Introduction to the work of the Task Force on Global Production

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Presentation

- Background
- Review of Progress to date
- Next steps
Background - TF Global Production

- Follow up on the Globalization Guide (2011)
- Reports to the CES Bureau
- Co-ordinates ISWGNA
- Consult with OECD NAWP / BOPCOM/ UNECE Group of Experts
- Finalisation report by the end of 2013

Main objectives:
- Guidance on unresolved conceptual issues arising from 2008 SNA and BPM6
- Guidance on implementation
Members of the task force

Countries (NSI’s):
Canada, Finland, Ireland, Israel, Italy, Mexico, Netherlands, Norway, Sweden and United States

International Organisations:
Eurostat, IMF, OECD, UNECE, UNSD and WTO,
Structure of Report of TF

- **Conceptual issues**
  - Chapter 1 - Typology of Global Production
  - Chapter 2 - Economic ownership goods & services etc.
  - Chapter 3 - Economic Ownership of Intellectual Property Products

- **Measurement Challenges**
  - Chapter 4 - Multi-territory Enterprises
  - Chapter 5 - Merchanting of Services
  - Chapter 6 - Quasi Transit Trade and related phenomena
  - Chapter 7 - Recording of imports and exports of goods on the basis of transfer of ownership
Structure of Report of TF

Measurement Challenges
- Chapter 8 - Recording of Production Abroad
- Chapter 9 - Trade in Value Added

Organizational Issues
- Chapter 10 - Large and Complex cases units
Main Issues - Conceptual

- Are the various typologies of global production outlined comprehensive?
- Do they represent the variety and level of fragmentation, the types of activities involved, and boundaries?
- If any additional examples or cases come to mind, can they be provided to the TF by the Group of Experts?
- What are the appropriate criteria for classifying factoryless production – ownership of material inputs etc.?
- How can changes in economic ownership be identified in large enterprises?
Chapters (conceptual)

- Is there clarity around the recording of transactions and consequently changes in economic ownership issues within and outside MNE’s?
- Economic versus legal ownership is this distinction clear?
- Importance of Inventories abroad?
- Is the decision tree on IPP complete – is it a good framework for attributing flows in relation to IPP?
- Explicit recommendations on collection of statistics on transfers of IPPs are they adequate?
- Treatment of “brass plates” or SPEs holding IPPs?
Measurement

- Data availability and measurement issues appropriate to multi territory enterprises
- Examining breaking down of activities on a country-by-country basis - difficulty with prorating
- Is merchanting of services the same as subcontracting?
- Is the concept more fully understood what is its significance
- Formulate accounting recommendations
Chapters (measurement)

- Finding sources and methods for the correct valuation of goods subject to quasi-transit trade
- Finding sources and methods for obtaining consistency between imports and re-exports.
- Bridging international trade statistics to NA merchandise imports and exports (based on transfer of economic ownership)
- Analysing consequences for the SU and IO frameworks
Chapters (measurement)

- Are the recommendations on how to measure production and trade flows in globally fragmented production activities adequate?
- How to adjust current surveys based on 1993 SNA conventions) to SNA 2008?
- Is the analysis of trade in value added (where the import content of exports is measured) a key development in measuring global production?
Chapters (Organizational)

Large and Complex Cases Units
- review best practice and make recommendations
After this meeting of Group of Experts on National Accounts

- Participants are invited to provide any case studies to help illustrate the issues addressed by the work of the TF

- Any additional written comments by participants are welcome

- If the TF have overlooked any relevant issues let us know
Work Plan for 2013/2014

- All Chapters to be redrafted by authors reflecting the feedback of the Group of Experts on National Accounts (April-May 2013)
- Consultation with the AEG: Issues paper on the main findings of the TF affecting the interpretation of the 2008 SNA (May 2013)
- Editing of the TFGP report to ensure a consistency in content and style across the entire report (June-August)
- Written consultation with the ISWGNA＆AEG (September 2013)
Work Plan for 2013/2014

- Presentation of the report to the OECD WPNA and BOPCOM and submission to the CES Bureau (autumn 2013)
- Finalization of the report and Global Consultation (early 2014)
- Presentation of the final report to the CES plenary session (April 2014)
- Future work or research agenda