

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

Deadline for comments: 29 November 2007

Send comments to: sna@un.org

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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

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:

1. The title of the chapter “**The goods and services account and supply and use tables**” seems inappropriate. The whole chapter is about supply and use tables. Only **one** paragraph (15.7) is devoted to “goods and services account.”

Suggestion: drop “goods and services accounts and” from the chapter title. Alternatively, reverse the two components to “The supply and use tables and the goods and services account.”

2. The introduction focuses on only one of the benefits of supply and use tables, namely their use for balancing the accounts. It ignores two other uses: identifying the structural statistics needed to compile a coherent and integrated system of national accounts and the analytical uses of supply and use tables. It does not highlight the importance of supply and use table in the whole system as it did in the SNA93 (15.2 and 15.3).

Suggestion: reinstall the SNA93 (15.2 and 15.3) with modifications.

3. Nevertheless, we think it is good that the chapter explains how SU tables can be used for balancing the accounts in a straightforward way. This has become the most important use of SU tables in recent years.

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	Click here and start typing.
15.7	Click here and start typing.

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	Click here and start typing.
*	Click here and start typing.

* 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?

15.39-15.41.	<p>While the definitions of purchasers' prices, producers' prices and basic prices are correct, they are inconsistent with the text in the following two paragraphs. The reason being that the definitions in 15.39 relate to the same transactions and hence there are no trade margins involved. However, the text in 15.40 and 15.41 refer to cases where there are intermediate transactions between the producer and the final purchaser, resulting in trade margins.</p> <p>Suggestion: It is therefore recommended that text as per paragraph 6.216 of the 1993 SNA should be inserted to bridge the gap.</p>
Table 15.4.	<p>It seems the "negative values" (-68 for "6. Financial and insurance services", and -10 for "7 Real estate services") are in the wrong places. There also problems with the numbering and use of capital letters in the table and the same problems occur in Table 15.3.</p> <p>Suggestion: please check it.</p>
	Paragraph numbering: following para. 15.66 are "15.45, 15.48, 15.50..."

* 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?

(15.68)	It is unclear and somewhat confusing. There is no mention of the lower left sub-matrix, and the upper right sub-matrix is in fact discussed as two separate sub-matrices: one for final consumption and one for capital formation. Also, why not use the common terms for the quadrants (sub matrices) as “intermediate, final, and value added”?
(15.75)	<p>“There is absolutely no reason why the relative size of these two entries should be related in any way systematic manner but mistaking one concept for the other is a common error made by users not very familiar with...” Is this really a common error with respect to a use table, for which products and industries are clearly distinguished? This problem is more likely to occur with an I-O table, and maybe this statement belongs in chapter 27.</p> <p>Suggestion: drop it.</p>
(15.76) and (Table 15.6)	<p>“table 15.6 shows that all three types of producers use manufactured products and only about half of manufactured products are used in the manufacturing industries.” In table 15.6, there is no “manufacturing industries”, so this statement is not valid.</p> <p>Suggestion: check the table.</p>
(15.90)	type error “valu,e”
(15.95)	“... changes in inventories may be less robust that desired” - than
15.119	<p>No full-stop at end of para</p> <p>It could also go on to recommend that the SU tables should be balanced in current and constant prices simultaneously, as is it is in chapter 16.</p>
15.129-15.132	In this section it is said that value added cannot be measured in volume terms, but only in real terms. This is contrary to both the 1993 SNA and chapter 16 in Rev.1. In both of these, the line between volume and real is

	drawn when we get down to GOS/GMI.
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* 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:

Click here and start typing.

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:

Click here and start typing.

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 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>