

## ICT, Information and Intellectual Property Products

An overview of concepts and how they  
relate to the CPC Ver. 2

*United Nations Statistics Division*

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## Scope of presentation

- We will look at:
  - the concepts and definitions used when talking about the *information economy*.
    - what they mean
    - how they differ from each other
    - how they interact
  - How the new Central Product Classification (CPC v2) relates to these concepts.

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## Why this presentation?

- The adaption of new ideas relating to the "information economy" in ISIC/CPC, has caused substantial changes in these classifications.
  - introduction of new subclasses
  - new concepts used in describing subclasses
  - changes in structure
- Some conceptual problems in CPC v1.1 (the previous version) and a rapid change in the actual products
  - distinction between original, content and provision services.
  - emerging products

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### Key concepts

The Information Economy  
 ICT Sector  
 Content/Media Sector  
 ICT Products  
 Originals  
 Content  
 Intellectual Property Products

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### Actors involved

- United Nations Statistics Division (UNSD)
- Technical Subgroup on on ISIC/CPC
- Working Party on Indicators for the Information Society (WPIIS)
- Voorburg Group (City group on services statistics)

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### Information Economy (ISIC)

	Information Economy (ISIC)	
Activity (ISIC 4)	ICT SECTOR	CONTENT/MEDIA SECTOR
Product (CPC 2)		

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## The ICT sector

- ICT sector defined by aggregating complete ISIC classes according to the following guidelines:

- Manufacturing:

*The products of a candidate industry must be intended to fulfil the function of information processing and communication by electronic means, including transmission and display.*

- Services

*The product of a candidate industry must be intended to enable the function of information processing and communication by electronic means.*

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Information Economy (ISIC)			
Activity (ISIC 4)	ICT SECTOR		CONTENT/MEDIA SECTOR
	Manufacturing	Services	
	<ul style="list-style-type: none"> <li>electronic components</li> <li>computers/peripherals</li> <li>communication equip.</li> <li>consumer electronics</li> <li>magnetic media</li> <li>optical media</li> </ul>	<ul style="list-style-type: none"> <li>computer consultancy</li> <li>computer programming</li> <li>web hosting</li> <li>telecommunications</li> <li>repair</li> <li>trade (wholesale)</li> </ul>	
Product (CPC 2)			

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## The content/media sector

- It was early recognized that the scope of the "information economy" ought to be extended beyond that of the ICT sector.
- Content and media industries are engaged in the production, publishing and/or the electronic distribution of content products.
  - Guidelines for identifying a content or media product (OECD):  
*"Content corresponds to an organised message intended for human beings published in mass communication media and related media activities. The value of such a product to the consumer does not lie in its tangible qualities but in its information, educational, cultural or entertainment content"*
- The content/media sector are industries that create and disseminate mass market information and cultural products; the ICT sector provides the means for doing so.
- In ISIC 4, all of the content/media sector is contained within ISIC section J: "Information and communication"

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Information Economy (ISIC)		
Activity (ISIC 4)	ICT SECTOR	
	Manufacturing	Services
	<ul style="list-style-type: none"> <li>• electronic components</li> <li>• computers / peripherals</li> <li>• communication equip.</li> <li>• consumer electronics</li> <li>• magnetic media</li> <li>• optical media</li> </ul>	<ul style="list-style-type: none"> <li>• computer consultancy</li> <li>• computer programming</li> <li>• web hosting</li> <li>• telecommunications</li> <li>• repair</li> <li>• trade (wholesale)</li> <li>• Software Publishing</li> </ul>
Product (CPC 2)	CONTENT / MEDIA SECTOR	
	<ul style="list-style-type: none"> <li>• publishing of books</li> <li>• publishing of newspapers</li> <li>• movie production</li> <li>• television programme production</li> <li>• movie/television programme distribution</li> <li>• sound recording</li> <li>• radio broadcasting</li> <li>• news agency activities</li> </ul>	

