# CMFB Vision on Globalisation and Statistics

19 April 2024

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## 1. Introduction

The CMFB is well placed to hold a holistic vision of statistical work under globalisation. Globalisation related issues typically transcend the boundaries between the two statistical systems and therefore cooperation is needed for jointly developing a set of coherent strategies.

The CMFB vision outlined in this document is designed to make contributions in five regards. First, it formalises a shared understanding of (high level) users' needs, as a point of departure for what needs to be achieved. Second, in discussions between statistical bodies, e.g. related to the CMFB/ESF work programme, it can serve as a concise reference document. Third, it provides a joint set of reference terms for high level communication with our stakeholders. Fourth, the vision identifies areas for synergies, helps avoiding the duplication of work and draws attention on what might be missing in the set of activities that have already unfolded. Ultimately, the vision helps re-defining priorities in a setting where pressing exigencies meet with limited resources.

In order to advance a shared understanding of the needs of our high-level users and stakeholders, it is meaningful to start by recapitulating where CMFB-related statistics matter. First of all, there is a need to assure all users that the quality of official statistics is not undermined by "major globalisation events", such as the effects of corporate relocations and restructurings, or the profit shifting potentials associated with intellectual property products (IPP), or disruptions in supply chains, as it occurred during the COVID pandemic. These phenomena raise substantial and rapidly changing challenges for official statistics, justifying the successful measures taken so far and underlying the need for further actions.

In order to support policy making, official statistics need to better capture globalisation in a number of important policy fields. For devising trade and competition policies, an undistorted knowledge of the location of production and of intangible assets is essential, in order to map the resulting bilateral trade and income balances. Policy making requires a thorough understanding of global value chains and cross-border interlinkages, and official statistics should give a fair description of the quantitative role of large multinational enterprises (MNEs) and other companies, including small or medium sized Enterprises (SMEs), that are involved in international trade, as well as the resulting financing relationships. Moreover, digitalisation and the evolution of payments systems reflect and contribute to globalisation trends. In the field of taxation, policymakers need to understand the generation and circulation of MNEs' income. Specifically, understanding the role of Special Purpose Entities (SPEs), Special Purpose Vehicles (SPVs) and off-shore financial centres is of utmost importance. For transfer policies supporting cohesion, analytical data regarding the impact of globalisation on employment, wealth, financing and saving conditions broken down by territories and sociodemographic indicators are required.

The CMFB is convinced that progress in measuring financial and non-financial effects of globalisation would highly benefit from enhanced cooperation of both statistical systems, the ESS and the ESCB. The CMFB serves as a platform for developing joint aims and means to achieve them, for identifying synergies and for avoiding duplication of work. A continuous exchange on measurement challenges is key for developing practical solutions for harmonised and coherent official statistics on the effects of globalisation.

By organising the discussion between the two statistical systems, by supporting the planning process to identify areas of overlap, synergies, possible 'blind spots' and priorities, as well as by supporting the

communication with and between stakeholders, the vision identifies key areas that are candidates for joint work between the two systems. In doing so, it takes into account the ongoing work of the ESS[1] and the ESCB[2].

## 2. Objectives, goals, strategies and measures (OGSM)

OGSM is an acronym for "Objectives, Goals, Strategies and Measures". It is a strategic planning tool for collaboration under conditions of high uncertainty and has been successfully applied to a vast array of business applications and organisational settings. Starting from general objectives, goals were developed and strategies to achieve them. The measures help assure that goals are met and groups of actors work together toward common objectives, across functions, geographical distance and throughout organisations. A more detailed description of OGSM is given as an annex.

### 2.1. Objective

*The objective describes the high-level aspiration pursued. It includes a strategic choice on how the objective is to be reached.*

**Better measurement of globalised economies through enhanced statistical collaboration**
Both statistical systems, the ESS and the ESCB, complement each other (i) in accurately and timely measuring the constantly changing scope and intensity of economic and financial globalisation and its impact on European Union (EU) economies, and (ii) in maintaining consistency and completeness of economic statistics. This guarantees their highest quality and relevance, as well as efficiency in data collection and production. Preserving an enhanced collaboration in a joint European chain of statistical production, in which sharing relevant knowledge and data has become crucial, is essential in this respect.

