



Feedback from global consultation DZ.6: Recording of data in the National Accounts

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Outcomes of consultation (Part 1)

- There was **unanimous agreement that data was the result of production and should be capitalised in the SNA!**
- Although *practical* challenges were noted. There was near unanimous **conceptual** support for the guidance notes proposals covering:
 - The **sum of costs valuation** as the preferred method for own-account production of data.
 - The creation of a **single data and databases asset category**, which is separate from software.
 - The **recording of sold data** (non-exclusive basis - production and sale of a copy of an original, exclusive basis - sale of a produced asset).
 - The recommendation that **guidance covering service life was not a mandatory feature** of this guidance note.
 - The **exclusion of ancillary data** from the capitalised data



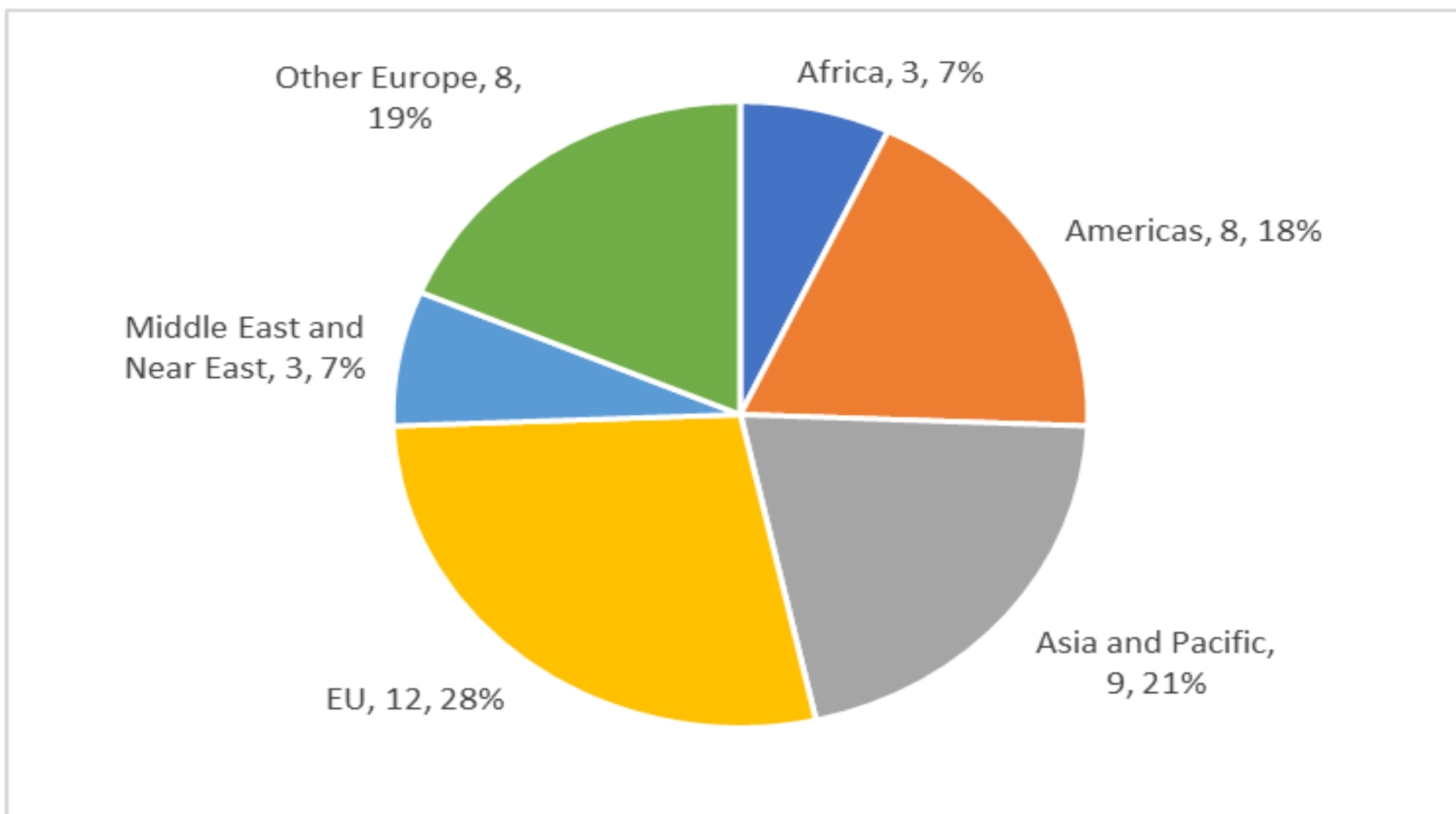
Outcomes of consultation (part 2)

Conceptual concerns raised.

- Clarity sought regarding **explicit monetary purchase** for the right to access OPs, payment of rent or payment for service.
- The challenge of meeting of **new conceptual guidance with existing statistical practices** is an ongoing discussion for members
- The conceptual **boundary** between production of **data** and production of **R & D**.

