

Report of the Inter-regional Seminar for Developing Countries on the SNA Review
Geneva, June 18-21, 1986

The meeting began on Wednesday, the 18th of June in the Palais des Nations, Geneva. The meeting was opened by Mr. Kurabayashi, the director of the UN Statistical Office. He began by outlining the genesis of the present review of the SNA. He went on to remark that, whereas in the previous SNA revision, developing countries views could not be adequately reflected since national accounting systems were at that, stage only rudimentary, the present revision should deal much more extensively with questions specific to developing countries now that most developing countries have had a chance to elaborate their systems of national accounts. The purpose of this meeting is to learn from that experience and ensure that those representatives of the developing countries who go on to subsequent expert group meetings will be able to represent not only their own experiences but, more generally, the views of their colleagues in other developing countries.

The meeting then appointed Bernardo Ferran as the chairman. In a brief introduction, he referred to the previous revision where he had been a member of the core team and said his impression was that the SNA had been successful, but more so for industrialized than developing countries, although the need of the latter may be greater. He hoped that the present revision would be an opportunity to ensure the concerns of developing countries were adequately represented so that new revision would cater equally for the needs of industrialized and developing countries.

Organization of the Review

The meeting began with an introduction by Jan van Tongeren of the main points of the paper "Organization of the SNA Review" which had been circulated previously to all participants. In particular, Jan concentrated on the role of the Blue Book and the associated handbooks that were envisaged in connection with the new SNA. He particularly requested that the meeting give advice on the distinction between the information to be contained in the Blue Book and in the handbooks; how these should relate to other specialized statistical systems; and give advice on what sort of handbooks were most urgently needed.

The first major discussion point was whether the SNA could be equally applicable for both industrialized and developing countries. All participants very strongly endorsed the view that there should be one single system that would embrace the needs of the whole range of countries. It was pointed out that in some cases the distinction between one developing country and another may be greater than between some developing countries and some industrialized countries. This reinforced the need for a system adequate for the whole - spectrum of economic development. There are some features which are specific to developing countries but these should be integrated within the whole rather than used as the starting point for a separate subsystem.

Typically, there have been differences in implementation between industrial and developing countries with many developing countries only producing consolidated accounts and perhaps input-output tables and not going on to produce sector accounts. The meeting went on to discuss the reasons behind this. One reason is that many developing countries in the early 70s developed production accounts for physical -planning requirements. Another reason has simply been the scarcity of data in developing countries. Whatever the reason,

this concentration on the consolidated accounts has presented a system to the users that is unbalanced and therefore betrays its general usefulness in the overall analysis of economic conditions. There is common consensus that it **would be** helpful to **portray** the full **system** of **national** accounts as a series of separable components, each of which could be elaborated in increasing detail. Emphasis should be laid on the desirability of integrating all the components paying attention to local conditions, rather than concentrating on elaborating one or two of the components in exhaustive detail first. (Much of this discussion took place in terms of "core" and "building blocks," though the interpretation of these terms was not the same as that used in earlier discussions based on the Dutch papers). The representatives from Latin America stressed the need to extend the system so that even the most basic set of accounts would include information on financial flows especially those related to international debt, activities of the informal sector and more details about the public sector.

The meeting then moved on to discuss the role of the Blue Book and handbooks specifically. There was vociferous support for the idea that the new Blue Book should be altogether clearer and easier to understand than the present. The new Blue Book should be user friendly, that is accessible both to those who use the National Accounts and those who have to produce them. The European System of Accounts (ESA) was quoted as a model of a similar document which was generally felt to be an easier reference document for users of the National Accounts.

Considerable emphasis was placed on the needs of compilers of national accounts in developing countries for documentation. Typically, such compilers are working in a much more isolated atmosphere than their counterparts in

industrialized countries. The Chairman went so far as to characterize this view.. by saying, "The industrialized countries don't need manuals, they write them. It is the developing countries who desperately need guidance on both practical and conceptual issues."

The SNA, in its widest sense, encompasses all the systems relating to economic statistics and therefore all of these topics should be touched on either in the **handbooks** or the Blue Book. It was agreed that, in general, the Blue **Book** should be the single coherent, theoretical structure and the handbooks should elaborate specific topics in more detail. The handbooks should contain advice on practical matters, on possible orders of priority and areas where simplifications could be introduced because of lack of resources., In contrast, the Blue **Book** itself cannot be simplified because the overall concept is not inherently simple. Trying to introduce simplification in the Blue Book is only liable to propagate the chance of inconsistencies elsewhere in the overall systems of economic accounts. It is possible to have a simplified set of accounts or tables or data but the framework itself cannot be-simplified.

