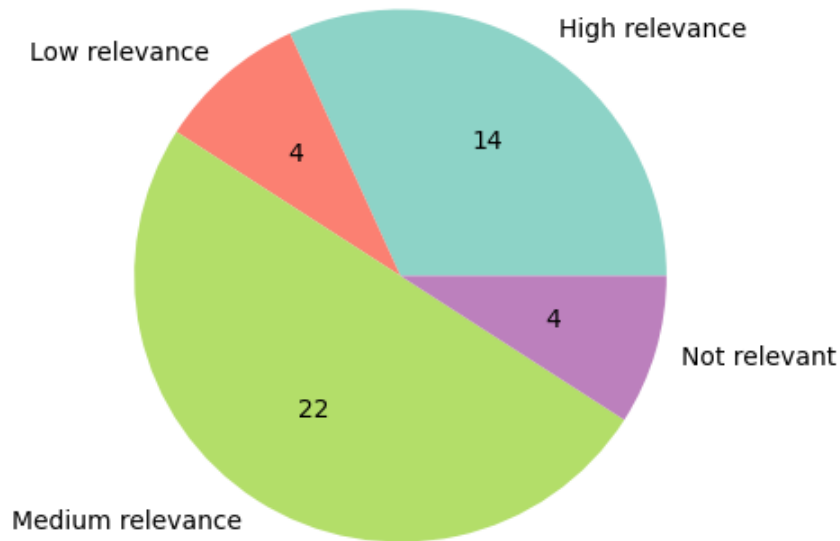


DZ.3 & DZ.4 Treatment of free Digital Products Responses to the Global Consultation

A total of 44 respondents contributed to this consultation, 35 of which agreed to the publication of their verbatim responses which are provided below. The figures reflect the answer of all 44 responses.

1A. Is this topic of relevance for your country? 1B. Please elaborate.



Mali (Institut National de la Statistique): Medium relevance

Ukraine (State Statistics Service of ukraine): Medium relevance

Iraq (central Statistical organization): Low relevance

There are very limited electronic products

Angola (NSO): Medium relevance

Tanzania (National Bureau of Statistics): High relevance

The NBS produces quality statistics which are compiled according to the existing international guidelines. Thus improving coverage and compilation methodology is a

prerequisite and appreciated as some issues like treatment of free digital products was not directly presented in the accounts.

Denmark (Statistics Denmark): High relevance

Subsidized products are very common, fx often mobile subscriptions come with free music.

New Zealand (Statistics New Zealand): Medium relevance

NZ customer interest in the digital economy

Vietnamese (General Statistics Office): High relevance

Vietnam is also trying to account the share of digital economy in GDP but we are not identifying the free digital products.

Finland (Statistics Finland): Medium relevance

Finland is very advanced regarding digitalization. However, there has been no strong demand on measuring these free digital products. We do not consider this kind of satellite account as a first priority. We agree it is important to have some explanation on how free digital services are treated in the core accounts but no changes needed in the core SNA framework as stated in the paper.

Norway (Statistics Norway): Medium relevance

Georgia (National Statistics Office of Georgia): Medium relevance

Mexico (National Institute of Statistics and Geography (INEGI)): High relevance

The first step for Mexico is the compilation of Digital SUT, which constitute the main basis for the elaboration of a satellite account; for this reason, having this indicator is currently considered of high relevance because in Mexico the “free” digital products are included in the cost of the advertisement; other issue is gathering information about these digital services.

Finally, the relevance of information confidentiality should be considered, especially for those countries that have less robust statistical infrastructures and to explore mechanisms to guarantee the security and privacy of the information.

Republic of Moldova (National Bureau of Statistics): High relevance

На данном этапе в Республике Молдова вопросы, связанные с цифровизацией, находятся в стадии изучения и обсуждения.

UNSD Translation: At this stage in the Republic of Moldova, issues related to digitalization are under study and discussion.

Colombia (National Administrative Department of Statistics DANE): High relevance

In Colombia, an exploratory process is being developed leading to the preparation of the Supply-Use Balances and Digital Prioritized Indicators and their future inclusion as part of the results of the System of National Accounts, thus expanding the scope of the central framework based on the reference model proposed by the OECD, whose implementation is

being carried out following the route of the statistical process under the GSBPM protocol adopted by the country for the design of its statistical operations.

