Measuring global production

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Measuring global production

– Problems:
  - With the concept of ownership of goods and services (what does it mean?)
  - How to measure?
    • Ask more questions -> not always realistic!
    • Sources are inconsistent
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Inconsistent sources:

- Based on change in ownership:
  - STS
  - SBS
  - ITSS
- Based on territory:
  - Prodcom
  - ITGS
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Example: Inward processor

- SBS shows: Production of services, limited use of raw materials
- ITSS shows: Export of services

- Prodcom: Production of goods
- ITGS: Imports of raw materials, export of finished goods

→ Idea: use these inconsistencies.
Inconsistencies in sources

Example: Inward processor:

– Exports ITGS > Exports SBS
– Imports ITGS > Imports SBS
– Turnover Prodcom > Turnover SBS
– Exports manufact. services SBS = Turnover SBS
– Turnover Prodcom – Exports ITGS ≈ Domestic use
Inconsistencies in sources

Case 1 (company A) is an inward processor, but:

- Part of the processed goods are bought and sold by company A (wholesale trade)

- The principal provides all raw materials, but part of it is bought in the Netherlands
Inconsistencies in sources

Inward processor company A (case 1):

- Exports ITGS > Exports SBS
- Imports ITGS > Imports SBS
- Turnover Prodcom > Turnover SBS
- Exports manufact. services SBS = Turnover SBS
- Turnover Prodcom – Exports ITGS ≈ Domestic use
Some findings

- Inconsistencies can help in detecting global production arrangements, but you need to look at survey results of individual enterprises.
- Finding the correct values by using the inconsistencies is difficult -> company visits are necessary
- Time consuming
Future work

- Setting up a database
- Finding out characteristics of enterprises involved.
- Investigate whether small enterprises fit better in these schemes
- Set up a system to correct the survey result, using the data inconsistencies