

Research and Development Session Summary

26th Meeting of the Voorburg Group
Newport, South Wales

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Overview

- R&D Pilot Project
- Followed Mini Presentation format
- Summary Report rather than Sector Paper
- More Work Needed



Presenters

Turnover/Output Mini-presentations

- Jakob Kalko – Statistics Norway
- Hanna Fischer - Federal Statistical Office of Germany
- Mieke Berends-Ballast - Statistics Netherlands

Prices Mini-presentations

- Johanna von Borstel - Federal Statistical Office of Germany
- Ildikó Hamvainé Holocsy – Hungarian Central Statistical Office
- David Friedman – United States Bureau of Labor Statistics

Discussant

- Mike Horrigan, United States Bureau of Labor Statistics



Classifications Findings

Industry - All reviewed were similar, focus on subject matter

Product – Different approaches

- More detailed subject matter breakdowns
- Frescati Manual approach
- IP transactions



Turnover Issues

Measure turnover by industry or by product?

- Market vs. Captive activity

What are the components of revenue for R&D?

- Direct payments, government subsidies, tax credits, proxy value with expenses?

Are growth trends real or substitution from captive to outsourced R&D?



SPPI Issues

Work to date largely theoretical

What to price – market output or total product

How to develop a sampling frame

R&D is unique – model pricing, charge out rates, other?

Are other methods (e.g., implicit price based on multifactor productivity) going to be more effective?



More Work Needed

- No clear answer on what to measure
- No clear answer on what or how to price R&D
- Little practical guidance from SNA

“10.104 R&D should be recognized as part of capital formation. In order to achieve this, several issues have to be addressed. These include deriving measures of research and development, price indices and service lives. Specific guidelines, together with handbooks on methodology and practice, will provide a useful way of working towards solutions that give the appropriate level of confidence in the resulting measures.”

(System of National Accounts, 2008 ST/ESA/STAT/SER.F/2Rev.5 p.206)



Conclusion

- Pilot for R&D raised important questions for turnover and price statisticians
- Not ready to present best practices but still a good first step toward understanding the practical difficulties faced when developing R&D statistics



Questions??

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