



OECD WORK ON MNES

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Analytical Database on Multinationals and their Individual Affiliates (ADIMA)

Objective	Provide statistics on the scale and scope of international activities of MNEs, taking a ' whole of the MNE ' view
Other Initiatives	OECD BEPS, UNCTAD World Investment Report, Eurogroups Register (EGR), Traditional measures of internationalisation
Challenges	<ul style="list-style-type: none">• Scale: Weaknesses in previous measures due to differences between existence and scale, or a lack of data availability• Scope: Digitalisation blurs the boundaries to activity• Dissemination: Privacy restrictions prevent data sharing
Method	Blending traditional with emerging data sources, in a Big Data framework similar to modern social media platforms. Focus on open data with careful data validation
Output	<ul style="list-style-type: none">• A register of MNE affiliates• A set of indicators (at MNE and country level)• A timely monitoring tool of MNEs' restructuring
Use	<ul style="list-style-type: none">• Build on/contribute to other initiatives• Aid profiling work of NSOs and reduce asymmetries created by MNEs• Support narrative on trade-investment nexus and global value chains



TRADITIONAL →



ADIMA: A new approach to a register



xBRL™
THE BUSINESS REPORTING STANDARD

Annual Reporting



← EMERGING



PermID



GLOBAL
LEGAL
ENTITY
IDENTIFIER
FOUNDATION

Business Register
Serial Number



Website

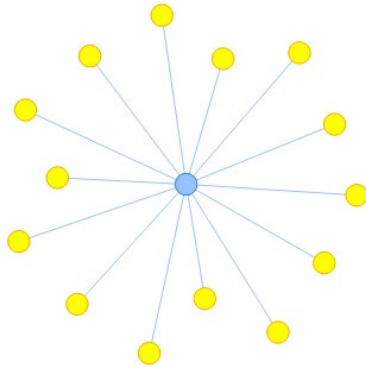


OpenStreetMap
The Free Wiki World Map



Wal-Mart Stores: Using only traditional sources

Network Graph



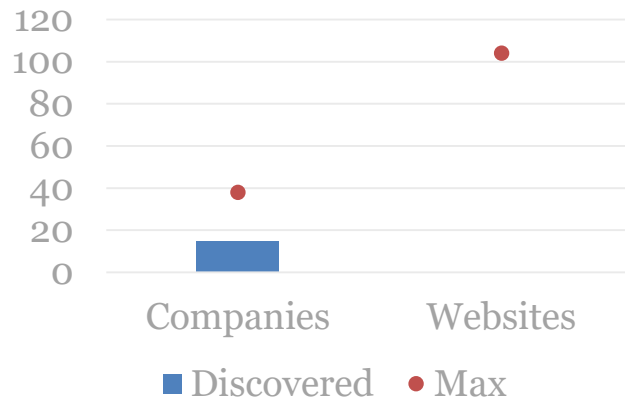
Data Sources

TRADITIONAL →



Annual Reporting

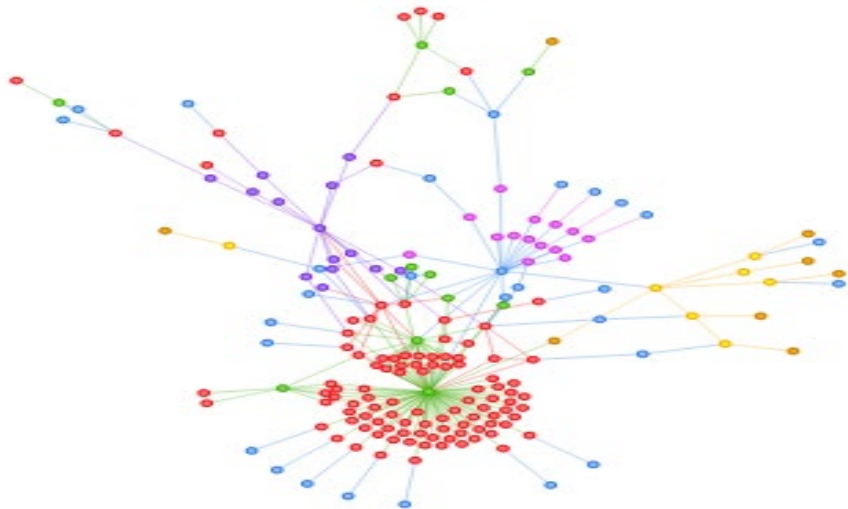
Identifiers





Wal-Mart Stores: With all other sources

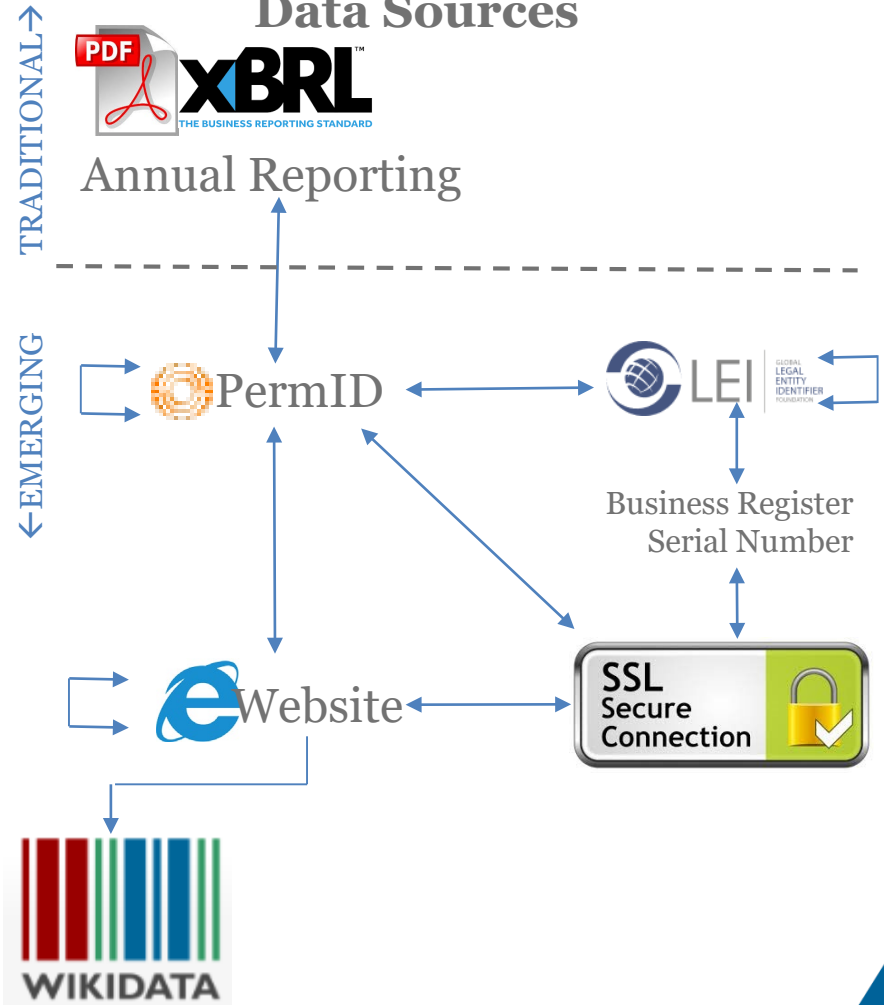
Network Graph



Identifiers

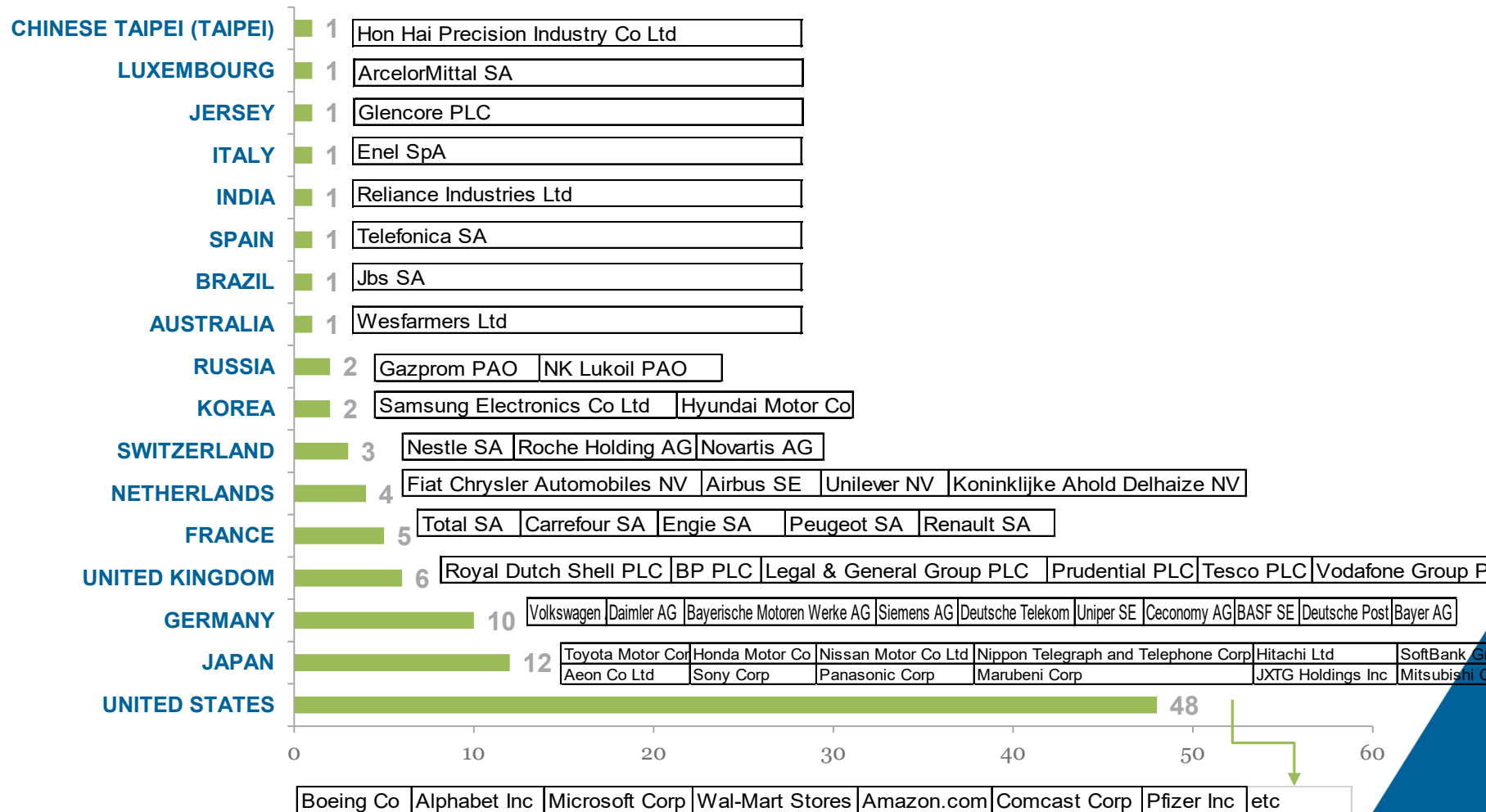


Data Sources





Headquartered in 17 countries, primarily OECD countries...

