

No. 11/183/DSM

Jakarta, February 13, 2009

Mr. Herman Smith
Chief of the National Account Section
United Nations Statistics Division (UNSD)
Fax: 1-212-963-1374

**Re: Comments on Draft of System of National Accounts (SNA)
2008 volume 2**

Dear Mr. Smith,

In response to IMF letter dated January 13, 2009 concerning the review of volume 2 of the System of National Accounts 2008 (2008 SNA), please find attached our comments on the related matter.

With this letter we would also like to express our gratitude for inviting Bank Indonesia to participate in this project.

We appreciate very much for your support and continued cooperation.

Sincerely yours,
DIRECTORATE OF ECONOMIC AND MONETARY STATISTICS



Triono Widodo
Director

cc: Mr. Adelheid Burgi-Schmelz, Director of Statistics Department, Washington, D.C.,
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Comments on Volume 2 of the 2008 SNA

Chapter 26

- In paragraph 26.17, the statement of “In principle, every time a resident unit undertakes a transaction with the rest of the world, it should also record the consequential financial transaction” is not entirely correct. In the case when a resident unit received goods as a grant from nonresident, there is no financial transaction recorded in BOP.
- In paragraph 26.23, netting rule is discussed quite comprehensive. It would be better if the rule of “aggregation” is also introduced as mentioned in BPM6 (paragraph 3.109 – 3.121). By describing the aggregation concept, readers will know which aggregation rules (gross or net recordings) can be applied. For example, we should apply gross recording for current account transactions.
- In paragraph 26.26, we propose “territorial waters” to be elaborated further using the similar explanation in BPM6 (paragraph 4.5.).
- In paragraph 26.57 point b, for construction sector there is a statement of “...that are not recorded in imports and exports of goods because they do not physically leave the country and are thus not captured in merchandise trade”. We propose that this statement to be removed, considering:
 1. The statement can also be applied to goods acquired by traveler or government in the other two components, namely travel and government goods and services n.i.e.
 2. The reason used to exclude local material consumed from merchandise trade, i.e. because they do not physically leave the country is somewhat contradictory to the concept of transaction in BOP. The basis requirement for BOP in recording goods transactions is the change of ownership between resident and nonresident, not the physical movement of the goods entering or leaving the country.
- Paragraph 26.58 of SNA stated that the primary income account is concerned with compensation of employees and property income. While in paragraph 11.3 of BPM6, we know that primary income consists of compensation of employees, investment income, and other primary income that cover rent, other taxes and subsidies on production. However, in paragraph 26.58 there is a statement of “...to use the term investment income meaning property income excluding rent.” From the last statement, there is a difference in the coverage of investment income between BPM6 and SNA. BPM6 excludes taxes and subsidies on production from Investment income, while in SNA they are included.

Chapter 27

- Inconsistency on the coverage of the monetary statistics in SNA 2008 and MFSM 2000 as follows:

SNA 2008 Para 27.5:

Monetary statistics cover the stocks and flows of the financial assets and liabilities of financial corporations, both within an economy and between units in the economy and units in the rest of the world...

The above paragraph, we view is inconsistent with MFSM 2000 paragraph 362 and 405, that are:

362. ...The monetary statistics cover stock and flow data on the assets and liabilities of the financial corporations sector and its subsectors...and,

405. ...The scope of the monetary statistics is limited to the assets and liabilities of the financial corporations sector and its subsectors...

It is because the words "assets and liabilities" can be interpreted as to include non financial assets.

Below are the paragraph that are similar to paragraph 27.5 above in term of using the word "financial assets and liabilities":

Para 27.6 Financial statistics extend the range of monetary statistics to include the stocks and flows of financial assets and liabilities between all sectors of the economy and between the sectors of the economy and the rest of the world.

Paragraph 27.18 as noted in the introduction, financial statistics extend the range of monetary statistics to include the stocks and flows of financial assets and liabilities between all sectors of the economy