



**Inquiry into National Practices in the  
Measurement of Software in the  
National Accounts and  
in International Trade**

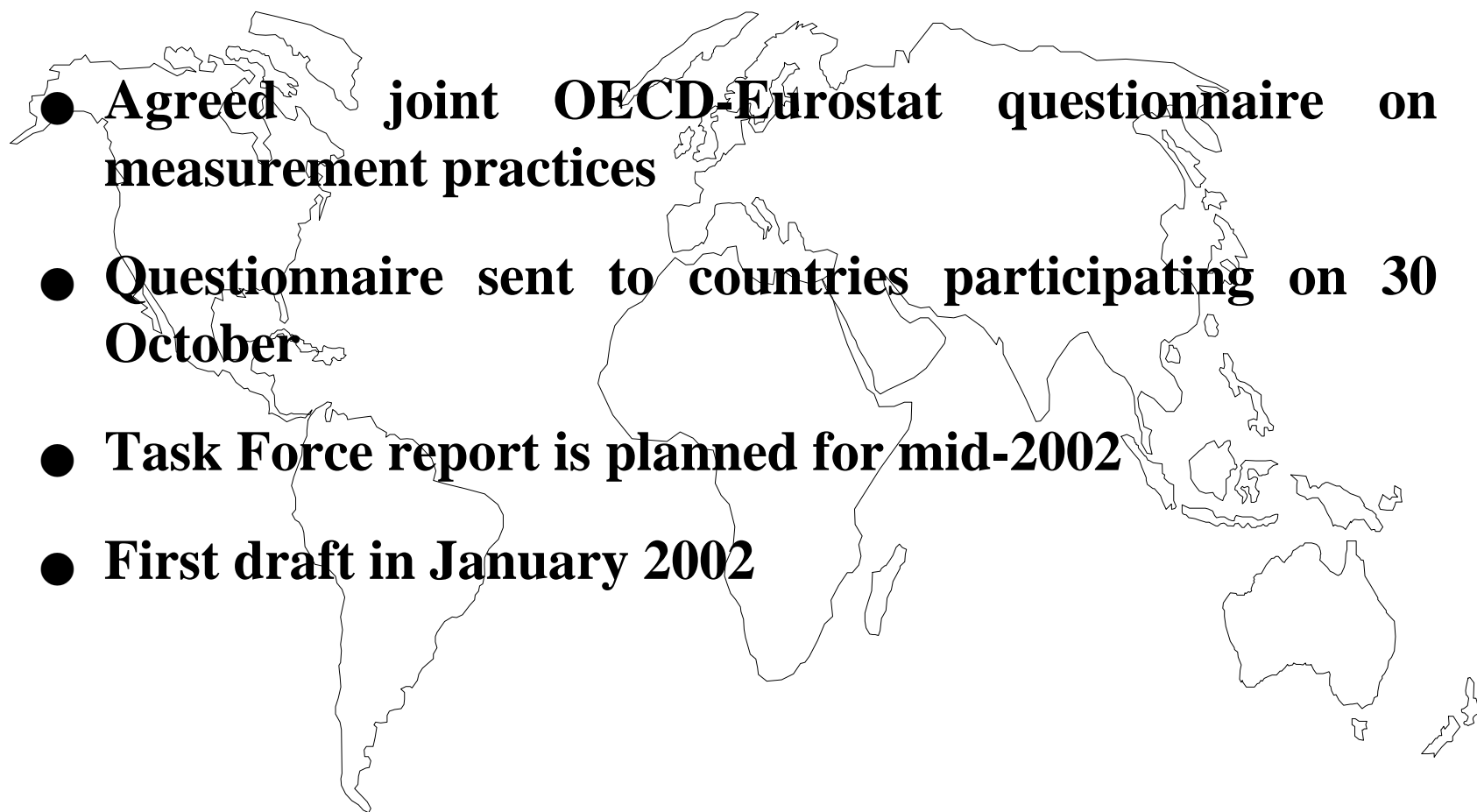
**Paper ITS(2001)7  
OECD Statistics Directorate**

