Large Case Units:

Background, country practices, lessons learned, opportunities

Background

"Inconsistent recording of some transactions of MNE groups can lead to large discrepancies in the accounts (…) Compilers in some national statistical offices have addressed these issues by focusing attention on large MNEs, endeavoring to coordinate the collection of data from the MNE group, tracking changes in the composition of the group and conducting coherence analysis to ensure that the data are consistent."

- *SNA 2025. Chapter 23*

Background

The successful pursuit of this strategy requires monitoring and understanding of the business activities of the MNE group, as well as maintaining good communication with representatives of the group. In several countries, **these tasks are carried out by specific statistical units, combining the expertise of national accountants, balance of payments experts, and business accountants".**

- *SNA 2025. Chapter 23*

Globalization aspects of large complex MNEs

For Large, complex multinational enterprises (MNEs), need to consider things like:

- MNEs operate across national boundaries

- Processing: Goods sent abroad for processing without change of ownership

- Factoryless goods production: Outsourcing of goods production abroad

- Merchanting: Import and export of goods overseas without any alteration of the goods

- Intellectual property: global operations with intangible assets

Profiling MNEs → LCUs

- The complexity of MNEs can lead to inconsistencies in the recording
- NSOs started to monitor MNEs by establishing specialized statistical units known as Large Case Units (LCUs)
- By experts from multiple disciplines, including
  - National accounts
  - Balance of payments
  - Business and trade statistics
- For practicality, some NSOs may focus on certain MNEs based on several factors, such as size, industrial complexity, location of their operations, etc.

LCU Roles

Ensuring that data collected on the largest MNE groups is **consistent throughout the statistical system**

Ensuring **data coherence** across enterprises & surveys

Profiling: the delineation and classification of statistical units and of the main business sectors of MNE groups

Improving information in the **business register** and frame for business surveys

In some countries, the LCU is in charge of **data collection** on top MNE groups

Serve as single focal point for MNEs and **build relationships with MNEs**

LCU in the NSO

Often housed under National Accounts, sometimes broader Economic Statistics, or with Statistical Business Register or Business Statistics

Essential to coordinate across statistical domains, including national accounts, international trade, structural business statistics, Balance of Payments

Corrections to the business register can improve survey administration to MNEs across NSO, ensuring they are receiving the appropriate survey(s)

LCUs: Benefits and Lessons Learned

LCUs improve the consistency and quality of statistical outputs with better understanding the complex activities of MNEs

Enhance the capacity of NSOs to align with international standards and recommendations

Improve coordination between different statistical domains leading to integrated approach to data compilation

Country practices collected from EU Seminar on LCUs in 2024

Recap so far

Globalization has increased complexity of global production and international trade

Large, complex multinational enterprises (MNEs) are a major factor behind bilateral trade asymmetries and inconsistencies across statistical domains.

Business registers are an essential tool for ensuring the information on MNEs is complete and consistent

Large case units (LCUs) are structures that have been created in some national statistical offices that specialize in analyzing MNE groups

LCUs consist of **experts from different statistical domains** and with wide expertise

Need for international guidance

Although some NSOs and regional organizations provide guidance on LCUs, such as the European Business Profiling — Recommendations Manual (2020 edition), comprehensive guidance at the international level is still lacking.

Way forward

Explore the creation of a **cross-task team focus group**, complemented by experts from SNA and BOP

Consider drafting **Guidelines on LCUs** – could be part of the UN Handbook on Business Statistics

Add country examples on LCUs to global repository

Conduct a global assessment of current LCU practices

Develop educational materials, including e-learning courses

Enhance linkages with ongoing work by UNSD/OECD through MEIP and by other entities

THANK YOU!

Markie Muryawan

muryawan@un.org

https://unstats.un.org/unsd/trade