

Measuring Global Production in the National and International Accounts

*Mark de Haan (Statistics Netherlands), Michael Connolly (CSO), Tihomira Dimova (UNECE)
and Rami Peltola (UNECE)*

Paper Abstract:

The UNECE Task Force on Global Production recently finalised a first version of the Guide to Measuring Global Production. This paper presents those parts of the Guide dealing with factoryless goods production arrangements. Factoryless goods producers outsource all aspects of material transformation while managing the global value chain and providing critical services inputs derived from intellectual property investment (e.g. R&D, Software, product designs). Current international accounting standards are inconclusive about whether factoryless goods producers should be classified as (special cases of) goods manufacturers or as distributors. The Task Force made an attempt to clarify the nature of transactions that take place between factoryless goods producers and the (foreign) contract producers. Although the Task Force has not been able to bring all issues related to factoryless production to firm conclusions during various international consultations, it has been successful in obtaining a far better understanding of this form of global production. This knowledge should be the starting point for improving the coverage of factoryless goods production arrangements in updated versions of the international national accounting standards, preferably based on further examination of case studies. This paper summarises the discussion on factoryless goods production arrangements in the Guide and explores areas of future research. One of the suggested future actions is the continued exchange of case studies (further collection of evidence) and their discussion at international statistics expert groups in terms of further establishing the appropriate accounting methodology.