There was discussion about how far the Blue Book should meet the needs of users of national accounts rather than the producers. It was generally agreed that the SNA Blue Book could not be a basic textbook in national accounting, such textbooks do exist and should be used where appropriate. However, there was a feeling that some detailed explanation was necessary so that economists attempting to analyze the full set of national accounts should be guided in their understanding to enable them to make the fullest and best use of the information **provided**.

Emphasis was laid on the need to produce the handbooks in parallel with the manual, rather than after the manual had been completed. There was also

emphasis on the need for the handbooks and the manual to be provided in languages other than English at an early stage. Both the French and Spanish versions of the existing Blue Books contain different interpretations from the English **language version because of the way in** which these translations were presented. During this meeting, and indeed the subsequent one, it became clear that the matter of translation was one of considerable importance and general concern. Further discussion also revealed that providing alternative language versions could be helpful to the process of elucidating the concepts in itself. For example, a concept that did not translate easily into French or **Spanish probably required** greater clarification in the original English version also.

There was discussion about which handbooks were needed and with what priority. This led to a questionnaire being circulated, the results of which are summarized in the conclusions and recommendations.

The paper "The Conceptual Framework of the Revised SNA" contained as Table 2 a T-table as an alternative to the matrix presentation presently shown in the Blue Book. Some participants said they felt this T-table was very helpful and preferred it to the matrix presentation. Others felt that the matrix presentation was inherent to a full understanding of the interaction of the full SNA. The general consensus was that this T presentation could be a useful addition but not a replacement for the matrix presentation in the existing Blue Book.

The meeting went on to discuss factors limiting the full implementation of the present SNA in developing countries. The reasons cited were lack of clarity in the manual, shortage of resources, shortage of expertise, inadequate data, and the special characteristics of developing countries. In many cases,

extension of the basic system has been limited by lack of data. Another issue concerned the timeliness of available data. With increased emphasis on the need for timely data, there has been some tendency to push for disaggregation in time period rather than in detail. In this connection the need to link quarterly indicators and annual national accounts was mentioned explicitly as a subject for attention in the forthcoming manual and with it repeated emphasis on timeliness. Another issue of concern was the lack of correlation between commercial and national accounting practices and the lack of adequate explanation of the interaction between the two.

There was also discussion about the alternatives of harmonization and reconciliation. All participants pointed to the desirability of harmonization but recognized that this might not always be possible. The question of alternative levels of aggregation where there would be harmonization at the higher levels and reconciliation at the more detailed levels was specifically mentioned as one means of resolving this issue. This could be integrated with the approach described above of developing the separable components together and later elaborating individual components as required.

Policy Concerns

The meeting then went on to discuss the paper on "National Accounts for Policymakers" presented by the World Bank. Given the need to provide data relevant for policy analysis and given a general shortage of resources, how should statisticians reconcile the conflicting aims of timeliness, consistency, comprehensiveness and accuracy? Might it be the case that the desirable goal of international comparability might detract from domestic usefulness?

Several participants remarked on the apparent conflict between providers of statistics and users in planning offices. The planners were seen

frequently as requiring data to be both accurate and timely and to have difficulty **understanding** the inherent conflicts in these demands. It was remarked that the margins of error acceptable for planning may be different from those for other applications. For some forms of planning, particularly those where extensive analysis of an input-output table was involved, it may be that data compiled less often than annually was perfectly adequate. However, in the **passage** of time since the early 70s, attention has tended to shift towards problems of inflation and monetary concerns and the demand for more timely data **have** accelerated. The need for **increased and** continuous communication and interaction between the users and producers of statistics was also referred to several times.

This lack of interaction was highlighted in the discussion about who uses national accounts. Many **participants** said that **they** were not **closely** involved with the domestic users of the accounts. If these appeared in published form there was little need for national users to contact the providers of statistics directly. They therefore were most conscious of the demands made on the statistical office by the international organizations, especially the World Bank, International Monetary Fund and UN Statistics Office. Local demand usually is concerned with planning matters, with exchange rate policy, balance of payments issues, tax reforms, the formalization of the budget and simulations showing the effects of oil price changes. Demands for particular sets of data covered the urge to produce half yearly rather than annual data, more information on a public/private split of aggregates, savings by sector, investment by type and kind of activity unit, real earnings, regional data, information coming out of household surveys, including income distribution, public sector surveys, more information on debt and monetary circulation. The

question was raised whether it would not be useful to present population and other demographic/social indicators in conjunction with national accounts in future.

