

**Comments on draft SNA chapter:
Chapter 22: The general government and public sectors**

**Deadline for comments: 13 September 2008
Send comments to: sna@un.org**

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Submission date:	11.09.2008

This template allows you to record your comments on draft SNA chapter 22 “The general government and public sectors” 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 or all parts of the template.

There is no file comparing existing text with draft text for this chapter because the draft is all new text.

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. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

General comments:

General comment	<p>Terminology <i>expenditure</i> / <i>outlays</i>: in Europe the term "<i>government expenditure</i>" is established, whereas in almost all places in this chapter "<i>outlays</i>" it used instead of "<i>expenditure</i>". In fact 22.79 explains that outlays are sometimes called expenditure, but probably replacing expenditure by outlays throughout the chapter will rather confuse users of international statistics. We suggest reconsidering the use of <i>outlays</i> instead of <i>expenditure</i>.</p> <p>Sometimes the word "sustainability" is used rather loosely (e.g. in 22.80 or 22.85). In Europe <i>fiscal sustainability</i> is understood in terms of future flows of revenue and expenditure, not in terms of the current balance / net lending of government. In order to avoid confusion it would perhaps be better to avoid the term "sustainability" in this chapter?</p> <p>The references to paragraphs from chapter of volume 1 should be checked.</p>
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Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

A. Introduction (paragraphs 22.1-22.12)

General comment	
22.6	Add "and transfers" at the end of the last but one sentence.

B. Defining the general government and public sectors (paragraphs 22.13-22.66)

General comment	
22.15	Consider replacing "Units" with "Institutional units" at the begin of this paragraph.
22.17a	It seems that this paragraph does not re-state the last version of 4.117a and should be updated (compare the second sentence of 4.117a and 22.17a) or deleted, as the reader can check in chapter 4 for it.
22.24	Last sentence: replace " <i>by incurring liabilities on its own account,</i> " by " <i>e.g. because it enjoys the formal support of a government unit,</i> "
22.30	This paragraph seems to be confusing: following questions that should be clarified: <ul style="list-style-type: none"> - To what refers the different thresholds in the first sentence? - Does refer the second sentence to market/non-market production, establishments or institutional units? - The second and the 4th sentences seem to contradict each other.
22.32	This paragraph should be reedited as it seems to open the possibility for having in the SNA corporations as non-market producers, what would contradict e.g. Figure 4.1 in volume 1.
22.36	"above" at the end of this paragraph should be replaced with a reference to para 22.34..
22.39	First sentence is very long and difficult to understand. Further it should be avoided to use the concept of basic prices in this context, because output at basic prices is a well defined concept in volume 1 while in this paragraph it is described a different valuation of the output.
22.60ff	Create a subtitle "Special purpose entities of general government" for the paras 22.56-22.59 and let the subtitle "Joint venture" be a subtitle of "Special purpose entities".
22.66	Please make explicit that the set of accounts for the supranational authority stays in the Rest of the World sector (the wording "as if it were a resident unit of the member country" is a little bit confusing).

C. The government finance presentation of statistics (paragraphs 22.67-22.92)

General comment	
22.73	Last sentence could be more elaborated making explicit some of the decisions which would lead to variations in implementation.
22.83	3 rd sentence: replace "consolidates all flows and stocks" by "consolidates all financial flows and stocks" Last sentence: replace "the central government sub-sector" by "the government sub-sectors"
22.84	We'd prefer to refer to the gross level of government liabilities instead of the net level, otherwise international users may get confused because in Europe the debt deficit adjustment refers to the gross concept of debt. 22.84a: please make explicit that acquisition and disposal of financial assets here refers to the counterpart of a non-financial transaction.

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

D. Accounting issues particular to the general government and public sectors (paragraphs 22.93-22.168)

General comment	
22.96	Reference to the relevant paragraphs of chapter 7 and 8 should be made.
22.97b	It seems to be a contradiction between this paragraph which excludes treating payments for the licence for use of a government owned asset as service (rentals)/operating leasing and para 17.293 (especially 3 rd sentence "In general.... any sort of non-financial asset may be subject to an operating leasing." Please clarify.
22.104-22.105	These paragraphs should be amended according to the AEG recommendation on tax credits.
22.106c	Second paragraph: this paragraph is confusing because <i>emergency aid after natural disasters</i> is recorded in SNA as <i>transfer in cash</i> (and not as transfers in kind), see also 22.108.
22.110	The debt definition in the SNA should be made more explicit
22.136-22.137	The structure of these two paragraphs is a bit confusing as the securitisation of future flows appears in both of them. Some clarification is needed.
22.138	Last two sentences: replace "cash payment" by "transfer of assets".
22.140-22.141	The redundancy between these paragraphs should be eliminated.
22.142-22.143	The redundancy between these paragraphs should be eliminated.

22.147	This paragraph is nearly identical with 22.54. The redundancy between these paragraphs should be eliminated
22.154	This paragraph seems to reproduce 4.104 but except for 4.104b which is left out. Please clarify the difference between 22.154 and 4.104. Please replace at the end of the paragraph " <i>even if it is primarily a non-market producer</i> " by " <i>even if its output is primarily a non-market output</i> "
22.167	Please restore following deleted sentences which allows in practice for capital transfer recordings: "An alternative approach is to record the change of legal and economic ownership as a capital transfer. The capital transfer approach does not reflect the underlying economic reality as well, but data limitations, uncertainty about the expected residual value of the assets and contract provisions allowing various options to be exercised by either party could make recording a capital transfer acceptable on pragmatic grounds"

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

E. The public sector presentation of statistics (paragraphs 22.169-22.175)

General comment	Click here and start typing.
22.169	Click here and start typing.
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* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Are the extended examples about how to decide when a unit supplying to government is market or non-market helpful/too extensive?
2. Is the relationship between the SNA and GFS clear?
3. Is the description of privatisation and nationalisation helpful/sufficient?
4. Is the section on debt sufficiently comprehensive given the existence of other manuals e.g. external debt guide?
5. Do you have comments on the treatment of tax credits?

Specific comments:

Specific comments	Click here and start typing.
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

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>