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Group of Experts on National Accounts

Sixteenth session

Geneva, 31 May – 2 June 2017

Item 1 of the Provisional Agenda

Opening of the meeting and adoption of the agenda

Annotated provisional agenda for the sixteenth session

To be held at the Palais des Nations, Geneva starting on 31 May at 9:30 in Salle XI

I. Provisional agenda

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2. Country experience with measuring global production
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II. Annotations to the provisional agenda

1. Opening of the meeting and adoption of the agenda

1. Economic globalization has created new opportunities for businesses to organize their production chains more efficiently. This has increased the complexity of compiling economic statistics as it is more difficult to break down production activities on country-by-country basis. As a result the measurement of key economic indicators, including gross domestic product (GDP) has been affected. Addressing these developments calls for

strengthening international guidance on implementation of the System of National Accounts 2008 (2008 SNA) in respect to global production, sharing of best practice among countries and greater cross-border cooperation, including data exchange.

2. In order to help countries deal with these challenges a UNECE Task Force, established by the Conference of European Statisticians (CES), developed and published a Guide to Measuring Global Production (hereafter the Guide), containing detailed practical and conceptual guidance for compilers of national accounts and balance of payments (BOP) statistics. Following the recommendations of the Guide the CES also decided to create a forum for exchanging experience on data collection and compilation methods in respect to global production arrangements and asked the Group of Experts on National Accounts to provide such a forum.

3. The special meeting of the Group of Experts on National Accounts devoted to Measuring Global Production is organized jointly by UNECE, Eurostat and the Organisation for Economic Cooperation and Development (OECD) in response to the decision of the CES and the recommendations of the 2016 biennial meeting of the Group of Experts on National Accounts. The meeting will discuss country experience with implementation of the Guide and will aim to identify concrete actions in response to the challenges faced by national accounts and balance of payments compilers when collecting, compiling and analysing data on global production. It will also present recent international initiatives linked to the development of global accounts and advancing the research agenda of the Guide.

2. Country experience with measuring global production

Organizer: Eurostat

Contributions by: Statistics Denmark, Statistics Finland, Statistics Indonesia (BPS), the National Institute of Statistics and Geography (INEGI) of Mexico, Statistics Netherlands , Bureau of Economic Analyses (BEA) of United States, Eurostat and OECD

4. The session will focus on the progress achieved by countries with detection, data collection, validation and compilation techniques in respect to the different global production arrangements identified in the Guide, including ways to ensure consistency between national accounts, balance of payments and financial accounts. The session will also build on experience and knowledge gathered in the EU project on Integrated Global Accounts.

5. *From Balance of Payment totals to detailed supply and use products - handling globalized production set ups* by Statistics Denmark will focus on the methods and sources used in the Danish national accounts with regards to handling the various items in the BOP concerning global production e.g. processing, the treatment of construction activity abroad etc. The focus would be on how the totals from the BOP are being broken down by products and incorporated into the Danish Supply and Use Tables (SUTs).

6. *Factoryless Goods Production – a Case Example from Current Prices to Volume Measures* by Statistics Finland will discuss a group of global producers, which is identified in the Global Production Guide as factoryless goods producers (FGPs) and have created many challenges to national accountants. These are companies that have outsourced the whole production abroad but have remarkable part of product value-added elements, so called intellectual property products, located in homeland. Statistics Finland made a methodological change from statistical year 2014 onwards to show FGP's margin in goods export instead of service export. Goods are the final products an end-user buys abroad and

the price for products is determined on international markets. International guidelines give general recommendations but there is no clear advice how to make the necessary adjustments for example on the product level in SUTs. National offices are facing new challenges, when the information they need, such as getting an international price for the products, is compiled by other authorities. This raises the need for close co-operation and data exchange with other countries.