The discussion turned again to the need for training to be provided. This should cover not only training in the compilation of the data but also in the appropriate analysis of it. It should extend to the users of the data as well as the compilers. The possibility was raised of encouraging training to be **provided** in national accounts as part of university courses and requests were made of the UNSO as to why they could not undertake the same sort of formal training as the IMF did on its specialized statistical systems. As a case in point the improvement in African demographic statistics was quoted. This is an area where there has been extensive training and the fruits have been realized in a general improvement in these statistics. Although **all** participants felt the provision of clearer and more extensive handbooks on compilation practices would improve national accounts generally they felt that the importance of technical assistance and training to improve the accounts could hardly be over-emphasized. Many participants remarked on the lack of opportunity for compilers of national accounts from different countries in the developing world to get together to exchange experience and discuss mutual problems.

Thursday, 19 June

Conceptual Framework of the SNA

The morning session began with an introduction by Derek Blades of the conceptual framework paper. This led to animated discussion on a number of topics, especially the appropriate place of input-output within the SNA. Does the Blue Book give too much emphasis to input-output and should it only include

the supply and -disposition tables with further details on the technical coefficients and associated analyses in a separate handbook? Many participants stressed the importance of supply and disposition tables and the fact that they were an essential means of ensuring consistency in the basic national accounts data. That this was integral to the whole structure of the national accounts and should be included in the Blue Book. The following points were made by one or several participants. Supply and disposition tables should be compiled every year but not necessarily at the same degree of detail as for an input-output table. It is important to have gross output, value added, and expenditure information at this detail. Whether the supply and disposition table is published and how disaggregated it may be can be variable but it is absolutely essential that it be done. In fact detailed validity checking is implicitly a supply and disposition matrix even if it is not performed by that name. It should be stressed that as a supply and disposition table is given more detail-it merges into a full input-output table. Ideally it might be desirable to have annual input-output tables; this enabled one to investigate consistency across years and lack of consistency with annual national accounts estimates. The use of input-output tables in the case of rebasing the national accounts was also mentioned as an item to be included in the Blue Book rather than a handbook.

There was also discussion about micro/macro links and the use of household surveys. In many African countries, household surveys are conducted frequently but the information is not fully utilized in national accounts and are sometimes regarded as being a separate statistical exercise. In Latin America also there are many continuous household surveys but again bridge tables are necessary in order to show how the survey results can be incorporated into national accounts.

There was discussion about possible extensions to the production boundary. It was suggested that water-carrying, repairs to buildings, the services of midwives and undertakers should be included though they are excluded from the present SNA recommendations. There was a suggestion that some **secondary activity**, for **example** dressmaking, should also be included. In the **support** of the **suggestion** on **repairs**, the **difficulty** of **including** construction of own dwellings but omitting repairs was pointed out and that therefore despite the present recommendations the chances were that many of the repairs presently carried out were already included in output and construction estimates. Another issue that should be considered is the question of storing crops. Not all of these are stored for own consumption and therefore represent stock accumulation. Omission of this understates GDP in a year of a good harvest. Recommendations must be clear on valuation as well as coverage on this topic. It was also suggested that the question of rent on owner-occupied commercial and government buildings should be considered and reviewed with a possibility of extending the treatment presently given to the rent of owner-occupied dwellings.

The question of price valuation was raised briefly. A number of participants said they felt that the change in the present SNA to basic and producer prices had not been widely adopted. There was still extensive use of factor cost and market prices as the alternative valuations and participants felt that consideration ought to be given to reverting to these terminologies in the future revision.

Anne Harrison introduced a paper on "Alternative National Accounting Presentations" which led to extensive discussion on the definition of formal versus informal activities and on sectoring the economy and in particular the distinction between households and quasi-corporations. The suggestion was made

that formal/informal was a more useful distinction to make than between modern and traditional since informal activity was also considerable in industrialized countries. The informal sector has a large role to play in cushioning the effects of downturn in economic cycles and is important for all economies not just developing ones.

