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AI.2 Treatment of Rent Consenters

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As of 10 July 2023, a total of 65 respondents contributed to this consultation, 50 of which consented to the publishing of their verbatim responses which are provided below. However, the graphs/tables below reflect the answers of all 65 respondents.

Completely anonymous contributions are excluded.

Q1A. Regarding the definition of rent, which of these options do you prefer?

Option	Frequency
A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span	12
A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)	31
A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets	10
I don't know/Unsure	10
No response	2
Total	65

Afghanistan (National Statistics and Information Authority): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

Aruba (CBS): I don't know/Unsure

Australia (Australian Bureau of Statistics): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Azerbaijan (State Statistical Committee Of Azerbaijan Republic): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Belgium (National Bank of Belgium): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Brasil (Instituto Brasileiro de Geografia e Estatística): I don't know/Unsure

Canada (Statistics Canada): I don't know/Unsure

Chile (Central Bank of Chile): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Cyprus (Statistical Service of Cyrpus): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Denmark (Statistics Denmark): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

Estonia (Statistics Estonia): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Finland (Statistics Finland): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

France (NSI): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Georgia (National Statistics Office of Georgia): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Germany (Destatis (Federal Statistical Office)): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

Germany (Deutsche Bundesbank): I don't know/Unsure

Ghana (Ghana Statistical Service): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Indonesia (BPS - Statistics Indonesia): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Ireland (Central Statistics Office): I don't know/Unsure

Israel (Central Bureau of Statistics): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Latvia (Central Statistical Bureau of Latvia): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Lithuania (State Data Agency. Statistics Lithuania): I don't know/Unsure

Luxembourg (Eurostat): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Malaysia (Department of Statistics Malaysia): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Mali (INSTAT): I don't know/Unsure

Malta (National Statistics Office): I don't know/Unsure

Mauritius (Statistics Mauritius): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

New Zealand (Statistics New Zealand): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Norway (Statistics Norway): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Portugal (Statistics Portugal): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Republic of armenia (Statistical Committee): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

Romania (National Institute of Statistics): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Singapore (Singapore Department of Statistics): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Slovenia (Statistics Slovenia): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

South Africa (South African Reserve Bank and Stats SA): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

South Korea (Bank of Korea): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

SPAIN (INE): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

SPAIN (INE - NATIONAL STATISTICS OFFICE): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Sweden (Statistics Sweden, NSI): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

United Kingdom (UK Statistics Authority): A3 - Broaden the scope of production to also include returns on the use of non-produced non-financial assets

United States (Bureau of Economic Analysis): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Uzbekistan (Statistics Agency under the President of the Republic of Uzbekistan): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

International Organisation (UNSD): A2 - Broaden the definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)

Vietnam (General Statistic Office of VietNam): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Yemen (Central Statistics Organization): A1 - Broaden the definition of rent to cover all payments/receipts related to the use of non-financial assets with infinite life span

Q1B. Please explain the reasons for your response

Afghanistan (National Statistics and Information Authority): This makes compilation easier.

Australia (Australian Bureau of Statistics): We agree that option A1 is too restrictive, particularly in the context of other updates proposed for the 2025 SNA. Option A2 seems the most pragmatic approach.

It is noted that the guidance note while concise, could provide more extensive guidance on all of the possible implications of the changes suggested. This guidance note and the suggested changes are complex and there are many different potential implications, for example this will help with the payment of land for agricultural purposes, and many other possible examples. Guidance on the potential implications would help in the implementation of this change, ensuring countries do not miss changes unintentionally.

Brasil (Instituto Brasileiro de Geografia e Estatística): There was no consensus on which of those alternatives would be the best one. On the one hand, option A3 brings important conceptual contributions, such as the question that what really matters is whether or not the asset is actually used in the generation of income for the purposes of an eventual expansion of the scope of production. However, on the other hand, if we chose option A3, this would raise many questions about how to implement this option, in practice. For example: it is not clear how deal with the issue of calculating volumes indexes. Thus, the majority of the IBGE servants defended the A2 option, while other group defended the A3 option.

Canada (Statistics Canada): • The distinction based on infinite vs. finite life span may be a clearer criterion if the distinction was whether the same asset can be repeatedly used or not and natural resources excluding land are clearly grouped into the latter category.

• For land use (for example, agriculture land-lease arrangements), this is a cost of production, farmers must lease the land first to engage in production of crops, etc. This is seemingly a separate case compared with resource royalty payments in which extractors engage in production and are required to make payments based on their output. However, agricultural sharecropping is an interesting analog in that farmers may not make upfront payments for the use of land, but rather provide a share of the crops produced.

• In this way, a distinction could be made between pre-production payments (i.e., land lease, capitalized exploration and evaluation expenses) vs. post-production payments (i.e., resource royalties) as a means for distinguishing what would be measured in the production account and what should be accounted for outside of it.

• There are likely situations of asymmetric treatment of rent vs. rentals as they involve land. For example, in SNA p. 7.158: "Rentals payable on buildings or other structures are treated as purchases of services. In practice, however, a single payment may cover both rent and rentals when an institutional unit rents land that consists of land improvements and land in its natural state and may include any buildings situated on it in a single contract, or lease, in which the two kinds of payments are not differentiated from each other… If there is no objective basis on which to split the payment between rent on land and rental on the buildings, it is recommended to treat the whole amount as rent when the value of the grazing land is believed to exceed the value of the buildings and cultivated land, and as a rental otherwise."

• For natural resources excluding land such as sub-soil resources, the government as legal owner does not add value, the extractor does and the government carves out a portion as rent much like an income tax.

