

Yearbook of NATIONAL ACCOUNTS STATISTICS 1975

**Volume I
Individual country data**



UNITED NATIONS

Department of Economic and Social Affairs

Statistical Office of the United Nations

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The *Yearbook of National Accounts Statistics, 1975* consists of three volumes. The volumes are not sold separately.

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INTRODUCTION

This is the nineteenth issue of the *Yearbook of National Accounts Statistics*.¹ Like the first 18 issues, it has been prepared by the Statistical Office of the United Nations with the generous co-operation of national statistical services. It is issued in accordance with the request of the Statistical Commission² that the latest available data on national accounts for as many countries and areas as possible be published regularly.

The present *Yearbook* is issued in three volumes. Volumes I and II, "Individual country data", show, in "IV. Country tables", detailed national accounts estimates for 126 countries and areas; volume I showing those for Albania through Luxembourg and volume II those for Madagascar through Zambia.

Volume III, "International tables", contains the following: table 1 (A,B,C) shows for 155 countries and areas estimates of total and *per capita* gross domestic product, national income, and national disposable income expressed in United States dollars for the years 1960, 1963, 1970, 1972, 1973 and 1974. Table 2 (A,B) and table 3 show the percentage distribution of gross domestic product and net material product by type of final expenditure and use and the percentage distribution of gross domestic product and net material product by kind of economic activity, respectively, for some or all of the years 1960-1974. Table 4 (A,B) shows in semi-matrix forms average annual rates of growth of real gross domestic product and net material product by type of expenditure and use and by kind of economic activity between any two years within the period 1960 to 1974, where available. Tables 5 and 6 (A,B) show world and regional index numbers of real gross domestic product by type of expenditure and by kind of economic activity, respectively, for the period 1960-1974 (base year: 1970=100). Table 7 shows index numbers of total and *per capita* real product for the period 1960-1974 (base year: 1970=100). Table 8 (A,B,C) shows implicit price deflator index numbers of gross domestic product by expenditure and by kind of economic activity, and of gross fixed capital formation by kind of economic activity

of owner, respectively, for the period 1960-1974 (base year: 1970=100). Tables 9 and 10 show the finance of gross accumulation and saving as percentage of disposable income and by percentage distribution by institutional sector, respectively, for some or all of the years 1960-1974. Table 11 shows principal aggregates and their interrelationships for 150 countries and areas; these are time series, for some or all of the years 1960-1974, for the former System of National Accounts (SNA) and/or for the present SNA.

SCOPE OF PUBLICATION

Country estimates are shown, where available, in terms of the present SNA, the former SNA, or both the former and present SNA for each of the following subjects. As a rule, these estimates are shown for the years 1960, 1963, 1965-1974 in the case of the former or present SNA and, for the years 1960, 1963, 1968-1970 (former SNA) and 1968-1974 (present SNA) when both the former and present SNA are present.

- I. The gross domestic product and expenditure
- II. National income and national disposable income
- III. Capital transactions of the nation
- IV. The gross domestic product by kind of economic activity,
 - The gross domestic product of selected industries by kind of economic activity (supplement to table IV)
- V. Domestic factor incomes according to kind of economic activity
- VI. Supply and disposition of commodities
- VII. Government final consumption expenditure according to purpose
 - Government final consumption expenditure according to cost composition and purpose (supplement to table VII)
- VIII.a,b. Private final consumption expenditure by object
 - c. Private final consumption expenditure by type of expenditure
- IX. Composition of gross capital formation
- X. Distribution of income
- XI. Distribution of capital flows
- XII.a,b. Income and outlay and capital transactions of non-financial corporate and quasi-corporate enterprises and financial institutions
- XIII. Financial transactions of financial institutions
- XIV.a. Income and outlay and capital transactions of general government
 - b. Income and outlay and capital transactions of central government
 - c. Income and outlay and capital transactions of

¹ United Nations publication. Previous editions of the *Yearbook* were issued under the following sales numbers: 1957, 58.XVII.3; 1958, 59.XVII.3; 1959, 60.XVII.3; 1960, 61.XVII.4; 1961, 62.XVII.2; 1962, 63.XVII.2; 1963, 64.XVII.4; 1964, 65.XVII.2; 1965, 66.XVII.2; 1966, 67.XVII.14; 1967, 69.XVII.6; 1968, 1.70.XVII.2, vol.II, 70.XVII.3; 1969, vol. I, 71.XVII.2, vol. II, 71.XVII.3; 1970, 72.XVII.3, vol. I, 72.XVII.3, vol. II; 1971 (3 volumes), E.73.XVII.3; 1972 (3 volumes), E.74.XVII.3; 1973 (3 volumes), E.75.XVII.2; 1974 (3 volumes), E.75.XVII.5.

² See *Official Records of the Economic and Social Council, First Year, Second Session*, annex III, chap. IV.

- d. state and local government
- d. Income and outlay and capital transactions of social security funds
- XV. Selected outlays of general government by purpose
- XVI. Income and outlay and capital transactions of households
- XVII. External transactions

The form and concepts of the statistical tables in the present volume generally agree, for the countries with market economies, with the recommendations in *A System of National Accounts*,³ Studies in Methods, Series F, No. 2, Rev.3. The conceptual framework and definitions of the system are summarized in chapters I and II, respectively, of this publication.

For the countries with centrally planned economies, estimates are shown, where available, in terms of the System of Material Product Balances (MPS) for each of the following subjects, as a rule, for the years 1960, 1963, 1965-1974.

