



STATISTICS

Payments for non- produced knowledge- based capital (marketing assets) Testing Results

**UNECE GROUP OF EXPERTS ON NATIONAL
ACCOUNTS - GENEVA - APRIL 2023**

Prepared by GZTT Secretariat

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Summary of GZTT Progress

Outcome of Guidance Notes – All endorsed except G.9

G.2 :MNEs – Extended presentation - Control - Net Measures

G.4: SPEs - Extended where significant - Consistent definition -

G.7/G.6/G.GVCs etc. – Explanation and description

G.5 :IPPs – Economic ownership based on Decision tree developed by GMGP

G.9: Marketing Assets – Testing

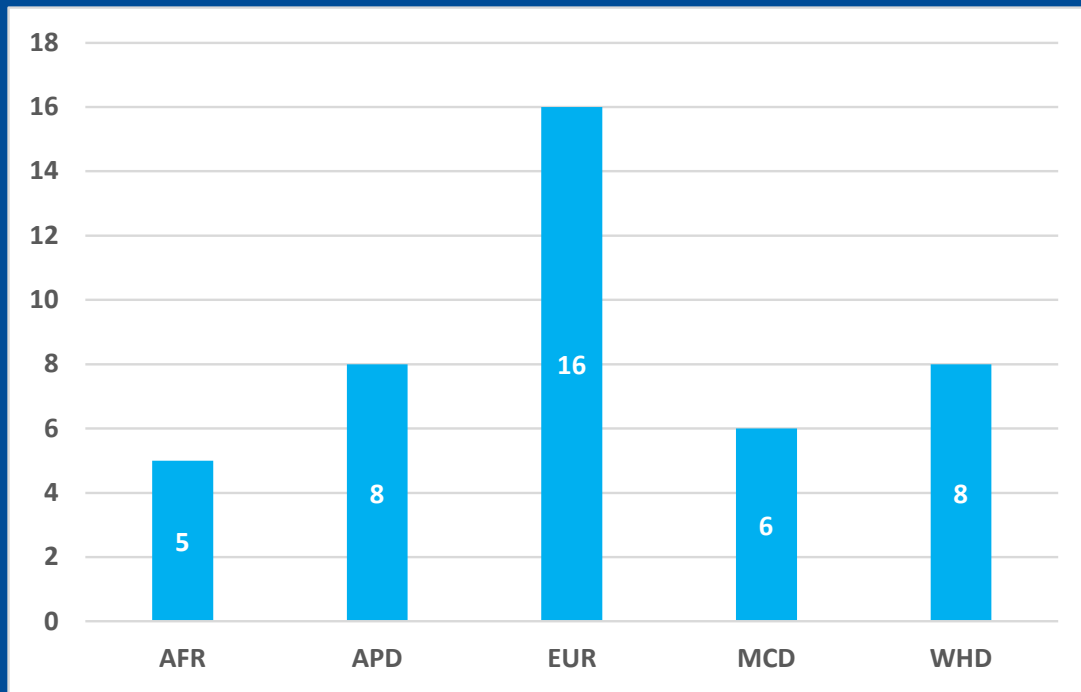
G.1 Exports and Imports of Goods – Agreed concept of invoice value - to be implemented in next update