Costa Rica (Central Bank): Medium relevance

At the moment, the country is an user of "free" digital products mainly from the rest of the world. The supply of digital content in the country is becoming more relevant and is basically developed by households on online platforms as social networks. Therefore, it is important to us to define the measurement standards about this topic.

Romania (National Institute of Statistics): Not relevant

There are no database about this topic in Romania and no institutions for directly supervising this market.

Perú (Instituto Nacional de Estadística e Informática): High relevance

Permitirá tener un mejor detalle de los productos digitales "gratuitos" consistente con el marco central de las cuentas nacionales.

Qatar (Planning and Statistics Authority): Medium relevance

Some SNA 2008 developments are of higher relevance to us at this time.

Russian Federation (ROSSTAT): Medium relevance

South Africa (Statistics South Africa): Medium relevance

Although the subject itself is of high relevance, the implementation response ranges between medium and low relevance, mainly because of capacity constraints.

Canada (Statistics Canada): Low relevance

Currently a low priority for Canada, as we advance in the estimation of a Household Production Account, this component will be given more focus as the use of "Free" apps has significantly changed household production.

Singapore (Singapore Department of Statistics): High relevance

As digitalization becomes more prevalent and policymakers become more interested in the growing contribution of the digital economy, the emergence of "free" digital products will be increasingly relevant.

Australia (Australian Bureau of Statistics): High relevance

Measuring the digital economy is a key priority in our country for government policy makers, businesses and users and our organisation. We have begun research in this area to identify and measure various aspects of the digital economy and welcome the developments undertaken in updating the SNA in this area.

Republic of Korea (Bank of Korea): High relevance

In Korea, the proportion of ICT-related industries to GDP (12.1%, as of 2021) is rather high. The Bank of Korea is very interested in the SNA reflection of free digital products, and is preparing for testing a digital supply-use table.

Lithuania (Statistics Lithuania): Medium relevance

Latvia (Central Statistical Bureau of Latvia): Low relevance

Aruba (CBS): Not relevant

Chile (Central Bank of Chile): Medium relevance

As this topic has no impact in core accounts, it is not a priority in its implementation. Additionally, we do not see that is a relevant phenomena in Chile yet.

France (Insee): Medium relevance

Ireland (CSO): Medium relevance

Platforms and other companies providing free digital products are resident in Ireland. The recommendations in the GN would be largely substantiated by the information received from these companies on their sales of services

Indonesia (BPS - Statistics Indonesia): High relevance

"Free" services provided by digital producers have reached all elements of people in IDN and other countries. Neglecting them will mislead the economic statistical figures produced by BPS - Statistics.

Sweden (Statistics Sweden, NSI): Medium relevance

Sweden is a highly digitalised country in the respect that corporations, governments and the people are to a large extent using digital technique for various needs

Netherlands (Statistics Netherlands): High relevance

Statistics Netherlands is doing ongoing research on compiling and improving the Digital SUT as envisioned by the OECD. As part of this satellite, free digital products play a role. Moreover, Statistics Netherlands researches different approaches to include free services in GDP.

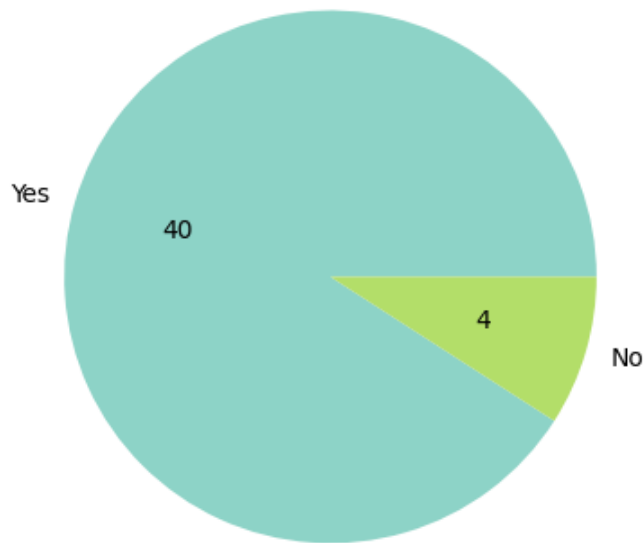
Germany (Federal Statistical Office (Destatis)): Low relevance

Data on free digital products are not requested by now by our users. Further, before implementing a statistical framework, an international academic discussion should take place.

