



**Economic and Social
Council**

Distr.
GENERAL

ECE/CES/GE.20/2008/1
12 February 2008

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Joint UNECE/Eurostat/OECD Meeting on National Accounts

Ninth Meeting

Geneva, 21-24 April 2008

ANNOTATED PROVISIONAL AGENDA FOR THE NINTH MEETING*

To be held at the Palais des Nations, Geneva
starting at 9:30 on Monday 21 April in Room XVI

I. PROVISIONAL AGENDA

First module: Special session

1. Measuring the non-observed economy in national accounts
 - (a) Illegal activities
 - (b) Services provided by private entrepreneurs: ad hoc surveys
 - (c) Estimating owner-occupied dwellings services: user cost approach

* New accreditation procedures have been introduced for all delegates attending meetings held at the Palais des Nations. Delegates are therefore requested to complete a registration form available from the UNECE Internet Web site and transmit it to the UNECE secretariat by 15 March, either by fax (+41-22 917 0040) or by e-mail (benedicte.boudol@unece.org). Prior to the session, delegates are requested to present themselves at the Pass and Identification Unit of the UNOG Security and Safety Section, located at the Pregny Gate, Avenue de la Paix for the issuance of an identification badge. In case of difficulty, please contact by telephone the UNECE secretariat (+4122-9174323).

2. 1993 SNA Update issues
 - (a) Introduction to the measurement of capital services
 - (b) Research and Development

Second Module: National Accounts: towards 1993 SNA Rev. 1

3. Strategy for the implementation of SNA Rev.1
4. Measurement of Research and Development (R&D) in National Accounts
5. Information items
 - (a) UNECE survey on use of employment data in national account
 - (b) Other information

Third Module: Impact of Globalisation on National Accounts

6. Introduction to the WGGNA and Research agenda
7. Goods sent abroad for processing
8. Implications of the new treatment of goods for processing in the supply and use tables
9. Merchanting
10. Multinational Enterprises (MNEs) and allocation of income in national accounts
11. Future work and adoption of the report
12. Other business

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

First module : Special session (21 – 22 a.m. April 2008)

Session organiser: UNECE

1. This session is devoted to issues of interest to the transition economies.

Item 1: Measuring the non-observed economy in national accounts

2. The session will deal with selected topics of the measurement of non-observed economy.

(a) Illegal activities

3. The measurement of illegal activities will be considered based on examples from the EU technical assistance (TACIS) projects. The projects focused on measuring drug production and trafficking, alcohol production, prostitution and smuggling.

(b) Services provided by private entrepreneurs: ad hoc surveys

4. The measurement of the activities of small private entrepreneurs often requires the use of ad-hoc surveys, which target private entrepreneurs who may or may not be registered. Examples from OECD projects carried out in the Western Balkan countries, and the experiences of Kyrgyzstan and Turkmenistan will be presented.

(c) Estimating owner-occupied dwelling services: user cost approach

5. The estimation of owner-occupied dwelling services (imputed rent) is important for ensuring the exhaustiveness of national accounts, although it is not always considered as part of the non-observed economy. OECD will present the user cost approach for estimating the imputed rent based on experience with projects carried out in the Western Balkan countries.

Item 2: 1993 SNA Update issues

6. The session will provide an introduction to the measurement of capital services and the treatment of R&D as recommended by the 1993 SNA Rev.1.

(a) Introduction to the measurement of capital services

7. In the past, in many statistical offices, the main purpose of measuring capital was to provide a basis for the calculation of consumption of fixed capital so that net measures could be derived in the national accounts. The measurement of consumption of fixed capital remains a key reason for capital measurement but two additional objectives have increasingly gained in importance: establishing balance sheets for economic sectors and measuring capital services for the analysis of production and productivity. The OECD will present the concepts and practice of capital measurement based on the draft version of the revised OECD Manual *Measuring Capital*, which takes account of new developments to ensure consistency with the revised System of National Accounts.

(b) Research and Development

8. The new treatment of R&D as recommended by the 1993 SNA Rev.1 will be presented. How to derive estimates of GFCF, the differences between the R&D survey data and that required for the SNA, and the transformation from one to the other will be discussed.

