

Chapter 9: The use of income account – Comments of the worldwide review - Overview

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Comments overview:

Date	Country/AEG member	Internal: incoming's format
17/01/2007	John Pitzer	<i>Word template and PDF document</i>
01/01/2007	China (CB)	
20/12/2006	Eurostat	
19/12/2006	Ole Berner (AEG)	
14/12/2006	Korea (CB)	<i>They agree and have no comments</i>
11/12/2006	Karen Wilson (AEG)	<i>Only editorial comments</i>
08/12/2006	Mexico (NSO)	<i>Comments in Spanish</i>
05/12/2006	Australia (NSO)	
04/12/2006	Reimund Mink (AEG)	<i>Word template and PDF document</i>
02/12/2006	IMF	<i>Word template and PDF document</i>
01/12/2006	Johan Prinsloo (AEG)	<i>PDF document</i>
01/12/2006	Malaysia (NSO)	
01/12/2006	Switzerland (NSO)	
01/12/2006	Germany (NSO)	
01/12/2006	Czech Republic (NSO)	
30/11/2006	Hong Kong (NSO)	
30/11/2006	Vietnam (NSO)	<i>They agree and have no comments</i>

Chapter 9: The use of income account – Part I: General comments

Hong Kong

The re-orientation of some of the paragraphs in the chapter is agreeable as it helps enhance the presentation and organization of related topics. For the section on expenditures on particular goods and services, it will be useful to also include games of chances or betting services.

Germany

It is to our great pleasure, that the very understandable way of presentation of the SNA-93 has been kept. With regard to consumer durables, we wonder why this issue has been introduced (in paras 9.43 – 9.45). This item is not an issue on the official list of revision issues.

IMF

In general we welcome the review of the chapter. We would have several editing suggestions on the version that is posted (version 2 of /31/2006). The two indicated recommendations for this chapter (items 2 and 37) have not yet been incorporated.

Reimund Mink

Why not to start the chapter with some key definitions for users (like in section I (Final consumption expenditure and actual final consumption: summary))?

It might be useful to clarify at the start of the document the meaning of text formatting: for instance, is italic for definitions, bold for important sentences?

The text should generally record matters of significance only, be based on general principles, and leave prescriptions and practicalities to guidance notes.

The text would benefit from concrete examples in several instances, and clarify the significance of some items (paragraphs 9.43 to 9.45, 9.60 to 9.64, 9.81, 9.82, 9.85, 9.93 and 9.94).

Identification of changes could be made clearer, if not by means of tracked-changes, at least by using color codes or lines in the margin.

If accounting entries are described in the text reference should be made to the tables. Par. 9.7 starts with the disposable income (Table 9.1, resources) and continues with final consumption (Table 9.1, uses), while the tables are shown in the opposite order. In this context a table without the sector breakdown would be more illustrative (like Table 14.1).

Australia

The inclusion of definitions into the manual is a positive initiative that we would encourage be extended. The use of terms such as amount, value, business, enterprise could be tightened and consistently employed.

The implication of definition of consumption in paragraph 9.2 is that all consumption is final consumption. There is a need to clarify the definition with respect to intermediate consumption. This has an impact throughout the chapter.

Eurostat

We found this chapter very good and we would like to congratulate the editor for this achievement. We support the idea of having key definitions highlighted. We have very few comments of detail below.

9.20: seems to say that production for own-consumption is treated in the chapter on secondary distribution of income.

9.44: "utility function" seems more appropriate than "consumption function" in the first sentence.

China

At the beginning of this chapter, there should be given the core definition about some terms, just like consumption expenditure etc.

John Pitzer

The organization of this chapter is better than the organization of the reference chapter, and the additional explanatory paragraphs are welcome and appropriate.

It is not possible to comment on the clarity with which the new recommendations were incorporated because the pension issue is the only relevant recommendation and apparently it is not yet resolved.

There are several issues regarding the uses of terms that exist in the reference chapter and still need to be clarified. For example, "final consumption" should be used rather than "consumption" to avoid any notion that intermediate consumption might be included. The term "taxation or other revenue" occurs several times but is quite vague and possibly misleading. In most cases it can simply be omitted. Revenue is not defined in the SNA, other revenue might include sales when compulsory transfers are probably intended, and expenditures can be financed by borrowing rather than revenue.

Nowhere in this chapter or chapter 8 is it stated why some transfers in kind are social transfers in kind and others are different types of transfers with the two categories of transfers being given quite different treatments in the System. The different treatments are crucial and a rationale should be given. Also, why are some transfers in kind to residents social transfers in kind and identical transfers to nonresidents are not social transfers in kind?