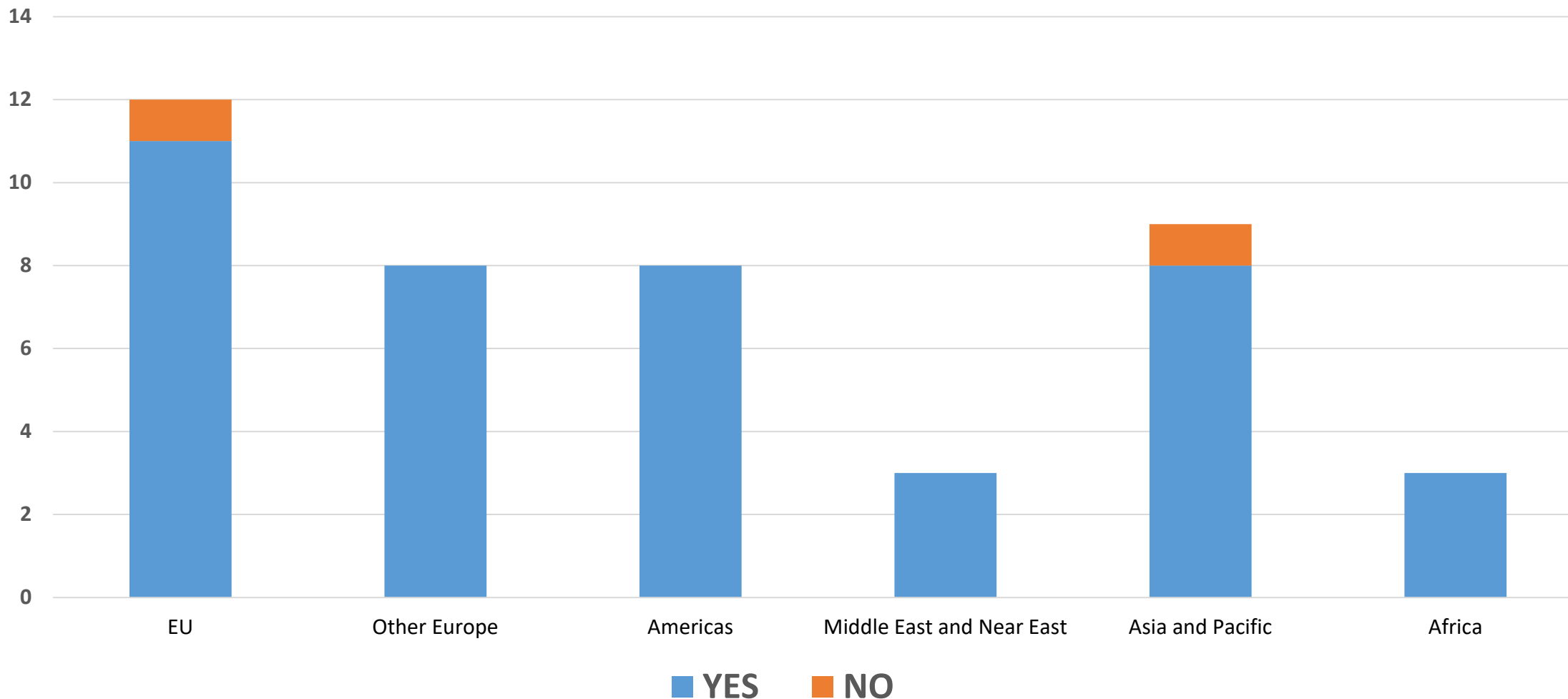


Consultation received broad representation



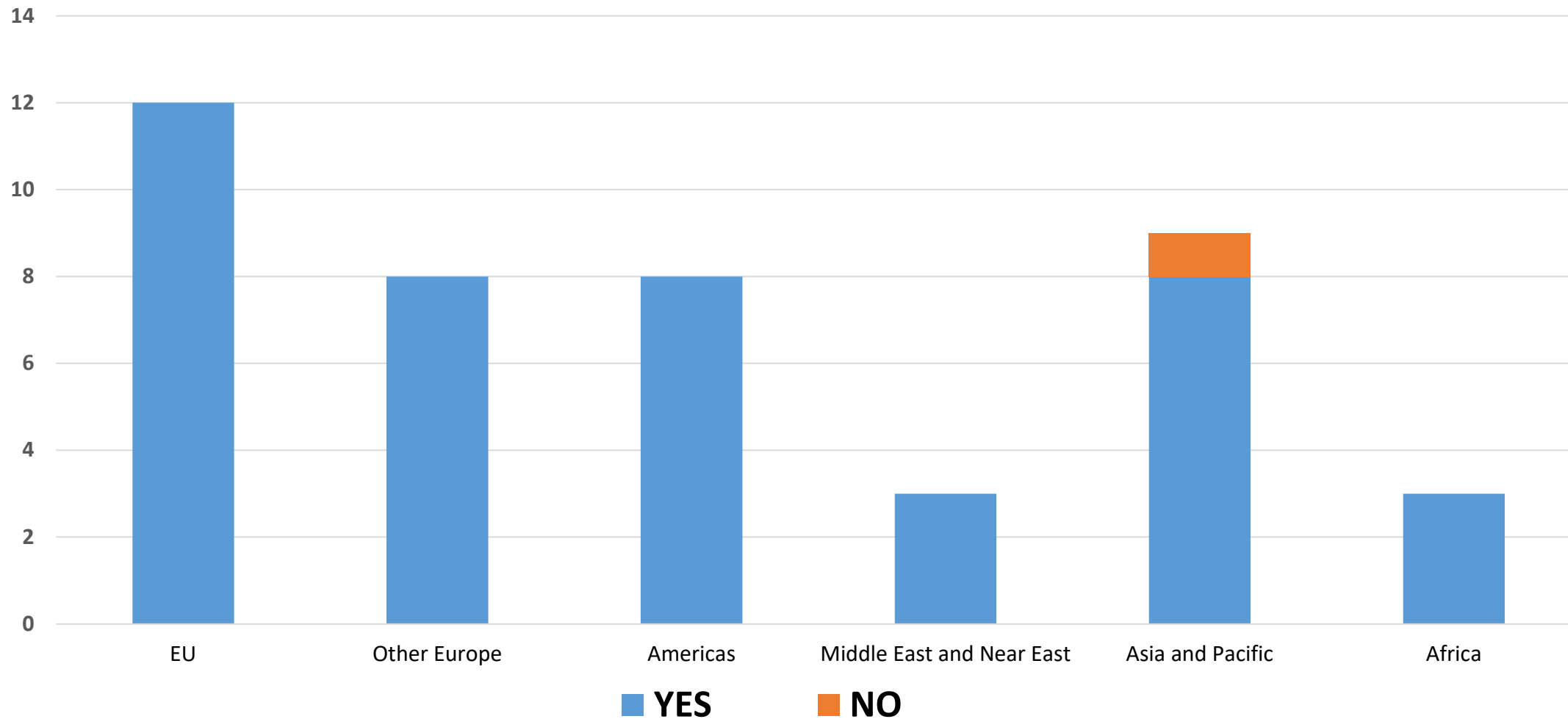


