



STATISTICS

Measuring Knowledge Based Capital (Marketing Assets)

Marketing Assets Task Team Update

**FORTY-FOURTH MEETING OF THE IMF COMMITTEE ON
BALANCE OF PAYMENTS STATISTICS**

NOVEMBER 5-7, 2024

- MATT Members
- Treatment of Marketing Assets
- Main Issues
- Compilation Guide
 - Outline
 - Timeline
 - Next Steps
 - Drafting Team Allocation

Marketing Assets Task Team: Members

- **Chair:** Jennifer Ribarsky (IMF).
- **Secretariat:** Thomas Alexander and Margarida Martins (IMF).
- **Countries:** Jason Annabel (ABS, Australia), Chris Davie (ONS, UK), David Matthewson (ONS, UK), Tatsuya Sekiguchi (ESRI, Japan), John Sheridan (CSO, Ireland), Tsholofelo Shumba (South Africa Reserve Bank), Rachel Soloveichik (BEA, USA), Klaas de Vries (CBS, the Netherlands), and Sixto Muriel De La Riva (INE, Spain).
- **International Organizations:** Andreas Dollt and Daniel Iscru (Eurostat); Eurydice Fotopoulou, Patrick Quill, and Philip Stokoe (IMF); Herman Smith (UNSD); Kathryn Young (World Bank); Pete Harper (SNA PM) and Peter van de Ven (SNA editor); John Mitchell and Joseph Haynes (experts).

Treatment of Marketing Assets

- **2008 SNA:** Marketing assets (and goodwill) only recognized as non-produced non-financial assets, the measurement of which is limited to explicit purchases of the relevant assets (or implicit purchases when a corporation is purchased at a price higher than its net worth).
- **2025 SNA:** It was proposed to recognize marketing assets as produced assets, thus significantly extending the asset (and production) boundary with assets produced for own final use.
 - However, this recommendation was not agreed to by the 2024 UNSC because of **conceptual and practical concerns**, so the 2008 SNA treatment will be retained in the sequence of economic accounts.
 - The topic will remain on the **research agenda**; however, countries with significant marketing assets will be encouraged to compile extended accounts with marketing assets treated as produced assets.

Marketing Assets: Main Issues

- **Capitalized value of expenditures on advertising and promotional activities** (whether purchased or produced on own account) at current-prices
 - Key is to establish scope and clear boundary to avoid overlap with other assets
- **Direct purchases:** on advertising and marketing may be derived from advertising and media companies as well as purchases from other units that are not classified as advertising companies
 - Key is to understand the proportion of expenditures considered gross fixed capital formation (GFCF) versus intermediate consumption
- **Own-account GFCF:** based on sum of costs
 - Key is to understand occupations engaged and average time spent on producing marketing assets
- **Estimating volume measures and capital stock**
 - Key is to identify appropriate price indices and service lives, discount rates
- **Cross-border flows**
 - Key issue: purchases of marketing assets can be large and lumpy

Outline of Compilation Guide

Chapter 1: Introduction and Overview

1. Purpose of the handbook
2. Conceptual framework

Chapter 2: Definition and Scope

1. Functional definition of marketing assets
2. Boundaries and overlaps with other non-produced nonfinancial assets
3. Gross fixed capital formation and intermediate consumption

Chapter 3: Data Sources and Estimation

1. Direct purchases
2. Own account production
3. Measuring cross-border flows

Chapter 4: The Capital Stock

1. The perpetual inventory method
2. Service life

Chapter 5: Price and Volume Measures

1. Developing price indices and volume indices
2. Quality adjustment

Annexes: Country Case Studies

In developing a practical definition, the guidance will take account of the **experimental estimates developed by national statistical agencies** and will seek to harmonize terminology uses across countries by developing a common understanding of the asset boundaries.

Timeline for Compilation Guide

- **May 2024 to June 2025: drafting of chapters.**

September 2024 MATT meeting: First set of chapters was discussed

February 2025 MATT meeting: Discuss second set of chapters and country case studies

April 2025 MATT meeting: Review third set of chapters and country case studies

June 2025 MATT meeting: full draft guide for review and comments

- **October 2025: Full draft to Advisory Expert Group on National Accounts (AEG)**
- **End 2025: Include AEG comments and finalize guidance**
- **Early 2026: Revised guidance circulated to AEG for approval**

Next Steps for Compilation Guide

- **Chapter 2:** MATT Members to provide written comments by end-October 2024
- **Chapters 2 and 3:** updated chapters to be sent to MATT Members before February 2025 MATT meeting
- **Case Studies:** call for additional case studies to discuss at the February 2025 MATT meeting

Allocation of Chapters for Compilation Guide

First set of chapters

Lead Author	Chapter	Reviewer	TT meeting discussion
Thomas Alexander (IMF)	1.Introduction and Overview	Jennifer Ribarsky (IMF)	April 2025
John Mitchell & Joseph Haynes (IMF contractors)	2.Definition and Scope	Jennifer Ribarsky (IMF) and Thomas Alexander (IMF)	September 2024
Joseph Haynes (IMF contractor)	3.1 Data Sources and Direct Estimation	Eurydice Fotopoulou (IMF)	September 2024 and February 2025
Lead Eurydice Fotopoulou (IMF)	3.2 Data Sources and Own-account	Jennifer Ribarsky (IMF)	September 2024 and February 2025

Second set of chapters

Lead Author	Chapter	Reviewer	TT meeting discussion
Patrick Quill (IMF)	3.3 Measuring Cross-border Flows	Jennifer Ribarsky (IMF)	February 2025

Third set of chapters

Lead Author	Chapter	Reviewer	TT meeting discussion
Thomas Alexander (IMF)	4.The Capital Stock	Jennifer Ribarsky (IMF)	April 2025
Andrew Baer (IMF)	5. Price and Volume Measures	Thomas Alexander (IMF)	April 2025

Thank you!