

Business statistics and Globalisation

UN Committee of Experts on Business Statistics

First meeting – 23-25 May 2018, INEGI
Mexico City
Jointly organized by INEGI and UNSD

Context

- USERS' NEEDS ON GLOBALIZATION
- NATIONAL EXPERIENCE IN THE PRODUCTION OF GLOBALIZATION DATA
- THE SEARCH FOR AN INTEGRATED ANALYTICAL FRAMEWORK
- INTERNATIONAL COOPERATION
- CONCLUSIONS

Users's Needs on globalisation

AN EXPANDING LIST OF TOPICSTHAT NEEDS A SUSTAINABLE STRATEGY

TRADITIONAL TOPICS

- STRUCTURE AND CONTRIBUTION TO GROWTH OF EXPORTING ENTERPRISES
- IMPACT OF ITALIAN AND FOREIGN MNES ON THE DOMESTIC ECONOMY
- OFF-SHORING OF ACTIVITIES AND IMPACT ON DOMESTIC EMPLOYMENT

EMERGING TOPICS

- EXPORT POTENTIAL OF NON EXPORTING ENTERPRISES (EXTENSIVE MARGIN)
- QUALITY OF JOBS CREATED BY MNES (TECHNOLOGY UPGRADE, WAGES, EDUCATION AND TRAINING STANDARDS)
- GLOBALISATION VERSUS DIGITALIZATION EFFECTS,
- RE-SHORING OF JOBS
- MEASUREMENT OF "GLOCAL" EFFECT (NEW TERRITORIAL DATA)

Globalisation related data in Italy

TEC DATA

- ONE OF THE FIRST COUNTRIES TO PRODUCE TEC DATA (2000)
- EXTENSION OF TEC DATA TO ECONOMIC PERFORMANCE INDICATORS
- TREATMENT OF SPE IN TEC DATA
- NEW TEC DATA ON MORE COMPLEX EXPORTING PROFILES
- INTEGRATION OF TEC WITH FATS DATA, COLLECTION OF INTRA-FIRM TRADE
- NEW DATA ON INTERNATIONAL TRADE AND IMMIGRANTS IN ITALY

FATS/AMNES DATA

- EXTENDED DATA COLLECTION OF FATS DATA (OUTWARD AND INWARD)
- INTEGRATION OF NATIONAL AND GLOBAL R&S DATA FOR ITALIAN MNEs

DEDICATED SURVEYS ON GLOBALIZATION

- PARTICIPATION TO EU INTERNATIONAL SOURCING AND GVC SURVEYS
- BUSINESS CENSUS SURVEY ON COMPLEX BUSINESS UNITS

MICRO-DATA ANALYSIS OPPORTUNITY: TEC MICRO, PANEL AND MORE COMPLEX DATASETS (TEC, FATS, SBS; EMPLOYMENT DATA)

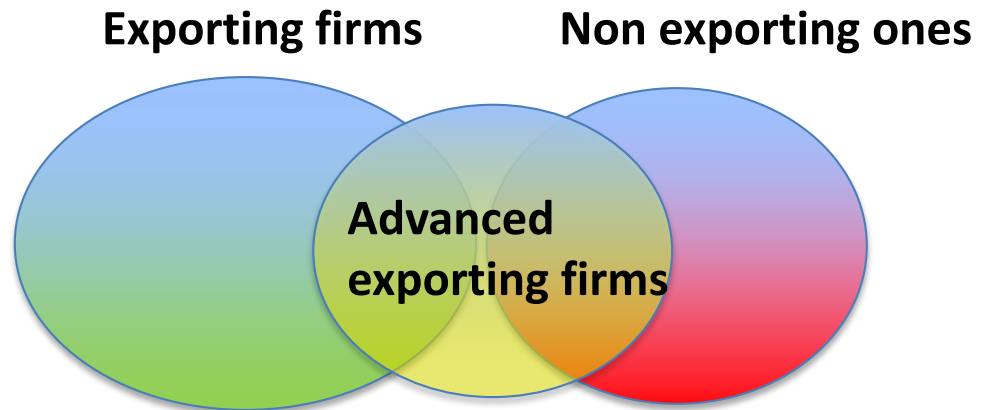
The register approach in place

Non exporting enterprises (exploring the Black Box)

Policy relevant issue: extensive versus intensive margins

Connected to TEC tables: register based approach combined with light profiling

The new picture:



Some preliminary results

Table 1 - Advanced and basic exporting enterprises in Italy - year 2015

Size classes	Advanced in % as a share of total exporting enterprises		
	Firms	Jobs	Export
0-9	5,2	5,7	13,5
10-19	10,5	10,8	18,7
20-49	21,3	22,6	31,1
50-99	37,9	39,0	46,4
100-249	57,5	59,2	65,6
250 and more	77,3	81,9	82,9
Total	13,3	48,3	64,7

Large exporting firms are quite often advanced exporting firms (MNEs or Enterprise Group Effect)

Some preliminary results

Tavola 2 - Advanced exporting enterprises in not exporting enterprises - Year 2015

