12th Meeting of the Advisory Expert Group on National Accounts,
27-29 November 2018, Luxembourg

Agenda item: 2.c

UNECE Task Force on exchange and sharing of economic data

Introduction

The Advisory Expert Group (AEG) on National Accounts discussed the objectives and progress of the UNECE Task Force on the exchange and sharing of economic data at its 11th meeting on 3-5 December 2017 and recognized the critical importance of this work for understanding the activities of multinational enterprise groups (MNEs), reconciling bilateral asymmetries and, more in general, issues related to globalization. The Task Force will develop guidance, tools and principles to facilitate the exchange of economic data and will highlight innovative ways of data exchange among statistical authorities. AEG encouraged the Task Force to continue advancing its research and share the outcomes with AEG. This paper will, therefore, inform AEG of the recent outcomes of work and plans for finalising it. The Task Force invites AEG to advise on the structure and content of its final report and highlight priority issues and recommendations to be considered. The final report is planned to be submitted to the Conference of European Statisticians for endorsement in June 2020.

Documentation

A paper on: Exchange and sharing of economic data

Main issues to be discussed

The AEG is requested to:

- Discuss points raised in section VI.

EXCHANGE AND SHARING OF ECONOMIC DATA

I. INTRODUCTION

1. The paper informs AEG of the recent outcomes of the UNECE Task Force work on the exchange and sharing of economic data and describes the plans for finalising the work. Task Force invites AEG to advise on the structure and content of its final report and highlight priority issues and recommendations to be considered in the final report.

2. According to its terms of reference (ECE/CES/BUR/2017/FEB/4), the Task Force was established for three years to work in two stages to allow enough time to advance the challenging area of work, while sharing the results and findings early in the course of work. When establishing the Task Force, the Bureau of the Conference of European Statisticians (CES) emphasized national and international data exchange as a prerequisite for statisticians to be able to depict economic reality accurately, profile multinational enterprises and provide meaningful data on their activities. The Bureau stressed the urgent need for practical guidance to operationalize the exchange of data between national statistical offices.

3. In the first stage, until June 2018, the Task Force has analysed concrete examples of data exchange and identified through these examples enablers and obstacles of data sharing and practical requirements for data exchange.

4. In the second stage, from July 2018 to June 2020, the Task Force will develop guidance, tools and principles for statistical offices to facilitate the exchange of economic data. The guidance will also highlight innovative ways to exchange economic data to increase the quality and coherence of statistics and the ability to better analyse the activities of multinational enterprise groups (MNEs).

5. The Task Force consists of experts of national accounts, balance of payments, business statistics, foreign trade statistics and other economic statistics from the following countries and international organizations: Canada, Denmark, Finland (Chair), Italy, Ireland, Mexico, Poland, the Netherlands, United Kingdom, United States, European Central Bank (ECB), Eurostat, the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), UNECE, the United Nations Statistics Division (UNSD) and World Trade Organization (WTO). UNECE acts as Secretariat to the Task Force.

6. The work builds on existing national and international experience, including the results of related initiatives of UNSD, Eurostat, OECD, WTO and IMF. The Task Force will ensure coordination with the AEG and provide input to corresponding work undertaken by the Expert Group on International Trade and Economic Globalization Statistics (ITEGS), the G20 Data Gaps Initiative, Eurostat's Integrated Global Accounts (IGA) –projects, the relevant CES Task Forces and the Data Integration Project under the UNECE High-level Group for the Modernisation of Official Statistics.

II. CONSULTATIONS CARRIED OUT IN 2018

7. After the Task Force presented its initial findings to the AEG in December 2017, it presented its interim report to the CES Bureau in February 2018, the UNECE/Eurostat/OECD

Group of Experts on National Accounts in May 2018 and to the CES plenary session in June 2018 to inform countries and seek input from a wide group of experts.

8. The Bureau raised for instance the following issues for consideration in the Task Force work:

- In the conditions of globalisation, statistics can no longer be produced in the national context alone. Statistical authorities need to work together and exchange data internationally. It is important to share examples and statistical findings from real life cases of data exchange.
- Trust is very important for data exchange. The need for data exchange for statistical purposes should be carefully communicated to gain support, with a strong statement that any confidential data will not leave the statistical systems.
- Official statistics have to find ways to overcome the legal obstacles and exchange data internationally without compromising privacy and taking into account the different legal frameworks in countries.
- In addition to legal issues, there are other challenges related to access and copyright. The work on data exchange should think ahead to where things might evolve.
- The work feeds directly into the G20 data gaps initiative, recommendation 20, regarding international sharing of data. There is a lot of experimentation going on between IMF, Eurostat and the European Central Bank (ECB).
- OECD experience is valuable for the Task Force, especially lessons learned from bilateral meetings of countries discussing asymmetries related to foreign trade data, and its reflection group on improving access, storage and use of confidential data for statistical purposes.

9. The Group of Expert on National Accounts considered the interim results valuable and promising in terms of advancing exchange of economic data among statistical offices. They gave the following advice to the Task Force:

- Clarify the issue of access to already exchanged micro data, especially the role of international organizations in micro data exchange.
- Elaborate the resource issues related to data exchange, both from the point of view of the enterprises' response burden and the workload to statistical organizations.
- Draft a template that could be used by statistical agencies when starting to exchange economic data which is publicly available and hence not subject to statistical confidentiality in the European Statistical System (ESS).
- Find ways to maximize the opportunities for exchange of data within the current statistical laws and encourage statistical offices to establish Large and Complex Cases Units (LCUs) or other changes in the organisation of work to support data exchange.
- The need for data exchange for statistical purposes should be carefully communicated with a strong statement that any confidential data will not leave the statistical systems.
- The Group of Experts agreed to provide a forum for the network of experts on multinational enterprise groups, including experts from LCUs and other units focusing on multinational enterprise groups' data. The purpose of the network will be to exchange experience and share best practices in dealing with such enterprises' data.

10. The Conference discussed an interim report submitted by the Task Force, and raised the following issues during the discussion:

- Finding solutions to make possible the exchange and sharing of data for statistical purposes is extremely important to keep economic statistics up-to-date and relevant;
- An iterative approach in small steps was supported. At the same time, those steps should be done quickly. Data exchange between countries bilaterally or within small groups is often a good practical step. It is not always necessary to exchange huge microdata sets, the exchange of qualitative information may be also helpful. A reliable legal framework is an important precondition for data exchange;
- Data exchange can be beneficial also to MNEs and open up a good partnership opportunity. It can reduce response burden, and the resulting statistics can provide MNEs with insights about markets, supply chains, etc. It is very important to communicate this to the enterprises;
- Role of international organizations is essential by offering a platform for this work.

11. The Conference supported the Task Force's work and the proposal to create an international network of experts on MNEs and recognized the need for a regular international forum building on the joint UNECE, Eurostat and OECD Group of Experts on National Accounts. These meetings should regularly discuss issues related to MNE data and the sharing of economic data for statistical purposes.

12. The Conference recommended that the work should continue in small steps, paying attention to issues related to confidentiality, communication and legislation to support data sharing for statistical purposes. The first step should be to look into the opportunities to exchange data for statistical purposes within current statistical laws.

