This document presents the WPTGS Bureau conclusions for the 2018 WPTGS meeting (21-23 March 2018) and the joint WPTGS-WGIIS meeting (20 March 2018).

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WPTGS 2018 Main conclusions

Prepared by the WPTGS Bureau

The WPTGS Chair, Mr François Mouriaux (Banque de France), presented the conclusions of the 10th WPTGS and 4th joint WPTGS-WGIIS meeting. He began by re-emphasising the turbulent policy environment related to international trade, with many ongoing negotiations and re-negotiations of trade agreements, growing concerns about the role of multilateralism (the central theme of the 2018 OECD Ministerial Council Meeting), and emerging questions related to digitalisation and inclusive globalisation, concluding that there is a continuously growing demand for data to better understand globalisation and to anticipate its side-effects. In this light, the Bureau welcomed the large and growing number (49) of delegations attending WTPGS this year, the strong participation in discussions, and the active work of countries to improve statistics, in particular regarding bilateral asymmetries (with 17 countries participating in the bilateral asymmetry meetings this year).

The following concrete action plans and deliverables were agreed by WPTGS:

1. Measuring Multinational Enterprises

The Bureau recognised the strong demand from policy makers, analysts, and statisticians, for more data on MNEs and their activities, and underlined the wide support among WPTGS members for the development of tools at the international level to assist and further the development of such statistics.

The Bureau encourages the OECD Secretariat to continue its work on the new Analytical Database on Individual MNEs and their Affiliates (ADIMA) and welcomed in particular the further development of the ‘Monitoring tool,’ which would signal significant MNE activity, to support NSIs and Central Banks in their work. The Bureau identified ADIMA as a means for better coordination and cooperation among countries and International Organisations. In this respect, the Bureau highlighted that several WPTGS members had already volunteered to engage with OECD to pilot-test and validate the data, and encouraged other countries to do so where possible. To facilitate this interaction, the OECD Secretariat is asked to develop a short document describing how this validation can occur in a way that will not result in disclosure of confidential information.

In the development of the database, the Bureau encourages the OECD Secretariat to contact MNEs, for example via the OECD BIAC, to inform them of this database and its construction and solicit feedback. The Bureau also asks the OECD Secretariat to ensure that public dissemination of the data does not create confusion with official national statistics. In this line, the Bureau also welcomes and encourages the close co-ordination and co-operation between ADIMA and the Eurostat’s EuroGroups Register (EGR) to
avoid overlaps, different profiling of the MNE groups in common and differences in their main characteristics.

The Bureau noted and stressed the importance for further work and research on intellectual property products (IPPs) of MNEs, including implications of the location of ownership of these IPPs, and encourages WPTGS members to further investigate this issue as well as the role of SPEs. The OECD secretariat is also encouraged to explore how these variables can also be included, at least at the MNE aggregate level, in the OECD ADIMA database.

The Bureau recognises that at the national level, the consistent treatment in international and national accounts of activities by MNEs benefits from the establishment of Large Case Units (LCUs) – which have been developed (or are under development) in 14 countries – and encourages continued exchanges of organisational practices in this domain.

2. Measuring Digital Trade

The Bureau welcomed the refined concepts and first experiences on measuring Digital Trade, developed since the 2017 WPTGS meeting, and encourages delegates to continue to develop experimental measures and to share experiences.

The Bureau took note of the various country presentations that demonstrated the feasibility of producing digital trade measures and encouraged other countries to explore similar exercises. Noting the strong interest of WPTGS members in the work of the World Customs Organisation on cross-border ecommerce merchandise trade, the Bureau emphasises the need for enhanced collaboration between NSIs and Customs authorities in this respect.

The Bureau looks forward to the TFITS Handbook on Measuring Digital Trade and encourages all WPTGS members to provide input, following a detailed Table of Contents that the OECD Secretariat will disseminate in early May. Several conclusions regarding the Handbook were reached during the meeting:

- There was broad agreement regarding (the clarifications of) the definition of ecommerce but further work was required to determine whether transactions through apps such as WeChat were also in scope.
- There was strong support for a net recording of trade flows related to Digital Intermediation Platforms.
- WPTGS members welcomed the inclusion of a section looking at the relationship between Digital Trade and the Digital Economy, and a description of the policy context.
- WPTGS suggested that the Handbook make appropriate references to other, related work (e.g. on ecommerce readiness by various International Organisations).
- WPTGS highlighted the need for further research on warehouses managed by non-resident digital intermediaries (set up to serve, in addition, foreign markets), and how these transactions related in particular to merchanting. There was also a strong call to consider whether classification systems (in particular industry classifications) were well equipped to deal with the challenges of digital trade.

The Bureau also indicated that the WPTGS stocktaking survey should be updated regularly to monitor progress. A public webpage on the OECD website with all relevant
international documents, as well as links to published results in countries, will also be helpful to ensure all members have easy access to all relevant information.