There was then discussion about how to distinguish formal from informal. One suggestion was a **proposal that** the number of **employees** be a criterion rather than legal status, but in general this was not very **sympathetically** received. An alternative was to define formal as corresponding with the **availability** of data, i.e. whether accounts existed rather than **depending** on the legal status of a firm. At first sight this seemed a preferable distinction but further queries were raised. Does formal then mean that questionnaires can be sent and returned? This does not seem satisfactory because estimates of non-response from large firms should be included in the formal sector. Large, formally-structured family enterprises should clearly be included as quasi-corporations in the formal sector rather than allowed to fall into the informal sector. Would registers allow a distinction? This might help but would still leave some area of ambiguity. The distinction between formal and informal was felt to be of use to both the compiler and the user and some pragmatic distinction may still be adequate. The size of the firm could not be the only distinguishing factor, it must also relate to the type of activity. All large firms are likely to fall into the formal sector but small firms may be traditional or modern. Informal activity is important for developing countries because of the social effects; it is characterized by low productivity and the technology used often in the tertiary sector.

A particularly helpful suggestion was to introduce a two-way

dichotomy. One axis would distinguish modern from traditional on grounds to do with technology, for example one could use "use of power" or- "size" as a criterion. The other axis would distinguish formal from informal and legal **stature** might be the **appropriate** criteria for distinction here. Most activity would fall on the leading diagonal with modern/formal sector appearing for both **developed and developing countries and informal/ tradition activities being very large in developing countries.** Both types of countries would have off-diagonal elements though it would be supposed that the modern/informal cell would be larger in developed countries and the traditional/formal sector larger in developing countries. The chart below illustrates this suggestion.

Technology	Modern	Traditional
Legal Status		
Formal	Government Public Enterprise	Estate Agriculture Traditional Textiles
Informal	Taxis Home Selling Home Computer Services	Subsistence Agriculture

The need to link the formal/informal distinction with classifications used elsewhere, for example in social analyses used by the ILO, was stressed. Following on from this it was suggested that there should be an ILO representative present when these issues are discussed at subsequent expert groups. A quotation was read from the Labor Accounting System document on the need for harmonization in this area also.

Associated with the discussion on the distinction between formal and informal activities was the difficulty of identifying quasi-corporations. There was widespread recognition that despite the advice in the present SNA that all

productive activities of households should be treated as **quasi-corporations and included in the corporate** sector, in **practice** this was **virtually** impossible. It was therefore recommended that production accounts for the household sector should indeed be incorporated in the new **SNA**. The question was raised of producing input-output tables on a sector as well as an industry basis. This would go some way **to integrating the transition** from **production** account through income **and outlay and capital formation accounts**. Many countries have the data **available** for the government sector, the external sector and some large **corporations**. This **would leave a residual category** composed of households and small corporate enterprises but even this degree of aggregation would be an improvement over a system of accounts that stopped at the aggregate details only.

The distinction between monetary and non-monetary activities had also been discussed and, in connection with a production account for the non-monetary sector, it was pointed out that value added cannot properly ever be described as non-monetary but only as "value added associated with ,non-monetary gross output." It was felt that this distinction might be a fine one and that no great **degree** of error would be introduced in referring to non-monetary value **added**.

The discussion on the core and building block approach which has so exercised many of the meetings of EEC and OECD was limited, perhaps partly because few of the participants had had the benefit of reading the extensive series of papers prepared by the Dutch statistical office and others. The usefulness of distinguishing non-monetary transactions and imputations was clearly recognized and the desirability of establishing ancillary analyses in addition to the standardized national accounts presentations.

Household Sector Activity

Anne Harrison introduced two papers prepared by the World Bank, one on the measurement of subsistence activities and the other on productive activities of households. The subsequent discussion took up issues that had already arisen in the meeting under the discussion of the production boundary and sectoring of the economy. There was widespread recognition that the theoretical distinction between household activity and quasi-corporate activity was very difficult to establish in practice and some pragmatic decisions were inevitable. It was agreed that, as far as possible, expenditure for the household as consumer and as producer should be separated. However, it was unlikely that this separation could be carried all the way through the accounts and that in particular savings and financial aspects were inextricably mingled. While it might be possible to make an alignment between the formal/informal distinction and household and quasi-corporate activities, this distinction could not be carried over to a distinction between modern and traditional activities. Although there was clear agreement that production accounts for households should be introduced there will be practical problems in estimating these where consumers' expenditures are derived as residual. Consideration needs to be given to how household surveys should collect information relative to production and to the units to be covered by household surveys. Again, it was recognized that these problems are common to both developed and developing countries.

