



**DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS
COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES**

Workshop on International Investment Statistics

Statistics of multinational enterprises: Main issues

Note by the Secretariat

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This document was considered under Agenda item 1 of the "Seminar on statistics of multinational enterprises", organised as a part of the Workshop on International Investment Statistics.

This revised version, including additional information on business statistics, will also be circulated to the OECD International Trade Statistics Meeting for consideration under agenda item 11 a) of the Draft Agenda: Globalisation , production and trade indicators.

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SEMINAR ON STATISTICS OF MULTINATIONAL ENTERPRISES: ISSUES PAPER¹

Introduction

1. Multinational enterprises (MNEs) account for a large share of foreign direct investment (FDI). To analyse the role and the impact of MNEs in economic developments world-wide, it is necessary to have reliable and comprehensive statistics. Moreover, the statistics relating to various aspects of MNEs should be developed on a compatible basis so that they can provide correct and complete assessments to policy and decision makers as well as for other types of analytical work and research.

2. Several technical questions were prompted by the OECD *Handbook on Economic Globalisation Indicators (HEGI)* with regard to statistics on MNEs. The coverage of the indicators proposed in the *HEGI* relate to (i) FDI; (ii) activities of foreign-controlled affiliates (FCA); (iii) trade and (iv) technology. Even though all these aspects of globalisation are closely related and complementary, the comparability and reliability of actual statistics still remain a challenge for the future. Harmonisation of the underlying concepts should be a part of the forthcoming review of international standards.²

3. The Seminar on Statistics of Multinational Enterprises (Seminar) is organised as a part of the Workshop on International Investment Statistics (WIIS) of the Committee on International Investment and Multinational Enterprises (CIME). It will limit itself to direct investment, trade, and activities of foreign-controlled affiliates. The purpose of this first Seminar is:

- i) to identify existing statistics of MNEs set-up to measure the cross-border investments and trade as well as their economic activities;
- ii) to verify the degree of harmonisations between the statistics; and
- iii) to bring forth issues for harmonisation which could be included in the revision of the *OECD Benchmark Definition of Foreign Direct Investment* and other manuals.

What should the statistics analyse?

4. As a result of the liberalisation of capital movements and deregulation of markets, the share of foreign direct investment in the world economic development has grown very significantly over the past decades. The benefits of direct investment were discussed in many studies and continue to be subject to close scrutiny both in the context of emerging and developed economies. We will simply recall some of these aspects but the document will rather focus on the statistics which were designed to provide the main tools to analyse MNEs.

5. The starting point for the establishment of MNEs is foreign direct investment which is a category of cross-border investments with the objective of a long-term or lasting interest. FDI provides advantages to both home and host countries. It contributes to the development of local enterprises, to employment, to transfer of know-how and technology, etc. FDI provide competitive markets for the home economy and

1. This document was prepared jointly by DAFE, STI and STD.

2. Revisions of: System of National Accounts, IMF Balance of Payments Manual, OECD Benchmark Definition of Foreign Direct Investment.

additional capital for the host country. Also, it is often argued that FDI has a positive impact on the development of cross-border trade. In the case of trade in certain services, the proximity of supplier to customer is necessary (e.g. hotel services), and in such cases the establishment of a commercial presence through FDI is the only means to access foreign markets (foreign affiliate trade).

6. In any attempt to analyse the impact of multinational enterprises in the global economy, several questions need to be addressed: which statistics do we need? Are these statistics available? Are they comprehensive? Are they established according to compatible concepts and definitions? Are they detailed enough? Etc.

OECD's statistics relating to MNEs

7. OECD compiles statistics on direct investment and activities of foreign-controlled enterprises including trade. Some of these databases are based on joint questionnaires with other international agencies as a part of the co-ordination efforts for harmonisation and to avoid overlaps. Nonetheless, additional efforts may be necessary to harmonise some of the OECD statistics and their underlying methodology with a view to providing more compatible statistical series.