It would be very helpful to state prominently that Actual Final Consumption less Final Consumption Expenditure and Adjusted Disposable Income less Disposable Income both equal Social Transfers in Kind by definition. These equalities are referenced several times, but often not the fact that they are equal by definition. Considerable repetition could be avoided or reduced with a prominent statement early in the chapter.

Additional suggestions are included in the PDF file.

Chapter 9: The use of income account – Part II: Comments on specific draft paragraphs or passages

1. Section C contains expanded text on the treatment of imputed expenditures including the treatment of income in kind and barter.

Hong Kong

The elaborations are useful and enhance clarity.

Germany

We understand that the old parts D.4 and D.5 have been moved to the new section C. We suggest to include a “memory” paragraph under the new section D.3

IMF

We are not yet satisfied with the new text in Sections B and C for the following reasons:

Expenditures are often used in a wider concept than they are defined in para 9.32. It would be good to explicitly limit this definition to goods and services.

We see expenditures as a type of transactions rather than as values such as defined in para 9.32. This implies that we would see barter transactions not as imputed expenditure, but as a class of transactions for which there is no directly observable exchange value.

We would like to see the discussion in Section B start with acquisitions (the more general case) and treat expenditures as a subclass thereof.

Expenditure could then be acquisitions with a counterpart; they would include barter and goods and services obtained as income in kind.

The text could explain that the System classifies acquisitions of goods and services by the type of use the owner makes of them.

Australia

9.51 Conceptually where two items have been bartered their market value must be the same i.e. the parties have agreed to exchange the items. The difficulty comes in practice when the value needs to be expressed in dollars. While the recommended solution seems to be a practical one, there may be other approaches for estimating market value that might be more appropriate at least in particular circumstances. The use of the term market value in this paragraph may be the sticky point.

9.56 Calculation of the value of own-account goods and services should also include a cost of capital and mentioning this explicitly may be useful.
9.57 The section on sales of existing goods should be clarified to distinguish it from the treatment of inventories.

Eurostat

9.50: please note that existing goods are defined only later in the chapter, in 9.57. It seems that some changes in the order with respect to SNA93 should be re-checked for cross-references.

China

If we can put the expenditure as a subclass, that will make the section more logically.

John Pitzer

Collecting references to imputed expenditures into a single, separate section is a good idea. Implementation, however, is always difficult.

Paragraph 9.46 starts this section rather abruptly. One paragraph indicating why this section exists would be a great help. It is not clear whether this section should be about (1) imputed values of final consumption expenditures only, or should include imputed values of actual final consumption, (2) imputed transactions as well as imputed valuation of actual transactions, (3) rearrangements of actual flows, or (4) all difficult/unusual transactions related to final consumption. This section should be only repeating and emphasizing material in other chapters, and that point should be stated explicitly. Most importantly, the equivalent section in Chapter 3 should be referenced and care should be taken to use the same language. In particular, chapter 3 includes a section on "other payments in kind." Why are they excluded from this section?

Transfers in kind should be included. Given their importance in this chapter, their omission is surprising, especially social transfers in kind.

Sales of existing goods as negative expenditures are not imputed expenditure, unless made for in-kind compensation, in which case they most likely are barter. This section should be placed elsewhere.

Chapter 9: The use of income account – Part II: Comments on specific draft paragraphs or passages

2. Section C has more detail on the types of financial service paid for by households indirectly, which need to be identified and separated from transaction prices or interest flows.

Hong Kong

As to paragraph 9.68, with the inclusion of the values of imputed service charges on buying/selling of securities in the use of income account, corresponding adjustments may be needed to exclude such values from (i) the value of the securities in the financial account and balance sheet, and (ii) the value of holding gains/losses in the revaluation account. It would be useful to briefly mention these adjustments in the paragraph, and provide a reference to the relevant chapters/paragraphs for cross reference.

IMF

We welcome the further However, FISIM paid by households is not explanations provided by Section D. necessarily final consumption expenditure because households can also act as producers.

Reimund Mink

The changes could not be clearly identified between the old and the new version. Could you please elaborate?

Australia

9.66-9.67 The values for financial services are not imputed rather they are indirectly measured.

9.70 We note that the practice described here is just one method for the calculation insurance and pension services. There are other methods including that adopted by the ABS (allocation by line of business) which can be equally, if not more, appropriate. We would prefer that the SNA not be prescriptive in its treatment.