A major issue that is not presently covered in the SNA is the treatment of communal activities. These can be very substantial and very important in Africa and Latin America. In the Congo, for example, schools are built by a collection of households who then combine to pay the teachers; other examples were quoted where communal activities are used in the building of roads and

bridges. It was agreed that these activities should be included in production but when they resulted in the construction of fixed capital, there is ambiguity as to who owns these products.

There was also recognition that the theoretical recommendations on the **valuation of subsistence activity was difficult to implement** in practice. In some cases, producer prices simply may not exist and there may be no alternative to using market prices. The example was also quoted of instances in Africa where some merchants purchase the crops before the harvest at a lower price than is subsequently realized. It was agreed that this was equivalent to a financial transaction between the merchant and the farmer and should theoretically be shown as such in the accounts.

There was general agreement that the concept of the total consumption of the **population** was a useful one and should be included in the new SNA. The conceptual framework paper shows government can finance private consumption in three ways: through social benefits; the direct provision of services or goods; and consumption subsidies. These **have** the same intention and effect but very different consequences in the accounts. Many of the "subsidies" in various countries would be better treated as current transfers to households though such change in treatment would in fact change the value of GDP somewhat.

It was pointed out that the terms subsistence sector and traditional sector were inconsistent with the formal concept of sectoring used in the SNA and it would avoid confusion if it was made clear that these were subsectors of the household sector. There was also a plea made that the household sector should not be confused by too many imputations or, at the very least, that they should be clearly distinguished from monetary transactions.

Friday, 20 June

Reconciliation of the SNA with Specialized Systems

Jan van Tongeren introduced the paper on "Reconciliation of the **SNA** with **Specialized** Statistics" which is a draft for the next meeting of the Statistical Commission. It is clear that one of the driving forces behind the call for a review of the **SNA** was the need to reconcile and harmonize the classifications used by different systems. This included specifically the IMF's **Balance of Payments, Government Financial and Money and Banking Statistics Systems**; but, in addition, reference was made to the **industrial statistics classification, agricultural classifications as used by FAO, the household sector information referred to in publication M61, employment data as used by ILO, and enterprise accounting.** Since the **SNA** is intended as an organizing framework for the whole range of economic statistics, it should allow relating analysis of specialized fields with the general economic conditions portrayed in the national accounts. This can only be done effectively if the various specialized systems can be related to the definitions in the **SNA.** The extra detail in some systems, for **example on taxes,** may enrich the basic **SNA** data. On the other hand, sometimes the specialized systems would need extra breakdowns to permit the calculation of **SNA** concepts, one example is the distinction between current and capital transfers in the balance of payments.

A major distinction between the **SNA and other systems** was that **typically** it is only the **SNA** that **includes imputations.**

Two further papers produced jointly by the UNSO and the IMF, one on the harmonization of government financial statistics with **SNA** and one on the Balance of Payments statistics were introduced by Mahinder Gill. Separate expert group meetings will discuss each of these in detail. Further there **will** be an expert

group meeting which will discuss the money and banking statistics system along with other financial flow issues. The BOP and GFS could be seen as points of departure for SNA data; budget constraints on statistical offices implied that maximum use should be made of these and they were a good basis for the calculation of sector accounts in developing countries.

Some frustration was expressed that the process of harmonizing the alternative systems often seemed to suggest that the underlying concepts of the SNA should be changed. Since the SNA was designed as the overall theoretical framework, it was felt that this approach was not always appropriate. However, it had to be recognized that the specialized systems responded to particular needs and where inconsistencies were inevitable it would be helpful if the reason for these, related to analytical needs, could be spelled out in more detail.

Nevertheless, it was felt there should be some level at which total reconciliation should be possible between the alternative systems even if this was at a fairly Aggregate level. The main difference between the sectoring in GFS and MBS is functional, rather than institutional. Although this introduces discrepancies in many countries, the differences may in practice be insignificant. Again, it was clearly stated that the SNA Blue Book should give a conceptually clear and correct framework for economic accounting. The strength of the SNA is its total consistency but it should be recognized that specific areas need consistency valid within that area and may lead to differences within the more detailed areas.

The mandate from the Statistical Commission asserted the primacy of the SNA and implied that duplication among alternative systems should be avoided. If duplication or different systems are absolutely necessary, it is also

necessary to explain why this should be so. These reasons should cover conceptual differences, analytical usefulness, and collection feasibility.

