

CONFERENCE OF EUROPEAN STATISTICIANS

Approved

Meeting of the 2014/2015 Bureau  
Geneva (Switzerland), 17-18 February 2015

Item 5 (d) of the Provisional  
Agenda

**REPORT OF THE TASK FORCE ON GLOBAL PRODUCTION**

**Note by the Task Force**

*The Task Force on Global Production has completed the final draft of the Guide to Measuring Global Production, presented in document ECE/CES/BUR/2015/FEB/16/Add.1. **The Bureau discussed the Guide and decide that it can be circulated for CES consultation with a view to being presented to the CES 2015 plenary session for endorsement.** UNSD will ensure global coverage of the consultation by circulating the Guide to the countries that are not CES members.*

**I. BACKGROUND**

1. The Task Force on Global Production was established by the Bureau in November 2011 to follow up on unresolved issues on global production arrangements in the guide on *The Impact of Globalization on National Accounts*, which was endorsed by the CES plenary session in 2011. To this end, the Task Force has prepared a *Guide to Measuring Global Production*. A draft of the Guide was presented to the CES plenary session in April 2014. Prior to this an interim consultation was carried out with CES members. All responding countries and organisations considered the draft Guide useful. Additional case studies and suggestions for areas for further research were provided.

**II. CHANGES MADE SINCE APRIL 2014**

**A. Factoryless goods producers**

2. At the time of the interim consultation, the discussion and guidance on the economic activities and recording of the transactions of factoryless goods producers (FGP) were not yet finalized. Therefore, the respective sections were marked as provisional or excluded from the Guide. The proposals of the Task Force to treat FGPs as manufacturers (and not as traders, as recommended by the current ISIC revision) were supported by the Advisory Expert Group on National Accounts (AEG) and the Intersecretariat Working Group on National Accounts (ISWGNA), but were pending review by the Expert Group on International Statistical Classifications. Further, the AEG and the Committee on Balance of Payments Statistics (BOPCOM) had to be consulted on the proposed recording of the transactions of FGPs. To address these issues the Task Force carried out the following consultations:

- (i) Industrial classification of FGPs:  
In October 2014, the Technical Subgroup (TSG) on ISIC of the Expert Group on International Statistical Classifications recognized that the industrial classification of FGPs is a valid question but needs further examination before introducing changes to ISIC. As a first step, the TSG recommended flagging FGPs to facilitate tracking of these companies and developing of guidelines for their detection in consultation with the Task Force.
- (ii) Recording of the transactions of FGPs and contractors:
  - a) In September 2014, the AEG commended the Task Force for developing guidance for the recording of transactions of FGPs and recommended “collecting more practical experience on the recording of these transactions, after which reconsideration may need to be given to this issue.” It also “encouraged the Task Force to continue its work on this issue.”
  - b) In October 2014, the BOPCOM similarly agreed in principle with the recommended treatment but considered that further articulation of the way these activities are currently recorded would be helpful.

3. Taking into account the outcome of these consultations, the classification and recording of the transactions of factoryless goods producers is now presented in the Guide in line with the current international standards. A separate section introduces the alternative view of the Task Force and highlights this as a priority area for further research.

#### **B. Country comments and case studies**

4. All country comments received in the interim consultation have been taken into account in the current version of the Guide. Supplementary country case studies, resulting from the interim consultation and the meeting of the Group of Experts on National Accounts, have been added.

### **III. FURTHER STEPS**

5. **An electronic consultation of the *Guide to Measuring Global Production* with all countries is proposed to take place from March to April 2015.** Comments from countries can then be incorporated in the final draft in time for submission of the Guide to the 2015 CES plenary session.

6. **Subject to the positive outcome of the electronic consultation, the Guide will be submitted to the CES 2015 plenary session for endorsement.**

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