I. INTRODUCTION

1. This paper indicates the progress which has been made in the work on national accounting and complementary systems of statistics since the Fifteenth session of the Statistical Commission and the work which needs to be carried out between the Sixteenth and Seventeenth sessions of the Commission. It describes the tasks which have been completed and the projects which are still in progress and proposes the starting of some additional work.

II. INTRODUCTION AND USE OF THE NEW CN.

a. The publication

2. A document detailing the system of National accounting (GNL) which the Fifteenth session of the Statistical Commission recommended for use in countries with market economies was completed in autumn 1968. It was issued in English in 1969 and in Russian in 1970. The French and Spanish versions of the publications are still in press when this paper is being written.

3. As the Fifteenth session of the Statistical Commission requested, a national accounts questionnaire which is based on the N. GNL, has been developed in consultations with national statistical authorities and interested international institutions.

agencies. It is to be sent to countries with market economies during the second half of 1970 for purposes of the international reporting of data in respect of the years, 1968 through 1969. The national accounting questionnaires which will be used by Organization of Economic Co-operation and Development (OECD) and the Statistical Office of the United Nations are, as far as is possible, identical. The questionnaires differ on a few points only because certain of the definitions of the old SNA used by the two organizations differ and because OECD is seeking more comprehensive flow-of-fund figures than the Statistical Office. Sample copies of the 1970 National Accounts Questionnaire were sent to national statistical offices early in 1970.

4. The 1970 version of the questionnaire calls for available data in terms of the new SNA in respect of the years 1968 and 1969 and figures based on the old SNA in respect of the years 1960 through 1969. Reporting in terms of the new SNA only is requested in the case of series of data which do not explicitly appear in the accounts or supporting table of the old SNA. Data based on the new and old SNA in respect of the years 1968 through 1970 will be sought in the 1971 National Accounts Questionnaires. Figures in respect of these three years should be adequate for purposes of linking series based on the new and the old SNA, one with the other, in particular, the main aggregates of each system. The differences in the definition of these aggregates should not be too significant statistically.

5. The 1971 version of the questionnaire will also include the basic input-output tables of the new SNA, for which data will be requested in respect of 1969, or a proximate year. These data will be of considerable interest not only for purposes of studies of input-output relationships and the structure of economies, but also for purposes of converting series based on the SNA to series based on the System of Material Product Balances (MPS).

C. Technical manuals, seminars and working groups and technical assistance

6. The Fifteenth session of the Commission considered it important that technical manuals should be prepared on various aspects of the new SNA so as
to be of assistance to countries in systematically evolving their national accounts and associated statistics. Work is at an advanced stage on two manuals - one on the production, income and outlay, capital finance and related accounts of the new SNA; the other on the use of the system in national accounting in respect of the public sector. In the case of each manual, the place in the SNA, and the content, of the relevant standard accounts and tables and the appropriate concepts, definitions and classifications are spelled out; and the basic data for, and the methods and techniques of, estimation are detailed. A number of manuals remain to be undertaken. Listed in the order of priority in which it appears desirable to start work on them, the manuals concern (i) input-output tables and analysis and the national accounts on goods and services, (ii) national accounting in constant prices and statistics of prices and quantities, (iii) uses and sources of funds, including the flow of funds and balance-sheet statistics, (iv) household accounts and statistics of the distribution of income, consumption and wealth and (v) regional accounting.

7. In order to assist the developing countries in using the new SNA in devising and improving their system of national accounts and basic economic statistics, seminars, working groups and training courses are also being convened and regional advisers and country experts are available to give technical assistance.

8. In the case of the regions covered by ECA and ECAFE, working groups, seminars or training courses have, or will be, held in respect of each aspect of the new SNA that is the subject of one of the manuals enumerated above.

9. In Africa, working groups have already dealt with (i) household accounts and statistics of the distribution of income, consumption and wealth and (ii) national accounting in constant prices and statistics of prices and quantities; working groups are to be convened during 1970 in order to discuss (i) the treatment of the public sector in the SNA and (ii) the use of the SNA in economic analysis and planning; and training courses on the new SNA as a whole are to be conducted. Meetings are to be held on the other facets of the SNA enumerated above excepting regional accounting.
10. In Asia, working groups of experts have discussed (i) the treatment of the public sector in the SNA, (ii) household accounts and statistics of the distribution of income, consumption and wealth and (iii) statistics of prices and quantities and national accounting in constant prices; and will consider the national accounts on goods and services and input output analysis late in 1970. Meetings on the other aspects of the SNA mentioned above will be convened during succeeding years.

