

Comments on draft SNA
Chapter 29: Satellite accounts and other extensions

Deadline for comments: 7 November 2008

Send comments to: sna@un.org

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This template allows you to record your comments on draft SNA chapter 29 “Satellite accounts and other extensions” 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.

Note that the examples of tables for the tourism, environmental and health satellites included in the chapter are exact pdf extracts from pages of those manuals. They will be formatted and numbered for the SNA later.

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

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. 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:

<p>General comment</p>	<ul style="list-style-type: none">• This is a good, well-written and structured draft chapter providing a broad coverage of the issues.• Other satellite accounts which have a great deal of user interest, and have changes proposed in the new SNA 2008, should also be covered include:<ul style="list-style-type: none">○ Research and development (this is very important given the changes proposed in SNA 2008 to capitalising R&D etc.).○ Unfunded government pensions (this is a very important and sensitive satellite table).○ Agriculture accounts.○ Sport.○ Culture.○ Creative Sector.○ ICT and Innovation Accounts.○ Productivity and growth accounts.○ Social Accounting Matrices (SAMs). The links to the core accounts and their role should be briefly covered. There is a strong argument that SAMs deserve a separate chapter of their own. <p>The above list is not meant to be an exhaustive list but focuses on those satellite accounts which warrant some form of coverage in this chapter. The text should recognise them, and at least provide references to other sources for further information, and this will provide a better and more rounded picture for the chapter.</p> <ul style="list-style-type: none">• The use of the term “sector” needs much clearer application – presently it is confusing and misleading for the reader. Usually, the term “sector” refers to the institutional sector and not a group of industries. I propose that the term is used either as “institutional sector” or as “functional sector”, whereby the latter refers to the grouping of industries as required, or used, to define the groups of industries used in satellite accounts.• The table numbering needs to be addressed - they are all out of kilter, for example, in this chapter we have a Table 6, Table 2.9, Table 5.6, Table 8.2 and Table 8.3 <p>Structure and sequence of SNA Volume 2 chapters</p> <ul style="list-style-type: none">• Overall comment on SNA 2008 Volume 2. Having now read, and commented on, all the chapters in Volume 2, the sequence of the chapters in Volume 2 should be reviewed and changed.• The flow would be improved by having the Elaborating the Accounts (Volume 1 and Volume 2 join/overview) chapter followed by chapters on specific institutional sectors, followed by the Input-Output chapter, and then the others, which are rather mixed and move further away from the core National Accounts.
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- An alternative proposal, including a chapter on Social Accounting Matrices, which provides a much better, and more logical, flow for Volume 2 is provided below:
 - Elaborating the accounts
 - The Government and Public Sectors
 - Households
 - Non-Profit Institutions in the System
 - The Rest of the World Account
 - Input-Output and associated analyses
 - Social Accounting Matrices
 - Satellite Accounts and other extensions of the System
 - Role of capital services in the National Accounts
 - Population and labour inputs
 - The informal sector
 - Links to monetary and financial statistics
 - Measuring corporate activity

Style and consistency points for this chapter and/or across SNA chapters

This section is evolving and expanding through the process of the feedback provided on earlier SNA chapters. This should be considered as a check list reflecting various issues identified through the chapters to date but the issue(s) may or may not occur in each and every chapter, or in this chapter.

These are a number of specific points which you may wish to consider for “consistency” in the editing of the revised SNA as a whole publication. Examples include:

- There are various occurrences of American spelling and English spelling of words. I do not know which approach you are applying but consistency within each chapter, and across the chapters, is necessary. I would recommend the English spelling (not surprisingly!). For example, “categorized” should be “categorised”.
- There is an important style point which increases the usefulness for the reader. Many of the cross-paragraph references, for example, if there are exclusions in a list of examples, to know where the exclusions are included elsewhere in the SNA in the same text reference is extremely helpful. Although it is time and resource intensive to cross-check all such references, this needs to be balanced against the value and usefulness for the reader as well as ensuring consistency across the SNA.
- The separation of either a list of examples or list of bullet points need to be consistent across, e.g. “;” followed by for the penultimate point with “and” or use full stops for each point. Whichever the approach, it needs to be the same across the SNA. Also the beginning of a bullet point should start with a capital letter or a lowercase letter, again consistency is needed.

