necessary.

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## **THE 2007 ROUND OF REVISIONS FOR ISIC AND CPC**

**By UNSD**

### **Mandate for the revisions**

The Statistical Commission, in deliberations during its thirtieth session in 1999, recommended the revisions of the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC), in two stages: firstly a limited review or update of the classifications to address issues such as the improvement of the explanatory notes and minor structural change, to be completed by 2002; followed by a more comprehensive overhaul of the classifications that would address major structural issues, underlying theoretical principles and introductory material presented in the classifications, in addition to issues such as improvement of the explanatory notes. This latter revision was scheduled for completion in 2007.

### **Objectives**

The larger objectives of this 2007 round of revisions were to render the classifications more authentic in the way they reflect current economic reality and enhance comparability with other classifications, while ensuring continuity of the classifications as much as possible.

### **Inputs into the revision processes**

UNSD served as the primary executing entity for these revisions. The Expert Group on International Economic and Social Classifications performed an oversight function, reviewing the plans and processes to be employed. The Expert Group delegated the detailed work of providing specialized input into the classification to its Technical Subgroup of the Expert Group on International Economic and Social Classification. The Subgroup met more than ten times, usually for one week at each session, to contribute exhaustive, detailed input into the revisions.

Apart from this input, the process was characterized by extensive consultation throughout. Member states, regional and international stake-holders as well as academia, the legal community and others were afforded the opportunity to record their opinions on every aspect of the revisions. In this regard, three rounds of detailed inquiry were undertaken worldwide, through country questionnaires seeking input into the ISIC and CPC revision process. Each round of inquiry generated responses from at least sixty countries. Among the concerns that they addressed were: structural and conceptual issues, cross-cutting and boundary issues and, in the case of ISIC, coding considerations. Each successive round of consultation took into account the responses received in previous rounds. In the final circulation, the full detailed structures complete with explanatory notes were circulated for comment.

In the case of CPC, proposals relating to specific sections of the classification, such as health services, waste management services and information products were also presented.

In addition to those circulations, seven regional workshops were conducted to present the elements of the revisions to countries and to canvass for consensual regional and national points of view with respect to the planned changes. Also as part of the consultative process, international agencies such as the Food and Agriculture Organization of the United Nations (FAO), the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD) or the United Nations Educational Scientific and Cultural Organization (UNESCO), took active parts in the revisions, particularly with respect to those portions of the classification that are directly related to their programmes of work. Regional entities, such as the Association of South-East Asian Nations (ASEAN) were also consulted.

## ISIC-specific revision issues

Parallel to the revision process, there was an early initiative from a subset of regional and national agencies with an interest in maintaining comparability of their activity classifications with ISIC. This took the form of a convergence project involving the Statistical Classification of Economic Activities in the European Community (NACE) and the North American Industry Classification System (NAICS), along with ISIC. This project resulted in generation of a substantial amount of background information and research that was useful to the revision of ISIC. It also served to point out the limitations to ISIC and other classifications, in the degree of convergence that they could achieve.

The completion of the revision exercise has resulted in an ISIC structure that is more detailed than the previous version, responding to the need to identify many new industries separately. The relevance of the classification has been enhanced with the introduction of new industry concepts, such as “Information and communications”, and greater detail, particularly for services industries. The visibility of some service industries has been increased by elevating them to a higher level in the classification structure, reflecting their growing importance. Comparability has also been enhanced with a number of activity classifications such as NAICS, NACE or the Australian and New Zealand Standard Industrial Classification (ANZSIC) and others, thus making ISIC a much improved tool for international data comparison.

The new complete ISIC manual will include an Introduction which details the methodological and conceptual basis of the classification and its application. Additionally, a number of Alternate Aggregations will be included as Annexes in the manual. Of special interest to National Accounts practitioners, an alternate aggregation structure at the highest level, containing 10 categories appropriate for SNA-type analysis as well as an intermediate level of 38 categories, will be presented in an Annex in the ISIC manual. In addition, alternate aggregations for Information and Communications Technology (ICT) industries, the Informal Sector and an alternate structure for Non-profit institutions will be part of the manual.

## CPC-specific revision issues

In formulating the revision of CPC, two alternatives to the current structure were examined – the industry-of-origin approach and a demand-based approach. Both options would have required a serious restructuring of the complete classification. In light of conceptual problems with the first approach and lack of experience with the second approach, it was decided to maintain the current CPC structure until especially the requirements for and usefulness of the second approach can be validated. This decision was endorsed by the Expert Group and the Statistical Commission.

In addition to inputs received through the combined ISIC/CPC questionnaires, proposals from external sources such as the Voorburg Group on Service Statistics were discussed and incorporated into the revisions. Additionally, the Food and Agriculture Organization of the United Nations cooperated actively in the review and elaboration of the portion of the CPC dealing with agriculture and food products. Further, some issues arising out of the revision of the 1993 SNA were taken into account in an attempt to make the CPC a better tool within the SNA framework. For example, there has been a consistent introduction of the concept of originals and copies throughout the classification.