Global Consultation Results

Feedback requested during October 2022 and January 2023

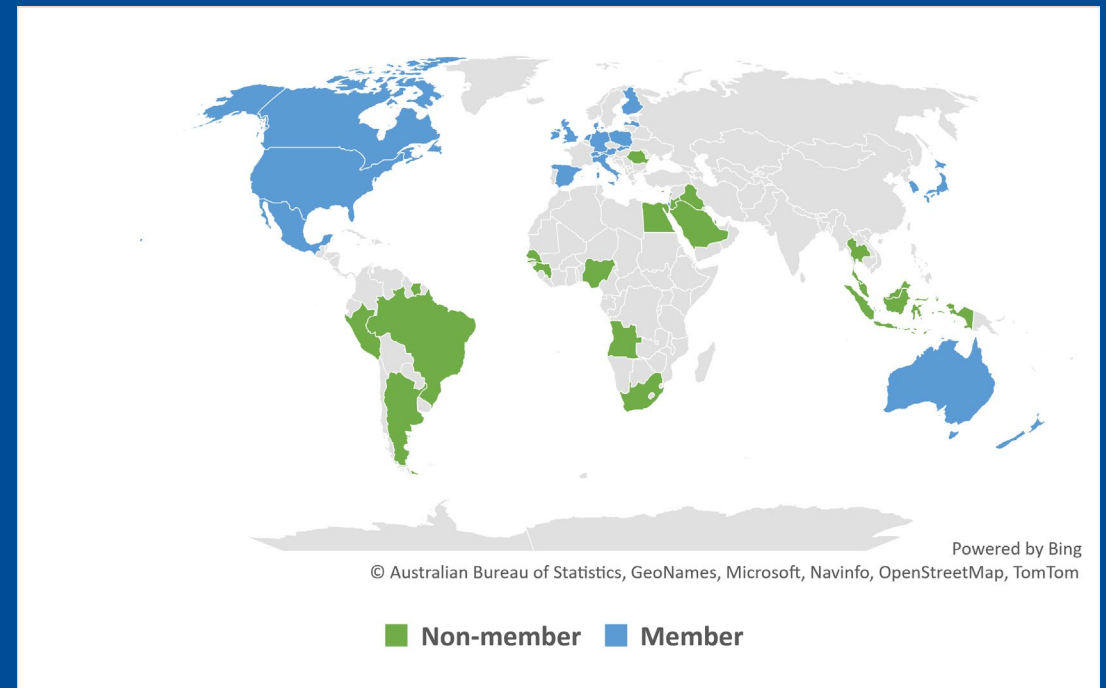
Complete Answers by Region

Number of Economies with Complete Answer by Region



A total of 43 economies provided 45 complete answers (2 economies answered separately for BP and NA)

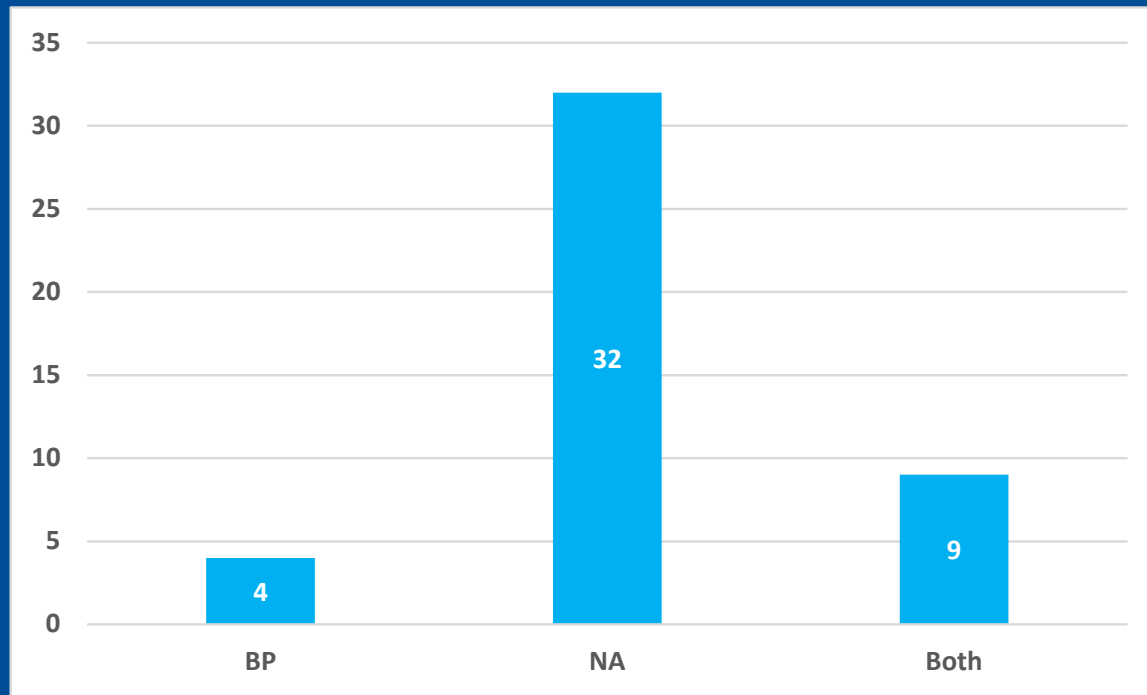
Number of Economies with Complete Answer by OECD Membership*



