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The contribution of intangible assets to the growth of sectors of the Russian economy

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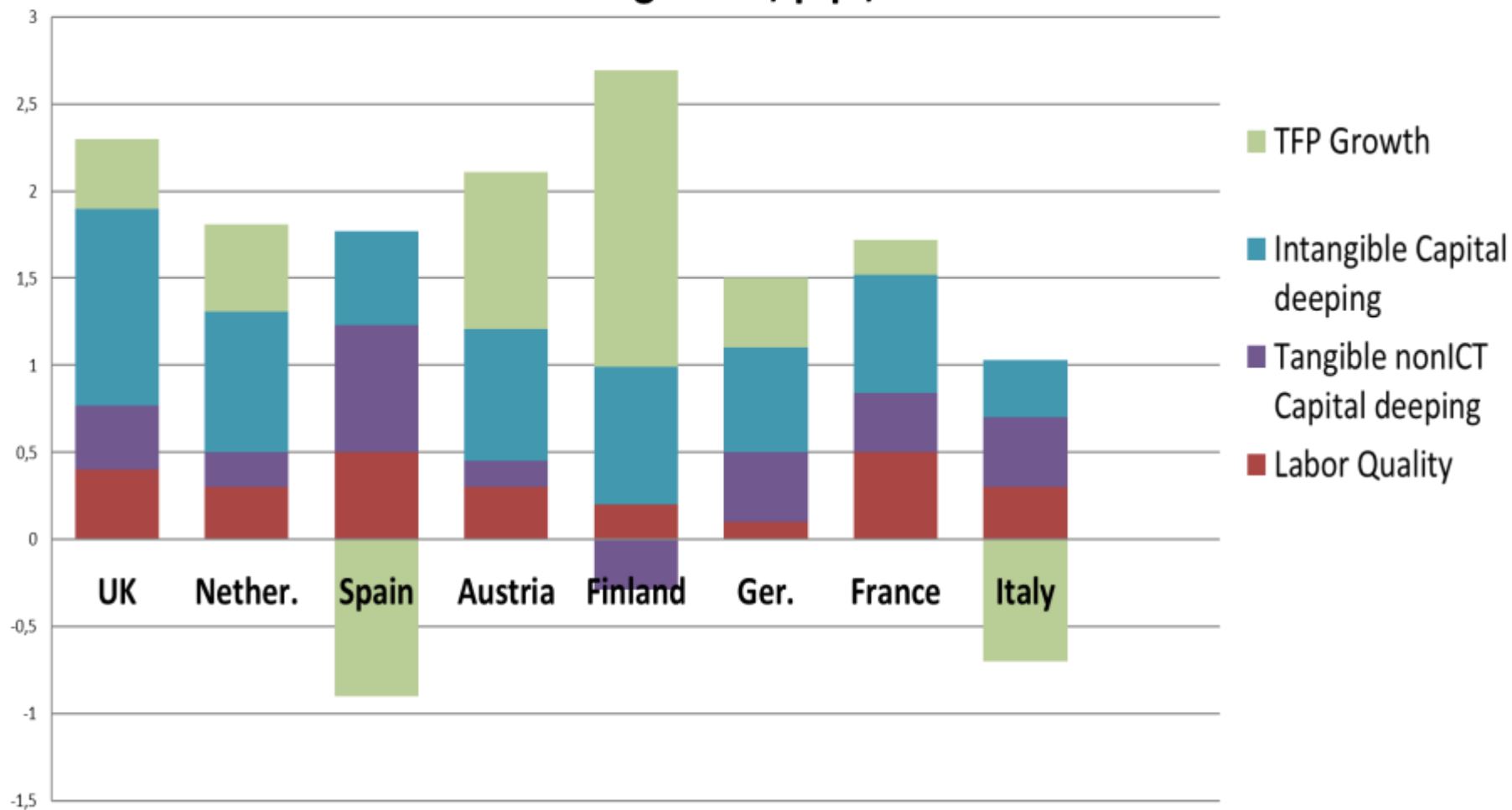
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WHAT IS THE ROLE OF INTANGIBLE ASSETS IN ECONOMIC GROWTH?