Is data entirely the result of production?



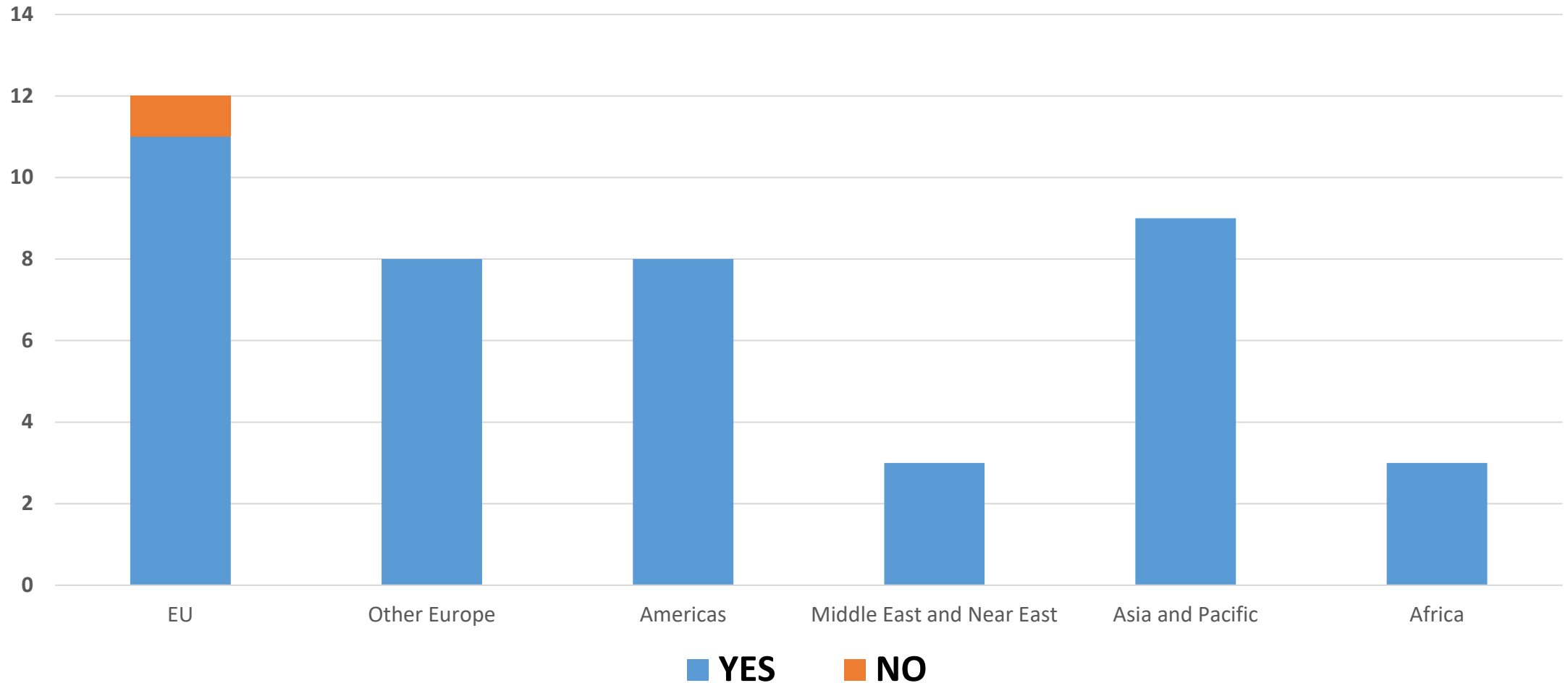


Is data an asset as defined in the SNA?