○ The GN only discusses payments to the lessor/recipient of rents. There are resource rents earned by extractors (i.e., lessee) that are not payments to any other party (i.e., the split asset approach to allocate natural resources as extractors are allocated a portion of resource rent while governments receive the portion of resource rent considered as rent in this context).

• All things considered, there was general support for A2, but it is not clear what items would not already be covered by the current definition and data sources used within our accounts and whether any missing rent would be material.

• For option A3, rather than considering all capital (produced or non-produced) within the production boundary, given the lack of specificity in SNA 2008, and depending on the outcome of this consultation, perhaps this term can be more clearly defined (i.e., to include produced non-financial assets).

Chile (Central Bank of Chile): In many causes, it's not clear the life span of non-produced non-financial assets.

Denmark (Statistics Denmark): We think A.2 is an operational convention and reflects that non-produced assets represent factors of production.

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): This means broadening the definition of production to include returns on the use of non-produced non-financial assets (natural resources). The matter herein is using the asset in the production process and get output.

France (NSI): A1 is our default answer : we should have preferred to narrow the scope of the rent transaction to the only land. The GN is indeed confusing by adopting a too literal reading of SNA 2008 § 7.09, which actually means that the accounting treatment of subsoil assets is designed as if they had an infinite service life, since their « rent is shown without any consumption ». It is also not true to say, as in the GN, that « land improvements … are treated as produced assets » : they constitute a category of GFCF, but their value is incorporated in the value of the underlying land. As a general rule, land can be considered as having an infinite service life, which justifies a specific treatment.

Georgia (National Statistics Office of Georgia): The natural resources represent factors of production rather than inputs to production.
It has indirect contribution in the form of production, to obtain comprehensive measures of production.
The services provided by fixed assets may often also be a direct alternative to providing similar services via labour, so treating them equally is also relevant to ensure consistency in the framework.

Germany (Destatis (Federal Statistical Office)): In general, we agree with the presented arguments to include rent in the scope of production. Furthermore, in some cases it is very difficult to differentiate between rent for natural resources and e.g. rent for buildings with the current data. Therefore, we would be in favor to treat non-produced and produced assets equally.

Germany (Deutsche Bundesbank): It is very difficult to make a decision in favour of one of the options, since the GN does not make it clear at which other points in the SNA changes would have to be made as a result of the decision in favour of the option.
Besides, we propose a change on the sentence on page 12 from "rent for data" to "rent for any kind of non-produced non-financial asset":
old: "Discussions on the treatment of "rent for data" and marketing assets potentially have impacts on the Balance of Payments, where the relevant flows are cross-border."
new proposal: "Discussions on the treatment of "rent for any kind of non-produced non-financial asset" and marketing assets potentially have impacts on the Balance of Payments, where the relevant flows are cross-border."
We have general concerns that impacts on BOP/IIP are not sufficiently considered.

Ghana (Ghana Statistical Service): A2 option in my opinion is relevant with regard to broaden the difinition of rent base on the following reasons :
1. It covers both the treatment of the natural resources and the developments and improvements on the fixed assets.
2. The life span is not inifinite. This helps a lot in contractual terms of the non-produced non-financial assets.
3. It is also relevant for accounting for this indirect contribution in the form of production, to obtain comprehensive measures of production, output and value added. In this regard, a lot of the services provided
by fixed assets may often also be a direct alternative to providing similar services via labour, so treating them equally is also relevant to ensure consistency in the framework.

Indonesia (BPS - Statistics Indonesia): A2.
In the production process, there will be no different between the use of non-produced non-financial assets and produced non-financial assets. So, better to include them both as rent payments/receipts.

Israel (Central Bureau of Statistics): Since there is a doubt whether many of natural resources have an infinite life span, A1 is not fitting anyway for natural resources. Also true that there are other non- produced non- financial assets which should be included.

Lithuania (State Data Agency. Statistics Lithuania): The option A1 on its own still leaves questions about treatment of payments for non-produced, non-financial assets with finite life span, these payments being outside the definition of rent. Option A2, on the other hand, potentially has the issue of natural asset depletion: some natural assets cannot be regenerated, neither naturally on their own nor by consuming inputs. In light of general consensus that natural assets should be properly accounted for, the question remains if treating depletion as cost of production properly assigns the consumption of asset to its owner.
Regarding the drawbacks debated, such as activities performed by households being

counterintuively considered as productive activity (i.e. providing their data) – this can actually be explained throught the reality of production and consumption of digital services and may even help to properly capture the current interaction between producers and consumers of these services. While it is currently considered that output of producers of digital services provided to consumers nominally for free can be implicitly valued by their sales of advertising, the current option would allow to treat consumption of free services (that provide data as by-product) as production of monetizable data by households, which is exchanged with equivalent value of digital services, even if received free at the point of use. This would also help with better capture of RoW relations, such as foreign service provider selling advertising to foreign supplier based on data from domestic consumers. While currently it would be considered that no RoW transaction took place, the basis of value generation is a domestic consumer who received digital services and gave data in return.
The drawback of fully removing rent from accounts (as a result of treating it as output of service) is a major one and likens some countries that extraordinarily rely on natural resources to market producers. While this is not preferable, it may be possible to argue that even actors relying on natural resources have to compete between them in terms of infrastructure and terms of extraction (as in most cases countries do not extract the resources themselves but sign concessions with commodity corporations), making the actions of these countries similar to market competition and partly justifying treating the outcome as production and not as rent.