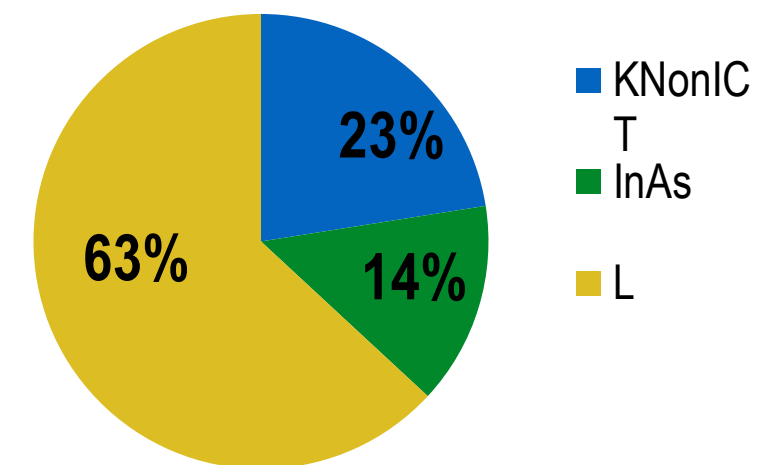
THE ROLE OF INTANGIBLE ASSETS IN THE WORLD

Labor productivity decomposition for business sector EU countries growth, p.p., 1995-2009



