

Session 3 C

International data exchange

Discussion



Need for better data

- Without data, typologies and recommendations are only theoretical. May even be misplaced - global production arrangements may be different in the "real world".
- Will reports for affiliates or SPE's be sufficient for accounting for their role in production and ownership? Consistent with reports abroad?
- Or are domestic statistical regulations sufficient to collect financial statements for entire global enterprises directly from the MNE's?
- When collaboration is between unaffiliated enterprises, is it possible to get the necessary data?



The two papers

- Describe steps made to improve data collection through international cooperation.
- The Canadian paper presents a long term agreement and an infrastructure for exchange of trade data between partner countries. The agreement does not include details that may identify individuals or enterprises.
- The Finnish paper presents a project, where exchange of data concerning production is made between countries on enterprise level.



On the Canadian paper



- Provides an excellent basis for establishing a long term cooperation on exchange of data:
- The agreement is based on benefits for both countries of exchanging data.
- Emphasis is on exclusive use of the data for statistical purposes, and not including elements that identify individuals or enterprises.
- Alignment of registration and classification in both countries is required, and institutional structure and frequency of data exchange are outlined.

On the Canadian paper (cont'd)



- But more complex data than simple mirror data on trade are needed to analyze global production. This is also illustrated by the fact that the data needed to implement the SNA 2008 on processing and merchandising in Canada are not yet complete.
- Possible extensions covering FATS and regional supply and use data are mentioned. A follow-up on agreements on additional data will be interesting.
- Also interesting to know, how many efforts are involved in practice, and how differences between data sets were reduced due to the cooperation.

On the Canadian paper (cont'd)



- It must also be said that the agreement between Canada and USA is between neighbouring, and in many ways similar countries.
- Current global production chains involve countries far away from each other and with very different institutional structures.
- An agreement on data sharing between countries far from each other and with important differences in institutional structures and legal systems, especially regarding access to data and statistical systems, may need different steps.

On the Finnish paper



- The experience gained in the project presented here, comparing data in the framework of the ESSnet, is especially relevant for data exchange on global production:
- Statistics on foreign affiliates collected in the country, where they are residing (IFATS) have better coverage and are of a better quality than mirror statistics from the country of the controlling units (OFATS).



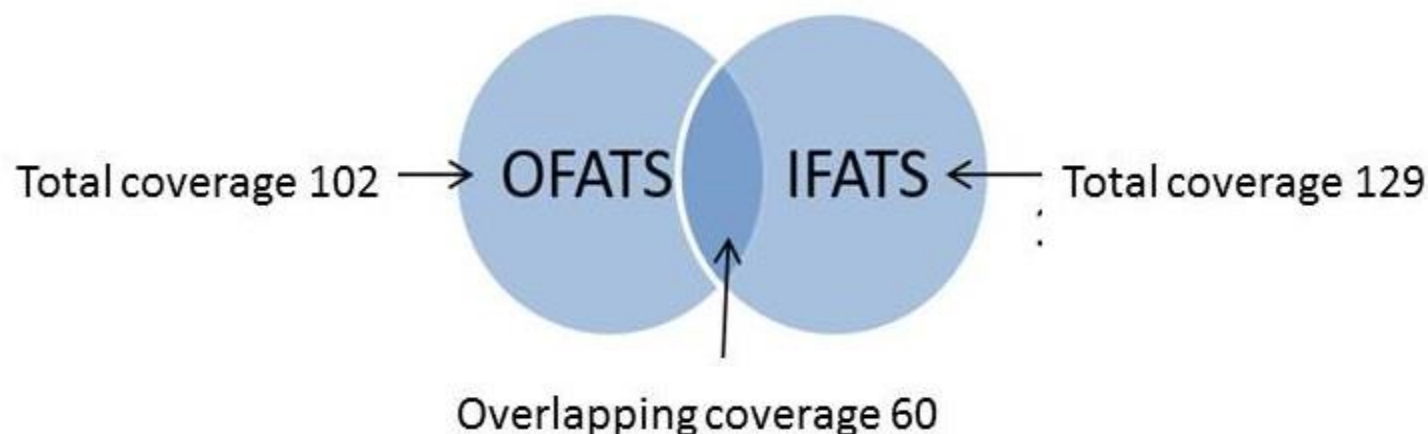
On the Finnish paper (cont'd)

- But an even more important experience is that both kinds of statistics needed quite large adjustments after the comparison.
- The coverage in the statistics of the countries differed very much – there was only partial coverage of the enterprises in both countries, and only a relatively small part of the coverage overlapped.

