



Outcomes of feasibility testing, DZ.6: Recording of data in the National Accounts

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22nd Meeting of the Advisory Expert Group on National
Accounts, March 29-31, 2023

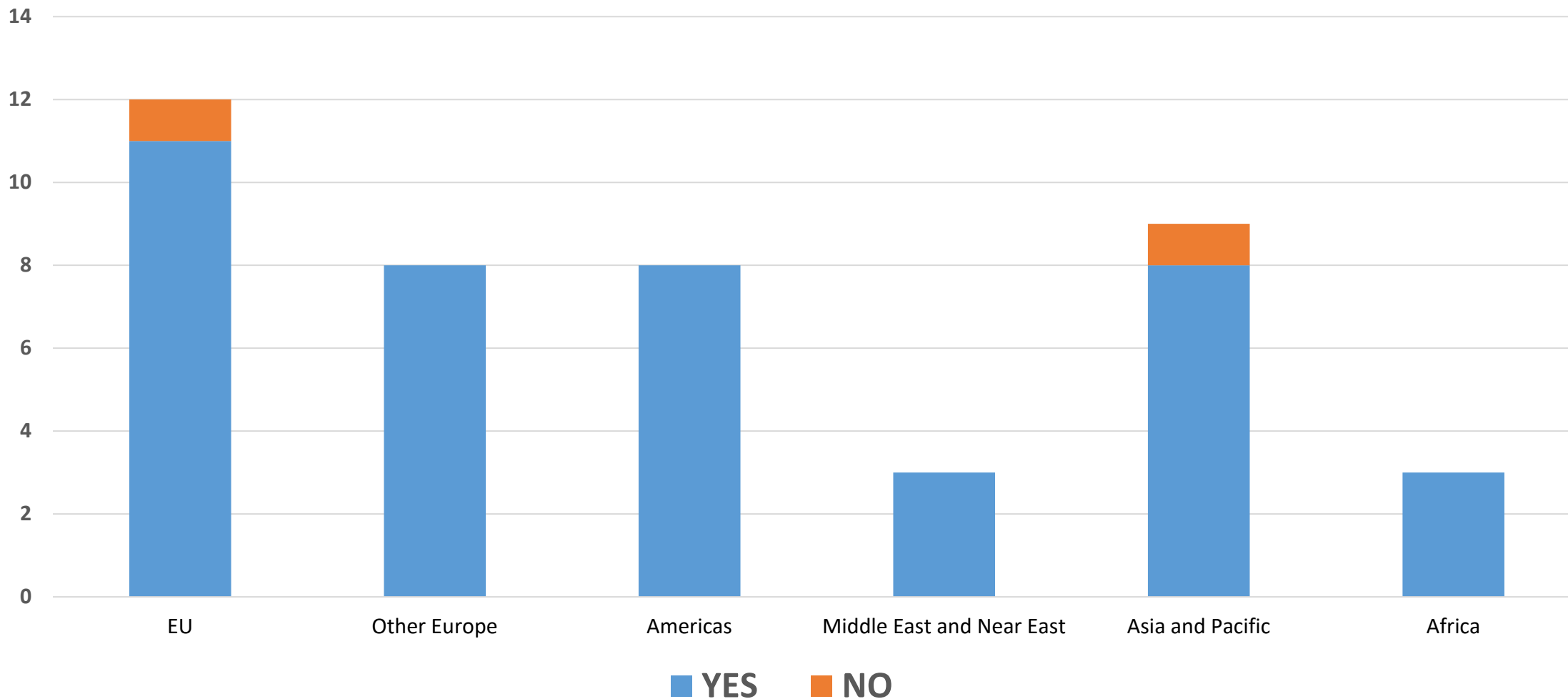


DZ.6: Recording of data, where we left discussions

- Feedback from Global Consultation discussed at 20th AEG meeting (July 2022)
- Strong support for its inclusion into the production and asset boundary of the SNA
- Strong support to try and create a stand alone data asset category
- Minimal existing work already done in this area by countries.