- In the text, reference to tables should be “Table x.x” and not as “table x.x”.
- Use of Latin phrases or the English equivalent written in full? Again, consistency is the underlying theme, I am happy with either approach.
- “Et cetera” when abbreviated should be “etc.” with the full stop, this is often missed.
- Numbers versus text, where values of ten or less should be written as words, except when related to measurement (e.g. 2 km), percentages (e.g. 5.0 per cent) or values (e.g. £5.00, \$5 million, £3 billion).
- Widows/orphans, i.e. sentences and paragraphs crossing over two lines and pages respectively.

Terminology and reference to GDP and GVA

- There is a need for consistency and correctness in the way references are made to GDP. There is **one estimate of GDP** and there are **three approaches to measuring GDP, production, income and expenditure**. When using reference to one approach, it should be written as **production approach to measuring GDP** and not the production measure of GDP – same applies when referring to the other approaches. In terms of GDP, reference should be to production and not output, however in terms of the industry, output is valid. This approach needs to be used in this chapter and other chapters.
- Reference to “current values” should be replaced with “current price values” or “values in current prices”, either version is much clearer.
- When referring to value added, it should be made clear whether it is gross value added or net value added. Without the clarification, the text can be misinterpreted.

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 29.1-29.8)

General comment	See comments on the use of the term “sector” in the General Comments section.
29.1	1 st sentence, remove the word “fully”.
29.3	<ul style="list-style-type: none"> • Replace the word “sector” with “functional sector” throughout. • 4th sentence, remove the 2nd occurrence of the word “relatively”.
29.4	<ul style="list-style-type: none"> • 4th sentence, replace “invisible” with “not always shown”. • Last sentence, replace “...estimated globally.” with “...estimated at a higher level of aggregation or globally across the whole economy.”
29.5	3 rd sentence, replace “...just referred to.” with “...mentioned previously.”.

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

B. Functional classifications (paragraphs 29.9-29.20)

General comment	
29.9	1 st sentence, replace “analyze” with “analyse”.
29.11	<ul style="list-style-type: none"> • 1st sentence, replace “analytic” with “analytical”. • Last sentence, include security services in the list of examples.
29.12	<ul style="list-style-type: none"> • Bullet point a., 1st sentence, replace “analytic” with “analytical”. • Bullet point a., need to recognise that there is a move towards using earnings to value human capital investments, i.e. a value rather than a cost based method.
29.14	Need to mention there is a need for a COICOP to product (e.g. CPC) transformation required in order to populate the HHFCe data in the Supply and Use Tables. This link is also important for use in satellite tables.
29.16	<ul style="list-style-type: none"> • Re-word sentence, proposal “As noted in Chapter 22, COFOG is used in the analyses and presentation of government finance statistics.” • Need to mention there is a need for a transformation of COFOG based data to industries (e.g. NACE Rev. 2) and products (e.g. CPC). This is needed to enable government based data to be used within Supply and Use Tables. This link is also important for use in satellite tables.

29.18	Need to mention there is a need for a transformation of COPNI based data to industries (e.g. NACE Rev. 2) and products (e.g. CPC). This is needed to enable government based data to be used within Supply and Use Tables. This link is also important for use in satellite tables.

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

C. Satellite accounts for key sector and other special sector accounts (paragraphs 29.21-29.30)

General comment	
29.21	2 nd sentence, after "...may be grouped", insert "by industry and by institutional sector".
29.23	2 nd sentence, add at the end, "as well as the use of international classifications when applied to business structures and how they are recorded on business registers."
29.25	Last sentence, after "...operated by corporations," add "if possible,".
29.28	3 rd sentence, after "...taxes on products" add "and subsidies on products".

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

D. Satellite accounts; options for conceptual variations (paragraphs 29.31-29.52)

General comment	
29.31	<ul style="list-style-type: none"> • 1st sentence, remove the word "deliberately". • 2nd sentence, replace "deliberately" with "intentionally".
29.36	2 nd sentence, replace "rendered" with "provided".
29.29	<ul style="list-style-type: none"> • 1st sentence, replace "In conditions of inflation" with "In periods of high price inflation". • 2nd sentence, replace "...change inflation occasions" with "... periods of high price inflation."
29.42	3 rd sentence, need to recognise there is a flip-side, in that such "nuisances" can also generate opportunities of further work and output for other producers, such as clearing-up and removal of waste.
29.44	2 nd sentence, replace "rendered" with "provided".