Luxembourg (Eurostat): 1. The GN AI.2 rightly identifies (page 1-3) rent recording as a cross-domain issue, with 4 ongoing GNs in three domains impacting on it (WS.6, WS.8, WS.14 and DZ.6).
2. The GN AI.2 also usefully recalls (page 4) that the initial rent recording of the SNA 1953 (first edition) was much more extensive compared to now (SNA 2008 or SNA 1993), with the key difference in recording now currently made between rent (property income) and rentals (production). As such, the GN AI.2 can de facto be understood as examining whether the historical trend of narrowing the coverage of rent recording should continue further (and possibly reach the limit point of its wholesale elimination).
3. Eurostat Directorate D recalls that rent currently reports the payments (accrual adjusted) on leases of natural assets, and stresses that it is well accepted (see Eurostat GFS Interpretation and Guidance note on mobile phone licences, as well as the amendment to SNA 2008 proposed by WS.14) that the payments concerned are not restricted to royalties, but also concern permits/licences, surtaxes on natural resources (or even some dividends).
4. Eurostat Directorate D much prefers option A.1, which in our view reinforces the distinction between land and other infinite life non-financial assets, compared to other assets including some depletable natural assets (e.g. subsoil assets) which should be treated differently, being either amortizable assets or depletable assets.
5. At the same time, Eurostat Directorate D acknowledges that option A.2 could be seen as not too distant from option A.1, if an appropriate recording of depletion was agreed, for example along the line of what is proposed in WS.6 or in AI.2 (page 19/21) where depletion can be seen as a correcting negative entry to rent in the distribution of income account.

6. Eurostat Directorate D faced some other difficulties in relation to understanding the options proposed. There is in particular uncertainty about what A.1 actually means: A.1 is indeed labelled "Broaden the definition of rent...", whereas we interpret it, rather, as a 'change in definition', extending it in some aspects but restricting it in others (and more fundamentally). Also, it could be assumed that A.3 and B.3 are in fact the same option: assimilating all rents to rentals, therefore eliminating rent (D.45) altogether. For issue 1, leaving the SNA unchanged is not offered as an option (that would be A.0), the absence of which is probably not best practice.

7. Option A.3 and B.3 are not very satisfactory from a GFS point of view, implying recording large flows in the production accounts of general government (either as lessor including for subsoil assets, or as lessee).

8. We interpret A.1 as extending rent to non-financial assets but restricting to those non-financial assets with a genuinely infinite life, such that subsoil extraction would be excluded from rent – or more precisely from "net rent". This interpretation of the actual meaning of A.1 (despite its label) can be supported by the 2nd paragraph of page 6 (though somewhat indirectly, and despite the 4th paragraph adding ambiguities).

9. Concerning subsoil assets, a variation of A.1 that would need to be explained more in detail by the GN (and which we could support) would be to exclude from "net" rent the depletion part of those royalties (thus, nonetheless retaining a part of the royalties within "net" rent), which WS.6 de facto seems to imply (on a "net" basis) and which seems consistent with the T-accounts, for instance pages 19/21 of AI.2. We would not support other variations like treating royalties as disposal of assets or as output, for instance.

10. The SNA currently treats extraction royalties (lease of subsoil assets) as rent D.45 on a par with lease of land, despite this extension being profoundly illogical, given that such royalties largely cover depletion of assets and thus do not meet the property income definition to start with. Property income is income (collected on an asset) that increases net assets/own funds, and not income that compensates for deterioration of these assets (as such interest is income and also dividends, but not super-dividends).

11. This illogical extension is, however, explicitly sanctioned by the fact that SNA Chapter 7 section E.5 deliberately and specifically includes two separate sections for rent: rent on land (SNA 7.155-7.158) and rent on subsoil assets (SNA 7.159-7.160), as the SNA writers were presumably highly conscious of the complete difference in substance of these two components. This illogical extension presumably occurred for lack of a better solution at that time, but precisely the discussion on subsoil asset (WS.6) was designed, in our view, to address this clear anomaly of the SNA 2008.

12. It is thus somewhat a bit unfortunate that the GN AI.2 completely omits discussing this crucial point, and even misquotes (in its section II page 4) the relevant SNA paragraphs on this (SNA 7.159-7.160 are not mentioned in this GN AI.2 section II).

13. Also, and somewhat related, the GN AI.2 section II omits completely the current SNA 2008 recommendation (also crucial to Directorate D) to split real estates between fixed assets and land, and to do the same for the associated renting payments: thus, to be split between rentals and rent (SNA 13.44-13.46 and SNA 7.158, respectively). The GN AI.2 then fails to address the need to reinforce this SNA 2008 recommendation, which we feel

important, given the observed increasing values of real estates in many jurisdictions all over the world, which is primarily due to land scarcity (thus impacting the underlying land value) and is not primarily due to any replacement costs inflation. On the contrary, and surprisingly, the GN AI.2 seems to suggest that such split is not done (presumably because accounting practices do not do that), or not to be done (page 11, first paragraph). The GN AI.2 also argues, following WS.6, that it would be difficult to split between cultivated and non-cultivated biological resources in the 2025 SNA – though such a split is of course already foreseen in 2008 SNA and ESA 2010.

14. The GN AI.2 could be seen (which would be highly unfortunate) as promoting demoting the land status (page 6, 3rd paragraph and page 10, 2nd paragraph) by arguing that land can deteriorate, such that the distinction between depletion (depletable assets) and infinite life (not depletable asset) would presumably not be so crucial or pertinent. Clearly, land quality can change, and land may even drop from the asset boundary, and to the limit can even disappear (erosion) or appear (land reclaiming), but all these events are rather rare (and do not seem to constitute a transaction but rather an other economic flow). This brings forward the problem that the GN makes the distinction between what it considers finite (or 'depletable') assets and infinite ('non-depletable') assets crucial, without giving a definition. In this respect, Eurostat Directorate D would favour a definition on infinite/non-depletable assets hinging on whether the income earned on the asset is related to its depletion or not.