Size class	Advanced in % of the total of not exporting enterprises	
	Firms	Jobs
0-9	1,8	2,2
10-19	6,1	6,3
20-49	11,4	12,4
50-99	20,4	21,0
100-249	33,3	35,4
250 and more	66,7	73,5
Total	2,3	6,7

Limited evidence of advanced exporting enterprises in non exporting enterprises, a lot of non exporting companies are by definition «Unable to export», little evidence of «potential» exporters

The register approach in place



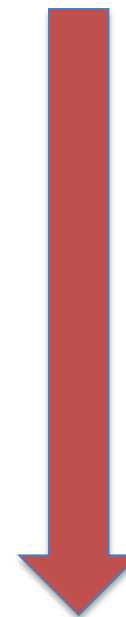
Enterprise group unit and its characteristics (variables and classifications)



Enterprise unit and its characteristics (variables and classifications)



Local unit (establishment) and its characteristics (variables and classifications)



Deepening of the Global Enterprise Approach

The register approach in place



ENI : The largest Oil and Gas company is Italy, one of the leading MNE in the world in this industry. Global Headquarter located in Rome, EUR

Territorial statistics: which is the correct value added of the «company» to be located in Rome? 5% 20% 45%?

Starting point: the local unit (establishment) was classified by convention (register routines) in the oil industry.

First guess: it should be classified as holding in terms of economic activities, while collars, bookkeeping...marginal value added?

More elaborated guess: Immaterial assets (Mineral Exploration) is managed at the local level (mining experts located in Eur)

THE SCOPE OF A GLOBAL ENTERPRISE-CENTRED (GEC) PERSPECTIVE

The basic structure of a Global Enterprise

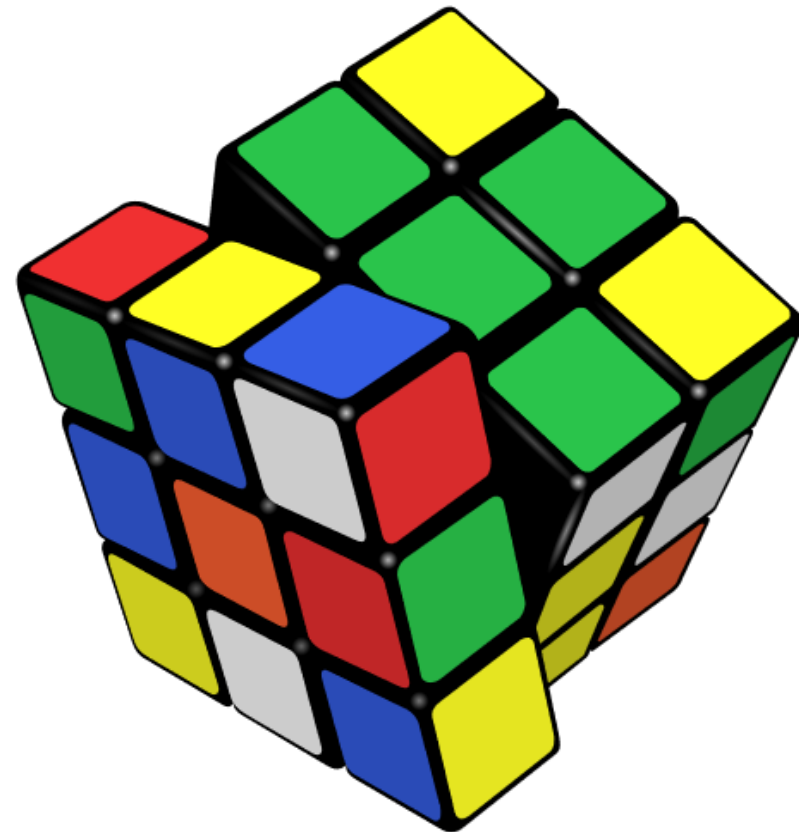
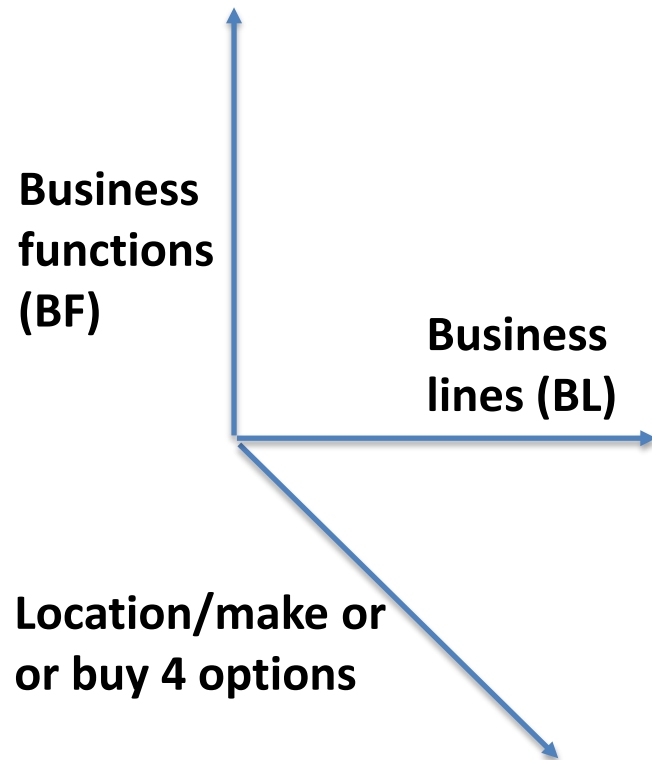