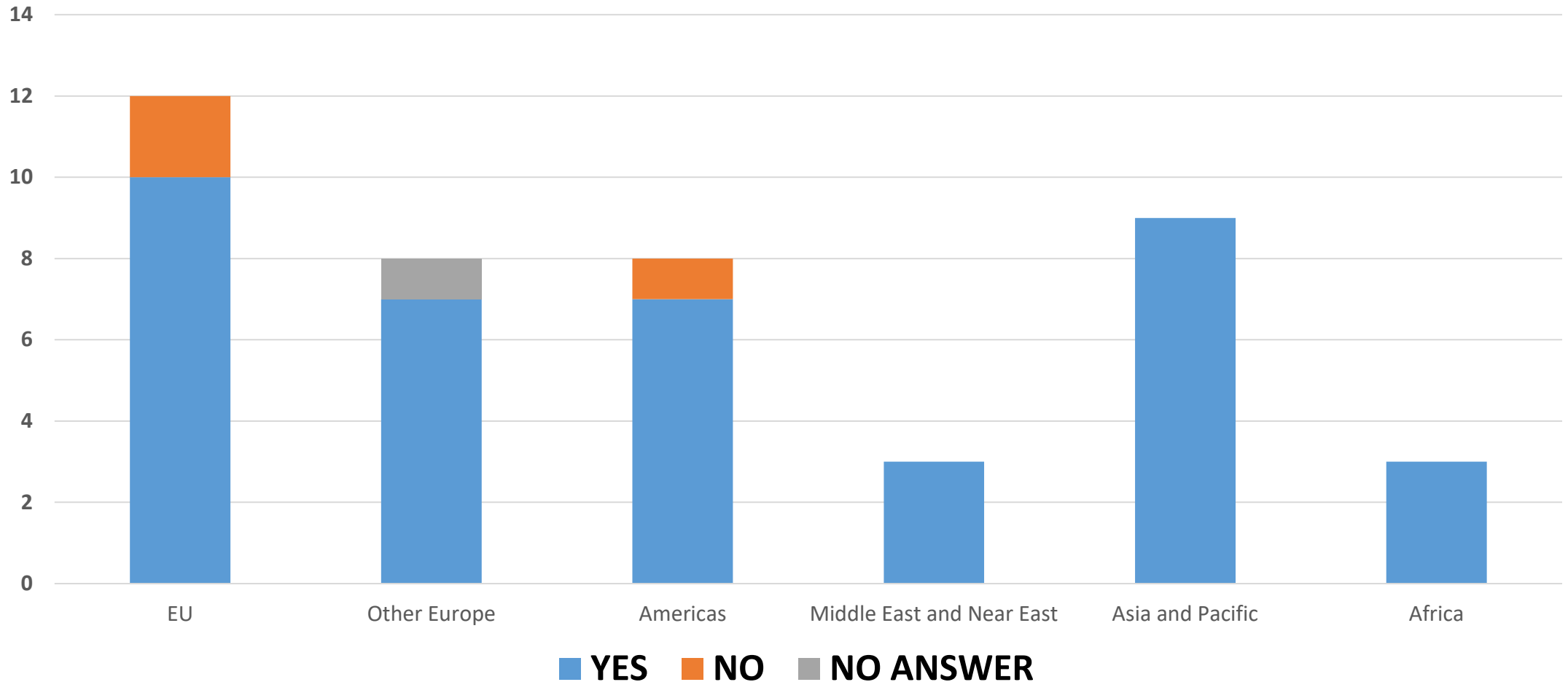


Do you agree that ideally data is classified to a newly-created asset category (“data”) which includes databases but separate to software.