15. As an approximation, land has infinite life, while the structures on it amortise, or the subsoil assets under it deplete. Also, land changes in value essentially through revaluations reflecting changing scarcity – as fluctuating demand is met by fixed supply. In contrast, fluctuating demand in fixed asset is met with increased supply, such that any price fluctuation in fixed assets occurring upon demand changes is fundamentally temporary. Land also contains land under water, like under dams or rivers, and could be usefully extended to encompass continental shelves.

16. It should be noted that IFRS and IPSAS recognise the specificity of land and it would seem inappropriate to have the SNA going in a direction that removes or demotes it. WS.8 (biological resources) could also be interpreted as the outright elimination of land in the case of forests – another unwelcome attempt to demote land.

17. If, on the contrary, one would like to reinforce the specificity of land, the two types of renting flows for land and for subsoil assets should instead be distinguished in the new SNA (like the current SNA already distinguishes rent from rentals): rent on land (and other nonfinancial assets with infinite life) and rent on depletable natural assets, as we interpret Option A.1. The second type of rent (in full or in part), could perhaps then be located either in the production account (like currently rentals are) or in the generation of income account. WS.6 attempted to do this.

18. In this respect, by experience, we think using negative uses or/and resources should be limited to the extent possible.

19. In Directorate D's view, following the definition of property income, payments that cover maintenance costs or depletion should not be seen as rent, and as such the recording of rent should only cover assets that have an infinite life.

20. This can usefully encompass valuables that were formerly produced assets and were

reclassified as valuables (including after having been fully amortised) and have henceforth an infinite life (or close to infinite): leasing of a Van Gogh painting, diamonds or gold coins/bars can be seen as rent (D.45). Option A.1 implicitly encompasses this, although valuables are not mentioned in GN AI.2.

21. "Data" or "observable phenomena" examined by GN DZ.6 that are to be recognised as non-produced assets with infinite life could then give rise to rent, although it is not clear how such data has infinite life, as their individual relevance typically fades with time and presumably almost disappear upon death (the stock of data may be always expanding, but this is only because new data keep appearing while old data keep exiting the system).

22. Not only does GN AI.2 propose an imprecise option A.1, but its discussion in section IV even seems to forget it (see page 10, 2nd and 3rd paragraphs). This discussion also adds surprising statements: "in the 2008 SNA having an infinite life was simply a matter of convention not substantiated by economic reality" and "even land can deteriorate", that may be undermining option A.1.

23. Having an infinite life is instead a clear criterion for a difference in accounting, because any income earned adds to net assets/own funds and does not compensate for deterioration. It is perceived this way by economists (only acknowledged in an ambiguous footnote 6 on page 12) and by IFRS/IPSAS. As demonstrated above, the "convention" mentioned in the SNA 2008 concerns subsoil assets, where the SNA 2008 indeed follows a convention (no longer justifiable), and does not concern land, as GN AI.2 seems to (mis)interpret.

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): We discard option A1 because we agree that the infinite life criterion does not hold for natural resources.

On the other hand, we consider that there is a clear consensus to distinguish produced and non-produced non-financial assets used to determine what is rent and what is a service; furthermore, the economic literature considers natural resources as a factor of production and not an input to production.

It is true that the rental of land and intellectual property assets are economic activities that are considered within the production frontier and contribute to GDP. Currently, their measurement represents important challenges, so including other natural resources would be feasible only for a few countries, which could affect the comparability between countries in a macroeconomic variable as important as GDP.

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): Expanding the production boundary is also an interesting option, but a major change for the SNA. This warrants further discussions on delineanation, registration and valuation.

New Zealand (Statistics New Zealand): An infinite life span and whether an asset is 'used up' in the production process don't seem to be the key criteria to consider when deciding to treat payments as rent. For natural resources there is no real choice as to whether they are used in the production process or not. You can't extract oil without the mineral reserves or grow crops without the land. They are an automatic part of the process with no explicit decisions being made around their use. As noted in the guidance note they are also not substitutable for say labour. These non-produced assets are as such not directly treated as part of the value of production and so payments related to them are treated as rent. Following this approach rules out option A1. This also rules out option A3 as the argument is that while they could be considered as an indirect part of a wider definition of production, they are different from the other factors used in production in that there is no real choice in using them. For observable phenomena it is less clear but for a certain area of interest it could be argued that there is no choice to use this information if wanting to create data (as an asset) to be used in production. This approach keeps rent as tied to non-produced assets and production of goods and services related to produced assets.

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): Broaden the definition of rent will make it possible to incorporate all payments made for the use of non-produced non-financial assets.

Portugal (Statistics Portugal): The recording of rent should remain associated to the use of non-financial assets with infinite life span only.
Broadening it to include payments for the use of assets with finite life span seems contradictory with integrating the concept of depletion as a transaction.

Singapore (Singapore Department of Statistics): Option A2, which considers the distinction between produced and non-produced assets for recording rent, is a less restrictive option as compared to A1, but a more pragmatic one as compared to A3.

South Africa (South African Reserve Bank and Stats SA): If the asset is used to generate income from production activities, it should not matter to distinguish whether assets are produced assets or non-produced assets or whether it has an infinite or finite life span. Therefore, it would make sense to specify that the definition of production should include output which is derived from the use of non-produced assets and remove rent from property income. It is inclusive of more natural resources which can be exploited for economic gain.