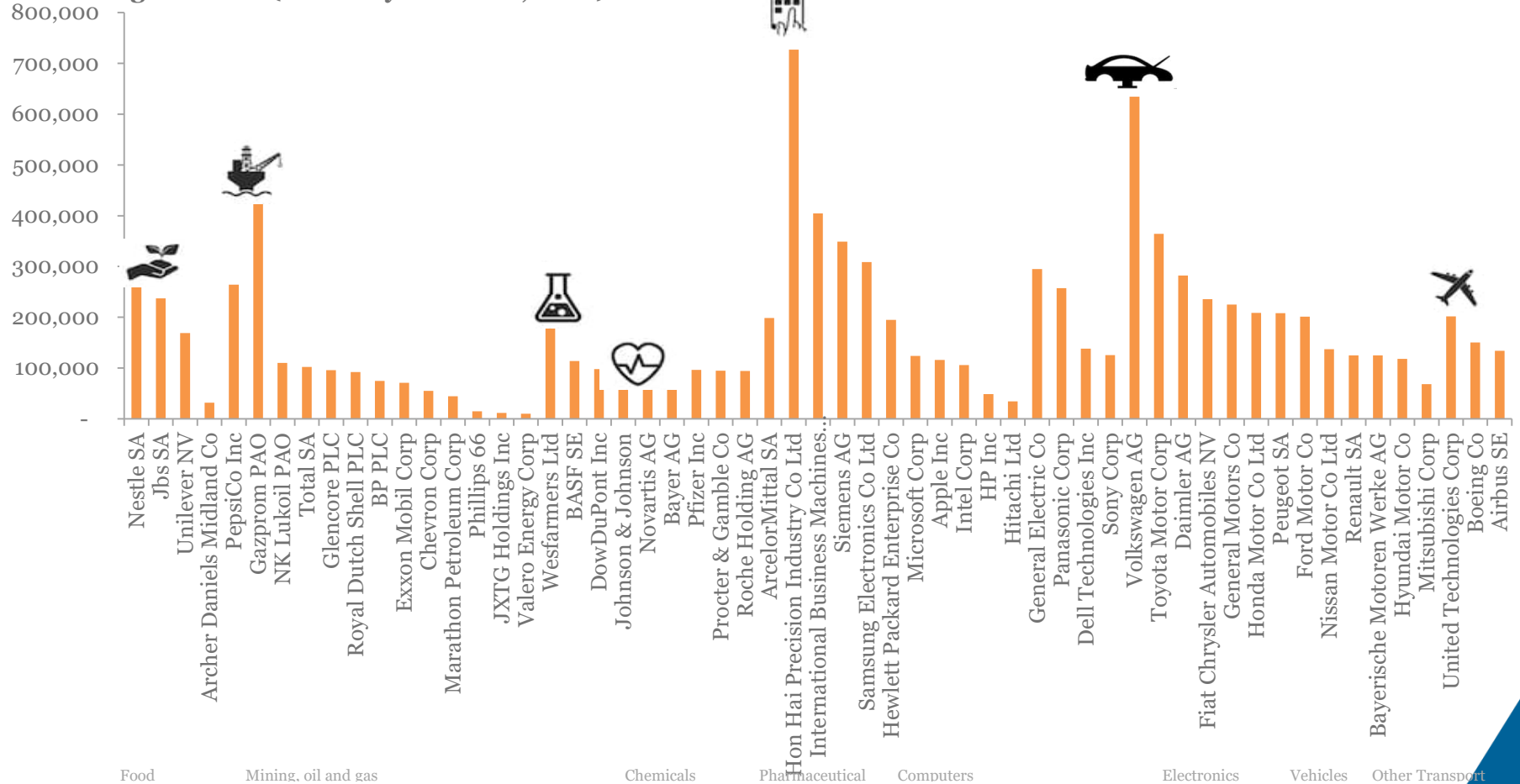






...of which 10 million concentrated in manufacturing

Employment of MNEs in Manufacturing of 100 largest MNEs (sorted by revenues, 2016)





ADIMA: INDICATORS



ADIMA: New approaches to MNE indicators

- Annual Reports are **manually collected** in a harmonised way for **key variables**
- Geographic segments are taken where available, however:
 - Segments are **not uniform** in annual reports
 - Disclosure is **not compulsory**
 - **Ambiguity** in definition of location of sale/customer
- New approaches needed for an estimation of **country level sales** and **register component** can aid these estimates



