

CONFERENCE OF EUROPEAN STATISTICIANS

Approved

Meeting of the 2016/2017 Bureau
Geneva (Switzerland), 14-15 February 2017

Item III (a) of the Provisional
Agenda

**TERMS OF REFERENCE FOR THE TASK FORCE ON EXCHANGE AND
SHARING OF ECONOMIC DATA**

Prepared by Statistics Finland and UNECE

*The CES Bureau carried out an in-depth review of exchange of economic data and data sharing in October 2016. As an outcome of the review, the Bureau asked a group of countries and organizations to identify key work streams and priorities for further work in this area and to develop terms of reference for a task force. **The Bureau was invited to review and approve the proposed terms of reference for the Task Force on exchange and sharing of economic data.***

I. BACKGROUND

1. To ensure continued meaningful and correct measurement of global production and trade, and to understand their influence on macro-economic and business statistics, many statistical offices are considering the possibilities for more effective exchange of data, especially on the most complex multinational enterprises (MNEs). New data exchange mechanisms may be needed, nationally and internationally, to enhance the coherence and relevance of economic statistics and the efficiency of their production. There is an urgent need to analyse the risks of data exchange and find the most efficient way to enable the necessary sharing of economic data (including information on business structures) in statistical production.

2. The *Guide to Measuring Global Production*, developed jointly by UNECE, Eurostat and OECD, identifies as a priority the need to develop new methods and sources for collecting and compiling statistics on the largest and most complex MNEs in a consistent and effective way. The Guide also notes the limits of national and international data sharing among producers of official statistics due to legal and confidentiality constraints, which in many cases seem to hamper the possibilities to improve the analysis of MNEs.

3. The 2015 and 2016 meetings of the joint UNECE/Eurostat/OECD Group of Experts on National Accounts recognized that data exchange is essential when looking for solutions to the challenges related to global production, and asked international organizations to consider ways to facilitate exchange and sharing of economic data. Countries emphasized the need for data confrontation and exchange between the producers of economic statistics within a country and between countries to enable proper data validation and improve quality, relevance and consistency of data across domains. National circumstances, legal and technological

challenges will need to be considered as well as possible risks, for example related to trust of respondents and the general public, and privacy issues.

4. In view of these developments, the Bureau of the Conference of European Statisticians (CES) decided to undertake an in-depth review of the exchange and sharing of economic data. 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 possible follow-up in areas where progress is achievable, including the need to develop coordination mechanisms, exchange experience, develop general guidance and principles for data exchange, and develop technological tools for this purpose.

5. As an outcome of the review, the Bureau emphasized that national and international data exchange is a prerequisite for statisticians to be able to depict economic reality, profile multinational enterprises and provide meaningful data on their activities. The Bureau stressed the urgent need to operationalize the exchange of data between national statistical offices (NSOs), 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.

II. MANDATE

6. The Task Force is established under the CES Steering Group on National Accounts. The Task Force reports to the CES and its Bureau. It will be created for three years, after which it will submit a final report.

7. The results of the work will be discussed by the Group of Experts on National Accounts and the Group of Experts on Business Registers, as relevant. The Task Force will also consult the Intersecretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group (AEG) on National Accounts to ensure effective coordination of work.

III. OBJECTIVES

8. The objectives of the Task Force are twofold. At the first stage the Task Force will analyse the concrete examples of data exchange implemented by NSOs that help statisticians to depict economic reality, profile MNEs and provide meaningful data on their activities. Through these concrete examples, the Task Force will identify enablers and obstacles of data sharing and review the practical requirements of data exchange.

9. At the second stage, the Task Force will develop guidance, tools and principles to facilitate the exchange of economic data (including granular data and information on business structures) by NSOs. The guidance will also highlight innovative ways to exchange economic data to increase the quality, coherence and granularity of statistics and the ability to better analyse the activities of MNEs.

10. The work will build on existing national and international experience, including the

results of related initiatives of UNSD, Eurostat, OECD, WTO and IMF.¹ The Task Force will ensure coordination with and input to corresponding work undertaken by the Expert Group on International Trade and Economic Globalization Statistics (ITEGS), the G20 Data Gaps Initiative, Eurostat's Integrated Global Accounts (IGA) –projects, the CES Task Force on Common Elements of Statistical Legislation and the Data Integration Project under the UNECE High-level Group for the Modernisation of Official Statistics.