III. PROGRESS OF WORK AND PLANS GOING FORWARD

13. The outcomes of the Task Force work are described in the interim report (available here), presented to the CES plenary session for discussion and comments in June 2018. The interim report describes current practices of statistical offices in data exchange, reviews concrete cases of useful data exchange, and defines enablers and obstacles to data sharing based on the analysis of case studies. The report suggests practical solutions and tools to be further developed for data sharing. The interim report shares the Task Force's findings on its first main tasks:

- Task A – Review concrete examples of useful data exchange (Lead Finland);
- Task B – Identify enablers and obstacles and propose solutions (Lead Canada);
- Task C1 – Find ways to detect MNEs crucial for data exchange (Lead United States).

14. The first stage of work has now finished with the finalisation of a paper on large cases units to form a chapter of the final report on:

- Task C2 – Large Cases Units in statistical offices (Lead Ireland, see Annex I).

15. The Task Force will continue according to its work plan and terms of reference taking into account the feedback from the consultations carried out in 2018. At the second stage, the Task Force will continue the work as follows:

- Task D – Identify innovative ways to exchange of economic data
- Task E – Develop guidance, tools and principles for the exchange of data

16. For Task D, the Task Force is preparing a draft note on innovative ways to exchange of economic data. The note focuses on three aspect of data sharing: purpose of data exchange, the type of data to be exchanged and the level of regularity of data exchange. It elaborates on the relevant technical considerations and innovations in the structure of data and data sharing, algorithms, services and computation. The note also presents some examples of data exchange initiatives categorised by the above-mentioned aspects and technical solutions. The paper will be developed further for the final report by:

- Adding some lessons learnt from different data sharing case examples (including Eurostat Early Warning System (EWS) and GNI-Pilot).
- Drafting text on data sharing on MNEs between tax authorities in Europe, reviewing insights on how the base erosion and profit shifting (BEPS) initiative has worked so far and studying possibilities to use these data for statistical purposes in NSOs.
- Adding on example of access to data on value added taxation on digital services (e.g. the Mini One-Stop-Shop (MOSS) scheme). The Task Force also plans to study the extractive industries transparency initiative further. The idea will be to review data exchange initiatives from outside of official statistics to identify lessons learnt.

17. For Task E, the Task Force is reviewing the findings and outcomes of Tasks A to D to develop guidance, tools and principles for the exchange of economic data. This will be done by analysing concrete data exchange cases and sharing of experience on successful and unsuccessful applications of data exchange. The current examples will be linked to the tools presented in the obstacles and enablers table, where possible. The table has been a good tool to organise the Task Force's thinking, but the final guidance will focus more on presenting tools and concreate ways forward, with examples if available.

18. The guidance should consider data exchange among producers of official statistics with a focus on international data exchange, and statistical offices' access to external data sources, covering technical, methodological and communicational aspects such as:

- Communication and collaboration with MNEs regarding data exchange.
- Application of existing typologies for data sharing.
- Development of additional tools and templates for data exchange.

19. The Task Force will review the current examples to identify tools countries have developed so far that could be shared with other statistical offices. For example, Finland has developed instructions for international data exchange among statistical producers and a bilateral confidentiality agreement model that could be applied by other statistical offices too (see Annex II). Mexico is developing a generic version of their Memorandum of Cooperation in data exchange among statistical producers.

20. The second stage of work will also involve a review and finalisation of texts of the draft chapters prepared in the first stage of work, and a review of existing typologies that could be applied to data sharing. The Task Force also plans to review and extend the section on legal issues in data exchange discussed in the *UNECE Guidance on modernising statistical legislation* with a special focus on confidentiality and respondents' trust.

21. The work will be carried out in line with the following tentative timetable:

Second Stage (October 2018 – June 2020)	
Oct 2018 - Nov 2018	Finalize tools and templates (for task e) arising from tasks a-c, including on the application of existing typologies. Consider additional useful tools, and innovative data exchange cases in statistics. Try to find more examples outside Europe.
Oct 2018 - Nov 2018	Prepare a desk study on innovative data exchange in other industries (task d).
Nov 2018	Consultation with the AEG on National Accounts
Nov 2018 - Feb 2019	Develop guidance and identify good practices and tools for communication and collaboration with MNEs in data exchange (task e). Input for possible side-event in the UN Statistical Commission (UNSC).
Dec 2018 - Mar 2019	Make conclusions about innovative future data exchange using input from the possible side-event in the UNSC (task d).
Jan 2019 - Mar 2019	Review and extend the section on legal issues in data exchange discussed in the *Guide on modernising statistical legislation* (task e).
Mar 2019	Draft guidance (for task e) on innovative data exchange arising from task d.
Mar 2019 - Apr 2019	Prepare the first full chapters 3-7 for discussion at the 2019 Group of Experts on National Accounts.
May 2019	Discuss the draft report, in particular the guidance, and share more innovative practices (task d) at the 2019 Group of Experts on National Accounts. Focus on good practices in analysing the MNEs' exchanged data (feedback from EWS and GNI-Pilot).
May-Aug 2019	Finalize the guidance on innovative data exchange and good practices in analyzing the MNEs' exchanged data. (task e).
Sep 2019	Submit the draft report to the CES Bureau.
Oct-Dec 2019	Electronic consultation of the guidance among CES members, and consultations for instance with the AEG on National Accounts.
Jan-Mar 2020	Finalize the report based on the feedback received.
Apr 2020	Submit the report to the CES plenary session for endorsement in June 2020

IV. TENTATIVE STRUCTURE AND CONTENTS OF THE FINAL REPORT

22. The main output of the Task Force work will be the *Guidance on National and International Exchange of Economic Data*.

Tentative structure of the final report

1. Executive Summary
2. Introduction
    - Why is this guidance needed? Purpose and benefits
    - The Task Force and its work process
    - Structure of the report
3. Status of data exchange in statistics (task a)
    - Current practices of statistical offices in data exchange
    - Examples of regular data exchange
    - Examples of one-off data exchange
    - Summary analysis of studied data exchange cases
4. Enablers and obstacles of data sharing (task b)
    - Benefits and challenges of data sharing, links to real examples
    - Analysis of obstacles and enablers of data sharing, developing tools and concrete ways forward
5. Detecting MNEs and changes in their activities (task c)
    - Selecting MNEs for data exchange (GNI-Pilot experience)
    - Identifying crucial changes and data to be exchanged (EWS experience)
    - Analysis of gaps in data and exchange practices
    - Large Cases Units in statistical institutes
6. Guidance and principles for the exchange of economic data (task e)
    - Communication and collaboration with MNEs
    - Legal frameworks and confidentiality in the exchange of economic data
    - Principles of effective and secure exchange of economic data
    - Guidance towards enhanced exchange of economic data
7. Using the exchanged data to analyse MNEs' activities and improve quality
8. Future scenarios for collection and exchange of economic data (task d)
    - Innovative practices in statistical institutes
    - Innovative practices in other domains (e.g. taxation)
    - Analysis on possible future ways of data exchange for statistical purposes
    - Proposals for future work

Annexes

- Terms of reference for the Task Force
- In-depth review of exchange and sharing of economic data
- Practical tools for data exchange (including typologies – part of task e)

V. PROPOSED SIDE-EVENT AT THE 50TH UNSC

23. The Task Force has made a joint proposal with the United Nations Statistics Division (UNSD) to organise a side-event at the 50th session of the United Nations Statistical Commission called "Towards more integrated global data collection: Better measurement of global economy with lower response burden". The event is tentatively scheduled to take place on Monday, 4 March 2019, 3:00 – 6:00pm. The concept note for the side-event is presented in Annex III.