3. Measuring Global Value Chains

The Bureau welcomed the work of the OECD Secretariat on the construction of the Inter-Country Input-Output Table from which the TiVA indicators are derived as well as the ongoing efforts to generate the statistical building blocks and improve the quality of TiVA, through the data collection on Supply-Use tables (SUTs); the development of extended SUTs; and also the development of Balanced Merchandise Trade and Balanced Services Trade Statistics.

Taking stock of the feedback received from delegates at WPTGS, the Bureau reiterated the importance of transparency of the process used to construct TiVA indicators, and, in particular, to balance international trade, not least to encourage greater take up of TiVA rather than WIOD in internal national analyses. In this respect, and in light of the significant efforts made by WPTGS and countries to develop replicable and transparent procedures for international benchmark datasets of balanced international trade in goods and services, the Bureau queried how these data were being used in TiVA and asked the OECD:

- To develop a roadmap setting out when and how these data would be integrated into TiVA.

Further, the Bureau stressed the importance of:

- Ensuring the approach used for balancing international trade statistics and for producing TiVA indicators was also aligned with other international regional efforts (such as Figaro from Eurostat, North American TiVA and APEC TiVA), to ensure a common and coherent set of TiVA indicators that could be viewed as an international benchmark.

Finally, the Bureau welcomed the invitation to review and provide feedback on the forthcoming release of a preliminary TiVA update in April, with a view to an official release in Q3 2018, and noted that several countries had confirmed their interest to do so in the plenary meeting, and asked the OECD to:

- Ensure that detailed metadata were provided at the time of the provisional release, explaining, for each country, how national data were adjusted, and why, in the construction of TiVA.

4. Bilateral Asymmetries

With first results of the bilateral reconciliation exercises now being published nationally, countries are confronted with challenges on how to communicate revisions to users, which may be sensitive particularly in today’s policy environment. With this in mind the Bureau asks the OECD to:

- Create an accessible inventory of national practices; provide guidance for countries to consider when releasing their results; and develop a reference document, ideally endorsed by all relevant international organisations, that explains reasons for asymmetries in simple terms; including in particular the potential impact of the different preferred country attribution in the statistical standards. The Bureau also noted, based on experiences, that small definitional differences or deviations from BPM6 are not typically a significant factor behind asymmetries in services.
To increase the scale and efficiency of future bilateral meetings, the Bureau suggests that individual HS chapters could form the basis of discussion among a larger grouping of countries (around 3-6) as asymmetries are often related. The OECD Secretariat is also asked to repeat its small survey on the results of the bilateral meetings. Such groupings of countries could be particularly useful in particular for re-exports, where adjustments may often impact on asymmetries with third countries, and the Bureau further encouraged countries to consider the potential impacts of adjustments of bilateral asymmetries on third countries in all asymmetry meetings.

5. Linking trade and business statistics
The Bureau welcomed continued advances in the area of data linking, and noted the quality spillovers that data linking of trade and business statistics can have in a number of areas (such as the national accounts and extended supply and use tables), and supported integrated approaches. The Bureau also noted that, although solutions differed across countries, the sharing of common approaches, such as the use of decision trees, was very helpful. To facilitate this data sharing:

- The OECD Secretariat is asked to provide information on the Clearspace webpage on country practices related to data linking.

6. Services by Mode of Supply
The Bureau emphasised that the work on Modes of Supply, by for example the WTO, is characterised by two important factors that contribute its success, and that can be replicated in other areas as well: first, the cooperation between the policy side and the statistical side of international organisations, and second, the creation of a ‘virtuous circle’ of continued improvement of the global dataset with the help of countries.

7. Using invoice values to record trade transactions in Balance of Payments and National Accounts
The Bureau noted the general support among WPTGS members to thoroughly review and consider the proposal to use invoice values to record trade transactions in the Balance of Payments, including its potential contribution to reducing asymmetries, particularly for transportation services. A follow-up survey to gauge opinions of National Accounts and Balance of Payments compilers is planned, and the Bureau emphasised that coordination between relevant organisations, including OECD, Eurostat, IMF and ISWGNA is important in this respect.

8. Inclusive globalisation
The WPTGS welcomed the development of statistics to support analyses on inclusive globalisation and noted, given the very high policy relevance, the potential that this work could have in generating additional resources. The Bureau recommended that the topic remained prominently on the agenda for the foreseeable future.

9. Administrative items
Finally, the Bureau reminded countries that they have until 15 April to identify if they have problems with the OECD making individual stocktaking questionnaires available on the WPTGS Clearspace website.
The Bureau also noted that the next WPTGS meeting will be in the week of 25-29 March 2019 (in the OECD Conference Centre at 2, Rue André-Pascal).