9.68 In the Australian context we are not aware of securities being traded in this manner i.e. on margin. Are any examples of this occurring in other countries? Perhaps the point could be generalized rather than based on examples.

9.70 We note that the practice described here is just one method for the calculation insurance and pension services. There are other methods including that adopted by the ABS (allocation by line of business) which can be equally, if not more, appropriate. We would prefer that the SNA not be prescriptive in its treatment.

9.78 A basis other than "time of delivery" may be equally acceptable for the time of recording expenditure on hire purchase, financial lease and

similar arrangements e.g. exchange of contract, taking control of the item. It would be preferable if the time of delivery criterion was used to illustrate the applicable concept i.e. acquiring 'economic' control over the item.

9.81 Suggest that the sentence "Household expenditures are nevertheless recorded at the prices actually paid, even though this may mean that goods and services may not be valued uniformly." be changed to read "Household expenditures are nevertheless recorded at the prices actually paid, as this provides a measure of the appropriate transaction values."

Eurostat

At the end of 9.66, it should be specified that Fisim payable by households corresponds to final consumption expenditure when they act as consumers, on the contrary when they act as producers (owners of dwellings or of unincorporated enterprises) Fisim corresponds to intermediate consumption.

At the beginning of 9.67 it would be better to speak of indirectly measured services rather than imputed services.

China

We don't think this section make the progress than the old edition.

John Pitzer

The updating of this section is good. Only a few minor editorial changes are suggested in the PDF file.

Chapter 9: The use of income account – Part II: Comments on specific draft paragraphs or passages

3. Section F describes the reconciliation between general government output and consumption expenditure.

Hong Kong

The re-orientation with separate sections for consumption expenditures incurred by general government (Section F) and consumption expenditures incurred by NPISHs (Section H) is supported as it provides a more focused discussion on these subjects.

Germany

The main idea is fine.

Germany

However there is an awkward typing error in para 9.105 (fee instead of free).

IMF

We think this is an important improvement.

Reimund Mink

The definition of final consumption seems to have been moved from the old section H to F, and is accompanied by a derivation method for calculation. Is it in substance different from what was in H? If yes, could this be clarified?

Australia

9.101 Perhaps excluding the reference to R&D would be sensible, as this example has the potential to confuse rather than illuminate the point (this also applies in paragraph 9.5).

John Pitzer

Adding this section is an excellent idea, but I think its presentation is a bit too simplified. More detailed comments are in the PDF file.

Chapter 9: The use of income account – Part III: Other specific comments *(or format of template was not used)*

Johan Prinsloo

[See pdf document under http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter9dv2Prinsloo.pdf](http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter9dv2Prinsloo.pdf)

Malaysia

Chapter 9 – ISSUE 2: We carefully worked through all the issue and further clarification and analysis required.

Chapter 9 – ISSUE 37: In the case of Malaysia various issue have to be clarified especially the proposed treatment of guarantees namely guarantees (covered by) financial derivatives; standardised guarantees and one-off guarantees.

Therefore we would like to reserve our position for the time being.

FURTHER COMMENTS POSTED ON DEC 5, 2006

Chapter 9 – ISSUE 2; EMPLOYER'S PENSION SCHEMES

We would like to share the following pertaining to the situation in Malaysia.

a. In Malaysia, government servants are given two options, namely the pension scheme and the Employees Provident Fund (EPF) scheme. For a government servant who opts for the EPF, the government will pay a lump sum on retirement at age 55 or 56. A government servant who opts for the pension scheme will get a monthly allowance after retirement. Age of commencement of payment of monthly allowance depends on age of retirement. The government also provides an option for government servants to retire earlier, from 40 years old for women and 45 years old for man. However, they will be given the pension payment only at age 45 for women and 50 for man. The amount of monthly payment after retirement is normally half of the last basic monthly salary - the actual amount is based on the total number of years of service.

b. Employees in the private sector are provided only with the EPF scheme. They will be paid a lump sum on retirement depending on the age of retirement. However, in the private sector, age of retirement is more flexible than that of the civil service. The private sector also subscribes to the Social Security Organization (SOCSO) to take care of the social safety of its workers.

We sincerely hope that the above aspects could be adequately addressed in the recommendations.

Chapter 9 – ISSUE 37; GRANTING AND ACTIVATION OF LOAN GUARANTEES

In the case of Malaysia, various issues have to be clarified, especially concerning the proposed treatment of guarantees, namely guarantees covered by financial derivatives, standardized guarantees and one-off guarantees.

