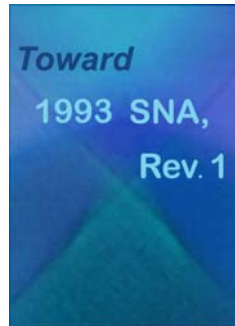


**Eighteenth Meeting of the
IMF Committee on Balance of Payments Statistics
Washington, D.C., June 27–July 1, 2005**

**SNA Update Project
Interim Report**

**Prepared by Carol S. Carson
SNA Update Project Manager**



SNA Update Project Interim Report of the Project Manager¹

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

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
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June 9, 2005

Calendar of Events Related to the Update of the 1993 SNA, 2005 - Mid 2006

	AEG & ISWGNA² (1)	Canberra II (2)	TFHPSA (3)	BOPCOM (4)	Other Issue-Related Events (5)	Consultations & Feedback (6)
2005 Jan					24-25 International Technical Meeting on Measuring Remittances (Washington) 31- Feb 1 TSG on Movement of Natural Persons (Mode 4) (Paris)	
Feb	27 ISWGNA: MG		28-2 Mar TFHPSA (Paris)		2-3 ITFSITS (Paris) 4 TSG on Tourism Accounts & Statistics 14-18 TSG Classifications	14-16 Eurostat TF on SNA Review
Mar	1 ISWGNA—donors' briefing	29-Apr 1 Canberra II (Canberra)		7-11 Direct Investment Technical Expert Group (Paris) UNSD/OECD proposal & questionnaire for top & top-top ISIC structure to be posted on SNA EDG	1-4 Statistical Commission 1-2 Eurostat WG on National Accounts
Apr					25-26 ITFFS (incl. external debt and public sector, London) 14-15 TF on Valuation & Measurement of Equity (Ottawa) 26-29 OECD WIIS (Paris)	4-6 Eurostat TF on SNA Review 18-22 ESCAP Meeting on SNA Update (including informal sector)
May	31 ISWGNA:MG teleconference				9-11 TF on Financial Services (Paris)	10-11 Eurostat WG on Financial Accounts 26-27 Eurostat WG National Accounts
June				27- Jul 1BOPCOM (Washington)	20-22 EG on International Economic & Social Classifications (New York) 23 TSG on Classifications	27-Jul 1 Eurostat BOPCOM
July	18-22 AEG & ISWGNA:NA (17 & 23) (Bangkok)					
Aug						
Sept	11 ISWGNA: MG at CCSA	14-16 Canberra II	28-30 TFHPSA		15-16 OECD-Eurostat Trade in Services 16 ITFSITS (Paris)	

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.

	AEG & ISWGNA² (1)	Canberra II (2)	TFHPSA (3)	BOPCOM (4)	Other Issue-Related Events (5)	Consultations & Feedback (6)
	(Rome)	Geneva)	(Washington)		19-23 EG on Industrial Statistics (incl. ancillary units) (New York) 21-23 TF on Pensions (Washington)	
Oct	...ISWGNA:NA (Paris)				24-28 TSG on Classifications 10-11 Working Party of Financial Statistics (Paris)	11-14 OECD/ECE Meeting on National Accounts(Paris) 24-28 ECLAC Meeting on SNA Update (incl. informal sector)
Nov				 TF on Valuation & Measurement of Equity 14-16 TSG on Movement of Natural Persons (Mode 4)	14-15 Eurostat BOPCOM
Dec						1-2 Eurostat WG on Financial Accounts
2006 Jan	30-Feb. ?..AEG & ISWGNA (Frank-furt)					
Feb						
Mar ISWGNA:MG ISWGNA donors' briefing					7-10 Statistical Commission
Apr				 OECD WIIS	25 ECE Meeting for CIS Countries on SNA Update 26-28 ECE/OECD/Eurostat Meeting on National Accounts (Geneva)
May ISWGNA:NA & AEG					
June						
July						
Aug						20-26 IARIW (Finland)

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)
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Direct Investment Technical Expert Group: Npatterson@imf.org and ayse.bertrand@oecd.org
EG and TSG on International Economic and Social Classifications:

MG: Management Group
NA: National Accountants
ITFFS Inter-agency Task Force on Finance Statistics.
ITFSITS Inter-agency Task Force on Statistics of International Trade in
Services
TF Task Force
TFHPSA Task Force on the Harmonization of Public Sector Accounts
TSG Technical Subgroup
WG Working Group
WIIS Workshop on International Investment Statistics

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