Sweden (Statistics Sweden, NSI): Option A2 is the original definition of rent used in NA. We are not aware of any changes to this definition even though we understand that some institutions in the NA community for some reason uses a narrow definition. With A2 it will also be possible to record some auction and royalty payments as rent. Cases might include payments for availability to the radio spectrum, i.e. when government allocates the use because of capacity restrictions that makes the exclusion of some interested users necessary (excess demand). Another case is when the law creates an artificial monopoly when it protects the economic interest of artists beyond their lifetime for the economic benefits of the relatives who inherit.

United Kingdom (UK Statistics Authority): As exemplified by the discussion around cultivated and non-cultivated assets (and the usefulness of that distinction) the boundary between produced and non-produced assets is becoming less clear – or potentially, the lack of a clear boundary has always existed but is becoming more prominent. While the distinction is useful for analytical purposes, the UK feels that having a definition where the distinction's impact on important aggregates is lessened would be very useful.

Using the definition "assets with infinite life span", a sustainably managed natural resource (including soil) would pass, but if in the next year it was managed unsustainably, it would not. If that were the case some fisheries would flip in and out of the definition of an asset valued as rent each year. Equally, while a dataset in principle, has an infinite lifespan it does degrade in value. For instance – data on purchasing activities for a group of people in 2014 will last forever but if the asset is classed as "data on purchasing activities" then it will degrade if investments aren't made to keep it up to date. For these reasons – while a definition of "infinite lifespan" appears elegant it could lead to some unwanted interpretations in practice.

There is also some concern that the definitions might ride across the caveats from the other papers. For instance, the Biological Resources paper currently excludes "migratory species" while both options 1 and 3 would break that exclusion. The UK advises that more detailed consideration of the recommended definitions in those papers be provided in this cross-cutting guidance.

United States (Bureau of Economic Analysis): Broadening the definition to include the use of all non-produced nonfinancial assets regardless of life span makes sense. We currently follow A2 (broadly speaking) and this has served us well. Option A3 would also work and perhaps is "cleaner" but ultimately, we favor our current treatment to classify as rent. Under option A3 we would have to consider creating new "sources of income" tables that would replace existing rental income tables. Otherwise, data users would lose valuable information that is currently provided.

International Organisation (UNSD): A2 is preferable as it would capture all payments/receipts regardless of the life span of the non-produced non-financial assets.

Also, please find below some questions and comments:

1. Data will be classified as fixed assets in the 2025 SNA. If it is possible for some types of data to have infinite life, then the rationale at the start of the paper that treating the leasing of these assets as rent, instead of the provision of services, seems to mainly relate to the point of these assets having an infinite life, thus not subject to deterioration in the form of depreciation or consumption of fixed capital may not be that relevant anymore.
2. When the user and the owner of a non-produced non-financial asset are the one and the same unit, is there a need to compute imputed rent for the use of that asset?
3. Crypto assets designed to act as a general medium of exchange without corresponding liability (CAWLM) and crypto assets that only act as a medium of exchange within a platform or network without a corresponding liability (CAWLP) will be classified as non-produced non-financial assets in the 2025 SNA. Thus, it may be useful to clarify how to

classify the returns from crypto renting some of these types of assets such as Bitcoin (see https://blog.nebeus.com/what-is-crypto-renting/). Such returns are presented in percentage terms rather than monetary values on https://nebeus.com/crypto-renting.
4. It may be useful to discuss if each of the three options will have any impact on international statistical classifications.

Yemen (Central Statistics Organization): this definition of rent have covered all payments/receipts related to the use of non-financial assets .

Q2A. Regarding the location of payments/receipts of rent in the sequence of accounts, which of these options do you prefer?

Option	Frequency
B1 - Keep the current treatment (rent in the allocation of primary income account)	29
B2 - Include rent in the generation of income account	19
B3 - Include rent in the production account	7
I don't know/Unsure	9
No response	1
Total	65

Afghanistan (National Statistics and Information Authority): B3 - Include rent in the production account

Angola (National Statistic Office): B1 - Keep the current treatment (rent in the allocation of primary income account)

Aruba (CBS): B1 - Keep the current treatment (rent in the allocation of primary income account)

Australia (Australian Bureau of Statistics): B2 - Include rent in the generation of income account

Azerbaijan (State Statistical Committee Of Azerbaijan Republic): B2 - Include rent in the generation of income account

Belgium (National Bank of Belgium): B1 - Keep the current treatment (rent in the allocation of primary income account)

Brasil (Instituto Brasileiro de Geografia e Estatística): I don't know/Unsure

Canada (Statistics Canada): B1 - Keep the current treatment (rent in the allocation of primary income account)

Chile (Central Bank of Chile): B1 - Keep the current treatment (rent in the allocation of primary income account)

Cyprus (Statistical Service of Cyrpus): B1 - Keep the current treatment (rent in the allocation of primary income account)

Denmark (Statistics Denmark): B2 - Include rent in the generation of income account

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): B2 - Include rent in the generation of income account

Estonia (Statistics Estonia): B1 - Keep the current treatment (rent in the allocation of primary income account)

Finland (Statistics Finland): I don't know/Unsure

France (NSI): B1 - Keep the current treatment (rent in the allocation of primary income account)

Georgia (National Statistics Office of Georgia): B2 - Include rent in the generation of income account

Germany (Destatis (Federal Statistical Office)): B3 - Include rent in the production account

