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**NEW CHALLENGES TO NATIONAL STATISTICS OF UKRAINE UNDER THE
GLOBALIZATION PROCESSES**

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1. International integration or the phenomenon which we call globalization now has its impact on both economic and social processes occurring in Ukraine and this, in its turn, increases demands for statistical information and requires the continuous improvements to the system of the state statistics and implies the coordination of actions for the public authorities in issues dealing with the organizing the activities connected with the collection and use of statistical information and administrative data.
2. The development of globalization creates the serious problems for the measurement and analysis within the framework of the national accounts. Today, the methodology for compilation of national accounts indicators is based on international standard for the 1993 system of national accounts (SNA) which does not reflect the globalization processes. These issues will be included into the new version of the SNA whose revision is to be finished by 2008.
3. The inclusion of the globalization processes into macroeconomic statistics, in particular, the activities of multinational enterprises, will influence such basic indicators of the national

accounts as gross national product (GDP), gross national income, gross value added, net lending (borrowing), financial flows and national wealth.

4. These methodological changes are reflected, first of all, on indicators for external economic relations where a ratio between goods and services will be changed. Taking into account the fact that exports and imports make 50-60% of the GDP, this will result in changes to its volumes and structure by final use categories.

5. The analysis and estimate of the economic influence, magnitude and intensity of the globalization process call for the development of the adequate basic statistical indicators. In particular, this concerns the indicators which are being developed either within the framework or on the basis of data from the system of national accounts, namely: identification of a share of gross domestic product, value added and gross output of branches under foreign control (affiliated companies controlled by non-residents).

6. In this respect the SSCU has already carried out the first tentative developments. During 2005, the accounts of non-financial corporations sector have been compiled for sub-sector level which, in particular, include sub-sector of non-financial corporations under foreign control. The results show the significant contribution of these enterprises into the country's economy (18.6% of output, 11.9% of gross value added, 9.7% of labor remuneration).

7. The basic indicators regarding the estimate of direct foreign investment, internationalization of technological expansion, globalization of trade are produced relating to the GDP. These, in particular, are: share of direct foreign investment, commercial flows and position of direct foreign investment in percent of the GDP; payment for technologies and profits in percent of the GDP; share of the general exports in the GDP, an average indicator for exports in the GDP; share of domestic final consumption that is covered by imports, share of the GDP generated by the general exports. The calculation of these indicators does not require any additional measures with regard to the GDP.

8. Since the methodology and information for the SNA are connected with the production of goods and services, then, first of all, it is necessary to make allowance for the relevant possibilities for enterprise statistics. First of all, this concerns the design of statistical observation over groups of enterprises (in the economically developed countries these statistics have been existing for almost thirty years and are actively discussed at the international forums). The relevant information could be obtained both on the basis of the development of ideology for the current statistical observations and through introduction of new surveys. The important role here is played by non-statistical (administrative) sources of information and the direct work with such companies. The organizational complexity of the enterprises group as a statistical unit calls for the revision to be made to the design and maintenance of statistical business register. Ukraine has its own specifics underlying the creation and development of enterprises groups and this, along with the implementation of international recommendations and standards, necessitates the development of national approaches to the compilation of relevant statistics. At present, within the state statistics system of Ukraine the active studies are launched regarding a range of problems both in terms of economic phenomenon and the challenges faced by statistics.

9. The problem for the CPI production connected with globalization could be the purchase by the population of goods through e-commerce which is increasingly spreading with every year. The correct registration of such trade transactions within the CPI computations requires the identification of the number of price quotations that refer to e-commerce. However, currently, the program for households' living conditions survey does not provide for collection of information about the purchase of goods through e-commerce.

10. The problems stemming from the registration of industrial producers' prices due to the influence of globalization concern the use of toll processing schemes in selected manufacturing industries, namely: enterprises of light and food industries that produce products exclusively from raw materials supplied by customers and are not engaged in selling goods but transfer them to customers on terms of production cost. Also, the frequency of changes in the commodity mix and conditions for sales of products makes the comparisons of prices for the products of similar quality more difficult.

11. The problems connected with globalization could refer to the methods for selecting the material resources and construction organizations belonging to foreign companies.

12. Due to globalization, the tariffs for services provided by multinational companies (mobile connection operators) are moving closer to each other and this creates the competition for the national companies that provide telecommunication services. The main issue is the influence of MNEs upon the competitive struggle and the consequences of this activity with relation to changes in tariffs.

