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To  
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Chief of Economic Statistics Branch  
United Nations Statistics Division  
UN Headquarters  
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### Concerning SNA 93 Rev.1

#### **Statistics Sweden's comments on the full set of provisional recommendations**

Statistics Sweden hereby want to express its opinion regarding the 44 recommendations to update the SNA93. Please find attached, a document where the 44 issues are listed, and the opinion of Statistics Sweden is stated by using acronyms. The acronyms are expressed in the same way as the UNSD classified the answers from different countries earlier.

Statistics Sweden has earlier expressed its concern about how to treat merchanting. Before the AEG meeting in Bangkok, Statistics Sweden wrote a paper in order to put the merchanting question on the agenda, and also in a broader sense than just as a Balance of Payment issue. Attached we have written down our understanding of the proposed solution of issue 41 Merchantng, to which we agree.

We believe that SNA93 rev.1 will result in an improvement of the national accounts and Statistics Sweden has agreed on many of the proposed changes. But we would also like to take the opportunity to express our concerns in some principal matters on the revised SNA as it stands after the recommendations of the AEG.

We think that the national accounts should stand on a solid ground by using reliable statistics as inputs into the system. Imputations and modelling are sometimes necessary to complete the accounts, but they need to be as few as possible. It is very important that the system is based on clear and understandable information connected to the accounting figures of enterprises and other organisations and from information from households. The users must be able to recognise and understand the results without being skilled national accountants.

The recommended changes of the SNA93 are quite far-reaching and include parts that go beyond the original criteria of the updating process. We are here especially referring to the increased capitalizing that makes the central GDP



concept less relevant without giving any workable alternative. In addition we are concerned about the significant increase in imputations and the reliance on expectations and the increased complexity in general.

For example, research and development and the return on capital on governments own assets, are significant changes of the system and were already discussed, and rejected when SNA93 was created. These two issues are clear examples of the introduction of items that are based on modelling techniques and imputations. The collection of R&D statistics is very problematic and the countries that collect data according to the Frascati Manual have shortcomings concerning comparability over time and between industries. The capitalization of software in SNA93 resulted in very different estimates among countries, differences that hardly can be explained by different structures in those countries. The introduction of capitalized R&D will also decrease the comparability of national accounts between countries, and, since the size of R&D is greater than capitalized software it will cause more harm.

Statistics Sweden has in earlier correspondence rejected the inclusion of imputed figures of cost of capital on governments own assets. In this case, it is not obvious at all which type of assets that should be included, and which rate of return that should be used. It is also questionable if it is correct to use the same criteria for calculating return on invested capital for government production as for market producers. The first goal of the market producer is to maximize profit and this is definitely not the goal for government output.

We also believe it is essential to keep in mind that the updated system should be a realistic possibility also for all those countries that are still struggling to implement the 1993 SNA. A system that can realistically only be implemented by a handful of countries in any foreseeable future would be very problematic. Furthermore the still more important administrative uses of national accounts not least in the EU require the utmost care to avoid bold experiments. The national accounts should use statistical information and most countries should be able to collect that information.

Yours sincerely,

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Annexes:  
SNA update- Issue 41 Merchanting  
Revision of SNA 1993 – List of updating issues and Swedish standpoints