There was also discussion about reconciliation with commercial accounting practices; in this connection, the experiences of francophone Africa with a "plan comptable" were quoted. This was a system which allowed bridge tables from commercial accounting to SNA concepts to be built very easily. In that part of Africa it has been possible to amend commercial accounting practices so as to derive national accounting aggregates with greater ease than was the case before. A "plan comptable" is being developed for banks, governments agencies, and farms. Similar experience was reported from Latin America but unfortunately was less successful there, perhaps because it was too ambitious.

Reference was also made for the need of reconciliation within UN-sponsored classifications. A particular instance cited was industrial statistics where the use of the term "value-added" has a quite different definition from the SNA concept.

National Accounting and Constant Prices

Alain Chantraine introduced this subject and suggested there were two main **problems** for **developing** countries **associated** with constant price calculations over time. These were the **problems** of high inflation and the calculation of a terms of trade effect. As far as comparisons in space were concerned, the reconciliation with the ICP project was clearly of major concern.

There was unanimous agreement that a terms of trade adjustment to national accounts at constant prices was desirable and had been recognized by many developing countries as necessary for a long period of time. On balance,

the **participants** felt that it would be **desirable** to preserve the **existing constant price GDP concept and** have, in addition, a version adjusted for terms of trade effect rather than redefining the present concept only. There was some discussion about the appropriate formula to be used in calculating the terms of trade effect but it was agreed that this was a long and complicated subject and could not be concluded at this meeting. A paper prepared by **UNSO** showing the consequences of making adjustments for the terms of trade effect in measuring economic growth was presented to the meeting. It was pointed out that the results in the annex to that **paper** depend crucially on the choice of base year. Altering the base year can substantially reorder the "winners and losers."

The problems associated with high inflation can be categorized in various ways. Some participants felt this was only an acute version of a familiar problem but others felt it so acute that some of the conventional underlying assumptions of national accounts were called into question. For example, is it even viable to compile national accounts when prices are rising very **rapidly**? There **are problems** of both **measurement** and **interpretation** Of such results. The theoretical approach of reducing the reporting period so that the price rises are not too great is unlikely to be viable. Further, it is not then clear whether it is sensible to add data for separate months together to reach annual **aggregates**. Perhaps the approach in publication M64 which assumes that constant prices are **always derived** as value **divided** by the price index is not appropriate in these 'conditions and it might be better to attempt to derive constant price data directly. In this connection, measuring services would, as always, be a particular problem. Particular problems also arise in connection with aggregates used as balancing items, particularly stock holding. It was

pointed out that the IMF encourages countries suffering from high inflation to compile their balance of payments accounts in a stable currency; but this solution does not seem applicable to domestic activity.

The meeting then went on to discuss what benefits of the ICP project have accrued to developing countries; a number of instances were quoted. ICP expenditure data requirements provide a challenge to the country which forces national statisticians to look anew at their possible sources of data; cooperation between the national offices and the international agencies compiling ICP results in exchange of information which also helps improve the national accounts. Perhaps the largest benefit of ICP is in the improvement of national price collection. The ICP methodology has helped in particular to widen the product coverage, to make clearer classifications of the products selected for price quotations and has brought a greater awareness of the need for national average prices and how they can be calculated. There was some dissent on some of these points where some participants felt that the price quotations called for in ICP were so unrepresentative as to be unhelpful to the participating countries.

Saturday, 21 June

Any Other Business

The chairman invited the **participants to** raise **any** other issues of particular concern to developing countries that they wished to have considered in detail at subsequent expert group meetings.

The first of these was the question of the depletion of natural resources. Discussion of this has been going on for some time without reaching any particular conclusion. Although the OECD countries tended to the opinion

that the subject should not be treated as part of the main national accounts, many developing countries did not feel that this was appropriate and suggested the subject should be revisited again.

The question of resident units, with particular reference to off-shore financial centers, was felt to be another subject worthy of detailed consideration. Included in this would be a review of the appropriate treatment for the imputed output of bank services.

There was more discussion about the appropriate topics for handbooks and the appropriate order of priority in producing these. As a result, an ad hoc survey was conducted the results of which appear in the summary and conclusions.

There was some discussion about the provision of ancillary accounts, for example accounts dealing with tourism activities. It was generally agreed that these could appropriately be dealt with as satellite accounts but adequate documentation on the derivation of such accounts was necessary.

The meeting concluded by reviewing the summary and conclusions which had been compiled on a topic by topic basis during the meeting.