

Mr. Ivo Havinga
Chief
Economic Statistics Branch
United Nations Statistics Division

ABS Comments on Annex to chapter 6: Separating storage production from holding gains and losses

The Annex sets out the circumstances in which a change in the value of inventories results from a process of production and does not represent a holding gain. Of the three types of circumstances described, the second - goods whose physical characteristics change - is intuitive and more easily understood compared with the other two types. It is clear to the reader that the value during storage is changing due to a production process and that it should be recorded as such. It is suggested that the ordering be changed so that this is discussed first.

This will remain a difficult area in practice, but the ABS supports the recommendations as a solution to be applied to significant cases.

Some editorial comments -

6A.6. Last sentence - delete 'the full' and replace with 'a'

6A.11. Last sentence should be 'absence of these prices'

6A.12. Last sentence suggest insert word 'production' after storage.

6A.26. word 'for' has been duplicated.

Yours sincerely,

Michael Davies
Acting Division Head
Macroeconomics Division
Australian Bureau of Statistics