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Dear Rob,

**IMF eighth consultation on the updating of the 1993 SNA (draft chapter 15)**

Please find attached the ECB comments on the well-written SNA draft chapter 15 on ‘The goods and services account and supply and use tables.’ The comments have been shared with the members of the Statistics Committee (STC) of the European System of Central Banks (ESCB).

Kind regards,

*[Signed]*

Steven Keuning

Encl.:

Form with comments on the draft SNA chapter 15 (The goods and services account and supply and use tables)

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**Comments on draft SNA**  
**Chapter 15: The Goods and Services Account and**  
**Supply and Use Tables**

**Deadline for comments: 29 November 2007**

**Send comments to: [sna@un.org](mailto:sna@un.org)**

Your name:	Reimund Mink
Your country/organization:	ECB
Contact (e.g. email address):	Reimund.mink@ecb.int
Submission date:	29 November 2007

This three-part template allows you to record your comments on draft chapter 15 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.

Save this template and send it as an attachment to the following e-mail address: [sna@un.org](mailto:sna@un.org)

**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. Also, you may wish to comment on whether there is enough cross-referencing to earlier chapters for the basic concepts and definitions used in the supply and use tables (30 words or less).

*Comment:*

Regarding the consistency between the SNA and the BPM: (i) A reference to repairs should be included as in the draft BPM6 to be recorded in the services account; (ii) It would be important to mention the fact that merchanting will be treated as net exports according to the draft BPM6 (reference is only made in paragraph 15.62 under transport on merchant goods); (iii) the estimation of cif/fob adjustment with neighbouring countries should be clarified in both manuals. For instance, draft BPM6 is not clear whether in practice the value of freights with these countries should be zero or not.

Would it not be useful to show – in a generic form – a SUT already after paragraph 15.8?

Paragraphs like 15.11 are better placed in a Guide.

There is a wrong numbering of the paragraphs after 15.66; it continues with 15.45, 15.48, 15.50 etc.

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

In your review of draft chapter 15, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs. For each passage, a Word table is provided for you to use in making your comments. In most cases, there is a row for general comments at the top of the table. Thereafter please use a separate row for each paragraph on which you wish to make detailed comments.

### Goods and services account

As the foundation of the supply and use tables, the goods and services account is discussed in paragraphs 15.7. This account also serves as a preliminary step to the material on the summary measures of the accounts (now in chapter 14, but to be moved in the next version of the full set of chapters where this chapter on the goods and services account and supply and use table will be chapter 14, prices and volumes will be chapter 15 and part of the existing chapter 14 will be described as “Summarising and integrating the accounts” in place of the present title of “Summarising and presenting the accounts”> and will be chapter 16.).

1. Do you find this discussion useful? Is it clear and sufficient?

General comment	Commodity balances, the goods and services account and supply and use tables are well described. However, it might be useful to show (in a better way) the relationship between these concepts – may be in a table or chart. Might it not be more appropriate to first provide the goods and services account, and then to proceed to commodity balances and finally to SUT/IOT tables, as the goods and services account would have been treated already?
15.7	

### Goods for processing

The implications of the new treatment for goods sent abroad for processing (and returned from abroad after processing) for the supply and use tables is described in paragraphs 15.32-15.36.

2. Is the discussion of goods for processing clear and sufficient?

General comment	The presentation is clear. Is it not necessary to refer to a similar explanation of the treatment of investment goods sent abroad for repairs? Reference to the corresponding paragraphs in chapter XX should be made earlier.
15.34	The expression “returns to labour” is not clear.
15.36	This statement is rather speculative (extremely significant). This might be the case for some economies, but not for all.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### Trade and transport margins

The decision on how to record goods for processing has implications for how to record transport margins on such goods. Further, the principles of how to record trade and transports margins within supply and use tables when valuation is at basic prices as compared with purchaser's prices were not elaborated in the 1993 SNA text. Such a clarification is now provided (paragraphs 15.42-15.66)

#### 3. Is the discussion of trade and transport margins clear and sufficient?

General comment	
15.42	<p>The text on transport margins is five pages in length. Is this length justified when trade margins are described in less than one-half page?</p> <p>References to hypothetical units or countries are made in terms of letters (A, B, C) in paragraphs 15.46-15.48, and (X, Y, Z) in paragraphs 15.62. Is the choice of letters based on the convention that A to C refers to hypothetical units, and X to Z refers to hypothetical economies? Is this convention followed consistently throughout the manual?</p>
*	

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### The supply and use tables in volume terms

Section D.2 provides a general discussion of the supply and use tables in volume terms, covering output, imports and exports, margins, taxes less subsidies on production, and value added.

#### 4. Is the discussion of supply and use tables in volume terms clear and sufficient?

General comment	<p>The treatment of valuation differences in the system is quite central to the compilation of SUT/IOT tables. Nevertheless, could parts of the 'Further elaboration of the Use table' in Section D be included in a Compilation Guide? It appears a bit confusing after the previous section C, The Use table.</p>
15.123	<p>Please delete the word "Confusingly".</p>
15.127	<p>The treatment of trade and transport margins does not succeed in a recommendation of their proper recording. It concludes: "Further discussion of the way to derive estimates of margins in volume terms may be found in the manuals on CPI and PPI", which is unsatisfactory. The same applies to paragraph 15.128.</p> <p>We would be in favour of a clearer position, perhaps with reference to manuals on CPI and PPI, and taking into account the structure of price and volume indices used in SUT tables (Paasche and Laspeyres rather than Fisher). This relates to earlier comments on the chapter on volume and price measures.</p>

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### Additions and deletions to the draft chapter

The chapter aims to give a more comprehensive view of supply and use tables and how they might be used than is found in the *1993 SNA*. As explained in the Note by the Editor, new material was added on several aspects.

5. Bearing in mind that input-output tables will be described in a later chapter, are there other aspects of supply and use tables that you feel should be added to the chapter?

*Comment:*

Investment and import matrices

Table 15.3 of the *1993 SNA* shows the cross classification of production account items by industries and institutional sectors. It has been omitted from the draft chapter.

6. Do you see any reason to restore it to the draft?

*Comment:*

One of the main aspects of the SNA93 is the central role it assigns to the distinction of establishments and enterprises as statistical units. The institutional sector accounts and supply and use systems provide a detailed picture based on enterprises and establishments respectively. The cross-classification of institutional sectors and activities tables are a useful reminder of the conceptual and statistical links between the two types of units (best captured at the level of business registers) and should thus be re-inserted.

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

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comment directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to [sna@un.org](mailto:sna@un.org) requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>

Paragraph 15.61, page 10: 'even though it will appear there is when ...', delete 'is'.

Paragraph 15.48, page 11: change to 'final uses'.

Paragraph 15.68, page 12: change to 'a'.

Paragraph 15.90, page 15: change to 'value'.