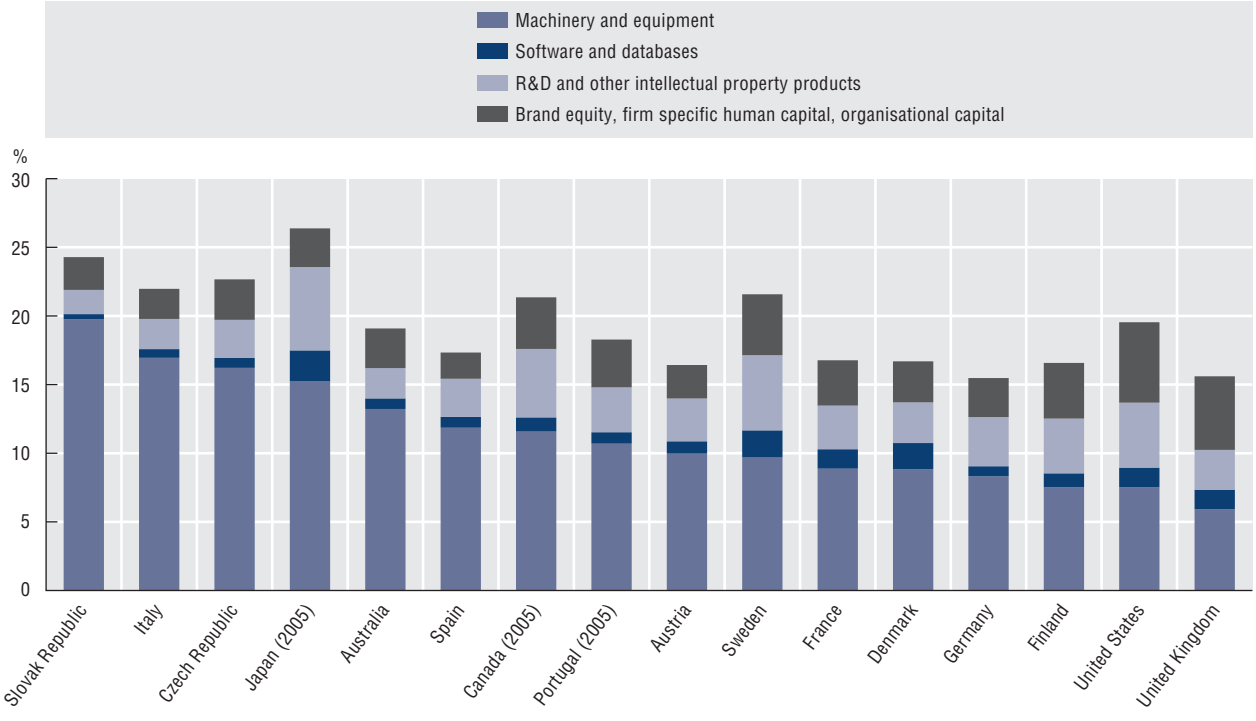
INVESTING IN INTANGIBLE ASSETS

Innovation results from a range of complementary assets that go beyond R&D, such as software, human capital and new organisational structures. Investment in these intangible assets is rising and overtaking investment in physical capital (machinery and equipment) in Finland, Sweden, the United Kingdom and the United States.

Investment in fixed and intangible assets as a share of GDP, 2006



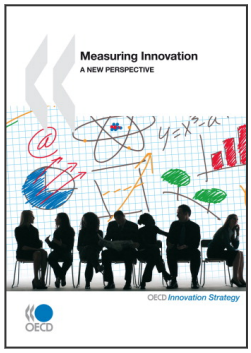
Note: These estimates are based on national studies. They do not yet reflect standardised methods and definitions.

What is included in intangible assets?

Using as their basis a seminal paper by C. Corrado, Hulten and Sichel (2006), researchers in 14 countries have computed aggregates for intangible investment. Software and databases provide a measure of *computerised information*. Scientific R&D, mineral exploration, copyright and licence costs, and other product development, design and research are a measure of *innovative property*. Brand equity, firm-specific human capital and organisational capital are taken as a measure of *economic competencies*. Some of these intangibles – software and, more recently, R&D – are now recognised by the international statistical community as capital assets and will be accounted for in the System of National Accounts (see the *OECD Handbook on Deriving Capital Measures of Intellectual Property Products*, 2010). More work is needed to harmonise the definition of intangible assets and collect data on an internationally comparable basis so as to better identify and measure new sources of growth.

Source: OECD, data on intangible investment are based on COINVEST, *www.coinvest.org.uk*, and national estimates by researchers. Data for fixed investment are OECD calculations based on EU KLEMS Database and OECD, Annual National Accounts Database, March 2010. See chapter notes.

StatLink http://dx.doi.org/10.1787/834532612432



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