# Background

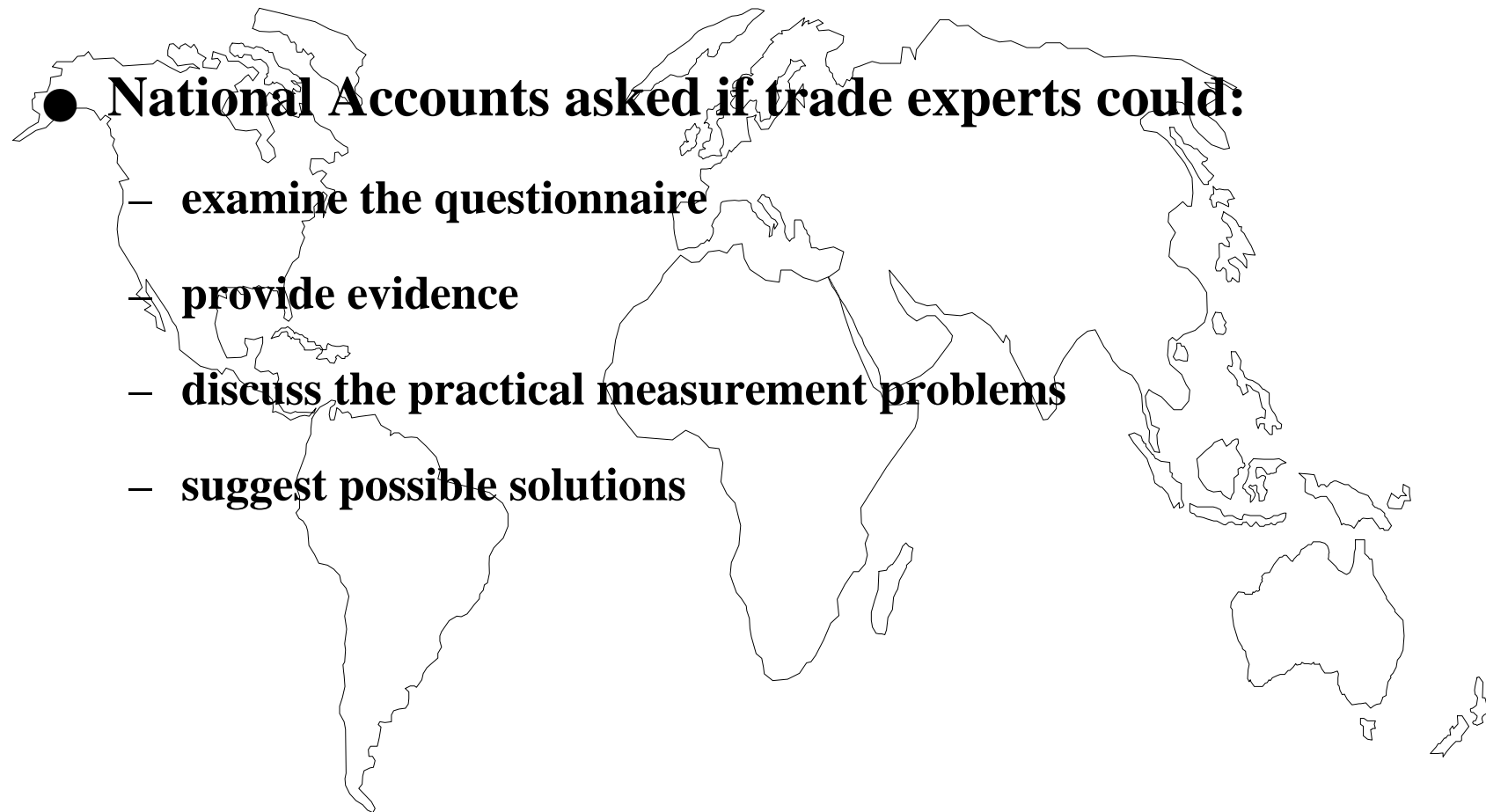
- **Following SNA 1993**

- **Evidence of divergent national practices in recording software as intangible fixed assets,**
- **Impacting on comparability of GDP growth**
- **October 2001 - OECD -Eurostat Task Forces on Measurement of Software in the National Accounts had 1st meeting**
- **Also looking at trade and prices**
- **Participating countries include (US, Can, Jpn, Nld, NZ, Nor, UK, Fra, Gre, Isr, Swe and Esp)**