11. In the case of the region covered by ECLA, one meeting only has been held since early 1963; and no other meeting is in prospect. A Latin American working group met on price and quantity statistics and national accounting in constant prices. In the case of the countries served by UNESCO a meeting is to be held in Beirut on the accounts of the SNA in respect of goods and services.

12. Efforts to organize a series of inter-regional seminars on each of the aspects of the SNA which is to be the subject of a manual, in order to fill the gaps in the regional meetings, have also been unsuccessful.

13. Regional advisers in national accounting are available in each of the regions of developing countries except Latin America. There was a regional adviser in national accounting in Latin America until early 1969. Technical assistance experts in national accounting and related subjects have been, and are, stationed in individual countries in most of the aforementioned regions in substantial strength in Africa.

III. ELABORATION OF CERTAIN ASPECTS OF THE NEW SNA

A. Balance sheets

14. While accounts on national and sector balance sheets and revaluation are integral parts of the new SNA, the guidelines concerning the system do not yet give full definitions and classifications or standard accounts and supporting tables in respect of these statistics. The revaluation accounts furnish the bridge between opening balance sheets of a period plus the capital finance accounts for the period and the closing balance sheets of the period. Since the
Fifteenth session of the Statistical Commission, detailed guidelines in respect of the balance-sheet and revaluation accounts have been worked out with the assistance of a consultant. These guidelines are set out in documents E/CN.3/358 and Add.1 which are to be considered by the Sixteenth session of the Commission. The Working Group on National Accounts and Balances of the Conference of European Statisticians discussed these documents in March 1970.\(^2\)

It is proposed that in the light of the comments of the Commission, further work should be conducted on the detailed guidelines and a revised document in respect of the balance-sheet and revaluation accounts should be prepared.

This document should be the subject of consultations with national statistical authorities and an Expert Group before the middle of 1972. It is hoped that the Seventeenth session of the Commission will then be in a position to adopt detailed guidelines in respect of the balance-sheet and revaluation accounts of the SNA.

III. Detailing of activity and purpose classifications

15. Use is to be made in the system of demographic, manpower and social statistics which is being developed, of national accounting data in respect of government and private non-profit bodies rendering such services as education, medical and health care, welfare, housing, cultural activities, entertainment and recreation. It appears that data concerning these bodies will be required in respect of their provision of services, consumption and capital formation, their income and outlay, and capital financing, classified according to the purpose, and in some instances the nature of the services. For these purposes, it will be necessary to have more detailed classifications of government and private non-profit purposes and of the nature of their services than are now included in the SNA. The more detailed categories of the commodity classification which is being developed should furnish the required detailed classification of the nature of the services which these bodies render.\(^2\)


levels of classification of the draft commodity classification are the categories of the International Standard Industrial Classification of All Economic Activity and the six and eight-digit levels of classification of the commodity classification indicate, in successively greater detail, the kinds of services and goods which are characteristically produced by each kind of economic activity. Since at detailed levels of classification the purpose and nature of such services as education, medical care, housing, recreation coincide in most instances, the commodity classification should also be of assistance in detailing the purpose classifications of the SNA.

IV. THE MPS AND LINKS BETWEEN THE MPS AND SNA

A. Description of the MPS

16. Since the Fifteenth session of the Commission, the Council of Mutual Economic Assistance (COMECON) has prepared and issued a final and complete version of the description of the MPS. This description was adopted by the Standing Commission on Statistics of COMECON; and, as the Fifteenth session of the Commission requested, is being submitted for discussion by the Sixteenth session of the Statistical Commission.

P. New national balances questionnaire

17. The Statistical Office of the United Nations has prepared, in consultation with the appropriate countries, a questionnaire based on the version of the MPS adopted by the Standing Commission on Statistics of COMECON for purposes of the international reporting of national accounting data by countries with centrally planned economies. The questionnaire is to be sent to countries with centrally planned economies during the second half of 1970 for purposes of gathering data. Data are to be requested in respect of the years 1960 through 1969 in the case of a number of tables of the latest version of the MPS and in respect of the years 1968 and 1969 in the case of other tables. Sample copies of the 1970 Material Balances Questionnaire were sent to the national statistical offices concerned during early 1970.
18. The 1971 version of the questionnaire is to include tables in which the input-output data of the MPS will be sought for 1960 or a proximate year. These figures relate to (i) the supply and disposition of goods and material services, (ii) the gross output and cost-structure of units of the material sphere and (iii) the output and cost of units of the non-material sphere. The data will be of considerable interest for purposes of converting series based on the MPS to series based on the SNA, as well as for purposes of describing the structure and input-output relationships of the centrally planned economies.