7. *Paging and Collecting Global Production Data in Indonesia* will introduce the reform that BPS has been implementing since 2010 in order to answer to the growing complexity and challenges in conducting official statistical work. Part of the efforts is focused on implementing international recommendations in compiling statistics related to global production. The issue is relatively new in Indonesia, and currently BPS is still at early stages, i.e. data paging and collecting. Data sources for compiling global production statistics in Indonesia are well available, especially for global production taking place in Indonesia. In most cases, the data is compiled on enterprise level by certain institutions and comprises administrative data, surveys, and censuses. However, this compilation is conducted partially since a nationwide integrated compilation system has not been developed. For example, Indonesia tax office compiles the administrative enterprises data for taxation purpose and other ministries compile administrative enterprises data for governance purpose related to their area of responsibility. BPS and Bank of Indonesia collect and compile statistics through surveys and censuses. Compilation of global production statistics in Indonesia faces challenges as integrating data from different institutions and data sources would likely need good coordination, standardization and strong willingness of all institutions. However, these challenges could hopefully be resolved along with increasing awareness of the importance of global production statistics.

8. *Identification of Global Value Chains in Mexico* by INEGI aims to show some challenges and possible solutions to identify production processes that are part of global value chains (GVC). One of the challenges is linked to the observation units and their respective transactions. A decision tree allows identifying the links between observation units and determining if their transactions are part of a domestic or a global chain. Another challenge is related to data aggregation to company level, because the main source of information is the economic census, which uses establishment as an observation unit. Therefore, the use of the database structure of the Statistical Business Register of Mexico provides the link between those economic units identified as part of the GVC. Finally, the presentation will introduce the plans for developing extended SUTs, as main input to the construction of regional matrices, which will allow measuring Mexico's participation in GVC.

9. *Joining Forces in Statistics and Globalisation: towards a 'new' Dutch BOP and international investment position (IIP) statistics and National Accounts* by Statistics Netherlands will describe the efforts to ensure consistency and integrate the compilation of balance of payments and national accounts statistics in the Netherlands. Globalisation has an increasing impact, especially in open economies like the Netherlands. Keeping track with the activities of multinational enterprises (MNEs) has become a challenging task, in particular when it comes to describing the relations with the rest of the world, both financial and non-financial. In the Netherlands BOP/IIP statistics have traditionally been compiled by the central bank, while the sectoral accounts (as part of national accounts) by the national statistical institute. Although the operational cooperation between both institutions is close and has intensified over the years, the use of different sources and compilation

methods has resulted in significant inconsistencies between both data sets. These inconsistencies are difficult to explain and confuse users – particularly since methodologies in international statistical manuals have been harmonized. De Nederlandsche Bank and Statistics Netherlands therefore made a strategic decision to integrate the compilation processes for BOP/IIP statistics and sectoral accounts. After implementation it will be a joint process which will result in fully consistent BOP/IIP and the rest-of-the-world accounts. This presentation will explain the rationale behind the cooperation, its benefits and elaborate on the current projects aiming to ensure the future consistency and at the same time to foster quality. It covers issues like the design of new joint reporting forms, the development of a joint revision policy, combining knowledge/taking advantage of comparative advantages and the agreement on a clear division of tasks for the whole statistical process from data collection to dissemination. The cooperation also poses some more practical and human resources issues, which will be addressed as well.

10. *Highlights and Challenges of Measuring Global Production* by BEA will introduce some of the recent initiatives and challenges of measuring global production from the U.S. perspective. It focuses on: 1) efforts to develop new statistics for global value chain analysis and 2) challenges associated with measuring global production, including price and volume. The presentation will describe recent research at the Bureau of Economic Analysis on these issues.

11. *How to implement the principle of economic ownership* by Eurostat will elaborate on the relevant texts in the 2008 SNA and the Guide to Measuring Global Production concerning the (change of) economic ownership principle in the rest of the world accounts. Ownership is a crucial element of the SNA. The fundamental units identified in the system are the economic units that can engage in the full range of transactions and are capable of owning assets and incurring liabilities on their behalf. The paper will also present the results of the elements concerning economic ownership of a recent survey among EU Member States carried out in the frame of the Eurostat's Integrated Global Accounts and Global Production (IGA) project.