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## Information Products

- An embodiment of information in some tangible or intangible form, which can be bought and sold.
- Basically, output of ISIC section J: *"Information and Communication"*
  - *This section contain the content/media sector and parts of the ICT sector.*

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Information Economy (ISIC)		
Activity (ISIC 4)	ICT SECTOR	
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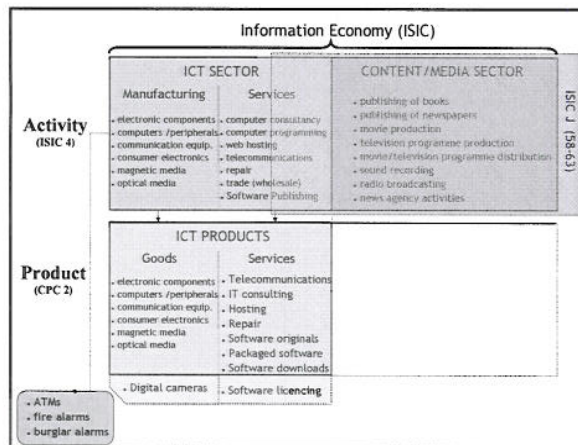
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## ICT products

- Possible definition: a product coming out of the ICT industry
  - facilitates consistency between product statistics and industry statistics
- Independent definition: gives *criteria for what an ICT product is*.
- Current approach: use the first definition and admit some exceptions.

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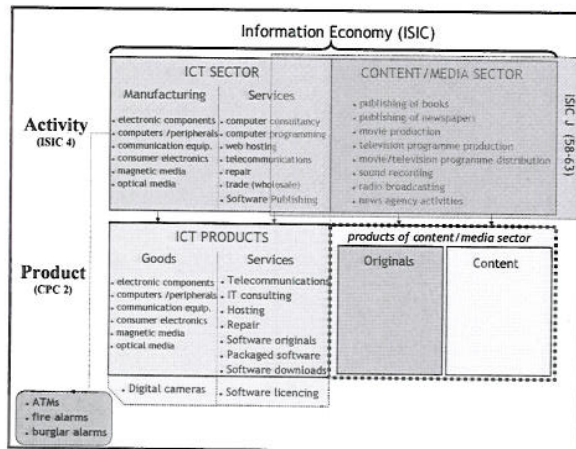


## "Content/media products"

- The definition and scope is still under discussion
- Basic idea: "products coming out of the content/media sector"
- Major components are:
  - originals
  - content
  - possibly services

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## Originals

- The output of a intellectual / creative activity may be considered a *service or an original*
  - *When the activity is carried out for another party, a service is being provided.*
  - *When the output of the creative activity is **not** carried out for someone else, the output is an original.*
- Originals ≠ services
- Originals ≠ copies
  - This distinction is also made in the SNA.

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## Originals

- Examples of intellectual / creative activities
  - writing of manuscripts and other texts
  - audiovisual productions
  - music composition
  - music performance
  - research activities
  - product design activities
  - geological surveys

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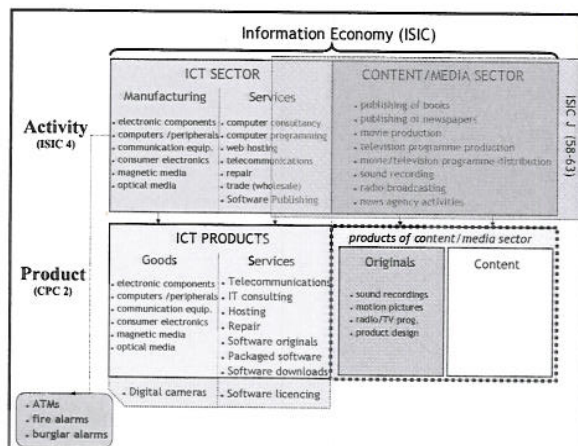
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## Content

