G.2 Treatment of MNE and Intra MNE Flows

Instructions

For each question, please provide the answer by clicking the relevant check box or by typing in the framed textboxes, which will automatically expand to fit the text. We recommend providing coordinated answers between the national agencies responsible for the national accounts and balance of payments compilation (for example, National Statistics Office and Central Bank). If only one agency is providing a coordinated answer concerning national accounts and balance of payments, please indicate that in Question 2 (Your response to the questionnaire concerns which area of macroeconomic statistics?). Otherwise, please choose in Question 2 the area of macroeconomic statistics your answer is referring to.

Please note that the survey may reach one or more contacts in your agency; however, only one response is expected. A printable version of the questionnaire and the guidance note are available at the SNA Consultations web page of the United Nations Statistics Division. If you have any questions, please contact: SNA-Globalization@imf.org and copy sna@un.org.

We look forward to and highly appreciate your collaboration.

Sincerely,
Globalization Task Team

1. Please provide your information below:

   Name of respondent
   Title
   Country
   Name of your Organization
   Email address

2. Your response concerns which area of macroeconomic statistics:
   - National Accounts
   - Balance of Payments
   - Both National Accounts and Balance of Payments

3. Is the compilation approach consistent across Balance of Payments and National Accounts?
   - Yes
   - No
Please check the responses to the questions and provide additional details as appropriate.

Economic activities of multinational enterprises (MNEs) can have significant effects on national accounts and balance of payments statistics. They can result in misallocation of GDP which can severely distort an economy’s macroeconomic indicators.

4. Is the statistical treatment of MNEs in the national accounts and balance of payments a key concern for your economy?
   - Yes
   - No

5. Please provide an explanation for your response to Question 4:
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

6. Do your users frequently request MNE related statistics?
   - Yes
   - No

7. The GZTT proposes to define an MNE as "a legal entity that has at least one nonresident affiliate or branch, and exercises control over its affiliate(s) or branch(es) either directly—by owning over 50 percent of the voting power in the entity—or by indirect transmission of control; such that the MNE is the ultimate controlling parent or the direct investor at the top of the control chain."

Do you agree with the definition?
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

8. If you responded "Strongly disagree" or "Disagree" to Question 7, please specify why:
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

9. The principle of control used in the definition of MNEs is aligned with the BPM6 (§6.12 – §6.14) and the OECD BD4. This definition applies the 50 percent of voting power rule more rigidly than the definition of control elaborated in the 2008 SNA (§4.81).
Do you agree to align the definition of control in the 2008 SNA with the definition in BPM6/BD4 when identifying foreign-controlled units as well as units that are part of domestic MNE groups?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

10. If you responded "Strongly disagree" or "Disagree" to Question 9, please specify why:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

The Guidance Note proposes four possible approaches for countries to highlight the activities of MNEs in the national accounts:

**Approach 1:** Promoting/Highlighting existing macroeconomic aggregates that are less sensitive to the impact of globalization (e.g. Gross national income (GNI), net national income (NNI), gross national disposable income (GNDI), net national disposable income (NNDI))

**Approach 2:** Granular data through the institutional sector accounts (ISA) framework

**Approach 3:** Granular data through the extended supply and use tables (eSUTs) framework

**Approach 4:** Break down gross value added (GVA) (for certain industries) to show value added generated by domestic MNEs versus affiliates of foreign MNEs

11. From a conceptual basis, which approach do you support? (Kindly note that you may choose more than one approach):

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<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Please explain:</th>
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<tbody>
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<td>Approach 1</td>
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<td>Approach 2</td>
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<td>Approach 3</td>
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12. The proposal to increase the level of granularity provided through the ISA framework requires four (4) additional subsectors to be defined in the SNA (note that the 2008 SNA already includes foreign controlled nonfinancial and financial corporations):

For the financial corporations sector, two additional subsectors are required: (i) Private financial corporations which are part of domestic MNE groups and (ii) Public financial corporations which are part of domestic MNE groups.

For the nonfinancial corporations sector, two additional subsectors are required: (i) Private nonfinancial corporations which are part of domestic MNE group and (ii) Public nonfinancial corporations which are part of domestic MNE group.

Do you agree with the proposal to adopt and define these four new subsectors in the SNA?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

13. If you responded "Strongly disagree" or "Disagree" to Question 12, please specify why:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
Practical aspects of the questionnaire

14. Are institutional sector accounts currently compiled for your economy?
   - Yes
   - No

15. Is your institution able to break down GVA for certain key industries to identify foreign-controlled units and units which are part of domestic MNEs?
   - Yes
   - No

16. Please provide an explanation for your response to Question 15:

   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

17. Using your current data sources and statistical infrastructure, which of the approaches would be considered achievable for your economy?
   Please select all that apply.
   - ISA
   - eSUT
   - Breakdown of GVA
   - Compiling or highlighting gross aggregates (GNI, GNDI)
   - Compiling or highlighting net aggregates (NNI, NNDI)
18. For any option **not** considered "Achievable" in Question 17, which of the following would be the main challenge(s) in implementing the approach(es)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Staff resources</th>
<th>Access to data</th>
<th>Institutional barriers</th>
<th>Need for better estimates of CFC</th>
<th>Statistical infrastructure</th>
<th>N/A - all approaches could be implemented</th>
<th>Other, please specify:</th>
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<tbody>
<tr>
<td>ISA</td>
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<td>eSUT</td>
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<td>GVA by industry</td>
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<td>Highlight existing SNA gross aggregates</td>
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<td>Highlight existing SNA net aggregates</td>
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19. Based on your organization’s medium-term strategic plan, would your response to Questions 17 and 18 change if you were to implement the GN’s proposals after 3 – 5 years?
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

20. Please provide an explanation for your response to Question 19:

________________________________________________________________________
________________________________________________________________________

21. To assist compilers in allocating MNE units (and other institutional units) to institutional sectors the GN includes a decision tree (please refer to page 16). Do you agree with the decision tree?
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

22. Additional comments, if any, to elaborate on the decision tree in Question 21:

________________________________________________________________________
________________________________________________________________________

23. Do you agree with the proposal to replace Figure 4.1 in the 2008 SNA with the proposed decision tree, in the next update of the SNA?
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

24. If you responded "Strongly disagree" or "Disagree" to Question 23, please specify why:

________________________________________________________________________
________________________________________________________________________

________________________________________________________________________
25. Based on your economy’s circumstances, is there a need for more detailed guidance on the treatment of MNE and intra-MNE flows in the next SNA and BPM manuals?
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

26. Please provide an explanation for your response to Question 25:

27. Does your national statistics agency or the central bank maintain a business register?
   - Yes
   - No

28. Please provide an explanation for your response to Question 27:

29. Do you distinguish foreign-controlled corporations in your Business Register?
   - Yes
   - No

30. Please provide an explanation for your response to Question 29:

31. If no, would the investment to identify foreign-controlled corporations be:
    - Small
    - Average
    - Large

32. Please provide an explanation for your response to Question 31:
33. Do you distinguish domestic MNEs in your Business Register?
   ○ Yes
   ○ No

34. Please provide an explanation for your response to Question 33:
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

35. If you responded no to Question 33, would the investment to identify domestic MNEs be:
   ○ Small
   ○ Average
   ○ Large

36. Please provide an explanation for your response to Question 35:
   ________________________________________________________________
   ________________________________________________________________
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37. Do you have any other comments on the guidance note?
   ________________________________________________________________
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(End of Page 7 )