

Relations and transactions between enterprises

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Structure of this presentation

- Motivation – why enterprises
- Part of a wish list
- Available in European Statistical System (ESS)
- Conclusion and suggestions

Measuring trade and economic globalisation

Trade between the two countries?



Almost zero.

Countries do not trade, enterprises do.

Understanding multinationals is necessary

Policy makers write the scripts



Multinationals are the actors that have their own interpretation

They influence

- Employment standards
- Environmental standards
- Much more



in their own enterprise and in others

Part of a wish list

- Owner structures
- Governance structures in value chain
- Financial transactions between enterprises

Who controls whom, officially and non-officially?

Who pays whom?

Opening up a multinational - a black box



Which might be a box of Pandora...

- Transfer pricing
- Intellectual property pricing
- Other profit maximizing



“We are all doomed”

Global production and governance

Transactions: specific exchanges based on these relations
Mostly deliveries of goods, services and their reimbursements

Relations: general connections between enterprises, institutions and persons



Available?

Owner structures: progress due to European Group Register

Other relations?

Transactions?

Start by considering the European Statistical System

Available in European Statistical System?

Approach:

- Start with Eurostat Micro Data Linking project
- Add some other sources
- Create gross list of relations and transactions
- Order

Results:

- Almost 1900 variables
- About 1/3 related to relations
- Most information, by far in GVC survey (not mandatory)
- Some information in CIS, R&D, SBS (mandatory)

Available (I): nature and direction of relation

	Direction of flows				
Nature of relation	In	In/out	Out	Non-coded	Total
Control			1	20	21
Co-operation R&D		47			47
Costs		17	14		31
<i>Business functions (GVC)</i>		8	462		470
Income		16			16
Innovation	7	3	3		13

Other possible relations: e.g. communication, governance



Available (II): entities involved in relations

Other receiving or sending party is often known

	Source				
Entity	Business Register	Innovation (CIS)	ICT	R&D	Std. Business Statistics
Business sector	6	25	3	6	28
Government		8	8	2	1
Intra Group	6	7		4	
Suppliers		5	2	6	1

Other possible entities: e.g. competitors, consultants, education/research



Conclusion: still much to wish for

- Owner structures – progress
- Other governance/control – not yet available
- Transactions – on aggregate level, not individual

What to do?



Possible directions

Use Big Data

- Cooperation between Statistical Institutes and National Banks – transactions between enterprises
- Use VAT data to pinpoint foreign partners of traders

Necessary data exchange is yet limited and restricted

Adapting surveys or making new ones

- Add questions about top suppliers/buyers
- New GVC survey is a good start

Thank you for your attention!

Questions, comments, suggestions?

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