### 2.2. Goals

*Goals are the operationalisation of the objective in order to make it concrete and measurable. These goals are formulated as SMART (Specific, Measurable, Attainable, Realistic, Time-bound) as possible to transparently and unambiguously check progress. Achieving all goals implies that the objective is achieved. In square brackets are the specific elements of the objective to which they refer.*

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[1] The DGINS 2019 Bratislava Conclusions noted the activities that have been undertaken by the ESS since the Riga DGINS conference in 2014: EuroGroups Register, European profiling, Early Warning System, Large Cases Units (LCUs), Work on trade asymmetries, Foreign Direct Investment network and GNI pilots on multinational enterprise groups (MNEs). The DGINS recognised that further actions at ESS level are necessary to ensure high quality and relevant statistics for users, and supported bringing various activities, instruments and capacities together in a systematic, coordinated and cost-effective joint approach. Since 2019, significant progress has been made: updating of manuals (SNA, BoP) with recommendations on new breakdowns of macroeconomic statistics, development of the LCU network, reduction of asymmetries (FDI, international trade in goods and services statistics, BoP), improvement of the EGR. Since 2021 Eurostat has published annually EU inter-country supply-use and input-output tables (FIGARO). In December 2022, Eurostat presented a proposal for a globalisation dashboard at a joint seminar of the BSDG (directors of business statistics) and DMES (director of macroeconomic statistics); a set of indicators should be disseminated in the first half of 2024.

[2] In its work programme, the ESCB Statistics Committee (STC) underlines that cooperation with the ESS continues to be key for the STC to address the statistical challenges posed by globalisation, digitalisation (in particular, Fintech) and growing market interconnectivity, both on the real and the financial side, as well as by the heightened concerns for measuring inclusiveness, inequalities and sustainability. To strengthen and promote common statistical and data standards, close cooperation with the Commission, the EP and international organisations and the banking industry continues, too.

**[G1] No material globalisation-related national inconsistencies or international asymmetries**
Globalisation-related inconsistencies in national data, and international asymmetries, become materially irrelevant. *[NB: this is the operationalisation of our objective for quality, timeliness, and consistency of statistics]*

**[G2] The role of Multi National Enterprises (MNEs) is visible in the macroeconomic accounting framework**
The role of foreign and domestic MNEs is visible and analysable in the macroeconomic accounting framework. It will be done by introducing sub-sectoring in macro-economic statistics where relevant. *[NB: this is the operationalisation of our objective to measure the extent and impact of globalisation]*

**[G3] User satisfaction is measurably improved**
The satisfaction of users with respect to European economic statistics is measurably improved, in particular as regards statistics' ability to measure and provide insights on globalisation.[3] *[NB: this is the operationalisation of our objective to remain relevant]*

**[G4] An appropriate framework for statistical information flow is in place**
The flow of information within and between the ESS and the ESCB is adapted to the necessities of globalisation, which includes, among other aspects, the close cooperation on business registers and sharing for statistical purposes of all relevant (micro)data as well as knowledge sharing on MNEs, nationally but also internationally. *[NB: this is the operationalisation of our objective to share relevant knowledge]*

### 2.3. Strategies

*The strategies reflect the means through which goals are achieved. Strategies are formulated in the same way as the overall objective, and can subsequently be elaborated in a separate OGSMs framework according to the principle of 'cascading' from a very high level to concrete actions. It is not necessary for each strategy to connect to only a single goal, or vice versa; indeed, often a single strategy addresses several goals, as the square brackets below show. Taken together, the list of strategies is exhaustive enough to encompass the achievement of all goals.*

The CMFB agrees that in the coming years, notwithstanding the relevance and the progress achieved for all the strategies identified from the outset in 2020, high priority should be placed in particular on the following three aspects:
i)      **improve the consistency of macroeconomic statistics (S.1)**. The concrete progress observed in recent years is encouraging and supports the initiatives that have been launched. This objective meets a strong demand from users and it remains relevant and a priority;
ii)     **enhance statistical business registers (S.2)**. This remains fundamental, as business registers are the basis of macroeconomic statistics. The CMFB therefore encourages the ESCB and the ESS, central banks and NSIs to continue their work and collaboration within the scope allowed by the regulatory framework;
iii)    continue developing an appropriate **methodology for sub-sectorisation (S.8)** aimed at showing the interconnection of national economies and, more generally, the impacts of globalisation, in order to meet the pressing user needs. The current revision of the SNA should lead, in addition to the innovations introduced to the core framework, to a significant increase in supplementary tables and additional breakdowns which will have to be prioritised in the ESA transmission programme given the resource constraints. In this context, the CMFB reiterates that globalisation-related sub-sectorisations are a high priority.