Foreign direct investment

8. "Foreign direct investment reflects the objective of obtaining a lasting interest by a resident entity in one economy ('direct investor') in an entity resident in an economy other than that of the investor ('direct investment enterprise'). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated." §5 *Benchmark Definition*

9. Foreign direct investment statistics measures inward and outward financial and income flows as well the stock of investments. FDI capital is composed of equity capital, reinvested earnings and other capital (such as loans). See Annex 1 for a detailed presentation of the components.

10. OECD compiles FDI statistics on the basis of a joint OECD/Eurostat questionnaire. Statistics are disseminated to the public in *International Direct Investment Statistical Yearbook* and the annual *International Investment Perspectives* which also includes an article on recent FDI trends and developments.

Activities of foreign-controlled enterprises

11. According to *HEGI*, "AMNE³ data should be compiled, as a first priority, for affiliates in which the direct investor has unambiguous control and should be attributed to the country of the investor of ultimate control (for inward investment) and the country in which the operations actually take place (for outward investment). As a result, AMNE data can provide information about the operations of affiliates – for example, the number of people employed by foreign-controlled affiliates in a given country that are essential to a more complete understanding of the role played by MNEs in host and home countries. AMNE data concern *foreign-controlled affiliates* (foreign-CAs), *parent companies* (controlled by residents or by foreign investors), and *affiliates abroad* controlled by this country". §184. See Annex 2 for a detailed description of data series.

3. AMNE = Activities of Multinational Enterprises.

12. Statistics are compiled and disseminated by the Directorate of Science, Technology and Industry under the title *Measuring Globalisation: the role of multinationals in OECD Economies*. There are two separate volumes for manufacturing sector and services sector. At the present time statistical series relate to foreign-controlled affiliates. The statistics do not relate to MNEs as a group of enterprises. Data are reported for inward investments (i.e. foreign controlled enterprises resident in the reporting country) but not for outward investments (resident enterprises controlling entities abroad) for which data are available only for a very few countries.

Trade statistics

a. Global trade

13. In general, trade statistics are divided into two categories (i) trade in goods and (ii) trade in services. Unless otherwise indicated, they reflect trade flows for the entire economy.

- (i) *Trade in goods* (by commodity) covers all trade flows – all goods which add to, or subtract from, the resources of a country as a result of their movement into or out of the country. Customs records should be the main source of the data. The *general trade* system (as opposed to *special trade*) implies that the statistical territory of a country coincides with its economic territory; imports include all goods entering the economic territory of a compiling country and exports include all goods leaving the economic territory of a compiling country. Unless otherwise specified, imports are valued c.i.f. and exports are valued f.o.b. In line with the *International Merchandise Trade Statistics: Concepts and Definitions, Revision 2* (IMTS, Rev.2) the merchandise trade statistics are collected, compiled and disseminated by the OECD Statistics Directorate under the title *International Trade by Commodity Statistics (ITCS)*. These data, classified by commodity, are converted by the Directorate for Science and Technology to obtain estimates on activity classification for the “bilateral trade database”. They are disseminated via the internet but only aggregate data are published.
- (ii) *Trade in services* covers (services) transactions between residents and non-residents of an economy (based on the measurements of the balance of payments) – in line with the recommendations of the IMF Balance of Payments Manual 5th Edition. and the Manual on Statistics of International Trade in Services (MSITS), Statistics are compiled and disseminated by the OECD Statistics Directorate in OECD Statistics on International Trade in Services, by type of service in Volume 1 (jointly published with Eurostat), and by partner country in Volume II. OECD/STD seeks to address a wider view of trade in line with the requirements of the General Agreement on Trade in Services (GATS).

“In GATS, trade in services is defined as the supply of a service:

- a) from the territory of one [WTO] Member [country] into the territory of any other Member (mode 1);
- b) in the territory of one [WTO] Member to the service consumer of any other Member (mode 2);
- c) by a service supplier of one [WTO] Member, through commercial presence in the territory of any other Member (mode 3);
- d) by a service supplier of one [WTO] Member, through presence of natural persons of a Member in the territory of any other Member (mode 4).” *Para 2.19 MSITS*

Trade in services in the balance of payments only covers a part of GATS trade in services. It needs to be supplemented by (i) coverage of commercial presence trade (achieved through foreign affiliate trade in services statistics – see section below) and (ii) supplementary information on movement of people to deliver services (mode 4). At present this information is usually limited to *compensation of employees* and *workers remittances* in the balance of payments statistics.