Germany (Deutsche Bundesbank): I don't know/Unsure

Ghana (Ghana Statistical Service): B1 - Keep the current treatment (rent in the allocation of primary income account)

Indonesia (BPS - Statistics Indonesia): I don't know/Unsure

Ireland (Central Statistics Office): I don't know/Unsure

Israel (Central Bureau of Statistics): B2 - Include rent in the generation of income account

Latvia (Central Statistical Bureau of Latvia): B2 - Include rent in the generation of income account

Lithuania (State Data Agency. Statistics Lithuania): B1 - Keep the current treatment (rent in the allocation of primary income account)

Luxembourg (Eurostat): B2 - Include rent in the generation of income account

Malaysia (Department of Statistics Malaysia): B1 - Keep the current treatment (rent in the allocation of primary income account)

Mali (INSTAT): I don't know/Unsure

Malta (National Statistics Office): B1 - Keep the current treatment (rent in the allocation of primary income account)

Mauritius (Statistics Mauritius): B1 - Keep the current treatment (rent in the allocation of primary income account)

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): B2 - Include rent in the generation of income account

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): B2 - Include rent in the generation of income account

New Zealand (Statistics New Zealand): B1 - Keep the current treatment (rent in the allocation of primary income account)

Norway (Statistics Norway): B1 - Keep the current treatment (rent in the allocation of primary income account)

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): B2 - Include rent in the generation of income account

Portugal (Statistics Portugal): B1 - Keep the current treatment (rent in the allocation of primary income account)

Republic of armenia (Statistical Committee): B3 - Include rent in the production account

Romania (National Institute of Statistics): B2 - Include rent in the generation of income account

Singapore (Singapore Department of Statistics): B2 - Include rent in the generation of income account

Slovenia (Statistics Slovenia): B1 - Keep the current treatment (rent in the allocation of primary income account)

South Africa (South African Reserve Bank and Stats SA): B3 - Include rent in the production account

South Korea (Bank of Korea): B1 - Keep the current treatment (rent in the allocation of primary income account)

SPAIN (INE): B2 - Include rent in the generation of income account

SPAIN (INE - NATIONAL STATISTICS OFFICE): B2 - Include rent in the generation of income account

Sweden (Statistics Sweden, NSI): B1 - Keep the current treatment (rent in the allocation of primary income account)

United Kingdom (UK Statistics Authority): B3 - Include rent in the production account

United States (Bureau of Economic Analysis): B2 - Include rent in the generation of income account

International Organisation (UNSD): B1 - Keep the current treatment (rent in the allocation of primary income account)

Vietnam (General Statistic Office of VietNam): B1 - Keep the current treatment (rent in the allocation of primary income account)

Yemen (Central Statistics Organization): B1 - Keep the current treatment (rent in the allocation of primary income account)

Q2B. Please explain the reasons for your response

Afghanistan (National Statistics and Information Authority): It is like a tree; its fruit is the rent.

Angola (National Statistic Office): We will keep aligned according to the manual of SNA

Australia (Australian Bureau of Statistics): We acknowledge that moving rent the generation of income account (B2) aligns with the thinking that it is a cost of production. This would then be consistent with the treatment of drawing in depletion as a cost of production.

Azerbaijan (State Statistical Committee Of Azerbaijan Republic): This approach seems pragmatic to us, in terms of recording income from the use of non-produced non-financial assets.

Brasil (Instituto Brasileiro de Geografia e Estatística): As there was no consensus on the first question, there was not here either. However, if option A2 is chosen, we believe that the best option would be B2. If A3 is chosen, then the best option is B3.

Canada (Statistics Canada): Given the distinction highlighted in section A between land and natural resources excluding land, in our view the treatment of resource royalties (rent) excluding those relating to land should retain the existing treatment (B1). There was some consideration as to whether payments related to land use could be delineated in the production account (B3), but this was not unanimous.

Chile (Central Bank of Chile): Because it's consistent with financial accounts.

Denmark (Statistics Denmark): If rent is to be considered as a factor of production, we think it should be included in the generation of income account. However, we have no strong position whether to keep rent as it is or to include rent in the generation of income account. In the case of Denmark, the amounts involved are not big. We don't think rent should be in the production account.

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): The use of an asset increases the cost of production by the amount of rent. Thus, it generates income and paid from the gross operating surplus that affects both operating surplus and mixed income.

Georgia (National Statistics Office of Georgia): Consider the payments for the use of the relevant assets as a cost of production, it could be opted to include rent in the generation of income account.

Germany (Destatis (Federal Statistical Office)): If rent is included in the scope of production (option A3), it is logical to include it in the production account as well.

Germany (Deutsche Bundesbank): See answer of Q1B

Ghana (Ghana Statistical Service): B1 is the way we should take if rent is seen as a remuneration for the leasing of (specific types of)
non-produced non-financial assets, in the same way as a return on financial
assets, the current classification would still work.

Indonesia (BPS - Statistics Indonesia): Rent receipts should be in the production accounts if in the creation of income, the renting activities incur cost/input.
On the other hand, it should be in the generation account if there is no cost/input required to produce their services.

Israel (Central Bureau of Statistics): Consistent with seeing use of these assets as input.

Luxembourg (Eurostat): 1. Directorate D has a slight preference for B.2, but B.1 is also a good option.
2. Option B.2 proposes to show in the generation of income account rent when used and, naturally, in the distribution of income account rent when a resource. This option is attractive, because it seems reasonable that rent paid is treated as a production cost from the lessee point of view.
3. This option could nonetheless distort the gross operating surplus and mixed income of households (when renting payments are correctly split between rentals and rent) and it would also make balancing item B.2 (GOS/NOS) subject to consolidation impacts (like B.4, entrepreneurial income), which is not ideal (as a balancing item should generally be additive and not sensitive to consolidation).
4. Also, the fact that renting payments are part of the overall cost of production does not necessarily imply that they should appear within the production or generation of income accounts. Interest paid is also part of the overall cost of production, but is recorded in the system as financing cost. Renting payment on fixed assets are sale of services/intermediate consumption because they largely cover amortisation.

