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Capital stocks based MFP indicators: Analysis of results and review of country estimation methods

Joint OGWG - ECFIN - JRC Conference: "Assessment of output gaps and potential output in the context of the COVID-19 pandemic and its aftermath"

29-30 September 2021

Actions to improve comparability of national accounts data

- *The TF FIXCAP and its work:*

  - Share experience/knowledge - Confluence wiki platform

    https://webgate.ec.europa.eu/fpfis/wikis/display/fixcap

  - Know the current countries' practices

  - Recommendations for PIM method

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Actions to improve comparability of national accounts data

- *Depreciation functions:*

  - **Countries' practices:**

    Linear, Geometric, Discounted age-efficiency

  - **TF recommendations:**

    Use convex (cohort) depreciation function

- *Retirement functions:*

  - **Countries' practices:**

    Log normal, Gamma, Weibull, delayed linear, geometric, normal, truncated normal, quasi-logistic, simultaneous exit, linear
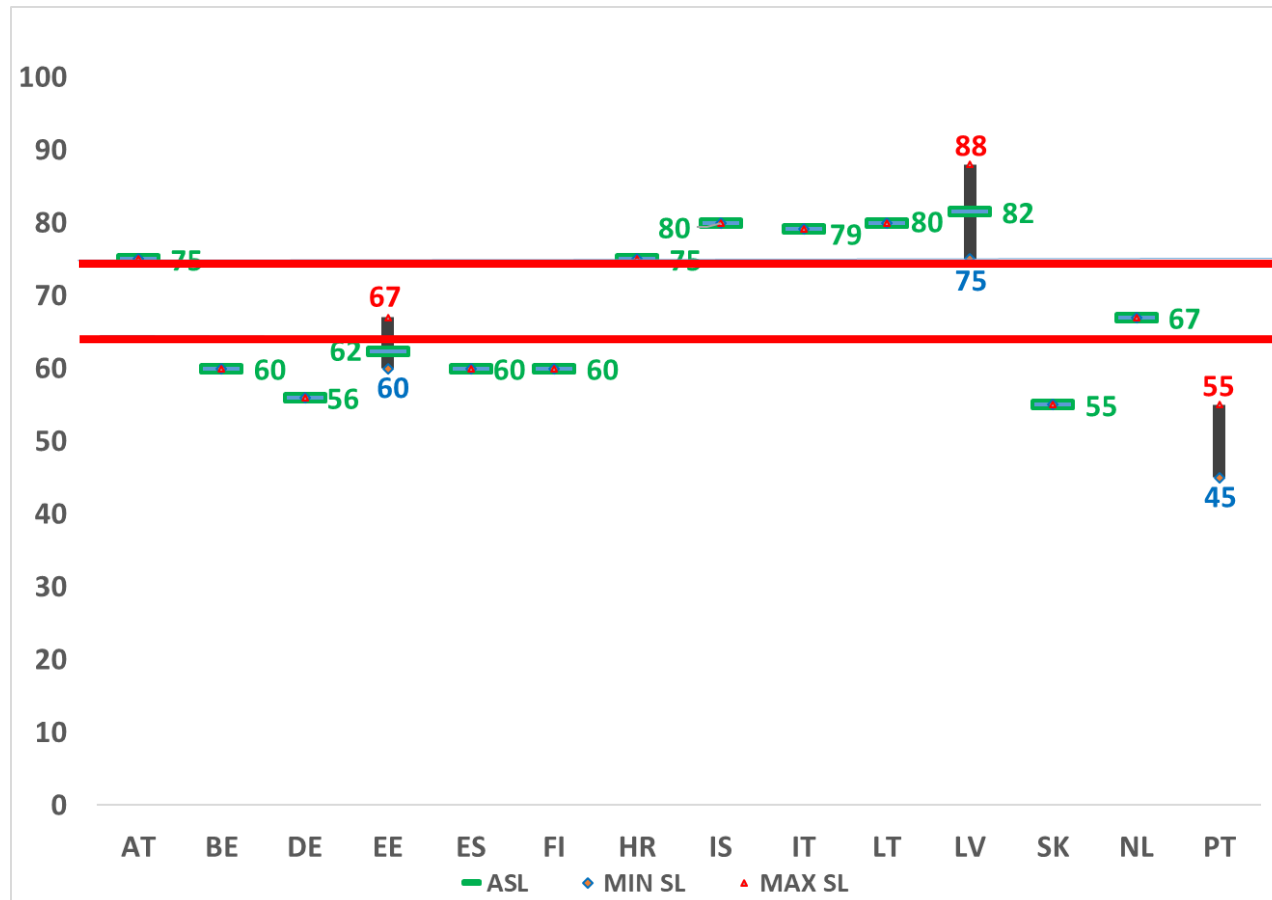
  - **TF recommendations:**

