

## Minutes

### Face-to-face meeting of the Task Force on exchange and sharing of economic data

Monday – Tuesday, 16 – 17 April 2018

Country/organisation	Name
Canada	Jim Tebrake (WebEx)
Finland	Timo Koskimäki, Chair
Finland	Kristian Taskinen
Ireland	Ruth O'Shaughnessy
Italy	Simone Ambroselli (WebEx)
Mexico	Rodolfo Ostolaza
Netherlands	Mark de Haan (WebEx)
United Kingdom	Sanjiv Mahajan
United States	Patricia Abaroa (WebEx)
ECB	Tjeerd Jellema
Eurostat	Mushtaq Hussain
OECD	Mariarosa Lunati
UNSD	Ronald Jansen
UNECE	Alice Kovarikova
UNECE	Tihomira Dimova
UNECE	Rami Peltola

#### 1. Opening and the main messages from the CES Bureau

The Chair welcomed everyone and presented the agenda of the meeting. He also briefly reminded the Task Force about the objectives of the work and the main messages from the CES Bureau. Lidia Bratanova, Director of the UNECE Statistical Division, gave her advice to the group. The main point she made was that the UNECE work principally aims at giving guidance and recommendations to the countries belonging to the Conference of European Statisticians. The recommendations are not legally binding. UNSD often takes these recommendations further to the global level.

The following key messages came out from the opening discussion:

- There are many obstacles to data sharing. It is important to identify and strengthen the enablers.
- Some countries are quite reluctant to exchanging micro-data internationally. However, this does not mean that they cannot do it.
- It is extremely important to efficiently communicate the reasons for data exchange and justify the need for data sharing.
- The risk is that official statistics will not be able to capture all important international flows without good cooperation and data exchange between NSOs in different countries.
- There is a policy request for a global view to the operations of MNE Groups. Communication about the need for data exchange for statistics is the area where improvements are needed in the first place.
- In longer term, official statisticians should consider centralized data collection from MNE Groups. That would help in understanding the full picture, sharing the parts of MNE

activities to countries and keeping the global view consistent. It could also dramatically reduce the response burden of MNE Groups.

## 2. Legal aspects

Mushtaq presented the EU legislation related to data sharing. It includes elements that make data sharing mandatory, but also elements that enable voluntary data sharing. Timo highlighted certain links to national legislation.

Rami presented the *Guidance on the Common Elements of Statistical legislation* prepared by another UNECE Task Force. The guidance is not legally binding, but countries may use it when reviewing their statistical law. The Task Force on exchange and sharing of economic data has already influenced the work by commenting on issues related to data exchange. The guidance is now under electronic consultation for discussion in the Conference of European Statisticians in June 2018. The Task Force decided to provide further comments on a possible exemption from confidentiality for publicly available data derived from reliable sources.

Kristian presented the draft guidance on international data exchange developed in Finland. It was agreed that this document be further developed as a template for ad-hoc data sharing agreements.

The following points were made during the discussion:

- Enabling clauses of the law usually require additional contractual arrangements.
- Even if the EU legislation makes data sharing possible, we need to improve communication at the national level to overcome reluctance. There is a big difference if the law says “must” or “may”.
- The involvement of Central Banks in data sharing is quite crucial for consistency.
- Data received through contractual arrangements for the production of official statistics at the national level are rarely sharable without separate agreements with the counterpart.
- Terminology used in data exchange may need to be defined better, including the terms sharing, exchange and reconciliation.
- Exchange of publicly available data could help to improve the understanding of MNE Groups, but it may not be enough for statistical purposes. Surveyed data are needed for profiling, and NSOs may benefit most from the exchange of edited and validated data.
- Only proper profiling of enterprise groups enables efficient data exchange.
- Statistical cross-border data are central in data exchange, as well as basic data on turnover and employment.
- The process of deciding to engage in data exchange need to be defined in the template. Data exchange may build on a master contract covering the principles of data exchange in general, and more detailed contracts for individual data sets to be exchanged.
- Before exchanging confidential data, NSOs need to confirm that their counterpart has the necessary legal framework for the protection of confidential data and full commitment to ensure data confidentiality.
- When exchanging aggregated data without having an agreement on the exchange of confidential data, dominance rules need to be taken into account.