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**S1. Consistent recording of cross-border flows affected by globalisation in economic statistics [>G1, G2, G3, G4]**
A consistent recording of MNE activities is a requirement for the treatment of globalisation events across the ESS and the ESCB to be uniform and based on fully aligned methodologies. Asymmetries are reduced through intensified investments in existing European asymmetry reduction initiatives (e.g. FDI asymmetry resolution

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[3] This is in line with the DGINS Bratislava Conclusions: "Enhanced communication with key users and policy makers is required to safeguard the credibility of official statistics".

meetings and the ITSS-ARM)[4] and through the coordination activities carried out by the MNE-net.[5] The results of the GNI work on globalisation are taken into account.[6] The ESCB and the ESS implement findings consistently in all statistics concerned.[7]

## S2. Enhancing statistical registers[8] [>G1, G2, G4]

A European network of registers should be established, equally accessible by the ESS and the ESCB for statistical purposes, following the CMFB opinion on business identifiers and business registers[9] as well as the conclusions of the June 2022 CMFB workshop on business registers[10], which acknowledged the progresses made at the national level in the cooperation between NSIs and NCBs regarding registers. The register should be aligned with the best administrative information used for non-statistical purposes. The statistical part provides NACE codes of legal entities, comprehensive reference data on MNE groups (including SPEs), by integrating the EuroGroups Register (EGR) and the Register of Institutions and Affiliates Data (RIAD) and leveraging on the Legal Entity Identifier (LEI), combining the advantages of all frameworks.

## S3. Exchange of register data and statistical information on MNEs and SPEs with non-EU countries [>G1, G2, G4]

Both statistical systems widen the possibilities for sharing data on MNE structures and on SPEs and their activities with partners outside the EU.

## S4. Sharing and protecting micro data [>G1, G2, G4]

Mandatory initiatives ought to be established in order to share micro data between the institutions of the ESS and ESCB, to the extent necessary especially for the production of high quality statistics, and to set high confidentiality standards both for the data exchange[11] between institutions and the statistical production in these

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[4] The STC Working Group on External Statistics supports the endeavour of the ESS-ESCB Task Force on Foreign Direct Investment (TF FDI) to develop the methodology and compilation guidance on FDI (including work on FDI by ultimate source/destination and linkages with FATS). This also includes support and enhancement of the FDI Network, of initiatives to address asymmetries and globalisation, as well as work on SPEs and other ESCB research agenda topics (e.g. treatment of FDI income, intra-group trade or consistencies between FDIR and FATS in the context of the work on foreign controlled corporations).

[5] The MNE-net was created to centralize all coordination activities aimed at improving the knowledge of MNEs. The MNE-net is, inter alia, acting as a Large-Case-Unit (LCU) network, governing the EWS and serving as a forum for exchanging experiences in dealing with MNEs in business and macroeconomic statistics.

[6] In the context of the GNI verification, the European Commission in 2020 placed a so-called transversal reservation on globalisation, relative to data for 2018-2020. This meant that each Member State was requested, in particular, to apply a risk-based approach to identify a targeted list of relevant MNEs needing examination under this reservation, taking notably into consideration the European Group Register. While the reservation has already been lifted for some countries, the overall discussion within the GNI Expert Group is still ongoing. Eurostat is however set to continue the monitoring of the risks that MNEs activities pose to official statistics, in particular to verify that GDP and GNI are compiled in an exhaustive and coherent way, ensuring high comparability among Member States. On their side, Member States are to implement within the next benchmark revision the envisaged methodologies to correctly represent MNEs activities in official statistics.

[7] This is in line with the principle of coherency and comparability of the European Statistics Code of Practice and of the Public Commitment on European Statistics by the ESCB. The DGINS agreed on the need to clarify and further enhance methodological frameworks for economic statistics and their practical implementation, especially where differences cause significant inconsistencies across domains (Bratislava Conclusion no. 6).

[8] The DGINS emphasised the role of high quality and up-to-date statistical business registers (national and European) as a necessary infrastructure for the coordination of statistical activities and exchange of data on MNEs (Bratislava Conclusion no. 7).

[9] In recommendation 2 of the December 2016 opinion on business identifiers and business registers, the CMFB calls for removing legal and administrative obstacles preventing or limiting the mutual use of Statistical Business Registers (SBRs) by the ESS and the ESCB to enable sharing of information for non-statistical purposes on a limited set of business register characteristics such as the names of legal/institutional units, unit identifiers, the ESA institutional sector and the economic activity (NACE classification).

