



THE BANK OF KOREA

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April 30, 2008
Mr. Ivo Havinga
Chief
Economic Statistics Branch
UNSD

Subject : Comments on Volume 1 of the updated 1993 SNA

Dear Mr. Havinga,

Replying to your letter from March 20, 2008, first of all, The Bank of Korea would like to appreciate for given opportunity to comment on Volume 1 of the updated 1993 SNA

Here are the BOK's comments on the related issues for the update process.

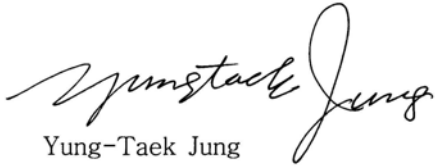
o First, comments on Volume 1 of the updated System of National Accounts:

1. **Chapter 6 (The production account) :** The chapter 6 is providing good examples of the several activities in the production Account. Furthermore, it would also be more desirable to include detailed treatments (for example, treatments of intermediate consumption) of collective services such as Central Bank to keep this good practice (6.152, 6.153). In addition, we need more specific method to include "rent on land used in the production" of the output for own use or the value of non-market output (6.122, 6.123, 6.126, 6.127, 6.128). The inclusion of this type of rent within the production of government has huge effects on GDP. And for accounting, we have a question for how to separate rent on land from the rental on the building.

2. **Chapter 14 (The Supply and use tables and goods and services account) :** We agree to the chapter 14 of volume 1 in general. It is, however, necessary to add the detailed explanation about goods for processing, because it is practically difficult to separate between goods for domestic uses and goods for exports (14.38, 14.39, 14.40, 14.41, 14.42).

- o Second, we are inclined to think that the title of System of National Accounts 2008 (2008 SNA) is more relevant because the accounting impacts of major economic developments since 1993 have been incorporated into the basic framework.
- o Finally, We do appreciate the continuous efforts of UNSD in this process.

Sincerely yours,



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Head
National Income Statistics Team
Economic Statistics Department
The Bank of Korea