12. *Measuring global production - results of a stocktaking exercise* by Eurostat will present the results concerning EU country practices in treating global production arrangements. The exercise was carried out within the frame of the IGA project and took place during the period November 2016 – January 2017. The purpose of the survey was to collect information from national statistical authorities about the current practices, main challenges and future intentions. The aim was to collect and share best practices and support EU Member States in implementing the international rules and recommendations. Twenty seven EU Member States and 4 European Free Trade Association (EFTA) countries responded to this survey. The responses provide comprehensive insights into the activities with respect to measuring the impact of globalization on national accounts and BOP statistics.

13. *Consistency between national accounts and balance of payments statistics – proposal for a multidimensional approach* will introduce the results of a data comparison between European BOP statistics and the rest of the world account (as part of national accounts) conducted by Eurostat. In 2014 the process of methodological convergence in the compilation of European national accounts and BOP was finally concluded. Hence, applying both methodologies, respectively the European System of Accounts 2010 (ESA2010) and the Balance of Payments and International Investment Position Manual, 6th

edition (BPM6), suggest a high degree of comparability and consistency both data sets. The essential question in this context remains how this methodological consistency is reflected in the statistical data. To investigate this Eurostat carried out a comparison based on available statistical data, surveys, quality reports, ad-hoc data confrontations and discussions with compilers. The paper will discuss possible reasons for inconsistencies, although the debate about the causes is still ongoing. Further, it tries to embed the consistency debate in a broader policy context and is complemented by an analysis of bilateral trade flows in services between the EU Member States. Through this a second dimension to the above issue is established – the geographical asymmetries in BOP/international trade in services statistics (ITSS).

14. *The OECD Handbook on Linking Trade and Business Statistics* - Many OECD countries are currently developing linked Trade and Business micro datasets from which new, policy relevant statistics on economic globalization are derived, for example on the differences in export intensity between large and small enterprises, or in the value added and output of trading and non-trading enterprises. These linked Trade and Business micro datasets also form a vital building block for developing Extended SUT and Integrated International Economic Accounts. However, linking trade and business statistics also involves important methodological challenges. To help overcome these, the OECD is currently developing a Handbook on Linked Trade and Business Statistics that brings together best practices on e.g. different microdata linking procedures, mitigating incomplete source data, grossing up, dealing with large and complex businesses, and confidentiality issues in data dissemination. This presentation will provide an overview of progress made so far and outlines next steps.

3. Data Exchange and Confrontation

Organizer: Statistics Finland

Contributions by: Statistics Canada, Statistics Finland, the International Monetary Fund (IMF), OECD and UNECE

15. Data exchange and confrontation is essential for improving quality and developing efficient ways to produce statistics. National Statistical Offices need to join efforts in providing a comprehensive view on MNEs, global production and international trade. The session will discuss country experience with both micro- and macro-data sharing and will provide information on ongoing international work.

16. *New approach to data suppression in macroeconomic accounts* by Statistics Canada will present the outcome of a recent review of the data suppression approach for the economic statistics program. In order to respect the requirements of the Statistics Act, Statistics Canada develops methodologies and approaches that suppress the release of tabulated or aggregated information if the published data can be manipulated to reveal the information provided to Statistics Canada in such a way that the information can be related back to an individual person, business or organization. The agency periodically updates its approach to reflect the latest statistical methods. The latest review in 2015 resulted in the development of a new approach that reflects an updated interpretation of the Statistics Act. It takes into account the increasing diversity of the Canadian business population and the evolution and increasing complexity of Statistics Canada's data products.