C. Links between the MPS and SNA

19. In accordance with the request of the Fifteenth session of the Statistical Commission, work has continued, in co-operation with the Conference of European Statisticians, on delineating the conceptual framework and adjustment rules for purposes of linking corresponding flows of the MPS and SNA. A Group of Rapporteurs and the Fifth Session of the Working Group on National Accounts and Balances of the Conference of European Statisticians considered this subject, based on documents E/CN.3/397 and Corr.1. As a result of these discussions, document E/CN.3/394/Rev.1 has been prepared. This version of the document is before the Sixteenth session of the Statistical Commission. It contains a brief description of the structure of the SNA and MPS, in addition to dealing with the conceptual framework and adjustment rules for purposes of passing from one system to the other.

20. It is proposed that document E/CN.3/394/Rev.1 should be revised and enlarged in the light of the discussions and conclusions of the Sixteenth session of the Commission and that after consultation with the interested national statistical authorities, the new document should be published as a Study in Methods of the Statistical Office of the United Nations. One aspect of the

enlargement of the document could be the inclusion of illustrations of the use of the adjustment rules for passing from one system to the other in the case of two countries with centrally planned economies and two or three countries with market economies. The Secretariat has already compiled some of this illustrative data, and needs the co-operation of certain countries to complete this task.

V. STATISTICS OF THE DISTRIBUTION OF INCOME, CONSUMPTION AND WEALTH

21. As the Fifteenth session of the Commission requested, documents have been prepared which set out: (i) a comparative analysis of national practices and plans in respect of statistics of the distribution of income, consumption and wealth and (ii) draft international guidelines concerning the structure, concepts and definitions, classifications and tabulations of an integrated system of these statistics which complements the SNA and MFA. These documents, E/CN.3/399 and Add.1 and E/CN.3/400 are before the Sixteenth session of the Statistical Commission.

22. The documents have been considered by the Fifth Working Group of Experts on National Accounts in the ECAFE region and the Fifth session of the Working Group on National Accounts and Balances of the Conference of European Statisticians; and have been circulated to national statistical authorities for comment. An earlier version of document E/CN.3/400 was discussed by a Working Group on Income Distribution Statistics in Africa. The first session of the Expert Group on Statistics of the Distribution of Income, Consumption and Wealth also considered document E/CN.3/399 and Add.1 and E/CN.3/400, taking into account the discussions of the regional meetings and the comments, by letter, of national statistical offices. The "Report of the First session of the Expert Group" on the discussions and conclusions reached, E/CN.3/415, is before the Sixteenth session of the Commission.

23. It is proposed that a revised and more complete revised version of the comparative analysis of national objectives, practices, experiences and plans

\footnote{Documents E/CN.3/L.244, Conf.Eur.Stats/ME.22/27 and E/CN.14/439, respectively.}
in assembling and compiling statistics of the distribution of income, consumption and wealth should be prepared after the Sixteenth session of the Commission, based on the comments of national statistical offices and the Commission on E/CN.3/399 and Add.1 and that the new version should be published as a Study Methods of the Statistical Office of the United Nations. This publication should be a fruitful means of informing national statistical offices concerning one another's aims, concepts and methods, and development plans in respect of these statistics. The draft international guidelines concerning an integrated system of statistics of the distribution of income, consumption and wealth should also be revised in the light of the discussions and conclusions of the Sixteenth session of the Commission. The new version of the guidelines should be the subject of another round of consultations with national statistical offices and interested international agencies and should be discussed by a second session of the Expert Group on the subject, in order to lay the basis for final consideration of the subject by the Seventeenth session of the Commission.

VI. STATISTICS OF PRICES AND QUANTITIES

and E/CH.3/402 are also before the Sixteenth session of the Statistical Commission.