VI. ISSUES FOR DISCUSSION AT THE AEG

24. The Task Force would like to ask AEG's opinion on the following questions:

- **What are the expectations towards the Task Force's recommendations and outcomes of work?** Does the tentative structure of the final report reflect those expectations? What should be considered as a priority in the final report? Are there issues missing that should be added to the scope of work and covered in the final report?
- **Is the AEG aware of other examples of innovative practices or success stories related to data sharing in statistics or other domains?** What kind of examples would be most useful to be studied and shared in the final report?
- **Does the AEG see links between the Task Force's work and recent initiatives on the development of national accounts?** What are those links and how to take them into account in the Task Force's work?
- **What should be the focus of discussions with Chief Statisticians at the possible side-event on data exchange at the UN Statistical Commission in 2019?**

25. The 2019 Group of Experts on National Accounts will review and discuss the draft guidance and provide updates on new innovative practices. The Task Force will finalise the initial recommendations and guidance, tools and principles of data exchange for comments by the AEG meeting at their meeting in end-2019.

Annex I
Proposed approach for dealing with multi-national enterprise groups: Large Cases Unit[1]

I. INTRODUCTION

1. The impact of globalisation through Multi-National Enterprise (MNE) Groups presents the single largest "measurement" challenge facing producers of economic statistics today. This document presents the rationale, and the recommendation, why **National Statistical Institutes (NSIs) should establish a large cases type unit to deal with MNE Groups in economies where such groups are significant.**

2. This type of unit should include adopting an account management approach with the MNE Groups as well as data sharing, data exchange and data reconciliation with other NSIs. This will enable NSIs to collectively address the ever-growing impacts of globalisation (which encompasses the creation and use of intellectual property products) on the quality of data collected, and hence feeding into main statistical outputs like the National Accounts and Balance of Payments, as well as downstream products such as productivity and environmental analyses.

II. BACKGROUND

3. MNE Groups stand at the centre of economic globalisation. They play a dominant role in global production, which is then reflected statistically in their contribution to total external trade, foreign direct investment or international transfer of knowledge and technology. A study carried out in 2001 showed that over 80% of all international trade is related to at least one MNE Group. A third takes place within MNE Groups[2].

4. MNE Groups play a very important role cutting across most economies in the world. In many European Union (EU) Member States their contribution to production, value added, employment, trade in goods and services, foreign direct investments, etc. is substantial. Indeed, in 2011, in the French economy, all MNE Groups represented roughly half of the employment (47%) and the value added (56%) of all enterprises located on French territory[3]. According to a recent study carried out by Dutch Statistical Office (CBS)[4], MNE Groups are responsible for 21% of total employment and 30% of total value added in the Netherlands. However, they are responsible for about three-quarters of the international trade (excluding re-exports) in goods and services.

5. Collection of reliable and consistent statistical information from the MNE Groups is, therefore, of utmost importance for the NSIs and National Central Banks (NCBs) as

[1] Prepared by Mushtaq Hussain (Eurostat), Rami Peltola (UNECE) and Sanjiv Mahajan (ONS, UK). Thanks to Ales Capek, Isabelle Remond-Tiedrez, Henk Nijmeijer, Paul Konijn (all Eurostat) and Ruth O'Shaughnessy (CSO, Ireland) for their valuable comments.
[2] Kleinert J. (2001)
[3] Boccara F., Picard T. (2015)
[4] CBS (2017)

appropriate. Data received from the MNE Groups should be complete in terms of recording on statistical business registers, and the statistics recorded should be coherent across different statistical domains. These domains include short-term statistics (STS), structural business statistics (SBS), international trade in goods statistics (ITGS), international trade in services statistics (ITSS), foreign direct investments (FDI) and foreign affiliates statistics (FATS), and ultimately, these will feed into the balance of payments (BoP) and national accounts (NA) providing a full, coherent and correct picture of the economy.

6. As data collection in many countries may be decentralised and not sufficiently coordinated across the statistical domains, large MNE Groups are usually confronted with many different questionnaires where some of the questions ask for the same or similar information. On the other hand, the multifaceted organisational structure of MNE Groups, their complex ownership structures and intricate global production arrangements create major challenges for the NSIs/NCBs in measuring their activities and properly recording their transactions.

7. For such reasons, the establishment of a specialised unit within a NSI to focus on the communication and relationship with the largest MNE Groups, as well as data collection, processing and quality assurance of data, is becoming an essential need. The main purpose of such a unit is to improve the quality, consistency and coherency of the data but there can also be other beneficial impacts such as better use of resources and reducing the statistical reporting burden on MNE Groups.

8. The present role of Eurostat and other international organisations in this respect is a facilitating one but this could, and should, change as time goes by, for example, through the creation of a world-wide register of MNE Groups and/or even international data collection. EU Member States provide statistics to Eurostat based on various agreed domain specific statistical regulations. These regulations describe the concepts, definitions and the required output as well as timeliness. Member States, however, decide themselves how to organise the collection of data and production of statistics, in line with the subsidiarity principle. This document summarises available information, updates and shares good practices, and steers towards developing an approach in dealing with MNE Groups. The document incorporates the comments made by the Members of the CES Task Force on Exchange and Sharing of Economic Data during its meeting in April 2018.

III. LARGE CASES UNIT

9. Every country with a significant number of MNE Groups should consider establishing a specialised unit responsible for large MNE Groups. Such specialised units are often called Large Cases Units (LCUs) as they deal with large and complex cases trading across borders or just within the national boundary. At the beginning of 2018, the NSIs of Canada, Denmark, Finland, France, Hungary, Ireland, Italy, Netherlands and Sweden had established LCUs, while the United Kingdom (under-going a Pilot Exercise to develop an International Business Unit) and Norway are considering creating permanent LCUs. Other countries have dedicated programs to perform similar activities (for example, profiling) as LCUs. However, LCUs are still quite rare and mostly concentrated in the EU countries.

10. Establishing an LCU requires, and brings, a cultural and organisational change to the traditional way of organising statistical production. The common question is what an NSI wants to achieve by establishing an LCU. The way LCUs are then organised, and located, in practice can differ substantially from country to country depending upon the organisational structure of the NSI and/or NCB, available resources, etc. In this document, different approaches and common characteristics are described. It is also worth noting that, unlike the sequential system

described in the Generic Statistical Business Process Model (GSBPM), the LCU brings together various functions from different parts of the GSBPM (UNECE, 2013).

A. Stakeholders of an LCU

11. Three important stakeholders of LCUs, namely MNE Groups, NCBs and statistical domains at the NSI, were mentioned in the background in this paper. In addition to these stakeholders, LCUs cooperate and communicate with many other stakeholders.