[10] https://circabc.europa.eu/sd/a/4e27e9ac-5cb7-46fa-a283-26d77d801790/26-09-2022%20Minutes%20-%20CMFB%20Workshop%20on%20BR%20%20(2).pdf

[11] In its April 2023 final report, the Task Force on the Exchange of Confidential Information (ECI) Phase II lists 7 recommendations to the CMFB aimed at facilitating the ECI for statistical purposes of European Statistics. In its opinion on the Exchange of confidential information on European Statistics for statistical purposes between the ESS and the ESCB, issued in July 2023, the CMFB advises the European institutions to further broaden and facilitate ECI between the ESS and the ESCB for well justified statistical purposes and, recognizing the relevance of the legal context, asks all institutions involved in

institutions.[12] These initiatives should also seek to strengthen the cooperation with global MNEs, including seeking their agreement to share their data for statistical purposes.

### S5. Elimination of globalisation-related gaps in source data [>G1, G2, G4]

Both statistical systems intensify their efforts for eliminating globalisation-related gaps of material importance in European source data, by enhancing data collections related to MNEs, maximising the re-use of existing microdata (including through linking across domains and countries) and fostering communication with global MNEs.

### S6. Revising the system of statistical concepts [>G1, G3]

The ESS and the ESCB take into account the evolving user requests in the context of the discussions on the interpretation of gross domestic product (GDP) revisions and on the implementation of the new international standards (System of National Accounts - SNA - and Balance of Payments Manual - BPM) and European (European System of Accounts – ESA - and Balance of Payments Vademecum - BoP) and Financial Accounts Guidelines, as well as the update of the ECB legislation. Inter alia, both statistical systems will jointly study the possibility of developing the nationality concept as an additional source of information.[13]

### S7. Improved international guidance[14] [> G1, G3, G4]

Both statistical systems contribute to the improvement of European and international statistical guidance on the treatment of globalisation-related events, processes and entities.

### S8. Methodology for sub-sectoring [> G2]

The ESS and the ESCB continue to jointly develop a methodological approach to sub-sectoring the macroeconomic framework, via intensified and coordinated contributions to ongoing initiatives (Eurostat extended supply and use tables, STC collection of data on SPEs[15] and work on Foreign Controlled Corporations[16]) and by building on existing statistics and source data.

### S9. European user consultation and communication strategies [> G3]

Both statistical systems continue to deepen European user consultation and communication strategies on statistics related to globalisation in order to monitor and enhance the relevance and value of these statistics in meeting user

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reviewing and developing the legal text to take into account well justified needs for further broadening ECI.

[12] At a global level, Recommendation 13 of the DGI-3 (October 2022) states that "The G20 Finance Ministers and Central Bank Governors (FMCBGs) recognized that "improving data availability and provision, including on environmental issues, and harnessing the wealth of data produced by digitalisation, while ensuring compliance with legal frameworks on data protection and privacy, will be critical to better inform [their] decisions." Recommendation 14 states that "Access to data is not sufficient. Procedures to share data in a secure and privacy preserving manner is required. Recommendation 14 aims to work towards an international microdata standard would cover principles, enablers, use cases of best practice data sharing (e.g., access for research purposes, cooperation between public and private sectors, open data initiatives, and good practices from non-statistical examples of data sharing), and measures of success." The DGINS agreed to explore the full potential of existing European legislation and technical infrastructures for safely sharing micro data among the relevant ESS and ESCB members for statistical purposes only, with a view to possible enhancements. In this context, an active role of Directors General at national level and of Eurostat at European level is essential (Bratislava Conclusion no. 10). The DGINS also emphasised the need to explore the possibility of strengthening the access to administrative data for statistical purposes and for developing standardised solutions for more efficient use of administrative data.

[13] An example is provided by the BIS consolidated banking statistics (CBS) to measure international banking activity from a nationality perspective, focusing on the country where the banking group's parent is headquartered. The updated SNA and BPM will recommend extensions to develop a nationality concept for SPEs for countries where this alternative presentation sheds light on their macroeconomic developments.

[14] The DGINS stressed that the ESS work on economic globalisation should be coordinated with corresponding international workstreams (e.g. by UN, UNECE, OECD) to fully cover the global dimension of MNEs, share experience and best practices and avoid duplication of efforts. In this context, an active role of Eurostat is essential. The DGINS also underlined the importance of strengthening the cooperation with tax and customs authorities to better capture economic globalisation in statistical results (Bratislava Conclusion no. 14).

