
Digitalization Chapter Comments and Responses

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Overview of the Consultation on the New Chapter on Digitalization

Chapter 22 considers issues raised by digitalization and is being drafted jointly with BPM7 chapter 17; each manual will include the relevant sections/passages

Received responses to the consultation with AEG and BOPCOM from 12 reviewers, who provided 55 comments

The chapter was well-received

Many of the comments were editorial suggestions on the exposition—improvements in wording or the organization of the discussion, or words to cut.

I'll limit this presentation to the comments that affect the substance of the chapter but plan to take on board most of the expositional comments.

Overview of the Substantive Comments

There were substantive comments on each of the sections of the chapter, which are:

A. Introduction

B. Digital Goods and Services

C. Digital Platforms

D. Digitalization and the Financial System

E. Measuring Prices and Volumes of Products affected by Digitalization

F. Analytical Tools to Increase the Visibility of Digitalization

Main Comments on the Introduction

Add a reference to the Handbook on Measuring Digital Trade

Mention digital activities in addition to digital products

Mention crypto assets as one of items covered in the capital account chapter of the SNA

Including data and databases and software in intellectual property (IP) products may cause confusion in BOP compilation, where ICT and use of IP are separate categories

Clarify meaning of “digital” when modifying products/assets

Proposed response: Will add a definition of “digital asset” as an asset that exists only in digital form. The crypto assets and CBDC’s discussed in section D will then be described as digital assets designed to act as a medium of exchange or financial instrument.

Main Comments on Section B. Digital Goods and Services (1)

Drop the terms “digital goods” and “digital fixed assets”

Proposed response: Change the section title to “Digital services and assets” and add an explanation at the beginning of the section of where chapter will cover the various types of digital services and digital assets. (This section covers Cloud computing, Data assets, AI, and NFTs. Cloud computing is included in digital services, and the remaining items are digital assets.) Will also use the term “ICT goods” in the relevant sentence.

Use “remote computing” rather than “datacenters” in the discussion of cloud and colocation services.

Will change the wording.

Main Comments on Section B. Digital Goods and Services (2)

The explanation of inclusion of data with an expected economic life of less than a year in data fixed assets for practical reasons has a logical contradiction

Will clarify the reason for the pragmatic criterion and the general rationale for the special treatment of medium-lived data assets

The explanation of the distinction between “databases” and “data” needs updating.

Will look into the wording

Main Comments on Section C. Digital Platforms

Clarify who is the purchaser of the remunerated user-generated content

In addition to the discussion of the cases where the producer approach is used, the cases in which the DIP invoices the buyer is separately invoiced for its services should be covered.

The discussion of open-source software should also mention the sharing of free code on code hosting platforms to facilitate collaboration of software developers.

Will implement these suggestions.

The Handbook on Measuring Digital Trade uses “online platforms” rather than “digital platforms”.

Response: Will add “(aka online platforms)”. If a DIP is a kind of digital platform, it is logical to call the broader family “digital platforms.”

Main Comments on Section D. Digitalization and the Financial System

The use of the term “digital payment mechanism” is confusing

Adopt the term "crypto assets without redemption rights"

Response: *Seems like a good idea but will require vetting.*

Mention "asset tokenisation", which might create digital representations of other assets besides the securities mentioned

The decision tree for classifying crypto assets should be refined to be more informative

Response: *Will incorporate an improved decision tree when one becomes available.*

Main Comments on Section E. Prices and Volumes

Include a discussion of global value chains of ICT products, a discussion of the difficulties in defining a unit of the product in the case of financial services affected by digitalization, and a discussion of the measurement of the price of AI services such as ChatGPT.

Response: *Seems like a good idea but will require vetting.*

Mention "asset tokenisation", which might create digital representations of other assets besides the securities mentioned

The decision tree for classifying crypto assets should be refined to be more informative

Response: *Will incorporate an improved decision tree when one becomes available.*

Main Comments on Section F. Analytical Tools to Increase the Visibility of Digitalization

Reference the Handbook on Digital SUTs

Response: Will do so when it is issued as an official publication

Emphasize/discuss the multidimensional nature of digitalization

Response: *Good idea!*