

**Comments on draft SNA chapter:
Addendum 1 to Chapter 7: The distribution of income accounts**

**Deadline for comments: 16 October 2007
Send comments to: sna@un.org**

Your name:	Soli Peleg
Your country/organization:	Central Bureau of Statistics Israel
Contact (e.g. email address):	soli@cbs.gov.il
Submission date:	16.10.07

This three-part template allows you to record your comments on the Addendum 1 to draft chapter 7 (Add.1) 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 (30 words or less).

Comment:

Clear

Part II: Comments on specific draft paragraphs or passages

In your review of this Add.1, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs. For the passage, a Word table is provided for you to use in making your comments. 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.

1. Paragraphs 7.101-7.109 of the revised text shown in Add.1 outline the key features of interest as property income payable on a specific set of financial instruments. Is the discussion clear? Are there any other general features concerning interest that should be incorporated into chapter 7 as well as in chapter 17, which elaborates on how interest is calculated on these specific instruments? (Please reference the relevant paragraph numbers in chapter 17 in your comment.)

General comment	The problem of interest under high inflation could be mentioned more explicitly even if it is currently only on the long time research agenda
7.101	Click here and start typing.
7.108	Even for low inflation rates the nominal interest rate is set to compensate for losses of purchasing power. One could say that "situations of chronic inflation" is normal, the rate of inflation is low, but not zero.
7.109	One could even give the sentence from paragraph 19.82 in the current SNA: “The element of compensation for inflation should not be considered as a return to capital by the lender and a current cost by the borrower. The System treats these components of explicit or implicit indexation as interest received and paid in the current accounts, and this treatment does not create great difficulties when inflation is low. However, the measurement of these components is essential when inflation is high if one wants to interpret correctly figures such as government disposable income or saving (or government deficit) and the corresponding figures for creditor sectors, etc.” And then mention the long time research agenda etc.

* 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 comments. Please do so by using Adobe Acrobat Version 6 or 7 to comment directly on the PDF of the addendum.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make very detailed comments please send a message to sna@un.org requesting to receive a version of the addendum permitting 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>