



Task Force Intellectual property products – progress report

**National Accounts Working Group
15-16 May 2018
Item 8**

Background

- *G20 Data Gaps Initiative: improve balance sheets of non-financial assets by institutional sector*
- *Need for more guidance -> joint Eurostat/OECD TF "Land and other non-financial assets"*
 - **Land (AN.211)**
 - **Inventories (AN.12)**
- *Two compilation guides produced*

Purpose of the TF IPP

- *Provide guidance to compilation of balance sheets*
- *Total economy and by sector*
- *Assets concerned:*
 - **AN.1171 Research and development**
 - **AN.1173 Computer software and databases**
 - **AN.1179 Other intellectual property products**
- *In addition: implementation of economic ownership principle in case of IPP*

Timetable and participants

- *Meetings:*
 - **19-20 June 2017, OECD, Paris**
 - **12-13 Feb 2018, London**
 - **10-11 Sept 2018, Luxembourg**
- *Final report due by October 2018*
- *Participants: AT, BE, CZ, DE, DK, FR, HU, IE, IT, LT, LU, NL, NO, PL, SE, SI, UK, CAN, KOR, MEX, USA, ECB*
- *Co-chaired by OECD and Eurostat*

First meeting

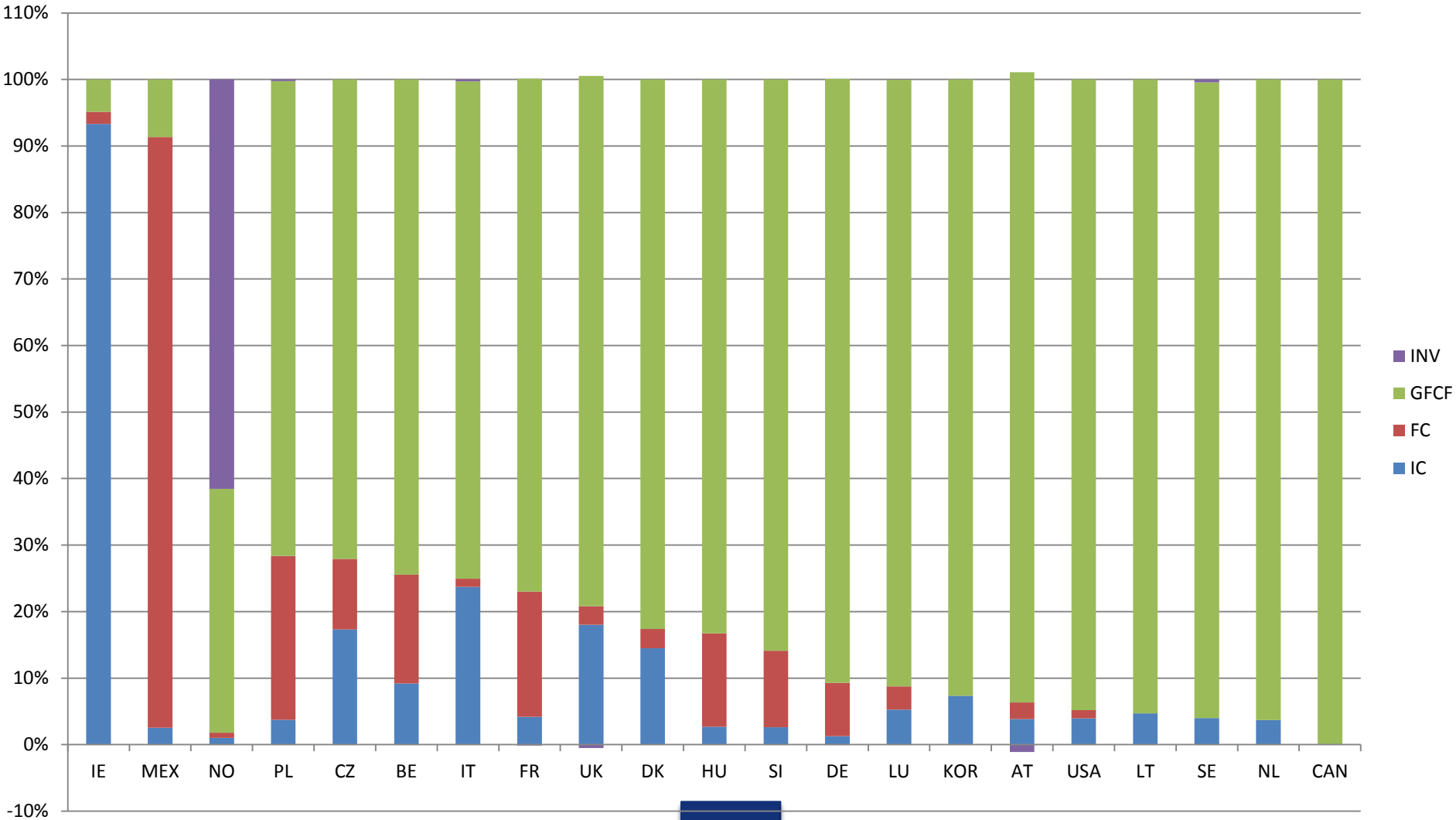
Agreements:

- *This TF will not produce a complete compilation guide (short timetable and not necessary as guidance already exists)*
- *Outcome shall be a final report with recommendations on concrete issues*
- *Questionnaire to collect information on countries' practices (all EU and OECD countries)*

TF Questionnaire on sources and methods, R&D:

- *Practically all countries use Frascati as main source to estimate output and GFCF*
- *Few countries use UNECE Guide to Measuring Global Production to determine ownership*
- *Input approach to price measurement, some countries with productivity adjustment*
- *Service lives differ, but mostly around 10 years; differences across industries*

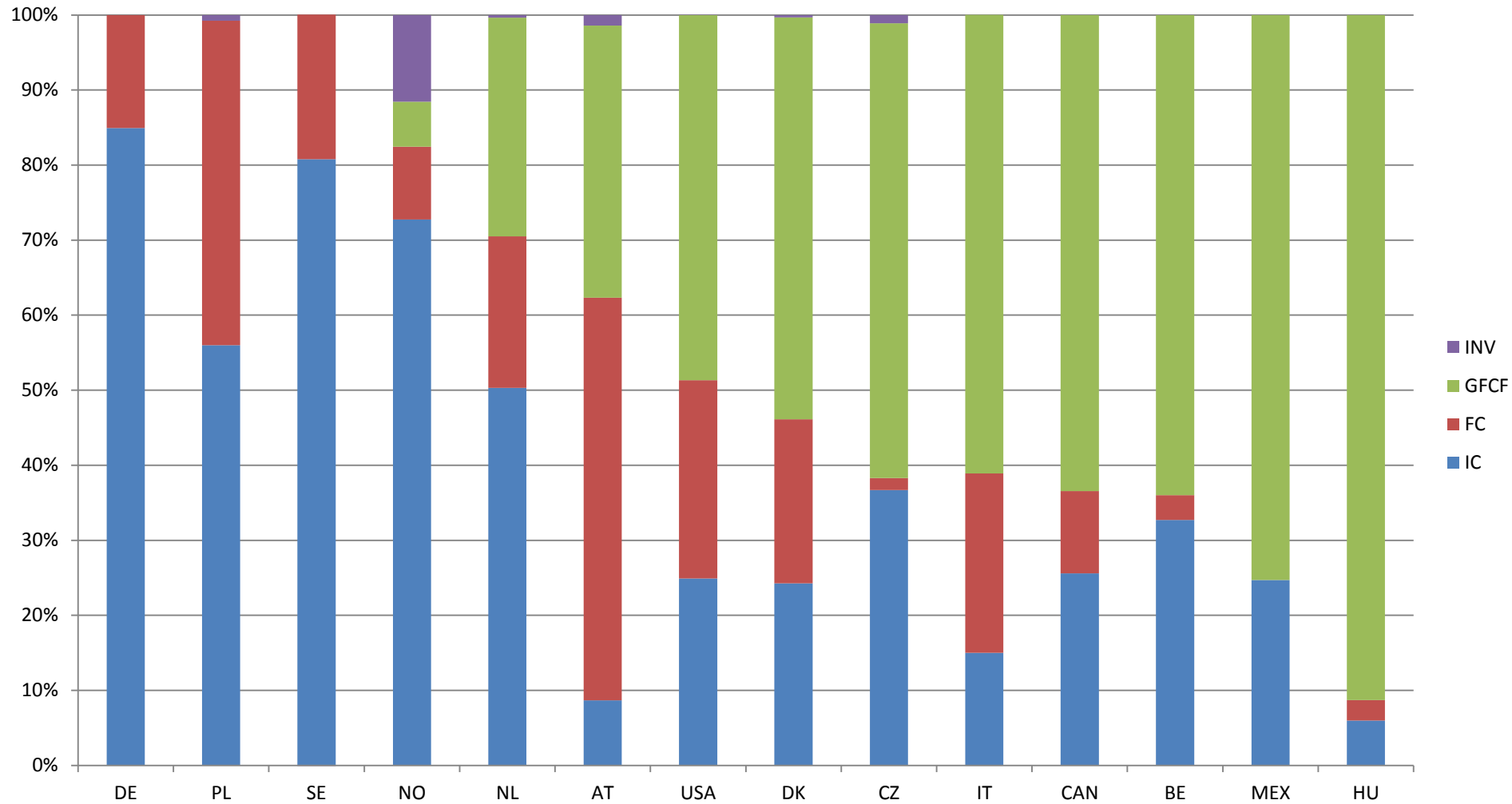
Scientific research and development services (72)