Key Financial Indicators

	BS_TA	BS_CA	BS_CCE	BS_IN	BS	BS_IA	BS_GW	BS_PPE	BS_DTA	BS_HFSA	BS	BS_CL	BS_NCL	BS_DTL	BS_HFSL
	Total Assets										Total Liabilities				
	Current Assets				Non-current Assets				Held for Sale Assets	Current Liabilities	Non-current Liabilities		Held for Sale Liabilities		
			Cash and cash equivalents	Inventories		Intangible Assets		Property, plant and equipment	Deferred tax assets					Deferred tax liabilities	
							Goodwill								
Name	USD Bn	USD Bn	USD Bn	USD Bn	USD	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	US	USD Bn	USD Bn	USD Bn	USD Bn
Wal-Mart Stores Inc	198.825	57.689	6.867	43.046	###	17.037	17.037	114.178	n.a	n.a	##	66.928	51.362	9.344	n.a
Toyota Motor Corp	435.958	159.481	26.784	21.361	###	n.a	n.a	91.190	0.000	n.a	##	154.878	114.129	12.732	n.a
Royal Dutch Shell PLC	411.275	86.569	19.130	21.775	###	23.967	12.987	236.098	14.425	n.a	##	73.825	148.939	15.274	n.a
Volkswagen AG	431.898	164.146	20.307	41.087	###	65.986	24.832	56.956	10.697	n.a	##	187.118	146.842	8.750	n.a
Exxon Mobil Corp	330.314	41.416	3.657	16.365	###	n.a	n.a	244.224	n.a	n.a	##	47.638	108.846	34.041	n.a
Apple Inc	321.686	106.869	20.484	2.132	###	8.620	5.414	27.010	n.a	n.a	##	79.006	114.431	n.a	n.a
McKesson Corp	60.969	36.948	2.783	15.278	###	14.251	10.586	2.292	n.a	n.a	##	35.612	12.757	3.678	n.a
UnitedHealth Group Inc	122.810	33.879	10.430	n.a	###	56.125	47.584	5.901	n.a	n.a	##	49.252	33.369	2.761	n.a
BP PLC	263.316	67.813	23.484	17.655	###	29.377	11.194	129.757	4.741	n.a	##	58.354	108.119	7.238	n.a
CVS Health Corp	94.462	31.042	3.371	14.760	###	51.760	38.249	10.175	n.a	n.a	##	26.250	31.378	4.214	n.a
Samsung Electronics Co Ltd	217.714	116.752	26.666	15.241	###	4.438	0.270	75.961	4.419	0.694	##	45.131	12.047	6.057	0.296
General Motors Co	221.690	65.025	12.574	11.040	###	6.149	1.856	66.945	33.172	20.553	##	73.023	84.808	n.a	19.784
AT&T Inc	403.821	38.369	5.788	n.a	###	222.067	105.207	124.899	n.a	n.a	##	50.576	229.135	60.128	n.a

	IS_R	IS_OI	IS_IFA	IS_COGS	IS_SGA	IS_OE	IS_DA	IS_RND	IS_WAG	IS_IBT	IS_PIT	IS_DCO	IS_IFAA	IS_NP
Income	Expenses					Supplementary Expense Disclosures				Profit before Income taxes			Net Profit	
	Revenue	Other Income	Income from affiliates	Cost of Goods Sold	Selling and General Administrative Expenses	Other Expenses	Depreciation and Amortisation	Research and Development	Wages and Salaries		Provisions for Income taxes	Income from discontinued operations	Income from affiliates after tax	
	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn	USD Bn
	485.873	0.100	n.a	361.256	101.853	2.367	n.a	n.a	n.a	20.497	6.204	n.a	n.a	14.29
	254.666	2.111	n.a	198.798	26.470	11.264	n.a	n.a	n.a	20.245	5.803	n.a	3.341	17.78
	233.591	2.897	3.545	191.008	12.101	31.318	24.993	1.014	n.a	5.606	0.829	n.a	n.a	4.77
	240.341	15.856	3.868	194.990	8.115	48.894	n.a	n.a	n.a	8.066	2.115	n.a	n.a	5.95
	200.628	2.680	4.806	136.098	10.799	53.248	22.308	n.a	n.a	7.969	-0.406	n.a	n.a	8.37
	215.639	1.348	n.a	131.376	14.194	10.045	n.a	10.045	n.a	61.372	15.685	n.a	n.a	45.68
	198.533	4.037	0.000	187.262	7.460	0.957	n.a	0.341	n.a	6.891	1.614	-0.124	n.a	5.19
	184.840	n.a	n.a	141.454	n.a	31.523	2.055	n.a	n.a	11.863	4.790	n.a	n.a	7.07
	183.008	1.638	1.960	161.296	10.495	17.110	14.505	n.a	n.a	-2.295	-2.467	n.a	n.a	0.17
	177.526	n.a	n.a	148.669	n.a	20.220	n.a	n.a	n.a	8.637	3.317	-0.001	n.a	5.31
	173.905	12.598	0.017	103.618	45.097	11.346	17.844	12.743	16.600	26.459	6.881	n.a	n.a	19.57
	149.184	0.327	2.282	120.499	10.354	8.932	n.a	n.a	n.a	12.008	2.739	-0.001	n.a	9.26
	163.786	0.277	0.098	76.884	36.347	31.118	25.847	n.a	n.a	19.812	6.479	n.a	n.a	13.33



