

MINUTES

ISWGNA MEETING, OCTOBER 31, 2006

Participants

Eurostat: G. Gueye
IMF: A. Bloem (Chair and Minutes)
OECD: C. Aspden, F. Lequiller
UNSD: I. Havinga, H. Smith
UN ECE: L. Bratanova, T. Dimova
World Bank: B. Hexeberg

1993 SNA Update Project: C. Carson (Project Manager), A. Harrison (Editor).

1 Progress on drafting chapters

The meeting of the Inter-secretariat Working Group on National Accounts, National Accountants (ISWGNA:NA) noted the progress on drafting the chapters for this update of the *System of National Accounts 1993 (1993 SNA)*. The Project Manager and the Editor will update the schedule that shows eagle-eye and AEG-worldwide substantive review, and send it to the ISWGNA shortly. Some participants voiced concern about the number of edits in the chapters of the accumulation group sent so far. However, the meeting considered that this was partly due to differences in style between the various authors of the *1993 SNA* showing up in these chapters. This would be less of a problem in the remaining chapters.

The meeting agreed on the sequence of chapters as shown in the annex to these minutes.

The meeting agreed that for the eagle-eye review phase, it would be useful for the ISWGNA to have for each chapter a track-change version with all editorial changes included. For the review on substance, it would be useful for all reviewers to have for each chapter a file with the original text adjusted for sequencing only (the V0 file). They would also need a file in which the Editor has processed the eagle-eye suggestions. In this phase reviewers will include the members of the Advisory Expert Group (AEG). The UN Statistics Division (UNSD) undertook to inform national accountants worldwide about batches of chapters becoming available on the UNSD website.

2 Conclusion on cultivated assets in the Central Product Classification

The meeting agreed that the Central Product Classification (CPC) should include items for cultivated assets, such as standing timber. UNSD undertook to discuss this view with CPC experts and to get back to the ISWGNA within two weeks.

3 Pensions: results from the consultation with the AEG and the US Bureau of Economic Analysis-International Monetary Fund (BEA-IMF) Task Force

The meeting noted the low response from the AEG and the BEA-IMF Task Force on the Eurostat-European Central Bank (Eurostat-ECB) proposals. As the AEG had received several reminders, the meeting decided that probably a number of AEG members thought they had already expressed their agreement in other situations and to continue with the update

procedures. It also agreed the BEA-IMF Task Force should get a reminder with a one-day response time. If no major objections emerge, UNSD will send a letter with the proposals to national statistical offices for their comments. The IMF will do the same for central banks. Given the tight deadline for the reporting to the UN Statistical Commission, UNSD and IMF will ask response within 30 days. The meeting considered that this is warranted because of the extensive exposure the pension schemes issues have had and the desirability of completing this process in time for inclusion in the ISWGNA report to the Statistical Commission.

4 Guarantees

The meeting noted Mr. Lequiller's summary of the AEG e-discussion on guarantees, which showed that the respondents had all agreed to the proposals. Therefore, the meeting decided to close the discussion on this topic. The proposed recommendations will be part of the consolidated list of AEG recommendations.

5 Balance of Payments Committee

Last week's meeting of the Balance of Payments Committee (BOPCOM) in Frankfurt did not bring any major disagreement with the AEG recommendations to light. The meeting's approval of the amended definitions of remittances needs to be conveyed to the AEG, but this can wait until the March 2007 AEG meeting. Direct investment is a major issue, and the ISWGNA:NA agreed to include some text in the updated *1993 SNA* referring to the new balance of payments manual. Some further smallish issues will be sorted out between the editors of the updated *1993 SNA* and the new balance of payments manual. Examples of such issues are whether monetary gold should be described as "allocated", and how to deal with houses that are owned partly by resident and partly by non-resident units. One issue that might need further attention is the valuation of foreign merchandise transactions with delayed pricing. Problems the BOPCOM meeting had with the proposed financial asset and sector classifications will be solved by separating a classification of asset from the standard presentation to be used in the relevant sector accounts.

6 Follow up on the meeting of the Inter-secretariat Working Group on National Accounts, Management Group

The meeting considered what follow up would be useful on the meeting of the Inter-secretariat Working Group on National Accounts, Management Group (ISWGNA:MG). Mr. Aspden will provide the ISWGNA with a paper on estimating capital services for government. After review by the ISWGNA:NA, this paper may be sent to countries that have signaled they agree in principle but see practical problems. Eurostat may also discuss this paper in its mid-November national accountants meeting.

The opportunity of this Eurostat meeting will also be used to discuss the recording of goods for processing in the supply and use tables, and the ISWGNA:NA will wait for the outcome of this meeting.

7 Full set of recommendations and report to the UN Statistical Commission

The Editor undertook to complete the full set of consolidated recommendations in the next few weeks. She will include substantive comments (such as the ones on nonperforming loans) and the issues resolved since the February 2006 AEG meeting. She will also include some important clarification issues, but will send proposals for this to the ISWGNA:NA first.

The Project manager is working with UNSD to develop a proposal for the ISWGNA's report to the 2007 UN Statistical Commission for the ISWGNA's review.

8 To-do list

Action	By when	Responsible	Status
Substantive comments on all issues in the full set of provisional AEG recommendations document	End of September	All	Done
Revise note on own funds and reinvested earnings	In due course	Editor	In progress
Discuss issue on Central Product Classification	November 15	Mr. Havinga	In progress
Provide information on handbooks intended over the next five years to UNSD	November 8	All	
Suggest topics for research agenda to UNSD	November 8	All	
Mine country comments for drafting suggestions and implementation issues	November 23	All	
Distribute draft outline for ISWGNA report to UNSC	November 10	Project Manager and Mr. Havinga	
Update timetable for drafting and review	November 6	Project Manager and Editor	
Comment on draft ISWGNA report to UNSC and Full Set of Consolidated Recommendations	Second half of November	All	
Prepare paper explaining how to compile capital services for government	November 6	Mr. Aspden	

9 Other business

The meeting decided to have the next teleconference on December 6 at 10:00am North American time. In the absence of the Chair, the Project Manager will call a meeting earlier if it is urgent.

Annex 1: List of Chapters

Part 1: Introduction and overview

- 1 Introduction
- 2 Overview

Part 2: Accounting conventions

- 3 Flows, stocks and accounting rules
- 4 Institutional units and sectors
- 5 Establishments and industries

Part 3: The sequence of accounts

- 6 The production account
- 7 The primary distribution of income account
- 8 The secondary distribution of income account
- 9 The use of income account
- 10 The capital account
- 11 The financial account
- 12 Other changes in assets account
- 13 The balance sheet

Part 4: Integration and elaboration of the accounts

- 14 Typical summary presentations
- 15 Supply and use tables and input-output
- 16 Price and volume measures
- 17 Cross-cutting and other special issues
- 18 Population and labor inputs
- 19 The role of capital services in the accounts

Part 5: Interpretation of the accounts and extensions

- 20 Measuring corporate activity
- 21 The government and public sectors
- 22 Non-profit institutions in the System
- 23 Households
- 24 The informal sector
- 25 The rest of the world account (external transactions account)
- 26 The link to financial and monetary statistics
- 27 Satellite accounts and other extensions of the System

Annex I: Classifications

Annex II: Accounts