

# Results of the survey on large cases units

Group of Experts on National Accounts  
Special meeting on Global Production  
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**UNECE**

# Survey by the Task Force

- **First survey round (March 2013)**
  - To provide an understanding of LCUs and identify best practices
  - Sent to 14 countries where consistency work had started
  - 10 replied: Canada, Czech Republic, Finland, France, Hungary, Ireland, Netherlands, New Zealand, Norway and Sweden
- **Second survey round (April-May 2015)**
  - Countries that replied in 2013 updated information
- Chapter 6 on LCUs in the *Guide to Measuring Global Production* is being updated

# Organizational aspects (1) – organizational place of LCUs

- 5 countries: within business statistics and/or national accounts
- 2 countries: in a centralized data collection department
- 1 country: respondent relationship management and ensuring data supply from large units part of an integrated data collection unit, other LCU work distributed throughout the organisation
- Some NSIs have created working groups or networks of experts to complement the LCU work

# Organizational aspects (2)

## - human resources

- Average size of LCUs: 0.5% of total staff
- LCUs' time use to tasks differs across countries:
  - Data analysis 15-50%
  - Profiling 5-50%
  - Surveying 0-30%
  - Coordination 10-20%
  - Visiting companies 5-20%

# Organizational aspects (3) - skills and competencies of LCU staff

- Good communication and interpersonal skills
- Knowledge of accounting & business economics, especially in multinational enterprises (MNEs)
- Understanding of economic statistics and surveys
- Subject matter expertise on particular industries
- Good analytical skills
- Solid technical skills for data mining and analyzing

# Organizational aspects (4) - use of data sources

- Various statistics used as data sources
  - All countries: business surveys
  - 87.5%: Investment surveys; register data
  - 75%: International trade in services; corporate accounts
  - 62.5%: International trade in goods; R&D; producers prices
  - 37.5%: Balance of payments survey
  - 62.5%: Other data sources

# Operational aspects (1) - selection of examined enterprises

- Target:
  - most important and challenging respondents
  - who influence the quality of economic statistics
- Typically determined according to criteria such as:
  - Size, complexity and significance
- Population updates with varying frequencies
- Depending on the country, LCUs handle from less than 20 to more than 300 enterprise groups

# Operational aspects (2) - respondent relationships

- Respondent relationship management at the LCU (and one contact person at the NSI) helps:
  - Decrease response burden
  - Increase the quality of data received
  - Reduce time in data collection
  - Provide a holistic view of the enterprise group
  - Tailor data collections

# Operational aspects (3) - conceptual challenges of data reporting



- Complex concepts used in data collection
  - Align to enterprises' language
  - Clear instructions, definitions and examples
  - Study data available at the corporate level
- Detecting different global production activities:
  - Resident and non-resident activities
  - Merchanting
  - Goods for processing abroad
- Change of ownership
  - Difficult to identify due to lack of data sources
  - Different treatment (trade / national accounts)

# Operational aspects (6) - data linkage and exchange

- MNEs included in most economic surveys
  - Often data reported by different units of the MNE
- LCUs link unit level data across statistics, including with trade surveys
  - Underlines the need for a common ID code
- Half of the countries exchange data internationally among NSIs on an ad-hoc basis
- Typically data exchange limited or prevented even among producers of official statistics of a country

# Operational aspects (7) - solving data consistency issues

- Ways of solving inconsistencies :
  - Initiative by the subject matter department or LCU
  - Shared work with LCU
  - Regular working group meetings
  - Ad-hoc meetings
  - Contacts to respondents
- Some solve consistency issues only annually
- In short-term statistics comparable time series may be more important than structural correctness

## **Operational aspects (8) - types of global production cases analysed**

- Cases of global production analysed most often:
  - Merchunting
  - Production abroad of materials owned domestically
  - Domestic production of materials owned abroad
- Half of the countries quite often encounter cases of factoryless production
- All countries had not yet implemented all of the cases suggested by the typology
- A couple of countries have encountered cases not fully covered by the typology

# Conclusions

- LCU work – a useful tool for improving statistics
- Globalization continues to challenge statisticians
  - Complicated and evolving cases
  - Conceptual differences between statistics
  - Lack of suitable data sources
- Additional surveying: better understanding of MNEs
- Identified as a priority in the global consultation:
  - Review data sources and methods to compile data for complex MNEs
  - Study strategies and organization of LCUs
  - Share experience and provide practical guidance

# Recommendations of the Guide

- Analyse the need for setting up an LCU
- Learn from other countries' experience
- Consider the alternatives of organizing LCU work
- Develop cooperation mechanisms and collaboration among producers of statistics, both nationally and internationally