12. At the NSI, one important stakeholder is the senior management of the NSI. They need to understand the important role and impact of the LCU, provide their full support with readiness to engage in meetings with the senior management of the MNE Groups where necessary, and provide adequate resources for the work to be undertaken by the LCU. To establish a separate, autonomous LCU, some organisational restructuring and shifting of resources is likely to be required. Strong senior management and leadership is essential to overcome initial internal resistance for the benefit of the NSI.

13. Often the first contact with the MNE Group requires involvement of senior management from both organisations and then this contact should be maintained thereafter. The work of the LCU will rely on dynamic and close cooperation with statistical domains and the statistical business register as a source of data and tool for consistency improvements.

14. It is especially important to ensure data consistency with other producers of official statistics such as the NCB (as a producer of Balance of Payments in many countries) and Customs (as a data collector of foreign trade in goods). These organisations may not be part of the LCU but regular communication, good working relations and data exchange (as appropriate) with them are essential for ensuring consistent and high quality MNE Group data across the various parts of the national accounting framework.

15. LCUs may need to establish direct contacts with key administrative data providers, as full access to their data is important for proper consistency analysis. If allowed by the statistical law, the access to the data of private data holders has similar importance. LCUs may also review the availability of private data sources with relevant data on MNE Groups[5].

16. Frequently, the counterpart may be either the national unit of an MNE Group or the headquarters of an MNE Group situated in the compiling country (typically with MNE Groups but possibly also large national enterprises). This needs to be considered when defining the strategy for data collection. Typically, the headquarters have a more complete picture of the operations of the enterprise but may at the same time have more difficulties in reporting country by country data.

17. Cooperation with LCUs (or other units) in NSIs of other countries is also advisable. In the first place, this should include sharing of best practices in LCU work. In the future, the LCUs may provide the network and contact point for more regular information exchange, data exchange and data reconciliation.

18. Eurostat has recently launched a grant for establishing LCUs and one of the goals is to set up a dedicated discussion forum of LCU related topics for countries in the ESS. It is important to follow-up how this forum develops and consider possibilities to create a link between this forum and other countries.

[5] For example, by means of targeted web search of companies, web scrapping tools, analytics database like OECD ADIMA, and private databases on mergers and acquisitions.

19. The international organisations have also many other crucial links to LCU work, for example:

- Eurostat has several initiatives such as the Euro Groups Register (EGR), international profiling, Early Warning System (EWS), etc. (see Section IV for more detail);
- OECD undertakes a range of work in this area (for example, ADIMA, BEPS, reconciliation of asymmetries, etc.);
- UNSD is working towards a Global Groups Register; and
- UNECE plans to establish an LCU network to facilitate the work, etc.

20. The exchange of information, experience and good practice at international fora is crucial.

21. Users of statistics receive benefits from the work of LCUs and are also important stakeholders. They benefit from the provision of more consistent and coherent statistics, and furthermore, the user service may be improved through better understanding and analyses of MNE Groups.

22. Irrespective of which stakeholder is in question, the language used to communicate with them is extremely important. LCUs need to be ready to take on the role of interpreter between different players in the supply, production and use of official statistics when it comes to data consistency.

B. Benefits of an LCU

23. The major benefit of an LCU is that a multi-skilled account management team would ensure the collection of timely and accurate data for MNE Groups at the very beginning of the production process of economic statistics, enabling a prompt reaction to data changes and the resolution of anomalies before they are processed by any of the statistical domains. Data consistency should be ensured by analysing the data received from different surveys and addressing potential issues at the first receipt of data.

24. A multi-disciplinary team would have the skills and capability of understanding these complex global MNE Groups, their accounts, and the underlying global issues such as:

- Factoryless goods production;
- Goods sent abroad for processing;
- Merchanting of goods and services;
- Contract manufacturing;
- Toll processing;
- Transfer pricing;
- Stocks and flows of IPPs;
- SPEs activity;
- Internet related activity; and
- FDI and related income flows.

25. The above issues are not new but have grown significantly in the past two decades and are problem areas that need to be addressed.

C. Main objective of an LCU

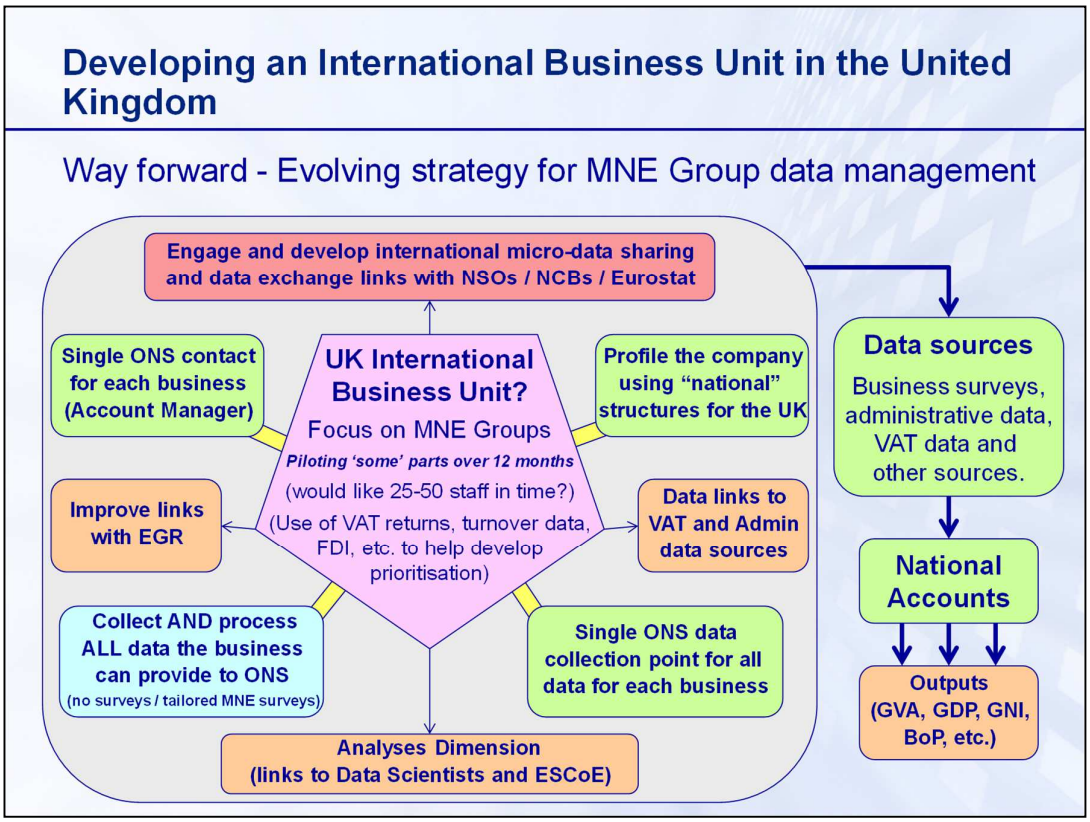
26. The main objective of an LCU is to provide all relevant statistical domains with consistent data originating from the biggest MNE Groups for compiling their statistics. In practice, inconsistent data are often discovered at different stages of the statistical value chain. Ultimately, many statistical differences and mis-measurement issues can be identified when balancing Supply and Use Tables, where for example, the supply and use of goods and services in an economy do not equal. Analysing the discrepancies, in many cases the source data may be inconsistent data covering MNE Groups, for instance between foreign trade statistics and structural business statistics. An LCU can identify and resolve these inconsistencies at an early stage before dissemination of the primary statistics. This objective, in general, may lead to the following actions[6]:

- Define the population of MNE Groups that should be managed by the LCU.
- Develop and maintain regular communication and good working relationships with the selected MNE Groups and form a contract manager type role, for example, acting as a single contact point for them and the NSI.
- Coordinate data collection for various statistical domains (e.g. STS, SBS, FDI, outward FATS) by designing common or bespoke questionnaires (monthly, quarterly and annual) and carrying out centralised data collection from the selected MNE Groups. This eliminates duplication of questions and cuts the statistical reporting burden on the MNE Groups by substantially reducing the number of questionnaires sent to them.
- Other data collection strategies can be developed such as collecting all the data that the MNE Group can provide in the form convenient for them such as the management accounts. However, in this scenario, the burden switches to the NSI to process the data as required as well as implementing more effective and efficient strategies such as collecting the data electronically. On the other hand, spending time with the MNE Group mapping their datasets to those required by the NSI and generating bespoke forms to be submitted electronically would benefit both parties.
- Analyse all aspects of the data submitted to the NSI by the selected MNE Groups operating in the country. This includes the delineation and classification of statistical units of the enterprises concerned.
- Carry out consistency checks of the various statistical and administrative returns, within and between the statistical domains (i.e. to check if data from separate statistical domains are consistent with each other).
- Eventually, provide all relevant statistical domains (business statistics as well as national accounts and balance of payments) with consistent data for compiling their statistics.

27. Depending on the specific task of the LCU concerned, the LCU could thereby take over the responsibility for consistency and provide a complete and coherent picture of the MNE Group and its contribution to each statistical domain. In some cases, the unit is not called 'Large Case Unit' as the functions covered are more like a 'Consistency Unit' which better reflects the objective. For example, in the UK, a Pilot Exercise is underway to deal with MNE Groups with the longer-term aim of developing an "International Business Unit" as shown in Figure 1.

[6] It should be noted that not all existing LCUs are involved in all the mentioned actions.

Figure 1: **Pilot exercise – Developing an International Business Unit in the United Kingdom**



D. Position of an LCU in the organisation of an NSI

28. Those NSIs which already have an established LCU in place usually differ in terms of positioning of the LCU in their organisational structure. For example:

- In Finland, the LCU is situated in the Data Collection Department, as part of the Business Register Unit. As all the data are collected centrally by the Data Collection Department, the LCU is not involved in data collection from the MNE Groups.
- In the Netherlands, the LCU is situated in the Business Statistics Department, between data collection and data analysis. Here again, as all data are collected centrally, the LCU receives the relevant data from the data collection unit and carries out consistency tasks, before providing the data to other statistical domains.
- In Ireland, on the contrary, the LCU is part of the National Accounts Department. However, in this case the LCU itself collects the data, carries out consistency checks and provides all relevant domains with the final data.

29. In the above mentioned three cases, three different approaches have been taken. However, the common feature in all these cases is the fact that the LCU is organisationally close to where the data are collected or is even responsible for data collection itself. It is also important to note in these three NSIs that the data collection, business statistics, national accounts and balance of payments are also organised differently and may have different roles, responsibilities and coverage.

30. It is recommended that the LCU should sit close to, and separate from, the statistical business register and data collection areas, thus near the start of the process. The LCU would then naturally feed reconciled, coherent and consistent data through to the statistical survey domains, and beyond, avoiding unnecessary process and feedback loops. The LCU will still need to involve key downstream actors such as national accounts and balance of payments statisticians as well as link to other areas such as productivity and micro data linking.

E. Size of the LCU and the required skills

31. The size of the LCU will logically depend on various factors such as:

- number of selected MNE Groups;
- size and complexity of the MNE Groups;
- number of survey questionnaires sent per year to the MNE Group;
- amount of time spent on each MNE Group will vary; and
- staff resources - the number of "ring-fenced" staff working either full-time or part-time in the LCU, as they may also work in other domains. It is recommended that the LCU staff are "ring-fenced" and work only for the LCU and not partly working for other statistical survey domains. This will help to remove any conflict of interest and ensure an efficient process feeding into the survey areas and beyond. This will be dependent upon the resources and budget available to the NSI.

32. The following skills and experiences are desirable in an LCU:

- Good communication skills to develop and maintain a good working relationship with the MNE Groups. Communication inside the NSI (and with the NCB as appropriate) is also important - the LCU should listen to users and discuss (conceptual) issues as well as be able to convince the statistical domains that the data provided are correct, consistent and coherent and need no further adjustments.
- Experience and knowledge about the business models, business practices and the functioning of MNE Groups to understand the content and validity of the statistical returns.
- Experience in the different types of profiling techniques, preferably manual "intensive" profiling.
- Expertise in accountancy, to be able to understand business accounts and translate the information to statistical concepts in line with the SNA and BPM. Bridging the gap is key as well as being able to communicate in a language that businesses will understand.
- Experience and knowledge of the statistical system and the relations between different domains.
- Proficiency in statistical techniques and data engineering dealing with a large amount of information.
- Identification, investigative and data problem resolution skills such as reconciling data from different domains as well as company accounts and other sources.
- Administrative skills.
- Supporting IT solutions are also needed.

- A mix of internal competencies from different areas (registers, business surveys, NA, BoP, etc.) is considered a strong asset to be integrated with external knowledge (finance, international accounting standards, business strategy) by training and consultancy.

33. In most of the above cases, it is rare that "all" of the skills mentioned are available in one person. Thus, the focus is on building a team whereby all the skills and competencies required are brought together and complement each other. The number of staff, part-time and/or full-time, solely deployed in the LCU will vary in each NSI depending upon the issues mentioned above.

