

ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Group of Experts on the Impact of Globalisation
on National Accounts (GGNA)

First Meeting

Geneva, 11-13 May 2009

Item 6 of the provisional agenda - International transactions in intellectual property:
Research and Development

COUNTRY COMMENTS ON ISSUE PAPER 9:

INTERNATIONAL TRANSACTIONS IN INTELLECTUAL PROPERTY

I. QUESTIONS AND ISSUES

A. Proposals on Trade Classifications

1. The classification systems are being discussed by the Interagency Task Force on Statistics of International Trade in Services in Bangkok. As such the Task Force may already have formulated a recommendation by the time of the May 2009 Group of Experts on the Impact of Globalisation on National Accounts (GGNA) meeting. If they have not however, the Task Force may welcome the views of the GGNA with respect to the proposals.

2. The GGNA are therefore asked if they support the suggested amendments to the EBOPS classification that are presented Box A of issue paper 9 “International Transactions of Intellectual Property”.

B. Questions on Surveys

3. The GGNA are asked to consider if the proposed surveys described in the annex to issue paper 9 are feasible and exhaustive in their coverage of the main issues.

C. Questions on International Trade between Affiliated Enterprises

4. GGNA members are asked if they can provide information on how, if at all, the following transactions are recorded in their country's statistics:

- (a) Cross border sales or licence agreements of IPPs between affiliated enterprises.
 - (i) Are these fees observed and recorded in BOP and the national accounts goods and services accounts?
- (b) Cross border Capital transfers of IPPs between affiliated enterprises.
 - (i) Are these fees observed and recorded in BOP and the national accounts capital accounts?
- (c) IPPs provided by parents to foreign subsidiaries without a fee but with the expectation of receiving property income in the future.
- (d) IPPs provided by foreign subsidiaries to parents without a fee but in response to previous foreign direct investment.
 - (i) For the four flows described above, what adjustments, if any, are made to ensure that transactions are recorded as 'at-length market prices'?
 - (ii) When IPPs cross borders are changes made to the capital stock of IPPs? If so how? And are these only recorded for some of the four flows described above?
 - (iii) For further information, how are volume estimates of the flows above and trade in IPPs more generally, estimated in your country? What price indices are used for deflation for example?

II. COMMENTS FROM COUNTRIES

1. ARMENIA

A. No comments

B. No comments

C. (a) Not observed.

(b) There was one single case of cross border capital transfer of IPP in 2006 year that was reflected in BOP.

(c) Not observed.

- (d) Not observed.
- (i) Adjustments are not made.

2. BULGARIA

A. One of the main difficulties concerns Export and Import of R&D services. The current classification systems used for international trade, particularly trade in services, do not provide an adequate breakdown between the various types of intellectual property product assets recognized in the 2008 SNA. The other possible source, BoP, also needs to have more detailed breakdown. Therefore we support the proposed amendments to EBOPS classification. We consider that the first suggestion, concerning the breakdown of item 10.1 Research and development services is more appropriate.

B. No comments

C. No comments

3. SLOVAKIA

A. No comments

B. No comments

C. We record these transactions only as the whole, i.e. we cannot distinguish transactions between affiliated enterprises.

4. TAJIKISTAN

A. We support the proposed amendments to the EBOPS classification. We suggest that the new edition should include clear methodological recommendations that take into consideration the user demand and the possibility of different countries to collect and process the necessary data.

B. No comments

C. There are no such types of enterprises in Tajikistan.

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