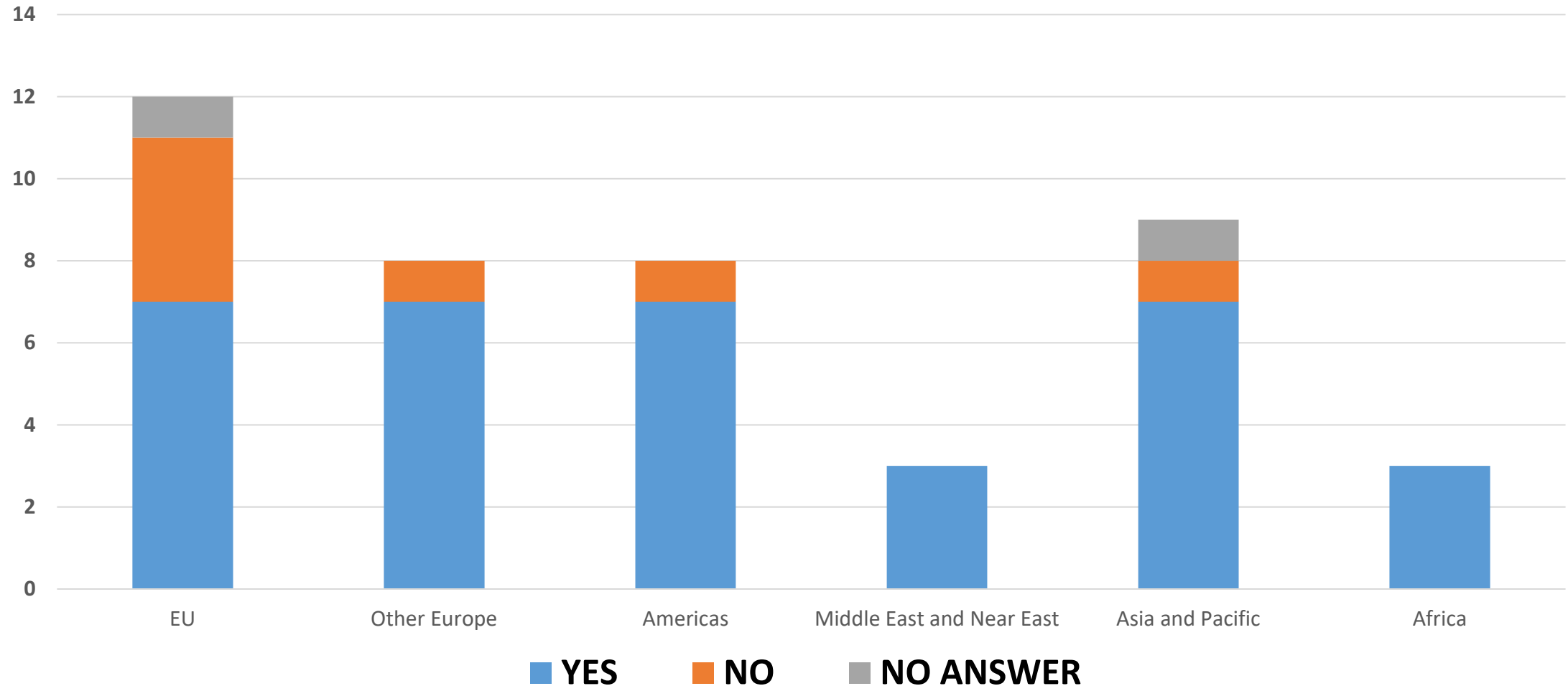




Do you agree to postpone an agreement on the service life applied to data assets?



Do you agree with the proposed tasks included in the outline of own account production of data.