[15] Since March 2023 NCBs are transmitting data on SPEs under Guideline ECB/2022/23.

[16] The STC has endorsed an implementation plan for the compilation of financial data on foreign controlled corporations for the needs of balance of payments and financial accounts. The first data will be available in 2026 and full implementation is planned for 2029, coinciding with the benchmark revision and the planned implementation of the revised ESA. The STC, on the advice of ESCB users, identified the need to develop a similar plan for non-financial data.

needs. As much information as possible is shared with users.

**S10. Proposal for improvements in the statistical information flow [> G4]**
The CMFB offers assistance to identify and implement improvements in the statistical information flow for efficiently and jointly implementing Goal 4 in both statistical systems.

## 2.4. Measures

*Measures are the actions which must be implemented for each strategy, i.e., they are the SMART operationalisation of the strategy, and are used, during the course of the implementation of the vision, for monitoring progress. Each strategy has at least one, and often several, associated measures. As part of the 'cascading' feature of OGSM, the strategies and measures of a higher level OGSM become objectives and goals in (multiple) lower level OGSMs.*

*The importance of these measures is indicated (high or medium) as assessed by the CMFB. A high priority alludes the need of starting soon or continuing implementation work. Possible low priority measures are not included.*

| Code | Measure | Priority |
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### S1. Consistent recording of cross-border flows affected by globalisation in economic statistics

| Code | Measure | Priority |
|------|---------|----------|
| M1.1 | FDI asymmetry resolution | High |
|  | All significant EU-bilateral FDI asymmetries in transactions are addressed through asymmetry resolution meetings and resolved on the basis of relevant information without any delay. This should occur preferably before the end of the quarterly production cycle following the one where the asymmetries arose, or in the first available annual revision cycle. The significant FDI asymmetries in positions and income should be documented and a road map established and agreed for their resolution. |  |
| M1.2 | Trade asymmetry resolution and international asymmetries | High |
|  | Initiated exercises in reducing trade asymmetries (in goods and services, e.g. ITSS ARM) should continue with the aim of significantly reduce the discrepancies. Similar exercises with international partners (i.e. partner countries outside the E.U) should be established. |  |
| M1.3 | At least one multilateral trade asymmetries exercise | Medium |
|  | All EU countries should be engaged in at least one bilateral or multilateral trade asymmetry reduction exercise regularly and introduce the revised data in the next benchmark revision. |  |
| M1.4 | Sharing MNE data; establishment of a framework to that purpose. | High |
|  | Sharing of information on MNE activities between all parties involved in both statistical systems should be implemented, for all statistics concerned. Organisational measures (e.g. Large Cases Units or similar structures)[17] should be in place to continuously work on consistently and simultaneously recording of MNE activities in financial and non-financial statistics of the ESS and the ESCB. This is also an important contribution to tackle globalisation-related issues in the gross national income (GNI) context, which also serves |  |

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[17] The DGINS encouraged the creation of national Large Cases Units (LCUs) or the inclusion in existing units of a clearly identifiable section with similar functions. The DGINS backed the establishment of an LCU network across Member States to early identify and reconcile significant cross-border, cross-domain and inter-temporal inconsistencies in a data driven manner (from Bratislava Conclusion no. 9). The MNE-net is fulfilling that function.

| | | as a platform to monitor possible asymmetries. The establishment of a secure platform to share micro data between NSIs and NCBs in that context would be of great help. | |
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### *S2. Enhancing Statistical Registers*

| M2.1 | European network of registers; identifiers; identification of statistical units | High |
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| | The ESS and the ESCB, with the advice of the CMFB, should seek ways to remove the financial and legal obstacles for the establishment and maintenance of a network of registers connecting National and European statistical registers. These registers should include globally unique identifiers (in particular the LEI), at least for MNEs and their subsidiaries and branches, that are also linked to national identifiers. Within the register, legal and statistical units should be identified consistently across countries. | |
| M2.2 | Collaborative system to update corporate structures | Medium |
| | As part of the registers' infrastructure, a collaborative European system for updating corporate structures should be established. | |
| M2.3 | Access to registers by the ESS/ESCB; registers linked to administrative registers | High |
| | Statistical registers should be efficiently and comprehensively accessible by the ESS and the ESCB for statistical purposes - following the CMFB opinion on business identifiers and business registers and the conclusions of the CMFB workshop on business registers - and in line with best administrative registers used for non-statistical (basic information on legal entities) purposes. | |
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### *S3. Exchange of register data and statistical information on MNEs and SPEs with non-EU countries*

