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Group of Experts on the Impact of Globalisation
on National Accounts

First Meeting
Geneva, 11-13 May 2009

**REPORT OF THE GROUP OF EXPERTS ON THE IMPACT OF GLOBALISATION
ON NATIONAL ACCOUNTS ON ITS FIRST MEETING**

I. ATTENDANCE

1. The meeting of the Group of Experts on the Impact of Globalisation on National Accounts (GGNA) jointly organised with Eurostat and OECD was held in Geneva from 11-13 May 2009. It was attended by Albania, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Georgia, Germany, Hungary, Ireland, Italy, Japan, Kazakhstan, Luxembourg, Netherlands, New Zealand, Norway, Republic of Montenegro, Russian Federation, Singapore, Slovakia, Slovenia, Sweden, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, United States. The European Commission (Eurostat) and the Organization for Economic Co-operation and Development (OECD) attended. The following specialised agencies and intergovernmental organizations attended: the European Central Bank (ECB), the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO).

2. The provisional agenda was adopted. Mr. Art Ridgeway, Statistics Canada, chaired the meeting.

II. ORGANIZATION OF THE MEETING

3. The following substantive topics were discussed on the basis of invited issue papers and supporting papers:

- (a) Multinational enterprises and allocation of income to national economies (follow-up discussion);
- (b) Goods for processing (follow-up discussion);
- (c) Merchanting (follow-up discussion);
- (d) Information on related working groups:
 - (i) Progress report of the Eurostat Task Force on multinational enterprises;
 - (ii) Outcomes from the work of the Working Party on International Trade in Goods and Trade in Services Statistics.
- (e) International transactions in intellectual property (organised by OECD);
- (f) Remittances and labour mobility (organised by Bureau of Economic Analysis, US with the support of the Czech Statistical Office and World Trade Organisation);
- (g) Special Purpose Entities (organised by Statistics Netherlands);
- (h) Foreign direct investments (organised by IMF and Statistics Finland);
- (i) Transit trade and or re-export (organised by Eurostat).

III. SUMMARY OF THE MAIN CONCLUSIONS REACHED AT THE MEETING

4. Recommendations for future work are given below. Other conclusions that the participants reached during the discussion on the above topics will be presented in an annex to this report in English only and will be distributed to the participants after the meeting. All background documents for the meeting are available on the UNECE website (<http://www.unece.org/stats/documents/2009.05.sna.htm>).

IV. RECOMMENDED FUTURE WORK

5. The next meeting of the Group of Experts on the Impact of Globalisation on National Accounts will take place at the end of April 2010 in Geneva. The meeting will be organised back-to-back with the regular biannual Meeting on National Accounts, convened jointly with Eurostat and OECD. The topics for discussion at the biannual National Accounts meeting are

reflected in document ECE/CES/GE.20/2008/2 – Report of the 2008 Joint UNECE/Eurostat/OECD Meeting on National Accounts.

6. The 2010 meeting of the Group of Experts on the Impact of Globalisation on National Accounts will concentrate on addressing issues identified in the Research agenda of the GGNA. The meeting recommended that balance of payments experts should also be invited to participate and contribute to the discussion. The purpose is to enhance the cooperation between the compilers of international and national accounts and improve the consistency of the data.

7. The authors of the three issue papers that were presented for follow-up discussion, namely Multinational enterprises and allocation of income to national economies; Goods for processing and Merchanting should reformulate their papers as chapters of the final document in accordance with the agreed template.

8. The authors of the issue papers on: (a) Special Purpose Entities; (b) Remittances and labour mobility; (c) International transactions in intellectual property; (d) Foreign Direct Investment, and (e) Transit trade and or re-export should redraft them in order to incorporate the comments received and should present them in the form of chapters for the final document in line with the agreed template. These papers will be presented for follow-up discussion at the 2010 meeting of the Group of Experts on the Impact of Globalisation on National Accounts.

9. In preparing the chapters for the final document the authors will take on board the provided supporting papers and present them as case studies.

10. A number of countries recognised the importance of remittances for their economies and informed the meeting of work that had been undertaken to develop such estimates. Bulgaria and Ukraine will provide case studies that will be incorporated in the final chapter on Remittances. Other countries were also asked to contribute.

11. Statistics Netherlands will develop further the chapter on Special Purpose Entities with inputs from Cyprus, Hungary, Ireland, Luxembourg, Russian Federation, United States and IMF. In this context, Cyprus and Russian Federation may consider conducting a bilateral comparison of FDI flows.

12. The remaining topics from the GGNA research agenda: Second homes, E-commerce and Common trading and currency blocks will be presented at the next meeting either as individual items or will be covered in other relevant chapters of the final document. A proposal was made that the impact of the financial crisis be also addressed by the final document. The Leadership sub-group of GGNA will further discuss these issues and formulate a proposal.

13. This report was adopted at the end of the Meeting of Group of Experts on the Impact of Globalisation on National Accounts held in Geneva on 11-13 May 2009.

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