17. Issues, problems and recommendations identified in the *In-depth review on exchange and sharing of economic data* undertaken by the Bureau of the Conference of European Statisticians (CES) and the terms of reference of the newly established Task

Force on Exchange of Economic Data will be presented by Statistics Finland. The review was carried out in October 2016, based on a paper by Statistics Finland with inputs from a number of countries and organizations. The paper identified issues and problems and made recommendations on follow-up work in areas where progress is achievable, including the exchange of experience and development of coordination mechanisms, general guidance and principles for data exchange, and respective technological tools. Further, the Bureau stressed the urgent need to operationalize the exchange of data between national statistical offices, and asked a group of countries and organizations to identify key streams and priorities and develop terms of reference for a task force for further work in this area.

18. *The results of the survey of country experiences in exchange and sharing of economic data* will be introduced by Statistics Finland/UNECE. The survey was carried out in April 2016 among the CES member countries to gather information on country practices in the field of national data sharing and international exchange of economic data. Institutional arrangements and recommendations for international work in the area of data sharing were also collected. In spite of the short period 48 responses to the survey were received.

19. *Experiences of the OECD's Expert Group on International Collaboration for Microdata Access* will present lessons from the work of the Expert Group on International Collaboration for Microdata Access established by the OECD's Committee of Statistics and Statistical Policy. In particular, the presentation will focus on best practices in the exchange of microdata between administrations and national statistical offices within and across countries.

20. *The exercises conducted based on the 2015 and 2012 Coordinated Direct Investment Survey (CDIS) releases* will be presented by IMF. The purpose of these exercises was to bring attention to large bilateral asymmetries, encourage countries to address them, and foster the relevance of the CDIS metadata questionnaires. Also the internal tool which IMF is using when approaching countries bilaterally to discuss discrepancies and other CDIS/IIP data issues will be explained.

21. *The progress related to data sharing in implementing the Second Phase of the G-20 Data Gaps Initiative* will be reported by Statistics Finland.

4. Large and complex enterprises units and international profiling

Organizer: UNECE

Presentations by: Australian Bureau of Statistics (ABS), Statistics Canada, Statistics Denmark, Federal Statistical Office of Germany (Destatis), Central Statistical Office (CSO) of Ireland and Eurostat

22. This session will be devoted to sharing countries' experience and identifying best practices in organizing large case units (LCU) - special units that deal with the large and complex enterprises as well as work on profiling enterprises. The session also aims to enhance international cooperation in this area.

23. The ABS has a dedicated program that profiles large complex firms. *Profiling Multinationals in Australia and the impact on the National Accounts* discusses practices that occur in the profiling program and how the national accounts through the SUT framework provide further consolidation to ensure accuracy. However, as more off-shoring occurs in Australia with the decline in manufacturing, this is becoming more difficult. Additional complexity is also experienced as international online content is imported in Australia, including intellectual property products that are purchased for capital formation.

24. *Large Case Unit in Statistics Canada* is primarily tasked with managing the collection relationship with the largest and most complex companies which are required to respond to business surveys. It has been operating for over a decade and although initially its focus was on profiling and data collection its duties were expanded to also perform coherence analysis on the collected information. In 2016 the LCU was used to pilot the collection of a number of variables required to measure global production. The results of the pilot were the basis for launching a wider collection of these data through some of Statistics Canada's regular annual surveys. This presentation will give an overview of how the LCU is organized and how its work is being conducted, as well as a summary of how the pilot was carried out and its results.

25. *Setting up an LCU network organization: Why, how and who?* will introduce an ongoing project in Statistics Denmark on setting up a LCU, which involves both data driven profiling and data confrontation using national accounts methodology to ensure timely consistency across individual statistical domains. Experiences will be shared and questions will be raised regarding how to meet some of the challenges in the project and how to make sure to harvest the gains from having a LCU in the longer run.

26. *Introducing Profiling in Germany* by Destatis will discuss the introduction of profiling as a new task of the statistical business register in Germany. Profiling in Germany aims to analyze the structure of enterprise groups in order to identify within them the enterprises as defined by European law (Council Regulation 696/93). Profiling in this sense does not include data collection for enterprises besides core variables. It aims to identify the enterprises in national perimeter. The presentations will address setting the target population for which to use the highly resource intensive manual profiling, defining the main points of interest to users, organization and sharing the work in the statistical office and how to achieve coordination and cooperation in international aspect.