- I. Net material product by use
- II. Net material product by kind of activity of the material sphere
- III. Primary incomes by kinds of activity of the material sphere
- IV. Primary incomes from net material product
- V. Supply and disposition of goods and material services
- VI. Capital formation by kind of activity of the material and non-material spheres
- VII. Final consumption
- VIII. Personal consumption according to source of supply of goods and material services
- IX. Total consumption of the population by object, commodity and service, and mode of acquisition

For countries with centrally planned economies, the form and concepts generally agree with the recommendations in *Basic Principles of the System of Balances of the National Economy*, Studies in Methods, Series F, No. 17.⁴ The conceptual framework and definitions of the system are summarized in chapter III below.

COLLECTION AND PRESENTATION OF DATA

To collect this sizable body of national accounts material, the Statistical Office of the United Nations each year sends to countries with market economies a national accounts questionnaire; those with centrally planned

economies receive a material balances questionnaire. The recipients of the questionnaires are also requested to indicate where the scope and coverage of the country estimates differ for conceptual or statistical reasons from the definitions and classifications recommended in SNA or in the System of Material Product Balances. Data obtained from these replies are supplemented by information obtained from correspondence with the national statistical services and from national source publications.

In this volume of the *Yearbook*, the data for each country are presented in separate country chapters, as far as possible, under uniform table headings and classifications of the present SNA or the material balances questionnaire, as the case may be. Each country chapter contains a brief introductory text (source and general note). The general note describes the extent to which the estimates conform conceptually to the recommendations of the SNA or the material balances questionnaire. Important deviations from the two systems, where known, are described in the general note, while differences in definition and coverage of specific items are indicated in foot-notes to the relevant tables.

Country data in chapter IV are presented in alphabetical order.

Unless otherwise stated, the data in the *Yearbook* tables relate to the calendar year against which they are shown.

The data which relate to the Federal Republic of Germany and the German Democratic Republic include the relevant data relating to Berlin for which separate data have not been supplied. This is without prejudice to any question of status which may be involved.

COMPARABILITY OF THE NATIONAL ESTIMATES

Every effort has been made to present the estimates of the various countries in a form designed to facilitate international comparability. To this end, important differences in concept, scope, coverage and classification have been described in the notes which precede and accompany the country tables. Such differences should be taken into account if misleading comparisons among countries are to be avoided.

REVISIONS

The figures shown are the most recent estimates and revisions available at the time of compilation. In general, figures for the latest year are to be regarded as provisional.

³ United Nations publication, Sales No. E.69.XVII.3. The first edition of the report, published in 1953, was prepared by an expert committee appointed by the Secretary-General of the United Nations.

⁴ United Nations publication, Sales No. E.71.XVII.10.

EXPLANATION OF SYMBOLS

The following symbols have been employed:

Data not available	...
Category not applicable	•
Magnitude nil or less than half of the unit employed	- -
Decimal figures are always preceded by a period (.)	

When a series is not homogeneous, this is indicated by presenting the figures in separate rows.

If the calculation of a constant series a country has changed from one base year to another, this break is generally indicated by a vertical line.

Details and percentages in tables do not necessarily add to totals shown because of rounding.

GENERAL DISCLAIMER

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Where the designation "country or area" appears in the headings of tables, it covers countries, territories, cities or areas. In prior issues of this publication, where the designation "country" appears in the headings of tables, it should be interpreted to cover countries, territories, cities or areas.

In some tables, the designation "developed" and "developing" economies is intended for statistical convenience and does not, necessarily, express a judgement about the stage reached by a particular country or area in the development process.

I. THE SYSTEM OF NATIONAL ACCOUNTS: CONCEPTUAL FRAMEWORK

National accounting can be described as the preparation of a comprehensive statistical statement about the economic activity of a country. The new System of National Accounts (SNA) was adopted by the Statistical Commission at its fifteenth session¹ for the use of national statistical authorities and in the international reporting of comparable national accounting data. The new system is a revision and extension of the SNA which was formulated in 1952.

The new System of National Accounts provides a comprehensive and detailed framework for the systematic and integrated recording of the flows and stocks of an economy. It brings together data ranging in degree of aggregation from the consolidated accounts of the nation to detailed input-output and flow-of-funds tables into an articulated, coherent system. The domestic product account of the old SNA is disaggregated into production accounts in respect of industries and commodities and the flow "net lending or borrowing" is dismembered into the transactions in financial assets and liabilities of the institutional sectors and subsectors of an economy. The income and outlay and capital finance accounts of the nation are divided into corresponding accounts for institutional sectors and subsectors. The new system incorporates additional classifications in respect of the activities of government and private non-profit bodies and transfers of income so as to furnish much more adequate tabulations of data than the old SNA concerning the effects of these bodies on the economy, the provision of social and community services, and the redistribution of incomes. It also integrates constant-price data in respect of the supply and disposition of goods and services.

A. THE SCOPE AND MEASUREMENT OF PRODUCTION

One of the principal objectives of the SNA is to measure the total value of goods and services produced. Total production of goods and services consists of the production by industries of all commodities which may be sold, and which go into stocks or fixed capital formation, during the period of account. Goods should be recorded at the moment the goods are made, and services at the time they are rendered. In the case of distributive trades, production occurs at the time the commodities are sold. Also included in total production are the values of goods and services produced by the

producers of government services, producers of private non-profit services to households, and domestic services rendered by households. This production occurs at the time the costs are incurred.

In order to include subsistence production of primary products (the characteristic products of agriculture, fishing, forestry and logging, and mining and quarrying) all primary production is, in principle, included in total output, whether for own-account consumption, for barter, or for sale for money. The output of producers of other commodities which are consumed in the households and which are also produced for the market and the processing of primary commodities by the producers of these items for their own use, though they may not sell any of these manufactures, are included in total production.