ADIMA: MONITOR



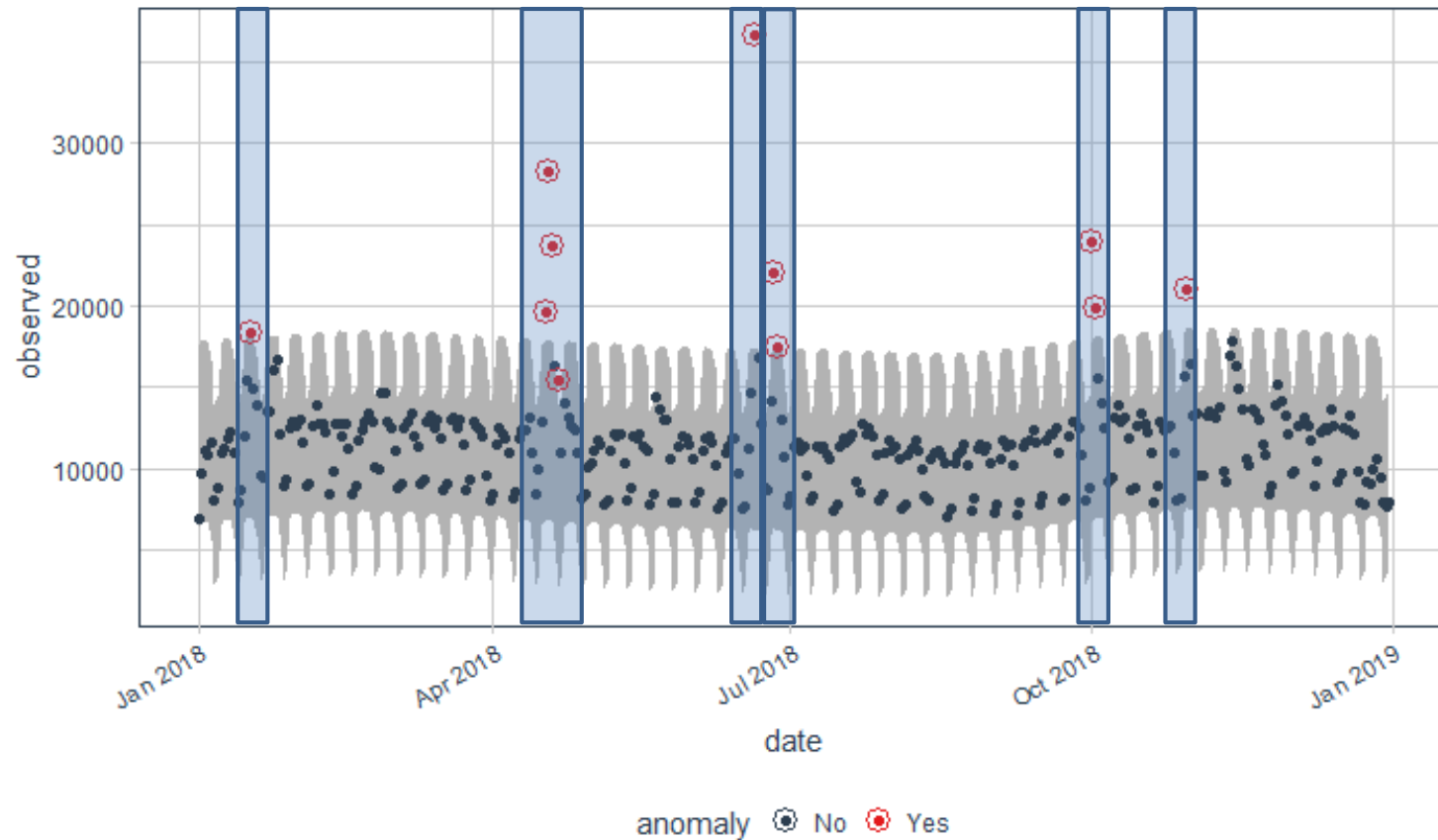
ADIMA: A new approach to monitoring MNEs for restructuring