Ireland (CSO): High relevance

Platforms and other companies providing free digital products are resident in Ireland. The recommendations in the GN would be largely substantiated by the information received from these companies on their sales of services

2A. Do you agree that the production and consumption of free digital products of market producers including platforms is already covered in the 'core' national accounts and that no change to concepts in the SNA is required, but that an explanation should be included in the revised SNA? 2B. If no, please elaborate.



Mali (Institut National de la Statistique): No

Ukraine (State Statistics Service of ukraine): Yes

Iraq (central Statistical organization): Yes

Angola (NSO): Yes

Tanzania (National Bureau of Statistics): Yes

Denmark (Statistics Denmark): Yes

New Zealand (Statistics New Zealand): Yes

Vietnamese (General Statistics Office): Yes

Finland (Statistics Finland): Yes

Norway (Statistics Norway): Yes

Georgia (National Statistics Office of Georgia): Yes

Mexico (National Institute of Statistics and Geography (INEGI)): Yes

Republic of Moldova (National Bureau of Statistics): Yes

Colombia (National Administrative Department of Statistics DANE): Yes

Costa Rica (Central Bank): Yes

Romania (National Institute of Statistics): Yes

Perú (Instituto Nacional de Estadística e Informática): Yes

Qatar (Planning and Statistics Authority): Yes

Russian Federation (ROSSTAT): Yes

South Africa (Statistics South Africa): Yes

Canada (Statistics Canada): Yes

Singapore (Singapore Department of Statistics): Yes

Australia (Australian Bureau of Statistics): Yes

Republic of Korea (Bank of Korea): Yes

Lithuania (Statistics Lithuania): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Aruba (CBS): Yes

Chile (Central Bank of Chile): Yes

France (Insee): Yes

Ireland (CSO): Yes

Indonesia (BPS - Statistics Indonesia): No

Chapter 3 of the SNA2008 manual suggests several types of Rearrangement of Transactions. In those cases, "artificial" transactions are created to get the real transaction flows. The issue of "free" products is relevant to those cases.

Sweden (Statistics Sweden, NSI): Yes

Netherlands (Statistics Netherlands): No

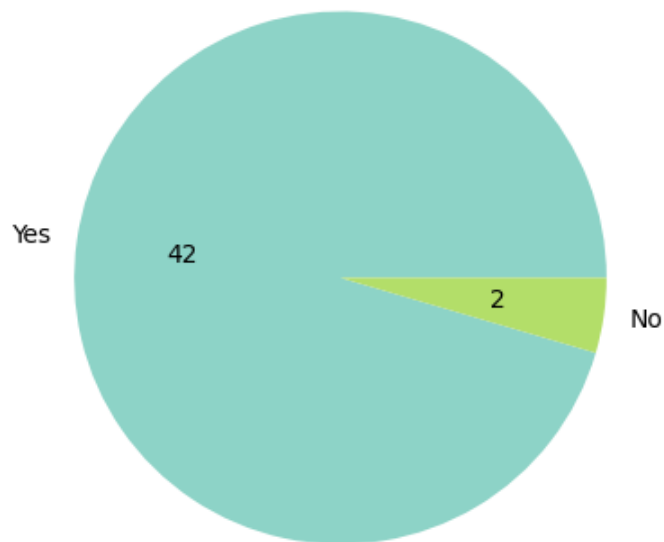
Free digital products are not covered by the 'core' national accounts, as they are outside of the production boundary. So, they are not measured and not included in production and

consumption, as there is no market (price). A revised SNA should explain the similarities with most household production, that is likewise not included in the 'core' accounts, although we are aware of its existence.

Germany (Federal Statistical Office (Destatis)): Yes

Ireland (CSO): Yes

3A. Do you agree that a satellite account is the appropriate tool to give visibility to free products and related flows among sectors and institutional units? 3B. If no, please elaborate.