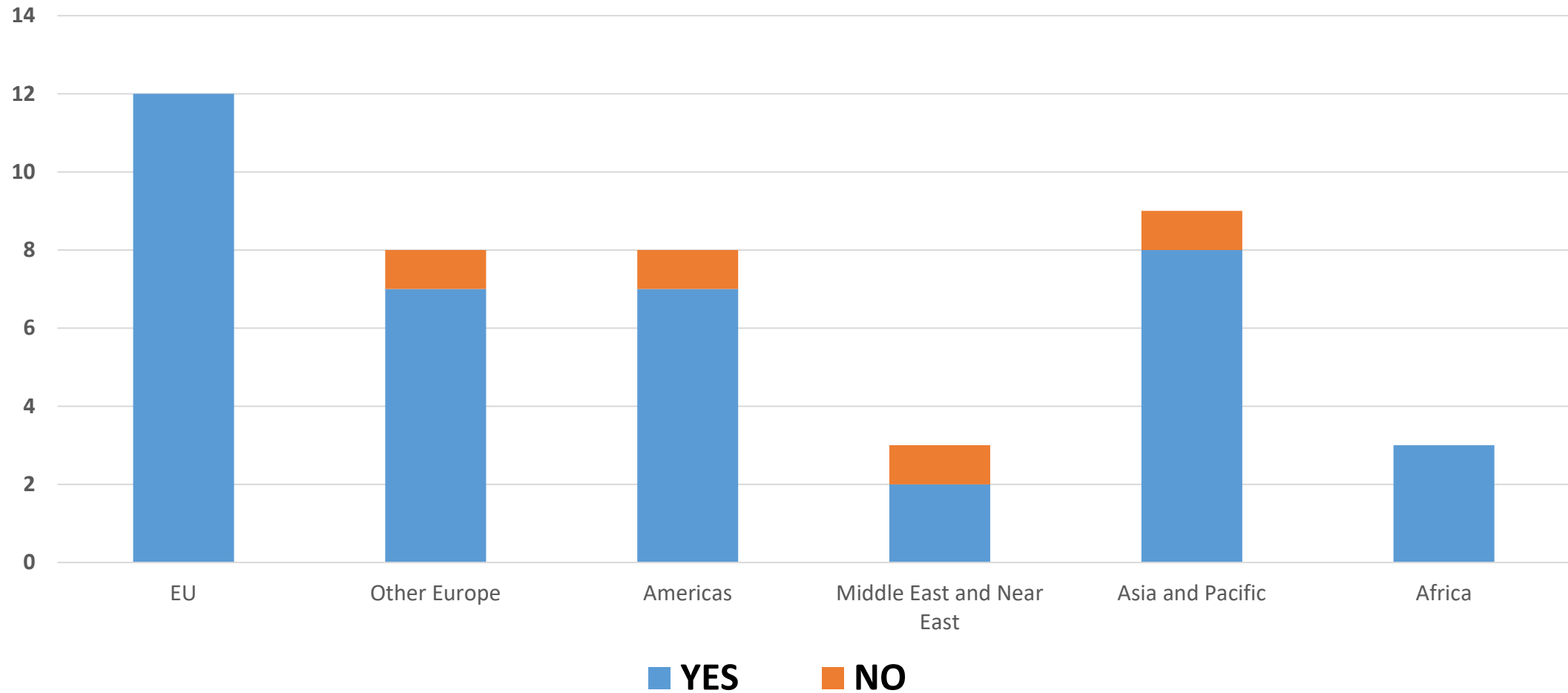




Wording for sum-of-cost production

- Currently the tasks listed include
 - costs of planning, preparing and developing a data production strategy,
 - costs associated with accessing, recording and storing information embedded in OPs, which may include, but is not limited to, the explicit purchases of OPs or already produced data,
 - costs associated with designing, organising, testing and analysing the data in order to draw information and conclusions from it.
- Concern regard testing and analysing, as usually considered production of R & D.
- New *third* dot point would be;
 - “Costs associated with processing, cleaning and organising the data to allow for use in productive activities”.

Do you agree to exclude data that is not used as direct input into the primary productive activities of the economic unit?

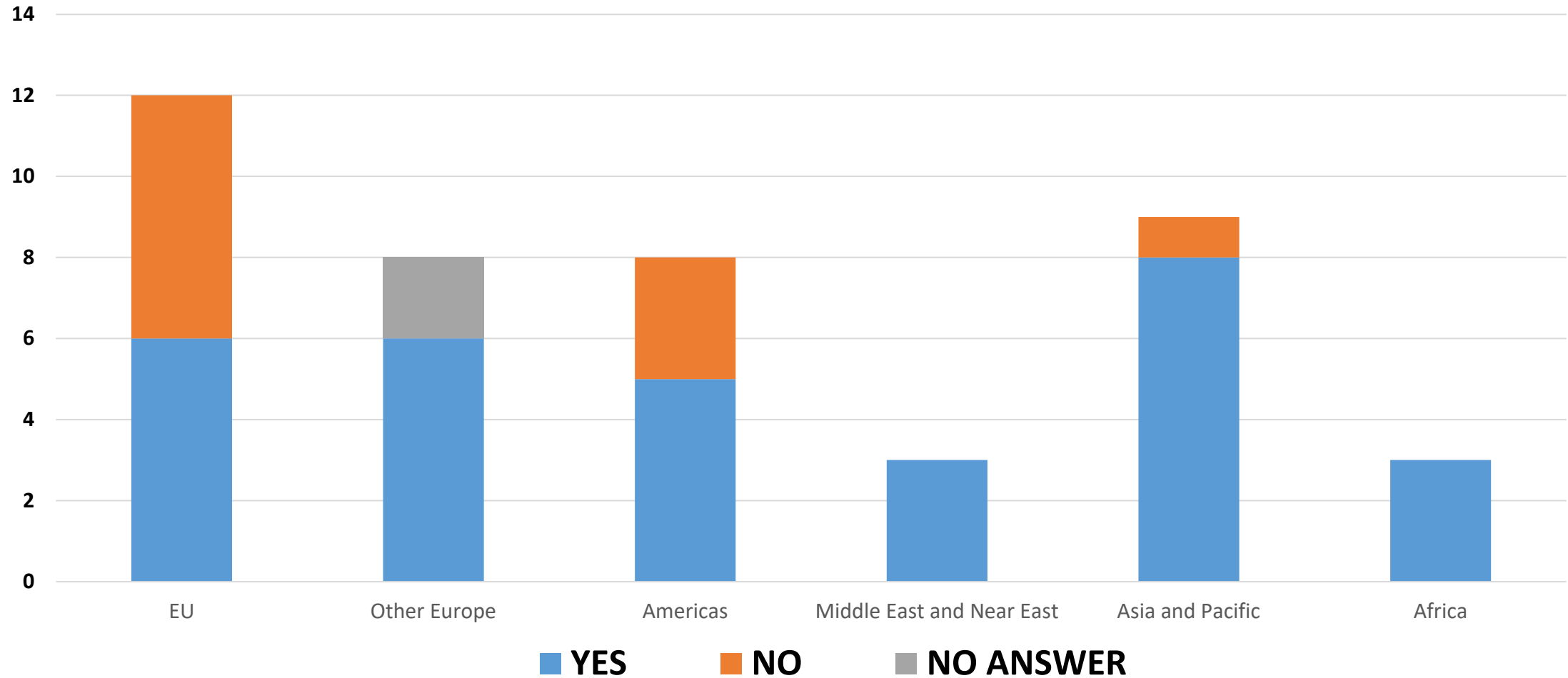




Ancillary data & own account data

- The GN recommends **capitalising all own account data** production and capitalizing **purchased data, depending on use**.
- The GN recommends **only** capitalizing expenditure on **data that provides an economic benefit**.
- Several **countries expressed concern** on how these recommendations fit with their countries established data collection practices.
- While acknowledging that certain desired delineations are not always feasible, the task team **does not recommend a conceptual change**, as it is consistent with overarching asset definitions.
- Countries will implement a methodology that is both feasible and conceptually defensible.