    Use bell-shaped retirement functions

- *Metadata*

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Countries' practice and TF Recommendations (Service Lives)
Example: N111 Dwellings*: 65 – 75 years*

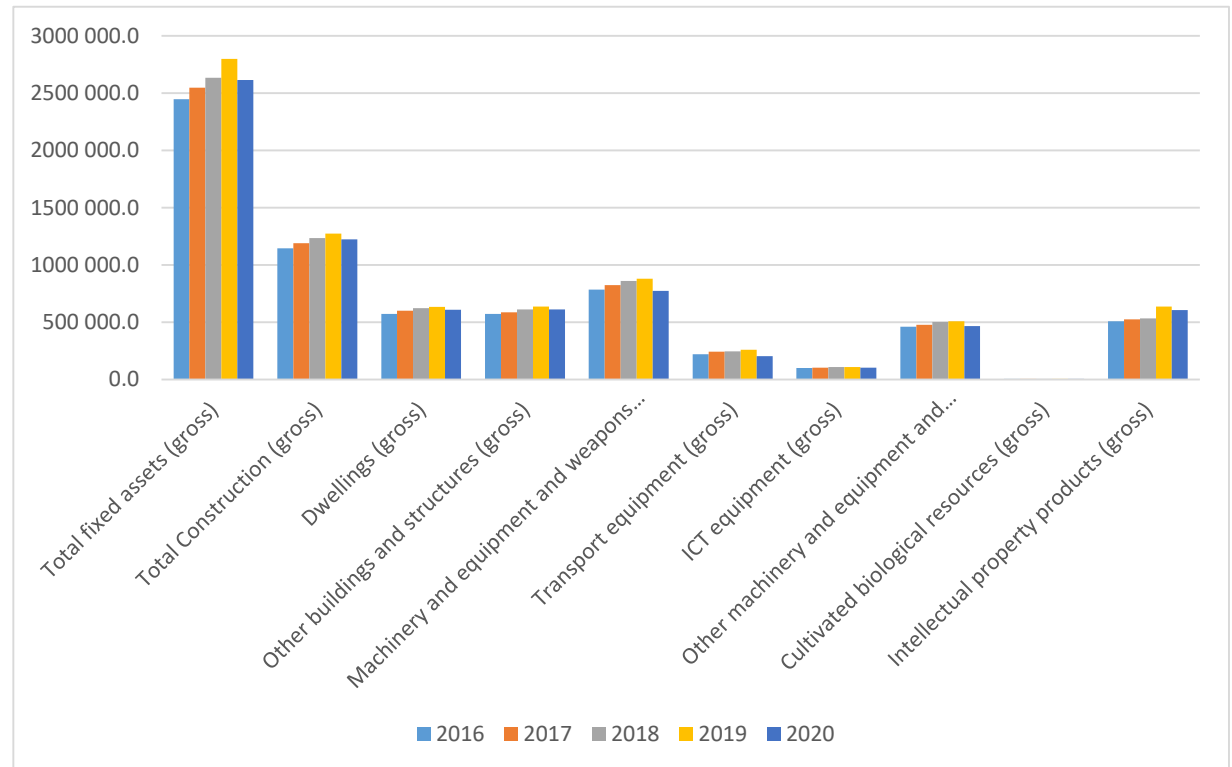# Roadmap

- 2021 – recommendations endorsed

- 2022-2023 – training, sharing practices

- 2024 – implementation

     (major NA benchmark revision 2024)

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First estimates for 2020

- GFCF 2020 annual data:

- More detailed 2020 data (*GFCF, CFC, s*tocks) not yet available, expected from Sep 2021 / Dec 2022

Thank you for your attention

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