



Economic and Social Council

Distr.: General
9 December 2021

Original: English

Statistical Commission

Fifty-third session

1–4 March 2022

Item 3 (p) of the provisional agenda*

Items for discussion and decision: business and trade statistics

Report of the Committee of Experts on Business and Trade Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2021/224 and past practices, the Secretary-General has the honour to transmit the report of the Committee of Experts on Business and Trade Statistics. In the report, the Committee describes the progress made by the Committee over the past year in terms of completed or ongoing outputs. It also highlights the mandate and the work programme of the newly established task team on international trade statistics. The Committee has identified and is proposing to address emerging priority areas connected to the current situation, which it describes as “the new normal”. Emerging priority areas include the impact of businesses on several dimensions of well-being and social inclusiveness, the connection between business activity and the so-called “green economy” and the interaction among digitalization, innovation and productivity. The proposed approach for further integrating business and trade statistics while dealing with emerging priority areas, is presented within the framework of the Committee’s refined strategic view, which encompasses both the update of the current set of priority areas and their link to the work programme.

Action to be taken by the Commission is set out in paragraph 31 of the report.

* E/CN.3/2022/1.



Report of the Committee of Experts on Business and Trade Statistics

I. Introduction

1. In its decision 52/107, the Statistical Commission:

(a) Welcomed the report of the Committee of Experts on Business and Trade Statistics, and expressed its appreciation for the work carried out by the Committee;

(b) Endorsed the proposed workplan for 2021 and 2022, including the preparation of a manual on the global core set of principal business and trade indicators and a manual on the maturity model for statistical business registers;

(c) Welcomed the training and capacity-building programme for statistical business registers that applies the maturity model for building and maintaining statistical business registers in national statistical systems, and recommended the development of guidance on the integration of geospatial information in the statistical business registers building on country experiences;

(d) Welcomed the release of the Global Group Register to address issues of globalization and the role of multinational enterprises and noted that the need for the sharing of data among countries and agencies is essential for a comprehensive and coherent measurement of global value chains in the Global Group Register, moreover, requested guidance on how to preserve confidentiality in the sharing of data on multinational enterprises based upon country best practices, and welcomed the collaboration with the Organisation for Economic Co-operation and Development on the Analytical Database on Individual Multinationals and Affiliates;

(e) Endorsed revising the *International Merchandise Trade Statistics: Concepts and Definitions 2010* and the *Manual on Statistics of International Trade in Services 2010*, while ensuring consistency with the update of other statistical standards, such as the System of National Accounts and the *Balance of Payments and International Investment Position Manual*, and recommended that the Committee takes this work forward with the representation and active participation of countries from different regions and international agencies;

(f) Welcomed the creation of a new task team on the joint research agenda between business and international trade statistics for the revision of the trade-related standards, and recommended that the new task team also work on the development of new trade-related business indicators, on guidance for the integration of international trade-related characteristics of businesses in the statistical business registers, and on the promotion of the e-learning training programme on international trade statistics;

(g) Requested the Committee to actively coordinate the integration of the work programmes and working methods with the Inter-Agency Task Force on International Trade Statistics as recommended by the Friends of the Chair group on economic statistics to avoid duplication of work and advance the active collaboration between countries and agencies.

2. The present report contains a summary of the progress of work of the Committee of Experts on Business and Trade Statistics and its task teams during the past year, including its refined strategic view on business and trade statistics (sect. II. A.); the global consultations on the manual on the principal indicators on business and trade statistics (sect. II.B.) and on the manual on the maturity model for statistical business registers (sect. II. C.); an update on the Global Group Register (sect. II.E.); and an update on the research agenda of the newly established task team on international trade statistics for the revision of the international trade statistics manuals (sect. II.F.).

The proposed work programme of the Committee for 2022–2024 is presented in section III. Actions to be taken by the Statistical Commission are presented in section IV.