| M3.1 | Developing micro data sharing standards | High |
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| | European central banks and statistical offices should foster international work on a micro data sharing standard for statistical purposes - in analogy to standards like Special Data Dissemination Standard (SDDS) or SDDS Plus -, including measures for safeguarding privacy, e.g. in the framework of DGI-3 recommendations. | |
| M3.2 | International database on MNEs, SPEs | Medium |
| | European central banks and statistical offices should foster international work on a database on large MNEs and their structure, specifically on SPEs, similar to the repository of data on banking groups at the BIS. | |
| M3.3 | International exchanges on major events and establishment of asymmetry reduction body | Medium |
| | European central banks and statistical offices should foster routine exchanges of information on important events and the establishment of a cooperation forum for asymmetry reduction with countries outside the EU. | |

### *S4. Sharing and protecting micro data*

| M4.1 | Legal basis for sharing micro data | High |
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| | In the framework of the recommendations put forward in the final report of the TF ECI and of the CMFB Opinion on the ECI, the ESS and ESCB should continue to work, with the advice of the CMFB, on the appropriate legal basis for enhancing the sharing of micro data between national and European statistical offices and central banks to the extent necessary for the production of high quality data, including the high confidentiality standards for the data exchange between institutions and the statistical production in these institutions. | |

### *S5. Elimination of globalisation-related gaps in source data*

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| M5.1 | Access to microdata | High |
| | Statistical microdata supporting the compilation of annual and quarterly macro-economic statistics should be efficiently and comprehensively accessible across countries and between NSIs and NCBs for statistical compilation purposes. Appropriate procedures should be developed, relying on the international microdata standard covering principles, enablers, best practices and measures of success to be developed under DGI-3 Recommendation 14. | |
| M5.2 | Data collections to identify MNEs; legal basis to be developed | High |
| | The ESS and the ESCB should amend their data collections so as to identify intra-MNE transactions and positions (trade, income, balance-sheet items, securities lacking an ISIN) separately in their respective statistics. The CMFB will assist in clarifying which additional MNE-specific characteristics are required in economic statistics (in addition to intra-MNE transactions), although an appropriate legal basis needs to be established. | |
| M5.3 | Access to administrative sources | High |
| | Consistently with the framework established by the European Data Strategy, the ESS and the ESCB with the advice of the CMFB should work towards a better access to administrative sources for statistical purposes, including opening the appropriate legal gateways, in order to reduce globalisation-related gaps in source data. Findings of DGI-3 Recommendation 13 will be taken into account. | |
| M5.4 | Investigate MNE group reporting | Medium |
| | The ESS and the ESCB with the advice of the CMFB should investigate the possibilities for MNE group reporting (also on a consolidated level) and develop a strategy towards implementation. | |
| M5.5 | Dialogue with MNEs | High |
| | The ESS and the ESCB should jointly develop an open dialogue at high EU level with a number of strategic MNEs in order to foster mutual understanding and to clarify crucial elements of the exchange: the social function of statistics, the ability of NSIs and NCBs to protect full confidentiality of information, the willingness to understand how knowledge can be channelled while minimizing the burden on business.[18] | |

### *S6. Revising the system of statistical concepts*

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| M6.1 | Globalisation-related methodological improvements | High |

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[18] Communication should be tailored to reach different audiences and should support reinforced cooperation with MNEs (from Bratislava Conclusion no. 11).

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| | The ESS and the ESCB should actively participate in the last phases of the review of the 2008 SNA manual and the BPM6, including the development of compilation guidance, with a view on the subsequent implementation in the European Union. NSIs and NCBs should participate in the early implementation activities led by Eurostat, in order to gain experience on the compilation implications of the new standards. Additional conceptual work on globalisation could also be undertaken to develop for instance an improved measurement concept for transfer pricing in order to better allocate economic activity to countries, or to separate intellectual property products' transactions linked to newly produced assets from those on existing assets. | |
| M6.2 | European adoption of the new standards | High |
| | The ESS and the ESCB should reflect, in continuous dialogue with users, on the appropriate implementation of the new statistical standards in the European Union, including deciding which of the proposed supplementary details need to be included in European macroeconomic statistics and the corresponding priority order. European legislation should be amended in view of the new international standards and the European Union needs. This includes the 2010 ESA and the affected ECB legislation. The process of 2010 ESA review should take into account all European stakeholders, also by consulting ESCB producers and users. | |
| M6.3 | Implementation in the 2029 benchmark revision | High |
| | Data transmission according to the new standards, including the ESA Transmission Programme and the transmission under the amended ECB BoP/IIP Guidelines, should ideally initiate in the context of the benchmark revision following the adoption of the methodological guidance in the European legislation. | |

