

**Comments on draft SNA chapter:
Chapter 16: Price and volume measures**

**Deadline for comments: 5 October 2007
Send comments to: sna@un.org**

Your name:	
Your country/organization:	Germany / Federal Statistical Office
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Submission date:	5 October 2007

This three-part template allows you to record your comments on draft chapter 16 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.

There is no file comparing existing text with draft text for this chapter due to the large amount of new text in this chapter.

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 (30 words or less).

Comment:

In general the topic is well-illustrated.

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 16, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs. Please use the space provided to the right of the paragraph number to make your comment.

Index number theory

Section B presents an overview of index number theory as applied in the System. It has been updated to reflect work during the last decade embodied in the new manuals on consumer price indices, producer price indices, and export and import price indices (available in draft).

1. Paragraphs 16.10 - 16.88 present this overview. Are these paragraphs clear and appropriate to the SNA?

General comment	The chapter 16 is much longer than in the SNA 1993. Reductions may be possible in 16.23 – 16.28 and 16.71 – 16.78.
16.34 – 16.35	Connection with national accounts is not clear.
16.40	We prefer Paasche formula over verbal explanation here.
16.46-16.47	Formulas for chaining of quarterly Laspayres-typ indices would be helpful here.
16.79 – 16.80	Explanation of hedonic price measurement is very short. More information and examples would be helpful.

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

Derivation of volume measures in the national accounts

Section C is considerably expanded from its counterparts in the *SNA 1993*. The ISWGNA agreed that this expansion was needed and that the new price manuals provided useful input for the expansion.

2. Paragraphs 16.89 - 16.183 cover price deflation vs. quantity revaluation, volume measures of the output estimate of GDP, volume measures of the expenditure estimate of GDP, volumes and prices for stocks of non-financial assets and consumption of fixed capital, components of value added, measures of real income for the total economy, and other aspects of price and volume measurement. Are these paragraphs clear and appropriate to the SNA?

General comment	Only little information about rebasing and linking of indices is given in section B. We would appreciate if chaining of quarterly data will be explained in more detail, especially in section C. Therefore we suggest integrating the Annex after Section D into Chapter C. Additional examples showing annual chaining and quarterly chain linking would be helpful.
16.102	The proposal about volume estimates in the case of FISIM needs further clarification.
16.109	For better understanding, please explain again briefly, what is meant by “this goal” here.
16.142 –	The method described is convincing as far as data about opening and closing

16.145	stock are available. In Germany that is not the case. This problem may occur in other countries as well. Therefore it would be desirable that SNA provides alternative methods in case stocks of inventory can not be calculated.
16.182	Recommendations for quarterly chain linking are missing here.

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

International price and volume comparisons

Section D presents the theory and practical aspects of international comparisons of prices and volumes. It draws on the most recent round of the International Comparison Program, which involved 107 countries.

3. Paragraphs 16.184-16.225 present this material. Are these paragraphs clear and appropriate for the SNA?

General comment	For further information please mention the PPP manual in this section as well.
16.212	Besides comparable country estimates of GDP, PPPs are used to compile comparable price level indices.

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>