II. Progress of work of the Committee in 2021

3. The Committee held its fourth meeting virtually on 23 and 24 June and 7 and 8 July 2021. The Committee discussed follow-up actions in response to the decision of the Statistical Commission in March 2021 to initiate the revision of the international trade statistics manuals and create a task team on international trade statistics to develop a joint research agenda between international trade and business statistics and to revise and update international trade-related standards and indicators. The Committee also reviewed the progress of work of the task teams, in particular the progress in the identification of a principal core set of indicators for business and trade statistics and the maturity model for statistical business registers, and discussed the future activities of the task teams for the period 2022–2024.

A. Strategic view on business and trade statistics

4. At its fourth meeting, the Committee recognized that it must respond to the new drivers of change and reflect on the new policy demands and user needs arising from the current situation, or “the new normal”, and the structural changes to the economy and society emerging following the coronavirus disease (COVID-19) pandemic. The Committee therefore agreed on the need to refine its strategic view on business and trade statistics to incorporate the requirements of providing more timely, high frequency and more granular data; the links of business and trade statistics to new emerging and topical policy areas; and the adjustments in the production framework, such as the use of new data and interoperable data infrastructure for secure and trusted microdata sharing, exchange and linking.

5. The aim of the revised strategic view is to strengthen the horizontal (across statistical domains) and vertical (between data sources and macroframeworks) integration of business and trade statistics by establishing the new task team on international trade statistics and promoting its interaction with the other task teams under the coordination of the Committee. This point is discussed further in section II.F.

6. The Committee has also identified a limited set of emerging priority areas by integrating its own work with other ongoing activities at the international level, as well as national best practices, namely: digitalization, productivity and innovation; the “green economy”; and well-being and social inclusion. These emerging priority areas were then further explored by the Committee’s bureau through the elaboration and discussion of position papers. The aim of the position papers was to assess the relevance of these emerging issues for both business and trade statistics data users, as well as potential indirect benefits for other statistical domains, such as environmental and social statistics. The position papers also highlight the importance of integrating the emerging priority areas in the Committee’s work programme, considering the availability of a well-established set of statistical concepts and definitions and the feasibility of producing new data and indicators based on an enterprise-centred approach rooted in the statistical business register. The position papers will be presented to the Statistical Commission as background papers.

7. *Digitalization, productivity and innovation.* Digitalization, productivity and innovation clearly play an important role in shaping the complex and quickly evolving economic and technological production environment in which businesses navigate

today. The digital transformation, which has led to the integration of digital technology into all areas of business and society, is fundamentally changing how businesses deliver value to customers in order to stay competitive and thrive. Innovation, be it technological, organizational, process or otherwise, is not only driving the digital transformation, it is also at the centre of a business's strategy for adapting to an ever-changing environment. Through innovation and digital adoption, firms have been able to produce more with less, develop new products and access global markets. The measurement of the impact that these technological and digital drivers have on the productivity levels and growth rates of businesses and industries at the local, national and global levels is complex, and many data gaps can be identified in this respect.

8. In order to fill these data gaps, the statistical systems need to be adapted by combining information from the business and trade areas and by developing new classification schemes and measurement criteria that are more relevant to fully capture the complexity of new businesses and industries. Accordingly, the traditional statistical business register should be extended by adding activity indicators, expanding coverage to include unincorporated digital entrepreneurs and incorporating an expanded set of trade signals. Building upon a number of international initiatives already under way, the Committee will focus on identifying potential areas of integration between digitalization, innovation and productivity data and indicators, including their impact on employment and the linkage between business activity and environmental outcomes (e.g., pollution, greenhouse gas emissions and land use). It will also develop guidelines to identify best practices and methods for microdata linkage in support of firm-level productivity analysis and ensure the timeliness of key aggregate indicators of productivity. The current holistic approach to policymaking, which integrates the business, social and environmental dimensions, implies the need for new indicators to assess the impact of the business sector on a country with respect to additional areas beyond the contribution to employment and gross domestic product.

9. *Well-being, and social inclusion.* Well-being and social inclusion are high on the policy agenda, and the role of businesses in these areas needs to be better reflected in the business and trade statistics. The business perspective includes various aspects, such as the behaviour and performance of enterprises as employers in relation to decent jobs and wages, employment under special conditions for vulnerable groups, occupational health and safety, vocational training, interaction with local communities and taxes paid; the investments, processes, products, behaviour and performance of enterprises in relation to climate change and the physical environment (i.e., the (re)use of input and energy in the production processes and the environmental and health effects of their products/services throughout their life cycle); and the impact on well-being of enterprises' organization, behaviour and performance along the value chain in which they operate (i.e., irrespective of national and organizational/legal borders ("arms-length" or not)), their sourcing strategies, imports/exports, and direct/indirect control of their supply chains.

