

Goods for Processing

National accounts SNA 2008

Goods exported for processing

- SNA 1993 / BPM 5
- Show export of goods in BOP and NA
- Show re-import of goods in BOP and NA

Goods exported for processing

- SNA 2008 / BPM 6
- Show import of processing service in BOP and NA
- Remove transactions in goods from IMTS in presentation of BOP and NA

Goods for processing

SNA 1993 Use table

	Food processing	Canning	Final demand	Total
Processed food		50	90	140
Canning products	90			90
Value added	50	40		90
Gross output	140	90		

Goods for processing

SNA 2008 Use table

	Food processing	Canning	Final demand	Total
Processed food			90	90
Canning products	40			40
Value added	50	40		90
Gross output	90	40		

Goods for processing

SNA 1993 Use table for processing abroad

	Food processing	HH exp	Exports of food	Total
Processed food			50	50
Imports of canning products		90		90
Value added	50	GDP(E) = (90 + 50) – 90 = 50		
Gross output	50			

Goods for processing

SNA 2008 Use table for processing abroad

	Food processing	HH exp	Exports of food	Total
Processed food		90		90
Imports of canning service	40			40
Value added	50	$GDP(E) = 90 - 40 = 50$		
Gross output	90			

Goods for processing

- BPM 5 Balance of payments entries
- Imports: Cans 90
- Exports: food 50

- BPM 6 balance of payments entries
- Imports: Cans 90
- Exports: Food 50
- Net imports of canning service 40

Goods for processing

Recording in BPM 6

<u>Current accounts</u>	Credits	Debits	Balance
<u>Goods and services account</u>		40	-40
Services “Manufacturing services on physical inputs owned by others”		40	-40
<u>Supplementary items</u>			
Goods for processing abroad	50	90	-40

Issues in new treatment

- Can we identify goods for processing in the IMTS? We will have to ask extra questions in the business surveys
- Will the estimate for processing service collected through business survey be the same as the difference between values of goods omitted from the balance of trade in goods estimates?

Recording international processing services

- Expand the current inquiry to include processing services
- Who does it – BOP services inquiry or Annual National Accounts Survey?
- Make sure that NA and BOP work together to ensure NA measures of output reflect BOP collection of services