Table 3: The proposed classification and analytical framework

Breakdown of GE activities as a step by step decomposition process

➔ Business line

BL
X

➔ The business line and its business supporting activities defines a business process

BL	BF1	BF2	BF3	BF4	F	BF6	BF7	BF8	BF9
X		X		X			X	X	

➔ Each business process can be carried out internally (I) or externally (E) the GE

M	BL	BF1	BF2	BF3	BF4	BF5	BF6	BF7	BF8	BF9
I	X		X					X	X	
E			X		X				X	

➔ Each business process can be located in the resident country (R) or abroad (F)

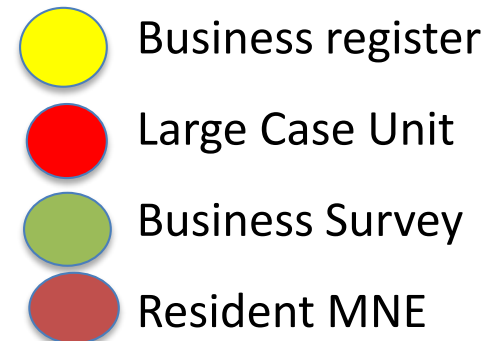
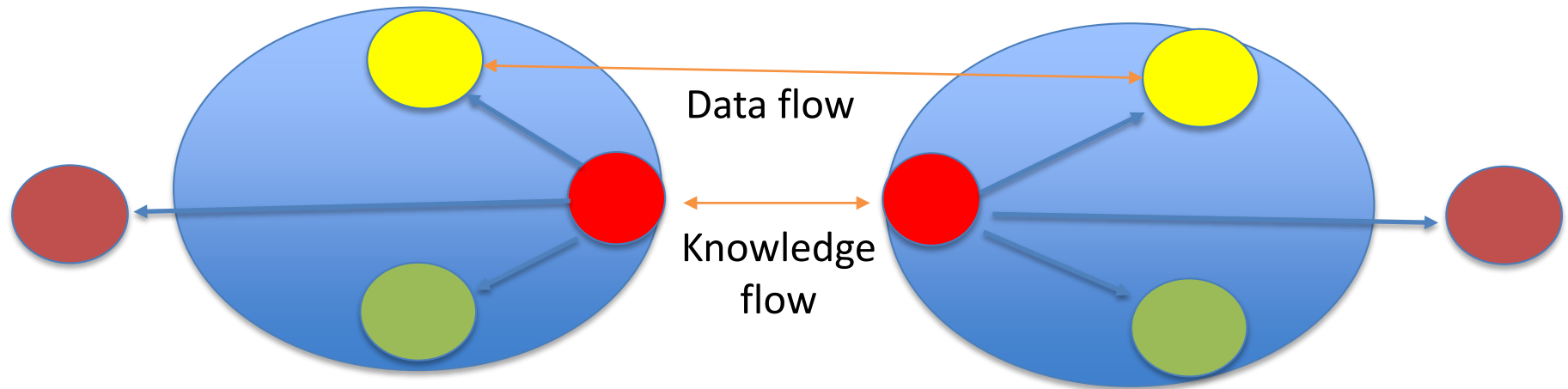
L	M	BL	BF1	BF2	BF3	BF4	BF5	BF6	BF7	BF8	BF9
R	I	X		X					X	X	
R	E			X		X				X	
F	I	X		X						X	
F	E			X		X					

➔ This process can be reiterated for each business process (BP) independently from each other

BL	L	M	BL	BF1	BF2	BF3	BF4	BF5	BF6	BF7	BF8	BF9
BP1	R	I	X		X					X	X	
BP1	R	E			X		X				X	
BP1	F	I	X		X						X	
BP1	F	E			X		X					
BP2	R	I	X	X	X	X		X	X			X
BP2	R	E		X				X			X	
BP2	F	I		X		X		X	X			
BP2	F	E	X		X				X		X	

A conceptual Framework that can be used to classify all possible GE operations and restructuring processes

Global cooperation



Italy:

- Large case unit established in 2016
- We join the EU Early warning system in 2017
- We join the EU GNI project in 2018

Conclusions

- The BR and the integrated business statistics approach (micro) represents the right data infrastructure to develop new indicators on Globalisation
- The Global enterprise approach is an analytical framework that can improve your understanding of MNE operations and it is not in contrast with standard official definitions and classifications (evolutionary patterns)
- The core strategic approach is to balance large scale data processing and integration with knowledge intensive activities on a limited set of «influential» companies in your countries
- International cooperation can be built on both «data exchange» and «knowledge exchange» strategies