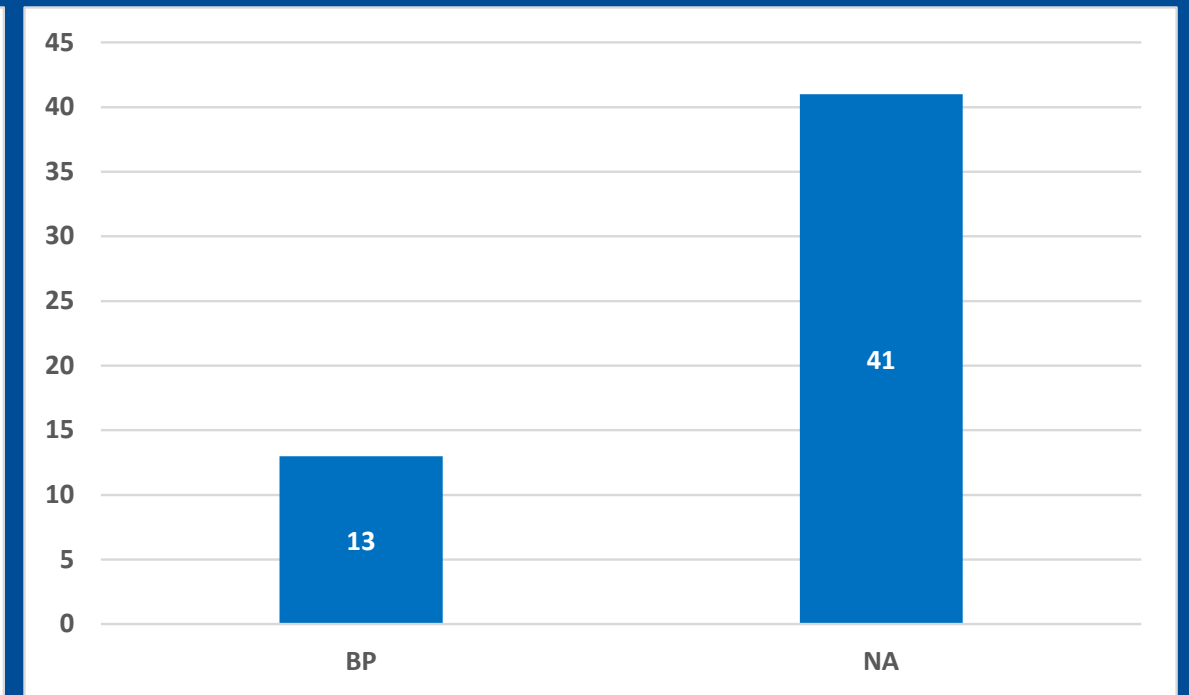
* OECD Membership used as a reference for more/less advanced statistical systems (21 member + 22 non-member economies answered)

Complete Answers by Statistical Domain

Number of Complete Answers by Statistical Domain



A total of 45 complete answers
(4 for BP + 32 for NA + 9 for both)

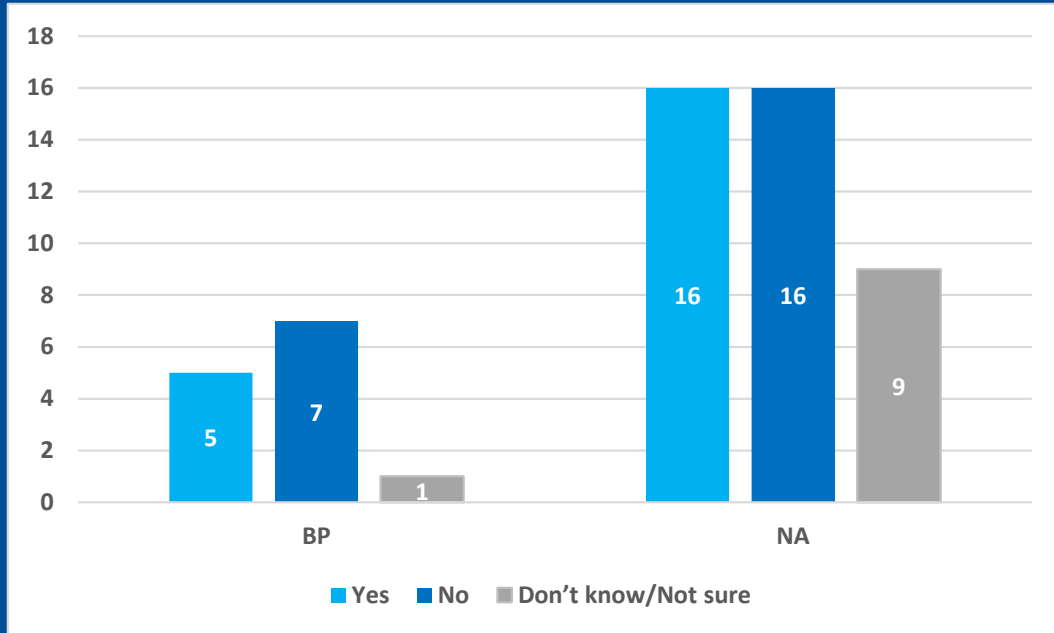


A total of 54 complete answers considering each
statistical domain independently,
13 (4+9) for BP + 41 (32+9) for NA