Switzerland

[Comments in track changes - please see below or](http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dV2Switzerland.pdf)

<http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dV2Switzerland.pdf>

Switzerland (track changes)

9.8 “, ... while the actual final consumption of government units and NPISHs is derived by subtracting ...” (Explanation: NPISHs have no actual final consumption, see 9.110.)

9.17 “ ... while that for government units and NPISHs is obtained by subtracting ... “

9.97 “(c) ... must be such that its acquisition use by one household ... , precludes its acquisition use by other households ... “

(Explanation: more precise wording.)

“(d) The good or service must be such that it is possible and not excessively expensive to prevent anyone from consuming it.”

(Explanation: according to economic theory one of the characteristics of private goods and services is that their consumption is excludable.)

9.99 “ ... , the important characteristic of an individual good or service is that its acquisition use by one household, ... “

9.100 “ ... , certain kinds of services can only be provided collectively ... “

Czech Republic

I appreciate the work done on the revision, nevertheless I have several following comments:

On 9.2:

To fill in the missing end bracket after the word “wants”.

On 9.95:

To replace the word “production” by the word “output”.

To check on the last but one row, whether purchases of goods and services from non-market producers (e.g. NPISH) cannot be pursued. If they can exist, to delete the word “market”.

On 9.103:

To retain also the rest of the text from SNA1993 9.87, at least for “part of the provision of housing”.

On 9.105:

To replace the word “fee” by the word “free”.

IMF

[See pdf document under http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter9dv2IMF2.pdf](http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter9dv2IMF2.pdf)

IMF (PDF)

Para 9.7: Part of the goods and services used by households (actual consumption) are acquired or produced by the government; therefore, not all goods and services are acquired and used by the same institutional sector. The term acquired in this sentence may confuse readers.

Reimund Mink

[See pdf document under http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dv2ECB2.pdf](http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dv2ECB2.pdf)

Reimund Mink (PDF)

Part A.4: The earlier version for D8 was "adjustment for the change in the net equity of households in pension funds". Please explain the change, which should be carefully elaborated upon, as the "new table on pensions" will also refer to this.

Part D.3: The original text stated "expenditure on financial intermediation services", please explain the change

Para 9.4 last sentence: The significance of this difference remains unclear after reading 9.80 to 9.89.

Para 9.6 second sentence: please provide examples of social transfers in kind

Para 9.7 first sentence: It is unclear why final consumption expenditures should differ from actual final consumptions. Paragraphs 9.11 to 9.14 in that respect do not provide further clarification.

Para 9.9 first sentence: The need for two disposable income accounts does not appear justified

Para 9.10: This definition of saving may appear in contradiction with 1) 14.26, which recognizes gross saving as an alternative, and 2) the tables 9.1 and 9.2 which present both concepts

Para 9.19: This paragraph appears as a good opportunity to to explain why the two versions serve different policy purposes, and why it should matter.

Para 9.21-9.24: Paragraphs 9.21 to 9.24 are not clear because only private funded schemes are addressed, and the subject should be addressed from the point of view of the household sector.

Para 9.23: This expression replaces "insurance policy holders" in the previous version. This is however dependent on the outcome of the definitions for financial assets.

Para 9.25: It is not certain that saving is viewed as a balancing item by users

Para 9.27 first sentence: Proposed update: "the unspent income may be used to acquire assets or reduce liabilities", may be turned into "the unspent income may be associated [or linked to] acquisition of assets or reduction in liabilities". This would help avoiding a notion of sequence where simultaneous phenomenon take place (debt taken to consume thus reducing saving).

Para 9.27 fourth sentence: The expression "cash, itself a financial asset", is not sufficiently clear.

Para 9.38 first sentence: It should be convincingly explained why the difference is significant.

Part D.1: Please explain why the distinctions between acquisitions and expenditures and durable and non-durable goods are so important.

Para 9.88 first sentence: The definition of consumption needs to be clear to users.

Title between Para 9.101 and 9.102: Please explain the relevance of this item.

Australia

9.74 This paragraph states that repair and maintenance of durables should be treated as final consumption expenditure and that this is the same way that minor repairs to dwellings are treated. However, para 9.72 only explicitly mentions the treatment of minor repairs where the owner/tenant purchases materials, but not where these are carried out by specialist producers. Perhaps this needs to be elaborated in para 9.72.

9.5 Members of NPI's do not 'own' the NPI's in the current System so it is suggested that the words sentence: " Some of the services provided by NPISHs to the members of the associations that own them have some of the characteristics of collective services;..." be changed to read "9.5.

