

COPY

No.DMD.(23) 23 /2549

6 November B.E. 2549 (2006)

Mr. Robert W. Edwards
Director,
Statistics Department
International Monetary Fund
700 19th Street, N.W.
Washington, D.C. 20431
U.S.A.

Dear Mr. Edwards,

In response to the letter dated November 14, 2006 regarding the revision of the 1993 SNA, the Data Management Department, Bank of Thailand (BOT) would like to express our views on the proposed treatment of cases which distinction between government employee pension schemes and social security schemes is not feasible.

The BOT would like to raise some concerns over the proposal on the grounds that;

(1) The proposal has made least attempt to converge the current unequal treatment of funded and unfunded benefit pension scheme. The unequal treatment potentially arises when countries are allowed to apply country-specific criteria where an option is provided whether to exclude some pension schemes in the core account.

(2) The proposed supplementary table showing the flows and stocks of pension entitlements of all pension schemes is not an optimal means to achieve effective international data comparability for it does not associate with economic flows in the core account.

In promoting comparability, the BOT suggests that common distinction between government employee pension scheme and social security scheme should be drafted so that corresponding systems in different countries could be classified consistently. Valuation method to estimate defined benefit pension liabilities should be provided in order to accommodate environmental constraints of different countries. Moreover, if calculation based on actuarial basis is adopted, countries should ensure that minor changes in underlying variables (e.g. prevailing market interest rate), will not hamper data revision and degrade dissemination practice.

In addition, the Office of the National Economic and Social Development Board (NESDB), who holds the sole responsibility for producing Thailand's national accounts statistics, supports the separation of pension entitlement from social security fund as each segregated scheme infers different implications to policy makers. This is especially important for an increasing trend of ageing society of Thailand. Furthermore, the NESDB also supports use of comprehensive presentation of all pension schemes in a set of supplementary tables where *SNA* concepts, definition and coverage are aligned with those of core accounts in order to ensure consistency across the different tabular presentations.

We hope you find the comments and suggestions useful. Please do not hesitate to contact us if clarification of any issue discussed above is required.

With warm regards.

Yours sincerely,



(Ms. Prangtip Busayasiri)

Senior Director

Data Management Department
for Governor

Data Management Department

Tel. + 66 2283 5630

Fax. + 66 2283 5111