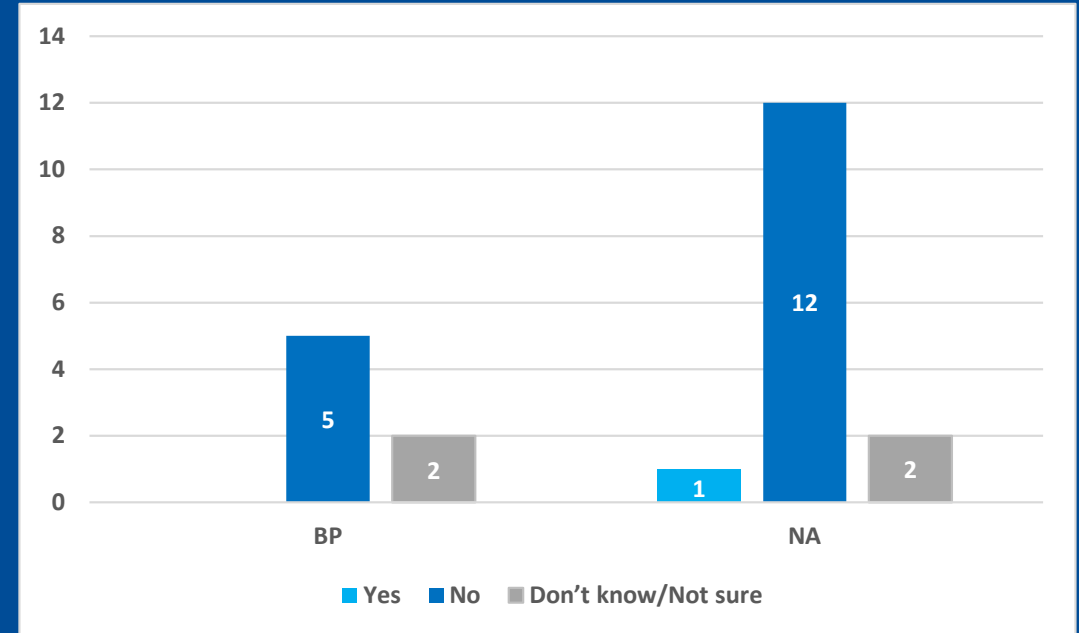
Summary of Answers

Advertising and Marketing Expenditure

Q1A: Should all advertising and marketing expenditure be considered as investment?

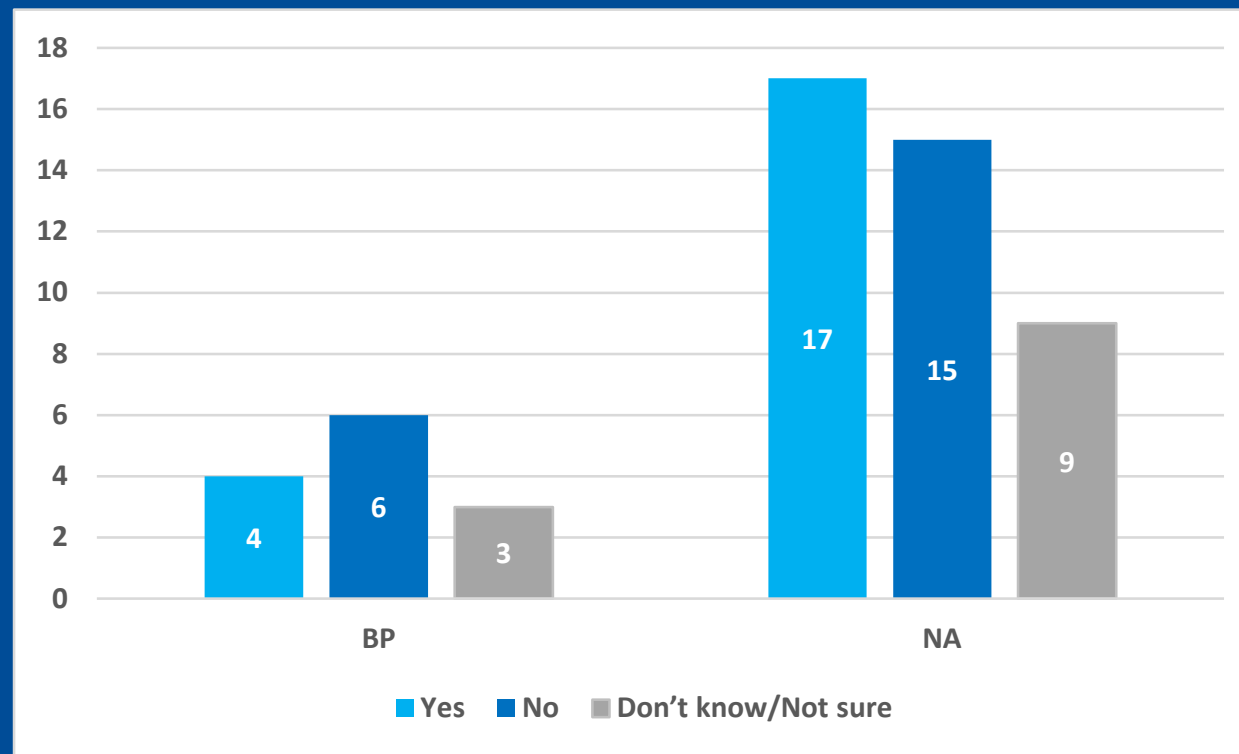


Q1C: If not, are the data available in your country to distinguish between the different types of advertising and marketing to determine which expenditure should be considered investment?