Mali (Institut National de la Statistique): Yes

Ukraine (State Statistics Service of ukraine): Yes

Iraq (central Statistical organization): Yes

Angola (NSO): Yes

Tanzania (National Bureau of Statistics): Yes

Denmark (Statistics Denmark): Yes

New Zealand (Statistics New Zealand): Yes

Vietnamese (General Statistics Office): Yes

Finland (Statistics Finland): Yes

Norway (Statistics Norway): Yes

Georgia (National Statistics Office of Georgia): Yes

Mexico (National Institute of Statistics and Geography (INEGI)): Yes

Republic of Moldova (National Bureau of Statistics): Yes

Colombia (National Administrative Department of Statistics DANE): Yes

Costa Rica (Central Bank): Yes

Romania (National Institute of Statistics): Yes

Perú (Instituto Nacional de Estadística e Informática): Yes

Qatar (Planning and Statistics Authority): Yes

Russian Federation (ROSSTAT): Yes

South Africa (Statistics South Africa): Yes

Canada (Statistics Canada): Yes

Singapore (Singapore Department of Statistics): Yes

Australia (Australian Bureau of Statistics): Yes

Republic of Korea (Bank of Korea): Yes

Lithuania (Statistics Lithuania): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Aruba (CBS): Yes

Chile (Central Bank of Chile): Yes

France (Insee): Yes

Ireland (CSO): Yes

Indonesia (BPS - Statistics Indonesia): No

A new satellite account would potentially add unnecessary workload. I would suggest elaborating it in the rearrangement of transactions in chap. 3 SNA 2008.

Sweden (Statistics Sweden, NSI): Yes

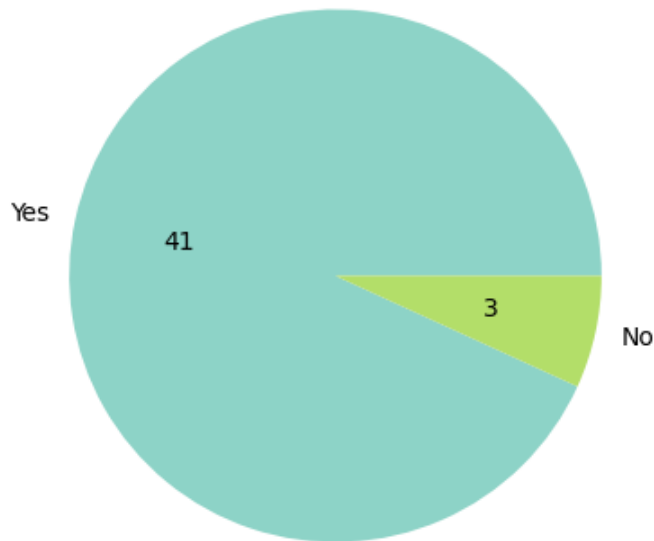
Netherlands (Statistics Netherlands): Yes

Germany (Federal Statistical Office (Destatis)): No

Satellite accounts have to be consistent with the core accounts. As free products are part of the core accounts, setting up a satellite account implies splitting goods from core accounts in “free” and “not free”. Such an approach is certainly interesting but not yet elaborated enough from a theoretical point of view, in particular with respect to the interpretation of NA data by users. In our opinion, valuation of free products shall be aimed as experimental additional tables, without any link to core accounts data. Also, an academic discussion on splitting goods in National Accounts should be started.

Ireland (CSO): Yes

4A. Do you agree with the proposed definition/scope of “free” digital products for the satellite account? 4B. If no, please elaborate.



