

**Comments on draft SNA chapter:  
Chapter 9: The use of income account**

**Deadline for comments: 03 December 2006  
Send comments to: [sna@un.org](mailto:sna@un.org)**

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This three-part template allows you to record your comments on draft chapter 9 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

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**Part I: General comments**

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

*Comment:*

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**Part II: Comments on specific draft paragraphs or passages**

In your review of draft chapter 9, you may wish to devote particular attention to the passages listed below. There is space after each issue for any comment you wish to make.

1. Section C contains expanded text on the treatment of imputed expenditures including the treatment of income in kind and barter.

*Comment:*

Click here and start typing.

2. Section C has more detail on the types of financial service paid for by households indirectly, which need to be identified and separated from transaction prices or interest flows.

*Comment:*

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3. Section F describes the reconciliation between general government output and consumption expenditure.

*Comment:*

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### **Part III. Other specific comments**

9.2.: We wonder whether par. 9.2. is necessary. It should at least be made perfectly clear that it is not a classification of products.

9.10: We believe that both gross and net figures are relevant. In particular we find that it is the gross value of disposable income which you can dispose of. The following change is therefore proposed:

9.10. Saving, like disposable income and adjusted disposable income, may be recorded gross ~~or net~~ of consumption of fixed capital.

**Deleted:** because of the difficulty of measuring the latter. However, consumption of fixed capital is a cost of production and should be excluded, if possible.

9.30.: We propose the following change to par. 9.30.:

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9.30. Adding the change in pension entitlement into total disposable income gives a figure for the saving ratio which is strictly comparable between a country which has no social insurance scheme and one where all pension provision is made via such schemes will be strictly comparable.

**Deleted:** independent of the amount of pension entitlements shown as accruing through social insurance schemes. The savings ration for

9.43.: Are there a threshold value which the price of the good has to exceed in order to become a durable good? Should there be a reference to the fact that the durability-classification is based on COICOP? And that this classification besides durable and non-durable goods also operates with semi-durable goods.

9.92 – 9.95.: General Government consists of non-market institutional units and therefore the value of their **total** output is by convention measured as the sum of their costs. Their output can be either market output (e.g. sale of a fully financed special survey from a statistical institute), output for own final use (notably own-account production of software) or non-market output. On this background we propose the following changes to par. 9.92, 93 and 95:

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9.92. Most production by units of general government is non-market in nature and, as explained in chapter ???, the value of the total output of these units is estimated by the sum of the costs involved in production. Although government delivers goods and services to the population individually and collectively, the costs of so doing are shown as final consumption expenditure by government.

**Deleted:** non-market

9.93. The value of government final consumption expenditure on goods and services is not necessarily exactly equal to the value of government output of these non-market units. The values of these expenditures are equal to the imputed values of the total outputs less the values of any receipts from sales and less the value of output for own final use. The receipts may be derived from sales of some goods or services at prices that are not economically significant or from sales of a few goods or services at prices that are economically significant (sales of secondary market output).

**Deleted:** non-market

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9.95. Final consumption expenditure of government can be derived as follows

The value of the output of the non-market producers of general government,

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*less* the value of sales of goods and services at both economically insignificant prices and at economically significant prices,

*less the value of output for own final use,*

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*plus* the value of goods and services purchased from market producers for delivery to households at economically insignificant prices.

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