Similarly all production of fixed assets, whether for own account capital formation or otherwise, is included in total product in order to include the production of households or government departments engaged in own-account activities, such as the construction of structures, roads and similar works.

Imputations are also made for other unexchanged production such as the rent from owner-occupied dwellings or rent for dwellings supplied to employees, bank and finance service charges, insurance service charges, and charges for pension and other employee welfare schemes.

The gross domestic product, i.e., the value of production free of duplication, is an even more important concept of the SNA than total gross output. Three principal methods can be used in estimating gross domestic product. The first method is to sum directly the expenditures on final products and adjust for the contribution of imports to the total. The second method is to take the sum of the differences between the value of the gross output of producers and the value of their intermediate consumption. The difference in the case of each producing unit represents its contribution to gross domestic product, or its value added. The third method is to take directly the sum of the incomes accruing from production, that is, the provision for consumption of fixed assets, compensation of employees, operating surplus and indirect taxes less subsidies.

B. THE TRANSACTORS OF THE SYSTEM

In the present system two main classes of transactors are used. One group of transactors is used in con-

¹ The Official Records of the Economic and Social Council, Forty-fourth Session; Supplement No. 10, paras. 8-24.

nexion with the flow of goods and services, i.e., production, consumption expenditure and capital formation; and the other in connexion with the flows of finance which are recorded on the income and outlay and capital finance accounts.

The categories of transactors in connexion with production, consumption expenditure, and capital formation accounts are: (i) industries, (ii) producers of government services, (iii) producers of private non-profit services to households, (iv) the domestic services rendered by households, one to the other, and (v) government, private non-profit services and households as consumers.

The core of industries is made up of establishments, the activities of which are financed by producing goods and services for sale in the market at a price that is normally designed to cover the costs of production. The establishments may be part of an incorporated or unincorporated business; and may be owned or controlled by private individuals, private non-profit institutions, or organs of government. Financial intermediaries, which are units mainly engaged in incurring liabilities and acquiring financial assets in the market, but which often do not sell a service as such, are included among industries.

Industries also include government departments, establishments, and similar units mainly engaged in producing and selling the kinds of goods and services usually produced by business establishments, though, as a matter of policy, the prices (charges) may not approximate the full costs of production. Industries of Government include, for example, nationalized mining and manufacturing units, electricity production and distribution, railways, postal services etc.

Also included in the category of industries are own-account activities of households and private non-profit bodies. There are three types of own-account activities: (i) use on their own-account of the dwellings which households or private institutions own, (ii) the own-account construction of dwellings, non-residential buildings and other projects by households and private non-profit bodies as well as government organs, and (iii) the own-account production of primary commodities by households, where the producer activities have not already been set off as industries by virtue of sale of the products on the market.

Lastly, private non-profit institutions primarily serving business, provided they are not entirely, or mainly, financed and controlled by the public authorities, are included under industries, e.g. technological, design or testing institutes, bodies engaged in economic or management studies, trade associations and chambers of commerce,

The second category of transactors used in connexion with the flow of goods and services is the producers of government services. The distinction between producers of government services and industries

of Government is that the former furnishes, but does not normally sell to the community those common services which cannot otherwise be conveniently and economically provided. Producers of government services also administer the State and the economic and social policy of the community. The activities of the government services are largely financed by the government itself, and they are considered to be the final consumers of most of the services and goods which they produce. Their cost-structure does not contain an element of operating surplus and is made up to a substantial extent of compensation of employees.

The producers of government services should include all bodies, departments, and establishments of the government—central, state or provincial, district or county, municipal, town or village—which engage in a wide range of activities, e.g. administration, defence, regulation of the public order, health, cultural, recreational and other social services. Also included as producers of government services are social security arrangements and certain other private non-profit bodies primarily serving households or business which are entirely, or mainly, financed and controlled by public authorities, or primarily serving government units.

Similar in certain respects to the producers of government services are the producers of private non-profit services to households which are not entirely or mainly financed and controlled by the government authorities. These units furnish social and community services to households which would not otherwise be available. They consist of voluntary associations of individuals who have banded together to carry on specific activities, e.g. trade unions, professional associations and political parties.

Households play a dual role as transactors of the production, consumption expenditure and capital formation account. They provide domestic service and act as final consumers. The domestic services which one household renders to another, for example, maid and char services, cooking, child's nurse, companion, gardening, are considered a distinct category of production. These services are classified as goods and services other than commodities, whose costs of production consist solely of compensation of employees.

Households as consumers include fraternal groups, social clubs, and similar bodies which have the equivalent of less than two full-time employees. Such small groups are not included under producers of private non-profit services to households.

The categories of transactors used for the income and outlay and capital finance accounts include (i) corporate and quasi-corporate enterprises, (ii) general government, (iii) private non-profit institutions serving households, and (iv) households, including non-financial private unincorporated enterprises. These institutional units receive and disburse incomes, and own and manage all forms of property. They are classified

into sectors and subsectors, primarily in the light of differences in their role, behaviour and experience.

Corporate and quasi-corporate enterprises are classified into non-financial and financial businesses in the light of the differences in their role in the economy and their sources and uses of funds. Quasi-corporate enterprises are relatively large ordinary partnerships, sole proprietorships and government enterprises which have complete profit-and-loss statements and complete balance sheet accounts on the financial assets and liabilities, as well as the real assets, involved in the business. All unincorporated enterprises which are financial intermediaries and all the unincorporated enterprises owned by non-residents are treated as quasi-corporations.

Financial institutions provide financial and insurance services, and are engaged in financial transactions in the market, consisting of both incurring liabilities and acquiring financial assets. Non-financial enterprises, corporate and quasi-corporate, are further subdivided into private and public enterprises. The distinction between public and private is based on whether the ownership and/or control of an enterprise rests in the public authorities or private parties.