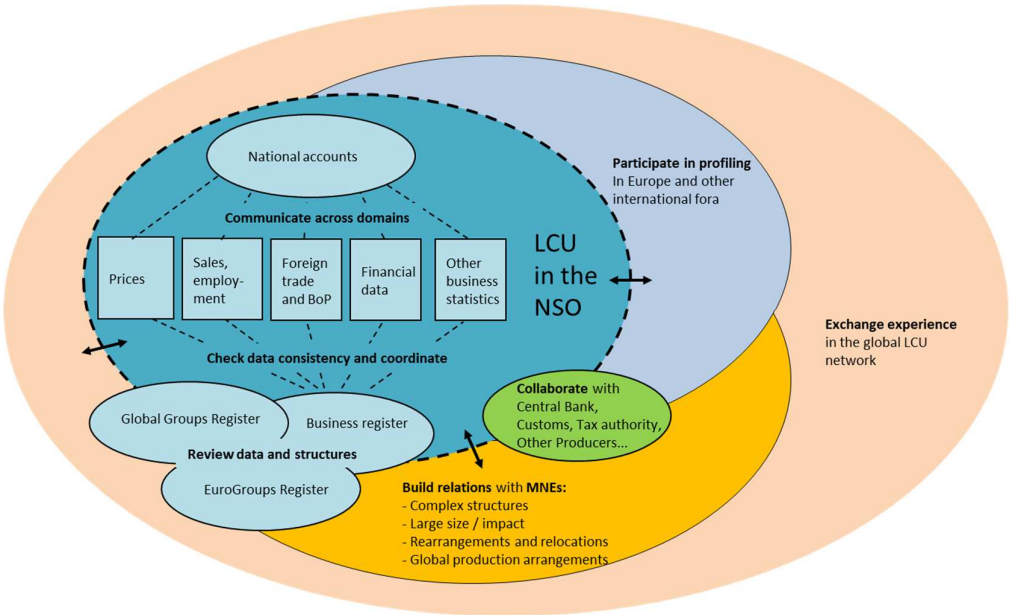
F. Working procedure

34. The working procedure of currently existing LCUs usually includes:

- Regular contacts with the MNE Groups and official formal meetings, complemented by ad-hoc and informal contacts.
- Good preparation for MNE Group meetings by reviewing the company structure, company data and notes and actions of previous meetings.
- Service-minded attitude to all statistical domains whom the LCU will provide with consistent and coherent data for compiling their statistics.
- Intra-institutional and international cooperation, including the contacts with LCUs in other countries, should be part of the LCU strategy from the beginning.

35. Figure 2 illustrates the role an LCU may play in the statistical production process. As already mentioned before, providing consistent primary data to National Accounts, Balance of Payments and other upstream domains by building relations with MNE Groups and ensuring close cooperation with other relevant authorities inside and outside the country make the role of LCU crucial in the statistical production process.

Figure 2: **Role of LCUs in statistical production**



36. It should be noted that to work as effectively as possible, it is important to have the right selection of MNE Groups to be managed by the LCU. The size of the MNE Group is an important but not the sole criterion. Other important selection criteria are complex ownership structures, opaque organisational structures, number of countries across which it operates, transmission of inconsistent data, re-arrangements and relocations of MNE Groups, involvement in global production arrangements, ownership of intellectual property products, etc. It might be useful to have an algorithm to define (and possibly to regularly redefine) the units treated by the LCU.

37. Furthermore, it is very important that the MNE Group is willing to cooperate – this may not always be the case.

IV. INTERNATIONAL ASPECTS

38. To fully understand MNE Groups and to better compile data on their global business activities, it is important to understand their structure and their international ownership chain. MNE Groups organise their production chains across national boundaries with affiliates in numerous countries as well as different links with different companies in different countries. Therefore, a proper treatment of MNE Groups would require cooperation between concerned NSIs in the form of exchange of relevant information, sharing of statistical data related to the activities of those MNE Groups and reconciliation of the data to ensure the whole picture was correct. Without a full picture of the activities of the MNE Group, it is a challenge to produce meaningful and correct measurements of global production and trade, and to understand the influence of MNE Groups on macro-economic and business statistics.

39. Therefore, data sharing, data exchange and data reconciliation between national LCUs is essential if they are to accomplish their tasks in an efficient and effective way. An international network of LCUs seems to be the right answer to facilitate the necessary exchange of relevant information. LCUs may have a special role in facilitating international work towards better understanding of MNE Groups. LCUs could provide the contact point between NSIs for MNE Group profiling and data exchange. The active involvement of LCUs in international work and follow up of results achieved in recent international initiatives would support national work on MNE Groups.

40. However, exchange of confidential data will face different obstacles of a legal, administrative, statistical, technical and cultural nature. Several on-going international initiatives are attempting to make progress in addressing issues across countries such as:

- the G-20 Data Gap Initiative;
- several Eurostat-driven initiatives (for instance, the EGR, European Union Profiling, GNI MNE Group Pilot Exercise and the Early Warning System (EWS)); and
- the Nordic LCU network.

41. In March 2017, a G-20 Data Gap Initiative (DGI) Workshop on data sharing concluded that national authorities should review non-legal restrictions to data exchange, build trust by striking a balance between making more data available while maintaining confidentiality, and start with the sharing of data at the national level to contribute to further data sharing internationally. The G-20 DGI Workshop highlighted the need for further standardization and use of common frameworks in statistical production and data exchange (for example, SDMX) and noted the necessity to consider ways to adopt common identifiers. Also noted was the need to establish an international network to advance work, and suggested that the DGI Contact

Group Members[7] serve as a first contact point for questions on data sharing and accessibility. It would be useful for LCUs to liaise with the national contact point in the G-20 countries highlighting issues and progress from the statistical viewpoint.

42. The European Statistical System, for instance, has set up the EGR, a unique international business register of MNE Groups that have more than one enterprise in the territory of the EU. The EGR contains information that identifies each enterprise in terms of ownership, activity, persons employed as well as structure and turnover. Together with national business registers, the EGR helps to provide a more informed view of the impact of MNE Groups on the economy. This can immensely facilitate the work of LCUs as the EGR should lead to better survey frame populations and improve the quality of information on MNE Groups. Although the EGR can be improved regarding quality and timeliness, it is a key tool to facilitate further developments.

43. Another important tool in obtaining consistency in the observation and description of large and complex MNE Groups is "EU Profiling". This approach should precede the work of LCUs in reconciling any MNE Group data. The work of profiling is a method to analyse the legal, operational and accounting structure of an enterprise group at national and EU level, to establish the statistical units within that group, their links, and the most efficient structures for the collection of statistical data. The initial step of profiling is the delineation of statistical units in large and complex MNE Groups. It is therefore directly linked to the EGR, which offers the starting point in terms of acquiring a first view of the legal units and cluster of control of a MNE Group. However, a more up-to-date, live and dynamic EGR is necessary. For the MNE Groups, "intensive" profiling including company visits will also be necessary, especially for the more complex cases.

44. The objective of the GNI MNE Group Pilot Exercise is to achieve by the end of the current GNI verification cycle in December 2019 a reasonable understanding of the reliability of the recording of globalisation issues in GNI data. This will help to identify the globalisation measures necessary after the end of the 2019 cycle. In addition, the two globalisation recommendations by the European Court of Auditors need to be satisfied[8]. As part of this initiative, the European Statistical System Committee (Director Generals of the EU NSIs) agreed to share microdata for this Pilot Exercise on a trust-based approach based on Regulation 223/2009. A longer-term solution should be developed for the future. Microdata will only be shared between Member States working on the same MNE Group Pilot in relation to the statistical validation process and therefore will not be available to the public or to other international organisations.

45. Eurostat has established the EWS which aims to identify important MNE Groups and possible restructuring cases, and to agree a common recording, preferably before the changes materialise or need to be incorporated in business statistics, balance of payments or national accounts. The purpose is to ensure consistency of applied methods, statistical treatment and communication of statistics involving MNE Groups across EU Member States. The EWS provides a light procedure for voluntary cooperation between national statistical authorities and Eurostat, and between business statisticians and national accounts.

[7] DGI Contact Group Members are senior-level officials identified by the G-20 national authorities to serve as main contacts for the IAG on the DGI. These officials are first contact points on the annual monitoring reports, attend the global conferences, and coordinate with the policy departments of their respective institutions.

[8] The two recommendations were: (i) to analyse all potential implications of multinational activities on the estimation of GNI; and (ii) correctly capture R&D assets in terms of valuation and residency.