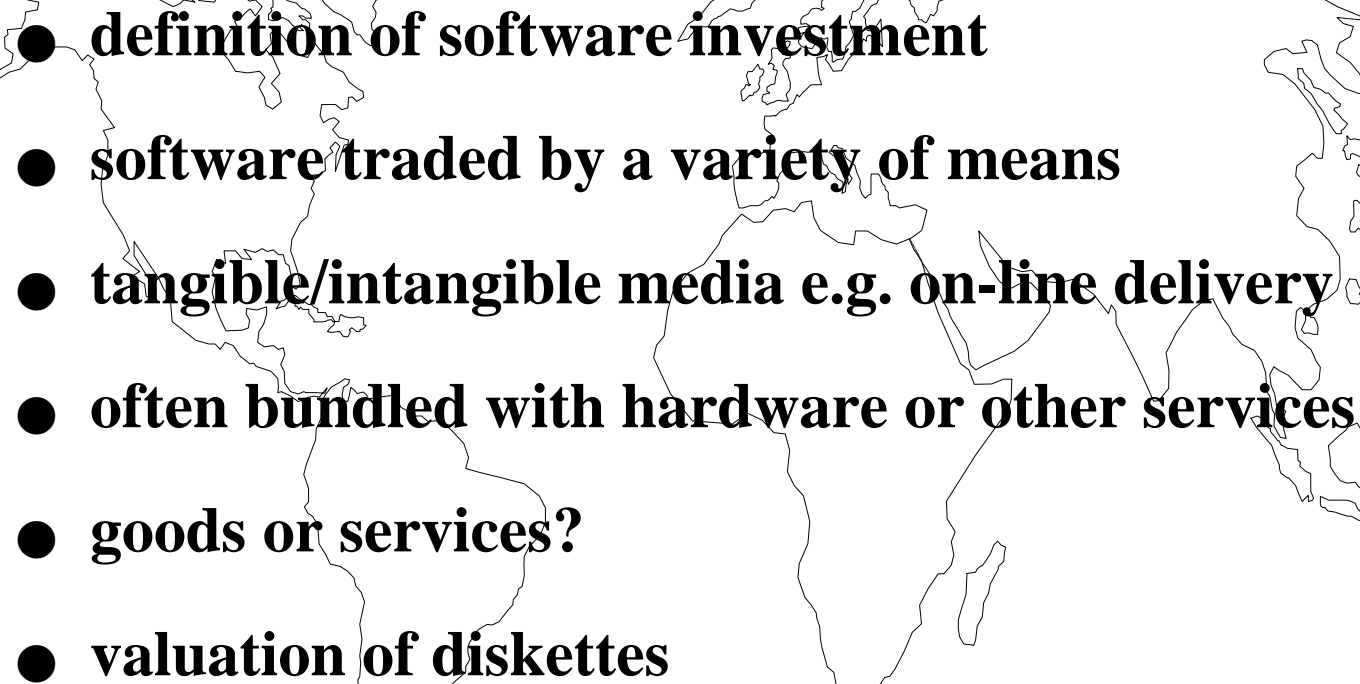
# Questionnaire

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- **Agreed joint OECD-Eurostat questionnaire on measurement practices**
  - **Questionnaire sent to countries participating on 30 October**
  - **Task Force report is planned for mid-2002**
  - **First draft in January 2002**