Mali (Institut National de la Statistique): Yes

Ukraine (State Statistics Service of ukraine): Yes

Iraq (central Statistical organization): Yes

Angola (NSO): Yes

Tanzania (National Bureau of Statistics): Yes

Denmark (Statistics Denmark): Yes

New Zealand (Statistics New Zealand): Yes

Vietnamese (General Statistics Office): Yes

Finland (Statistics Finland): Yes

Norway (Statistics Norway): Yes

Georgia (National Statistics Office of Georgia): Yes

Mexico (National Institute of Statistics and Geography (INEGI)): Yes

Republic of Moldova (National Bureau of Statistics): Yes

Colombia (National Administrative Department of Statistics DANE): Yes

Costa Rica (Central Bank): Yes

Romania (National Institute of Statistics): Yes

Perú (Instituto Nacional de Estadística e Informática): Yes

Qatar (Planning and Statistics Authority): Yes

Russian Federation (ROSSTAT): Yes

South Africa (Statistics South Africa): Yes

Canada (Statistics Canada): Yes

Singapore (Singapore Department of Statistics): Yes

Australia (Australian Bureau of Statistics): Yes

Republic of Korea (Bank of Korea): Yes

Lithuania (Statistics Lithuania): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Aruba (CBS): Yes

Chile (Central Bank of Chile): Yes

France (Insee): Yes

Ireland (CSO): Yes

Indonesia (BPS - Statistics Indonesia): No

Actually, I agree. But we should also look at the issue from the perspective of consumers. When consumers "pay" the digital services with their data, consumers also act as producers, which supply inputs to the digital service providers. So, we have "notional" producers.

Sweden (Statistics Sweden, NSI): Yes

Netherlands (Statistics Netherlands): No

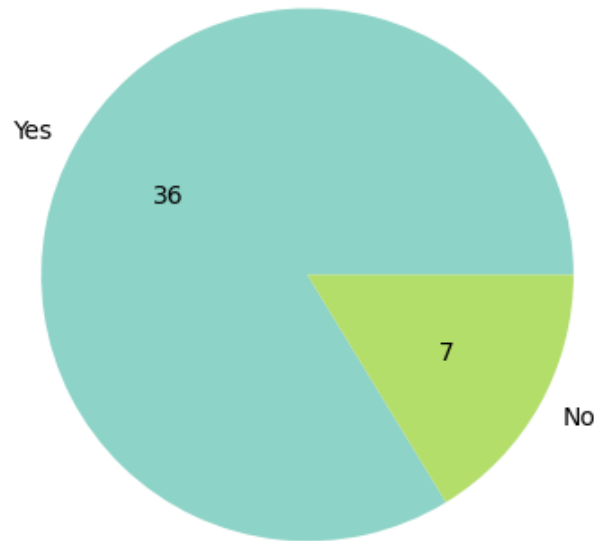
There is a need for more work on how to measure the level of production AND consumption of free services in a manner that is not very demanding in terms of resources. In this light, I believe the consumption of free services should get more attention too.

Germany (Federal Statistical Office (Destatis)): No

We are not in favor of a satellite account. For an supplementary tabe, we agree are in favor of the first option, which would split values of core accounts in a free part and the rest. Later the second option could be envisaged. And of course, any other valuation is possible, but we prefer one step at a time.

Ireland (CSO): Yes

5A. Do you support the option for a satellite account on “free” digital products that includes costs associated with the production of a data asset and shows the exchange of “free” digital products for digital content generated by household users of online platforms (option 3 in the GN)? 5B. If no, please elaborate, including which alternative you prefer.



Mali (Institut National de la Statistique): Yes

Ukraine (State Statistics Service of ukraine): Yes

Iraq (central Statistical organization): Yes

Angola (NSO): Yes

Tanzania (National Bureau of Statistics): Yes

New Zealand (Statistics New Zealand): Yes

Vietnamese (General Statistics Office): Yes

Finland (Statistics Finland): Yes

Norway (Statistics Norway): No

It seems too ambitious

Georgia (National Statistics Office of Georgia): Yes

Mexico (National Institute of Statistics and Geography (INEGI)): Yes

Republic of Moldova (National Bureau of Statistics): Yes

Colombia (National Administrative Department of Statistics DANE): Yes

Costa Rica (Central Bank): Yes

Romania (National Institute of Statistics): No

For Romania is very difficult to complete a proper database about "free" digital products with reliable info even for satellite accounts.