10. With regard to social inclusion, additional metrics should address, among other things, the composition and diversity of the employees, managers and entrepreneurs of enterprises in terms of gender, age, family type, education, disabilities and origin/ethnicity and the behaviour and performance of enterprises in relation to inclusive recruitment and social responsibilities vis-à-vis labour market and social policies and in relation to non-discrimination.

11. *Green economy.* The concept of a green economy is high on the policy agenda, not only as a means to reduce the impact of businesses on the environment and on climate change in both developed and developing countries, but also as a way to increase productivity and employment growth. As demonstrated by many policy

initiatives around the world, the measurement goal in this area is twofold: to assess the environmental/climate sustainability of businesses and industries and to assess the impact of green policies as a driver of businesses' competitiveness. The conceptual framework of the System of Environmental-Economic Accounting provides the statistical framework for addressing the interaction between the economy and the environment at the macro level. However, efforts towards the development of business and trade statistics that could better contribute to the compilation of these accounts and further address specific environmental concerns (at a more granular and disaggregated level) should be further explored by the Committee, especially with respect to the development of new indicators rooted in the statistical business register.

12. The design and implementation of a statistical framework for business statistics that consistently encompasses and fully integrates the above-mentioned issues will require closer cooperation and coordination of metrics and methods between business statistics and other domains, primarily labour market statistics, international trade statistics and environmental statistics and accounts; the identification of new data sources and data integration methods; and the design and implementation of new integrated datasets and indicators.

13. Given the complexity of this process, the Committee will start by mapping the above-mentioned areas against related initiatives/metrics in other domains, with a view to identifying the most important gaps (seen from an enterprise angle). It will draft proposals for new compilation methods and indicators in the areas with the most significant gaps with regard to well-being, social inclusion and the environment from a business statistics perspective, with a view to discussing within the Committee and with the custodians of related work, such as the Committee of Experts on Environmental-Economic Accounting, the International Labour Organization, Eurostat, the Organisation for Economic Co-operation and Development (OECD) and others, whether they are feasible and could add value to users.

B. Principal indicators on business and trade statistics

14. The Committee finalized its work on identifying a core set of business and trade indicators for compilation by national statistical offices, using an internationally comparable and flexible approach, and preparing methodological notes and guidance for each indicator ("the technical sheets"). The indicators were designed to meet users' needs in terms of better quality and increased data granularity for current statistics on business and trade to address the priority areas identified by the Committee, namely: business demography, business dynamics and entrepreneurship; globalization and digitalization; and well-being and sustainability in support of the 2030 Agenda for Sustainable Development. Careful consideration was given to the consistency of this global core set of principal business and trade indicators with similar indicators recommended by Eurostat, OECD, the International Telecommunications Union (ITU), the Partnership on Measuring Information and Communication Technology for Development and the United Nations Conference on Trade and Development. The Committee conducted a pilot exercise facilitated by the National Institute of Statistics and Geography of Mexico (INEGI) with a limited number of countries (countries represented in the task teams and Latin American countries) to test the core set of indicators and, based on the valuable feedback received, revised the technical sheets to improve their accuracy and clarity with respect to terms, definitions, coverage and breakdowns.

15. In parallel, the Committee prepared a manual on the principal indicators on business and trade statistics, which presents the Committee's strategic view on

business and trade statistics,¹ including the identification of policy needs and related data gaps, and contains a list of principal indicators on business and trade statistics. The manual will be circulated for global consultation among countries and relevant international and regional organizations and will be provided to the Commission as a background paper.

16. It is envisaged that the manual will be the first volume of a publication focusing on business statistics and that it will be complemented by a second volume expanding on the international trade indicators. The indicators are intended to be viewed as a reference list to guide the development of business and trade statistics programmes to address the topics of business demography, business dynamics and entrepreneurship; globalization and digitalization; and well-being and sustainability. In the future, the Committee will consider the possibility of developing global databases on these indicators, building on existing initiatives.

