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Geneva, 11-13 June 2007  
Item 4 b) of the provisional agenda

**PROGRESS REPORTS**

Working Group on the Impact of Globalisation on National Accounts

Submitted by Statistics Netherlands, Chair of the Working Group

**INTRODUCTION**

1. In June 2006, the Conference of European Statisticians (CES) reviewed a Rapporteur Report on Globalisation Statistics prepared by Statistics Canada and ONS, United Kingdom (doc. ECE/CES/2006/2/Add.1). The Conference decided: "There is a need for a body to coordinate the work on globalisation statistics; the importance of globalisation statistics in relation to economic indicators was emphasised" (ECE/CES/70, Report of the 45<sup>th</sup> plenary session).
2. Following the Conference's decision, the CES Bureau discussed possible follow-up work on globalisation statistics at its October 2006 and February 2007 meetings (docs. ECE/CES/BUR/2006/OCT/10 and ECE/CES/BUR/2007/FEB/10).
3. In February 2007, the Bureau decided to create an expert group and asked Statistics Netherlands as the future Chair of the group, to prepare the terms of reference for the work of the expert group, taking into account the recommendations made by the Bureau and in consultation with all interested parties. The terms of reference of the expert group were approved by the CES Bureau via electronic consultation and are presented to the Conference in the Annex for information.

## ANNEX

### TERMS OF REFERENCE

#### WORKING GROUP ON THE IMPACT OF GLOBALISATION ON NATIONAL ACCOUNTS

##### BACKGROUND

1. In June 2006, the Conference of European Statisticians (CES) reviewed a Rapporteur Report on Globalisation Statistics prepared by Statistics Canada and ONS, United Kingdom (doc. ECE/CES/2006/2/Add.1). The Conference decided: “There is a need for a body to coordinate the work on globalisation statistics; the importance of globalisation statistics in relation to economic indicators was emphasised” (ECE/CES/70, Report of the 54<sup>th</sup> plenary session).

2. Following the Conference the CES Bureau discussed, at its October 2006 and its February 2007 meetings, a proposal for follow-up work on globalisation statistics on the basis of proposals prepared by the UNECE secretariat in cooperation with the ONS, United Kingdom and Statistics Canada, and in consultation with OECD, Eurostat, IMF, UNCTAD and Statistics Netherlands (docs. ECE/CES/BUR/2006/OCT/10 and ECE/CES/BUR/2007/FEB/10).

3. The Bureau recommended that the work be mandated to an Expert Group. Given the complexity of the issues, it would be difficult for the group to cover all statistical areas affected by globalisation. Therefore, it was recommended that the Expert Group should approach the issue from a national accounts perspective using the SNA as an integrating framework. The Expert Group should deal with the main distortions in economic statistics caused by globalisation and propose approaches (surveys, additional data sources) to help repair the accounts. Moreover, the Expert Group should carefully take into account the ongoing efforts with respect to the SNA and other related activities. Furthermore, it was recommended to address the impact of globalisation also from the perspective of transition economies.

4. The Bureau asked Statistics Netherlands to prepare the terms of reference and to chair the group.

##### I. OBJECTIVE

5. The purpose of the Expert Group (in the following referred to as Working Group) is to review the main distortions in the compilation of national accounts and related source statistics, as caused by the growing globalisation of economies. In so doing, the Working Group should put forward proposals to deal with these distortions and improve the quality of national accounts. The Working Group should approach the issue using the system of national accounts as an integrating framework.

6. Technical cooperation activities are to be kept outside the scope of the group. Furthermore, it should be noted that several globalisation related issues are already being addressed by other international fora; the Working Group will closely coordinate its activities with these fora. Finally, it is not the goal of the Working Group to analyse source statistics themselves; problems identified by the Working Group will be brought to the attention of the working groups dealing with these source statistics so that they can look at alternatives to improve existing guidelines and/or practices.

## **II. MEMBERSHIP**

7. The Working Group will be a Joint UNECE/OECD/Eurostat Working Group. It will be open for all member states of UNECE, OECD and Eurostat. IMF and UNCTAD will also participate in the work of the group. Members are expected to actively contribute to the agenda of the Working Group.

8. The Working Group will be chaired by Statistics Netherlands. UNECE will provide secretariat support to the Working Group.

9. A leadership sub-group composed of Canada, Czech Republic, Finland, Netherlands, United Kingdom, USA, UNECE, OECD, Eurostat and IMF will steer the work of the Working Group and will report on the progress of work to the Conference and its Bureau.

## **III. OUTCOME**

10. The Working Group will provide a forum to encourage and coordinate the work undertaken by countries and international organizations to deal with the effects of globalisation in the compilation and reconciliation of data for national accounts and the source statistics driving them.

11. The Working Group will prepare a Report with recommendations/best practices on how to deal with the distortions in the accounts. The report will:

- (a) define and identify the unique aspects of globalisation that affect the areas of national accounts;
- (b) put forward proposals to improve the surveying, the subsequent processing and the integration of statistical data;
- (c) put forward proposals to arrive at an internationally consistent recording of transactions in national accounts and related source statistics;
- (d) put forward proposals to improve relevant international guidelines for national accounts;
- (e) put forward proposals to create some kind of medium (e.g. website, electronic discussion groups, etc.) to exchange best practices.

#### **IV. TIMETABLE**

12. The following timetable for the work of the Working Group is proposed:

- (a) Autumn 2007: Meeting of the leadership sub-group to make a proposal for a list and research agenda of the areas of national accounts most affected by the impact of globalisation and to prepare a detailed work plan for the Working Group;
- (b) February 2008: Presentation of the research agenda and work plan to the CES Bureau;
- (c) April 2008: Meeting of the Working Group back-to-back with the Joint UNECE/OECD/Eurostat Meeting on National Accounts.
- (d) June 2008: Progress report to the Conference of European Statisticians.
- (e) End 2008 – Beginning 2010: Two meetings of the leadership sub-group (possibly as a conference call) and two meetings of the Working Group.
- (f) April 2010: Presentation of the Report with recommendations on how to deal with the distortions in national accounts and related source statistics to the Joint UNECE/OECD/Eurostat Meeting on National Accounts.
- (g) June 2010: Presentation of the Report to the Conference of European Statisticians.

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