b. Trade by foreign-controlled affiliates

14. Trade flows attributed to MNEs relate to “(1) the exports and imports of foreign-CAs located in the compiling country, and (2) exports and imports associated with domestically located parent companies and their CAs abroad.⁴ The trade flows of foreign-CAs include both intra-firm trade (i.e., trade with the CAs’ foreign parent group) and trade with unrelated firms. Trade flows associated with parent companies in the compiling economy and their CAs abroad include intra-firm trade between the parents and their CAs abroad, trade between the parent companies and other foreign firms (including both associates and unaffiliated firms), and trade between the CAs abroad and unaffiliated firms located in the compiling country. §631, *HEGI*. Statistics are compiled and disseminated as a part of the publication *Measuring Globalisation* mentioned above.

Exports by FCA in reporting economy = To foreign parent group + to other foreign entities [affiliated foreign entities + unaffiliated foreign entities]

Imports by FCA in reporting economy = From foreign parent group + from other foreign entities [affiliated foreign entities + unaffiliated foreign entities]

15. An important aspect of the trade by MNEs is intra-firm trade which consists of trade between parent companies of a compiling country with their affiliates abroad and trade of affiliates under foreign control in this compiling country with their foreign parent group. (Glossary, *HEGI*.) In view of significant trade flows involved between the affiliated enterprises of the same group, it is recommended to develop such statistics as well.

16. It is useful to note that the acronym FATS is used in a rather confusing way by the international community. Foreign Affiliate Trade in Services (FATS) Statistics is defined by the TS Manual. The word affiliate is used synonymously as direct investment enterprise (see footnote 59, TS Manual). However the same manual refers to FATS statistics as relating to majority ownership. On the other hand FATS statistics of the OECD relate to enterprises which are foreign-controlled enterprises (inward) or enterprises controlling firms abroad (outward).

17. FATS is also used as acronym by Eurostat to designate “Foreign Affiliates Trade Statistics”. However, these data related to the activities of foreign-controlled affiliates and include only trade in services.

Definition of Multinational Enterprises

18. To our knowledge, there is no definition of a “multinational enterprise” for statistical purposes even though several statistical series relate to MNEs, not all of them having necessarily the same coverage.

4. Excluded from this taxonomy of trade involving multinational firms are trade flows between foreign parent companies and unaffiliated firms in the compiling country; such flows typically fall outside of the scope of data that can be collected in surveys of multinational-firm operations.

19. The *OECD Guidelines for Multinational Enterprises (Guidelines)* does not provide a precise definition of MNEs but leaves it up to each country to decide. However the Guidelines refer to a general description whereby multinationals “usually comprise companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of others, their degree of autonomy within the enterprise may vary widely from one multinational enterprise to another. Ownership may be private, state or mixed.”

20. It is desirable to have a definition for statistical purposes to avoid arbitrary decision which may relate to different types of business combinations. Such an approach may seriously handicap cross-country harmonisation of the statistics.

Population of enterprises covered by OECD statistics

21. Foreign direct investment statistics described in the *Benchmark Definition* relate to *direct investment enterprise* in which the direct investors owns 10 per cent or more of ordinary shares or voting power for incorporated enterprises or the equivalent for unincorporated enterprises. The concept of majority ownership does not necessarily imply control. Ownership criteria serve the motivation of a long-term interest by the direct investor who exerts influence on the management of the direct investment enterprise. However, the definition of a subsidiary of a direct investment enterprises by the *Benchmark Definition* is more in line with the concept of control rather than “majority” ownership. This marks a difference with the IMF BPM5.

22. The concept of majority ownership adopted by the TS Manual is in line with BPM5 definition of a subsidiary, majority ownership of ordinary or voting shares. However, TS Manual also indicates that “FATS statistics, as recommended in the *Manual*, differ from the coverage of the GATS in the following ways: (a) GATS refers to control as well as majority ownership, whereas FATS statistics mainly use the latter as the criterion for inclusion;” § 2.92 *TS Manual*. This statement is not totally accurate given that the related statistics of the OECD rely on the concept of control rather than majority ownership. In reality, the statistics are in line with the GATS recommendation.