### S7. Improved international guidance

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| M7.1 | European repository on treatment of globalisation events | High |
| | The ESS and the ESCB should install a European repository of recommendations on how to treat major globalisation events in line with international recommendations and report experience to international fora. | |
| M7.2 | Guidance vehicle to advice on practical implementation of globalisation events | High |
| | The ESS and the ESCB should develop a new guidance vehicle aimed at giving advice on the implementation of ESA and BoP accounting concepts and rules, given business reporting limitations and data availability, in order to assure the utilisation of relatively coherent and comparable approaches across countries. | |

### S8. Methodology for sub-sectoring

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| M8.1 | Globalisation related breakdowns in main aggregates | High |
| | Globalisation-relevant breakdowns should be introduced in the main aggregates (e.g. the identification of changes in capital formation and net exports due to transactions in IPPs, intra MNE trade). | |
| M8.2 | Identify globalisation-relevant units | High |
| | Separate identification should be accomplished of globalisation-relevant statistical units, including factory-less goods producers, enterprises engaged in | |

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| | manufacturing services, and merchants. | |
| M8.3 | SPE in sector accounts/ BoP | High |
| | SPEs/foreign controlled captive financial institutions should be identified separately in BoP and in sector accounts statistics.[19] | |
| M8.4 | Foreign controlled corporations in sector accounts/ BoP | High |
| | Further work on foreign-controlled financial corporations and especially foreign-controlled non-financial corporations should be undertaken to (i) deploy the implementation plan approved by the STC for financial information[20] and (ii) develop a coherent strategy for non-financial information. | |
| M8.5 | Other relevant groupings in sector accounts/ BoP | Medium |
| | Other MNE-related sector breakdowns should be identified separately in BoP and in sector accounts statistics, following the guidance in the new SNA and BPM, subject to a thorough examination of the associated merits and costs. | |
| M8.6 | Extended Supply and Use Tables broken down by ownership | Medium |
| | All EU countries should develop extended Supply and Use Tables in which, as a minimum, the industry dimension is broken down by ownership residency. | |
| M8.7 | Assessment of the nationality concept (in cooperation with the European Committee of Central Balance-Sheet Data Offices (ECCBSO)) | Medium |
| | The ESS and the ESCB with advice of the CMFB and in cooperation with the ECCBSO should elaborate a study assessing the advantages and disadvantages of nationality-based concepts in the macro-economic statistical framework. A possible proposal for additional statistics should be developed on this basis. | |
| M8.8 | Whom-to-whom matrices with globalisation related breakdowns | Medium |
| | The ESS and the ESCB should develop whom-to-whom matrices including sectors, countries and (estimates for) MNE breakdowns, provided that sufficient user demand outweighs the corresponding implementation costs. | |
| M8.9 | Regular production of data for FIGARO tables | Medium |
| | Annual SUT and BoP data necessary to develop global and regional Trade in Value Added analyses should be produced on a regular basis, also to contribute to the FIGARO tables[21]. | |

### *S9. European user consultation and communication strategies*

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| M9.1 | Monitoring of user satisfaction | Medium |
| | User satisfaction with the relevance and value of existing statistics on globalisation should continue to be monitored on a regular basis and results should be systematically followed-up in subsequent statistical work programmes and regularly reported in CMFB meetings. | |
| M9.2 | European communication plan on globalisation | Medium |
| | A European communication plan on globalisation should be developed and implemented, combining core communication principles and best practices, to make users more aware of the available data on globalisation, their uses and their limitations. | |
| M9.3 | Repository of public information for users on globalisation events | High |

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[19] As noted earlier, since March 2023 NCBs are transmitting data on SPEs under Guideline ECB/2022/23.
[20] See footnote 17.
[21] In April 2018, FIGARO tables relating to the reference year 2010 were released for the first time by Eurostat.

| | | A databank on publicly available information about relevant cross-border MNE activities should be created, helping users to interpret statistical results (information from the Early Warning System, under the control of the MNE-net, can be re-used for this purpose)[22]. Users should also informed about important revisions and remaining discrepancies without questioning statistical confidentiality. | |

### *S10. Proposal for improvements in the statistical information flow*

| M10.1 | Governance framework | High |
|---|---|---|
| | The CMFB should foster European institutional collaboration within the established governance framework, to support the cross-domain / cross-institutional cooperation necessary for achieving the OGSM. | |
| M10.2 | Work programme and monitoring framework | Medium |
| | A common, prioritised work programme on globalisation should be formulated across domains and statistical systems, based on this updated OGSM and following up on the ESF Globalisation Task Force. A regular monitoring system should be established. The CMFB should be informed annually about the progress and update the OGSM framework accordingly. | |

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[22] In line with the principle of accessibility and clarity of the European Statistics Code of Practice and the Public Commitment on European Statistics by the ESCB.

