Working Party on National Accounts

Brief summary of the OECD NOE survey

To be held on 4-5 October 2012
OECD Conference Centre
Beginning at 9:00 a.m. on the first day

This document has been prepared by Gyorgy Gyomai (OECD - STD/NAD) and will be presented under item 7 of the draft agenda

The complete document is only available in PDF format
Brief summary of the OECD NOE survey

Presented by: Gyorgy Gyomai, OECD
The Survey - Background

• Driven by the OECD Economic Policy Committee’s WP1 work on Non-observed Economy

• Goal 1:
  to have an understanding of the size of NOE by NOE type, industry, sector and size-class

• Goal 2:
  to have an understanding of the methods applied
• 19 countries: measures in various breakdowns (few size-class breakdowns), 3 countries: only methodology

• the comparisons are limited by partial responses and confidentiality

• the template in the questionnaire left some room for interpretation, and therefore the responses were not always immediately comparable, various adjustments have been made throughout the report
Part 1 - conclusions

• N-classifications change, but
• overall NOE relatively stable size across time
• Households vs. Non-financial Corporations split varies by country.
• Industries with larger adjustments:
  – F - Construction,
  – G - Wholesale and Retail Trade,
  – I - Accommodation and Food Services,
  – A - Agriculture,
  – T - Activities of Households as Employers,
  – R - Arts and Entertainment etc.
Exhaustiveness adjustments  
a comparison of two surveys: 2005 vs. 2012

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<th>Country</th>
<th>GVA Adjustments by Type</th>
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Share of NOE adjustments HH and NFC

Proportion of adjustment in HH
Proportion of adjustment in NFC
Part 2 - Conclusions

• The level of detail largely varies
• Nonetheless several recurrent topics and treatments to ensure exhaustiveness were found
• Difficulties in drawing the boundaries between NOE and other type of corrections.
• N1-N7 allocations not very stable:
  – N1<->N6, both economic underground
  – N4, N5 registered units not in statistics, and occasionally N3
• For analytical purposes a different grouping could work better, e.g.:
  – illegal,
  – economic underground,
  – informal,
  – statistical underground.
Topics for discussion – moving forward

- How is VAT handled for NOE purposes? A few countries have reported adjustments based on the theoretical VAT, not allocated to industries/sectors.
- Several countries reported that estimates of N2 – illegal economy will be included after transition to the 2008 SNA. Is this a general tendency?
- Countries which did not send in the questionnaire are welcome to do so.
- Further work from the secretariat side is dependent on the evolution of the NOE related WP1 agenda.
Thank you for your attention