27. *Large cases unit in Ireland* will present the functioning of the Irish CSO's LCU with a particular focus on respondent engagement. A key feature of the work of the Unit is the outreach with large MNEs and the nature of this interaction is addressed together with more general information on the operations of the Unit. The fact that Balance of Payments and International Trade in Goods are compiled in CSO means that in addition to the administrative data sources available to the unit there is a very significant amount of survey data also. The assessment of data and the quality framework will also be discussed.

28. Eurostat will provide an update of the *Euro Group Register and profiling of the largest multinational groups* in the EU.

5. Price and Volume Measures

Organizers: Statistics Norway

Contributions by: Australian Bureau of Statistics, Czech Statistical Office, Statistics Norway

29. International guidance on price and volume measures in relation to global production needs to be strengthened. As a first step countries will share information on the methods they are applying to compile volume estimates of those categories of goods and services that are typically observed inside global production arrangements.

30. *The challenges in compiling price and volume measures related to processing* will be described in an issue paper prepared by Statistics Norway.

31. *Deflation of merchanting, processing and re-export* by the Czech Statistical Office will present the methods for estimating volume measures in Czechia. Globalisation has a big impact on national accounts. Currently the attention is mainly focused on the estimation

at current prices; however, volume measures need to be addressed as well. The Czech Statistical Office has developed a new deflation method for merchanting and re-exports. The approach for processing has also been changed in order to reflect the new definition. All improvements have been implemented in SUT where the deflation process is carried out.

32. *Measuring prices and volumes for globalisation* by ABS provides details on price measures and in turn their impact on measurement of volumes. Producer Price Indexes and International Trade Price Indexes provide the basis for estimating prices. In recent years the ABS has done significant work on measuring prices for services output. With large businesses in Australia contributing a significant proportion of value added to the economy the choice of price deflator can potentially impact on GDP growth. However, from a national accounts perspective average price deflators are applied to aggregated estimates rather than to individual businesses. This paper discusses some of the methodology for price deflation and its application to national accounts to obtain volume measures.

6. Global production insights

Organizer: Statistics Canada

Presentations by: Statistics Canada, CSO of Ireland and OECD

33. This session will explore some of the uses, analysis and findings that countries have gathered using the new global production related statistical products. This session will encourage countries in the development of these products and generate ideas regarding their analytical application. It will also touch upon the approaches that countries have taken in communicating and involving main users and survey respondents in collecting and disseminating data on global production.

34. New perspective of Canada in a global economy will provide information on a number of innovative statistical products developed by Statistics Canada. Canada has a relatively small open economy, and over the last 90 years, Statistics Canada has developed and disseminated a rich set of data that measures Canada's transactions with the rest of the world. While these data have served policy makers, academics and citizens well, they are losing relevance in the globally interconnected world. Roughly a third of Canada's GDP is related to international trade in goods and services and more than 12% of all jobs are linked to FDI in Canada. Non-residents hold more than USD 1 trillion in Canadian government and corporate bonds. The Canadian economy is open for business to the rest of the world, and if we do not have the proper tools to examine that changing role, we cannot develop appropriate policy that leads to a strong and stable Canadian economy. It is no longer enough to simply report what is traded and where it goes or comes from. Policy makers want to know who is trading, what Canada's value added is in the global value chain, how exposed we are to global financial markets and what the FDI outcome is. Over the last three years, innovative data products were developed to help telling the story of Canada's changing role in the global economy. This paper highlights some of the latest insight Canadian policy makers have been able to glean from these new products.