### Action:

- **Rami:** Share the relevant documents for commenting on the *Guidance on Common Elements of Statistical Legislation* (including a draft comment on the exchange of publicly available data) **by Thursday, 19 April.**
- **All Task Force members:** Provide your comments on the *Guidance* **by Thursday, 26 April.**

- **Timo:** Include our comments on the *Guidance* in the feedback from Statistics Finland and send them to UNECE Secretariat **by Monday, 30 April.**
- **All Task Force members:** Provide comments on the draft guidance on international data exchange to Kristian **by Friday, 27 April.**
- **Kristian:** Update the draft of guidance on international data exchange **by Friday, 11 May.**

### 3. MNEs and the data to be exchanged

Mark gave a presentation highlighting the difficulties of proper recording of global R&D networks and intellectual property taking into account MNE Groups' tax planning. The presentation is an excellent tool for communicating the necessity of international data exchange to stakeholders.

Ronald introduced the substance of the Handbook on accounting for Global Value Chains (GVCs), highlighted the issues around global enterprises, business lines and business functions, and stressed the need for close contact with global enterprises and the need for exchange of micro-data between statistical offices. The first results of the UNECE Task Force have been referred to in the chapter on bilateral asymmetries, data sharing and Global Groups Register.

Sanjiv briefed the Task Force about Eurostat's Gross National Income (GNI) pilot and Early Warning System, and highlighted their differences. The Early Warning System focuses on restructurings of MNE Groups while the GNI pilot includes exchange of real data. The GNI pilot is expected to shed light to the size of the current problems caused by globalisation and to show how much data sharing can actually help in solving them. The shortage of the exercise is that it covers only the European parts of the MNE Groups.

Patricia went through the first results of the Task Force's work on defining the firms that should be the focus of data exchange, classifying MNE Groups according to the ways they act globally and identifying the data items desirable for exchange. The Task Force concluded that classifying MNE Groups should not be the priority. The Task Force should rather study the existing ways of classifying MNE Groups, e.g. presented in the Handbook on accounting GVCs. The list of data items should be included in the template discussed earlier. It should be presented hierarchically including both qualitative and quantitative information. The hierarchy may include (1) publicly available data and aggregates, (2) classification data, (3) methodological and other metadata connected with the data processing and (4) confidential data.

Mariarosa presented OECD's work towards an Analytical Database on Individual Multinationals and their Affiliates (ADIMA). ADIMA will be based on publicly available data. The Task Force members welcomed OECD's work and recognized the strong collaboration of OECD with Eurostat's EGR and EWS, as well as the complementarity to UNSD's efforts to build the Global Groups Register. An important challenge is the building up of the necessary quality framework. While individual data points in those databases cannot be confirmed by using confidential data from NSOs, OECD is currently working with several NSOs to validate the data in ways that would not involve the sharing of confidential information, using e.g. cross-tabulations and correlations. An important contribution of ADIMA will be in helping NSOs to identify MNEs most relevant for their countries, and providing timely warnings of changes in the structure of these MNEs.

The Task Force members discussed the problem of different language used in statistics and in the business world. This is the main obstacle in the communication between NSOs and MNE Groups.

#### **Action:**

- **All Task Force members:** Provide Kristian with your comments on how to create a hierarchical list of desirable data to be exchanged **by Friday, 27 April.**

- **Kristian:** Prepare a draft hierarchical list of desirable data to be exchanged and include it to the template **by Friday, 11 March.**

#### 4. Large Cases Units

Rami presented the main points of the paper prepared by Mushtaq, Rami and Sanjiv. The Task Force members commented on the current draft and agreed to add more discussion on stakeholders and move potential benefits from LCU work more upfront in the paper.

A pilot LCU network could be established in the context of the biennial Group of Experts on National Accounts: Measuring Global Production. This meeting will take place next time in May 2019. A one-day seminar focusing on LCU issues may be organised back-to-back with the bigger meeting. The first task of the network could be to comment on the draft guidance prepared by this Task Force. The LCU network could be launched during the data sharing session of the Group of Experts on National Accounts in 23 May 2018.