46. In September 2017, the Nordic countries decided to establish a Nordic network for LCUs. In the first phase, the network aims to share practical information on tasks and processes of these units in the countries. Later the network intends to discuss the need and possibilities to share data on MNE Groups for statistical purposes among the statistical authorities of the countries.

47. The UNECE Task Force on Exchange and Sharing of Economic Data is also vital in progressing work on identifying the enablers and the obstacles of international data sharing and data exchange as well as developing possible solutions.

V. CONCLUSIONS

48. Even though the activities of LCUs vary across countries, with the MNE Groups rapidly changing cross-country production chains, the LCUs provide an essential mechanism to support statisticians in dealing with the data for MNE Groups across statistical domains. The LCUs can also improve efficiency by promoting the use of common tools, drafting instructions for data collection and enhancing consistent treatment of data for the large and complex enterprises operating nationally and/or internationally. Moreover, when LCUs review the data for MNE Groups, they do so for various statistical domains, whereas without LCUs, this work would be done multiple times in various statistical domains leading to higher costs and lower data consistency.

49. Good communication with MNE Groups can result in receiving information on MNE Group restructuring or relocating in time for the first statistical dissemination by the NSI. The EWS, which has been launched by Eurostat with the participation of all EU Member States, relies on the potential of a well-functioning LCU and would benefit from the development of an international LCU network.

50. Examples from countries with existing LCUs show that while the setting up of the LCU requires initial investment and training. in the medium and longer-term efficiency gains and even resource reduction can be achieved, as well as reduction on the response burden for MNE Groups. All countries with an established LCU (or consistency unit, as known sometimes) are benefitting from better knowledge and understanding of major MNE Groups and higher quality data covering their activities.

51. In summary, in an ever-changing globalised world the investment in an LCU type unit is essential to ensure that the national statistics are of high quality and do not double-count or miss any activity. It is also important to make the step to share data, exchange data and reconcile the data for MNE Groups beyond just the national concept[9].

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ANNEX II
Draft instructions for international data exchange in Statistics Finland

I. International data exchange and purpose of these instructions

1. The instructions have been compiled to support exchange of confidential data with statistical authorities in different countries in order to ensure the quality of statistics. Exchange of data might also bring other beneficial impacts such as resource use and reducing the statistical reporting burden on enterprises. The instructions concern ad-hoc and small-scale exchange of unit-level data with ESS authorities or other statistical authorities. The exchanged data can be used for enterprise profiling and for validation of business statistics, national accounts and balance of payments data. These instructions can be applied both in bilateral discussions and in data exchange over encrypted systems. More extensive and regular release of information to foreign countries still requires separate decisions by director general. These instructions also describe the documentation and agreements related to data exchange with which the activities can be monitored.

II. Background of data exchange and nature of data to be exchanged

2. Transactions between countries increase their importance in a globalised world. High quality statistics mean that these items are recorded in a uniform manner in the statistics of different countries. In recent years, asymmetries between the statistics of different countries have been noted, which are mainly caused by one of the parties not covering the item in question at all or, alternatively, the parties using different recording or valuation principles.

3. Because it is difficult to arrange extensive exchange of unit-level data securely and following the statistical disclosure control practices of different national statistical authorities, various international organisations have recently tried to promote bilateral discussions between countries on the asymmetries of statistics. These discussions are useful but experts have asked for guidelines on what they are permitted to reveal in these discussions about the data we possess and how they are processed.

4. It is not always necessary to release unit-level data as validation of statistical figures involves many other methods that can be used to investigate the reasons behind deviating figures. The level of detail and confidentiality of exchangeable data can be roughly grouped as follows:

1. Aggregate-level data, e.g. released data, data delivered to an international organization and general data on methodology. Releasing or discussing such data does not usually involve any restrictions. The sensitivity of publicly available data on company level can be equated with this type of data.
   "The exports of this industry deviate by this much from the counterparty country's imports, a clear level shift is visible in the time series during this period, bookkeeping values are used for valuing unlisted companies, according to the annual report the turnover of company x is EUR x in country x"

2. Classification data describing units and methodological and other metadata connected with processing of figures. Such data refer to data describing units that are not as sensitive by nature as the actual figures and their release does not usually cause major confidentiality problems.
   "The figures of company x are included in this aggregate, we classify company x in this category, the business of company x is of this nature"
3. Figures describing units collected with statistical inquiries or from administrative files, whose confidentiality must be ensured. Confidential information given by the unit for e.g. profiling purposes can be equated with this type of data.
   "The turnover of company x was EUR x in this period, our estimate on the value of company x is EUR x, we have made a coverage revision of EUR x to this figure, in connection with profiling exercise the company x representative described their business model to be of type x"

III. Legislation and decision making procedure related to data exchange

5. The Statistics Act and the Regulation on European statistics (EC) No 233/2009 allow data exchange between agencies belonging to the European Statistical System and the European System of Central Banks when the data concern European statistics, that is, statistics that belong to the ESS's statistical programme or the work programme of the European System of Central Banks.

6. Similar regulations do not exist for countries outside the EU.

7. Experts on economic statistics can exchange aggregate-level data, publicly available data, classification data and methodological data (type 1 and 2 above) on the basis of this guidance required that documentation and possible confidentiality agreements are taken into account. Exchange of confidential micro-data (type 3 above) requires separate decision of director in charge.

IV. Data exchange between ESS and ESCB authorities (+ Nordic countries)

8. Unit-level data (classifications and figures) can be exchanged and shared with authorities belonging to the European Statistical System (ESS) and the European System of Central Banks (ESCB) and Nordic statistical authorities if the sharing is necessary for efficient development, production and dissemination of statistics or for improving the quality of the statistics. Confidentiality agreement must be required from counterparty authority in case of type 2 or 3 data are exchanged.

9. Examples of data that can be released/revealed

- Unit name
- Our data source related to the unit
- Classification data related to the unit
- Theory of international manuals that we apply to the unit
- Selected recording method and valuation principles
- Period in which the transaction is visible in our statistics
- Business model publicly revealed by the enterprise
- Estimated figures related to the unit
- Actual figures related to the unit

10. Data that cannot be released/revealed without unit consent to the disclosure of data

- Data on the business model and trade partners provided by the enterprise separately to the statistical office
- Names of the unit's contact persons

V. Data exchange with statistical authorities outside the EU

11. To other authorities than those mentioned in the previous section, type 3 data cannot be released without a separate decision and memorandum of co-operation with the counterparty statistical authority. Release of type 1 and 2 data on aggregate level figures and classification data describing the units is, however, allowed.

12. Examples of data that can be released or revealed

- Unit name
- Statistical data source related to the unit
- Classification data related to the unit
- Theory of international manuals that we apply to the unit
- Selected recording method and valuation principles
- Period in which the transaction is visible in our statistics
- Business model publicly revealed by the enterprise

13. Data that cannot be released/revealed without memorandum of co-operation / unit consent to the disclosure of data

- Actual figures related to the unit
- Estimated figures related to the unit
- Data on the business model and trade partners provided by the enterprise separately to the statistical office
- Names of the unit's contact persons

VI. Documentation of data exchange and required agreements

14. Departments must ensure that the data exchange is documented so that it is possible to find out later to whom the data have been released and for what purpose. At minimum, the following must be documented concerning the exchange of type 2 and 3 data:

- Date
- From which statistics the data were released
- Who released the data (name and contact information)
- To whom the data were released (name and contact information)
- For which purpose are the released data used

15. In connection with the release of type 2 or 3 data, a confidentiality agreement must be required from the counterparty authority. This means e.g. confirmations by email that indicate who will see the data and that they are committed to keeping the data confidential.

