

**Comments on draft SNA chapter:
Chapter 5: Establishments and industries**

**Deadline for comments: 1 September 2007
Send comments to: sna@un.org**

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Submission date:	1 September 2007

This three-part template allows you to record your comments on draft chapter 5 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.

Especially when providing comments in Part III of the template, you are encouraged to focus on the new passages of the draft text. To facilitate this process, a file comparing the existing text and the draft text is available on the website under the following link: <http://unstats.un.org/unsd/sna1993/projectmanagement/drafts/Chapter5dv2cdv0.pdf>

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 (30 words or less).

Comment:

Paragraphs 5.37 – 5.39, as well as their separation from paragraph 5.36, may imply that ancillary activities may be treated as separate establishments. However, the implication seems to be very vague and uncertain – and generally insufficient to meet the specific recommendations given.
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Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 5, you may wish to devote particular attention to the passage listed below. For ease of reference, we have identified the relevant paragraphs.

Please use the space provided to the right of the paragraph number to make your comment.

1. Section D, paragraphs 5.37 – 5.40:

The treatment of ancillary activities has changed in the 1993 SNA Rev.1. The new treatment is described in paragraphs 5.37 – 5.40. Please indicate whether the description is sufficiently clear and comprehensive.

5.37	<p>Paragraph 5.37 does explain that if/when ancillary activities are carried out in a single location for the benefit of establishments in other locations, that “unit” is treated as producing services that should be recorded in the same manner as if they had been purchased from an outside supplier. However, this brief reference to the activity as a “unit” does not seem to clearly or sufficiently recognize them as separate establishments. Further, it does not mention the possibility that it may be useful to separate them if and when they are statistically observable (as noted in the “provisional recommendations” paper).</p> <p>There is no discussion of how to value the output of ancillary activities and no discussion of whether/how to allocate operating surplus. (Paragraph 5.36 states “The output of an ancillary activity is not explicitly recognized and recorded separately...”.) Paragraph 5.37 explains that if/when ancillary activities are carried out in a single location for the benefit of establishments in other locations, that “unit” is treated as producing services that should be recorded in the same manner as if they had been purchased from an outside supplier – but no specifics on the valuation are offered.</p> <p>Paragraph 5.36 implies that ancillary output is intermediate when it states that “If the ancillary activity is undertaken in the establishment where its output is used, the ancillary activity is regarded as an integral part of the principal or secondary activities...” However, this is not explained explicitly, and there is no mention of the allocation of this intermediate consumption in proportion to any indicators.</p> <p>There is no mention of whether the output of ancillary activities are recorded as market or nonmarket output.</p>
5.38	Click here and start typing.
5.39	Click here and start typing.
5.40	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>