

Minutes

ISWGNA Meeting UNECE, Geneva, Switzerland 21 April 2008

Participants

Eurostat: G. Gueye (chair), C. Ravets, F. Malherbe, A. Nordin

IMF: L. Laliberté, K. Zieschang

OECD: C. Aspden

UNSD: H. Smith

UNECE: L. Bratanova, V. Etropolska

World Bank: B. Hexeberg

1993 SNA Update project: P. McCarthy (Project Manager), A. Harrison (Editor)

The agenda was approved, with two additional items under longitudinal review issues, namely: insurance and codes for the top-ten ISIC classification.

1. Longitudinal review

a. Leases and licenses

Having an asset with a negative value appears possible from a conceptual point of view, even if the case is unlikely to occur. In order to clearly treat this case in the System, it was agreed to delete the last part of paragraph 17.357 and to add at the end of paragraph 17.362: "Conceptually the asset may have a negative value but in practice this is seldom likely to be realized".

b. Water

Only in the case where the value of surface water exceeds the value of the associated land is it recognised as a water resource.

In the case of using water as a sink, the treatment would be similar to the exploitation of a mineral resource to depletion. Therefore the payments for the use of water as a sink would be recorded as rent. This matter will be added to Chapter 17 to reflect the AEG recommendations.

The ISWGNA agreed to put the issue of the use of water in the production process on the research agenda.

c. SPEs

The ISWGNA agreed to the proposed text on SPEs with the following adjustments: paragraph 4.57 will be re-worded to read "... is treated in the System in the same way as any other institutional unit by being allocated to sector and industry according to its principal activity;" paragraph 4.59, on artificial subsidiaries of corporations, should read "the subsidiary may be the nominal employer of all the staff who are then contracted to other corporations in the

group” but the rest of the sentence “the subsidiary may keep the accounts” would be deleted.

d. Definition of natural resources

Environmental accounts include probable and possible reserves in volume terms but for national accounts there are problems to value these reserves in monetary terms... In paragraph 10.172, reference to economic "exploitability" will be kept. In paragraphs 10.168, 10.172, 10.175 and 10.177, the adjective “economic” should be deleted in the phrase "economic ownership". Furthermore, the ISWGNA agreed to make reference to SEEA but not to include the detailed classification of SEEA in the SNA, as the latter might change in the future

e. Definition of knowledge-capturing products

The UNSD indicated that no further clarification to the suggested text on knowledge-capturing products is needed.

f. Codes by industry

The ISWGNA examined some concerns expressed on the coding of ISIC aggregation for national accounts purposes and considered it too late in the SNA update process to open the discussion again.

g. Insurance

The borderline between current and capital transfers for insurance claims in the case of catastrophic events has already been discussed by the ISWGNA. The Project Manager will send that part of the minutes of the ISWGNA meeting of 2 October 2007, to AEG members, which explains the ISWGNA position on this issue. Following the review of Volume 1, the issue will be further discussed by ISWGNA on 9 May 2008.

2. Storage annex

Example 1 and summary of the annex need to be redrafted. C. Aspden will propose a new text on 22 April, for review of the Editor on 23 April and ISWGNA internal comments on 29 April. The annex will then be posted for global review with a deadline for comments on 29 May. The project manager will put together the comments received. The annex will be included in SNA volume 1.

3. Letter to BOPCOM about SNA/BPM inconsistency on software

It seems that the problem arose from the BPM6 interpretation of the CPC classification. UNSD reported that, similar to the SNA, the CPC does not distinguish between goods and services. Therefore the issue should be resolved in the BPM6. It was agreed that L. Laliberté would work with Ralph Kuzlov and C. Aspden to examine this issue. She will then report back to the ISWGNA. Concerning the more general issue of consistency between SNA and BPM, the ISWGNA Management

Group will offer some views at its meeting end of April, as the consistency is an important issue.

4. Annotated outlines of chapter/annexes for Volume 2

ISWGNA discussed the annotated outlines of chapters of Volume 2.

Concerning chapter 18 “elaborating the accounts”, the title will be specified as “elaborating and presenting the accounts”. Should this chapter introduce the content of Volume 2, or should the readers’ guide be reproduced in Volume 2 with additional paragraphs? It was considered that this question of the articulation of Volume 1 and Volume 2 should be examined by the ISWGNA Management Group.

Other remarks concerned a reference to infra-annual accounts. Emphasis should be put on annual accounts, but appropriate references should also be made to quarterly and monthly accounts. The use of the word “volumes” is preferred to “constant prices”.

It was suggested that Chapter 21 “Measuring the corporate activity” should first describe national accounts, then business accounts, and should present the concept of statement of income and expenses (not expenditures).

5. Review revised chapters 20, 22 and 25 for posting

Chapter 20, describing capital services, is ready for posting.

Chapter 22, describing the government and public sector still needs some adjustment, in particular to refer to other chapters and to present main principles. Eurostat will provide input in relation to the ESA 95 Manual on government deficit and debt. The IMF will also provide comments to the Editor. The ISWGNA agreed that the principle on economically significant and not economically significant prices should be presented in the chapter and that the problem of tax credits should also be addressed (AEG recommends gross recording).

Chapter 25 on the informal sector still needs some adjustment. The ISWGNA should provide comments on Chapter 25 by 15 May.

6. Indexing volume 1

The ISWGNA requested that the Project Manager and Editor should examine the practical implications of this issue further and report back to the next meeting of the ISWGNA. The ISWGNA recommends that the Management Group should retain the budgetary provision for somebody to do the work.

7. Next meeting

The next meeting of the ISWGNA will take place in Luxembourg on 9 May 2008

The ISWGNA agreed that country comments on Volume 1 should be grouped by chapter and paragraphs, not by topics, and that it should be circulated by 5 May in preparation for the upcoming meeting.

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
Letter to AEG members concerning the issue of non-life insurance	9 May	Project Manager	
Actions for Volume 1			
ISWGNA teleconference to reach agreement on comments from the longitudinal review	3 April		Done
Redrafting of the storage annex and ISWGNA comments on the draft before posting	29 April (posting), 29 May (country comments)	C. Aspden (redrafting), Editor (review), ISWGNA (comments)	
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 and other ISWGNA members.	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-	23 May	Editor	

Action	By when	Responsible	Status
references, external references, glossary, list of abbreviations			
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			
Posting of chapters 22 and 25	28 March	UNSD	Delayed subject to incorporate comments (IMF/Estat for chapter 22) and ISWGNA comments by 15 May for chapter 25
Annotated outlines for chapters/annexes of Volume 2	15 May	Comments by ISWGNA.	
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	Delayed as comments are expected by 15 May
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		

Action	By when	Responsible	Status
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.