

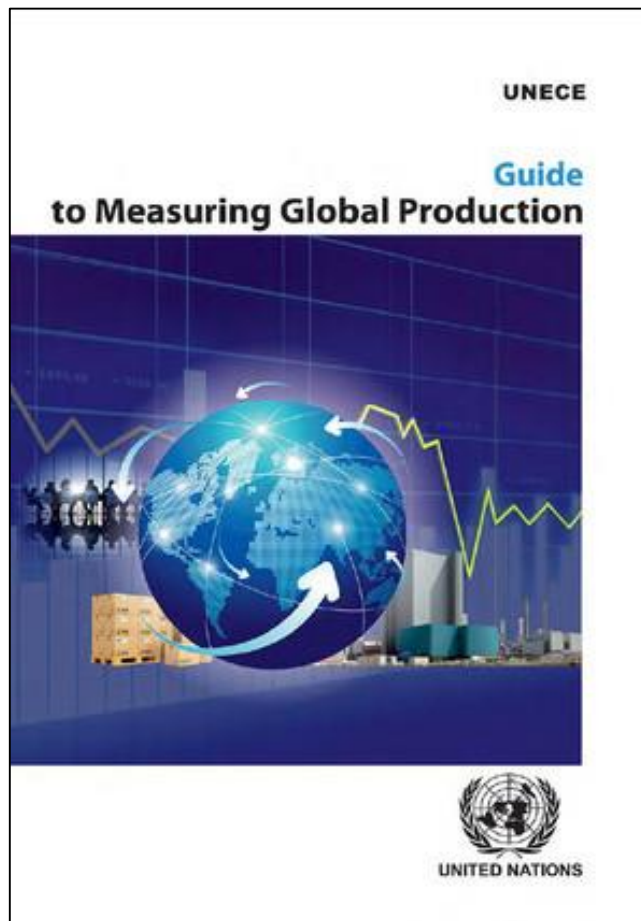
Guide to Measuring Global Production

UNECE



Guide to Measuring Global Production (2015)

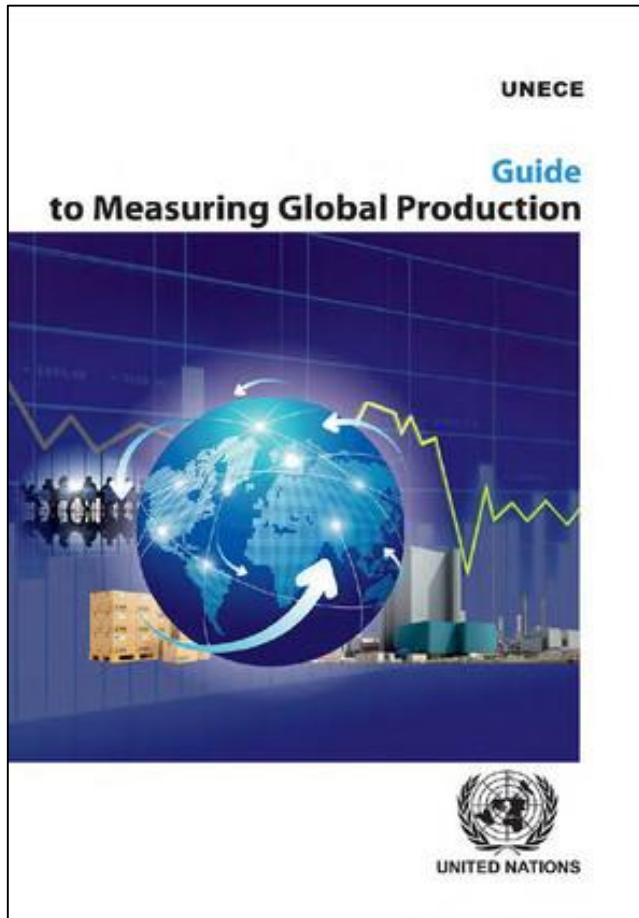
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- Published in 2015
- In English and Russian
- Guidance on the implementation of 2008 SNA and BPM6 related to global production
- Conceptual issues
 - Typology of global production arrangements
 - Economic ownership
 - Ownership over IPPs

Guide to Measuring Global Production (2015)

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- Practical issues: data sources and measurement challenges
 - Processing; merchanting; FGP
 - Trade in value added,
 - Multi-territory enterprises,
 - Quasi transit trade
- Practical issues: organizational aspects
 - Large cases units
- Outstanding issues: volume estimates

Typology of global production arrangements

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- Goods Related
 - Goods sent abroad for processing
 - Merchanting
 - Factoryless goods production ?
- Services Related
 - Fragmenting, IPPs
 - Fragmenting, excluding IPPs
 - Subcontracting
 - Merchanting of services ?
- Not directly related to production of goods/services
 - Direct investment enterprises, head offices, holdings
- Simplified versions that help:
 - Determine economic ownership of inputs and output
 - Assign economic activities
 - Distinguish output type
 - Treatment of international transactions
- Can be more complex in real life
- Identification challenges
- Test the usefulness and exhaustiveness

Economic ownership

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- Ownership within MNE
 - Review guidance in international statistical standards and business accounting practices
 - Ownership within MNE structures, of outputs and assets
 - Intra-group transactions
 - SPEs; large foreign construction projects
- Ownership of IPPs
 - Identifying the economic owners (decision tree)
 - Recording production, use and economic ownership
 - Statistical observation: information can be limited
 - SPEs holding IPPs

Data sources and measurement challenges

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- Goods for processing: outward/inward
 - Adjustments in IMTS – bridging to NA and BOP concepts
 - Imports of materials purchased abroad for processing and export of processed goods sold abroad (outward)
 - Purchases of materials domestically as exports and sales of processed goods domestically as imports (inward)
 - Import/export of processing services
 - (Changes in) inventories held abroad
- Merchancing
 - Trade service of the merchant
 - Imports (or negative exports) and exports under merchancing
 - Changes in inventories held abroad

Data sources and measurement challenges



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- Analyze merchandize trade statistics – data items not currently used, cooperation with customs agencies
- Business surveys – most promising, but need of adjustments, revision of questionnaires, response burden
- International trade in services surveys
- Data validation must be part of the estimation procedure
 - bringing together, and reconciling, the results from different data sources
 - based on business register/common identification codes/ “Importer-exporter” register
 - custom-made analysis

Other practical guidance

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- Multi-territory enterprises: breaking down of activities on a country-by-country basis (particularly in relation to recording imports and exports on basis ownership transfer)
- Quasi-transit trade
 - Sources and methods for identification and the correct valuation of goods subject to quasi-transit trade
 - Methods for obtaining consistency between imports and re-exports.
- Trade in value added: reconcile trade statistics with SUT; data requirements; additional granularity and aggregations based on firm characteristics

Organizational aspects

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- Increased data requirements, response burden -> need of efficient use of resources
- Closer cooperation between national producers of statistics:
 - necessity to review existing data sources; if needed introduce surveys
 - distribution of responsibilities, data collection and reporting
- Large and Complex Enterprises Units
- International cooperation:
 - further research of the conceptual issues
 - exchange of experience and best practices
 - international data exchange and global business register

In conclusion

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- This session will focus on:
 - Challenges of the region in measuring global production
 - Institutional cooperation
 - Typology and detection of the units involved in global production
 - Data and measurement issues (processing and merchanting)
- Further steps:
 - Task Force on SNA research agenda – concept notes
 - What more can be done to facilitate practical implementation of the guide?
 - Do we need to complement the guide to reflect new experience and best practice emerged in the process of implementation,or issues that were not covered? ..or unmet users demand?



Thank you!