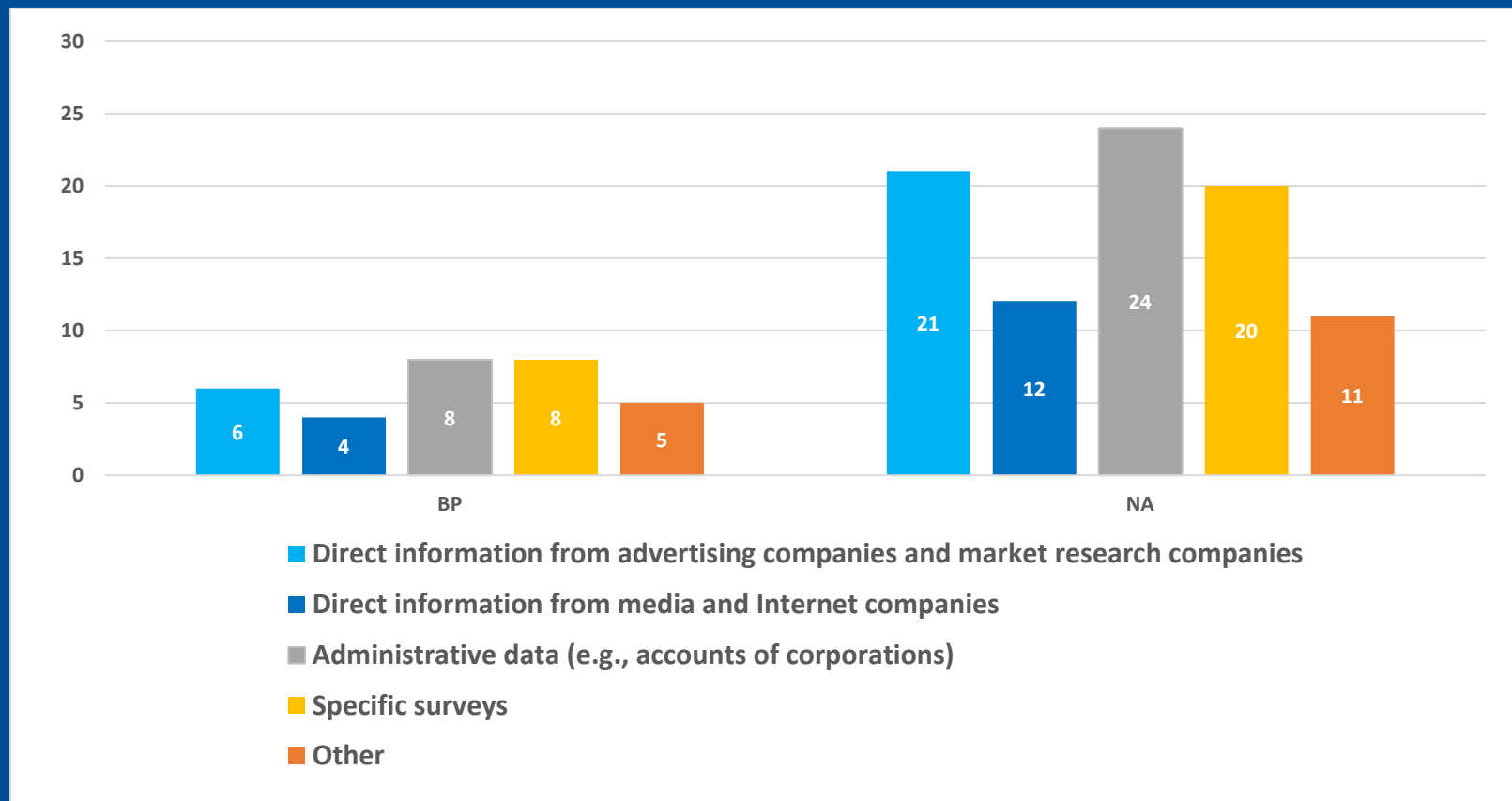
Brand Equity and Market Entities

Q2A: Should the estimation of brand equity be limited to market entities?