C. Maturity model on statistical business registers and capacity-building activities for statistical business registers

17. In its strategic view on business and trade statistics, the Committee recognizes the central role of the statistical business register as the backbone of the statistical infrastructure in countries. In this regard, the Committee developed a manual on the maturity model for statistical business registers, which provides a framework for the assessment of the stage of development of statistical business registers in countries with respect to the following seven dimensions: the legal and institutional framework; data sources for the register; maintenance and update of the register; coverage of the register; use of register; the information technology environment; and interoperability.

18. The manual is viewed as part of a tool kit, which includes an interactive online self-assessment; links between the dimensions of the maturity model and existing training material and guidance on statistical business registers; and information on country practices. The manual will be circulated for global consultation among countries and relevant international and regional organizations and will be provided to the Commission as a background paper.

19. With the finalization of the manual, a regular global assessment of will be launched to monitor the implementation of international recommendations on statistical business registers in countries and to identify priority areas for technical assistance. Collaboration with relevant international and regional partners, including the regional commissions, will be organized for the global assessment. It is proposed that the global assessment be carried out every five years and that it take into account the collection of country progress reports of the Wiesbaden Group on Business Registers. Close collaboration with the Wiesbaden Group will also be continued on the activities on statistical business registers, including the activities on the maturity model and the global assessment. The global assessment will support the identification of priority areas for technical assistance to countries.

20. The Committee oversaw the preparation of the foundational e-learning course on statistic business registers, which was jointly developed by the Statistical Institute for Asia and the Pacific, the African Development Bank and the Statistics Division, with special contributions from experts of the Australian Bureau of Statistics, Statistics Netherlands, the Palestinian Central Bureau of Statistics and Eurostat. The e-learning course was conducted from 27 September to 12 November 2021.

¹ The strategic view on business and trade statistics was submitted as a background document to the Commission at its fifty-first session (available at <https://unstats.un.org/unsd/statcom/51st-session/documents/BG-Item3e-Strategic-View-on-Busines-Statistics-E.pdf>).

21. The Committee is working towards the development of a series of mini-webinars to focus on and discuss practical aspects of the establishment and maintenance of statistical business registers and to share experiences among countries. The mini-webinars are intended to address topics that are relevant to countries and will be organized with relevant international and regional organizations, including the regional commissions.

D. Unique identifiers of businesses

22. At its meeting in June 2021, the Committee discussed the proposal for a global initiative on unique identifiers. The lack of unique identifiers of businesses is often seen as one of the main obstacles to the establishment and improvement of statistical business registers in countries and greatly hampers the use of administrative data. A possible solution is to build on existing initiatives, such as the global Legal Entity Identifier system of the Global Legal Entity Identifier Foundation. The Committee proposes the elaboration of a global initiative to mobilize efforts to promote the establishment of unique identifiers in countries, promote access to and sharing of administrative data for statistical business registers and encourage the mapping to a global unique identifier. In particular, the availability of global identifiers for legal entities enables linkage across data sources, reduces manual efforts to reconcile different local identifiers, provides information on company ownership and can facilitate the process of integrating information on cross-border transactions (e.g., international flows of goods and taxes). The use of global unique identifiers will also benefit the development of global registers, such as the Global Group Register and the Analytical Database on Individual Multinationals and Affiliates.

E. Global Group Register

23. Following the first experimental release of the Global Group Register in December 2020, the Statistics Division and OECD began collaboration to identify ways to combine efforts and develop a common global project a joint product on the profiling of multinational enterprises.

24. The Statistics Division and OECD have started technical discussions on the harmonization of the content of a joint product in terms of variables and coverage and the harmonization of profiling methods and validation procedures. In addition, the Division and OECD are developing a common strategy for the involvement of countries in the validation of the register and possibly the input of their data into the register.

