

**Comments on draft SNA chapter:
Chapter 15: The Goods and Services Account and
Supply and Use Tables**

Deadline for comments: 29 November 2007

Send comments to: sna@un.org

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Submission date:	November 14,2007

This three-part template allows you to record your comments on draft chapter 15 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address:
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Part I: General comments

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated. Also, you may wish to comment on whether there is enough cross-referencing to earlier chapters for the basic concepts and definitions used in the supply and use tables (30 words or less).

Comment:

Click here and start typing.

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 15, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs. For each passage, a Word table is provided for you to use in making your comments. In most cases, there is a row for general comments at the top of the table. Thereafter please use a separate row for each paragraph on which you wish to make detailed comments.

Goods and services account

As the foundation of the supply and use tables, the goods and services account is discussed in paragraphs 15.7. This account also serves as a preliminary step to the material on the summary measures of the accounts (now in chapter 14, but to be moved in the next version of the full set of chapters where this chapter on the goods and services account and supply and use table will be chapter 14, prices and volumes will be chapter 15 and part of the existing chapter 14 will be described as “Summarizing and integrating the accounts” in place of the present title of “Summarizing and presenting the accounts”> and will be chapter 16.).

1. Do you find this discussion useful? Is it clear and sufficient?

General comment	
Para. 15.7	For clarity, the basic equation should be rearranged to read “Output + imports + taxes -subsidies on products - intermediate consumption = final consumption +capital formation +exports.
Para.15.8	<p>The definition of supply and use tables is not clear. The ESA 1995 provides a clear definition of the SUTs. “A supply table shows the supply of goods and services by product and by type of supplier, distinguishing output by domestic industries and imports”. (para.9.03)</p> <p>“A use table shows the use of goods and services by products and by type of use, as intermediate consumption (by industry), final consumption, gross capital formation or exports. Furthermore the table shows the components of gross value added, i.e. compensation of employees, other taxes less subsidies on production, net mixed income, net operating surplus and consumption of fixed capital. (Para. 9.04)</p>
Para.15.12	The first sentence “ It is conceptually possible to compile a set of supply and use tables with intermediate consumption treated in total , with the use table showing how much of each product is used for intermediate consumption but no further detail” should be deleted. Because this approach is not analytically useful and we should discourage developing countries from adopting it.

Goods for processing

The implications of the new treatment for goods sent abroad for processing (and returned from abroad after processing) for the supply and use tables is described in paragraphs 15.32-15.36.

2. Is the discussion of goods for processing clear and sufficient?

General comment	
Para.15.35	This paragraph should be elaborated. Mention should be made about the processing fee. An example of the impact of the revised treatment on supply and use tables will be helpful.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

Trade and transport margins

The decision on how to record goods for processing has implications for how to record transport margins on such goods. Further, the principles of how to record trade and transports margins within supply and use tables when valuation is at basic prices as compared with purchaser's prices were not elaborated in the *1993 SNA* text. Such a clarification is now provided (paragraphs 15.42-15.66)

3. Is the discussion of trade and transport margins clear and sufficient?

General comment	OK.
15.42	Click here and start typing.
*	Click here and start typing.

* Insert rows in this Word table for each paragraph on which you wish to comment.

The supply and use tables in volume terms

Section D.2 provides a general discussion of the supply and use tables in volume terms, covering output, imports and exports, margins, taxes less subsidies on production, and value added.

4. Is the discussion of supply and use tables in volume terms clear and sufficient?

General comment	It is OK for an overall view
Para.15.119	For clarity, it is worth repeating the statement (Para.15.108) that to deflate the SUTs, the use tables should be reduced to basic prices
15.122	This paragraph recommends use of CPI for deflating household expenditures. It should also state how the volume measures of margins embedded in the current household expenditures are derived.

* Insert rows in this Word table for each paragraph on which you wish to comment.

Additions and deletions to the draft chapter

The chapter aims to give a more comprehensive view of supply and use tables and how they might be used than is found in the *1993 SNA*. As explained in the Note by the Editor, new material was added on several aspects.

- Bearing in mind that input-output tables will be described in a later chapter, are there other aspects of supply and use tables that you feel should be added to the chapter?

Comment:

Click here and start typing.

Table 15.3 of the *1993 SNA* shows the cross classification of production account items by industries and institutional sectors. It has been omitted from the draft chapter.

- Do you see any reason to restore it to the draft?

Comment:

This table should be reinstated because it provides a link between the industries and institutional sectors. In fact the existence of this link should be stated in the introduction where two views of the economy are presented.
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Part III. Other specific comments

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comment directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>