25. Document E/CH.3/401 outlines a draft system of quantity and price index numbers which is complementary to both the SNA and MFS and document E/CH.3/402 concerns the principles, methods and problems of gathered the basic price and quantity statistics of the system and compiling the index numbers. It is suggested that after the Sixteenth session of the Commission, these papers should be revised and expanded in the light of the comments of the Commission. It is also proposed that another paper should be prepared on special problems and national practices in respect of statistics of prices and quantities concerning the activities covered in each major division of the International Standard Industrial Classification, that is agriculture, mining, manufacturing, construction, wholesale and retail trades, restaurants and hotels, transport, etc. These documents should be the subject of another round of consultations with national statistical authorities before the subject is considered by the Seventeenth session of the Commission.

VII. STATISTICS OF RESEARCH AND DEVELOPMENT

26. This section of the paper briefly summarizes developments in statistics of science and technology in relation to the national accounts and balances. The Fifteenth session of the Statistical Commission considered that the concepts, definitions and classifications of these statistics should be consistent with those of the national accounts and balances, and requested that the Commission be kept informed about this subject.

27. A working group of the Conference of European Statisticians, which met in June 1969, discussed the relation of statistics on science and technology to the national accounts and balances.\(^7\) It also considered the UNESCO questionnaire on statistics of research and experimental development efforts

(UNESCO/STS/Q/68). The group noted that the concepts, definitions, classifications and terminology of the questionnaire differed from those of national accounting in a number of important respects, and emphasized the necessity of using the available international standards in these respects. While the views of participants differed concerning the degree of detail in which statistics of science and technology should be co-ordinated with the national accounts and balances, there was general agreement in the meeting that the broader aggregates of these statistics should be consistent with the corresponding national accounting flows. The general agreement would presumably require consistency in concepts and basic definitions at detailed, as well as broader levels, of aggregation but in classifications and all aspects of definitions at the broader levels of aggregation only. The Seventeenth Plenary of the Conference of European Statisticians concluded, after considering the report of the working group, that the system of statistics of science and technology should be supplementary to, and co-ordinated with, the systems of national accounts and balances.

28. The working group suggested, and the Seventeenth Plenary of the Conference of European Statisticians agreed, that it would be useful to study the question of a purpose (functional) classification of the intermediate and primary inputs of the production accounts of the national accounts and balances in order to promote co-ordination between statistics of research and development and the national accounts and balances. Such a classification is also needed for purposes of certain analyses of production, e.g. trends in direct and overhead costs and productivity, and in order to abstract data from the SNA in respect of the free, collective service which industri. s. government services, etc. provide to their employees. Classification along this line of other national accounting flows should also be of interest for purposes of research-and-development and other statistics.
VIII. CONCLUSION

29. In concluding the discussion of this document, Statistical Commission may wish to request the Secretary-General to continue certain aspects of the work which is outlined in this paper and which is not dealt with under other items of the agenda of the Sixteenth session. If the Commission so desires, the Commission may wish to request the Secretary-General:

(i) To complete or prepare technical manuals in respect of the following aspects of the SNA with the assistance of consultants as necessary:
   (a) data in current prices on the production, income and outlay and capital finance accounts,
   (b) national accounting in respect of the public sector, (c) input output tables and analysis, and commodity balances and the accounts on goods and services and (d) regional accounting;

(ii) To assist in the use of the SNA in evolving and improving the systems of national accounts and correlated bodies of basic statistics of the developing countries by convening seminars and workshops and providing technical assistance and fellowships under the United Nations Development Programme;

(iii) To keep under review and to report to the Commission, from time to time, the progress made by countries in applying the new system, together with any conceptual or practical difficulties encountered;
(iv) To elaborate, in consultation with national statistical offices and other interested bodies, the purpose and activity classifications of the SNA in respect of the government and private non-profit bodies serving households, for use in the system of demographic, manpower and social statistics, taking into account the treatment of social and community services in the draft International Standard Commodity Classification of all goods and services;

(v) To formulate in consultation with national statistical authorities and interested international agencies, a draft classification according to purpose (function) of the cost-structure of production and other aspects of the national accounts and balances for use in statistics of research and development and other purposes;

(vi) To study, in co-operation with UNESCO and with the assistance of expert consultants as necessary, and taking into account the work which has already been carried out, the concepts, definitions and classifications in respect of a system of statistics of research and development which is co-ordinated with, and complementary to, the systems of national accounts and balances.