



"Azizullah Khattak -
Director Statistics &
DWH"
<aziz.khattak@sbp.org.pk
>

To <sna@un.org>
cc
bcc
Subject COMMENTS ON VOLUME 1 OF THE UPDATED 1993 SNA

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Mr. Ivo Havinga
Chief of the Economic Statistics Branch,
United Nations Statistics Division,
New York,
USA.

SUBJECT: COMMENTS ON VOLUME 1 OF THE UPDATED 1993 SNA

Dear Mr. Havinga,

This is in reference to IMF letter of March 20, 2008, addressed to Governor, State Bank of Pakistan, seeking comments on contents of Volume 1 and title of the update.

The updated System of National Accounts (SNA) fulfils the long awaited demands of the member countries on international standard for compilation of their National Accounts Statistics and international reporting of comparable national accounting data. It is appreciated that the revised version maintains the system relevance in the fast evolving world economy due to changes in the economic environments by keeping updates and provides a rationale for treatment applied so as to enable the national accountants to decide on new developments & new institutional arrangements in future.

It is commendable that no fundamental changes (in the basic structure) have been made in the system. The placement of chapter contents at the start of each chapter and addition of tables and new text / revised text is a nice addition. The text has been made clearer, simplified and ambiguities have been removed. The material of chapters has been re-arranged and elaborated particularly the chapters, 6, 7, 8, 9, 10, 11, 13, 17. The system not only maintains consistency but also ensures consistency (more harmonization) among other system ie. Balance of Payments (BOP), Government Finance Statistics (GFS) and Monetary and Financial Statistics. The proposals and recommendations of the Advisory Expert Group (AEG) meeting on the issues / clarifications are endorsed. Our views on the title and comments on Volume 1 of the updated 1993 SNA are as under:

- The title of updated System of National Accounts 1993 should be "System of National Accounts 2008" (2008 SNA) as per previous scheme used for 1968 SNA and 1993 SNA.
- For benefits of the readers and users, an inventory of major revisions made in 1993 SNA may be added in the beginning of the document.

- In Chapter 4, table 4.2, the sub-sector “*Deposit-taking corporations except Central Bank (S 122)*” may further be subcategorized as:
 - a. *Deposit money corporations; and*
 - b. *Other deposit accepting corporations.*
- Para 4.15 (c), the term “significant” needs more elaboration for the sake of clearly.
- Para 4.15 (d) needs more clarity in respect of transactions by a person who owns land and building in two countries.
- Chapter 11, C: *Recording of Individual Financial Instrument*: Restricted deposits need to be distinguished from transferable deposits and other deposits due to difference in their treatment in monetary statistics.
- The topic on military equipments needs more elaboration.

Yours sincerely,

Dr. Azizullah Khattak
Director
Statistics & DWH Department
State Bank of Pakistan