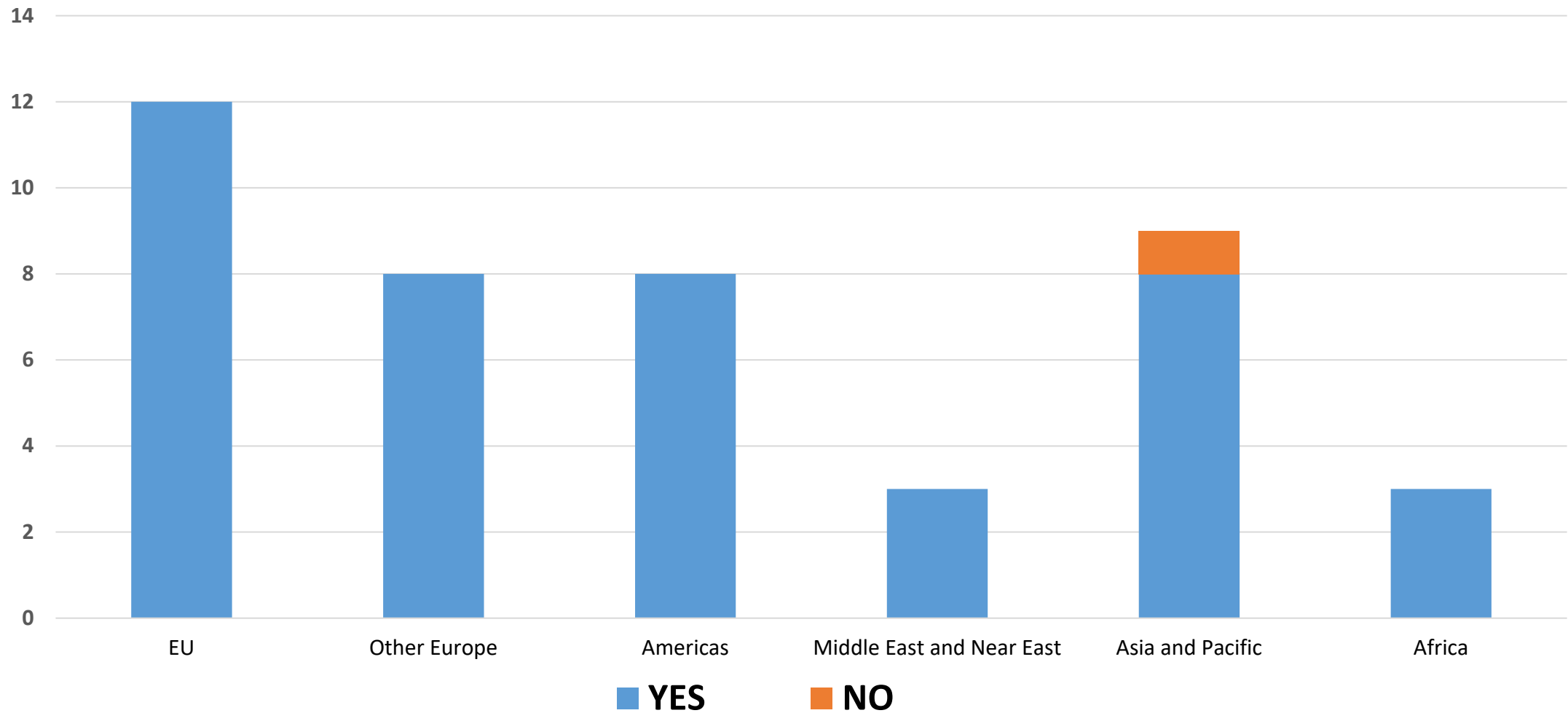


Is data entirely the result of production?



