

Goods for Processing in the 2008 SNA

The extent to which enterprises send material abroad for further processing has accelerated considerably in recent years; reflecting improvements (and cheaper) communication and transportation technologies, trade liberalization, greater movement of capital and the presence of economies capable of offering reliable production infrastructure at low costs. The 2008 SNA responds to these developments by introducing a change from the 1993 SNA; where it was assumed that when goods moved from one country to another, there would almost always be a change of ownership. The 2008 SNA change aligns the recording of these international transactions in goods and services with their underlying and actual financial transactions. But it also means changes in how the accounts are interpreted; particularly in the context of input-output tables. This paper describes the rationale for the change in the 2008 SNA and its impact on supply-use and input-output tables in particular, and its effect on measures derived from them such as multifactor productivity indices. It also presents a summary of changes that need to be implemented at both the data-collection level and the statistical estimation stage.