

UPDATING OF THE SYSTEM OF NATIONAL ACCOUNTS, 1993 (1993 SNA)

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National Accounts (AEG)

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Economic Commission for Latin America and the Caribbean**

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Background

- Changes in the economic environment necessitate a continuous updating of the 1993 SNA.
- Therefore, initially an incremental updating mechanism was approved at the thirtieth session of the United Nations Statistical Commission.
- The main thrust of the programme is to ensure a smooth and transparent review process that has a broad support in the international statistical community.
- The United Nations Statistical Commission at its thirty fifth session again reemphasized the desire that the global statistical community should be involved in the updating process of the 1993 SNA.

Background

- Over the last fifteen months considerable progress has been made with the update of the 1993 SNA in a worldwide consultative process.
- Two meetings of the AEG have been organized in 2004. During the meetings of the AEG, agreements have been reached on 44 issues to be considered for updating in the revision of the 1993 SNA.
- Criteria used for the selection of issues were:

Criteria used in the selection of issues

1. They should not be fundamental or comprehensive changes to the 1993 SNA that would impede the process of implementation.
2. They should be issues that are emerging in the new economic environment.
3. They should be issues that are widely demanded by users.
4. Old issues that were rejected in the 1993 revision process, but because of its importance, the changing economic environment and advanced methodological research they need to be revisited.

Criteria used in the selection of issues

5. Any recommendation for change should have its internal consistency and consistency with related manuals such as the Balance Of Payments Manual and Government Finance Statistics Manual.
6. Any recommendation for change should consider feasibility of implementation.

Transparency in the update process

- The Intersecretariat Working Group on National Accounts (ISWGNA) has sought to make the whole process as transparent as possible and to involve as many interested parties as possible in the update. Articles have been published in the periodical SNA News and Notes and numerous presentations have been made at conferences and seminars.

Creation of a Web Site

- The most important single development to promote transparency and to promote involvement has been the creation of a web site, maintained by the UNSD.
<http://unstats.un.org/unsd/nationalaccount/snarev1.htm>
- The web site displays:
 - **the work programme approved by the Statistical Commission in March 2004.**
 - **list of issues to be considered in the update, with short descriptions of each issue**
 - **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.**

On the Web Site

- Issue papers approved by ISWGNA and awaiting discussion at a future AEG meeting.
- minutes of the first AEG meeting held in February 2004.
- comments of national statistical offices, central banks and national accounts experts on the recommendations of the AEG.
- minutes of ISWGNA
- links to web sites on the updating of the BOP and government accounts statistics.

Issues referred for comments

- The AEG in its meeting held in December 2004 referred to the National Statistical Offices, and Central Banks of member states the following issues for comments:
 - 4(a) Non performing loans
 - 11 Originals and copies
 - 12 Databases
 - 14 Costs of ownership transfers of assets-Part 2
 - 16 Government owned assets – cost of capital services
 - 17 Mineral exploration
 - 20 Land improvements

Issues referred for comments

- 25(b)(i) Holding companies, special purpose entities (SPEs) and trusts
- 25(b)(ii) Treatment of multi-territory enterprises
- 25(b)(iii) Recognition of branches
- 38(a) Change of economic ownership (as term)
- 38(c) Application of accrual principles to debt arrears
- 39(b) Predominant centre of economic interest (as term)

Summary of Country Comments

- Summary of the country comments on the recommendations of the AEG

	Agree	Reservation	Disagree	Not clear	Clarification
4(a)	41		3		1
11	34		1		1
12	37				1
14	35		3		
16	18	11	13		
17	33	1		1	3
20	34	1	2		

Summary of Country Comments

	Agree	Reservation	Disagree	Not clear	Clarification
25(b)(i)	35			2	4
25(b)(ii)	36				4
25(b)(iii)	35				
38(a)	28				3
38(c)	42				
39(b)	45		1		

Countries in the Region who made comments on the recommendations of the AEG

Country	Institution
Chile	National Bank
Colombia	National Bank
Honduras	National Bank
Netherlands Antilles	Statistical Office
Nicaragua	National Bank
Trinidad & Tobago	Statistical Office
USA	Statistical Office Eastern Caribbean Central Bank

Workshops on 1993 SNA Update

- The first workshop on the 1993 SNA Update was held in Bangkok, Thailand, 19 – 22 April, 2005.
- Twenty two countries and territories in the ESCAP region attended plus representatives of international agencies in the ESCAP region.
- A similar workshop is planned for the UNECLAC region, either in 2005 or early in 2006.
- Countries in the region are therefore urged to get involved in the 1993 SNA updating process and to effectively participate in the planned workshops.

Workshops on 1993 SNA Update

- The workshops will provide another opportunity for the participating countries to ensure that their needs are reflected in the 1993 SNA Update.
- Participating countries in the region would be pleased that they have been adequately consulted and can claim ownership of the updating process.
- Countries are expected to inform UNSD whether the AEG recommendations can be implemented and what would be their impact on their GDP estimates.

Third meeting of the AEG, 18-22 July, 2005 in Bangkok, Thailand

Provisional List of Issues for Decision:

- Cost of capital services
- Public/private/government sectors delineation
- Non-performing loans and related topics
- Government-owned assets: Assets used in non-market production
- Guarantees
- Non-resident SPVs linked to government
- Tax revenues, uncollectible taxes and tax credits

Provisional List of Issues for Decision

- Migrants' transfers
- Residence: Non-permanent workers
- Merchanting
- Repurchase agreements
- Index-linked debt instruments
- Fees payable on securities lending
- Financial asset classification: Debt securities and more

Provisional List of Issues for Decision

- Research and development/Patented entities
- Originals and copies
- Databases
- Land
- Goodwill and other non-produced assets
- Obsolescence and depreciation
- Water as an asset

Provisional List of Issues for Decision

- Interest under high inflation
- Employer pension schemes
- Financial services
- Multiterritory enterprises - basis of allocation (report on consultation)
- Super-dividend, capital injections and reinvested earnings
- Goods sent abroad for processing

Thank you for listening

**Looking forward to your participation
and or involvement in the 1993 SNA
Update process.**

**Take time to laugh for
it is the music of the soul.**