Perú (Instituto Nacional de Estadística e Informática): Yes

Qatar (Planning and Statistics Authority): Yes

Russian Federation (ROSSTAT): Yes

South Africa (Statistics South Africa): Yes

Canada (Statistics Canada): Yes

Singapore (Singapore Department of Statistics): Yes

Australia (Australian Bureau of Statistics): Yes

Republic of Korea (Bank of Korea): Yes

Lithuania (Statistics Lithuania): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Aruba (CBS): Yes

Chile (Central Bank of Chile): Yes

France (Insee): No

We don't take a decision on this topic.

Ireland (CSO): No

I was not clear if the options included in the GN were to be interpreted as mutually exclusive

Indonesia (BPS - Statistics Indonesia): No

A satellite account for that case should be optional. But capturing the issue correctly should be done in the core body of the accounts.

Sweden (Statistics Sweden, NSI): Yes

Netherlands (Statistics Netherlands): No

At this time, this option 3 seems too elaborate and/or demands too many assumptions. We should neither lose sight of how the rest of the Digital SUT is compiled, which is still very close to the 'core' accounts.

Germany (Federal Statistical Office (Destatis)): No

First, we pledge for experimental supplementary tables. Second, we would prefer one step at a time, which means, making incremental variation to the core accounts.

Ireland (CSO): Yes

6. Do you have any other comments on these guidance notes?

Mali (Institut National de la Statistique): No

Tanzania (National Bureau of Statistics): No

Mexico (National Institute of Statistics and Geography (INEGI)): No additional comments

Colombia (National Administrative Department of Statistics DANE): It is suggested that the methodological proposals and proposed treatments be accompanied in all cases by practical examples that illustrate the possible products, activities and transactions associated with them, so that the theoretical approaches and their applications can be more easily interpreted. It is desirable to have a dictionary or lexicon containing a list of free digital products that can serve as a reference for countries to identify them in their respective fields of analysis, without prejudice to the fact that their availability and use does not apply in all countries.

Romania (National Institute of Statistics): No.

Perú (Instituto Nacional de Estadística e Informática): Sería adecuado incluir en las notas mayor casuística, con ejemplos concretos que indiquen la empresa (el anunciante), el intermediario y los hogares que dan origen a los diferentes registros en las cuentas que se muestran al final de la nota de orientación.

Qatar (Planning and Statistics Authority): Congratulations on these excellent guidance notes which helped clarifying the issues. A chapter section(s) will probably be appropriate to explain the topics in the new update of the SNA.

South Africa (Statistics South Africa): None

Singapore (Singapore Department of Statistics): To provide practical guidance on how best to adjust for the potential underestimation of own-account gross capital formation in software.

If there is a handbook on recording and valuing “free” digital products in a satellite account

in future, it will be beneficial if the handbook can provide practical examples and solutions, in addition to conceptual treatments.

Australia (Australian Bureau of Statistics): We agree with the proposals made within the guidance notes DZ3 & DZ4 that free digital products are already implicitly included in the core National Accounts estimates and that the best option for identifying and demonstrating explicitly the flows of free products would be in satellite accounts or extended SUT's rather than altering the core accounts. It is noted however that data source data required for separating free products and their flows is not currently available and would be difficult to acquire. We also note that there would be additional work required in clarifying the industry classifications for units responsible for the provision of free products and that this should be noted as part of the ISIC review.

We also note that additional guidance and clarification should be provided around what is and should be included in the core accounts, both implicitly and explicitly. For example, while the guidance note DZ3 highlights that free products, including free digital products, are already indirectly included in the core national accounts framework and estimates, Paragraph 18 of DZ4 mentions that "While the provision of "free" digital products by digital intermediary platforms may satisfy the SNA definition of a transaction, the Digitalization task Team generally preferred a treatment for "free" products in an SNA satellite account rather than a treatment in the SNA central framework." We are unclear why excluding these activities from the core accounts is preferred, given DZ3 argues that "free" digital products are conceptually in scope of the core SNA already. Acknowledging that this topic may be the subject of future guidance notes, we believe it is important that these details are well documented and explained to avoid any confusion. We also believe that this is an ongoing area of development and progress in modern economies, and that further research should be ongoing on how to best record "free" digital products provided by digital intermediary platforms and look to include them in the core accounts. We acknowledge the difficulties and the similarities that these transactions have with other examples of recording observable phenomena but believe that these interactions/transactions are unique and may require similarly unique treatments to other OP's.