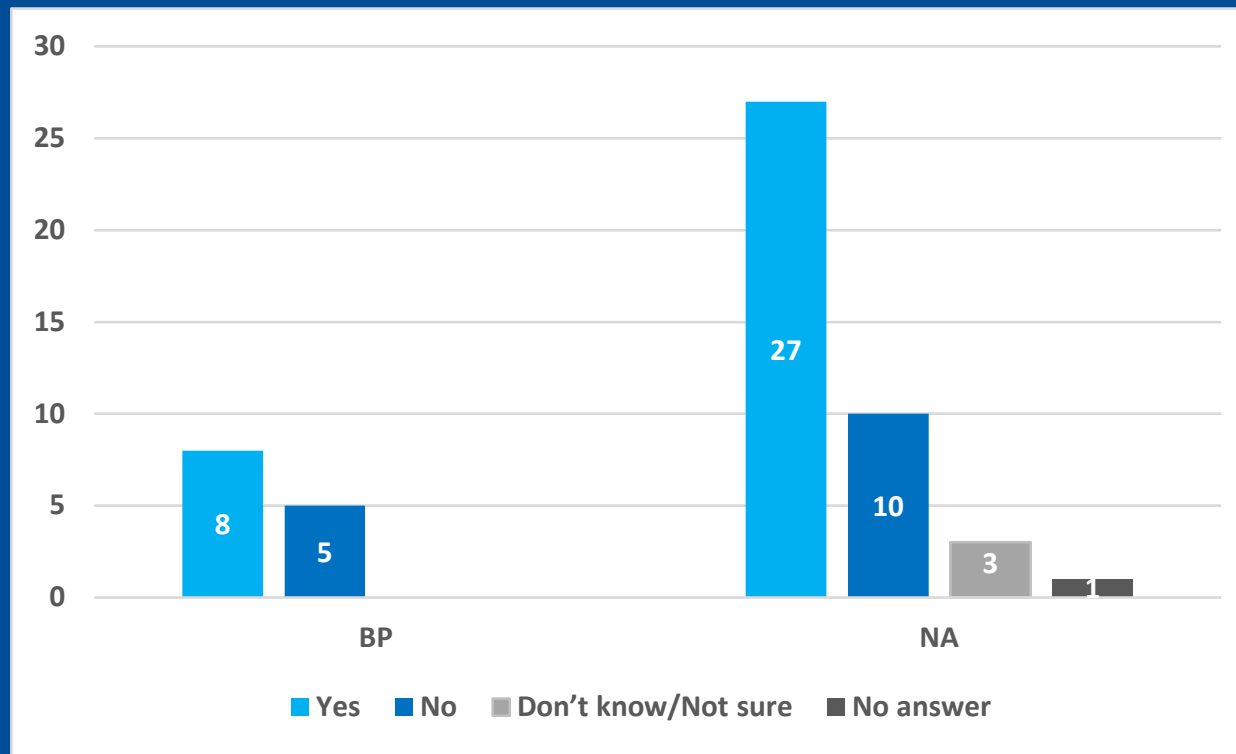
Availability of Data Sources

Q3: Please list the possible data sources to estimate advertising and marketing expenditure available in your country (select all that apply):