Malaysia (Department of Statistics Malaysia): Malaysia's total rent received in the economy around 0.5% of GDP. Whatever choice is back to the ultimate of compilation in sequence of accounts is to measure the level resources (Assets) has been taken at a point in time.

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): As discussed above, we consider natural resources to be a factor in production, so it makes sense that rent payments/receipts affect gross operating surplus.

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): In the example in the document on page 20 on the uses side rent is moved to the generation of income account. The adjustment for depletion is retained in the primary income account. We wonder if this is appropriate as the net operating surplus in the generation of income account is now compiled after both deduction for rent and depletion. But rent already is a payment for use of the resource. As a result net operating surplus is artificially low. What would be the solution for this doublecounting? We thought of registering 'net rent' (net of depletion).

New Zealand (Statistics New Zealand): As above, the payments for rent are separated out as there is no real choice in using non-produced assets and so aren't directly part of the production process or generation of income.

Norway (Statistics Norway): Starting from the assumption that rent consists of "all payments/receipts related to the use of non-produced non-financial assets (whatever their life span)", rent is a type of property income. Rent does not generate income - income is generated by human activity and by produced non-financial assets. The current treatment is therefore correct.

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): The rents paid for the use of non-financial assets are part of production costs because they include compensation for the use of assets in the form of obsolescence and depletion.

Portugal (Statistics Portugal): Considering the classical economic theory, it seems odd to put rent equivalent to labour as factor of production.

Singapore (Singapore Department of Statistics): Agree with the guidance note that should option A2 be selected above, then on balance it seems appropriate to adopt option B2. Under option B2, the leasing of non-produced non-financial assets is not considered as the production and use of a service, but still considered the payments for the use of the relevant assets as a cost of production.

South Africa (South African Reserve Bank and Stats SA): This option would be in line with the option chosen in Section A under the definition of rent, preferably payments/receipts for the leasing of non-produced non-financial assets should have a separate item from rentals.
If the remuneration for the use of non-produced non-financial assets would be put in line with the payments and receipts for the use of fixed assets, the most appropriate solution would be to record it in the production account.

Sweden (Statistics Sweden, NSI): This is a principal issue that should be regraded from the point of society. Rent is redistribution of income since it is payment for something that exists independently of the human society. A producer pays for something that is non-produced and as such has not been a cost to the society. Therefore, it can not be included as a cost in the production account unless we redefine the national account basic principles. Currently the generation of income account includes the production factors and the government economic policy creating the terms of production by means of taxes and subsidies. A landowner renting land has non of these roles in the economy.

United Kingdom (UK Statistics Authority): The UK feels this option best corresponds to the definition in A3.

United States (Bureau of Economic Analysis): B2 is consistent with our preference for A2 above.

International Organisation (UNSD): Option B1 will help to preserve the current distinction between the payments for using fixed assets (rent) and non-produced non-financial assets (rent)

Q3A. Regarding the treatment of rent in applying the sum-of-costs approach, which of these options do you prefer?

Option	Frequency
C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets	20
C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets	34
I don't know/Unsure	10
No response	1
Total	65

Afghanistan (National Statistics and Information Authority): I don't know/Unsure

Angola (National Statistic Office): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Aruba (CBS): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Australia (Australian Bureau of Statistics): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Azerbaijan (State Statistical Committee Of Azerbaijan Republic): I don't know/Unsure

Belgium (National Bank of Belgium): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Brasil (Instituto Brasileiro de Geografia e Estatística): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Canada (Statistics Canada): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Chile (Central Bank of Chile): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Cyprus (Statistical Service of Cyrpus): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Denmark (Statistics Denmark): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Estonia (Statistics Estonia): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Finland (Statistics Finland): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

France (NSI): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Georgia (National Statistics Office of Georgia): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Germany (Destatis (Federal Statistical Office)): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Germany (Deutsche Bundesbank): I don't know/Unsure

Ghana (Ghana Statistical Service): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Indonesia (BPS - Statistics Indonesia): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Ireland (Central Statistics Office): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Israel (Central Bureau of Statistics): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Latvia (Central Statistical Bureau of Latvia): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Lithuania (State Data Agency. Statistics Lithuania): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Luxembourg (Eurostat): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Malaysia (Department of Statistics Malaysia): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Mali (INSTAT): I don't know/Unsure

Malta (National Statistics Office): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Mauritius (Statistics Mauritius): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

New Zealand (Statistics New Zealand): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Norway (Statistics Norway): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Portugal (Statistics Portugal): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Republic of armenia (Statistical Committee): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Romania (National Institute of Statistics): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Singapore (Singapore Department of Statistics): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Slovenia (Statistics Slovenia): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

South Africa (South African Reserve Bank and Stats SA): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

South Korea (Bank of Korea): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

SPAIN (INE): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

SPAIN (INE - NATIONAL STATISTICS OFFICE): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Sweden (Statistics Sweden, NSI): I don't know/Unsure

United Kingdom (UK Statistics Authority): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

United States (Bureau of Economic Analysis): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Uzbekistan (Statistics Agency under the President of the Republic of Uzbekistan): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

International Organisation (UNSD): I don't know/Unsure

Vietnam (General Statistic Office of VietNam): C1 - Maintain the current treatment, i.e., limit the sum-of-cost approach to only include costs related to the use of produced non-financial assets

Yemen (Central Statistics Organization): C2 - Broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets

Q3B. Please explain the reasons for your response

Angola (National Statistic Office): according to the manual

Australia (Australian Bureau of Statistics): We agree with the inclusion of the costs related to the use of non-produced non-financial assets as we agree they are a cost of production, particularly in the context of other updates to the 2008SNA including the measurement of own account data assets and natural resources.

