

Report on the Outcome of the Global Consultation on the Draft 2025 SNA

2025 SNA Chapter 17: Capital services

24 comments were received from 9 respondents.

Question 1 – Have the agreed recommendations been reflected appropriately?

No substantive issues were raised.

No additional issues requiring changes to the current text were raised.

Question 2 – Is the material in the chapter clear?

One substantive issue was raised.

Issue 17.2.1: Paragraph 17.1 does not mention that the table on capital services is a component of the integrated system of national accounts,

Proposed response. This paragraph (which was lifted from the 2008 SNA) will be re-written to ensure that this is clear.

Four minor additional issues were raised which are considered relevant for inclusion:

- Paragraph 17.41: It is proposed to explain that, while there is no depreciation of land, it can be depleted. Other chapters (particularly chapters 7, 11, 27 and 35 will be checked for consistency.)
- Paragraph 17.45: It is proposed to change the first sentence to the following (changes highlighted by underlining): “Another term ~~used~~ for capital services is “resource rent” ~~resource rent~~ and this is particularly initially ~~seems more~~ applicable ~~in the case of~~ for land and other natural resources ~~but is also a~~ pitfall”.
- Paragraph 17.59: It is proposed to point out that the recording satisfies the requirement that the sum of capital services rendered (1175) is equal to the depreciation (1160) plus income (15).
- Paragraph 17.80: It is proposed to delete the last part of the last sentence: “which is the relevant variable for aggregation across different asset types” as it is confusing, and aggregation is discussed later.

Question 3 – Are there any errors in the chapter, or inconsistencies within this chapter or with other chapters?

No substantive issues were raised.

Five minor additional issues were raised which are considered relevant for inclusion:

- Paragraph 17.3: It is proposed that the scope of assets in “...The assets concerned are any produced fixed assets (excluding natural capital), non-produced fixed assets (excluding natural capital), or natural capital assets which are used in an on-going basis on production” to be aligned with paragraph 4.295, which says: “Regarding the extent of capital services, i.e. depreciation, depletion and return to capital, all non-financial assets used in the production of the relevant goods and services should be included, thus not only fixed assets but also inventories and non-produced non-financial assets.” Paragraphs 17.5, 17.8 and 17.35 will also be checked for alignment.

- Paragraph 17.23: It is proposed that in the sentence: “By analogy, if the value of the capital services rendered by the asset in year $t=1$ is b , $V_{t+1} = b/(1-df)$.” that “ $t=1$ ” be replaced by “ $t+1$ ”. This corrects an error that was in the 2008 SNA.
- Paragraph 17.29: It is proposed to replace “generation of income account” with “generation of earned income account.”
- Paragraph 17.35: It is proposed to replace “principle” with “principal”.
- Paragraph 17.47: It is proposed to move, in the second sentence, “any” from before “rents” to before “non-produced”.

Question 4 – Are there any other concerns?

No substantive issues were raised.

Three minor additional issues were raised which are considered relevant for inclusion:

- Paragraph 17.1: It is proposed to mention that tables on capital services are part of the integrated framework of national accounts. [Note: Already done.]
- Table 17.4: It is proposed to change the label “Consumption of fixed capital” within the table to “Depreciation”.
- Paragraph 17.69: It is proposed to delete the first line: “Capital services is just one part of capital measurement in the SNA” as it does not add any guidance, and it is disconnected from the rest of the paragraph.

Disagreement with agreed recommendations for the update of the 2008 SNA – provided for information only

Two respondents disagreed with the recommendation of using geometric depreciation as the default option for calculating capital stocks and depreciation is in contrast with what has been established by the European Task Force FIXCAP, which recommends to using a convex cohort depreciation function.

In this respect, it can be noted that the recommendation to use geometric depreciation as the default option was made in GN CM.4, which was endorsed by the AEG. Moreover, the relevant guidance leaves open the possibility to apply other methods, if these are considered more suitable. No changes have been made.

Substantive concerns with 2008 SNA text unaffected by agreed recommendations – provided for information only

No respondents expressed concerns with 2008 SNA text that was unaffected by the agreed recommendations for the update.

Other points for reflection:

Some respondents made additional comments or suggestions which will be considered during the editing process of the manuals:

- Consistency of the titles of the introductory sections to the chapters.