

**BOPCOM-07/16**

**Twentieth Meeting of the  
IMF Committee on Balance of  
Payments Statistics  
Washington, D.C., October 29–  
November 1, 2007**

**Carol S. Carson  
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# **The SNA Update: Progress Report**

**IMF Committee on Balance of Payments  
Statistics  
October 29-November 1,  
2007**

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# Plan of the presentation

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- A chronological approach
  - Flashback: One year ago at BOPCOM
  - Progress over the last year, focusing on three milestones
  - Going forward
- Special attention to interests of BOP experts
  - Comparing and contrasting with BOP process
  - Mentioning items of special interest to BOP experts

# Reminder: the Framework

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- Statistical Commission (SC), in 2003, set the framework for the Update of the *1993 SNA*.
  - Mandate for the Update
    - Not to be fundamental or comprehensive change
    - Consistency with other manuals an important consideration
  - Work programme: role of Inter-Secretariat Working Group (ISWGNA), Advisory Expert Group (AEG), research, consultation, etc.
  - List of 44 issues to be considered
  - Timetable for SC's consideration:
    - Recommendations in March 2007
    - *Rev. 1* in March 2008

# Flashback: one year ago

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- Recommendations: world-wide comments on the provisional set of AEG recommendations showed...
  - Unanimous or near-unanimous agreement on most AEG recommendations
  - Reason to proceed with special care on a few recommendations
    - Goods for processing was one of these

# Flashback (cont'd)

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- Chapters of *Rev. 1*:
  - A book of 27 chapters had been agreed
  - First two draft chapters had been posted for comment a few weeks before the BOP COM meeting
  - Editor to continue on first tranche of chapters—about the sequence of accounts, links to monetary and financial statistics, role of capital services in the accounts, supply and use, price and volume, cross-cutting issues--and then to turn to the second tranche

# Flashback (cont'd)

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- Implementation: ISWGNA had committed to presenting a strategy to the SC in 2008 and was canvassing to learn from experiences after the *1993 SNA*
- Long-term research agenda: Issues outside the agreed 44 were accumulating to build an agenda
  - Different from BOP approach, which seems to have been more open to issues arising along the way.

# The last year

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- Focus on three milestones
  - March 2007 Statistical Commission
  - March 2007 AEG meeting at the UN in New York
  - Posting of draft chapters for comment
- Also mention two other elements



# '07 Statistical Commission

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- Endorsed the package of recommendations presented by the ISWGNA, including...
  - R&D: adopt the principle of treating R&D expenditure as fixed capital formation and undertake focused work to implement it in a sound, internationally comparable way
  - Cost of capital services, market producers: as AEG recommended with the understanding that identification of capital services for market producers was voluntary
  - Cost of capital services, non-market producers: Undertake more research and in the meantime continue the *1993 SNA* treatment
  - Military expenditures: As AEG recommended
  - **Good for processing: As AEG recommended**

# '07 Statistical Commission (cont'd)

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- Endorsing this package, the Commission emphasized the need for guidelines, research, and handbooks on several specific topics:
  - when to recognize pension entitlements in the core accounts
  - research on the estimation of R&D as capital formation
  - **goods for processing, taking I-O and trade statistics into account**
  - integrated measurement of the informal sector

# '07 Statistical Commission (cont'd)

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- Took note of the proposal of the ISWGNA to deliver *Rev. 1* in two “volumes”
  - “Volume” I in 2008: the framework in terms of accounting conventions, the accounts, and integration of the accounts, incorporating the recommendations on the 44 issues
  - “Volume” II in 2009: interpretations and extensions
    - Rest of the world chapter is to be in “volume” II



# March '07 AEG meeting

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- Main purpose of the meeting was to discuss substantive comments on 10 draft chapters
  - Comments had been selected by ISWGNA as the ones most in need of AEG attention
- Also discussed the drafting process, implementation, and future research
- Report at website maintained by UNSD:  
<http://unstats.un.org/unsd/nationalaccount/snarev1.asp>



# March '07 AEG Meeting (cont'd)

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- Afterwards:
  - ISWGNA re-confirmed that the intent of the process was an update: changes other than those required to incorporate the recommendations and clarifications are to be kept to a minimum
    - Stricter than BOP mandate?
  - Template for country comment was redesigned to discourage comments not focused on the 44 recommendations
    - Took pointers from BOP template for comments



# Draft chapters

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- Background: steps in drafting and review
  - Editor “drafts”
  - ISWGNA provides supporting review
  - Chapter posted for world-wide comment, with a 60-day comment period
  - ISWGNA reviews the comments, separating them into three groups: (1) back to AEG (2) handled by ISWGNA, and (3) at discretion of Editor
  - Editor revises to produce version<sup>14</sup> for SC

# Draft chapters (cont'd)

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- 13 chapters posted in the last year (in addition to the 2 chapters posted in early October)
- Chapter on Supply and Use is almost ready
- Recap with a view to the 2008 deliverable:
  - Will soon have posted chapters 3-17
  - Chapters 3-17 plus chapters 1 and 2 will be the 2008 deliverable.

# Draft chapters (cont'd)

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- Comments
  - Almost 20 sets of comments on each chapter
  - Came from NSOs and central banks; all regions represented
  - Wide range of content, from substance to helpful editorial suggestions



# Other elements

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- Administrative change: the Editor, Anne Harrison, moved to Washington as of September 2007
- Implementation strategy
  - As noted, due to SC in 2008
  - Implementation was discussed in several regional meetings in 2006-07
  - Key points emerging: should focus more than in past on the institutional setting and the availability of source data.
  - Yet to come: explore synergies with BOP strategy

# Going forward

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- Plans for the 2008 deliverable to the SC
  - Post the Supply and Use chapter and ask for early comments
  - Revise chapters considering comments and post revised chapters 3-17 by end 2007
  - Update chapters 1 and 2 in early 2008
  - SC consideration in late February 2008
  - **Aim for SC-approved pre-edit web version of “volume” I as soon as possible after SC**

# Going forward (cont'd)

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- Looking to the 2009 deliverable (subject to budget and other constraints)
  - Content: chapters more or less as listed on the website
    - Labour/population and role of capital services
    - Chapters focused on each institutional sector plus rest of world
    - Informal sector
    - Links to monetary and financial statistics
    - Satellite accounts and other extensions
  - Plus chapters that reflect decisions about the 2008 deliverable—e.g., an existing divided into two (S&U for 2008 and I-O for 2009)
  - Look and feel: *Rev. 1* to be a coherent whole, while recognizing that most of these chapters are new and are “interpretations and extensions”

# Going forward (cont'd)

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- Looking to the 2009 deliverable (con't)
  - Time frame: posting of chapter at end 2008 for March 2009 SC discussion
  - Modus operandi: adaptations under discussion given preferred content and tight time frame— e.g., perhaps shorter comment period

# Thank you



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