Some of the services provided by NPISHs to their members have some of the characteristics of collective services;..."

9.7 Rather than simply referring to disposable income as a balancing item it would be useful to include an economic definition of the term.

9.25 Suggest that the description of saving is moved from 9.27 to beginning of 9.25

9.27 Unspent income must be used to acquire assets and/or reduce liabilities, does not have to be exclusively one of the other.

Typographical Errors -- Chapter 9

9.9 second sentence item instead of items. Extra space at end of third sentence.
9.30 typo last sentence - savings ratio not ration.
9.74 typo in "do-it-yourself" - reverse quotes have been used
9.77 extra space inside bracket in last sentence and no space after the bracket
9.105 change "fee" to "free"

Mexico

See comments in Spanish under <http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dv2mexico.pdf>

Karen Wilson

Para.9.2 line 6

Delete the bracket

Para 9.7 line 11

Change "distribution" to "redistribution" as in Para. 9.16 line 5

Table 9.1 and 9.2 (pages 2-5)

These two tables (both resources and use) should be published on one page as appears in 1993 SNA for ease in reading (1993 SNA, Page 204)

Paras.9.46-9.57

The above paragraphs logically follow the Para. 9.36. These paragraphs discuss expenditures and should follow para.9.36 as was in the 1993 SNA. (1993 SNA, Page 207)

Para.9.59 and 9.60

The definitions need not be highlighted

Para.9.66

Should touch the concept of imputed services to provide link to the following Para 9.67 where use of the imputed service is described. This would make for clarity.

9.67 line 9

Substitute "deposit" for "lending" to avoid confusion

Para.9.74 line 3

A definition of 'minor repairs to dwelling' will add to precision. The 1993 SNA describes it as follows: "simple, routine repairs and interior decoration carried out by tenants as well as by owners...purchase of materials used for such repairs or decoration should be treated as final consumption expenditure. (Para.9.59 line 9)

Para.9.74 line 3: A definition of 'minor repairs to dwelling' will add to precision. The 1993 SNA describes it as follows: "simple, routine repairs and interior decoration carried out by tenants as well as by owners...purchase of materials used for such repairs or decoration should be treated as final consumption expenditure. (Para.9.59 line 9)

Para 9.94 last sentence

Delete this sentence (In this way....) as it is confusing. The concepts of "final expenditure" and "final consumption" are applicable to both government and household sectors

Ole Berner

Comments in track changes - please see below or <http://unstats.un.org/unsd/sna1993/projectmanagement/comments/Chapter9dv2berner.pdf>

Ole Berner (comments in track changes)

9.2.: We wonder whether par. 9.2. is necessary. It should at least be made perfectly clear that it is not a classification of products.

9.10: We believe that both gross and net figures are relevant. In particular we find that it is the gross value of disposable income which you can dispose of. The following change is therefore proposed:

Saving, like disposable income and adjusted disposable income, may ~~have to be recorded gross or net~~ of consumption of fixed capital ~~because of the difficulty of measuring the latter. However, consumption of fixed capital is a cost of production and should be excluded, if possible.~~

9.30.: We propose the following change to par. 9.30.:

Adding the change in pension entitlement into total disposable income gives a figure for the saving ratio which is strictly comparable between independent of the amount of pension entitlements shown as accruing through social insurance schemes. The savings ratio for a country which has no social insurance scheme and one where all pension provision is made via such schemes will be strictly comparable.

9.43.: Are there a threshold value which the price of the good has to exceed in order to become a durable good? Should there be a reference to the fact that the durability-classification is based on COICOP? And that this classification besides durable and non-durable goods also operates with semi-durable goods.

9.92 – 9.95.: General Government consists of non-market institutional units and therefore the value of their **total** output is by convention measured as the sum of their costs. Their output can be either market output (e.g. sale of a fully financed special survey from a statistical institute), output for own final use (notably own-account production of software) or non-market output. On this background we propose the following changes to par.

9.92, 93 and 95:

9.92. Most production by units of general government is non-market in nature and, as explained in chapter ???, the value of the ~~non-market total~~ output of these units is estimated by the sum of the costs involved in production. Although government delivers goods and services to the population individually and collectively, the costs of so doing are shown as final consumption expenditure by government.

9.93. The value of government final consumption expenditure on ~~non-market~~ goods and services is not necessarily exactly equal to the value of government output of these non-market units goods and services. The values of these expenditures are equal to the imputed values of the total non-market outputs less the values of any receipts from sales and less the value of output for own final use. These receipts may be derived from sales of some goods or services at prices that are not economically significant or from sales of a few goods or services at prices that are economically significant (sales of secondary market output).