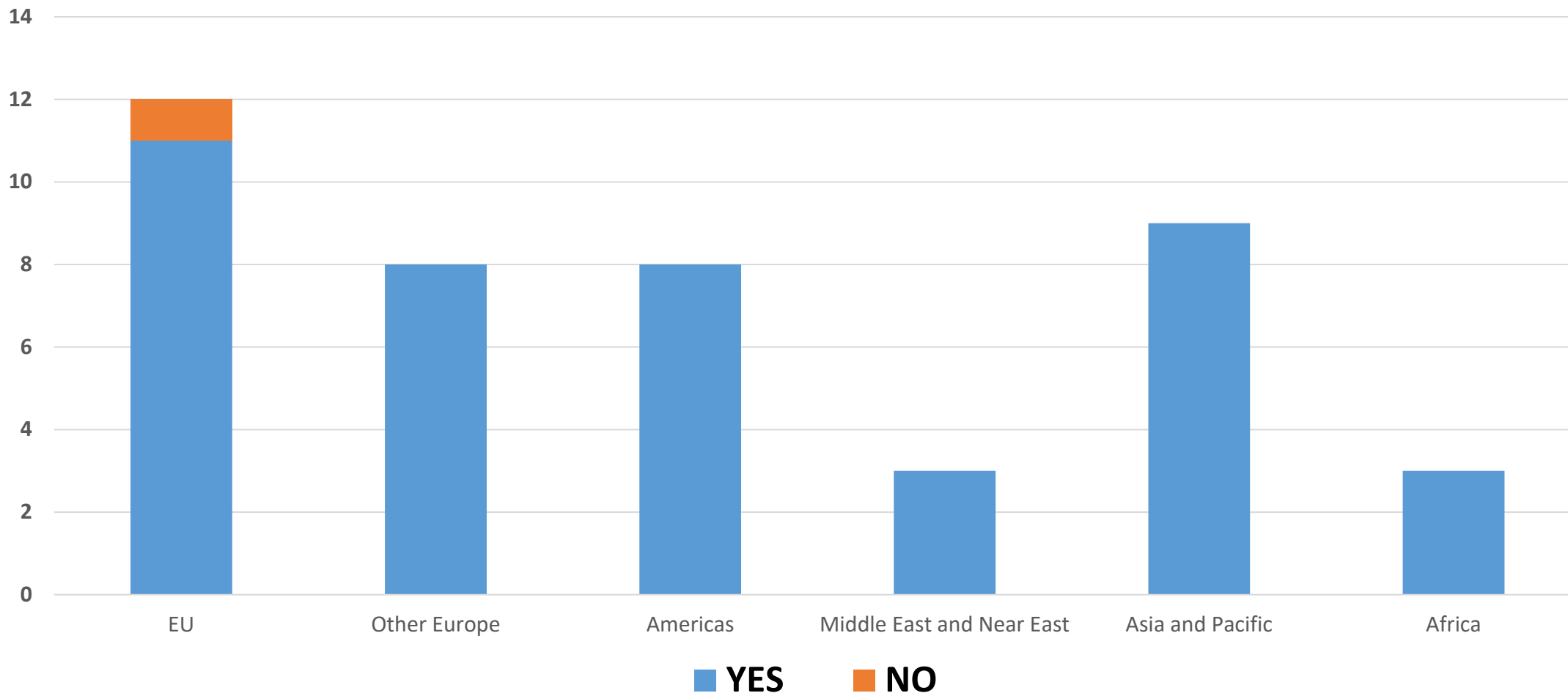


Is data an asset as defined in the SNA?