Financial institutions are subdivided into four categories: (i) the central bank; (ii) other monetary institutions; (iii) insurance companies and pension funds; and (iv) other financial institutions. The central bank is the publicly owned and/or controlled bank which is the monetary authority. It also has liabilities in the form of demand deposits of other banks and frequently of the government. It is a public financial institution. All other banks are considered other monetary institutions.

Insurance companies include incorporated units, mutuals, other legal entities and independently organized schemes mainly engaged in providing life and/or casualty insurance. Pension funds are independently organized schemes not included in the social security arrangements of general government which engages in financial transactions in capital markets.

Other financial institutions consist of organizations such as private savings banks, building and loan associations, sales-finance, personal and business finance companies, public saving institutions whose funds do not automatically flow into the public authority balances or special debt, public lending institutions whose liabilities are not necessarily to the public authorities only, investment companies and trusts, and security brokers and dealers performing financing and depository functions.

The institutional sector for general government covers all departments, offices and other bodies which are defined to be producers of government services and government enterprises which are not considered quasi-corporate units. The government enterprises in-

cluded in general government are those which are likely to hold small working balances and to be highly integrated financially with the public authorities. They consist of ancillary departments and establishments mainly engaged in supplying goods and services to the other units of government and agencies mainly selling goods and services to the public, but operating on a small scale. Examples of the former types of public industries are printing plants, central transport pools, munition plants and navy dockyards. Illustrations of the latter type of public industries are government restaurant services in public buildings, local small scale bus services, and inland water docking facilities.

Private non-profit institutions serving households employing the equivalent of two or more full-time persons constitute the third major category of transactors in this group. These institutions, which do not include units which are entirely or mainly financed and controlled by organs of general government, furnish educational, health, cultural, recreational, and other social and community services to households free of charge, or at prices which do not fully cover their costs of production. Included in this category are the commercial activities of these institutions, e.g. owning and letting dwellings, own-account construction and commercial activities which are classed as industries, but are not set off in a separate legal entity from the main activity of the institution.

The fourth major category of transactors in this set of accounts consists of households, including private non-financial unincorporated enterprises. These are resident households and all unincorporated enterprises, i.e., ordinary partnerships and sole proprietorships, primarily engaged in non-financial activities which are owned and/or controlled by resident individuals and are not classified as quasi-corporate enterprises. Also included are neighbourhood and other social clubs which employ less than the equivalent of two full-time persons.

C. MODES OF VALUING TRANSACTIONS IN GOODS AND SERVICES

Purchasers' values, producers' values or approximate basic values are used in recording the flows of goods and services in the present SNA.

Purchasers' values are the cost in the market of goods and services on delivery to the purchaser. Producers' values are the sales value in the market at the establishments of the producers of goods and services; in other words, purchasers' values reduced by the trade and transport charges (margins) in delivering the items from the producers to the purchasers.

Approximate basic values are producers' values less net commodity taxes levied on the goods and services produced. Net commodity taxes are indirect taxes reduced by subsidies, each of which vary with the

quantity or value of the individual commodities produced, sold or purchased or, alternatively, which differ from one commodity to another of the same class or from one type of customer to another for the same commodity.

D. DEFINITION OF PRINCIPAL AGGREGATES

If the contributions to production of each resident producer are added, including the distributive-trade and transport units, the resulting total will measure gross domestic product. Since this measure includes indirect taxes net of subsidies, the resulting total is expressed in purchasers' values. Gross valuation implies that the consumption of fixed capital has not been deducted. If the gross product is reduced by the value of fixed assets used up during the period of account as a result of normal wear and tear, foreseen obsolescence, and the normal rate of accidental damage, and reduced further by indirect taxes net of subsidies, the result is the sum of domestic factor incomes, i.e., compensation of employees and operating surplus.

Some of the income generated from production accrues to non-resident suppliers of factor services. Similarly the residents of the country derive, in addition to income from resident producers, income from factor services they have supplied to non-resident producers. If domestic factor income is adjusted by subtracting the outward and adding the inward flows of factor income, and indirect taxes net of subsidies are added to this total, the result is national income at market prices.

If net current transfers from abroad are added to national income at market prices, the resulting total will measure national disposable income.

The concepts mentioned above may be defined in summary form as follows:

Gross domestic product in purchasers' values or producers' values. The sum of the items in respect of final expenditure on goods and services, in purchasers'

values, less the c.i.f. value of imports of goods and services; or the sum of value added of resident producers (including distributive—trade and transport units), in producers' values, plus import duties. The value added by resident producers is equivalent to the difference between the value of their gross output, in producers' values and the value of their intermediate consumption, in purchasers' values; or to the sum of their compensation of employees, operating surplus, consumption of capital assets and excess of indirect taxes over subsidies.

National income at market prices. The sum of compensation of resident employees, the excess of property and entrepreneurial income receivable by resident economic agents over the property and entrepreneurial income payable by them, and indirect taxes reduced by subsidies.

National disposable income. The net receipts of residents from employment, entrepreneurship and property, and unrequited current transfers.

Domestic factor income. The sum of the compensation of employees and the operating surplus originating in domestic production.

E. THE COMPLETE SYSTEM

The complexity of the new system requires a suitable form of presentation if it is to be possible to grasp the system as a whole without losing sight of its components. A complete set of accounts would not be convenient, as it would require a fairly large book to contain the whole set of accounts. Experience shows that a matrix with component submatrices enables a large system to be written compactly while at the same time the position of every element in the system is clear. (See *A System of National Accounts*, Series F. No. 2, Rev. 3, table 2.1 for a detailed illustration of the complete system in matrix form.)