9.95. Final consumption expenditure of government can be derived as follows

The value of the output of the non-market producers production of general government,

less the value of sales of goods and services at both economically insignificant prices and at economically significant prices,

less the value of output for own final use.

plus the value of goods and services purchased from market producers for delivery to households at economically insignificant prices.

John Pitzer

See pdf document under <http://unstats.un.org/unsd/sna1993/projectmanagement/comments/chapter9dv2pitzer2.pdf>

John Pitzer (PDF)

Chapter title: Using the word "Account" in the titles of chapters 6 to 12 causes editorial problems that could be averted by deleting the word. This chapter describes the use of income, but there is no account with the title Use of Income Account. Instead, there is a Use of Disposable Income Account and a Use of Adjusted Disposable Income Account. The same problem occurs in other chapters.

Para 9.1 first sentence: There is a general problem in referring to government units because the general government sector includes government units and nonprofit institutions controlled by government. Perhaps a general comment here could be added with a note that henceforth government units will be used as a shorthand for all units of the general government sector.

Para 9.1. second sentence: It is somewhat confusing to read that there are two concepts of disposable income, one of which is disposable income. Perhaps an explicit recognition of this terminology problem would help.

Para 9.1 fourth sentence: Since expenditure, acquisition, and use are used in this chapter as alternative concepts of consumption, it would be better not to refer to acquired and used together as if they were the same.

Para 9.6 - 9.7: After paragraph 9.6 would be a good place to add one or more paragraphs about social transfers in kind as suggested in the template memorandum. Paragraph 9.8 could then follow the new paragraph, and then the current paragraph 9.7

Para 9.9 first sentence: Move the first sentence of paragraph 9.9 to the end of paragraph 9.8. Then this paragraph will be only about saving, increasing the prominence of this important subject.

Para 9.9 last sentence: Why? Because the difference between disposable and adjusted disposable income is equal by definition to the difference between final consumption expenditure and actual final consumption.

Para 9.11: But if they do make transfers of consumption goods or services to households, how is the transaction treated in the System?

Para 9.12 first sentence: B.12, Current external balance, is another balancing item in the table. It should either be deleted or explained.

Para 9.13 last sentence: What if the adjustment is negative? Is it shown as a negative in the same places or moved to the opposite side of the account and shown as a positive?

Para 9.17 last sentence: How are transfers of the same items under the same circumstances to the rest of the world treated?

Para 9.24 last sentence: If the item is negative, what happens?

Para 9.33 last sentence: It would be good to cross reference the section in chapter 3 on transactions by agents.

Para 9.39: But there are capital transfers in kind in chapter 10. In general, I do not think it is necessary to say that a transfer is treated as a transfer in cash. Regardless, the subject needs more explanation, presumable in chapter 8.

Part C: Several comments: It would help to add one paragraph to say why this section is necessary. Most of this section repeats the corresponding section in chapter 3. A cross reference would help and use of the identical language to the extent possible. Does the title

intentionally restrict the subject to expenditures to the exclusion of actual consumption? Perhaps imputed valuation would be better. Transfers in kind, especially social transfers in kind, are imputed. Why are they excluded from this section? Sales of existing goods are not imputed. Why are they included in this section?

Para 9.50 first sentence: What is barter?

Part 4: Sales are not imputed values.

Para 9.57 last sentence: The stress in this paragraph is on capital goods, but the chapter is about consumption goods. Sales of used military items should be mentioned as an example, although this is less important if some military durables are capitalized.

Para 9.59 first sentence: This does not seem the best place for the definition of a dwelling. The paragraph could start with a statement that expenditures on dwellings are not consumption expenditures.

Para 9.61 first sentence: including goods and services received as transfers in kind.

Para 9.66 last sentence: except for FISIM paid by household enterprises.

Para 9.73 second sentence: so are repairs and maintenance.

Para 9.80 first sentence: Even if the value at the time of the expenditure differs from the value at the time of the transfer or exchange?

Para 9.95: Subtracting sales of goods and services at economically significant prices means subtracting market production, which is not included in the starting point. A fix would be to start with total output of general government.

Para 9.95: *Less* sales of existing goods, including military goods, that had previously been classified as final consumption expenditure *less* the value of own-account capital formation

less increases in inventories of work in progress.

Para 9.100 first sentence: Why most? What goods cannot be privately owned.