Eighteenth Meeting of the
IMF Committee on Balance of Payments Statistics
Washington, D.C., June 27–July 1, 2005

SNA Update Project
Interim Report

Prepared by Carol S. Carson
SNA Update Project Manager
1. A Progress Report by the Project Manager, dated February 28, 2005, is available on the Project Website at http://unstats.un.org/unsd/nationalaccount/snarev1.asp. This interim report notes key developments in the SNA Update Project over last four months. The next Report by the Project Manager will be in September 2005.

United Nations Statistical Commission

2. At its meeting in March 2005, the Statistical Commission had before it a report by the Intersecretariat Working Group on National Accounts (ISWGNA) and the Progress Report by the Project Manager. Of special note, the Statistical Commission recommended keeping the existing timetable for completing the 1993 SNA, Rev. 1 in 2008. It did so considering the close coordination of the calendars of the revisions of other macroeconomic manuals and the financial implications of any postponement of the 2008 completion date. It noted that delivering Rev. 1 on the agreed timetable would require focus, discipline, and significant effort.

Progress on Issues and Clarifications

3. The multiyear SNA Update Project is in its first phase: the consideration of specific issues that are candidates for change and clarification in preparation of the 1993 SNA, Rev. 1. During this first phase, which will continue into early 2006, issues agreed on as candidates for the Update are explored, usually in topical expert group, and the brought forward for to the Advisory Expert Group (AEG). Countries are invited to comments on the AEG recommendations (see below). The attached Calendar shows the events that are still

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1 This interim report is available to the IMF Committee on Balance of Payments Statistics, June 27-July 1, 2005.
underway in preparation of issues. Columns 2-4 are of particular note; they show the events of the three topic-specific expert groups—the Canberra II Group on Nonfinancial Assets, the Task Force on the Harmonization of Public Sector Accounts, and BOPCOM. The timing of the BOPCOM and AEG meetings has been a challenge given the number of issues that have bearing on both and the interest in harmonization of these sets of macroeconomic accounts.

4. Preparations are going well for the AEG meeting in Bangkok, July 18-22, 2005. Last week the United Nations Statistics Division, as Secretariat, sent and posted on the Project Website the first batch of papers. The provisional agenda includes discussion of issues related to nonfinancial assets, the public sector, and balance of payments.

5. Hard work and discipline will continue to be the watchwords through the last of the AEG meetings devoted to specific issues, scheduled to begin January 30, 2005. This meeting, hosted by the European Central Bank, may last up to two weeks in order to deal with the wide range of issues. (A Table of Actual and Projected Dates for Completion of Issues and Clarifications will be available at the BOPCOM meeting.) As the Calendar shows, work is still underway on several major issues that will be on the table. For example, on Pensions, a Task Force has been formed, and papers are being prepared for a September meeting in Washington, DC. On the informal sector, early discussions on an approach took place at a Workshop on the SNA Update in Bangkok (see next section) and is advancing with plans to draw on expertise in the International Labor Organization and the Delhi Group.

Toward Rev. 1: Overall consistency and readability

6. Following work on specific issues, the AEG will review overall consistency of the recommendations at a meeting shown in the calendar as taking place in May 2006. Although this meeting may slip by a few weeks, it will need to take place no later than mid-2006 in order to meet the targeted 2008 completion date. The recommendations will go to countries for review after this meeting. After that a set of recommendations would be prepared for consideration by the Statistical Commission in March 2007. Meanwhile drafting of Rev. 1 will have begun with a view to a first draft being available to countries for comment on consistency and readability in May 2007. A final draft will be prepared for consideration by the Statistical Commission in March 2008.

Reactions of Countries and Consultations

7. So far, more than 50 countries have commented on the recommendations made at the December 2004 AEG meeting. Both statistical offices and central banks have given views, which are posted at http://unstats.un.org/unsd/sna1993/issues.asp. Most comments agreed with the AEG recommendations. Only on one issue was the number that had reservations or disagreed large. This recommendation was to include a return to capital, viewed as an opportunity cost, in the measurement of non-market output. The comments gave a range of reasons, but often mentioned lack of capital stock data and concern about the imputation of a rate of return. This result will be considered at the AEG meeting in July 2005.
8. Although the number of country comments is gratifying, still wider involvement
would be useful, in line with the commitment to transparency and wide involvement of the
international community in the Update Project. The ISWGNA, drawing on regional
organizations’ contacts with experts, is exploring ways to encourage countries to make their
views known.

9. A Workshop on the SNA 1993 Update was conducted for national accountants from
developing countries in the ESCAP region April 18-22, 2005. It was staffed by the UNSD
and IMF. The participants welcomed the Workshop, which was for many a first opportunity
to understand fully the issues for the SNA Update. A similar Workshop is being planned for
October 2005 in the ECLAC region. Further consultations are in prospect pending the
availability of funds.

The SNA Update Trust Fund

10. The Trust Fund has received contributions from two central banks during the last
quarter. The total is short of the amount needed for the planned activities; the management
level of the ISWGNA is exploring options.