Second Module: National Accounts: towards 1993 SNA Rev.1 (22 p.m. -23 a.m. April 2008)

9. The first deliverable of the revised 1993 SNA, which covers the core accounts, will be presented for endorsement by the UN Statistical Commission in February 2008. The meeting will be devoted to the work undertaken by countries to implement the 1993 SNA Rev.1

Item 3: Strategy for the implementation of SNA Rev.1

Session organiser: UNECE and ISWGNA

Contributions by: UNSD, Eurostat, Canada, Russian Federation

10. Together with the first deliverable, the Statistical Commission will also discuss an implementation strategy for the 1993 SNA Rev.1 developed by the Intersecretariat Working Group on National Accounts (ISWGNA). A principal objective of the meeting will be to inform participants on the outcome of the discussion and to obtain countries' views on the proposed strategy and to reach broad agreement on the way forward. Participants will also be able to exchange experiences and share their implementation plans.

Item 4: Measurement of Research and Development (R&D) in National Accounts

Session organiser: Israel

Contributions by: US, Norway, Netherlands, OECD

11. The recommendation to treat research and development as gross fixed capital formation, after the appropriate steps for development of comparable R&D estimates have been taken, was one of the important parts of the SNA revision package approved in 2007. The recommendation will open new possibilities for analysis and use of the national accounts by decision makers, but it will also have important practical implications on the work of national accountants. The session will present examples of the work done so far in different countries, and will also present plans and work in progress.

Item 5: Information items

(a) UNECE survey on use of employment data in national accounts

12. Following the recommendations of the Joint UNECE/Eurostat/OECD meeting on National Accounts in April 2006 the UNECE conducted a survey on the use of employment data in national accounts in those countries that are not covered by the regular Eurostat/OECD data collection and questionnaires. The first results of the survey will be provided for information.

(b) Other information

Third Module: Impact of Globalisation on National Accounts (23 p.m. – 24 April 2008)

13. This will be the first meeting of the Joint UNECE/OECD/Eurostat Working Group on the Impact of Globalisation on National Accounts (WGGNA). The purpose of the Working Group is to review the main distortions in the compilation of national accounts and related source statistics, as caused by the growing globalisation of economies. In doing so, the Working Group

should put forward proposals on how to deal with these distortions in order to improve the quality of national accounts.

Item 6: Introduction to the WGGNA and Research agenda

Session organiser: Netherlands, Leadership Group of the WGGNA

14. The WGGNA will review in detail the terms of reference, the expected output and detailed work programme. A leadership group (composed of Canada, Czech Republic, Finland, Netherlands (chair), United Kingdom, United States, UNECE, OECD, Eurostat and IMF) has agreed on a draft list of issues to be included in the research agenda of the WGGNA. A more detailed description of the issues will be presented for review and, if approved, will be finalised at the First Meeting of the WGGNA.

Item 7: Goods sent abroad for processing

Session organiser: Canada

15. The SNA Rev.1 requires the recording of goods sent abroad for processing to follow a change of ownership basis. This is a change from the 1993 SNA, and will affect the way in which the physical movement of goods, captured in merchandise trade statistics, is reconciled with the international flows to be recorded in the balance of payments and the SNA. The session will explore the practical implications of this new treatment for the sequence of accounts and for economic analysis.

Item 8: Implications of the new treatment of goods for processing in the supply and use tables

Session organiser: Canada

16. The new treatment of goods for processing will no longer give prominence to the technological aspect of the production but rather to the economic (ownership) aspects. This will have significant implications for the supply and use tables. The session will address the impact on productivity analysis and analysis of the link between output and use of various inputs and production factors.

Item 9: Merchanting

Session organiser: Ireland

17. The session will review the existing recommendations for the statistical treatment of merchanting activities outlined in various manuals of International Organizations. This will then be followed by an outline of the proposals for the treatment of merchanting which have emerged from the current work on revising 1993 SNA and BPM5 by ISWGNA, BOPCOM, etc. The impact of applying the new proposals to merchanting activities will be explored.

Item 10: Multinational Enterprises (MNEs) and allocation of income in national accounts

Session organiser: United States

18. The session will be a panel discussion on the treatment of multinational companies, including the allocation of income across countries and the impact on countries' balance of

payments and national accounts statistics. Items to be discussed include differences between GDP and GNI, “offshoring,” transfer pricing, taxes, the location of intellectual property rights, and “dark matter.”

Item 11: Future work and adoption of the report

Item 12: Other business

* * * * *

ANNEX 1. MAP OF THE UNITED NATIONS AT GENEVA