Do you agree that all explicit purchases of observable phenomena are recorded as payments of rent?





Explicit purchases (part 1)

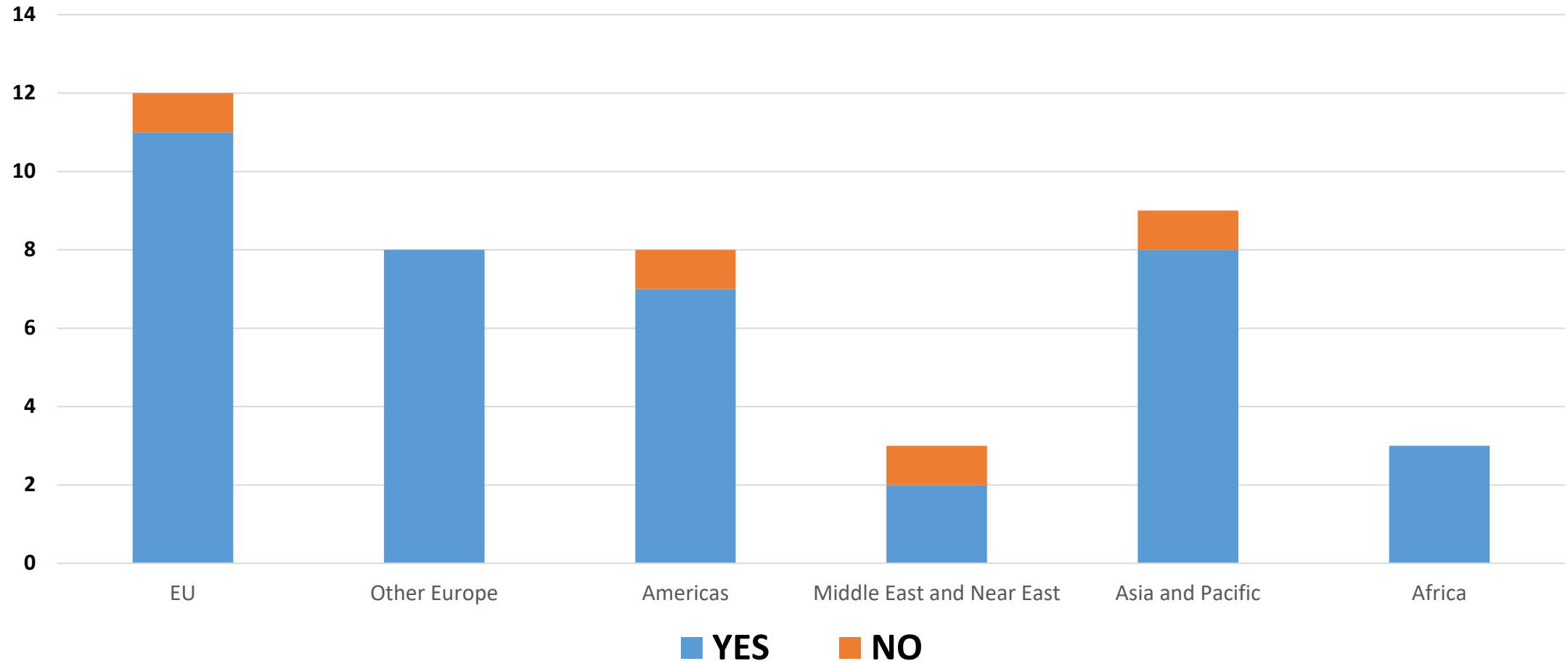
- Concerns with this classifying explicit transactions to to rent included;
 - The **practical delineation** from other current expenses.
 - Rent payments associated with a **non-produced asset that is not recorded** on any balance sheet.
- The practical concern is understandable but is likely to be **statistically insignificant**.
- **The task team still considered rent the most appropriate classification for monetary purchases** made to gain access to OPs.
- Treatment as a rent payment dependent on the overall classification decisions regarding rent transactions in the revised SNA.