Carol S. Carson
Project Manager, SNA Update Project
June 9, 2005
### Calendar of Events Related to the Update of the 1993 SNA, 2005 - Mid 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Event Type</th>
<th>Date</th>
<th>Location</th>
<th>Notes</th>
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<tbody>
<tr>
<td>2005</td>
<td>Jan</td>
<td>AEG &amp; ISWGNA (1)</td>
<td>24-25</td>
<td>International Technical Meeting on Measuring Remittances (Washington)</td>
<td>31-Feb 1 TSG on Movement of Natural Persons (Mode 4) (Paris)</td>
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<td></td>
<td>Feb</td>
<td>ISWGNA: MG</td>
<td>27</td>
<td>ISWGNA: MG (Paris)</td>
<td>14-18 TSG Classifications</td>
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<td>Mar</td>
<td>ISWGNA—donors' briefing</td>
<td>29-Apr 1</td>
<td>Canberra II (Canberra)</td>
<td>10-11 Eurostat WG on Financial Accounts 26-27 Eurostat WG National Accounts</td>
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<td>Apr</td>
<td>TFHPSA (Paris)</td>
<td>28-2</td>
<td>TFHPSA (Paris)</td>
<td>4-6 Eurostat TF on SNA Review</td>
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<td>May</td>
<td>ISWGNA: MG teleconference</td>
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<td>ISWGNA: MG teleconference (Paris)</td>
<td>10-11 Eurostat WG on Financial Accounts</td>
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<td>June</td>
<td>1BOPCOM (Washington)</td>
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<td>Aug</td>
<td>ISWGNA: MG at CCSA</td>
<td>11</td>
<td>ISWGNA: MG at CCSA (Canberra II)</td>
<td>15-16 OECD-Eurostat Trade in Services</td>
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<td>Sept</td>
<td>TFHPSA (Paris)</td>
<td>28-30</td>
<td>TFHPSA (Paris)</td>
<td>16 ITFSITS (Paris)</td>
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2 To complement the face-to-face meetings listed, the ISWGNA: NA conducts conference calls roughly every 4-6 weeks. The next call will be June 20.
<table>
<thead>
<tr>
<th>AEG &amp; ISWGNA&lt;sup&gt;2&lt;/sup&gt; (1)</th>
<th>Canberra II (2)</th>
<th>TFHPSA (3)</th>
<th>BOPCOM (4)</th>
<th>Other Issue-Related Events (5)</th>
<th>Consultations &amp; Feedback (6)</th>
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<td>Nov</td>
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<td>..... TF on Valuation &amp; Measurement of Equity 14-16 TSG on Movement of Natural Persons (Mode 4)</td>
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<td>Jan</td>
<td>30-Feb. ?, AEG &amp; ISWGNA (Frank-furt)</td>
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<td>Mar</td>
<td>ISWGNA:MG .... ISWGNA donors’ briefing</td>
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<td>Apr</td>
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<td>25 ECE Meeting for CIS Countries on SNA Update 26-28 ECE/OECD/Eurostat Meeting on National Accounts (Geneva)</td>
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<td>20-26 IARIW (Finland)</td>
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**Acronyms**
- AEG: Advisory Expert Group
- BOPCOM: IMF Committee on Balance of Payments Statistics
- Canberra II: Group on Measurement of Non-Financial Assets
- EDG: Electronic Discussion Group
- EG: Expert Group
- ISWGNA: Inter-secretariat Working Group on National Accounts

**Contacts for Issues-Related Events**
- AEG: havinga@un.org (as secretariat for ISWGNA)
- BOPCOM (IMF): Npatterson@imf.org
- Canberra II: charles.aspden@oecd.org
- Direct Investment Technical Expert Group: Npatterson@imf.org and ayse.bertrand@oecd.org
- EG and TSG on International Economic and Social Classifications:
<table>
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<tr>
<th>Code</th>
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<td>MG</td>
<td>Management Group</td>
<td><a href="mailto:beckerr@un.org">beckerr@un.org</a></td>
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<tr>
<td>NA</td>
<td>National Accountants</td>
<td>EG on industrial statistics (EDG on units): <a href="mailto:vuy@un.org">vuy@un.org</a></td>
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<td>ITFFS</td>
<td>Inter-agency Task Force on Finance Statistics.</td>
<td>Interagency Coordination Group on Tourism Statistics: <a href="mailto:markhonko@un.org">markhonko@un.org</a></td>
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<td>Inter-agency Task Force on Statistics of International Trade in Services</td>
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<td>TF</td>
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<td>TFHPSA</td>
<td>Task Force on the Harmonization of Public Sector Accounts</td>
<td>TFHPSA: <a href="mailto:Llaliberte@imf.org">Llaliberte@imf.org</a> and <a href="mailto:jean-pierre.dupuis@oecd.org">jean-pierre.dupuis@oecd.org</a></td>
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