23. *HEGI* does not provide a definition of MNEs for statistical purposes but the identification of multinational enterprises is understood to rely on the concept of control. Implicitly, statistics on the activities of MNEs or to trade by MNEs described in the *HEGI* relate in essence to direct investment enterprises and their subsidiaries which form a group of enterprises. *HEGI* refers to “foreign parent group” which “comprises 1) the foreign parent; 2) any foreign person, proceeding up the foreign parent’s ownership chain, that owns more than 50% of the person below it, up to and including the affiliate’s ultimate controller; and 3) any person proceeding down the ownership chain that owns more than 50% of the person above it.” (Box 3.7)

24. The recommendation of *HEGI* to identify enterprises under foreign control is “to classify an enterprise within a country on the basis of the presence or absence of effective foreign control, the criterion recommended for use is whether or not a majority of ordinary shares or voting power (more than 50% of the capital) is held by a single foreign direct investor or by a group of associated investors acting in concert, such as members of the same family or enterprises and their affiliates”. (Box 3.5)

25. In theory, it would be correct to consider that population of enterprises covered for the statistics on the activities of FCA and trade by MNEs, according to the definition of *HEGI* would relate to a sub-category of direct investment enterprises. Nevertheless, in practice there are major inconsistencies, due to difficulties to identify the chain of enterprises which is based on a complex methodology. FDI statistics are recorded according to immediate investment/host country while other statistics described by *HEGI* are recorded according to ultimate investing/host country. The differences between direct investment

enterprises and MNEs are explained in Box 3.6 of the *HEGI* which is included in Annex of the present document.

26. In addition, it is worth mentioning that the population of FDI enterprises also include holding companies and more generally by Special Purpose Entities. Investments by such entities are also included in FDI statistics with some exceptions. In most cases, these entities do not have the same type of economic activities defined by HEGI. Some of them do not even have any or limited physical presence. Including such entities in the population of FDI enterprises without separately identifying them does not serve the harmonisation of FDI statistics with other related data.

National statistics

27. Statistics compiled and disseminated by international organisations rely primarily on national statistics. The level of harmonisation of different components or the degree of implementation of international guidelines is determined by the extent of compliance of national statistics to the recommended standards.

28. In many OECD countries the authorities responsible for the statistics are in different institutions which are an important handicap for the harmonisation of the various statistics. Data sources are different. Concepts and definitions are usually not harmonised. Compiling the data in the same institution or establishing a permanent dialog between national agencies facilitates the efforts for statistical harmonisation.

29. *FDI statistics* are compiled in most of the OECD countries by central banks. In a few countries the organisation of national statistics is different whereby the responsibility of a wider range of data collection and dissemination is attributed to national statistics office. The statistics use as basic methodology the recommendations included in the IMF *Balance of Payments Manual* and the OECD *Benchmark Definition*.

30. Statistics on the economic activities of foreign-controlled enterprises are based on national business statistics which are usually compiled with the contribution of more than one national agency. Agencies involved could be: the ministry of trade and industry, the ministry of finance, the ministry of science and technology, the national statistical office, the central bank.

31. OECD collects, standardises and disseminates a considerable amount of annual structural business data by detailed industry and services sectors for all OECD countries. The number of variables (up to 24), derived from sometimes different national structural business surveys, cover production, value added, employment, investment, wages and salaries, number of establishments, number of enterprises, hours worked and so forth. Sectors are broken down to the fourth digit level of ISIC Revision 3 covering 303 ISIC sectors (of which 172 industry and 101 services sectors) A related database by economic size class is in the process of being integrated into a new structural business database, combining the two and allowing the identification of SMEs. It is important to underline that OECD sources data from Eurostat for all common variables after a detailed quality check and comparison to ease the response burden on countries and to improve international consistency and coherence.

32. Merchandise trade statistics are compiled in OECD countries either directly by customs organisations or by national statistics institutes using customs data. Statistics are compiled according to the UN handbook on international Merchandise Trade Statistics adapted according national circumstances. N.B. Intra-EU trade data are compiled using VAT information according to Intrastat rules. In line with UNSD requirements (UNSD takes data from OECD), OECD is continuing to compile EU trade statistics

according to the national concepts and, hence, data for EU countries may differ from EU-based data. EU aggregates are taken directly from Eurostat for comparison.