- Validation of the network graph creates a list of potential restructurings and events
- Furthermore:
 - Can use sources such as Wikipedia hits to look for increases in interest
 - Then analyse news monitoring services with **Natural Language Processing** to identify events of interest



Early Warning System: General Electric in 2018

- Wikipedia view counts can help identify significant events





Early Warning System: News services can help to determine false positives

- Event 1: 17th January: GE



“General Electric shares fall the most in two months on Tuesday, fourth-quarter results to be hit by \$6.2 billion insurance portfolio charge”

- Event 2: 17th-21st April: CFM Intl., GE Aviation



“CFM Intl deploying some 40 technicians to assist Southwest in engine inspections”

- Event 3: 20th June: GE



“Walgreens Boots Alliance To Replace GE In Dow Jones Industrial Average”

- Event 4: 26th-27th June: GE, GE Health, Baker Hughes



“General Electric shares gain the most since April 2015 as company announces health care unit spin - off , Baker Hughes stake sale”

- Event 5: 1st-2nd October: GE



“John Flannery Out As General Electric Chairman And CEO”

- Event 6: 30th October: GE, CFM Intl.



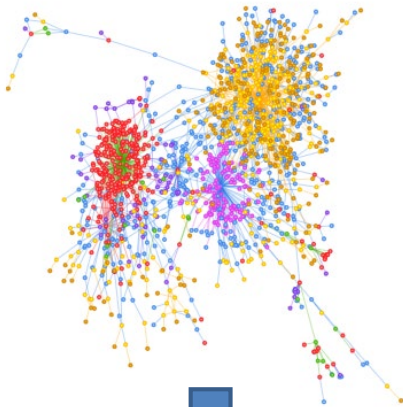
“GE slashes its dividend to a penny , says it reorganizing its struggling power business”



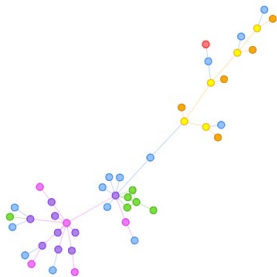
Simulating the impacts of the Baker Hughes separation

General Electric

(inc Baker Hughes)



Baker Hughes



3% Share of PageRank
6% Share of Wikipedia Hits

Companies within Baker Hughes Structure:

US (11), Unknown (4), Malaysia (1), Luxembourg (1), Netherlands(1)

Baker Hughes (A GE Company) LLC	Hughes Christensen
Baker Hughes Inteq	Geomechanics International Inc
Baker Hughes Malaysia Sdn Bhd	GE Oil & Gas International Sarl
Baker Hughes - bakerhughesdirect.com	Druck, Inc.
Baker Hughes Reservoir Software B.V.	Gaffney Cline And Associates Inc
BAKER HUGHES NIGERIA	Gaffney Cline & Associates Ltd
BAKER ATLAS DUBAI	Lufkin Industries LLC
BJ Services Company LLC	Lufkin Canada Holdings I Ltd