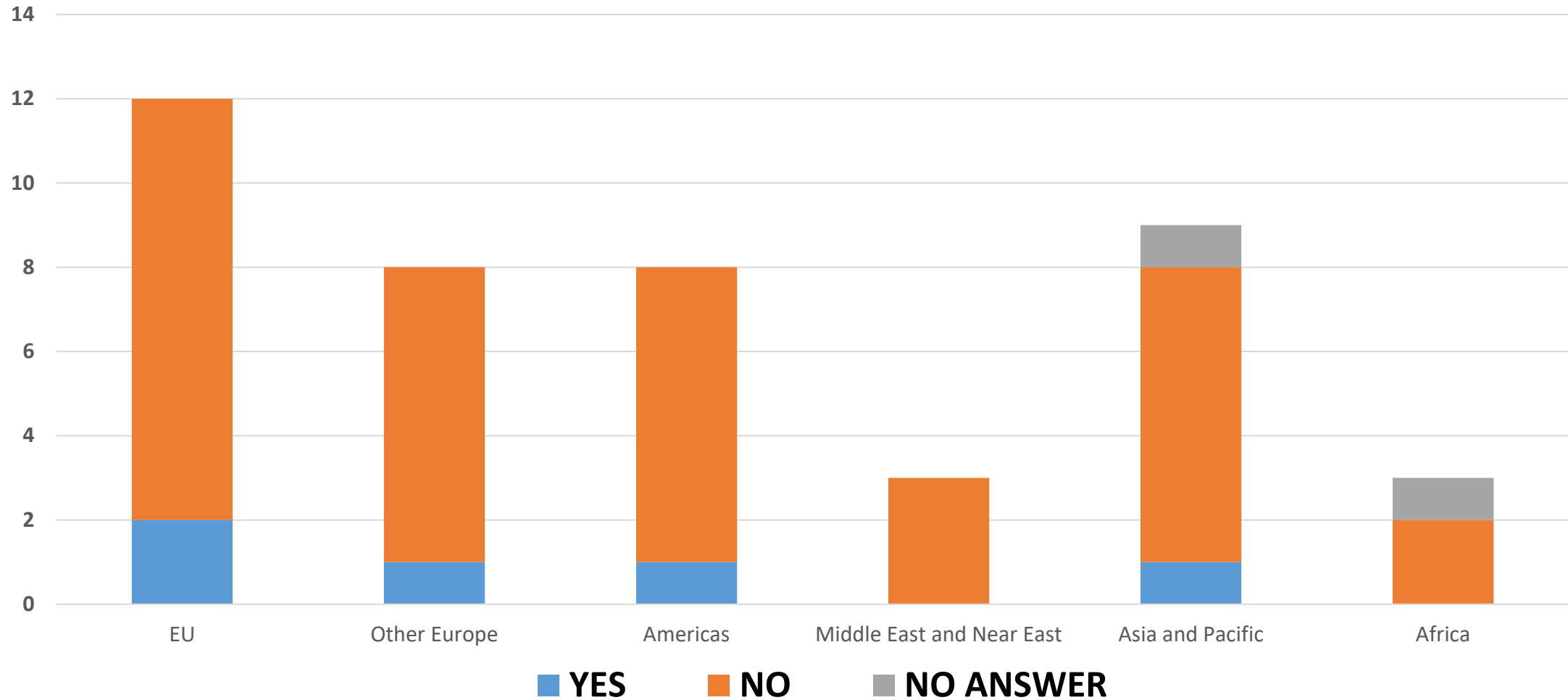


Do you agree that ideally, data is classified to a newly-created asset category (“data”) which includes databases but separate to software.





Have you already undertaken work to estimate the value of data? (April – 2022)





Outcomes of feasibility testing

- Slightly more than half of countries responding might be able to compile estimates in line with the conceptual recommendations, either now or in a few years.

*Do you have data sources allowing you to **estimate the value of own-produced data assets** according to the outlined cost components?*

Yes, partly	6
No, but may be possible in a few years	4
No, and no development is in sight in a foreseeable future	9
Total	19

- A majority of countries could exclude data not providing an economic benefit.

*Do your data sources that allow estimating the value of 'Data assets' used in production **excluding 'ancillary data' that are not directly used in production?***

Yes	1
No, but an assumption can be made that occupations included in the sum-of-cost calculation are only producing data used for productive activities	15
No response	3
Total	19



Outcomes of feasibility testing

- Testing showed an **absence of information on assets lives, retirement profiles and deflation methods.**

Do you have information on *services lives of data and databases?*

Yes	2
No information is available at the moment	15
No response	1
Total	18

Do you have information on *retirement and depreciation functions* of data and databases?

Yes	0
No information is available at the moment	17
No response	1
Total	18



Outcomes of feasibility testing

- Overall, **results were slightly underwhelming**, concerns remain regarding:
 - source data availability,
 - ability to compile nominal estimates of data,
 - ability to separate expenditure from existing assets such as software and research and development.

However,

- These results are not unexpected, relative to other changes being introduced, **the work on data is a considerable change for NSO's** (short time frame for the testing, brand-new topic, minimal experience in compiling).



Importantly...We have some estimates

NSO's in Australia, Canada, Netherlands, United States, have produced estimates broadly consistent with recommendations. IO's and academia have produced similar estimates for many other countries.

Country	Year	Value of data asset, % of total GDP	PPT difference in total GDP growth for year	PPT difference in total GCF growth for the year
Australia	2016	2.9%	0.016%	0.57%
Canada	2018	1.9%	-0.037%	-0.09%
Netherlands	2017	3.0%	-0.012%	-0.12%
India	2019	1.0%	0.000%	0.14%
USA	2020	0.8%	0.047%	0.26%



Unlimited wants Vs scarce resources

The overriding **desire to incorporate** data into the SNA must **be balanced** with the **acknowledged compilation challenges**.

Despite its **increasing** and **repeated** use in the production process, should data not be capitalised **due to the difficulties in measuring** it?

What is the potential **impact** of such a decision on the **relevance of the SNA**?





The Task Team recommends

The combined results of the feasibility testing and conceptual GC confirms to the task team that;

- 1) The **revised SNA should include data** (as defined in the GN) in the SNA production and asset boundary **as a stand-alone “Data and Databases” asset**.
- 2) The **revised SNA should not include technical recommendations covering the compilation and dissemination** of the estimates (including capital stock estimates). These decision will remain with the statistical offices as is current practice.
- 3) A **compilation handbook/manual must be created** to accompany the incorporation of data. This has been requested during both the GC and feasibility testing. It will also assist in a more consistent application of the conceptual recommendations.



Compilation Handbook/Manual

- The handbook should be written to coincide with countries attempts to incorporate the revised SNA. Therefore, **its creation should be considered a high priority during the early implementation phase.**
- This information may be added as **an update or addition to existing material** or as **a stand alone handbook.**
- The handbook should cover the following measurement considerations .
 - The **separation of expenditure** on data compared with other assets (e.g. software and R & D).
 - **Asset lives** and **retirement profiles** used in creating capital stocks.
 - **Price indices** used for deflation
 - Other **assumptions used for compilation**, (other non-wage expenditure involved, time shares for occupations, operating surplus mark-up for market producers, etc.).



Questions for AEG

- Does the AEG endorse the inclusion of data into the SNA production and asset boundary?
- Does the AEG agree with the proposed way forward to assist with the practical implementation challenges.