16. In addition to confidentiality agreement the exchange of type 3 data with statistical authorities outside the EU requires some sort of memorandum of understanding or memorandum of co-operation with counterparty authority. In practice this means some sort of general memorandum of co-operation between the organisations which takes into account e.g. legal and technical aspects of data exchange.

17. The summary of required documentation and agreements related to exchange of different type of data are presented in the table 1:

Table 1: **Confidentiality issues and documentation of data exchange by type of data**

Confidentiality issues	Type of data				Characteristics	Example	Documentation of data exchange
	Quantitative		Qualitative				
	Aggregate-level data	Micro-data	General	Specific			
None	Published data	Publicly available data	Methodology	-	Published by the NSO or NCB Published by the company	Published tables Quality description in data format Annual report data	No documentation requirements
Minor	-	-	-	Classification and other metadata related to the unit	Not published by the NSO or NCB Identifies some (broad) characteristics of an economic unit Not sensitive data for the unit	Unit name Publicly available accounting data related to the unit Classification data related to the unit Theory of international manuals applied to the unit Selected recording method and valuation principles Period in which the transaction is visible in statistics	Date From which statistics the data were released Who released the data (name and contact information) To whom the data were released (name and contact information) For which purpose are the released data used + Confidentiality agreement
Major	-	Administrative data Survey data	-	Confidential data given by the unit to NSO/NCB	Not published by the NSO or NCB Identifies specific characteristics of an economic unit Sensitive data for the unit	Estimated figures related to the unit Actual figures related to the unit Business model Trade partners Names of the unit's contact persons	Same as above + Memorandum of Co-operation with statistical authorities outside the EU Unit consent to the disclosure of data if needed

VII. Confidentiality agreement on data exchange

18. This confidentiality agreement sets out the rules to be followed by the NSIs when exchanging micro-data. Micro-data refers to enterprise specific data and includes both quantitative and qualitative information. By confirming to obey this confidentiality agreement NSI agrees to follow these rules when exchanging micro-data:

- The data are used only for statistical purposes in order to produce or develop statistics or improve data quality. Data are not allowed to be used on administrative or scientific purposes
- Enterprises are not allowed to be contacted on the basis of received data
- The data shall not be provided to third parties and NSI takes active measures to prevent third parties from viewing or using the data
- The proper disclosure control must be in use when publishing statistics in which the received data are used. Published aggregate level data shall not make it possible to identify a statistical unit
- The data shall be stored in a secure environment and the access to data shall be limited to only persons in charge of task in which purpose the data are received
- The received data shall be deleted when data are not needed anymore or after pre-agreed period of time.

ANNEX III
High-Level Forum on Official Statistics (tbc) – Concept Note

Towards more integrated global data collection: Better measurement of global economy with lower response burden

1. The global activities of multinational enterprise groups are increasingly complex and dominate the macroeconomic and related business and trade statistics in almost all countries through their global value chains. Strategic decisions on the (re)structuring of the multinational enterprises related to production, tax and financing considerations may impact the statistics of multiple partner countries in the chain significantly and with increasing frequency while optimizing their business operations of their global enterprise group. Our statistical methods and infrastructure should, therefore, be reassessed whether they appropriately capture those business dynamics and provide decision makers and the public with reliable and timely statistics.

2. Increasingly evidence demonstrates that the dominance of the global business operations of multinational enterprises call for international statistical collaboration between developed and developing countries in delineating the cross-border firm relationships between partner countries in the global value chains. The High-Level Forum on Official Statistics will discuss how to deal with the challenge of sharing data in a globalized economy. Relevant questions to raise are: Do we need to move towards a more integrated global data collection and increased data exchange among national statistical offices? Should statistical authorities aim at enhanced collaboration with multinational enterprise groups to understand the firms operating in their global value chains and their governance?

3. Monitoring the segment of the national economy that is integrated in the global economy requires early signals of changes in the activities of multinational enterprises and their processes. No national statistical office can do this effectively alone. Statisticians in the countries of the European Union are exploring the possibilities to detect these signals and share them among statistical authorities within the European Statistical System. But this is not enough – such a system needs to go global covering the firms of all global enterprise groups operating in developed and developing countries. In addition, producing reliable statistics calls for more than signals – it requires consistent data. National statistical offices could improve the quality of statistics and reduce the burden of data provision on global multi-national enterprises by collecting statistical data only once and exchanging among all concerned statistical offices for statistical purposes.

4. Closer collaboration in data collection and exchange among statistical authorities requires new provisions in the legal framework. Statistical legislation regulating data exchange needs be reviewed. This is obviously a very difficult task, since in many countries the statistical law restricts even data exchange at national level for statistical purposes, even among producers of official statistics.

5. However, relevant firm-level data is sometimes publicly available. Statistical offices often interpret the statistical law very strictly and consider that they cannot share or publish data that are publicly available from other sources. This said, it is of utmost importance that

producers of official statistics carefully review how they could broaden the sharing of their data for statistical purposes with other statistical authorities either by more broad interpretation of existing statistical legislation or by revising legislation. Recent UNECE Guidance provides new directions for the development of legal frameworks in this regard.

6. Without solid trust data exchange among statistical authorities will not happen. Not only do the benefits of international data sharing be well communicated to the providers of information for statistics – especially enterprises – but an even stronger message needs to be sent, which states that the data agreement with all its clauses will not be breached.

7. It will be particularly important to find out about data management practices and listen to the views of multinational enterprises. This would enable the development of secure and effective data provision processes taking into account the needs of the large and complex enterprises. It is also important to aim towards more harmonized disclosure rules globally and towards having one voice in the global statistical community when communicating the reasons for increased data sharing. Data reuse within the statistical system reduces the need to collect the same information again from businesses and increases the efficiency of data provision especially for multinational enterprise groups.

8. Concrete and implementable solutions are urgently needed to enable secure data sharing for statistical purposes. Several on-going international initiatives are pushing for progress in this area, such as the G-20 Data Gap Initiative and several EU and OECD driven initiatives. The UNSD work on the Handbook on Accounting for Global Value Chains, its new UN Committee on Business and Trade Statistics and the UNECE Task Force on Exchange and Sharing of Economic Data are advancing the work towards better measurement of global activities and value chains of multinational enterprise groups and defining the way forward in international data sharing.

9. While progress has been achieved in unlocking the potential of new data sources and data sharing, we need to take a bigger leap. Statisticians can only keep up with globalization through a strategic shift to new, effective statistical production based on a close global network of statistical authorities and genuine partnership with data providers. This session will call on Chief Statisticians to consider how to change the statistical culture and on multinational enterprise groups to rethink data provision together with statisticians.

10. The first session will focus on how the producers of official statisticians can form a close global network to produce high quality official statistics.

11. The second session will focus on communication and cooperation between official statisticians and multinational enterprise groups to think how to shape the future of data provision for statistics.