Outcomes of 22ⁿᵈ meeting of AEG

- Endorsed DZ.6, including the recommendation to **include data in the SNA production and asset boundaries**

- Agreed with the proposal to **develop a compilation handbook** to address the practical implementation challenges and to produce internationally comparable estimates of data

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Recording of Data in the NA: selected recommendations

– Data as a **new produced asset** → impact on asset boundary

– Data is **distinct from 'observable phenomena'** (OP), which are 'a fact or situation whose characteristics or attributes may be recorded'.
OP are inputs for data

– Most data are produced on **own-account** and valued at **sum of costs**

– Only data used in production and providing economic benefit are included in SNA asset boundary

– Explicit payments to access OP should be treated as rent

– Like other assets in the National Accounts, data is subject to economic ownership, valuation(and re-valuation) and depreciation

Recording of Data in the NA: selected recommendations (cont'd)

- For simplicity, all own-account production of data is considered capital formation, irrespective of their service life

- **Expenditure** undertaken to access and record OPs that are **added to an established data asset** is considered **new gross fixed capital formation**

- Data is considered part of the **intellectual property product** suite of assets

- Data that is sold in a market transaction with **no exclusive rights** connected to the data is considered a sale of a **copy of an original**. If **exclusive rights** are granted, it is recorded as a **sale of a produced asset**

- Data would be classified to a newly created asset category called "**data and databases**" which would include the current output associated with the production of databases and exclude the current category of computer software

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Recording of Data in the National Accounts

– **However, guidance is needed on:**

✓ Practical valuation of own-account data assets

✓ Separation of expenditure on data compared with other assets (e.g. software and R&D)

✓ Separation of ancillary data

✓ Asset lives and retirement profiles used in creating capital stocks

✓ Price indices used for deflation

✓ …
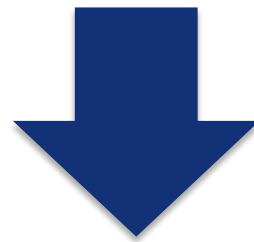
Creation of a **EUROSTAT-IMF Task Team** to develop a **compilation handbook** as part of the early implementation programme for the 2025 SNA

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Task Team's composition

Coordination: Eurostat and IMF

Chair: Erich Strassner (IMF)

Secretary: Andreas Dollt (Eurostat)

Australia	Austria	Eurostat
Canada	China	IMF
Chile	Denmark	OECD
Germany	Ivory Coast	UNSD
Japan	Pakistan	ISWGNA
Netherlands	Samoa	Consultant
Norway	United Kingdom	
Qatar		
United States of America		

Milestones 1/2

- **Approval**: AEG and ISWGNA. Proposed process:
  - ✓ Full draft discussed at Oct 2024 AEG meeting
  - ✓ Handbook finalised by Dec 2024 and circulated to AEG for written approval by end Jan 2025
  - ✓ AEG regularly kept informed on progress

- **UNSC** regularly informed on progress
  - ✓ 2024 UNSC: Handbook's annotated outline as background document (ready by 31/01/2024) *[different parts may have different advancement status. Some may already include actual handbook text, other just annotations]*
  - ✓ 2025 UNSC: Final version (as background document) (ready by 31/01/2025)

Milestones 2/2

- **Drafting**: consultant and TT members
  - ✓ Draft annotated outline (DAO) by mid-November, as input for the 3rd meeting of the TT on 21 November
  - ✓ DAO refined with input from TT meeting and other material until mid-January 2024
  - ✓ Refined DAO circulated to TT for a 1-week approval as background document to UNSC
  - ✓ Detailed drafting plans during 2024 to be developed. Best is probably to progress by chapter
  - ✓ Final draft ready in December 2024 for approval by the TT, before sending it to the AEG

- **Meetings**:
  - ✓ Kick-off: 21 June 2023
  - ✓ 2nd meeting: 21 September 2023 – structure of the handbook, country experiences, planning
  - ✓ 3rd meeting: 21 November 2023 – main focus: draft annotated outline, country experiences
  - ✓ 2 or 3 other meetings during 2024, to review progress and provide input to the draft handbook
  - ✓ Final meeting: December 2024 – approval of the final draft handbook

Envisaged structure of the Handbook

Section 1 - Defining the conceptual boundary of data for inclusion in the SNA

Section 2 - Creating a **nominal estimate** of GFCF though the sum of cost method

Section 3 - Creating **volume estimates**

Section 4 - Creating **Capital Stock estimates**

Section 5 – **Overarching measurement questions**

Section 6 – Conclusion and list of recommendations

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What needs to be clarified

- **Creating a nominal estimate of GFCF**
  I.   Which occupations (exclusive to data / avoid double counting)
  II. Estimating "X" (X = non labour cost + return on capital + time share/ data intensity of occupation)
  III. Own-account data (how much is GFCF vs Intermediate consumption)
  IV. Transactions beyond sum of cost (market transactions, purchase of OP)
  V.   Is there ever repair and maintenance?

What needs to be clarified (cont'd)

- **Capital Stock and volume estimates**
  - VI. Which price index to use?
  - VII. Depreciation (How is data different, how is it the same)
  - VIII. Asset lives (different lives for different types of data?)

- **Overarching measurement issues**
  - IX. How is data sold?
  - X. When is data not "SNA data" (ancillary data)?
  - XI. Treatment of publicly available data production
  - XII. Back series (also needed for PIM)

Approach: build on existing Work

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%

Plus Japan, Germany, OECD, academic work

Important factors

Active role of TT members

- The handbook will be based on countries' experience and will include case studies. Ideally TT members would:
  - ✓ Develop or update **estimates** of data as an asset in the next months
  - ✓ Document their work in **boxes or annexes** to be included in the handbook
  - ✓ Respond to **ad hoc questionnaires**, to create an overview of country practices and facilitate decisions on the specific features addressed by the handbook

Coordination with other early implementation work streams

- In particular with **Marketing assets**, to exploit possible synergies and ensure consistency