

Results of the survey on large cases units

Group of Experts on National Accounts
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UNECE

Survey by the Task Force

- **First survey round (March 2013)**
 - To provide an understanding of LCUs and identify best practices
 - Sent to 14 countries where consistency work had started
 - 10 replied: Canada, Czech Republic, Finland, France, Hungary, Ireland, Netherlands, New Zealand, Norway and Sweden
 - **Second survey round (April-May 2015)**
 - Countries that replied in 2013 updated information
- Chapter 6 on LCUs in the *Guide to Measuring Global Production* is being updated

Organizational aspects (1) – organizational place of LCUs

- 5 countries: within business statistics and/or national accounts
- 2 countries: in a centralized data collection department
- 1 country: respondent relationship management and ensuring data supply from large units part of an integrated data collection unit, other LCU work distributed throughout the organisation
- Some NSIs have created working groups or networks of experts to complement the LCU work

Organizational aspects (2)

- human resources

- Average size of LCUs: 0.5% of total staff
- LCUs' time use to tasks differs across countries:
 - Data analysis 15-50%
 - Profiling 5-50%
 - Surveying 0-30%
 - Coordination 10-20%
 - Visiting companies 5-20%

Organizational aspects (3) - skills and competencies of LCU staff

- Good communication and interpersonal skills
- Knowledge of accounting & business economics, especially in multinational enterprises (MNEs)
- Understanding of economic statistics and surveys
- Subject matter expertise on particular industries
- Good analytical skills
- Solid technical skills for data mining and analyzing

Organizational aspects (4) - use of data sources

- Various statistics used as data sources
 - All countries: business surveys
 - 87.5%: Investment surveys; register data
 - 75%: International trade in services; corporate accounts
 - 62.5%: International trade in goods; R&D; producers prices
 - 37.5%: Balance of payments survey
 - 62.5%: Other data sources

Operational aspects (1) - selection of examined enterprises

- Target:
 - most important and challenging respondents
 - who influence the quality of economic statistics
- Typically determined according to criteria such as:
 - Size, complexity and significance
- Population updates with varying frequencies
- Depending on the country, LCUs handle from less than 20 to more than 300 enterprise groups

Operational aspects (2) - respondent relationships

- Respondent relationship management at the LCU (and one contact person at the NSI) helps:
 - Decrease response burden
 - Increase the quality of data received
 - Reduce time in data collection
 - Provide a holistic view of the enterprise group
 - Tailor data collections

Operational aspects (3) - conceptual challenges of data reporting

- Complex concepts used in data collection
 - Align to enterprises' language
 - Clear instructions, definitions and examples
 - Study data available at the corporate level
- Detecting different global production activities:
 - Resident and non-resident activities
 - Merchanting
 - Goods for processing abroad
- Change of ownership
 - Difficult to identify due to lack of data sources
 - Different treatment (trade / national accounts)

Operational aspects (6) - data linkage and exchange

- MNEs included in most economic surveys
 - Often data reported by different units of the MNE
- LCUs link unit level data across statistics, including with trade surveys
 - Underlines the need for a common ID code
- Half of the countries exchange data internationally among NSIs on an ad-hoc basis
- Typically data exchange limited or prevented even among producers of official statistics of a country

Operational aspects (7) - solving data consistency issues

- Ways of solving inconsistencies :
 - Initiative by the subject matter department or LCU
 - Shared work with LCU
 - Regular working group meetings
 - Ad-hoc meetings
 - Contacts to respondents
- Some solve consistency issues only annually
- In short-term statistics comparable time series may be more important than structural correctness

Operational aspects (8) - types of global production cases analysed

- Cases of global production analysed most often:
 - Merchanting
 - Production abroad of materials owned domestically
 - Domestic production of materials owned abroad
- Half of the countries quite often encounter cases of factoryless production
- All countries had not yet implemented all of the cases suggested by the typology
- A couple of countries have encountered cases not fully covered by the typology

Conclusions

- LCU work – a useful tool for improving statistics
- Globalization continues to challenge statisticians
 - Complicated and evolving cases
 - Conceptual differences between statistics
 - Lack of suitable data sources
- Additional surveying: better understanding of MNEs
- Identified as a priority in the global consultation:
 - Review data sources and methods to compile data for complex MNEs
 - Study strategies and organization of LCUs
 - Share experience and provide practical guidance

Recommendations of the Guide

- Analyse the need for setting up an LCU
- Learn from other countries' experience
- Consider the alternatives of organizing LCU work
- Develop cooperation mechanisms and collaboration among producers of statistics, both nationally and internationally