

The concept of natural resource residuals is needed in the overall accounting system so we agree with the recording point (even if we find that we do not like the term, “natural resource residuals” because it does not make sense to us). It is particularly important that there is consistency between the recording point of natural resource residuals in the flow accounts and the corresponding treatment in the asset accounts. On this point, we also agree. With regards to the descriptions of the natural inputs and the residuals there are still too many things that are unclear and contradictory so that we cannot agree to the current text. The following describes the areas which need clarification or improvement.

(a) It is unclear why ‘non-fuel energy inputs’ are not a sub-group (i.e. level 3) under ‘minerals and energy resources’ in Table 3.2.2. The criteria used for distinguishing these different classes are not obvious or clearly explained so it is difficult to understand the groupings. Also the term “non-fuel” does not resonate; perhaps it should be changed to something like “non-tangible energy inputs” which might be analogous to the tangible/non-tangible distinction in SNA.

(b) The natural inputs terminology (especially for energy) is not used consistently. In table 3.2.2 “energy resources” appear to be natural resource inputs, whereas, in §136 ‘(i) energy resources’ would need to include the natural input of energy resources plus fuel wood and ‘non-fuel’ energy inputs. So the same term is used to describe two different things. This is confusing.

(c) In Table 3.2.3 it is not clear what “unextracted harvest” would be since the terms are contradictory. Is this referring simply to the asset in its natural state? For soil resources there is no description of a residual. Would there be something called ‘unused soil extraction’ as is used in the ew-MFA reporting tables for Eurostat?

(d) §89 states that a definition and description of losses is found in Section 3.3. But section 3.3 is a blending of definitions and treatment. Recommend moving §122-124 after §90 since these are definitions and belong to the section on definitions and keep Section 3.3 as it is titled “treatment of losses”.

(e) In Table 3.2.5 the typical components of natural resource residuals is listing level 2 of the classes of natural inputs found in table 3.2.2. How can the natural inputs be the same as the natural resource residuals? Shouldn’t the list in the bottom right-hand cell in table 3.2.5 include the components shown in the right hand column of Table 3.2.3 which is labelled “natural resource residuals”?

(f) In Table 3.2.5 there is no listing of “typical components” corresponding to “dissipative losses.” Residuals arise from the use of certain products. When a product is used in such a way that it is spread on an area, the product that does not end up in a useful location would be considered the “loss” from the use of a product. It would seem that the term “dissipated losses” should be used instead of “Residuals from ‘dissipative use of products.” And the typical components listed are not the residuals but are the products from which the residuals originate.

Dissipative losses are a result of the materials that result from some types of production and consumption activity as is described in §86 but are also part of the losses from dissipative use of products as described in §85 – so residuals from dissipative use of products is part of dissipative losses and not the other way around as this is currently presented.

The row in this table should be: Column 1: Dissipative losses; Column 2: Residuals from products used in a dissipative way, such as fertilizers (organic – manure, sewerage sludge, compost; mineral), pesticides, seeds and other products used in a dissipative fashion (e.g. salt on roads, solvents, etc.).

(g) The penultimate sentence in §91 describing stocks, flows and the quality of ecosystems does not make sense and should be simplified and revised.