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Deliverable D2.2 Using data from the above scoping exercise, a paper that provides cross-section estimates of intangible assets for all countries represented in the Consortium

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Dissemination level

PU	Public	x
PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission Services)	
CO	Confidential, only for members of the consortium (including the Commission Services)	

International comparisons of Intangible Asset spending for D2.

“a paper that provides cross-section estimates of intangible assets for all countries represented in the Consortium”

Table 1 below reports the estimates for this purpose. Since the Portuguese data have only just arrived, and the other comparisons have been described in the TCBE paper submitted as well, this paper is necessarily brief. The following points are worth making.

First, the data for Germany, France, Italy, Spain, UK and US are discussed and set out in the TCBE paper.

Second, we focus here on the additional Swedish and Portuguese data. Beginning with Portugal, first, its overall fraction of spend is rather low. This estimate puts it higher than Germany, which seems surprising, a conclusion that may not withstand further investigation of the German data. It is, however, higher than Spain. Second, the higher number relative to Spain seems to be in the area of innovative property, particularly in the area of R&D, financial services and copyright. Third, Portugal is rather low on software spending, although, again, relative to Germany it seems to be rather high. Fourth, on economic competencies, it is again rather low, similar to Spain and Italy. Note that data is incomplete here on training.

Turning to Sweden, it is, as one might expect, intangible intensive. Software spend is very high, as is spending on innovative property, particularly on R&D and design. Relatively, however, spending on Economic Competencies is somewhat low. This appears to be particularly the case in spending on firm-specific human capital, which is somewhat low (although this might reflect the high-quality outside-firm human capital in Sweden).

As discussed above, all these data will be subject to further scrutiny by individual countries and I would expect the data to be improved and changed. It will not, I believe, lessen the point that the impact of intangibles is a quantitatively large fraction of GDP.

Finally, as we predicted in the original proposal, the availability of data from Bulgaria is still problematic but I hope that some progress might be made at the meeting.

Table 1: Spending on Intangible Assets in the Market Sector (% GDP)

Type of Expenditure	Germany	France	Italy	Spain	UK	PT	US	Sw
	2004	2004	2004	2004	2004	2004	1998-2000	2004
1. Computerized information	0.71	1.31	0.66	0.74	1.7	0.83	1.65	1.83
a) Software	0.69	1.27	0.66	0.72		0.82		
b) Databases	0.02	0.04	0.01	0.03		0.01		
2. Innovative property	3.47	3.12	2.26	2.51	3.23	4.34	4.57	5.39
a) R&D, including social sciences and humanities	1.69	1.32	0.52	0.55	1.09	1.08	2.06	2.6
b) Mineral exploration and evaluation	0	0.02	0.04	0.04	0.04	0.4	0.19	0.01
c) Copyright and license costs	0.2	0.32	0.1	0.19	0.21	1.34	0.81	0.11
d) Development costs in financial industry	0.7	0.58	0.79	0.35	0.69	1	0.79	0.25
e) New architectural and engineering designs	0.87	0.88	0.8	1.38	1.2	0.52	0.73	2.42
3. Economic competencies	3.27	5.22	2.67	2.19	5.95	2.63	6.91	3.32
a) Brand equity	0.84	1.51	1.19	0.58	1.59	1.16	2.53	1.61
Advertising expenditure	0.69	1.24	0.91	0.33	1.2	1.06	2.33	1.43
Market research	0.15	0.27	0.28	0.25	0.39	0.1	0.2	0.18
b) Firm-specific human capital	1.34	1.51	1	0.83	2.45	0.6	1.25	1.05
Continuing vocational training	0.67	1.25	0.69	0.73		0.6		
Apprentice training	0.67	0.26	0.31	0.11		-		
c) Organizational structure	1.09	2.21	0.48	0.78	1.92	0.87	3.13	0.66
Purchased	0.5	0.31	0.11	0.25	0.6	0.85	0.87	0.2
Own account	0.59	1.9	0.37	0.53	1.31	0.02	2.26	0.47
Total Spending	7.45	9.65	5.58	5.44	10.88	7.85	13.13	10.55
Total Investment	7.05	8.77	5.15	5.2	10.1		11.7	

Sources: The source of the US is CHS (2005). The source of the UK is MH(2006). Sweden is from Edquist (2009) and Portugal preliminary data from Pedro Faria for the COINVEST project. For Germany, France, Italy and Spain, see the TCBE work for COINVEST..