Azerbaijan (State Statistical Committee Of Azerbaijan Republic): This option seems preferable for recording rent transactions in the sequence of accounts in relation to option A2.

Belgium (National Bank of Belgium): We agree that for conceptual reasons. This nonetheless raises implementation issues as finding estimates for this kind of cost can be difficult

Brasil (Instituto Brasileiro de Geografia e Estatística): Regardless of the previous choices, we believe that rent should be separated, maintaining the current treatment for the sum-of-costs approach.

Canada (Statistics Canada): However, this could be extended to include the specific payments related to use of land while excluding rent on subsoil assets and non-cultivated biological assets (which would continue to be treated as property incomes).

If we estimate the sum-of-costs approach to include a return (i.e., normal profit/surplus) then the resource royalty payments (i.e., rent) should already be included in this expected return rather than as a direct input into their production process shown explicitly in the production account.

Chile (Central Bank of Chile): C2 could be inconsistent with fhe financial part.

Denmark (Statistics Denmark): If rent is to be considered as a cost of production, we think it should be included in the sum-of-cost approach

Egypt, Arab Republic (The Central Agency for Public Mobilization & Statistics): It considers a cost of production that paid in order to produce the product. Thus, it has to be included for non-produced non-financial asset such as natural resources or other assets of the same type.

Georgia (National Statistics Office of Georgia): Non-produced non-financial assets are actually an input to production, so it would make sense to include them in the costs.

Germany (Destatis (Federal Statistical Office)): If rent is included in the scope of production, it makes sense to include it in the sum-of-cost approach as well.

Germany (Deutsche Bundesbank): See answer of Q1B

Ghana (Ghana Statistical Service): C2 would give a clearer perspective because it is actually an input to production, so it would make sense to include them in the costs and it would reflect the costs of leasing any non-produced non-financial assets in market prices of similar goods and services.

Indonesia (BPS - Statistics Indonesia): One of the best way to measure non-produced asset is through sum-of-costs approach.

Israel (Central Bureau of Statistics): Since including use of these assets as input, the costs should be included.

Lithuania (State Data Agency. Statistics Lithuania): This is the best option from the conceptual point of view, but implementation in practice would be challenging.

Luxembourg (Eurostat): The GDP impact should be clear and could be significant for option B.3 when households (and government/NPISH) are lessees (which is common, when renting payments are correctly split between rentals and rent), or for C.2 when government/NPISH are lessees.

MEXICO (NATIONAL INSTITUTE OF STATISTICS AND GEOGRAPHY (INEGI)): Considering our same arguments for which we favor options A2 and B2, option C2 is the most consistent by allowing the payment/receipt of rent to be part of the sum of costs.

Nederland (Statistics Netherlands (CBS) and De Nederlandsche Bank (DNB)): We have a point for clarification. In case the definition of rent would be broadened to cover all payments/receipts related to the use of non-produced non-financial assets (whatever their life span), does this imply that payments for the use of nonmigrating biological assets would NOT be recorded as rent as these assets will be entirely defined, according to WS.8, as cultivated and thus as produced?

New Zealand (Statistics New Zealand): As per the responses above.

PERU (INSTITUTO NACIONAL DE ESTADISTICA E INFORMATICA): In this alternative, the costs related to the use of non-produced non-financial assets are treated as production inputs and it is consistent that they are included in the costs.

Portugal (Statistics Portugal): It seems reasonable to assume that the production of non-market producers that pay rent for the use of some non-financial asset is increased by the amount of that expenditure.

Singapore (Singapore Department of Statistics): Following the consideration that rent should be treated as a cost of production, this treatment would broaden the sum-of-cost approach to also include costs related to the use of non-produced non-financial assets.

South Africa (South African Reserve Bank and Stats SA): If costs related to the use of non-produced non-financial assets are included, it would be clearer that it is an input to production. The broader the sum-of-cost approach is, the more inclusive it would band broadening the scope will improve coverage.

Sweden (Statistics Sweden, NSI): Depends on the outcome of Q2A.

United Kingdom (UK Statistics Authority): The UK proposes that this be coherent with treating the returns to non-produced non-financial assets as production.

United States (Bureau of Economic Analysis): Broadening the sum-of-cost approach makes sense and it doesn't not seem to be a prerequisite that these transactions would necessarily be removed from property income in order to support option C2. This is a point that may merit further discussion.

International Organisation (UNSD): Some quantitative assessment of how much nominal output will increase as a result of adding rent should be made first before any decision is made. An assessment of how to calculate volume measures of output which are derived using the sum of costs method after including this component should be made too. For example, some compilers obtain volume measures of output which are derived using the sum of costs using appropriate wage indices. Can this method still be used after rent is added? In addition, if rent is added to the sum of costs approach, in which account will it be recorded? Recording it in the production account on the same basis as intermediate consumption will result in a decrease in value added and affect productivity estimates. Also, if the user and the owner of a non-produced non-financial asset are the one and the same unit, is there a need to include imputed rent for the use of that asset in the sum of costs?