ADIMA: Future Plans

- Database release soon
- Further expansion of coverage:
 - Methodologies are global in their nature, can be applied to any company.
 - Data structure is flexible will look to include further sources of data (public & private)
 - Limiting factor is data input and validation
 - Working with countries to develop validation tools



BEPS



Country by Country Reporting (BEPS Action 13)

- New type of transfer pricing documentations that shows MNE group's allocation of income, taxes, and business activities on a tax jurisdiction-by-tax jurisdiction basis
- Required for MNEs with worldwide group revenue greater than EUR 750 million beginning with fiscal year 2016
- Filed with tax administration in country of MNE group's ultimate parent and shared with other countries where the MNE group operates
 - Country of ultimate parent entity provides aggregated and anonymised statistics of data collected on CbC reports to OECD



Template of CbC report (1)

Overview of allocation of income, taxes and business activities by tax jurisdiction

Name of the MNE group: **XYZ Group**

Fiscal year concerned: **2016**

Currency used: **USD**

Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued – Current Year	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total							
Australia										
Austria										
Azerbaijan										



Template of CbC report (2)

List of all the Constituent Entities of the MNE group included in each aggregation per tax jurisdiction

Name of the MNE group: XYZ Group															
Fiscal year concerned: 2016															
Tax Jurisdiction	Constituent Entities resident in the Tax Jurisdiction	Tax Jurisdiction of organisation or incorporation if different from Tax Jurisdiction of Residence	Main business activity(ies)												
			Research and Development	Holding or Managing IP	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of Services to unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding shares or other equity instruments	Dormant	Other
Australia	1. ABC Pty Ltd														
	2. DEF Pty Ltd														
	3. GHI Pty Ltd														
Austria	1. JKL GmbH														
	2. MNO GmbH														
Azerbaijan	1. PQR Corp														



Aggregated CbC reporting statistics

Tax Jurisdiction	# of CbCRs	# of Entities	Revenues			Profit (Loss) before Income Tax	Income Tax Paid (on Cash Basis)	# of Entities with Main Business Activity of		
			Unrelated Party	Related Party	Total			Research and Development	Holding or Managing IP	Purchasing or Procurement
UPE JURISDICTION (Reporting Jurisdiction)	350	600	200,000	300,000	500,000	120,000	30,000	90	113	38
FOREIGN JURISDICTIONS TOTAL	350	1,664	225,000	240,000	465,000	87,000	29,000	58	77	44
Nigeria	30	163	1,700	14,000	15,700	27,000	9,000	3	5	0
Other Africa	27	77	3,100	6,440	9,540	17,000	5,667	5	15	0
Argentina	40	184	27,000	32,000	59,000	4,500	1,500	3	6	3
Mexico	35	245	60,000	72,500	132,500	10,000	3,333	3	3	5
United States	34	148	45,000	40,000	85,000	10,000	3,333	0	2	2
Other Americas	32	64	10,000	9,000	19,000	7,500	2,500	5	6	2
Japan	29	46	9,500	870	10,370	2,700	900	3	11	3
Other Asia & Pacific	35	55	200	190	390	400	133	2	3	4
France	28	180	34,000	30,000	64,000	2,700	900	5	9	18
Germany	30	135	12,300	11,000	23,300	2,000	667	6	8	5
Ireland	29	190	11,700	12,500	24,200	1,500	500	8	3	0
Other Europe	33	150	7,500	7,500	15,000	1,500	500	3	6	2
Stateless	27	27	3,000	4,000	7,000	200	67	12	0	0

Note: This is a mock-up of a table an Inclusive Framework member might report. Data was randomly generated and is not in any way linked to the jurisdictions named or to actual MNE groups.



Accessing CbC data at the national level?

Scope exists, subject to legal arrangements, for NSOs to access national data from their tax authorities.