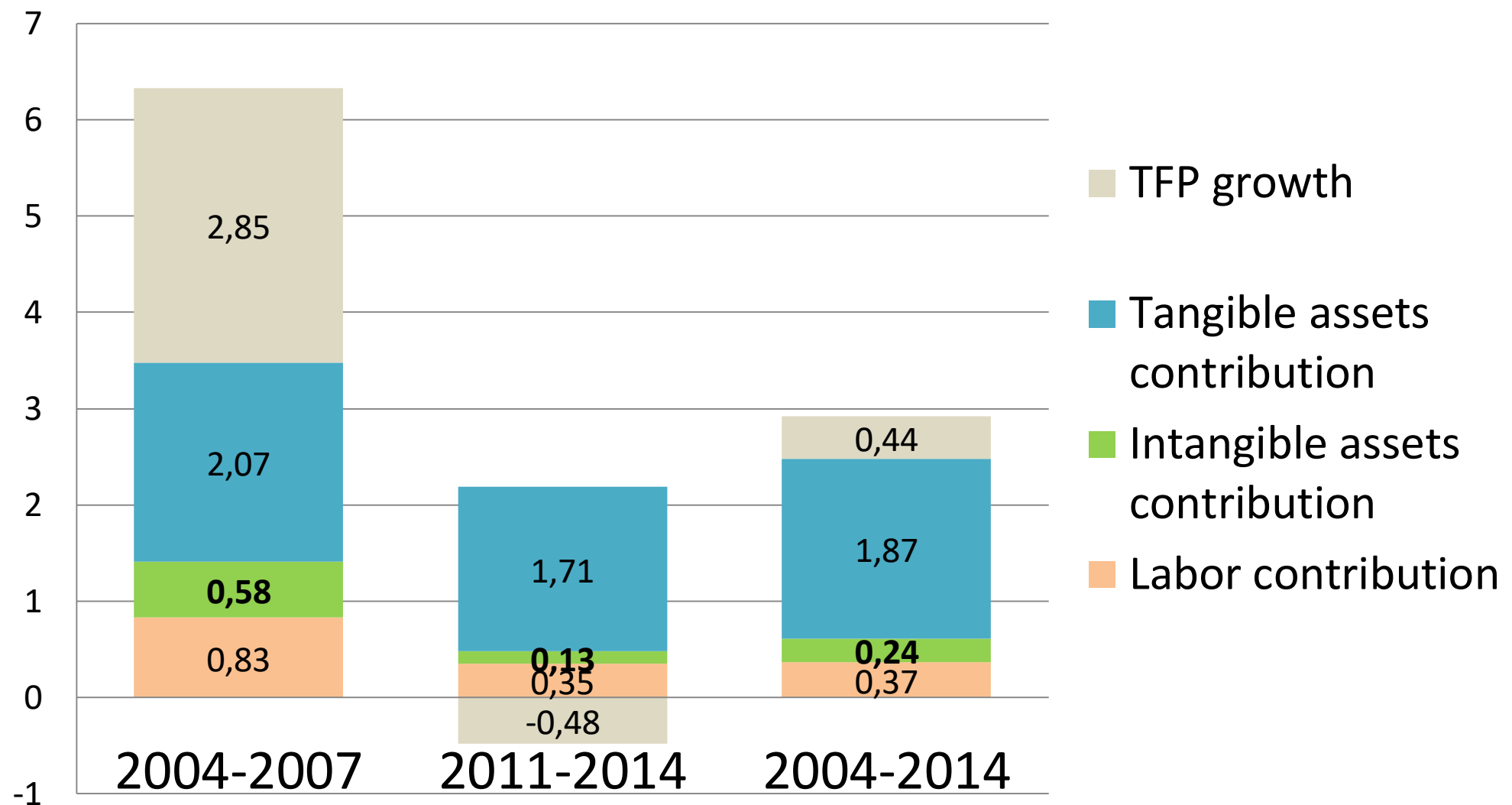
Source: Corrado et al, 2014

Factor shares in Value Added for the Market Sector of 10 EU countries, 1998-2007, %



Source: Corrado et al, 2017

THE ROLE OF INTANGIBLE ASSETS IN RUSSIA



Source: author's calculation based on Russia KLEMS



CONTRIBUTION OF INTANGIBLE ASSETS TO GROWTH BY INDUSTRIES IN RUSSIA ECONOMY



KEY QUESTIONS

- **Contribution of intangible assets in industries of Russia economy.**
- **Comparison the industry structure of growth contribution of capital services related to intangible assets in Russia and the OECD countries.**
- **What kind of intangibles drive each economic sector?**

TAKE-OFFS: INTANGIBLES IN RUSSIAN AND OECDs

Common	Differences
<ul style="list-style-type: none">R&D are important in manufacturing, and intangible assets not related to R&D are more important in the service sector	<ul style="list-style-type: none">In Russia the contribution of intangibles to average value added growth to be higher in market services than in manufacturing
	<ul style="list-style-type: none">In OECD countries intangible assets participate more evenly in services and manufacturing
	<ul style="list-style-type: none">The role of R&D in Russia is lower than in OECD economies



METODOLOGY:

LIST OF INTANGIBLE ASSETS

Asset type	Included in System of National Account
1. Basic intangible assets (Investments in computerized information, including software and computerized databases; Mineral Resource Exploration and Assessment Results; Entertainment and artistic originals)	Yes
2. R&D	Since 2008, missing from published data
3. New product development	No
4. New architectural and engineering designs, advertising, marketing research and purchased organizational capital	No

METODOLOGY:

