

**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:	23.11.2007

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:
sna@un.org

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:

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| <ol style="list-style-type: none">1) We appreciate the plan to have a glossary of key terms.2) We appreciate the appearance of the tables electronically in an annex in Excel format. Particularly from a Supply and Use table (SUT) and input output point of view this is an advantage.3) We recommend to think about a list of abbreviations (CPC, ISIC, CPI,...) if not done yet.4) In principle we agree to the split of SUT in Chapter 15 on the one hand and IOT in Chapter 20 on the other hand. This focuses on the importance of SUT within GDP accounting. However we would like to have the words "input-output" in the heading of Chapter 20. |
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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 “Summarising and integrating the accounts” in place of the present title of “Summarising and presenting the accounts”> and will be chapter 16.).

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

General comment	The format of the SUT, their use in balancing the accounts and improving the quality of the accounts and the integration of SUT in National accounting seem to be worked out very clear. However some paragraphs concerning the reconciliation process of GDP with the help of SUT are missing. Such paragraphs should be added after the discussion of “C. The use table”. In addition, the revaluation matrices – they are mentioned in paragraph 15.108 – should be shown and described in greater detail.
15. 7	We think that this paragraph makes very clear the relationship between the goods and services account on the one hand and GDP from the expenditure approach and from the production approach on the other hand.
15. 10	A very important paragraph which sets off the integration of SUT within GDP accounting.

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	The discussion seems to be clear and sufficient. We have no further comments.
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comment	
15.32	Click here and start typing.
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* 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	Congratulations to table 15.2. This table shows the issue very clear. No further comments.
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	<p>Important connections between chapter 15 and chapter 16 should be addressed, i.e. 16.94 to 16.96 in chapter 15.</p> <p>Information, how to solve balancing problems are missing. Chapter 16 does not deal with this subject. 16.49 refers to chapter 15. Especially more information is necessary about balancing problems caused by differences between CPI and PPI and by inventories influenced from balancing of the nominal use table.</p> <p>Revaluation matrices for trade margins, transport margins, VAT, other taxes and subsidies as well as import matrices are necessary for the calculation of implicit deflators for the use tables. Vectors are not</p>
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	sufficient. Accounting procedures and problems concerning these matrices should be explained in more detail.
15.126	Last sentence: Besides this prices for national and foreign demand may differ.
*	Click here and start typing.

* 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.

5. 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:

<p>From our point of view most of the chapter XV seems to be written very clear and sufficient. However as mentioned above some paragraphs on the reconciliation process are missing. Furthermore we think that the explicit illustration of the SUT and all necessary revaluation matrices (not only vectors) within the text in aggregated format would be an improvement.</p>
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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.

6. Do you see any reason to restore it to the draft?

Comment:

<p>No.</p>

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>