**ANNEX: The OGSM Method**

This CMFB vision paper is methodologically based on OGSM. This is an acronym for "Objectives, Goals, Strategies and Measures". It was developed as a strategic planning tool and has been successfully applied to a vast array of business applications and organisational settings.

OGSM is a robust and flexible tool for collaboration under conditions of high uncertainty. Departing from general objectives, it provides a clear and simple structure that helps planners spell out clear goals and identify the strategic choices to achieve them. With the strategic decisions comes a set of measures that make them concrete and – at the same time – will show whether the endeavour is on track. The measures help assure that goals are met and groups of actors work together toward common objectives, across functions, geographical distance and throughout organisations.
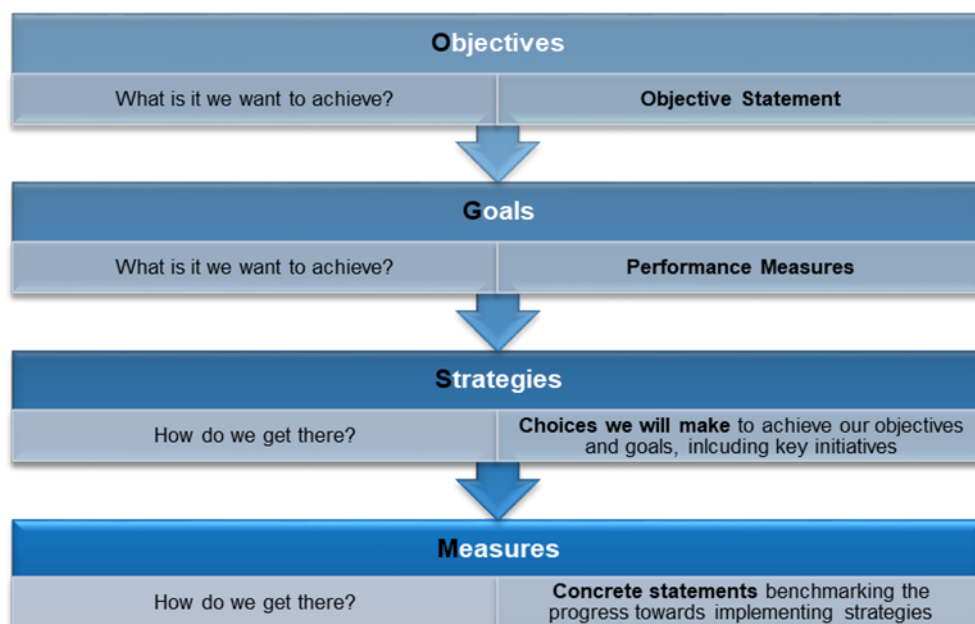


Figure 1: Prototypical OGSM

Objectives are what should be achieved. They enable to qualify alternative states of the world as "better" or worse". Goals are concretisation of the objectives in terms of performance measures. Strategies are about what to do reaching these goals. Strategies are subordinate to the objectives. Measures are both concretisation of strategies and benchmarks to decide whether the strategies or initiatives were successful.

OGSM thus organises statements from general orientation to practical implementation. What should be achieved, by which means, and how to measure success? In particular, it is proved to be helpful in situations where different organisations need to cooperate, but have to do so without a joint top management layer.

OGSM can be extended by cascading. The strategy at the top level can be used as objectives for lower levels, giving rise to subordinate OGSMs. This leads to implicit coordination among parts of the system that are not formally integrated. This is why it is a solid basis to help coordinate the many different but interrelated activities needed from various actors in the statistical system to cope with the challenge of globalisation.

OGSM is not static and fixed. It needs to be adjusted regularly in order to adapt to changing conditions. Thus, it is an effective mean of communication between agents: both in the initial phase, when objectives have to be set up and the general course of action is defined, as well as later on, on the long way towards achieving goals and objectives.