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(Neuchâtel, 14-16 June 1999)

**REPORT OF THE SEPTEMBER 1998 SPECIAL ECE SESSION ON
NATIONAL ACCOUNTING ISSUES OF CONCERN TO TRANSITION COUNTRIES**

Note prepared by the Secretariat

INTRODUCTION

1. The Special ECE Session on National Accounting Issues of Concern to Transition Countries was organised on the last afternoon day, 25 September, of the Annual OECD National Accounts Meeting, 22-25 September 1998 at the OECD. The ECE session was attended by Bulgaria, Canada, Croatia, Cyprus, the Czech Republic, Estonia, Germany, Greece, Hungary, Latvia, Netherlands, Norway, Poland, Romania, Slovak Republic, Slovenia and Australia attended under the terms of Article XI of the ECE. Representatives of United Nations Statistics Division (UNSD), Organization for Economic Cooperation and Development (OECD), World Bank and IMF also attended.

2. The provisional agenda was adopted.

ORGANIZATION OF THE MEETING

3. The following topics were discussed at the session:

- (a) Measurement of the capital stock in transition countries;
- (b) Other topics included problems with the implementation of 1993 SNA.

4. The discussion was based on notes prepared by the ECE, Romania and The former Yugoslav Republic of Macedonia.

SUMMARY OF THE MAIN CONCLUSIONS REACHED AT THE SESSION

5. The objective of the discussion was to consult with the transition countries about the ECE ongoing project on measurement of the capital stock. A discussion document was prepared and circulated to the countries prior to the meeting in which a number of questions had been posed. It was intended to obtain information not only about what data are being collected on the capital stock but also why the data are being collected and what they are used for.

6. Most transition countries from Central and Eastern Europe had abandoned the elaborate surveys on the capital stock, the "balance of fixed assets" which they had carried out under central planning. Some countries are experimenting with simpler methods and are interested in developing more cost effective ways of obtaining information on the capital stock. They are very interested in the ECE capital stock project for this reason.

7. Capital stock data are used for a variety of purposes. For example, they are used by fiscal authorities for tax purposes and in order to calculate depreciation for accounting purposes. Information on capital assets is needed when enterprises are privatised. The data are also used by government and research institutes for modelling and other analytic purposes. However, in some countries they are not in as great demand as some other kinds of economic statistics and have therefore been given lower priority.

RECOMMENDED FUTURE WORK

8. The meeting emphasised that it is important to have special sessions devoted to national accounts to be organized for transition countries and other interested countries. Participants welcomed the initiative which ECE had taken in organising sessions especially for their benefit in order to enable them to speak out on issues of concern to them. They expressed their appreciation for meetings which take place back to back with another meeting

which they also need to attend (e.g. the OECD meeting on national accounts). They also stated that they would welcome similar sessions being organized in the future.

9. The participants endorsed the proposal made at the OECD National Accounts Meeting that the next ECE national accounts meeting be organised under the joint sponsorship of ECE, OECD and Eurostat in April 2000 in Geneva. They also endorsed the proposal made by the OECD meeting on national accounts, that the following four topics be included on the agenda of the joint meeting: (a) Price and volume measure; (b) Investment (including changes in inventories); (c) Measurement of capital stock; (d) Implementation of 1993 SNA.