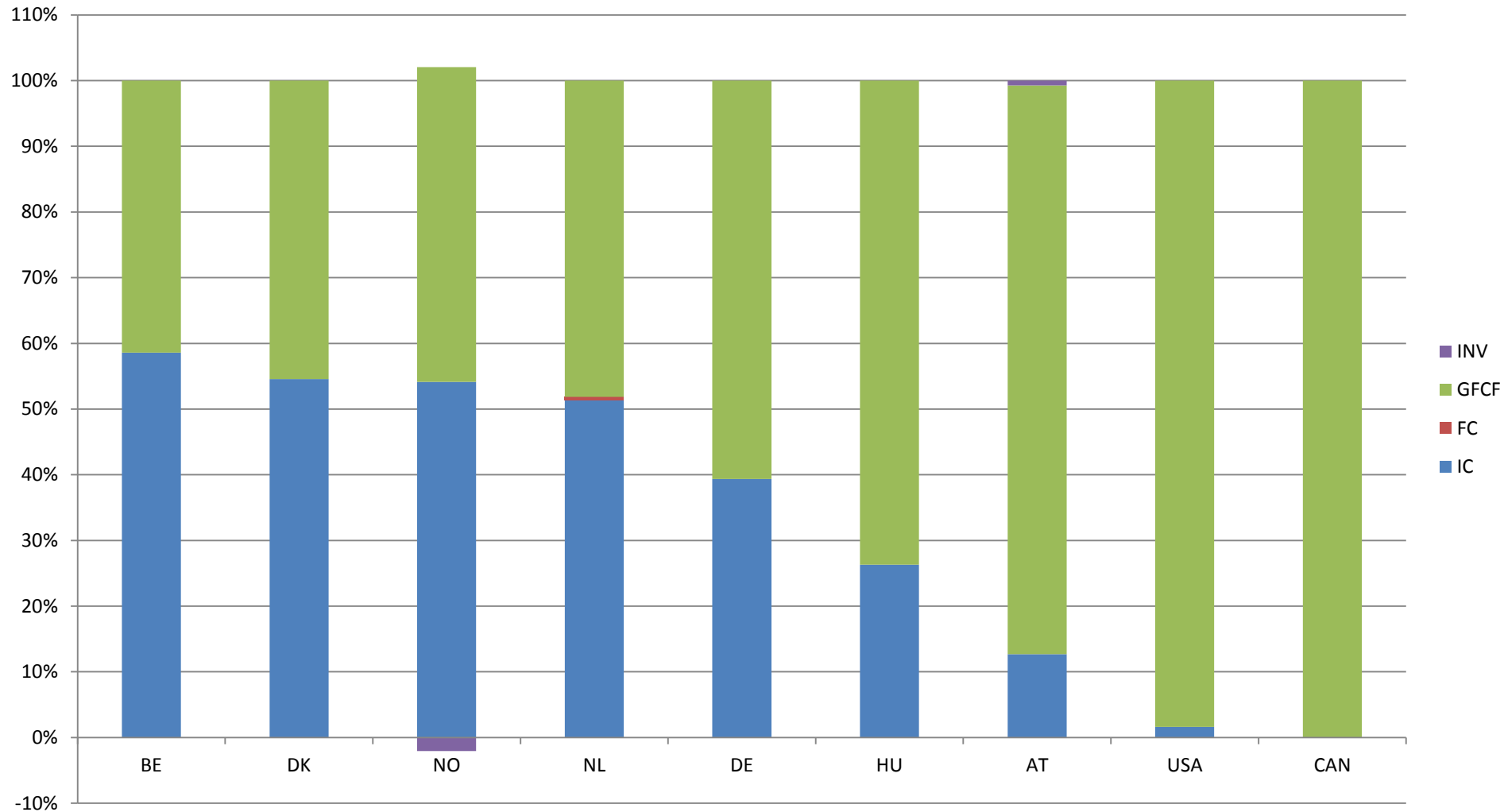
TF Questionnaire on sources and methods, software:

- *No common data source*
- *Own-account software: based on time spent by programmers; different occupations are used*
- *Difficulties in determining intermediate consumption vs capital formation (no data sources), e.g. cloud computing?*
- *Few countries separately estimate databases*
- *Quality adjustment for software deflators*
- *Service lives differ, but mostly around 5 years*

Software publishing (58.2)



Computer programming services (62.01) – shares in domestic use



Databases

- *To be considered and estimated together with software -> no requirement for separate estimate for databases*
- *Estimate own-account production of software and databases together by selecting corresponding occupations*

Other IPP (AN.1179)

- *Only two countries provide balance sheet data (amounts relatively small)*
- *Only one of those knew what was included:*
"studies on project feasibility, project documentation, investment studies, technical expertise costs, etc., mainly related to building projects "
- *What assets should be included in this category?*
- *How about architectural and engineering designs?*

TF Questionnaire on sources and methods, ownership:

- *Countries are divided in considering funder or performer as owner of R&D output*
- *Many countries cannot separately identify transactions or transfers of IPP between affiliated enterprises*
- *R&D: differences between Frascati data on cross-border funding and BOP data*
- *Hard part: ownership of assets within MNE groups*

Some tentative TF recommendations

- *Important to separately identify intra-MNE flows of IPP, both domestic and cross-border*
- *More countries should collect data for a number of new Frascati breakdowns, in particular on*
 - **government purchases (grants vs procurement); including cross-border**
 - **funding between affiliates and between non-affiliates**
 - **revenues from sales of R&D**
- *Existing guidance, e.g. on estimates of own-account output, will be updated*



Thank you for your attention