# Trade



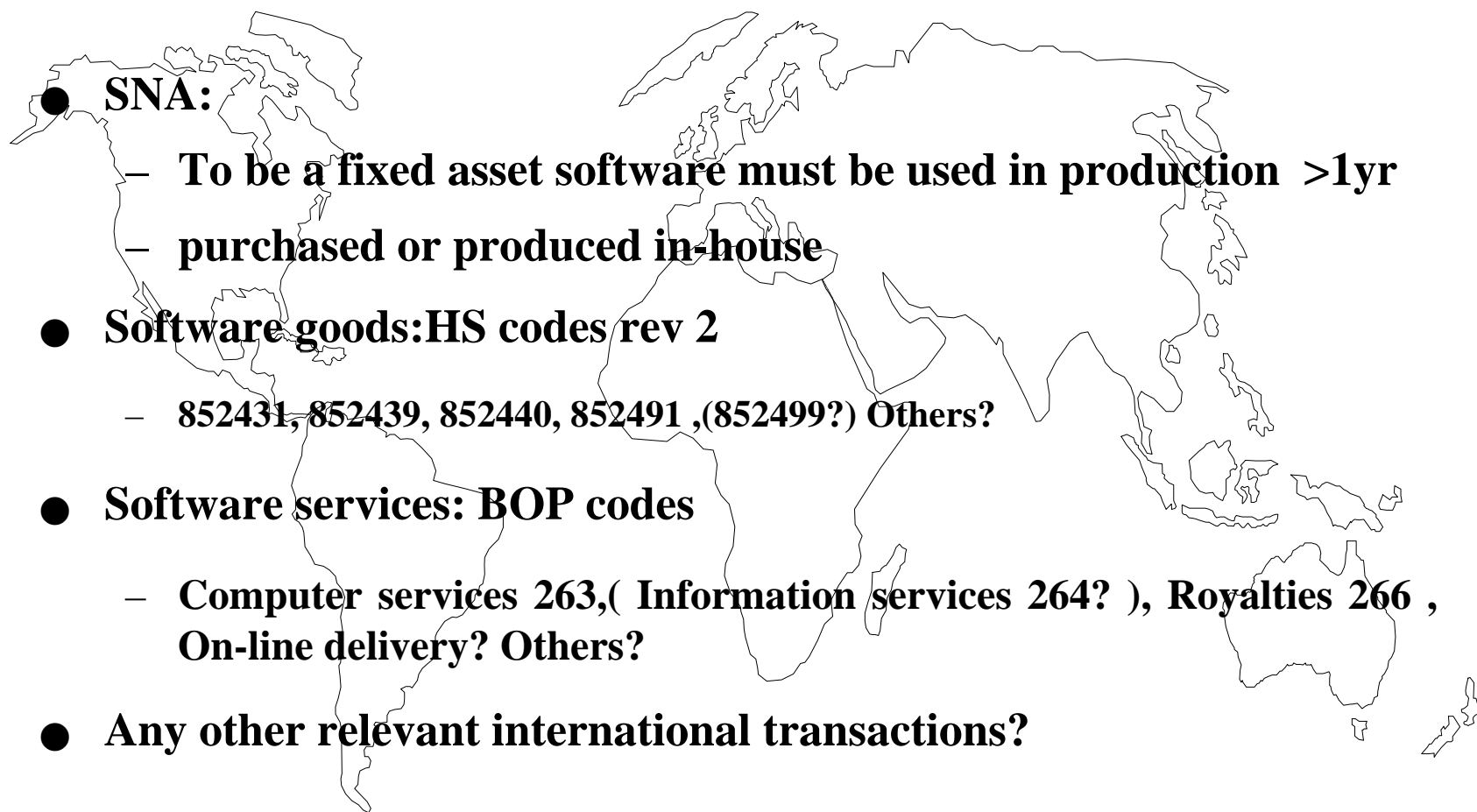
# Measurement issues 1

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- **definition of software investment**
  - **software traded by a variety of means**
  - **tangible/intangible media e.g. on-line delivery**
  - **often bundled with hardware or other services**
  - **goods or services?**
  - **valuation of diskettes**