Republic of Korea (Bank of Korea): No, we don't.

Ireland (CSO): There appear to be certain digital products that remain 'free' i.e. which are not a barter of OP for content or which do not include advertising. Examples are Wordle which for a period did not entail an exchange but was more of a gift, another example is LaTeX which is issued under a free software licence.

These products in particular would be valuable in a satellite account as the cases where bundling or advertising explains why they are free are already implicitly captured in the SNA as the Free digital products GN demonstrates. Products made available under a free licence would be assets the satellite.

Another consideration are products such as Wikipedia that are provided free and free of

advertising but which may request a donation. These products can contribute to well being. Further, how are the donations to be classified?

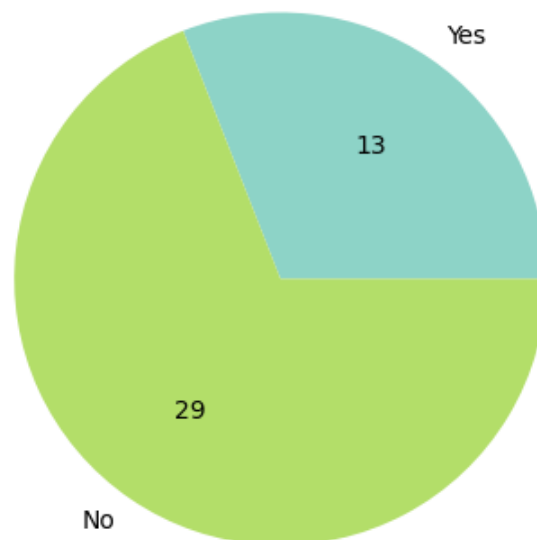
Indonesia (BPS - Statistics Indonesia): No.

Sweden (Statistics Sweden, NSI): Our understanding is that free products is a wider concept than free digital products. Free products can include a football match or a cultural event without entrance fees. The practical problems of collecting data and estimating values should not be underestimated. We think there is a need to establish common standards for a satellite account of what to include and how to estimate and value free products and related flows.

Netherlands (Statistics Netherlands): What is needed from the work on free services, is insight in how free services influence the volume of consumption as measured. A satellite should be able to show shifts from paid-for to free services, and back. This facilitates the understanding of GDP growth in the 'core' accounts, without having to explicitly include free services in these 'core' accounts.

Ireland (CSO): The recommendations will be quite difficult to implement - significant testing will be necessary to arrive at an optimal approach that fits with the various compilation approaches being used by countries in respect of the companies in question.

7. Would your institution be interested in participating in an experimental estimate exercise?



Mali (Institut National de la Statistique): Yes

Ukraine (State Statistics Service of ukraine): No

Iraq (central Statistical organization): Yes

Angola (NSO): Yes

Tanzania (National Bureau of Statistics): Yes

Denmark (Statistics Denmark): No

New Zealand (Statistics New Zealand): No

Vietnamese (General Statistics Office): Yes

Finland (Statistics Finland): No

Norway (Statistics Norway): No

Georgia (National Statistics Office of Georgia): Yes

Mexico (National Institute of Statistics and Geography (INEGI)): No

Republic of Moldova (National Bureau of Statistics): No

Colombia (National Administrative Department of Statistics DANE): Yes

Costa Rica (Central Bank): No

Romania (National Institute of Statistics): No

Perú (Instituto Nacional de Estadística e Informática): Yes

Qatar (Planning and Statistics Authority): Yes

Russian Federation (ROSSTAT): No

South Africa (Statistics South Africa): No

Canada (Statistics Canada): Yes

Australia (Australian Bureau of Statistics): No

Republic of Korea (Bank of Korea): No

Lithuania (Statistics Lithuania): No

Latvia (Central Statistical Bureau of Latvia): No

Aruba (CBS): No

Chile (Central Bank of Chile): No

France (Insee): No

Ireland (CSO): No

Indonesia (BPS - Statistics Indonesia): No

Sweden (Statistics Sweden, NSI): No

Netherlands (Statistics Netherlands): Yes

Germany (Federal Statistical Office (Destatis)): No

Ireland (CSO): Yes