By consolidation, the system can be reduced to four basic accounts, thus forming four consolidated accounts for the nation. These accounts appear below.

CONSOLIDATED ACCOUNTS FOR THE NATION

ACCOUNT A. GROSS DOMESTIC PRODUCT AND EXPENDITURE

1. Compensation of employees (15)	6. Government final consumption expenditure (12)
2. Operating surplus (17)	7. Private final consumption expenditure (13)
3. Consumption of fixed capital (27)	8. Increase in stocks (22)
4. Indirect taxes (19)	9. Gross fixed capital formation (23)
5. Less Subsidies (20)	10. Exports of goods and services (32)
	11. Less Imports of goods and services (36)
Gross domestic product	Expenditure on the gross domestic product

ACCOUNT B. NATIONAL DISPOSABLE INCOME AND ITS APPROPRIATION

12. Government final consumption expenditure (6)	15. Compensation of employees (1)
13. Private final consumption expenditure (7)	16. Compensation of employees from the rest of the world, net (33-37)
14. Saving (26)	17. Operating surplus (2)
	18. Property and entrepreneurial income from the rest of the world, net (34-38)
	19. Indirect taxes (4)
	20. <i>Less</i> Subsidies (5)
	21. Other current transfers from the rest of the world, net (35-39)
Appropriation of disposable income	Disposable income

ACCOUNT C. CAPITAL FINANCE

22. Increase in stocks (8)	26. Saving (14)
23. Gross fixed capital formation (9)	27. Consumption of fixed capital (3)
24. Purchases of intangible assets n.e.c. from the rest of the world, net (44)	28. Capital transfers from the rest of the world, net (42)
25. Net lending to the rest of the world (30)	
Gross accumulation	Finance of gross accumulation
29. Net acquisition of financial assets (45+31-43)	30. Net lending to the rest of the world (25)
	31. Net incurrence of liabilities (44+29-45)
Net acquisition of financial assets	Net incurrence of liabilities plus net lending to the rest of the world

ACCOUNT D. ALL ACCOUNTS—EXTERNAL TRANSACTIONS

<i>Current transactions</i>	
32. Exports of goods and services (10)	36. Imports of goods and services (11)
33. Compensation of employees from the rest of the world (16+37)	37. Compensation of employees to the rest of the world (16*)
34. Property and entrepreneurial income from the rest of the world (18+38)	38. Property and entrepreneurial income to the rest of the world (34-18)
35. Other current transfers from the rest of the world (21+39)	39. Other current transfers to the rest of the world (35-21)
	40. Surplus of the nation on current transactions (41)
Current receipts	Disposal of current receipts
<i>Capital transactions</i>	
41. Surplus of the nation on current transactions (40)	44. Purchases of intangible assets n.e.c. from the rest of the world, net (24)
42. Capital transfers from the rest of the world, net (28)	45. Net acquisition of foreign financial assets (29-31+43)
43. Net incurrence of foreign liabilities (31-29+45)	
Receipts	Disbursements

* Part of flow 16.

F. THE STANDARD TABLES

The standard supporting tables constitute a tabular rearrangement of the system of accounts itself, supplemented by detailed classifications of the major flows. The tables presented for various countries in this pub-

lication have been designed to show data of considerable interest for economic and social analysis and are meant to supplement the standard accounts in the most expository way.

II. THE SYSTEM OF NATIONAL ACCOUNTS: DEFINITIONS OF THE ITEMS IN THE STANDARD TABLES

A. NOTES TO STANDARD TABLE I. THE GROSS DOMESTIC PRODUCT AND EXPENDITURE¹

1. *Government final consumption expenditure*

In present SNA. The excess of the gross output of government services over the sum of their sales of services and new goods and the value of their own account production of fixed assets which is not segregated as an industry. It is equivalent to the sum of (i) purchases, less sales, of goods and services on current account, reduced by the value of the aforementioned own account production of fixed assets, (ii) compensation of employees, (iii) consumption of fixed assets, and (iv) any payments of indirect taxes.

Goods and services on current account cover (i) non-durable goods and scraps therefrom, except commodities held in stocks of special importance to the nation and sales, including grants, of large quantities of surplus goods, (ii) durable goods, except land, used primarily for military purposes, and (iii) all services. The purchases cover transfers in kind received from foreign Governments but exclude commodities purchased from industries and granted to foreign Governments or to private non-profit services to households. Also included are services and goods which industries and the private non-profit services furnished directly to individuals when these items should be treated as purchases by government. The sales cover (i) voluntary payments to government in respect of dispositions of goods and services on current account and (ii) grants of similar second-hand goods to foreign Governments and to private non-profit services.

Differences in former SNA. Government final consumption expenditure in the former SNA differs from the above because included are (i) military surplus and equipment purchased from industries and granted to foreign Governments, (ii) government payments directly to industries and private non-profit bodies for services furnished directly to individuals which should in the present SNA be considered as the individuals' purchases, and (iii) the operating surplus (net rent) of buildings owned and occupied by government services. Excluded are (i) the final consumption expenditure of the private non-profit bodies classed as govern-

ment services in the present SNA, (ii) the military supplies and equipment granted foreign Governments, and (iii) the depreciation of government equipment and machinery used for civilian purposes; and not deducted are the nominal fees paid by individuals for government services or for the services of industries or private non-profit bodies which should be classed as government purchases.

2. *Private final consumption expenditure*

In present SNA. The sum of (i) the expenditure of resident households as consumers on non-durable and durable goods, except land, and on services, reduced by their net sales (sales less purchases) of second-hand goods, scraps and wastes and (ii) the excess of the gross output of the producers of private non-profit services to households over the sum of their sales of services and new goods and their own-account production of fixed assets which is not separated out as an industry. It is equivalent to the sum of (i) purchases, less sales of goods and services by households and of non-durable goods and services by the private non-profit services, reduced by the value of the own-account production of fixed assets mentioned above and (ii) the compensation of employees, consumption of fixed assets and payments of indirect taxes by private non-profit services.