35. *Economic Statistics Review Group* was convened in September 2016 by the CSO of Ireland following the publication of the 2015 National Income and Expenditure results for Ireland in July 2016, and as part of its commitment to meeting user needs. The mandate of the Group was to develop recommendations on how best to meet the statistical needs of users of CSO statistics, in particular national users, and to provide guidance on the development of a broader suite of domestically-focused economic indicators and information to supplement internationally agreed measures of economic activity (GDP, gross national product). Statistics currently published by the CSO such as data on

employment and earnings and information on personal consumption and expenditure are important indicators of the domestic economy, but the discussions of the Group also covered the need for additional indicators or for developments of detail in existing indicators. The Group met between September and November 2016 and submitted a report to the Director General of the CSO on 23rd December 2016. The report and the contributions to the work of the Group were published on the CSO's website on 3 February 2017, along with the CSO's initial response to the report.

36. *Update on Country by Country reporting under the base erosion and profit shifting (BEPS) project.* The OECD's BEPS project has established a requirement that large multinational enterprises (MNEs) submit with tax authorities new country-by-country reports (CbCR). As part of the BEPS project it was also agreed that countries would provide to the OECD tabulations of the data collected through the CbCRs, but on an anonymised and aggregated basis. The CbCRs will include important economic and financial information for MNEs in all the jurisdictions where they operate. CbCRs will allow tax authorities to better monitor the activities of MNEs and where they pay taxes for risk assessment purposes. This presentation will provide an overview of the CbCR requirements and timeframes, and the opportunities that this presents for improved measurement and monitoring of BEPS.

7. Global accounts

Organizer: OECD

Contributions by: CSO of Ireland, Bank for International Settlements (BIS), UN Economic Commission for Africa (UNECA), Eurostat, IMF, OECD and UNSD

37. This session will provide information on the work done at international level in order to appropriately capture globalization and provide tools for analysis of global value chains.

38. *Findings of the OECD Expert Group on Extended Supply and Use Tables and an update on TiVA* will present the findings and recommendations from the OECD Expert Group on Extended Supply and Use Tables (SUTs) and provide an update on the Trade in Value Added (TiVA) database, including developments on the creation of a global TiVA network and progress, and national data requirements, on nowcasting approaches for more timely TiVA estimates.

39. *Establishing a TiVA Database in Africa: Challenges and Methodology* will introduce the project on building a regional TiVA database implemented by UNECA together with other partners (OECD, WTO, the World Bank, and a set of African countries). The presentation will especially focus on the first two stages: bringing countries together and compilation of SUTs. Bringing countries together includes identifying their needs and demands, assessing their current situation in terms of technical capacity and data availability, and achieving various goals and objectives for groups of countries based on the level of their statistical developments. SUTs need to be compiled taking into account the African specificities but still meeting the needs of the TiVA database. Two particular challenges have to be dealt with. The first one is the measurement of the informal economy, which is widespread in Africa. While TiVA assumes a certain degree of comparability of firms within a given industrial sector, this is clearly not the case when comparing formal with informal firms. Thus, a plan of action on how to treat each industry with its formal and informal component has to be carefully considered. It will be subsequently incorporated into the regional and later global TiVA database. The second challenge is the scarcity of data in the national statistical offices in Africa with limited technical and financial resources and the need to develop methods for effective use of administrative data sources.

40. *The EU Inter-country Supply, Use and Input-Output Tables (FIGARO Project): recent progress* by Eurostat and DG Joint Research Centre will present the state of art of the project, with a particular focus on the solutions to the methodological issues raised during the process of constructing the tables: econometric estimations of cif/fob margins; econometric estimations of missing bilateral services trade; alignment of trade statistics and national accounts data. The FIGARO Project aims to produce experimental EU-Inter Country Supply, Use and Input-Output Tables for the year 2010 in line with the ESA 2010. From the experience gained in the project, a statistical production process will be designed so that Eurostat can start publishing these types of tables on a regular basis. The project also has an institutional perspective by setting up consistent tables, recognised by international agencies such as the OECD, UNSD and the National Statistical Offices of the EU Member States, all of which participate in the discussions on consistency between national trade data and international trade databases. Besides the construction of the EU Inter-country Supply, Use and Input-Output Tables, the project also covers links to employment, capital and environmental accounts and to the work of the OECD Expert Group on Extended SUT.

