

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

**Peter van de Ven
Head of National Accounts
OECD**

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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!