- The reproduction, in some form, of an original, regardless of physical media
- In general, most of the value is in the information content, not the device.
- A copy of content is a product.
- The System of National Accounts uses the concept of “copies”

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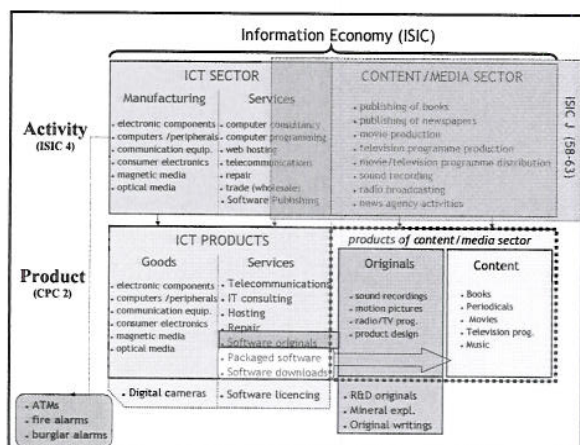
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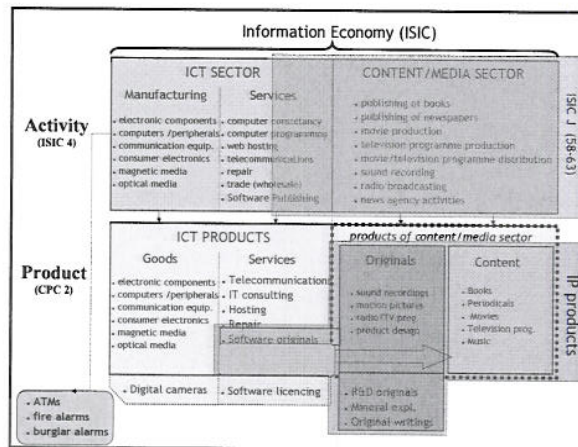
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## Intellectual Property (IP) products

- According to the System of National Accounts:  
*"Intellectual property products are the result of research, development, investigation or innovation leading to knowledge that the developer can market or use to their own benefit in production because use of the knowledge is restricted by means of legal or other protection."*
- Specific forms mentioned are products from:
  - Research and development
  - Mineral exploration and evaluation
  - Computer software and databases
  - Entertainment, literary or artistic originals
- Uses the notion of "originals" and "copies"

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## Content/media products in the CPC?

- Some of them are neither goods nor services, but "IP products and similar products"
- Sections 0-4 for the most part limited to transportable goods classified in the HS.
  - *These intangible goods have therefore been classified in section 5-9, close to the services that are outputs of the same ISIC industries as the intangible goods.*

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## Content/media products in the CPC?

- Originals
  - Close to the related *services*, found in part 5-9



**They are *not* services!**

- Content
  - Content on physical media: in the related products found in part 0-4.
  - Content not on physical media (downloadable)
    - 843 group: "On-line content"

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## Next steps

- UNSD and Working Party on Indicators for the Information Society (WPIIS) working on an *alternative aggregate* for ICT products and content/media products.
  - The development of this aggregate should not influence the publishing date of the CPC v2.

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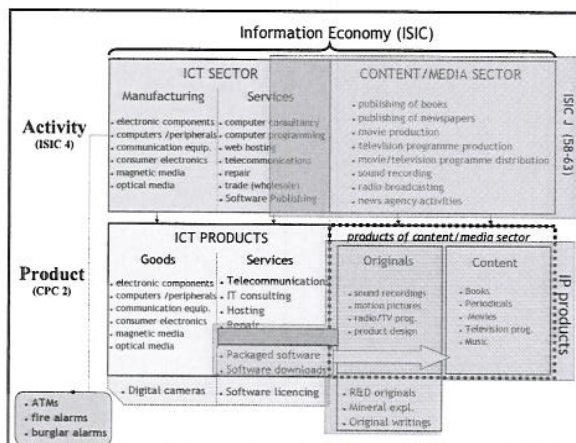
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