41. *Globalisation and financial stability risks: is the residency-based approach of the national accounts old-fashioned?* by BIS will analyse how to collect meaningful data to assess consolidated risk exposures. The Great Financial Crisis of 2007-09 and its aftermath have emphasised the need for a global approach when assessing financial stability risks. One difficulty is that the traditional apparatus, especially the SNA, relies on the criterion of residency to capture statistical information within countries' boundaries. In particular, this paper argues that data collected along the residency-based SNA concept can be usefully complemented by a nationality-based, global approach. This requires the establishment of a framework for assessing financial positions on a so-called "nationality-basis", that is, at a globally consolidated level.

42. The second part of the session will present selected issues from the UNSD Handbook on accounting for global value chains: a system of extended national accounts and integrated business statistics, which is developed by the UN Expert Group on International Trade and Economic Globalization Statistics (ITEGS).

43. The growth in economic globalization and the fragmentation of production calls for a different set of economic accounts and business statistics that can provide accurate, timely and relevant macroeconomic and business statistics from a global value chain (GVC) perspective. The work of UN ITEGS on developing a *Handbook on Accounting for global value chains: a system of extended national accounts and integrated business statistics* will be presented by CSO of Ireland (chair of the Group). The Handbook elaborates a system of extended national accounts and integrated business statistics to provide a national perspective on globalization based on a GVC model. This project builds on work done by the OECD, UNECE, WTO, IMF and others in the measurement of globalization.

44. *Measuring Global Value Chains* by UNSD describes the template that is proposed in the Handbook for analysing a GVC for the automotive industry. GVCs are playing an increasingly important role in business strategies regarding the broad stages of production from upstream research and design, through manufacturing, to downstream logistics, marketing and sales. Measuring these GVC linkages from a national perspective is particularly challenging. For this purpose the handbook describes case studies on GVC for the automotive industry and presents a template to facilitate the case studies of other GVCs.

45. *The financial side of GVCs* by IMF describes the related financial transactions to global value chains discussed in the Handbook. While flows of goods and services in a supply chain become increasingly integrated and optimized, the same cannot always be said of financial supply chains. A common risk lies in the disruption of physical supply chains due to frictions between buyers and suppliers regarding liquidity requirements.

Furthermore, the “operational” financing of the supply chain exists in addition to the finance function particular to multinationals engaged in FDI (profit repatriation, arbitrage, exploitation of tax differences, source proximity). The presentation, by the IMF, will explore the financial instruments and finance options of companies in a supply chain and the rise and role of “fintech” companies since the financial crisis, share some insights of case studies on supply chain financing of globally producing companies (in the US, Germany, Uganda, and Chile), and discuss the ONS’ case study on identifying MNEs that utilize special purpose entities.

7. Information items: EU Task Force on factoryless goods producers

Contribution by: Eurostat

46. This session will provide information on the progress of work of the *EU Task Force on Factoryless Good Producers*. In order to advance the work research agenda of the Guide to Measuring Global Production Eurostat has set up a Task force to work on the identification of Factory less goods producers. Due to costs and response burden it is not realistic to expect that a large survey of this type of companies could be launched. For this reason the EU Task Force considered possible options for restriction of the scope of investigation. It was agreed for reasons of cost effectiveness to have a 2 step methodology:

- identification of potential FGPs through examination of available indicators based on the characteristics of these enterprises.
- Introduction of additional questions in existing surveys to verify the FGP status of the sample collected in the previous step.

47. At this stage the Task force has agreed on a definition of FGPs, identified indicators for the identification of potential FGPs and is now discussing the integration of questions in the International sourcing survey and Community innovation survey. Structural business statistics and profiling were also considered possible sources to be used. The EU Task Force is working in close collaboration with the United Nations ISIC Technical sub-group that is also investigating the same subject

7. Future work and adoption of the report

48. In this session, the proposals for future work will be presented and discussed. The report containing main decisions of the meeting will be put for adoption.