IV. PLANNED ACTIVITIES AND OUTPUTS

11. The Task Force will undertake its work in two stages. At the first stage (April 2017 – June 2018) the following activities will be carried out:

- a) Review concrete examples where data exchange implemented by NSOs has ensured correct and meaningful measurement of multinationals and their activities in national accounts, balance of payments and related statistics and would help avoid asymmetries and misinterpretation;
- b) Identify enablers and obstacles of data sharing based on the review and propose practical options for carrying out data exchange.
- c) Propose ways to detect those MNEs and major changes in their activities that are central for the quality of official statistics.

12. The output of this stage will be a report which defines enablers and obstacles to data sharing and suggests practical solutions and tools to be further developed.

13. At the second stage (July 2018 – June 2020), the work will take forward solutions and tools identified at the first stage. This is likely to include, inter alia:

- d) Identify innovative ways to exchange of economic data (including granular data and information on business structures) on MNEs and on aggregated level.
- e) Based on concrete examples and sharing of experience, develop guidance, tools and principles for the exchange of data that would enable the NSOs to maintain the quality of national accounts, balance of payments and related economic statistics. Review the application of existing typologies for data sharing. The guidance should take into account confidentiality, respondents' trust and legal constraints, and consider:
 - i. Data exchange on MNEs among producers of official statistics;
 - ii. Access to the necessary external data sources, including administrative and private data sources;
 - iii. Technical, methodological and communicational aspects of MNE data exchange;

¹ The ITEGS handbook on Accounting for Global Value Chains: a System of Extended National Accounts and Integrated Business Statistics, the European Statistical System network on use of administrative and accounts data for business statistics, the project on Full International and Global Accounts for Research in Input-Output Analysis (FIGARO), the OECD Expert Group for International Collaboration on Microdata Access, the OECD-WTO work on measuring trade in value added (TIVA), Working Party on International Trade in Goods and Trade in Services Statistics (WPTGS) and the International Monetary Fund's work on foreign direct investment asymmetry table.

iv. Good practices in analysing MNEs' activities in official statistics.

14. The main output of this stage will be guidance on national and international exchange of economic data.

15. The Task Force may also organize specialized sessions or workshops on the exchange and sharing of economic data.

V. TIMETABLE

16. The work of the Task Force should be conducted during the period from February 2017 to June 2020, according to the tentative timetable below.

First Stage (April 2017 – June 2018)	
Apr 2017	Launch the Task Force and confirm the participating countries and organizations.
Apr-May 2017	Agree on detailed work programme and division of work (possible meeting back-to-back with the Group of Experts on National Accounts).
Jun-Sept 2017	Review concrete examples where data exchange would help avoid asymmetries and misinterpretation (activity a).
Oct 2017- Jan 2018	Identify enablers and obstacles of data sharing (activity b) and find ways to detect the most relevant MNEs (activity c).
Feb 2018	Presentation of the initial findings to the CES Bureau.
May-June 2018	Presentation of the first results and discussion at the 2018 Group of Experts on National Accounts to identify innovative practices (activity d).
Second Stage (July 2018 – June 2020)	
Jul 2017-Mar 2019	Drafting the guidance with good practices (activity e). Consultation with other relevant Expert Groups.
May 2019	Discussion of the draft guidance (activity e) and sharing of new innovative practices (activity d) at the 2019 Group of Expert on National Accounts.
May-Aug 2019	Finalizing the guidance with good practices (activity e).
Sep 2019	Submit the report to the CES Bureau.
Oct-Dec 2019	Electronic consultation of the guidance among CES members.
Jan-Mar 2020	Finalize the report based on the feedback received.
Apr 2020	Submit the report to the CES plenary session for endorsement in June 2020

VI. METHODS OF WORK

17. The Task Force will mainly work via email and telephone conferences. However, face-to-face meetings should be scheduled to formulate a more detailed work plan and discuss its tasks. In order to be cost effective the face-to-face meetings could be organized alongside

with the meeting of the Group of Experts on National Accounts or other relevant international meetings.

VII. MEMBERSHIP

18. The following countries and international organizations have expressed their interest in participating in the Task Force: Canada, Denmark, Finland (Chair), France, Ireland, Mexico, the Netherlands, United Kingdom, United States, Eurostat, IMF, OECD, UNECE, UNSD and WTO. Other countries or organizations are also welcome to join the Task Force.

19. The Task Force should involve experts on national accounts and balance of payments as well as business statistics, foreign trade and other related economic statistics.

20. UNECE acts as Secretariat of the Task Force.

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