33. Trade in services statistics in the balance of payments are compiled either by central banks or national statistics institutes. Data can be collected from a wide range of sources including bank settlement information, administrative sources, enterprise surveys, frontier surveys and household surveys depending on the national situation. Data are compiled according to the principles of the IMF Balance of Payments Manual and the MSITS. Balance of payments also provides aggregate data on trade in goods adjusted to the BOP concept.

ANNEX 1

The coverage of the OECD/EUROSTAT FDI questionnaire by (i) partner country or economic zone and (ii) by economic sector⁵

1. FDI income flows

a) *FDI Income: in reporting economy*

i) *Income on equity*

- (1) Dividends and distributed branch profits
- (2) Reinvested earnings and undistributed branch profits

ii) *Income on debt (interest)*

b) *FDI Income: abroad*

i) *Income on equity*

- (1) Dividends and distributed branch profits
- (2) Reinvested earnings and undistributed branch profits

ii) *Income on debt (interest)*

2. FDI financial flows

a) *Direct investment in the reporting economy:*

- i) Equity capital (claims, liabilities)
- ii) Reinvested earnings (net)
- iii) Other capital (claims, liabilities)

b) *Direct investment abroad:*

- i) Equity capital (claims, liabilities)
- ii) Reinvested earnings (net)
- iii) Other capital (claims, liabilities)

5. Data by country or economic zone and economic sector (this breakdown is not yet fully developed for many countries).

3. FDI positions

a) Direct investment in the reporting economy:

- i) Equity capital and reinvested earnings (claims, liabilities)*
- ii) Other capital (claims, liabilities)*

b) Direct investment abroad

- i) Equity capital and reinvested earnings (claims, liabilities)*
- ii) Other capital (claims, liabilities)*

ANNEX 3

Box 3.6. Identifying the populations of direct investment companies and those relating to the activity of multinational firms (Source HEGI)

The question is whether the population of enterprises concerned by the data on activity is a sub-population of direct investment companies.

The answer to that question depends on:

Whether just one compiling country is being referred to, or the whole world.
How the population of FDI enterprises is defined.
The way in which national surveys are organised.

1. Case of a compiling country:

a) Inward investment

In principle, given that the firms concerned by the data on activity are those whose shareholders control more than 50% of the voting shares, these enterprises constitute a *sub-population* of direct investment companies.

When foreign affiliates in a compiling country set up their own affiliates in that country, these new affiliates are in principle “direct investment companies in a consolidated accounting system” but in practice in some countries they are excluded from the direct investment statistics. On the other hand, they are included among the foreign-controlled companies. In this case, the population of these latter companies is a *sur-population* of direct investment companies. In France, for example, foreign-controlled employment is twice as high if firms excluded from direct investment statistics are taken into account.⁶ Also, the fact that, in the case of direct investment, the investing country is the country of the immediate investor, whereas for activity data it is the country of ultimate control, does not really affect the number of enterprises concerned inside the compiling country but only changes the attribution of the investing country.

b) Outward investment

The same problems are encountered in the case of outward investment. The enterprises concerned by activity data are in large part a *sur-population* of direct investment companies, inasmuch as the compiling country’s parent companies that invest abroad are included in the statistics on activity as a group (consolidated form: see the definition of parent companies in this chapter). This may not be the case in the direct investment statistics.

Also, the population of a compiling country’s affiliates abroad in direct investment statistics corresponds to those affiliates in which the compiling country’s parent companies invest directly,

6. The way in which the population of direct investment firms should be defined is a subject of debate and the European Central Bank set up a Task Force in 2003 to consider this matter.

whereas statistics on activity ought in principle also to take account of indirectly controlled affiliates abroad which are often located in different countries (second priority in Box 3.4).

The population of firms in the data on activity is at the same time a *sub-population* of direct investment enterprises in the sense that the latter category also includes firms whose investors have minority holdings and do not exercise control.