INDUSTRY GROUPS

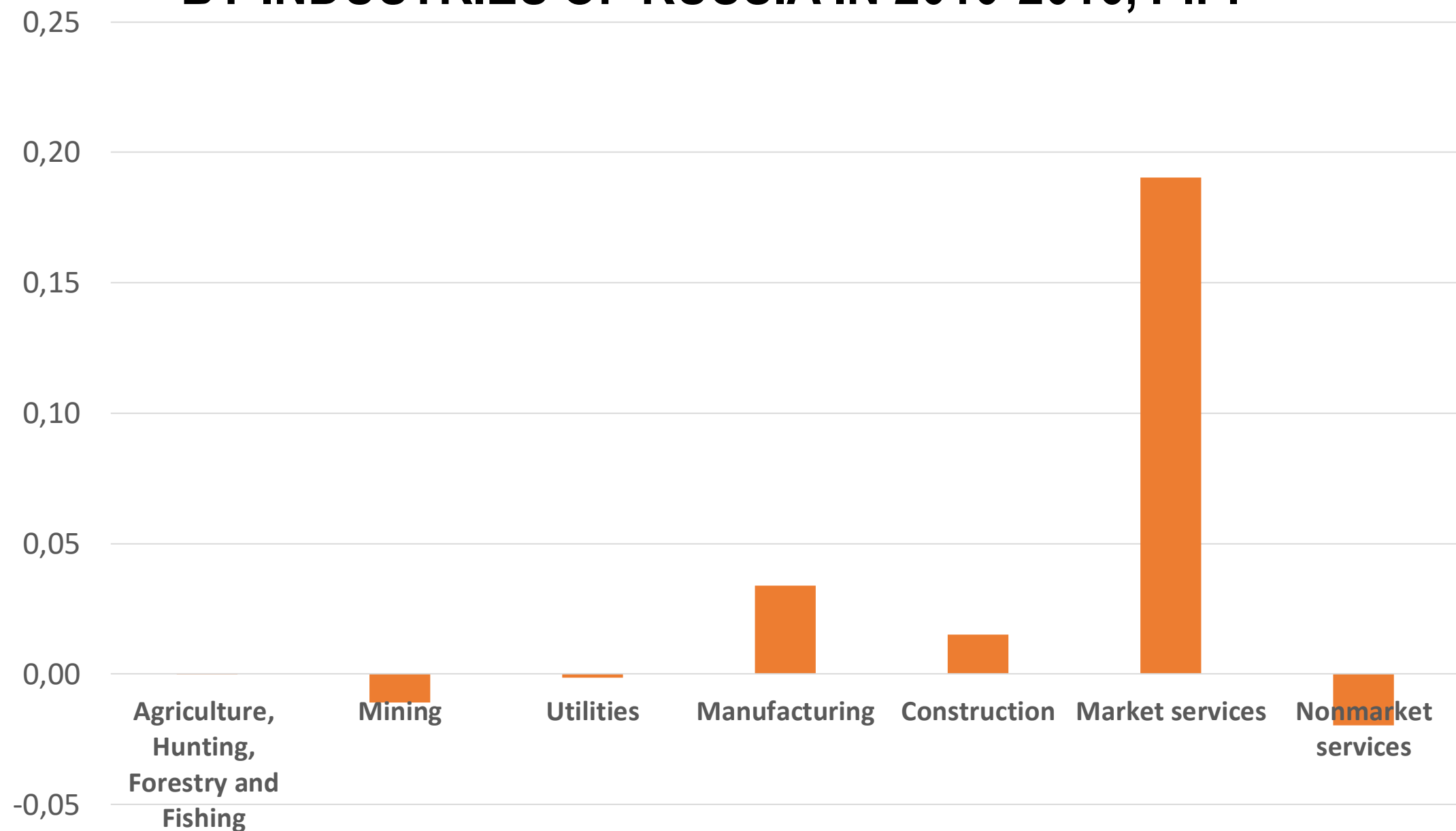
N.	Using in work	OKVED code OK 029-2007 (NACE Rev. 1.1)
1.	Agriculture, Hunting, forestry and Fishing	A B
2.	Mining	C
3.	Utilities	E
4.	Manufacturing	D
5.	Construction	F
6.	Market services	G H I J
7.	Nonmarket services	L M N O

INTANGIBLE INVESTMENT AND VALUE ADDED SHARES BY INDUSTRIES OF RUSSIA IN 2010-2016, %

	Intangible Investment by industry (average %)	Intangible Investment by industry (GDP average %)	Value added share (average %)
Agriculture, Hunting, Forestry and Fishing	0,6	0,03	3,4
Mining	4,3	0,21	7,8
Utilities	2,2	0,11	2,8
Manufacturing	17,1	0,82	12,0
Construction	3,0	0,14	5,7
Market services	63,4	3,04	47,3
Nonmarket services	9,5	0,45	20,9
Total economy	100	4,8	100

Source: author`s calculations

INTANGIBLE ASSETS CONTRIBUTION BY INDUSTRIES OF RUSSIA IN 2010-2016, P.P.



Source: author`s calculations

CONTRIBUTION OF INTANGIBLE ASSETS BY TYPE

Market Services	Share	Growth rate
R&D	0,04	-6,82
DesighnAdvMarRes	0,16	8,47
New FinProduct	0,08	7,02
Basic intangibles	0,01	12,15
Manufacturing		
R&D	0,01	18,76
DesighnAdvMarRes	0,11	1,80
New FinProduct	0,01	3,63
Basic intangibles	0,00	5,25

Source: author`s calculations

CONCLUSION

- **There are some differences between Russia and the OECD countries In terms of contribution of intangibles to growth by industry.**
- **The contribution of intangibles to average value added growth to be higher in market services than in manufacturing in Russia.**
- **The common between Russia and the OECD is that R&D are important in manufacturing, and intangible assets not related to R&D are more important in the service sector.**
- **The main direction of future research is improving the statistical base.**



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THANK YOU FOR ATTENTION

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