

Globalisation

Globalisation

Activity of Foreign Affiliates

Purpose

To measure globalisation, and the contribution of foreign direct investment and multinationals to the economic activity of countries.

Objectives and outputs

The database on Activities of Foreign Affiliates (AFA) covers variables such as employment, production or R&D in conjunction with foreign direct inward investment. This data bank has been extended to the activity of affiliates of national firms abroad (outward investment) and to the activities of parent companies in the origin countries.

Databases

Activity of Foreign Affiliates (AFA)

Main Developments for 2008

General aspects:

No major changes.

Globalisation

Benchmark Definition of Foreign Direct Investment

Purpose

To set standards on how foreign direct investment data should be compiled according to international standards. Internationally comparable data, based on these concepts, makes it possible to measure the degree of economic integration and competitiveness of markets.

Objectives and outputs

The Benchmark Definition of Foreign Direct Investment serves several objectives. By providing operational guidance, the Benchmark Definition assists not only national compilers but also users of FDI statistics. The Benchmark Definition is consistent with the System of National accounts and the IMF Balance of Payments concepts. It also clarifies the linkages between cross-border investments and the activities of multinational enterprises described in the OECD Handbook on Economic Globalisation Indicators.

More specifically its objectives are to provide:

(i) a single point of reference for foreign direct investment statistics; (ii) clear guidance for individual countries as they develop or change their statistical systems for recording direct investment; (iii) international standards for FDI taking into account the effects of globalisation; (iv) the basis for economic analysis of direct investment, especially in international comparisons, to the extent that progress is made in reducing national deviations from the standard; (v) practical guidance to users of direct investment statistics including the relations of FDI to other measures of globalisation and (vi) an objective basis for measuring methodological differences that may exist between national statistics that need to be taken into account both for cross-country and industry analysis of FDI.

The purpose of the current revision of the Benchmark Definition is to adjust international methodological standards to underlying the measurement of the FDI activity in light of financial and economic changes and developments since the last revision in 1995.

Non-member countries involved in the activity:

Argentina, Brazil, Chile, Estonia, Israel, Latvia, Lithuania, Romania, Slovenia

Main Developments for 2008

General aspects:

The revised edition will be published in the first half of 2008 but research agenda will continue.

Conceptual work on selected new data series (such as FDI excluding pass-through funds and capital in transit, ultimate investing and host country concepts, FDI in the form of mergers and acquisitions) and the completion of core concepts for consistency with SNA and IMF BPM will be accomplished in 2008.

Draft Benchmark Definition of Foreign Direct Investment, 4th edition will be submitted by end-2007 to the Investment Committee for approval (before its transmission to the Council).

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Foreign Direct Investment

Purpose

To compile and disseminate regularly reliable and up-to-date Foreign Direct Investment (FDI) statistics which are essential for a meaningful interpretation of investment trends for the purpose of policy analysis and decision. FDI statistics provide a reliable and comprehensive source of information to OECD governments, potential investors and the public at large. They also provide the basis for periodical analyses of direct investment trends and of policies towards international direct investment in OECD member countries.

Objectives and outputs

FDI statistical series provide detailed information on inward and outward FDI flows and positions to and from OECD countries. The information is based on a standard presentation designed according to internationally agreed standards (joint OECD-EUROSTAT questionnaire based on the OECD Benchmark Definition of Foreign Direct Investment and the IMF Balance of Payments Manual). Comparative tables and charts by geographical and sectoral breakdowns for direct investment flows and stocks complement the information included for individual countries.

Statistics are also included regularly or as required for trends analysis, to monitor foreign investment activities, country reviews, etc. Data and analysis are mainly published annually in two distinct publications: OECD International Direct Investment Yearbook and International Investment Perspectives. Data are also provided on OECD.Stat for wider usage by OECD analysts.

Non-member countries involved in the activity:

Argentina, Brazil, Chile, China, Hong Kong, India, Russian Federation, South Africa

Databases

Foreign Direct Investment

Main Developments for 2008

General aspects:

Further indicators will be added.

Data collection:

Data collection on the basis of the revised questionnaires and using the electronic questionnaire where countries are not applying GESMES.

Globalisation

International Trade Indicators

Purpose

To establish a coherent and relevant indicators set based upon several databases using a coherent methodology and consistency of calculations, related frameworks, innovative graphic and analytical tools and direct online and interactive Web services.

Objectives and outputs

A considerable extension of modules was carried out in 2007, as well as the addition of ICT detailed classification and ISIC-based data. The design and implementation of an interactive country profiles module (using "radars", normalized to OECD average or allowing country-to-country comparisons) was also implemented.

Main Developments for 2008

General aspects:

Selective extension of number of indicators in response to identified, globalisation-related statistical needs.

Globalisation

Survey of Implementation of Methodological Standards for Direct Investment (SIMSDI)

Purpose

The primary purpose of SIMSDI, in accordance with the OECD Council recommendation of 1995, is to regularly review national practices applied by OECD and non-OECD countries to compile foreign direct investment (FDI) statistics and to provide an objective benchmarking tool to assess the extent of the implementation of international standards recommended by the OECD and the IMF. SIMSDI also provides comprehensive detailed metadata for the users of FDI statistics. SIMSDI is the assessment tool of the Benchmark Definition of Foreign Direct Investment.

Objectives and outputs

SIMSDI, based on a standard questionnaire, allows compiling comprehensive and detailed metadata individually for all OECD and a large number of non-OECD countries. Standard information allows bilateral comparisons and provides, to a large extent, the underlying differences that explain the cross-country discrepancies in FDI statistics. SIMSDI allows monitoring the methodological improvements over time of the countries included in the survey. SIMSDI also provides valuable information to OECD and to IMF for the revision of international methodological standards, namely on the difficulties experienced by national compilers when implementing some of the recommendations or the relevance/irrelevance of some guidelines as economic factors may change over time. SIMSDI results are analysed in a joint IMF/OECD report: "Foreign Direct Investment Statistics: How countries measure FDI".

Information was compiled from South East European countries for a report on policy recommendations published in 2007.

Non-member countries involved in the activity:

Argentina, Brazil, Chile, Estonia, Israel, Latvia, Lithuania, Other, Romania, Slovenia

Databases

SIMSDI

Main Developments for 2008

General aspects:

The content of the questionnaire will need to be revised to be adapted to new recommendations of the Benchmark Definition of Foreign Direct Investment. This work will start in 2008 with the help of a drafting group.

Data management:

Link the SIMSDI database to FDI statistics on OECD.Stat.