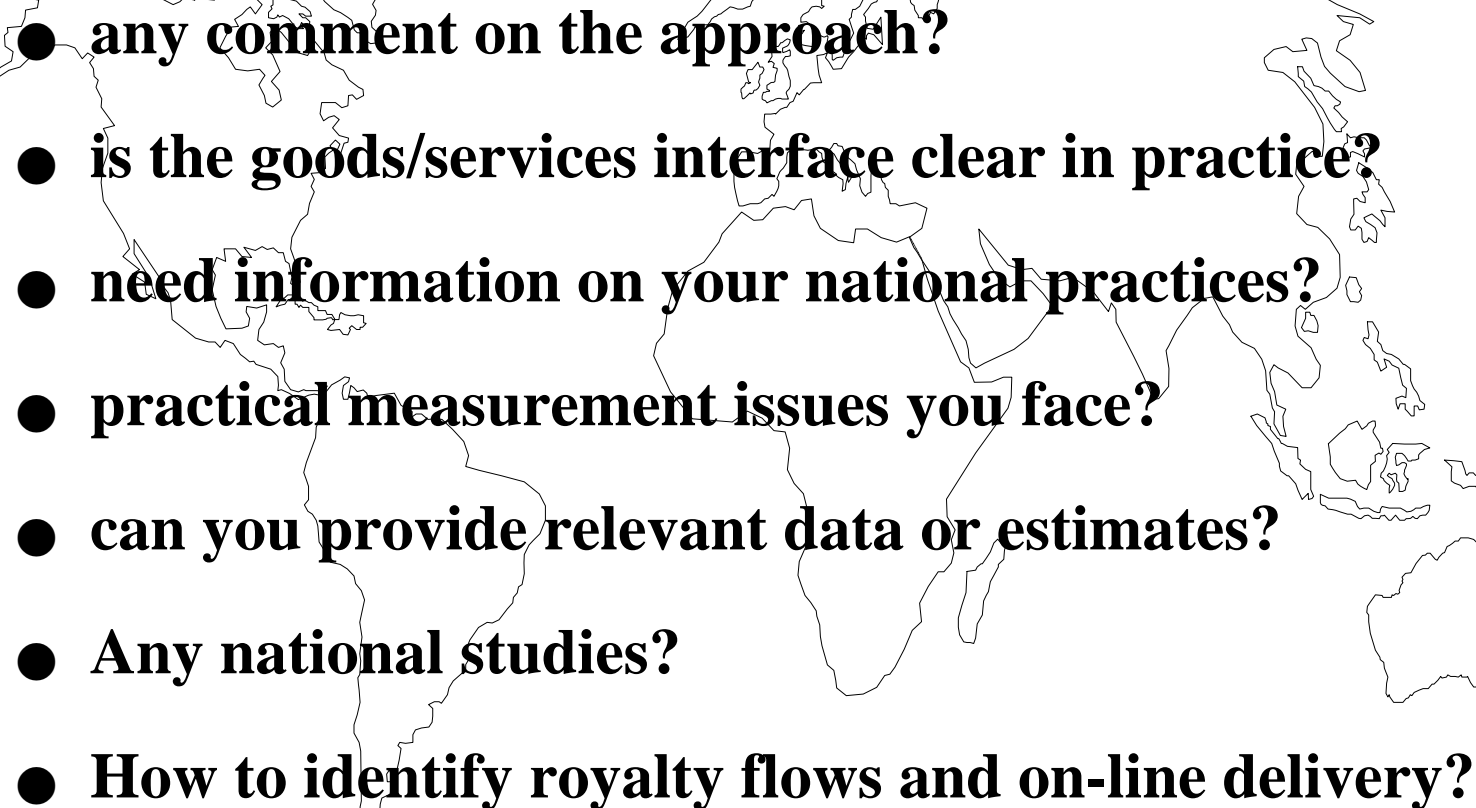
# Measurement issues 2

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- **Custom designed or standard package**
  - **Single master copy traded then leads to royalty flows**
  - **Subscriptions for regular updates (anti-virus)**
  - **in-house development**
  - **valuation of intra-firm trade**
  - **classification issues**

# Some definitions

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- **SNA:**
    - To be a fixed asset software must be used in production >1yr
    - purchased or produced in-house
  - **Software goods:HS codes rev 2**
    - 852431, 852439, 852440, 852491 ,(852499?) Others?
  - **Software services: BOP codes**
    - Computer services 263,( Information services 264? ), Royalties 266 ,  
On-line delivery? Others?
  - **Any other relevant international transactions?**

# Questions for ITS group

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- **any comment on the approach?**
  - **is the goods/services interface clear in practice?**
  - **need information on your national practices?**
  - **practical measurement issues you face?**
  - **can you provide relevant data or estimates?**
  - **Any national studies?**
  - **How to identify royalty flows and on-line delivery?**