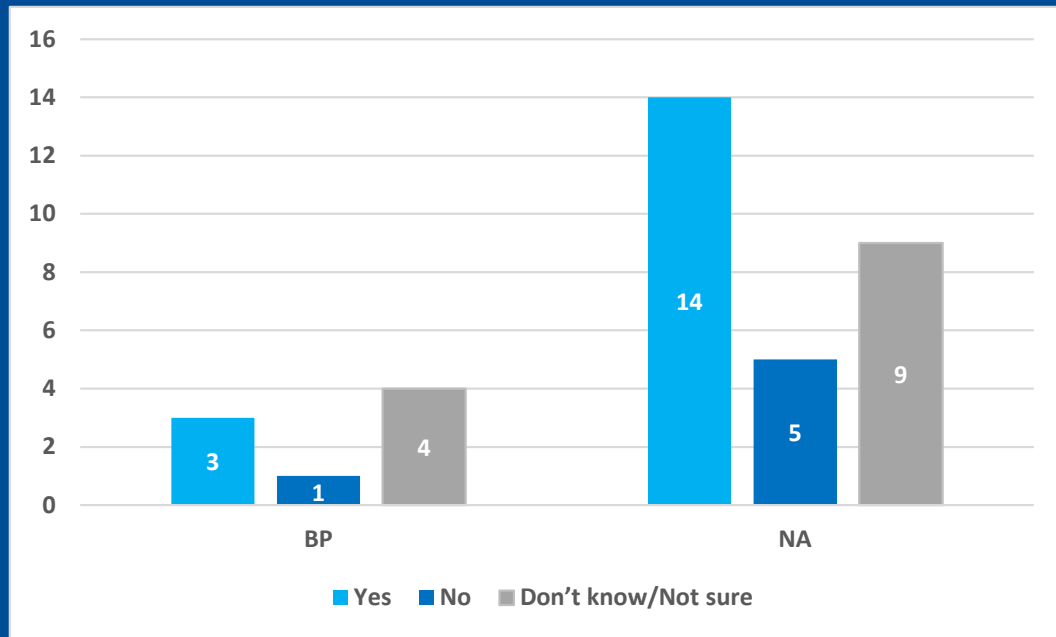
Availability of Data on Occupations

Q4: Do you have information on occupations classified by type based on the International Standard Classification of Occupations (or similar classification)?

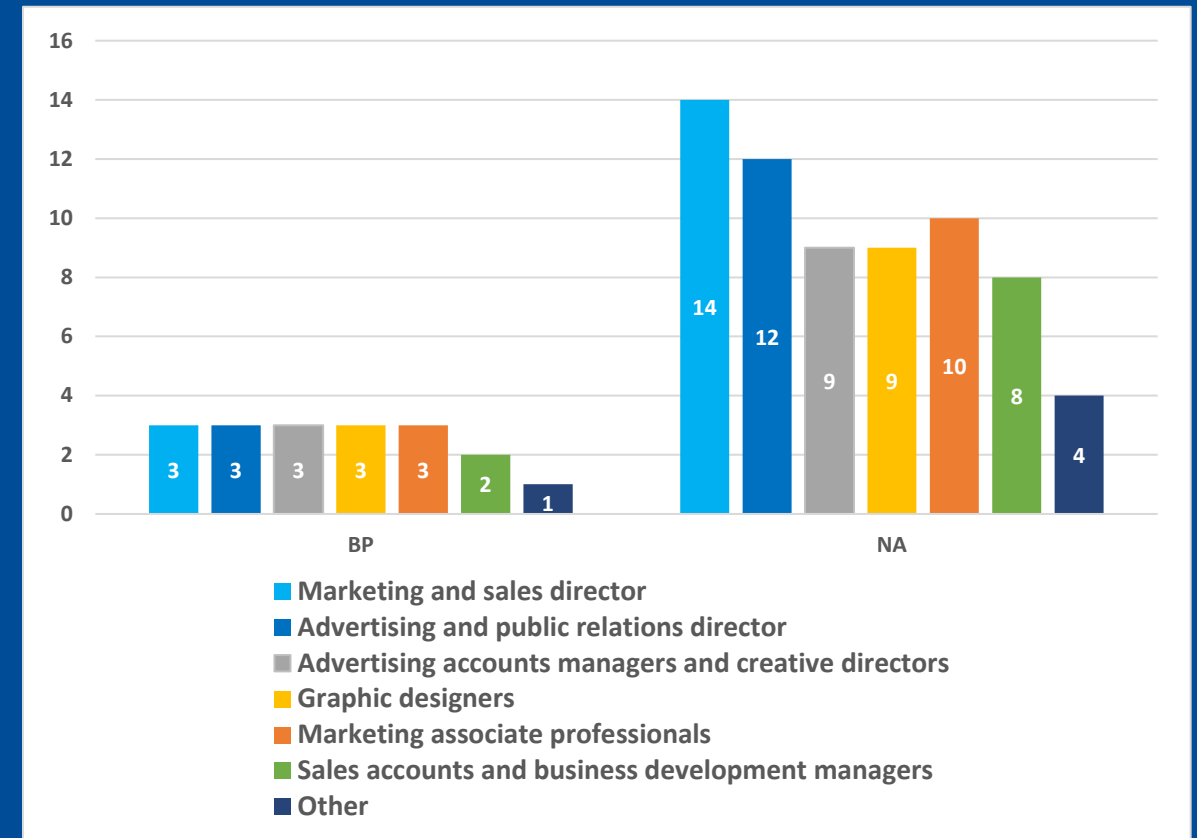


Availability of Data on Occupations

Q5A: If yes, based on the available data sources, is it possible to determine the occupations involved in the own-account production of marketing assets?