With regard to the outcome of the revision, one of the consequences of the process is that the scope of the CPC has been refined and is now better understood. In particular, the boundary distinguishing between a product classification and an asset classification has been clarified through consultation with experts on National Accounts.

Taken as a whole, the main structure of CPC remains unchanged, with improvements and adjustments made to the following areas: agricultural raw and processed products, information products, information and communication technology-related products, transportation services, accommodation services, professional services, waste management services, health services, telecommunication services and originals.

## Future activities

Following the recommendation of the Expert Group, the draft structures of ISIC Rev. 4 and CPC Ver. 2 were presented to the Statistical Commission in March 2006. Their structures were approved as the recommended economic activity and product classification standards respectively. Additionally, the Statistical Commission has recommended that countries should be able to report data at the two-digit level of ISIC without loss of information, that is, national classifications should be fully compatible with this level of ISIC.

Following the publication of these two classifications, the focus of work in this area will move to the implementation phase. A prime objective in this regard will be to ensure that countries can make use of the improved classifications as quickly as possible and that classifications providing comparable data around the world are put to use in major

statistical programmes. An implementation strategy will be presented at the next meeting of the Statistical Commission in 2007.

To ensure maximum utility of ISIC and CPC, a Companion Guide to ISIC and CPC is being prepared, to address conceptual issues in greater detail and assist with implementation of the classifications. This guide will explain the rationale for the existing structures of ISIC and CPC, elaborating on the conceptual and methodological positions that were adopted and further addressing issues such as the scope of the classification and application of its rules. In a selection of areas, it will focus on the complimentary relationship in interpretation of ISIC and CPC e.g. for "Information products" or "Originals and copies". Special applications of ISIC and CPC, such as the areas of Tourism, Non-profit institutions or the application in household surveys will also be addressed.

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## PUTTING NON-PROFIT INSTITUTIONS ON THE ECONOMIC MAP OF THE WORLD: A PROGRESS REPORT

By Lester M. Salamon, Johns Hopkins University

### Background

Recent years have witnessed a significant growth of interest in the role that non-profit institutions and the volunteers they help to mobilize play in addressing social needs, promoting civic involvement, and improving the quality of life in countries throughout the world. Efforts to understand this set of institutions and to fashion policies supportive of its development have long been impeded, however, by a lack of basic information. This has been due in part to the treatment of non-profit institutions (NPIs) in the 1993 SNA's sectoring rules. Under these rules, most of the economically most significant NPIs are assigned to the corporations or government sectors because they receive substantial shares of their revenues from fees or government support. This means that the SNA's Non-Profit Institutions Serving Households (NPISH) sector covers only a relatively small fraction of all NPI economic activity.

### *The Handbook on Non-Profit Institutions in the System of National Accounts*

To gain a fuller picture of the economic contribution of NPIs, the UN Statistics Division (UNSD) worked with a Consultative Group and researchers from the Johns Hopkins University to produce a *Handbook on Non-Profit Institutions in the System of National Accounts* designed to provide a more comprehensive picture of the economic contribution of non-profit institutions (NPIs).

Issued in December 2003 with the concurrence of the Statistical Commission, this *Handbook* makes four major refinements to the 1993 SNA treatment of non-profit institutions:

- It recommends the production of regular NPI "satellite accounts" that pull together data on all NPIs, including those assigned to the corporations or government sector;



- It provides a refined definition of an NPI to make it possible to identify these entities in the other sectors;
- It recommends the use of an International Classification of Non-Profit Organizations (ICNPO) that elaborates on ISIC Rev. 3 to differentiate NPIs; and
- It calls for coverage of volunteer work in the NPI satellite account and provides a recommended way to value it.

### Implementation Progress

At the invitation of the UNSD, the Johns Hopkins Center for Civil Society Studies, which helped to develop this *Handbook*, has been spearheading an effort to promote its implementation, with results to date that are encouraging. In particular:

- Partnerships have been forged with the UN Volunteers Programme, the European Commission, the UN's regional Economic Commissions, and with the Skoll, Ford, Kellogg, and Sasakawa foundations to promote the implementation of the *Handbook*;
- Regional workshops have been held to introduce national accountants to the *NPI Handbook* in Europe, Latin America, Africa, and Asia, and follow-up meetings arranged with national statistical authorities in more than 20 countries;
- Twenty-six (26) countries have so far committed to implement the *Handbook* (Argentina, Australia, Belgium, Brazil, Cameroon, Canada, the Czech Republic, France, Ghana, India, Israel, Italy, Japan, Kenya, Kyrgyzstan, Korea, Mali, Morocco, New Zealand, Peru, Philippines, Slovakia, South Africa, Uganda, the United States, and Zimbabwe);
- Eight countries have produced the "NPI satellite accounts" called for in this *Handbook*, and at least three (Belgium, Canada and the United States) have produced updates.