The expenditure of resident households includes (i) their purchases abroad, apart from outlays in connexion with business, (ii) the value of receipts, less disbursements, of gifts in kind in respect of the rest of the world, (iii) the imputed gross rent of owner-occupied dwellings, (iv) where appropriate, food and other items produced on own-account and consumed, valued at producers' values, and (v) wages and salaries in kind, such as food, shelter, clothing, valued at cost to the employer. The purchases of the private non-profit services include transfers in kind of non-durable goods and services from government services, industries and the rest of the world.

3. *Increase in stocks*

In present SNA. The value of the physical change in (i) stocks of raw materials, work in progress (other than work put in place on structures, roads and other construction projects) and finished goods held by industries and (ii) stocks of strategic materials or other commodities of importance to the nation held by pro-

¹ All standard table references refer to the national accounts questionnaire, 1972 edition, distributed by the Statistical Office of the United Nations.

ducers of government services. Excluded in principle are increases in breeding and draught animals, dairy cattle, animals raised for wool clips. Included in principle are changes in stocks of commodities located abroad which are owned by resident units and excluded are stocks held in the country which are owned by non-resident units.

The physical change in stocks during a period of account may be valued at an average of prices ruling over the period. Purchased commodities added to, or withdrawn from, stocks are valued at purchasers' values. Commodities processed internally which are added to, or withdrawn from stocks are valued at producers' values where possible. It may, however, be practicable to use explicit costs only in certain cases.

Differences in former SNA. The differences in value from the above are, in principle, because (i) included are changes in the stocks of breeding stocks, draught animals, dairy cattle etc. and (ii) additions to, and withdrawals from, stocks of commodities internally processed are valued at cost.

4. Gross fixed capital formation

In present SNA. The outlay (purchases and own-account production) of industries, producers of government services and producers of private non-profit services to households on additions of new and imported durable goods to their stocks of fixed assets, reduced by the proceeds of their net sales (sales less purchases) of similar second-hand and scrapped goods. Excluded is the outlay of government services on durable goods primarily for military purposes. Included are (i) dealers' margins and other transfer costs only in respect of transactions in land, mineral deposits, timber tracts etc., (ii) outlays on the reclaiming and improving of land, (iii) expenditure on developing and extending timber tracts, mines, plantations, orchards, vineyards etc., and (iv) outlays on alternation in, and additions to, fixed assets which significantly extend their lifetime of use, or increase their productivity. Outlays on repair and maintenance in order to keep fixed assets in good working condition are classed as current expenditure. Breeding and draught animals, dairy cattle, animals raised for wool clip are, in principle, to be classed as fixed assets. However, some of these animals may be included in increase in stocks.

The value of the additions to fixed assets should cover all costs directly connected with acquisition and installation of the fixed assets for use, e.g. purchase price, custom and other indirect taxes, transport, delivery and installation charges, site clearance, planning and designing costs, and legal fees. The costs of financing the additions, such as flotation costs, underwriters' commissions, advertising bond issues, are excluded.

The acquisition of fixed assets is to be recorded at the moment when the ownership of the goods passes

to the buyer. In the case of construction projects this is taken to be at the time that the work is put in place.

Differences in former SNA. The former SNA differs from the above because included in transactions in second-hand fixed assets are purchases and sales of land, timber tracts, mineral deposits etc. Excluded are (i) additions to the machinery and equipment of private non-profit bodies mainly serving households or the public authorities, (ii) additions to stocks of breeding and draught animals, dairy cattle etc., and (iii) the costs of developing and extending plantations, orchards, vineyards and timber tracts excepting land clearance; and outlays of an extra-territorial body of a foreign Government on construction are allocated to the country where the construction is located instead of the country of the foreign Government.

5 and 6. Exports and imports of goods and services

In present SNA. The value of all goods and services which residents sell to, and purchase from, non-residents. The categories of these goods and services are defined in table 6.4 of *A System of National Accounts* (Series F, No. 2, Rev. 3).

The major category "exports and imports of merchandise" is, broadly speaking, the equivalent of general exports and imports of merchandise in international trade statistics, with the additions and omissions which are given in aforementioned table 6.4. International trade statistics necessarily furnish a main basis for compiling data in respect of this category; and the exports or imports of merchandise are often recorded in the international trade statistics of a country at the time at which they physically cross out of, or into, its domestic territory. Since exports and imports of goods and services are to be recorded in the national account at the moment at which a transfer of the ownership takes place between residents and non-residents, the statistics of international trade on merchandise must be adjusted for sales to, and purchases from, non-residents which have not yet crossed the boundaries of the country.

Differences in former SNA. Exports and imports of goods and services in the former SNA differ from those in the present SNA because (i) the outlays of extra-territorial bodies of foreign Governments and international agencies on the construction of buildings and other non-transportable fixed assets for civilian use are covered in the gross fixed capital formation of the country where the construction takes place, not in the exports of that country and the gross fixed capital formation of the country of the foreign Government and (ii) grants of military supplies and equipment by one Government to another are excluded from the exports of the donor country and the imports of the receiving country.

7. *The gross domestic product*

In present SNA. (By type of expenditure) The gross domestic product is equal to the sum of the items in respect of final expenditure on goods and services, in purchasers' values, less the c.i.f. value of imports of goods and services.

(By cost-structure) The items constituting the cost-structure of gross domestic product are: compensation of employees, operating surplus, consumption of capital assets and excess of indirect taxes over subsidies.

