Task Force on Global Production: Discussant notes chapters 1, 2 and 3

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Introductory remarks

• “Tricked” into accepting the role of discussant?

• Coming closer to the meeting, I was more and more thinking that I was an idiot to accept the role of discussant

• But then again, perhaps one wanted to know whether the chapters were actually “idiot-proof”
Reflections on chapter 1

• Very clear chapter, nice introduction into different types of global production arrangements, clear numerical examples

• General remarks:
  – What exactly is the goal of this chapter?
  – Description plus classification and recording of different arrangements?
  – In that case, I lack some of the arrangements and discussions included in e.g. chapters 8 and 9; references are made, but all in all it becomes a bit of a puzzle
  – Goal: description of arrangements, classification and recording according to standards, issues/recommendations related to the latter
  – Including the above discussions may result in some overlap with issue of economic ownership, but in these cases one could indeed refer to chapters 2 and 3
Reflections on chapter 1

• More specific remarks:
  – Country case study 3: inclusion of measurement issues? => more generally, one could think of a separate chapter on measurement
  – Examples: athletic shoes (main text) chairs for children and prams in box 1
  – Country case study 2: “GNI more or less the same”? 
Reflections on chapter 2-3

• Michael and Soli are very courageous people
• General remarks chapter 2:
  – Generally fine with the topics that are addressed in chapter 2
  – Not fully “idiot-proof”: some problems with what exactly are the recommendations in relation to economic ownership => appendix 2?
  – Economic ownership seems to be determined by whether or not transactions are recorded in the books, with exceptions (e.g. factory-less production)
  – Differences between guidance in chapter 2 versus chapter 8 (e.g. economic ownership within MNEs)
  – Occasional mix of issues related to economic ownership and issues related to classification/recording (e.g. material inputs and IPP)
  – Prefer to have much more straightforward and explicit guidance
  – Doing so, include the considerations included in chapters 8 and 9
Reflections on chapter 2-3

• Specific remarks chapter 2:
  – Avoid re-discussion of global production arrangements (especially section 7)
  – Para. 31 (seems to suggest that economic ownership is with the subsidiary) versus para. 38 (seems to suggest that ownership is with the parent, unless …)
  – Para. 38: Criterion based on risks being managed?
  – Case studies in annex 3 very good, but may need further elaboration and context
Reflections on chapter 2-3

- General remarks chapter 3:
  - Very much like the decision trees (great piece of work), but …
  - Not fully “idiot-proof”: some more guidance on how to “climb” the trees would be helpful => also include discussion on general principles on (economic) ownership
  - Clearer distinction between conceptual guidance and measurement issues welcome: section 5, for example, discusses measurement, whereas the concepts we would like to measure are not yet defined
  - (i) Conceptual “goals” => (ii) Measurement issues => (iii) Relaxation of some of the conceptual “goals”
  - Also make clear where one diverges from business accounting and possible imputations are needed
  - SPEs (brass-plates) and economic ownership
Reflections on chapter 2-3

• Specific remarks chapter 3:
  – Case 1.2.2.2 in figure 1 existent?
  – Box 1: Very good examples, but one may want to include numerical examples, to get a full overview of transactions and imputations
  – Recording of brass-plates (figure 1, para. 49, box 1): separate recording of “SPE income and expenditure related to IPPs”) => however, relevant income received is part of output
Reflections on chapter 2-3

• Line of reasoning regarding recording of factory-less producers differs across chapters:
  – Control of the production process
  – Input of IPPs should be included in determining classification
  – Material input are not really owned by suppliers

• More generally: Do we need two separate chapters?

• Should we add a separate chapter on measurement?
Thank you for your attention!