#### **Action:**

- **Mushtaq, Rami and Sanjiv:** Update the paper as discussed during the meeting **by Friday, 4 May.**

#### 5. Technical aspects of data sharing

Mushtaq made a presentation on the main technical aspects of data sharing. The Task Force agreed that the first priority is to agree what to exchange. The technical solutions should be discussed, but at the later stage of the work.

#### 6. Obstacles & enablers

The Task Force agreed to add a new column to describe benefits of each aspect of data exchange in the summary table of obstacles and enablers.

#### **Action:**

- **Rami:** Add a new column and make a first attempt to fill it with benefits **by Thursday, 19 April.**
- **All Task Force members:** Develop further the new version of the obstacles and enablers table by sending your comments **by Friday, 4 May.**

#### 7. The meeting of the Group of Experts on National Accounts – data sharing session

Rami informed the Task Force that Albert Braakmann has agreed to act as a discussant for the data sharing session. The Task Force agreed that Kristian, Jim, Sanjiv and Michael will represent the Task Force as panellists. Timo will chair the session and give a brief general presentation on the Task Force's work. Rami will present the LCU paper. Other presentations for the LCU part will be made by Italy and Eurostat.

The Task Force members present in the meeting will meet over dinner on Wednesday, 23 May.

#### **Action:**

- **Rami:** Provide Albert with all available material **as soon as they are ready.**
- **Alice:** Post new material on a meeting website **as soon as they are ready.**
- **Alice:** Book a restaurant for the Task Force dinner **by Friday, 4 May.**

## 8. Communication strategy

The Task Force discussed the possible audiences to whom to promote the results of work. These include Chief Statisticians, MNE Groups and NSOs. Communication to MNE Groups need be carefully considered and planned focusing on the benefits to them. OECD's Business and Industry Advisory Committee could be a possible channel to discuss with the representatives of businesses. Another possibility for such discussions would be with the professional associations and lobbyists in Brussels.

The Task Force agreed to communicate the results of its work at the following meetings:

- Group of Experts on National Accounts (23– 25 May, 2018)
- Conference of European statisticians (18– 20 June, 2018)
- OECD Working Party on National Accounts (5– 9 November, 2018) TBC
- UN Advisory Expert Group on National Accounts (December 2018) TBC
- UN Statistical Commission (4– 8 March, 2019) TBC

UNSD will look into the possibility of organizing the High-Level Seminar on the Monday preceding the Statistical Commission in March 2019 on the theme of the exchange of sensitive economic data among national statistical offices. Further, the work should be discussed in the other suitable fora (Eurostat, G20, etc.).

### Action:

- **Rami:** Include the list of events for promoting the work in the minutes of the meeting **by Friday, 20 April.**
- **All Task Force members:** Share additional ideas for suitable fora to present the work **by Friday, 11 May.**

## 9. Next meetings

To discuss feedback from the Group of Experts on National Accounts and to prepare the session in the Conference of European Statisticians, the Task Force agreed to meet on 23 May 2018 at 19:30. The meeting will be over dinner. Therefore, WebEx connection will not be possible.

The next WebEx meeting will take place on 30 or 31 May 2018 at 15:00 Geneva time. The Doodle Poll is available at: <https://doodle.com/poll/ffadd496c8bbw8xf>. This meeting will be for finalizing the presentation for the Conference of European Statisticians.

Another Webex call will be held on Wednesday, 20 June at 15:00. It will discuss feedback from the Conference of European Statisticians and agree on further work in phase 2 of the Terms of Reference.

### Action:

- **Alice:** Make practical arrangements for the above mentioned meetings **in time.**
- All Task Force members: Indicate your availability for the next WebEx **by Friday, 27 April.**

## 10. Other business

UNECE to invite Poland to join the Task Force.

### Action:

**Timo, Rami and Alice:** Meet with the Director General of NSO Poland **on Wednesday, 19 April** and ask him to nominate their representative to the Task Force.