EU Factoryless Goods Producers Task Force

Information item

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EU Factoryless Goods Producers Task Force

• To analyse methodological aspects of identification of FGPs
• 8 countries, UNECE observer
• ISIC Technical Sub-Group works in parallel
Definition of FGPs

A Factoryless Goods Producer
• is a legal unit or combination of legal units operating without a factory;
• develops and owns (or acquires) the intellectual property;
• does not produce the goods itself but sub-contracts the production completely;
• may or may not own the raw material inputs;
• will own the goods produced, which the FGP may sell directly or via a contractor
Methodology

Two-step approach for cost/burden reasons

- Identifying potential FGP\hs
- Confirming FGP status via additional questions in existing surveys
Possible NACE classes

- Head offices
- Trade
- Computer programming
- Branding
- Manufacturing
- Engineering
- Design
Relevant indicators (1/2)

- Low employment and high turnover
- Low employment and high production
- Low employment and high profits
- Low employment and high employment costs
- Low capital expenditures
- Low materials or fuels inventories
- Low work-in-progress inventory
Relevant indicators (2/2)

- Low inventory of finished products
- High purchases of manufacturing services and high sales of goods
- High purchases of manufacturing services and low purchases of goods for resale
- Structure of employment in terms of ISCO and ISCED showing no occupations in production
Thresholds

• Thresholds needed for 'low' and 'high'
• Proposal to base thresholds on distribution of variable within NACE Division/class
• Low: first decile
• High: last decile
Sources

Possible sources suitable for the confirmation of the FGP status (with small adaptations):
• International Organisation and Sourcing of Business Activities Survey
• Community Innovation Survey
• Structural Business Statistics
• Profiling
• Patent register

The Task Force has worked/is working on additional questions for the surveys mentioned
Next steps

• The Working Groups responsible for the different ESS sources mentioned will be consulted to discuss the proposed additional questions

• Final report by the end of June
Thank you for your attention