Differences in former SNA. The gross domestic product, in purchasers' values, in the former SNA differs from that in the present SNA because included are: (i) operating surplus (net rent) in respect of buildings owned and occupied by government, (ii) motor vehicle duties and similar government levies paid by households, and (iii) bank service charges to households. Excluded are charges in respect of the consumption of machinery and equipment of government and private non-profit services. Private non-profit bodies primarily serving business which are entirely, or mainly, financed and controlled by the public authorities are classified as enterprises (industries) rather than as government services. Additions to, and withdrawals from stocks of internally processed commodities are, in principle, valued at explicit costs rather than at producers' values.

8. *Compensation of employees*

In present and former SNA. Compensation of employees consists of (i) all wages and salaries, in cash and in kind, paid to employees, (ii) the contributions made by employers to social security schemes in respect of their employees, and (iii) the contributions, paid or imputed, made by employers to private pension arrangements, family allowances, health insurance, lay-off and severance pay and other casualty insurance, life insurance and similar schemes in respect of their employees.

Wages and salaries include commissions, bonuses and tips, cost-of-living allowances, and vacation and sick-leave allowances which are paid directly by employers, but exclude reimbursements of travelling and other expenses incurred by employees for business purposes. Covered are the pay and allowances of members of the armed forces; the fees, salaries, bonuses etc. of members of the board of directors, managing directors, executives and other employees of incorporated enterprises; and the fees of ministers of religion. Wages and salaries in kind are equivalent to the cost to employers of goods and services furnished to employees free of charge, or at markedly reduced cost, which are clearly and primarily of benefit to the employees as consumers.

9. *Operating surplus*

In present SNA. The excess of the value added of resident industries over the sum of their costs of em-

ployee compensation, consumption of fixed capital, and indirect taxes reduced by subsidies.

Differences in former SNA. The value of operating surplus in the former SNA differs from that in the present SNA because imputations are included in respect of (i) the bank service charges to household final consumption expenditure and (ii) the operating surplus (net rent) of buildings, such as office, premises, schools, and hospitals, owned and occupied by government services and private non-profit bodies primarily serving businesses which are entirely, or mainly, financed and controlled by the public authorities. Moreover, in principle as well as in practice, additions to, and withdrawals from, stocks of internally processed commodities are valued at explicit costs.

10. *Consumption of fixed capital*

In present SNA. The normal wear and tear, foreseen obsolescence, and probably (normally expected) rate of accidental damage not made good by repair in all fixed assets valued at current replacement cost. Charges are not included in respect of unforeseen obsolescence or the depletion of natural resources.

Differences in former SNA. The former SNA differs from the present SNA since excluded are charges for the consumption of the machinery and equipment of government services and private non-profit services to households.

11. *Indirect taxes*

In present SNA. Taxes chargeable to the costs of production of industries, producers of government services and producers of private non-profit services to households in respect of the production, sale, purchase or use of goods and services. Examples are (i) import and export duties, (ii) excise, entertainment, sales and turnover taxes, (iii) real estate and land taxes, unless merely an administrative scheme for collecting income tax, (iv) levies on value added and the employment of labour, and (v) motor vehicle, driving test, licence, airport, passport duties and fees paid by producers. Also included is the operating surplus of fiscal and similar monopolies of government, e.g. in respect of the tobacco or alcoholic beverages, reduced by the normal margin of profit of business units.

Differences in former SNA. The former SNA differs primarily because included are household payments to government bodies of motor vehicle and other duties which are not for the purchase of an identifiable service and mainly designed to raise revenue.

12. *Subsidies*

In present SNA. Grants on current account by the public authorities to (i) private industries and public corporations and (ii) government enterprises to com-

compensate for losses which are clearly the consequence of the price policies of the public authorities. Excluded are current grants to producers of private non-profit services to households.

Difference in former SNA. The former SNA includes in subsidies transfers on current account to private non-profit bodies mainly serving business enterprises which are entirely, or primarily, financed and controlled by the public authorities.

B. NOTES TO STANDARD TABLE II. NATIONAL INCOME AND NATIONAL DISPOSABLE INCOME

1. *Compensation of employees* (see table I, item 8)
2. *Operating surplus* (see table I, item 9)
3. *Domestic factor incomes.* That portion of the value added of resident producers equivalent to the compensation of employees and operating surplus originating in domestic production
4. *Compensation of employees from the rest of the world, net.* Income from, and to, the rest of the world arising from compensation of employees (see also table I, item 8)
5. *Property and entrepreneurial income from the rest of the world, net.* Income from, and to, the rest of the world arising from property and entrepreneurial income

(a) *Property income*

In present SNA. Property income consists of three items: interest, dividends, and rent. Interest is income payable and receivable in respect of financial claims such as bank and other deposits, bills and bonds, including public debt, other loans, hire-purchase sales and accounts receivable and payable, including consumers' debt, and the equity of households in life insurance actuarial reserves and pension funds. The dividends payable in respect of deposits in mutual saving banks and saving and loan associations are also included.

Dividends consist of income payable and receivable in respect of corporate equity securities and other forms of participation in the equity of private incorporated enterprises, public corporations, and co-operatives.

Rent consists of payments for the use of rented (leased) land for agricultural and non-agricultural purposes, excluding any portions of the rents which cover (i) maintenance cost and/or real estate taxes in respect of land or (ii) the use of buildings, structures, facilities or equipment on the land; and royalties in respect of concessions concerning mineral deposits or the use of patents, copyrights, trade-marks etc.

Differences in former SNA. With respect to interest, the former SNA differs from the present SNA because in addition to the interest actually due, interest is imputed in respect of the bank deposits of households

and enterprises, counter-balancing the bank service charge imputed to them.

