

Intellectual Property in the National Accounts

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The large revision to Irish GDP growth and level estimates have cast doubt on the most quoted economic measure of national accounts. The revision is largely driven by the treatment of payments for the use of Intellectual Property owned by a large Multinational Enterprise (MNE). This paper examines the current international standards on the measurement of Intellectual Property, and the associated payments to enjoy the benefits. The message is that the treatment of Intellectual Property according to SNA 2008 is flawed. It is proposed that an extraordinary early revision to the standards is necessary in order to regain the respect of analysts and users, and prevent a proliferation of “adjusted” measures of GDP.