



STATISTICS INDONESIA

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CENSUS OF AGRICULTURE

Multinational Enterprises (MNEs) in The Indonesian Institutional Sectoral Accounts (ISA)

Group of Experts on National Accounts 2022



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Globalization in the Indonesian ISA

- ❖ The impact of globalization in Indonesia is captured by splitting Nonfinancial Corporations (NFC) Sector in the Indonesian ISA 2019 to describe how MNEs affect the economy
- ❖ Subsector of NFC:
 1. Domestically controlled NFC
 2. Foreign-controlled NFC
 - Non-MNE
 - MNE
- ❖ The number of MNE is not full coverage because SBR is under development
- ❖ MNE activities are depicted in the current and capital accounts

Non-financial corporations			
Total	Domestically controlled non-financial corporations	Foreign-controlled non-financial corporations	
			Of which : Foreign controlled nonfinancial corporations which are part MNE Group
S11	S11D0	S11003	



Identifying MNEs

Data Sources

- Sample frame of Foreign Affiliated Trade Statistics (FATS) survey
- Extensible Business Reporting Language (XBRL) of listed company in Indonesian stock exchange.
- Analytical Database on Individual Multinationals and Affiliates ([ADIMA](#)) by OECD
- Global Group Register ([GGR](#)) by UN

Practical guidance

1. These various data sources complement each other as they have different variables to determine the number of foreign NF-MNEs
2. The majority of shareholders are not directly able to become the controlling entity.
3. The companies are classified as MNE if the controlling entity are:
 - a. Foreign Corporation, or
 - b. Individual Foreign
4. Companies without controlling entity information are categorized as non-MNEs



Splitting NFC in the ISA

Data Sources

- Bloomberg
- Annual report of listed foreign non-financial MNEs in Indonesian Stock Exchange ([IDX](#))
- Annual report of parent company of listed foreign non-financial MNEs ([available online](#))
- Inward FATS Compilation Report 2020

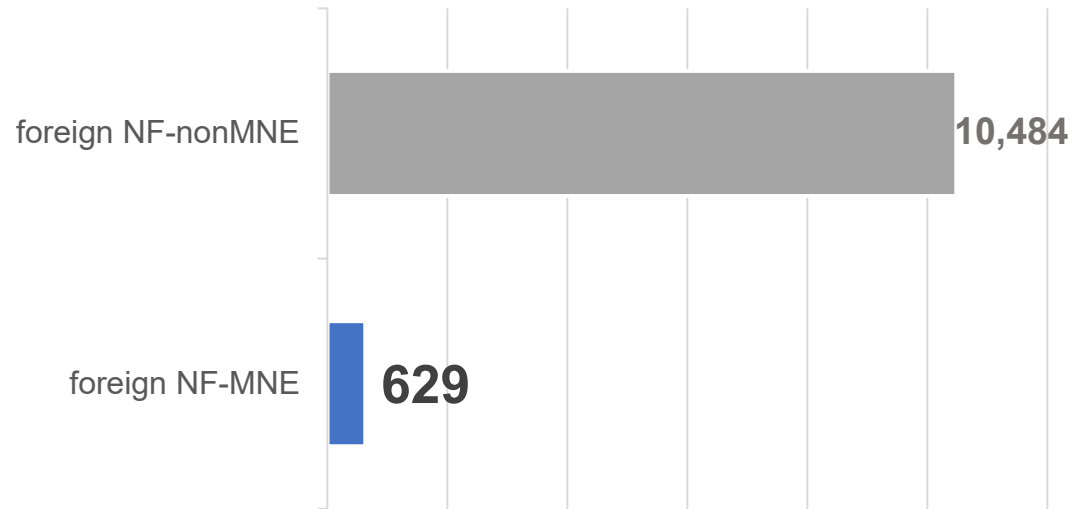
Compilation Method

1. Current and capital accounts of foreign MNEs are compiled from transactions of foreign MNEs that are recorded in the Annual report.
2. Total output MNEs are obtained from output of listed foreign MNEs and proportional output of parent company that has subsidiaries in Indonesia
3. Structure of current and capital accounts in domestic NFC and total NFC are the same
4. Output of foreign non-MNEs is derived from output of inward FATS

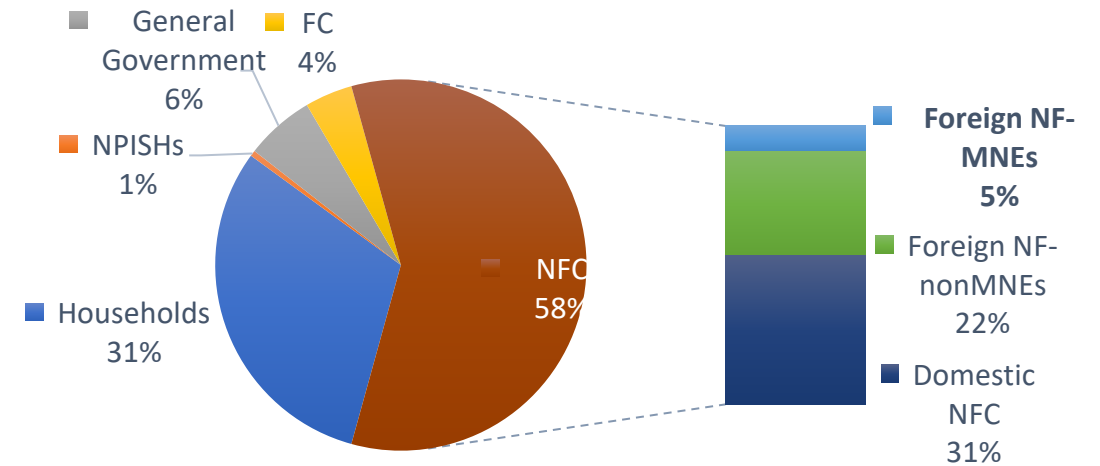


Snapshot of Foreign Nonfinancial MNEs

Number of foreign NF-MNEs in Indonesia 2019



Share of foreign NF MNEs GVA to GDP 2019



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Foreign-controlled NFC is dominated by non-MNEs. The number of foreign NF-MNEs is minority in Indonesia

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Foreign-controlled NFC contributed 26% to GDP of which foreign NF MNEs share is 5%





Impact of foreign MNEs Activities on Gross National Income

In Trillion Rp

	Non-financial corporations				Rest of the World
	Total (NFC)	Domestically controlled non-financial corporations	Foreign-controlled non-financial corporations		
			Of which: Foreign controlled nonfinancial corporations which are part MNE Group		
	S11	S11D0	S11003		S2
Gross operating surplus	4629	2474	2155	647	
<i>Resources</i>					
Interest	139	74	65	13	216
Property income other than interest	175	93	81	0	366
<i>Uses</i>					
Interest	313	168	146	62	47
Property income other than interest	820	438	382	105	54
Balance of primary incomes	3809	1942	1646	446	
Net lending (+)/net borrowing (-)	-628	-435	-426	203	429



Related Parties Transaction

1. Export of finished goods
2. Import of raw materials
3. Royalty payments
4. Expense reimbursements
5. Dividend payments
6. Technology License Agreement
 - ✓ Trademark
 - ✓ Technology
 - ✓ Service fee
7. Borrowing facilities



Thank you!
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