

ISI 2019 - Session IARIW-IPS

Abstract paper 2:

"Implementing Globalization in National Accounts: Practical Steps in Europe"

Globalisation is a historic process of increasing interaction between national economies on a world-wide scale. While not new, interconnectedness has accelerated in recent years due to political developments and technical enablers, such as informatics and new communication tools. Globalisation is closely related to activities by Multi-National Enterprises (MNEs). Fragmented production processes span the whole world, exploiting comparative production advantages and tax competition between nations. The main question globalisation is presenting to statisticians is: Which parts of the production activities of MNEs are actually taking place in the domestic territory of any given country? This question is of particular relevance for the EU, as payments of the Member States into the EU Budget also depend on the level of gross national income (GNI).

To shed light on globalisation, various tools have been developed by European statisticians. The establishment by Eurostat of the EuroGroups Register was an important step within Europe to foster collaboration between statistical offices and provide consolidated information about cross-border MNE structures. Also many European National Statistical Institutions have specific investigations of MNE in place, such as targeted surveys or "profiling", often concentrated in specific consistency Units.

Building on these new infrastructural elements, European statisticians in close cooperation between Eurostat and the National Statistical Institutions have been piloting new forms of cross-country cooperation in order to investigate the allocation of value added created by MNEs across the EU Member States. The paper will present first lessons learned from this pilot exercises.