On the Finnish paper (cont'd)



Number of Norwegian affiliates in Finland



**Analysis on enterprise level was also used, and
“best estimate” was not 171 but 150**

On the Finnish paper (cont'd)



- In other words, it seems that some exchange of data on enterprise level cannot be avoided.
- It also turned out that it was important to find a consistent way to determine the residency of the ultimate controlling institutional unit (UCI) to avoid biases in the statistics.

On the Finnish paper (cont'd)



- To make the relevant comparisons on an enterprise level, confidentiality agreements had to be signed.
- It would be very interesting to focus on kinds of agreements signed – could such agreements be used for other countries, or is the situation in the Nordic and other European countries different due to existing regulations on statistical cooperation?
- The technical problems linked to exchange of confidential data would also be interesting. Are there innovative methods to preserve confidentiality for enterprise units?

On the Finnish paper (cont'd)



- In the end the authors mention alternatives to exchanging micro data in the ESSnet (that are perhaps easier to implement?) and could be used to improve the statistics:
- Alternative 1: Use the Euro Group Register (EGR) to agree on the UCI and share data of enterprises between producers of FATS statistics.
- Alternative 2: Co-operate bi-laterally with another statistical institute to provide feedback on how to improve the statistics.
- It is not clear, why these possibilities are shown as if there has to be a choice, it seems worthwhile aiming for both solutions simultaneously.

Additional frameworks

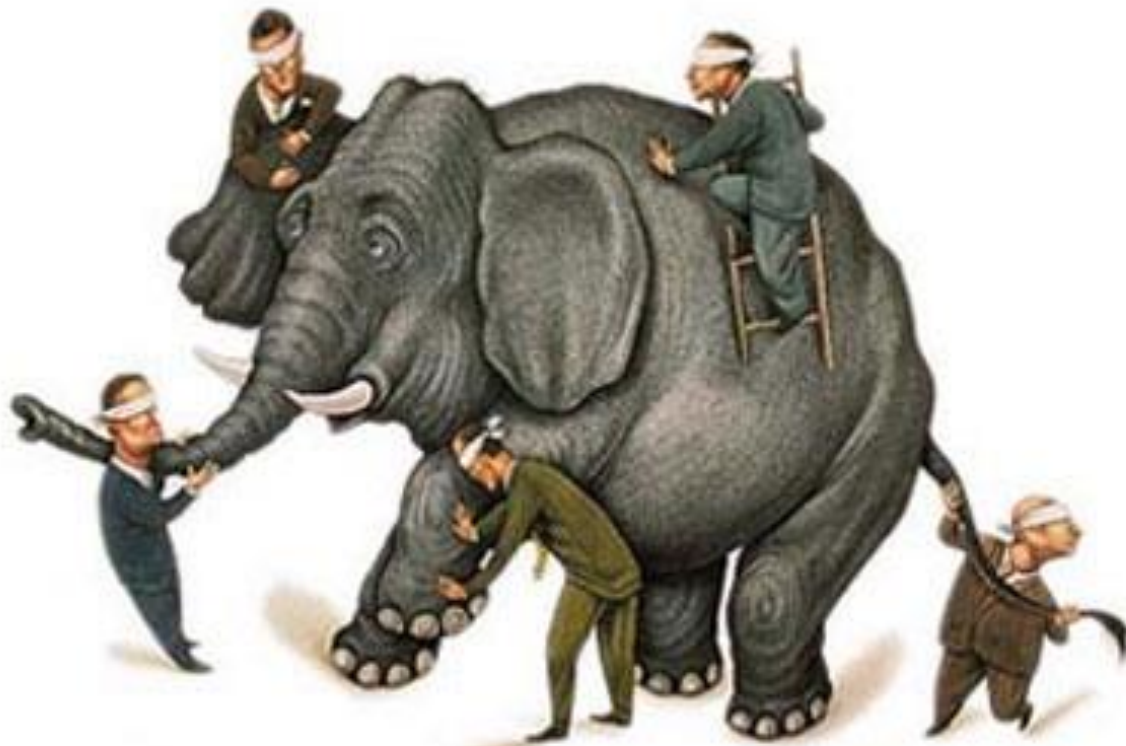
- Comparison of aggregate data are carried out in additional frameworks. F. ex. are merchandise trade data compared on a continuous basis in various international organizations.
- In 2014 OECD and WTO performed a comparison of trade including trade in services, covering 46 countries. This comparison showed that comparison of trade in services was more difficult than comparisons of merchandise trade. It also turned out that differences in classifications and registrations had important impacts.



Conclusion

- The papers give important directions for developing international data exchange. But more is needed.
- The importance of comparisons on enterprise level demonstrated means that good ways for preserving confidentiality must be sought.
- Progress on international alignment of registration and classification is also crucial.
- Hopefully many more countries will engage in international data exchange and extend the data exchange beyond trade and FATS. Otherwise we remain like the six blind men in the old story describing the elephant.





Thank you for your attention