It needs to be emphasized that, where inward and outward investment are concerned, the population of firms concerning activity data excludes all portfolio investment companies even if, in some extreme and clearly identified cases, a foreign investor may control a company with fewer than 10% of ordinary shares or voting power (see also Annex 3.1).

2. Case of the whole world

When all the countries in the world are considered at the same time, a large proportion of indirectly controlled firms excluded from a compiling country's direct investment statistics are recorded by other countries as direct investment companies. In this case, the two populations of firms come closer together, but care will have to be taken to avoid double counting (see also section 3.3.8 on international comparability).

3. Organisation of surveys

Another cause of differences between the population of direct investment firms and that of activity data is the way in which surveys are organised. When surveys focussing on activity data are derived from balance-of-payments and direct investment surveys, the two populations of firm are closer together. When, on the other hand, the surveys are organised separately and the data stem from company statistics (ledgers), the two populations differ quite substantially.

ANNEX 4
EXTENDED BALANCE OF PAYMENTS SERVICES CLASSIFICATION (EBOPS)⁷

(The items marked * represent Standard Components and Services Sub-items
of the IMF Balance of Payments Manual, Fifth Edition 1993, pages 43 and 50)

	<u>CODE</u>
*1. Transportation	205
*1.1 Sea transport	206
*1.1.1 Passenger	207
*1.1.2 Freight	208
*1.1.3 Other	209
*1.2 Air transport	210
*1.2.1 Passenger	211
*1.2.2 Freight	212
*1.2.3 Other	213
1.3 Other transport	214
1.3.1 Passenger	215
1.3.2 Freight	216
1.3.3 Other	217
Extended classification of Other transport (1.3)	
1.4 Space transport	218
1.5 Rail transport	219
1.5.1 Passenger	220
1.5.2 Freight	221
1.5.3 Other	222
1.6 Road transport	223
1.6.1 Passenger	224
1.6.2 Freight	225
1.6.3 Other	226
1.7 Inland waterway transport	227
1.7.1 Passenger	228
1.7.2 Freight	229
1.7.3 Other	230
1.8 Pipeline transport and electricity transmission	231
1.9 Other supporting and auxiliary transport services	232
<u>Memorandum items</u>	
Freight transportation on merchandise, valued on a transaction basis	950
Sea freight	951
Air freight	952
Other freight	858
Space freight	862
Rail freight	863
Road freight	953
Inland waterway freight	865
Pipeline freight	868

7. For more information on the EBOPS classification and detailed definitions of items, refer to the *Manual on Statistics of International Trade in Services* available at www.oecd.org/std/trade-services.

*2. Travel	236
*2.1 Business	237
2.1.1 Expenditure by seasonal and border workers	238
2.1.2 Other	239
*2.2 Personal	240
*2.2.1 Health-related	241
*2.2.2 Education-related	242
*2.2.3 Other	243
<u>Memorandum items</u>	
Expenditure on goods	956
Expenditure on accommodation and food and beverage services	957
All other travel expenditure	871
*3. Communications services	245
3.1 Postal and courier services	246
3.2 Telecommunication services	247
*4. Construction services	249
4.1 Construction abroad	250
4.2 Construction in the compiling economy	251
*5. Insurance services	253
5.1 Life insurance and pension funding	254
5.2 Freight insurance	255
5.3 Other direct insurance	256
5.4 Reinsurance	257
5.5 Auxiliary services	258
<u>Memorandum items</u>	
Gross insurance premiums	960
Gross premiums – life insurance	972
Gross premiums – freight insurance	974
Gross premiums – other direct insurance	976
Gross insurance claims	961
Gross claims – life insurance	973
Gross claims – freight insurance	975
Gross claims – other direct insurance	977
*6. Financial services	260
<u>Memorandum items</u>	
Financial Intermediation Services Indirectly Measured (FISIM)	887
Financial services including FISIM	888