13. Since 2002, the list of indicators from the state statistical observations characterizing the activities of enterprises operating in sphere of non-financial services includes an indicator "income from sales of services to non-residents". The movements of data according to this indicator show a significant share of exports of services by Ukraine's enterprises (during 2002-2005, fluctuations ranged from 11 to 17% of the total volume of services sold by Ukraine's enterprises). Besides, there is a group of enterprises functioning on the national market of services which, having the limited number of employees, produces and sells a large amount of services. The volume of funding for the R&D activities by foreign countries is on the continuous rise (from 16% of the total funding in 1995 to 24% in 2005). The mentioned features require an in-depth statistical study by including additional indicators to tools for the state statistical observations over activities of enterprises operating in sphere of services, namely:

- characteristics showing that a respondent belongs to international corporations;
- characteristics showing that a respondent carries out the economic transactions on the territories of other countries;
- information about the completeness of production process when selling services to non-residents;
- information about the usage one's own productive capacities in production or organization of production within the outsourcing environment.

14. As for crime statistics, a need has arisen to develop the organizational and methodological framework and implement social and demographic sample surveys of victimization with the purpose of collecting, producing and analyzing statistical information about the real situation related to crimes in the country and making international comparisons further.

15. As for education and science statistics, there is the necessity to develop the organizational and methodological framework and implement surveys of the education quality by relevant criterion with the aim of making international comparisons referring to the implementation of actions on joining the Bologna process and integration of the national system for tertiary education and science into the European educational and scientific space.

16. Among the components of the globalization process, it is worth mentioning the development of the world labor markets. The society faces the new challenges: in the first place, a rise in professional competence of every human being as the basis for overcoming and preventing the poverty. The results of the fast-growing globalization are as follows: the increasing migration flows (including illegal labor migration), poverty among the working population due to the low value of labor force, insufficiency of the qualified staffs in different economic spheres. The measurement of the boundaries of such phenomena poses the new challenges for Ukraine's statistical offices.

17. At current stage, the economic globalization should be regarded within the context of sustainable development which provides for the economic component to be taken into account in the economic development. As everybody knows, the changes in the environment occurring due to globalization of the economy in the countries and arising in selected country are not local problems of this country but are global. During the last decade, Ukraine has ratified the UN Framework Convention on Climate Changes, Convention on Cross-boundary Air Pollution for Long Distances, the Stockholm Convention on Stable Organic Pollutants, the Basel Convention on Control over Cross-boundary Transportation of Hazardous Wastes, Convention on Biological Diversity, etc.

18. One of the important aspects for measuring globalization is a system of indicators available within the state statistical observations which permits to estimate whether the countries participating in this process meet the commitments regarding the use of the natural resources, development pressure on environment and possibilities for its renewal.

19. Thus, Ukraine's commitments specified by the Convention framework related to the air protection are taken into account by the state statistical observations over the inflow of greenhouse gases into the air from stationary and mobile sources of pollution. Currently, the state statistics offices have statistical information about 130 chemical substances and their groups including greenhouse gases, particularly, carbon dioxide, nitrogen oxide, methane, carbon monoxide, nitrogen oxides, non-methane light organic compounds. And starting from 2008, the record will cover such substances as sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons. It should be noted that the record of emissions of greenhouse gas pollutants from stationery pollution sources is done in accordance with the unified report of the state statistical observation, while the emissions from mobile pollution sources in accordance with some techniques that provide for estimates being made for emissions of pollutants and greenhouse gases that are based on indicators characterizing the usage of fuels by these sources and their emissions. The availability of the detailed statistical data on emissions of pollutants and greenhouse gases permits to reflect them within the national report and cadastre of greenhouse gas emissions that Ukraine submits to the Secretariat of the UN Framework Convention on Climate Change.

20. The hazardous wastes regulated by the Basel Convention are recorded by the state statistics offices within the framework of the state statistical observation over the generation and treatment of hazardous wastes of the I-III hazardous category. Among the basic indicators included into this statistical observation there are indicators characterizing the following: generation of hazardous wastes, waste input and waste transfer to/from other countries, hazardous waste utilization, waste neutralization (destruction), placement and availability of hazardous wastes at specially designated locations or objects.

21. In the short term, with the purpose of obtaining the relevant data on hazardous wastes harmonized with the EU countries, apart from recording by hazardous component, provision is made for the employment of the European classification of wastes by materials and the introduction of the new statistical observation over wastes which are beyond the I-III hazardous categories.

22. Summing up the mentioned above, a conclusion can be made that the solution of issues regarding the adequate reflection of the globalization processes by the Ukraine's statistical indicators requires a serious work to be done according to the following directions:

- the employment of methods and expertise to estimate the new phenomena (revision of classifications and selected statistical standards, implementation of the new methods for collecting information including modeling);
- the implementation of international cooperation and mirror statistics;
- introduction of specification for the basic statistical indicators needed for the estimate and analysis of the multinational enterprises, their main (parent) divisions and branches;
- the development of technique to produce the basic indicators for globalization rate regarding direct foreign investment, the economic activity of the multinational enterprises, international dissemination of technologies, trade globalization;
- the implementation of the revised version of the SNA'2008 which will provide for activity of the multinational enterprises and globalization processes;
- the production of estimates for the basic indicators of globalization rate regarding direct foreign investment, the economic activity of the multinational enterprises, international dissemination of technologies, trade globalization, etc.

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