

MINUTES
ISWGNA TELECONFERENCE 3 APRIL, 2008

Participants

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

1. Follow up on minutes of the teleconference on 25 March 2008

1.1. Draft letter to the BOPCOM chair on the Classification of international trade in different types of intellectual property products

The ISWGNA agreed that the inconsistency between BPM6, the updated SNA and the CPC needs to be resolved before the approval of the BPM6 and white-cover version of Volume 1 of the updated SNA. UNSD will circulate a note on the revision of the CPC to the ISWGNA by cob 8 April

The ISWGNA also noted that it is unlikely that inconsistencies between the BPM6 and Volume 2 of the updated SNA could arise as BPM6 and Volume 1 of the updated SNA will be made fully consistent with all the decisions on the 44 issues and consistency issues that flow from it. Moreover, Volume 2 represents only the interpretations and extensions of the accounts and tables of the System according to the accounting rules, the accounts and tables, and their integration described in Volume 1.

2. Supplement to the FSCR

The Project Manager and the Editor reported that they have made modifications to the document prepared and circulated earlier by UNSD. The modified document will be circulated to the ISWGNA by cob 3 April for comments by cob 4 April. The targeted date for posting this document on the Update Project's website is 8 April.

3. ISWGNA longitudinal review by issues – remaining issues

The ISWGNA discussed the following issues from the longitudinal review by issues:

3.1. ESOs

OECD had identified an inconsistency in the treatment the valuation of ESOs in the period between the granting date and the vesting date. Eurostat provided information on the

treatment of ESOs in business accounting (which will likely be a major data source for national accounts) and agreed to circulate some examples by 8 April. The Editor will then work together with Eurostat to resolve this perceived inconsistency. The issue will be discussed at the next teleconference.

3.2. Water

OECD proposed changes to the text on water when it is no longer “free”. The Editor suggested text that would make it explicit that when water is extracted from water associated with land, against payments for use in production, it should be classified as water resources. UNSD will provide comments on the text by 11 April after consultation with the environmental accountants. The Editor will confirm if the issue of the discharge of dirty water is covered in chapter 17.

3.3. Monetary gold

The Editor reminded the ISWGNA of the agreement to ensure the SNA and BPM were consistent in the treatment of monetary gold. As a result, the following text should be added to the document explaining clarifications and consistencies arising since the FSCR was posted.

The definition of monetary gold, and gold bullion, has changed in the 1993 SNA Rev1 in order to stay in line with BPM6. The change stems from the recognition of allocated and unallocated gold accounts. An allocated gold account provides a record of title to specified gold. The difference between physical gold and an allocated gold account is simply one of where the gold is held. An unallocated gold account represents a claim against the account operator to deliver gold. In practice, such an account functions like an account denominated in gold. In the System, these are treated as deposits in foreign currency. Monetary gold is gold to which the monetary authorities (or others subject to the effective control of the monetary authorities) have title and is held as a reserve asset. The gold in questions consists of gold bullion (including gold held in allocated gold accounts) and unallocated gold accounts with non-residents. Monetary authorities may hold gold not held as a reserve asset. If it is gold bullion or an allocated gold account it is classed as a valuable as it is for such gold held by commercial banks, for instance. Unallocated gold accounts of the monetary authorities, even when held by non-residents, if not part of reserves are treated as foreign currency deposits.

The ISWGNA agreed that text should be added to the document on ISWGNA decisions on issues that flow from FSCR to be posted on the web.

3.4. SPEs

The Editor suggested new text on issues related to SPEs. Eurostat indicated that the agreement reached, in January 2008, on an OECD proposal should be kept. Eurostat will provide further comments on the Editor's proposed text by cob 8 April.

3.5. ISIC

In par 5.22 the SNA describes “mixed” activities instead of “horizontally integrated” activities. By replacing “carried out in parallel with each other” of the definition in par 5.22 with “carried simultaneously, with the same factors of production” it would correctly reflect “horizontally integrated” activities. The ISWGNA agreed with the proposal.

UNSD will circulate a numerical example to supplement the comments on ISIC circulated earlier by cob 3 April. The Editor will react to the comments and the example circulated by UNSD by cob 8 April.

3.6. Outstanding issues

Outstanding issues will be discussed at the ISWGNA teleconference of 10 April

4. Indexing Volume 1

The Project Manager reported his experience regarding the indexing of chapter 8 of Volume 1. Further experimentation and the procedure for completing the indexing of the updated SNA will be discussed at the ISWGNA meeting on 21 April 2008 in Geneva.

5. SNA News and Notes

UNSD reported that the next issue of SNA News and Notes will be circulated to the ISWGNA for comments by cob 8 April 2008.

6. Analysis of issues on the Research Agenda

OECD indicated that the issues currently posted on the long-term research agenda will serve as input for Annex 4 of Volume 2. The ISWGNA agreed that 31 May would be the deadline for adding issues to the research agenda to be incorporated into Annex 4. Additional issues added to the research agenda at a later stage will be included in an electronic version of the research agenda.

7. Agenda items for the 21 April meeting of the ISWGNA

The ISWGNA agreed to include the following items on the agenda of the meeting:

- Indexing of Volume 1
- Annotated outlines of chapters/annexes for Volume 2
- Review of revised chapters 22 and 25 for posting
- Further suggestions for the agenda could still be added.

8. Agenda items for the 9 May meeting of the ISWGNA

The ISWGNA agreed to include the following items on the agenda of the meeting:

- Review of the results of the global review on Volume 1 to facilitate the timely completion of the white-cover version of Volume 1 by 31 May 2008.
- Review the outcome of the Eurostat/UNSD conference on implementation of the SNA

9. Next teleconference

The next teleconference will take place on 10 April at 9 am (USA), 3 pm (Europe) and 11 pm (Australia).

10. 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	Pending
Actions for Volume 1			
Preparation of electronic annexes for chapters 6, 10 and 12 - if still relevant and submission to the Editor	14 March	OECD, IMF, Editor	Pending, prepare for posting 4 April
Indication of where reviewers can find documentation on all changes in volume1, the 44 issues, clarification items and consistency items.	20 March	UNSD	Done
Comments by the Editor on the longitudinal review	20 March	Editor	In progress, due 8 April
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

Action	By when	Responsible	Status
			progress
Preparation by Editor of ISWGNA longitudinal review and revised chapters 1, 2 and 16 for posting	One week after tele-conference	Editor	Done, longitudinal review issues in progress
Comments on the document containing substantive issues discussed by the ISWGNA in addition to the FSCR.	28 March	ISWGNA	Pending - due by April
Index for one chapter of Volume 1	31 March	Project Manager	Done
ISWGNA teleconference to reach agreement on comments from the longitudinal review	3 April		Pending, outstanding issues moved to 10 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			

Action	By when	Responsible	Status
Posting of chapters 20, 22 and 25	28 March	UNSD	Delayed, subject to incorporate comments
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.