

SNA 1993 Updating

Twenty-Ninth Meeting of the Standing Committee of
Caribbean Statisticians (SCCS)
Hamilton, Bermuda, 22-24 November

Progress in the updating of the 1993 SNA

- ❑ A work program approved by the UNSC – March 2004
 - ❑ Two meetings of the Advisory Expert Group on National Accounts (AEG) – 2004 (Annex 1 – Timetable, Annex 2 – Tentative list of issues to be discussed at the 2nd AEG meeting, December 2004)
 - ❑ Agreement on a number of issues has been reached by the AEG
 - ❑ Progress on the resolution of the 44 issues is according to the schedule
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Statistical Commission Decision – 35th session

- Reconfirmed the importance of the 1993 SNA updating, expressed general support for the detailed work program and timetable and noted the adequateness of the governance and the decision making mechanism
 - Reconfirmed the eligibility criteria for issues to be updated and the limited scope of the update
 - Reiterated the need for maintaining consistency with the ongoing revisions of the BOP and other relevant frameworks - TFHPSA, and the importance to seek, to the extent possible, coherence with business accounting standards
 - Expressed satisfaction with the progress achieved during the first AEG meeting
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Statistical Commission Decision – 35th session (cont.)

- Emphasized the need for transparency and the broadest possible involvement of the global statistical community in the updating process
 - Suggested to consider using electronically circulated questionnaires as a tool to record opinions on each issue by all Member States
 - Suggested strengthening the consultation process through additional regional workshops with the participation of developing and transition countries for which appropriate funding should be reserved
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Transparency and the involvement of the global statistical community

A website has been created and maintained by the UNSD

<http://unstats.un.org/unsd/nationalaccount/snarev1.htm>

<http://unstats.un.org/unsd/sna1993/issues.asp>

Email: sna@un.org

1993 SNA Rev. 1 website

- ❑ The work program approved by the SC in March 2004
 - ❑ The list of issues to be considered in the update
 - ❑ Issue papers already considered by the AEG, together with the decisions of the AEG and comments made by experts, national statistical offices and central banks
 - ❑ Issue papers approved by the ISWGNA and awaiting discussion at a future AEG meeting
 - ❑ Minutes of the AEG and ISWGNA meetings
 - ❑ Comment of the national statistical offices and central banks on the recommendations of the AEG
 - ❑ Links to the websites on the updating of the BOP and government accounts statistics – TFHPSA
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Governance and decision making process

- ❑ ISWGNA – managing and coordinating the updating process
 - ❑ UNSD – secretariat support to the ISWGNA
 - ❑ Advisory Expert Group – established to support the ISWGNA in its deliberation on conceptual issues; plays an essential role in the process of updating the SNA; takes decisions on the scope and conceptual issues of the updating process
 - ❑ Canberra II Group, other city groups, regional meetings, EDGs
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Governance and decision making process (cont.)

- ISWGNA will assess and evaluate the consistency with the revision of BOP Manual and GFS throughout the updating process
 - All documents for discussions are publicly accessible in order to ensure country involvement and general transparency
 - All national statistical offices and central banks are consulted, by sending the summaries of the recommended by the AEG changes and asked for their comments
 - Issue papers - presented at regional meetings
 - A project manager and an editor will be appointed soon to assist the ISWGNA in managing the updating process
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List of issues reviewed by the AEG for the 1993 SNA, Rev.1

- The AEG accepted 44 issues submitted by the ISWGNA (SNA News and Notes, N:18) – full list along with the responsible agency or expert group and the expected date of completion
 - Issues rejected
 - Consumer durables – would entail a fundamental change of the production or asset boundary
 - Consumer subsidies – an old issue rejected before 1993 revision process, no change in the economic environment has emerged
 - The reliability of measurement should not be part of the general definition of an asset
 - Macroeconomic aggregates (GDP versus NDP)
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Conclusions of the First AEG Meeting (February 2004)

- Determined the scope of the review process
 - Approved the title of the updated version - 1993 SNA Rev.1
 - It is not expected that new issues for review will appear on a large scale
 - Consultations by regional commissions should be organized in order to ensure widespread discussion
 - Regional consultations between meetings and exchange of e-mails are encouraged
 - Encouraged the regional consultation and debates among the users
 - The recommendations made by the AEG have been circulated to the members of the SC for comments; comments consolidated by the ISWGNA and submitted to the AEG for further deliberations.
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Progress with issues

- ❑ **Taxes on holding gains** – AEG approved the recommendation that there should be no change to the 1993 SNA (they will continue to be treated as current taxes on income and wealth);
 - ❑ **Military weapon systems as fixed assets** – AEG accepted all the recommendations from the issues paper, expenditure on military equipment will be treated as fixed capital formation but as a separate category;
 - ❑ **Employer retirement pension schemes** – further work is needed;
 - ❑ **Employee stock options (ESO)** – AEG approved the four recommendations made, the principal one being to recognize ESO as compensation of employees.
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Progress with issues (cont.)

- **Cost of ownership transfers (COT)** on non-financial assets – AEG approved the two recommendations – to continue to record COT as fixed capital formation and that they should be written off over the expected period of ownership;
 - **Measurement of the production of non-life insurance** – AEG accepted the replacement of the current formula used for estimation the production of insurance services with one using adjusted claims and adjusted premium supplements, to reflect the expected rather than actual values, and also accepted the simple cost plus operating surplus alternative;
 - Provisional recommendations on the **measurement of the production of (non-insurance) financial services** – further work is needed;
 - **Measurement of the output of central banks** – further work is needed.
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Annex 1. Timetable

- 2003-2005 - Deliberation on specific issues through expert groups, EDGs, city groups, etc.
 - AEG
 - 2004-2005 – 3 meetings
 - May 2006 – meeting for a review of mutual consistency and overall integrity of the System
 - 2007 – final meeting to adopt the proposed changes taking into account the countries comments
 - 2004-2005 – The recommendations of the AEG will be sent to countries for comments after each meeting
 - 2004-2005 – In-country consultations of stakeholders
 - 2006 – circulation of consolidated recommendations
 - May 2007 – complete draft of the 1993 SNA, Rev.1 will be sent to the countries for comments on consistency and readability
 - March 2008 – final draft of the 1993 SNA, Rev.1 will be submitted to the Statistical Commission (SC)
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Annex 2: Tentative list of issues to be discussed at the 2nd AEG meeting, December 2004

- Originals and copies
 - Databases
 - Mineral exploration
 - Cost of capital services in production account
 - Government owned assets - cost of capital services
 - Treatment of land
 - Cost of ownership - part II
 - Repurchase agreements
 - Allocation of the output of central banks
 - Employer retirement pension schemes
 - Non-performing loans
 - Interest under high inflation
 - Informal sector
 - Super dividend, capital injections and reinvested earnings (government transactions with public corporations)
 - Recording of taxes - tax revenues, uncollectible taxes, and credits
 - Private/public/government sector delineation
 - Alternative presentations of top structure of revised ISIC and CPC in the update of the 1993 SNA
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