29.51	<ul style="list-style-type: none"> • 2nd sentence, replace “value added” with “gross value added”. • Last sentence, replace “disposable income” with “gross disposable income”.
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* Insert rows in this Word table for each paragraph on which you wish to comment.

E. Possible tables for a satellite account (paragraphs 29.53-29.82)

General comment	
29.63	Last sentence, replace “organization” with “organisation”.
29.64	<ul style="list-style-type: none"> • Item 2 and 3 need further examples to illustrate the difference between the two categories. • Bullet point 2., insert the word “Gross” before “Capital ...”, and this needs to be applied as appropriate throughout this section.
29.71	Need to explain how imports are treated.
29.75	Need to clarify that households do not include NPISHs.
29.77	This section also needs to describe the owner of the risk/reward in terms of who the finance lender and borrower.
29.79	<ul style="list-style-type: none"> • Bullet points a. to d. inclusive, should all include “borrowing” as a form of financing the respective expenditures. • Bullet point d., at the end of the paragraph, should also include items like interest and dividends received, rental income from letting out dwellings, and loans.
29.81	1 st sentence, replace “pair” with “set”.
29.82	2 nd sentence, replace “analyze” with “analyse”.

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

F. Examples of satellite accounts (paragraphs 29.83-29.157)

General comment	
29.84	To aid the reader, may be best to write the abbreviations in full, i.e. BPM6, GFSM2001 and MFSM.
29.87	The references to the manual of international guidelines known as the Tourism Satellite Account Recommended Methodological Framework, or TSA:RMF 2000 and TSA:RMF 2008, would be:

	<ul style="list-style-type: none"> World Tourism Organization, Organisation for Economic Cooperation and Development and Statistical Office of the European Communities 'Tourism Satellite Account (TSA): Recommended Methodological Framework' Luxembourg, Madrid, New York, Paris 2001). World Tourism Organization, Organisation for Economic Cooperation and Development and Statistical Office of the European Communities '2008 Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF 2008)' Luxembourg, Madrid, New York, Paris 2008).
29.88	<ul style="list-style-type: none"> At the end of the 1st sentence, remove the extra full stop. Bullet point a., need to explain the use of the term “direct” in the context of GVA and GDP.
29.89	<ul style="list-style-type: none"> The definition of tourists used is fine but some of the terminology is slightly wrong, for example, “normal environment” instead of “usual environment”. On the basis of the standard definition this section needs rewording. The standard definition being: <ul style="list-style-type: none"> "A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors" (IRTS, 2008)
29.90	Tourists are divided into domestic and international (resident and non-resident), it is important to note that international tourists can include both inbound and outbound tourists, as shown later in the table in Paragraph 29.94.
29.94	Need to define what is covered by “inbound tourism” and “outbound tourism”.
29.97	The list of the 10 tables and a one-sentence description of each table would be useful for the reader.
29.104	<ul style="list-style-type: none"> Need to explain what is meant by “hybrid Supply and Use Tables” as this is the first usage of the term “hybrid” in this context in this chapter. Need to emphasise the role and usage of Supply and Use Tables versus Input-Output Tables in the context of satellite tables and analyses. For some satellite accounts, like environmental accounts, the Input-Output Tables provide a much better basis. Split the 4 different categories using bullets or letters and not as a paragraph of text.
29.112	1 st sentence, remove the word “fairly”.
29.120	2 nd sentence, remove the brackets.

29.126	Need to mention another key reference the WHO Manual.
29.127	Need to mention prices and volume indicators.
29.157	3 rd sentence, remove extra spaces before the full-stop.

* 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. Is the description of key satellite accounts clear and sufficient?
2. Are Sections D and E concerning the options for satellite accounts in general helpful?
3. Are there more examples of satellite accounts that should be referenced or described in Section F?

Specific comments:

Specific comments	
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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>