

DATA BASE
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Current SNA93

- SNA 1993 recommended capitalisation of large databases.
- However it is unclear how to do this.

What is database?

- Databases consist of two components – software (DBMS) and the electronic data.
- Databases are largely ubiquitous:
 - Including: internal databases, e.g. used for administrative purposes
 - Databases for market services, e.g. Yellow Pages
 - Databases for non-market services held by statistical offices
- In theory all should be capitalised

Canberra II Group Options

- Group recognised that the software component already capitalised and further (concluded that 'large' could not be readily interpreted).
- On this basis, Group considered 4 options:
 1. All DBs with an expected working life >1.
 2. Only DBs maintained by companies in data-providing industries.
 3. Only the sale of databases and not own-account production
 4. To use businesses own valuations.

AEG decisions

- The present SNA recommendation that large databases should be treated as fixed capital was ambiguous because “large” was a subjective qualification. This word should be dropped.

AEG decisions

- The group tentatively agreed that all databases were candidates for treatment as fixed capital but requested the Canberra II group
 - to provide a definition of “database” and a definition showing exactly which databases should be included (or excluded) in fixed capital;
 - to consider the distinction between creation and maintenance and the implication for the inclusion in fixed capital;
 - to add precision to the nature of employees to be included in the recommended means of valuing own account databases.
- The group agreed to include a single category in the classification of assets for “software and databases” with a subsequent disaggregation into “software” and “databases”.

Estimation of database output

- Similar to estimation of own-account software output

- A macro-based model for estimation of own-account databases =

*Total number of employees working on database construction/updating * Average remuneration * Proportion of time spent on own-account development of databases*

+ Other intermediate costs used in own-account production of databases (including data costs)

+ Notional operating surplus related to own-account production of databases

Thank You