*7. Computer and information services	262
7.1 Computer services	263
7.2 Information services	264
7.2.1 News agency services	889
7.2.2 Other information provision serv.	890
*8. Royalties and license fees	266
8.1 Franchises and similar rights	891
8.2 Other royalties and license fees	892
*9. Other business services	268
*9.1 Merchanting and other trade-related services	269
9.1.1 Merchanting	270
9.1.2 Other	271
*9.2 Operational leasing services	272
*9.3 Miscellaneous business, professional, and technical services	273
*9.3.1 Legal, accounting, management consulting, and public relations	274
9.3.1.1 Legal services	275
9.3.1.2 Accounting, auditing, book-keeping and tax consulting services	276
9.3.1.3. Business and management consultancy and public relations services	277
*9.3.2 Advertising, market research, and public opinion polling	278
*9.3.3 Research and development	279
*9.3.4 Architectural, engineering and other technical services	280
*9.3.5 Agricultural, mining and on-site processing services	281
9.3.5.1 Waste treatment and depollution	282
9.3.5.2 Other	283
*9.3.6 Other	284
9.3.7 Services between affiliated enterprises, n.i.e.	285
<u>Memorandum items</u>	
Merchandising gross flows	962

*10. Personal, cultural, and recreational services	287
*10.1 Audiovisual and related services	288
*10.2 Other personal, cultural and recreational services	289
10.2.1 Education services	895
10.2.2 Health services	896
10.2.3 Other	897
<u>Memorandum items</u>	
Audiovisual transactions	894
*11. Government services, n.i.e.	291
11.1 Embassies and consulates	292
11.2 Military units and agencies	293
11.3 Other	294

**ANNEX 5
STATISTICS OF INTERNATIONAL AGENCIES**

<i>Type of data</i>	<i>Compiling agency</i>	<i>Description</i>	<i>Population covered</i>	<i>Comparability across agencies</i>
FDI statistics	OECD/Eurostat data	<ul style="list-style-type: none"> (i) Based on a joint questionnaire (ii) Reporting countries: 30 OECD countries (iii) Flows (income and financial) and positions – Inward and outward (iv) Standard components (v) Data by partner country (vi) Data by industry classification (vii) Methodology: BPM5, Benchmark Definition 	Immediate host/investing country	<ul style="list-style-type: none"> (i) A good degree of compatibility with the IMF data (ii) Discrepancies are mostly due to different timing of reporting
	IMF Statistics	<ul style="list-style-type: none"> (i) As a part of Balance of payments statistics (ii) Reporting countries: IMF (iii) Flows (income and financial) and positions – Inward and outward (iv) Methodology: BPM5, Benchmark Definition 	Immediate host/investing country	<ul style="list-style-type: none"> (iii) A good degree of compatibility with the OECD/Eurostat data (iv) Discrepancies are mostly due to different timing of reporting

AMNE statistics	OECD	<ul style="list-style-type: none"> (i) Sector coverage: manufacturing (SITC3)??? For 18 industries (ii) Enterprise coverage: Majority-owned (and some minority owned) (iii) Reporting countries: 18 OECD countries (iv) Inward and outward investment (v) Methodology: HEGI 	Ultimate Beneficiary Owner	
FATS	OECD/Eurostat	<ul style="list-style-type: none"> (i) Based on a joint questionnaire (ii) Sector coverage: Services (ISIC3) for 38 industries (iii) Variables: 5 (iv) Reporting countries: 19 OECD countries 	Ultimate Beneficiary Owner	
Structural Business Statistics and Statistics by Economic Size Class	OECD and Eurostat coordinate work on coverage	<ul style="list-style-type: none"> (i) OECD: 172 Manufacturing and 101 services industries (ii) Depending on data set and organisation: 10 to 24 variables 	By country of ownership	
Operations of TNCs	UNCTAD	<ul style="list-style-type: none"> (i) Foreign affiliates: majority and minority owned 	UBO (when possible)	

Trade statistics				
Merchandise Trade Statistics	OECD/UNSD	(i) Classified according to the HS at 6-digit level, the SITC at 5-digit level. Data are also available according to the ISIC. (ii) Provides exports and imports data on commodities and partner countries (up to 260 countries) in terms of value and quantity	Covers all OECD member countries plus China, Chinese Taipei and Hong-Kong	OECD member country data are provided to the UNSD by the OECD.
Trade in services	OECD/Eurostat	according to Extended Balance of Payments Services (EBOPS) classification and/or by partner country		
	IMF	according to EBOPS classification		