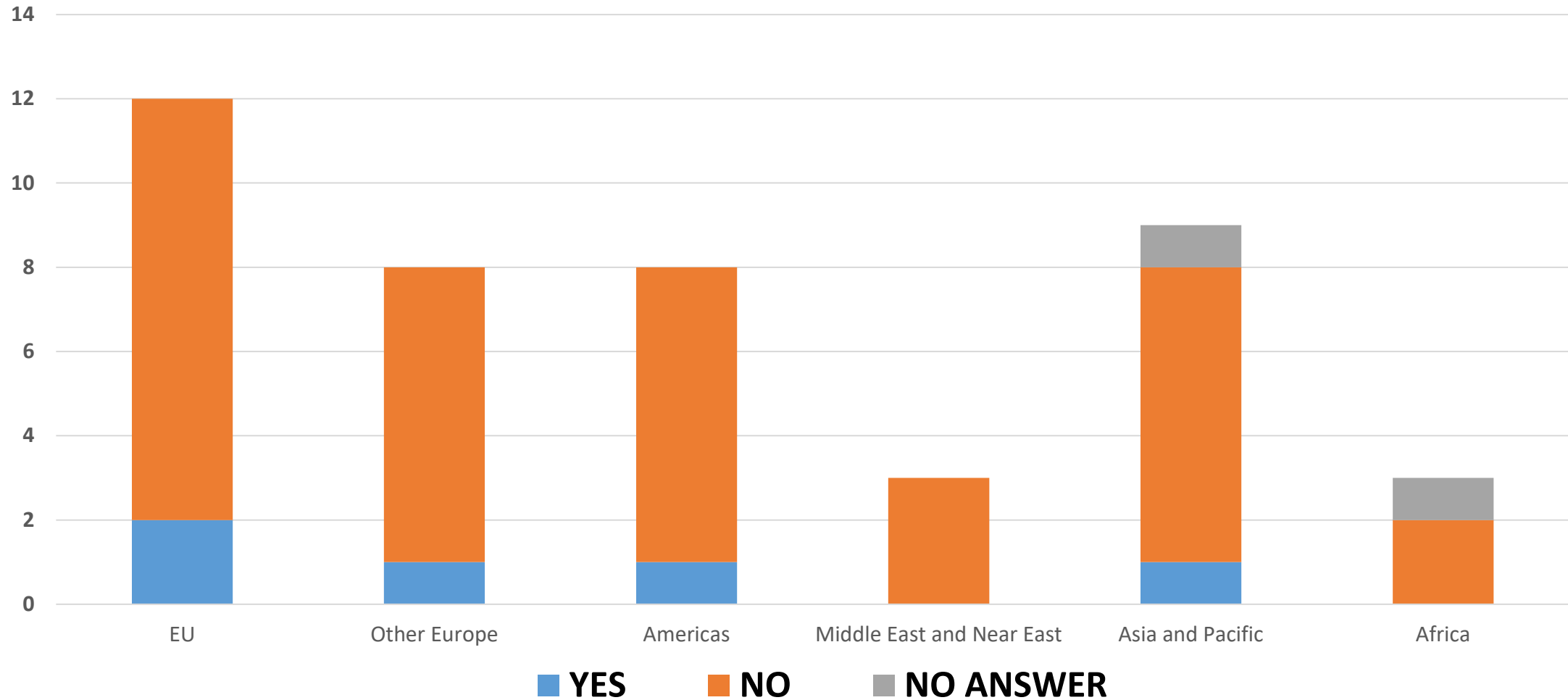
Explicit purchase (part 2)

- If treated as a service, conceptually, this creates a much **larger focus on the exclusion of interactions between consumers and free digital service providers** as conceptually this would mean output is being **excluded** rather than a property income payment.
- Last point is associated with guidance in Para 18. of DZ4 *“this note treats the exchange of “free” digital products and user-generated content as a barter transaction”*.
- Clarify why are these interactions excluded from the central framework.
 - Because they **fall into the household services situation** (*A balance has to be struck between the desire for the accounts to be as comprehensive as possible and the need to prevent flows used for the analysis of market behavior and disequilibria from being swamped by nonmonetary values*) SNA 1.42.
 - Because they **don't represent a traditional barter** (What is the household providing, not really a *“good, service or asset other than cash”*; payment for the service is already bundled in other transactions (DZ.3)).

Do you agree that all own account production of data should be considered GFCF?



Have you already done some work to estimate the value of Data?





Practical considerations

- Practical concerns remain on how to best implement this change in the SNA. Testing on these aspects is forthcoming and will focus on;
 - I. NSOs' ability to estimate the **costs contributing to own-production of data**,
 - II. Whether **expenditure on data** production (both purchased and own account) **can be separated** from expenditure on computer software
 - III. The possibility to delineate and **exclude** costs associated with the production of **ancillary data** that is not providing a clear economic benefit to the economic unit.
- Other practical aspects to consider are;
 - Models and parameters for the **depreciation** of data assets and
 - The identification of **suitable price deflators**.
 - Inclusion within relevant **classifications** (ISIC and CPC)
- However, guidance on **these aspects is outside the scope** of *this* guidance note and can be developed through dedicated work streams to be organised at a later stage.



Questions for AEG

- Does the AEG agree with the slight wording change proposed to assist in delineating sum-of-cost production of data from R & D?
- Does the AEG endorse the conceptual recommendations in the guidance note regarding the inclusion of data into the SNA production and asset boundary?
- Does the AEG agree with the proposed way forward to ensure that certain practical implementation challenges (outlined above) are addressed before incorporation of the guidance note into revised SNA?