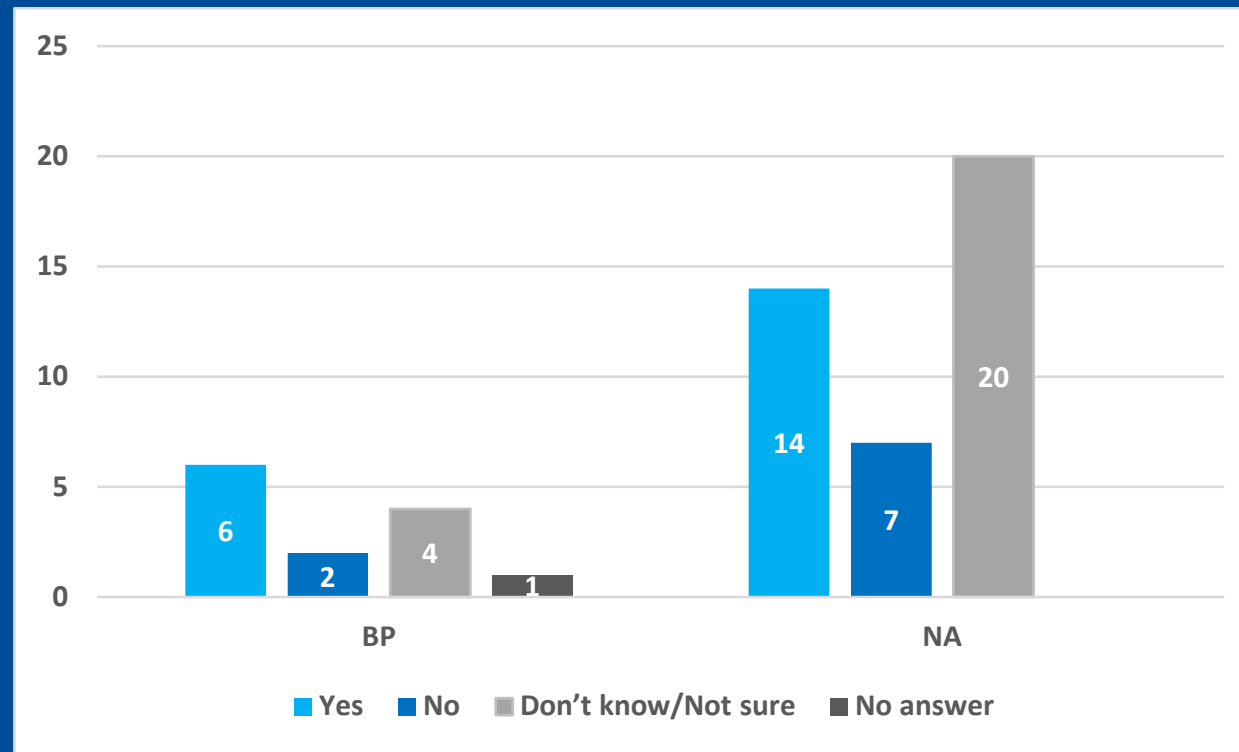


Q5B: If yes, which occupations should be included? Please identify according to International Standard Classification of Occupations (or similar classification).



GFCF in Advertising and Marketing

Q6: In terms of the time spent on activities that can be considered gross fixed capital formation (GFCF) on advertising and marketing, is there any potential overlap with estimates of own-account production of data?



Proposals on the Way Forward

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- **GZTT recommends to include marketing assets within the production boundary and be treated as produced assets in the 2025 SNA and BPM7.**
 - This will entail major changes in the SNA as it will expand the production and produced asset boundaries. As the SNA production and asset boundaries are being expanded to include data, this is the opportune time for the inclusion of marketing assets.
 - This change should not have a significant impact on the international accounts.
- **The GZTT proposes that practical guidance be developed for countries on possible estimation methods and data sources.**
 - Further efforts should continue to assist countries in developing experimental estimates to help in establishing “best practice” and assessing the impact of the estimates on the national accounts and balance of payments aggregates.
- **If the status quo is maintained, there still needs to be an agreement on where to record the various transactions related to marketing assets in the updated SNA and BPM.**

Questions for the AEG and Committee

- Do members agree that marketing assets should be included in the production boundary and be treated as produced assets in the 2025 SNA and BPM7?
- What are members' opinions on whether all advertising and marketing expenditure should be considered as investment?
- What are members' opinions on whether investment in marketing assets be limited to market entities? Can governments and NPISH have investment in brand equity?
- Do members support the development of practical guidance for countries to help them implement the recommendation of treating marketing assets as produced?
- Do members have comments on the results of the testing?

Conclusions of BOPCOM & AEG April 2023

- Marketing assets should be included in the production boundary and be treated as produced assets in the *2025 SNA* and *BPM7*.
- All advertising and marketing expenditure should be considered as investment.
- Investment in marketing assets should be limited to market entities only or include governments and NPISHs.
- Practical guidance to help countries implement the recommendation of treating marketing assets as produced should be developed.

Next Steps

Establish a Task Force to progress the work and issue guidelines

Identify countries as early adopters of the recommendations

Fully investigate the cross border dimension - and level of non-produced non-financial assets that are Marketing or Brand based

Thank you!