

Main messages from the five papers:

Eurostat (2x), Canada/UNSD, Netherlands and Sweden

**UNECE Group of Experts on National Accounts
Item 4b: Global Production - Future Research**

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Papers cover three main topics

ISIC classification revisions:

1. *Eurostat Taskforce*
2. *Canada / UN Technical Subgroup on ISIC*
3. *Sweden*

New country case studies (examining global production arrangements)

4. *Netherlands*

Price and volume measurement

5. *Eurostat*

Classification issues (FGPs)

Factoryless Goods Producers (FGPs)

UNSD Technical Subgroup on ISIC

- Oct. 2014 meeting did not lead to changes in the existing guidelines
- May 2016 meeting develop (practical) guidelines for identifying FGPs and contractors.
- Background information on various modes of outsourcing.

Classification issues (FGPs)

Eurostat Taskforce

Develop (practical) guidelines for identifying FGPs and contractors. Test robustness of these methods.

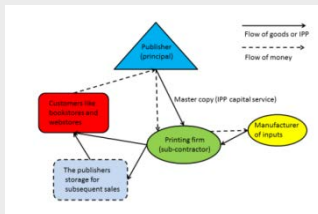
A few observations:

- Suggested markers: low inventories, high purchases of services (and not goods)?
- ISCO: seems good suggestion.
- Thresholds: distinction between NACE and Output classification.
- Good news is availability of new country studies

Conceptual issues: Sweden

The significance of FGPs and IPPs in ISIC

- goods/services/IPP dichotomy;
- What is manufacturing (activity, output, transaction, ownership)?



Publisher versus Printer FGP analogy

- publisher owns the books! Output of the publisher is books! Output of the printing firm is a service (evaporated material inputs)?

- Is a new set of rules required for ISIC?

Country example: Netherlands

Review of source data and cases

- I like the pragmatic approach *cf.* table 1: merchanting is captured via international trade statistics.
 - In Depth investigations via the LCU (Congo).
 - But this approach is at the same a concern:
the conclusions explain that a case-by-case investigation is the only way out.
- But this is very resource consuming and cannot be applied for all cases (smaller enterprises will not show up as cases at all).

Eurostat: price & volume measures

Merchanting and processing

Current price measurement is challenging, constant price estimates do not make life easier

–*Merchanting*: ‘double deflation’ extremely difficult even so corrections for holding gains/losses (inventories)

–*Processing*: suitable service producer price index (SPPI)

–There are no specific sections in CPA or NACE covering goods sent abroad for processing

Suggestions for future work and discussion

Work on global production is being continued (that's good news!).

–*Review of ISIC*: in the context of global production and FGPs should continue: gradual change or revolution?

Keep dialogue between ISIC and NA experts!

–*Measurement*: balance between *Case-by-case* (LCU/top-X) approach versus *generic* (measurement) methods?

–*Improving surveys* in respect of data item bridging ownership-cross border registration, common efforts?

–*Continuing the case studies*: exchange platform?

–*Price and volume measures*: status of 'wish list' under recommendation 8 of the Guide?

Thank you!