### Initial Findings

Initial findings from six of the eight reporting countries (Australia, Belgium, Canada, France, Japan, and the United States) have been processed and are quite revealing. They demonstrate that:

- The GDP contribution of the NPI sector is actually anywhere from 2.3 to 6.2 times larger than that of NPISH, and, at 5.7 percent, exceeds that of the utilities and construction industries in these same countries;
- The average NPI share of employee compensation in these countries, at 7.2 percent, exceeds that of utilities, banking and insurance, construction, and transportation;
- NPIs are far more labour-intensive than non-financial corporations, devoting a far larger portion of their operating expenditures to labour than do non-financial corporations (57 vs. 31 percent).
- In the four countries for which historical data are available (the USA, Belgium, Japan, and Canada), the average nonprofit contribution to GDP has recently grown at nearly twice the growth rate of overall GDP (6.4 percent vs. 3.3 percent).
- Voluntary contributions of time far exceed the value of contributions of cash as a source of philanthropy (66 percent vs. 34 percent).

These and other findings are making it possible for policy-makers to take much more explicit account of NPIs in their policy deliberations and to bring these important institutions into far better focus for the media, researchers, and the general public.

For further information on the *NPI Handbook* and the steps being taken to implement it, contact [UNHandbook@jhu.edu](mailto:UNHandbook@jhu.edu), or visit [www.jhu.edu/ccss/unhandbook](http://www.jhu.edu/ccss/unhandbook).

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## UNDERSTANDING NATIONAL ACCOUNTS – A TEXTBOOK FOR STUDENTS

### Information by OECD

The OECD has just released a publication *Understanding National Accounts*. The main authors François Lequiller and Derek Blades have been heads of the national accounts division in the OECD.

This textbook is mainly directed to a public of students in macroeconomics, future extensive users of national accounts. It is particularly adapted for training the young staff of national accounts departments.

The book has several original features. First, the authors have made a special effort to try to answer the questions of users keeping the necessary conceptual and statistical rigour, but using, as much as possible, a language that will allow non-specialists to better understand the “religion of national accounts”. Each chapter begins with an introduction discussing some economic statements or policy recommendations of the OECD, and then the chapter explains the definition of the variables used in these economic analyses and, also, their limitations. The book also contains a notable number of concrete examples, illustrated by data of different OECD countries.

Another practical approach by the authors is to conclude each chapter with a summary of “what should be remembered” and several exercises, whose answers will be made available on the web pages devoted to the

manual. The book is up to date as it already informs readers on the new version of the SNA, expected for 2008. Moreover, the book devotes special attention to international comparisons and three special chapters on the United States, China and India. While the US case is especially important for the completeness of its national accounts data, this book offers, for the first time, a well structured description of Chinese and Indian data extremely useful even for specialists of national accounts.

In addition to these special chapters, the book contains numerous boxes on specific issues of national accounts, including the descriptions of sources. It explains the impressive amount of data which are incorporated inside the national accounts data framework. It will help users to understand that national accounts are not only GDP but also household accounts, general government accounts, financial accounts and balance sheets, etc. Finally, this manual is one of the first “E-Books” of the OECD. It is available in a printed version but is also available in electronic format at <http://www.oecdbookshop.org/oecd/display.asp?CID=&LANG=EN&SF1=DI&ST1=5L9VCJGSD7LR>. Most tables of the electronic version possess a “Statlink” with an Excel file in which the reader can find more data than in the printed table.

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### MEETINGS AND SEMINARS

19 -21 December 2006: ESCWA regional workshop on National Accounts, Cairo, Egypt.

19-23 March 2007: Fifth Meeting of the Advisory Expert Group on National Accounts, Addis Ababa, Ethiopia.

29-30 March 2007: Meeting of the Task Force on Finance Statistics, Geneva, Switzerland.

2<sup>nd</sup> Quarter 2007: Meeting of the Inter-Secretariat Working Group on Price Statistics; date and location to be announced.

16-20 April 2007: Meeting of the Expert Group on International Economic and Social Classifications, New York, USA (tentatively).

17-19 April 2007: Meeting of the Task Force on International Merchandise Trade Statistics, hosted by FAO, Rome, Italy.

April 2007: Meetings of the Canberra II Group and National Experts on Science and Technology Indicators (NESTI); date and location to be announced.

25-27 April 2007: UNECE Workshop for Central Asian Countries on Measuring the Non-Observed Economy, Bishkek, Kyrgyzstan.

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### **Editorial Note**

SNA News and Notes is a bi-annual information service of the ISWGNA prepared by United Nations Statistics Division (UNSD). It does not necessarily express the official position of any of the members of the ISWGNA (European Union, IMF, OECD, United Nations and World Bank).

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The 1993 SNA with search capability, national accounts glossary, handbooks on national accounts and activities and reports of the ISWGNA can be accessed on the internet: <http://unstats.un.org/unsd/sna1993/introduction.asp>

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