F. Task team on international trade statistics

25. The newly established task team on international trade statistics held its first meeting in October 2021 to advance its mandated work on revising the manual *International Merchandise Trade Statistics: Concepts and Definitions 2010* and the *Manual on Statistics of International Trade in Services 2010* (the international trade statistics manuals); enhancing the integration between trade and business statistics; global trade data programmes; capacity-building; and cross-cutting topics (such as digital trade and trade by enterprise characteristics) through coordination with the work programmes of the other task teams of the Committee. It was acknowledged that the governance and mandate arrangements for the new task team conform to the decisions of the Statistical Commission at its fifty-second session and thereby replace

the past practice of creating ad-hoc United Nations expert groups for the revision of the international trade statistics manuals.

26. With regard to the activities on capacity-building and the global data programme, the task team has started to work jointly with the task team on capacity-building to develop a maturity model and assessment tool for the implementation of international recommendations on statistics of international trade in services. Furthermore, to support countries in the compilation of international merchandise trade statistics, the Statistics Division and Eurostat are currently developing trade data tools, taking the latest information technology architecture into account. Pilot testing is expected to be undertaken in 2022.

27. The Committee recommends that harmonization and consistency between the two international trade statistics manuals be explored to the maximum extent possible, as well as their consistency with the System of National Accounts (SNA) and the *Balance of Payments and International Investment Position Manual* and their updates. It was agreed that further harmonization, consolidation or integration of the international trade statistics manuals would promote institutional collaboration within countries in the areas of international trade, national accounts and balance of payments statistics.

28. The task team on international trade statistics also held a preliminary discussion of research topics, prioritized based on relevance, maturity and feasibility. The topics included the impact of the revisions to the *Balance of Payments and International Investment Position Manual*, valuation, price and volume measurement, measurement of modes of supply, digital trade, global value chains, linking trade and business statistics, the impact of trade on the environment and sustainability, foreign affiliates statistics and the impact of revisions to economic classifications (i.e., the International Standard Industrial Classification of All Economic Activities and the Central Product Classification). The task team expressed the need to have more discussions about the topics and their priorities within the Committee, and global consultations as needed. More detailed information on the research agenda will be provided in a background document.

29. The Committee recommended that the timeline of the revision of the international trade statistics manuals take into account the ongoing revisions of the SNA and the *Balance of Payments and International Investment Position Manual* and the progress made in the development of guidance notes. It is expected that the guidance notes will consist of a conceptual framework and compilation guidelines. The international trade statistics manuals would include the conceptual framework and adhere to a strict revision cycle. The compilation practices would be in the associated compilers' manuals, which would be updated more frequently. More detailed information on the revision process will be provided in a background document.

III. Proposed work programme of the Committee in 2022–2024

30. Within the context provided in section II.A, the task teams of the Committee will identify a specific work programme for the period 2022–2024, with deliverables that are in line with the priority areas identified in the new strategic view on business and trade statistics and the principles of horizontal and vertical integration. At this stage, it is foreseen that the new work programme will be developed within the Committee (namely, within the existing task teams). However, the Committee may reconsider its organization at a later stage. The Committee will report on the detailed work programme at the next session of the Statistical Commission.

IV. Action to be taken by the Statistical Commission

31. The Commission is invited to express its views on:

(a) The revised strategic view on business and trade statistics to strengthen the horizontal (across statistical domains) and vertical (between data sources and macroframeworks) integration of business and trade statistics, the new priority areas identified in section II.A of the present document and the plan to develop the detailed future work programme, as presented in section III of the present document;

(b) The progress of work of the task team on international trade statistics, the proposed revision process and research agenda for the revision of the international trade statistics manuals, the plan to develop a maturity model and assessment tool for statistics on international trade in services and progress made on trade data tools for international merchandise trade statistics;

(c) The manual on the global core set of principal business and trade indicators and the use of the list of indicators as a reference list for countries to develop business and trade statistics, with a view to informing users about the topics of business demography, business dynamics and entrepreneurship; globalization and digitalization; and well-being and sustainability;

(d) The manual on the maturity model for statistical business registers, the launch of a regular assessment on the status of implementation of statistical business registers in countries and the proposed capacity-building activities for statistical business registers;

(e) The establishment of an initiative aimed at improving the availability of a unique identifier in countries' administrative data sources and the link with a global unique identifier.