There are no differences in the treatment of dividends.

Net rent in the former SNA is broader in scope, because included are actual and imputed net rents in respect of buildings and structures, including buildings owned and occupied by government for civilian purposes.

(b) *Entrepreneurial income*

In present SNA. Entrepreneurial income may be classified into two categories by source: that from private unincorporated enterprises and that consisting of withdrawals from the entrepreneurial income of quasi-corporate enterprises. The first is the excess of the operating surplus of the enterprises over the obligations to pay property income, i.e., interest, rents, and royalties incurred in connexion with the business.

Withdrawals from the entrepreneurial income of quasi-corporate enterprises consist of actual payments made to the proprietors of quasi-corporate enterprises out of the entrepreneurial income, i.e., the sum of the operating surplus and the net property income of the enterprises. The withdrawals from quasi-corporate enterprises may be negative; the proprietors may provide funds to the enterprises to compensate for operating losses.

Differences in former SNA. In the case of withdrawals from the entrepreneurial income of quasi-corporate enterprises, there existed no such flow in the former SNA.

6. *Indirect taxes* (see table I, item 11)

7. *Subsidies* (see table I, item 12)

8. *National income in market prices*

In present and former SNA. The sum of (i) compensation of employees received by residents, (ii) the net entrepreneurial and property income of residents, and (iii) indirect taxes reduced by subsidies.

Differences in former SNA. While the formal definition is identical, national income at market prices in the former SNA differs from that in the present SNA primarily because included are (i) the imputed bank service charges to households, (ii) motor vehicle duties and similar levies paid by households, and (iii) imputed net rents in respect of buildings owned and occupied by government for civilian purposes; and the entrepreneurial income of domestic branches owned by non-residents, and of foreign branches owned by residents, is assigned to the owners.

9. *Other current transfers from the rest of the world, net*

In present SNA. This item has two components: casualty insurance transactions and unrequited current

transfers, except indirect taxes and subsidies. Net casualty insurance premiums are equivalent to total premiums payable *less* the imputed service charge in respect of health, accident, fire, theft and other casualty insurance, while net casualty insurance claims are claims payable and receivable in respect of casualty insurance.

Unrequited current transfers except indirect taxes and subsidies are defined as non-contractual transfers of income, i.e., they do not involve a *quid pro quo*, which are utilized to finance consumption, but not accumulation, and are made out of current income, not out of wealth at infrequent intervals. Examples of these transfers are direct taxes on income, social security contributions and benefits, social assistance grants, grants to finance the current operating expenses of private non-profit institutions serving households, grants between governments to finance military or other consumption expenditure. The categories of unrequited current transfers except indirect taxes and subsidies used in the present SNA are defined in table 7.1 of *A System of National Accounts*.

Difference in former SNA. The scope differs primarily because excluded are (i) the counterpart to transfers in kind of military equipment between Governments, (ii) motor vehicle duties and similar government levies paid by households, (iii) unrequited current transfers to private non-profit institutions primarily serving business which are entirely, or mainly, financed and controlled by the public authorities, and (iv) current-account grants by corporations to households and to private non-profit institutions primarily serving households. Not recorded are payments and receipts of unfunded employee welfare benefits and imputed unfunded employee welfare contributions; included are nominal fees paid by households to government. Unrequited current transfers between private non-profit institutions primarily serving households and households are consolidated out. The classification of transfers in the former SNA is also less detailed than in the present SNA.

10. National disposable income

In present SNA. The net receipts of residents from employment, entrepreneurship and property and unrequited current transfers.

Differences in former SNA. The amount of national disposable income in terms of the former SNA differs from that in terms of the present SNA primarily because included are (i) the bank service imputed to households, (ii) the operating surplus (net rent) imputed in respect of buildings owned and occupied by the Government for civilian purposes, and (iii) the transfers of the total entrepreneurial income of domestic

branches of non-residents, and of foreign branches of residents, to the owners. Not recorded are net casualty premiums and claims received from, and payable to, the rest of the world; and excluded is the counterpart of transfers in kind of military equipment to, and from, foreign Governments.

C. NOTES TO STANDARD TABLE III. CAPITAL TRANSACTIONS OF THE NATION

1. Saving

In present SNA. The balancing item on the income and outlay account of resident institutional units, after all current receipts and disbursements have been accounted for.

Differences in former SNA. The value of national saving in terms of the former SNA differs from that in terms of the present SNA because (i) outlays on machinery and equipment by private non-profit bodies serving households or government are classed as final consumption, not as fixed capital formation, (ii) depreciation is not charged in respect of the machinery and equipment of these private non-profit bodies and of government services, (iii) the total entrepreneurial income of domestic branches of non-residents and branches abroad of residents is transferred to the owners, and (iv) claims receivable (payable) and net casualty premiums payable (receivable) are not recorded.

2. Consumption of fixed capital (see table I, item 10)

3. Capital transfers from the rest of the world, net

In present and former SNA. Unrequited transfers, in cash or in kind, which are used for purposes of capital formation or other forms of accumulation, are made out of wealth, or are non-recurrent in the case of either party to the transaction. Examples of capital transfers are grants from one Government to another to finance deficits in external trade, investment grants, unilateral transfers of capital goods, legacies, death duties and inheritance taxes, migrants' transfers of fixed financial assets, indemnities in respect of calamities.

4. Increase in stocks (see table I, item 3)

5. Gross fixed capital formation (see table I, item 4)

6. Purchases of intangible assets n.e.c. from the rest of the world, net

In present SNA. Purchases, less sales, of exclusive rights to mineral, fishing and other concessions, and of leases, patents, copyrights etc. These transactions involve once-and-for-all relinquishment and acquisition