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## Economic Commission for Europe

### Conference of European Statisticians

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Geneva, 10-12 June 2013

Item 8 (a) of the provisional agenda

**Reports of the Conference of European Statisticians Bureau and Teams of Specialists and approval of the United Nations Economic Commission for Europe Statistical Programme 2013**

### **Report of the twelfth meeting of the Group of Experts on National Accounts**

#### **Note by the secretariat**

##### *Summary*

The Meeting of Group of Experts on National Accounts, twelfth session, Geneva, 3-4 April 2013 was organized following the recommendations of the Group of Experts on National Accounts, eleventh session, Geneva, 30 April-4 May 2012 (ECE/CES/GE.20/2012/2) and the provisions in the Programme of Work of the Statistics Sub-programme for the Biennium (2012-2013) (ECE/CES/2012/14).

The present document is the report of that Group of Experts, and is provided to inform the Conference of European Statisticians of the organization and outcomes of the meeting.

## I. Introduction

1. The twelfth meeting of the Group of Experts on National Accounts was held in Geneva from 3 -4 April 2013. It was jointly organized with Eurostat and the Organisation for Economic Co-operation and Development (OECD). The meeting was attended by representatives from Albania, Austria, Bosnia and Herzegovina, Bulgaria, Canada, Chile, China, Croatia, Czech Republic, Finland, France, Hungary, Iceland, India, Ireland, Israel, Luxembourg, Mexico, Montenegro, Netherlands, Norway, Republic of Korea, Serbia, Slovakia, Slovenia, Sweden, Switzerland, Turkey, Ukraine, United Kingdom and United States of America.
2. The meeting was also attended by representatives from the European Commission (Eurostat), the European Central Bank (ECB), the International Monetary Fund (IMF), the Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT), OECD, United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic and Social Commission for Western Asia (UNESCWA) and the World Trade Organization (WTO).
3. The provisional agenda was adopted.
4. Mr. Michael Connolly (Ireland) chaired the session.

## II. Organization of the meeting

5. The main purpose of the meeting was to review the draft chapters of the report being prepared by the Task Force (TF) on Global Production. The following substantive topics were discussed on the basis of presentation of the chapters, discussants comments and country supporting papers:

- (a) Introduction to the work of the TF on Global Production;
- (b) Typology of global production arrangements;
- (c) Economic ownership within global production arrangements:
  - (i) Principles of economic ownership;
  - (ii) International transfers of intellectual property products (IPPs);
- (d) Measurement issues:
  - (i) Multi-territory enterprises;
  - (ii) Merchanting of services;
  - (iii) Quasi-transit trade and related phenomena;
- (iv) Recording imports and exports of goods on the basis of transfer of ownership;
- (v) Recording of production abroad;
- (vi) Trade in value added;
- (e) Organizational issues: Large and complex cases units.

### **III. Summary of the main conclusions reached at the meeting**

6. Main conclusions and recommendations for further work are given in section IV below. Other detailed conclusions which the participants reached during the discussion on the above topics will be presented in an annex to this report. After consultation with the authors the meeting documents will be available on the UNECE website ([www.unece.org/stats/documents/2013.01.sna.html](http://www.unece.org/stats/documents/2013.01.sna.html)).

### **IV. Future work and adoption of the short report**

7. The meeting supported the work of the TF on Global Production and highlighted the importance of the work for the implementation of the 2008 System of National Accounts (2008 SNA) and the Balance of Payments Manual 6th edition (BPM6). The meeting proposed that the final output of the TF is a *Guide*, assisting national accounts and balance of payments compilers in recording global production related activities in their accounts.

8. During the discussions the following general recommendations on the content and structure of the Guide were made:

(a) Each chapter should provide more explicit recommendations and the conclusions could be strengthened;

(b) The recommendations should be straightforward and clearly indicate if they are within the frame of existing international standards. Where appropriate identify issues that could be addressed in the future;

(c) The chapters could be restructured in order to separate and emphasize the conceptual issues and the practical measurement solutions;

(d) The discussion on factoryless production could be concentrated in one place in the Guide. Similarly, the presentation of the issues related of VAT registration should be focused in one chapter;

(e) The practical guidance in assigning economic ownership should be strengthened, particularly in respect to economic ownership within MNEs and SPEs;

(f) The Task Force should extend the practical guidelines on implementation aspects to include recommendations on data sources, survey designs, measurement methods, etc.;

(g) Coordination and harmonization of work among national compilers to confront data collection is vital and an appropriate mechanism could be considered to provide the platform for this.

9. The supporting papers provided by Chile, China, Czech Republic, Mexico and Republic of Korea will be incorporated as case studies in the respective chapters. Countries are encouraged to provide further case studies and share experience related to the discussed topics. ESCWA and CIS-STAT will explore the possibility for providing case studies based on experience from their regions. Countries are requested to inform the UNECE by 15 April 2013 and send the studies before 20 May 2013.

10. The chapters will be redrafted to incorporate the comments made by the participants. The revised chapters will be reviewed and consolidated by the Editor and the TF to ensure consistency in content and style across the entire Guide. The Draft Guide will be provided for comments to the ISWGNA in September 2013 and submitted for review to the Bureau of the Conference of European Statisticians (CES) in autumn 2013. Subject to a positive review a global consultation will be conducted. Subject to positive outcome the Guide will be presented for endorsement by the CES in April 2014.

11. The UNECE Steering Group on National Accounts together with the Task Force could consider what are the appropriate mechanisms to facilitate the implementation of the practical recommendations of the Guide, including the coordination and harmonization of work among national compilers, and what are the methodological and conceptual issues that need further work. Further discussion on these issues will take place at the 2014 Meeting of the Group of Experts on National Accounts.

12. This report was adopted by the Meeting of the Group of Experts on National Accounts held in Geneva on 3-4 April 2013.

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