

Side Event – The Measurement of Globalization in Economic Statistics

Globalization is bringing increasing use of organizational “innovations” in the production of goods and services, such as global value chains, factory-less production, relocation of intellectual property products, and complex international financial relationships. This has implications for the interpretation and analysis of macroeconomic data. For example, exports that include a high proportion of imported components have different economic implications from exports that are made fully from local inputs. Another example is factory-less production and location of intellectual property assets, where significant changes in the outcomes of macro-economic statistics can be driven by tax considerations. This internationalization of production, and demand for more and better information has increased the complexity of compiling economic statistics, raising questions about the measurement of key economic indicators, including GDP.

The side event provides an opportunity for countries and international agencies to discuss their recent work to deal with globalization. A number of initiatives at international/regional levels have been undertaken to have a better measurement and understanding of the dynamics of globalization. Eurostat, for example, has developed a set of globalization indicators and has launched two major projects in this area: *Integrated Global Accounts (IGA)* and *Full International and Global Accounts for Research in Input-Output Analysis (FIGARO)* project. The joint OECD/WTO Trade in Value-Added (TiVA) database shows the proportion of value added in gross values of international trade, and the OECD Expert Group on Extended Supply and Use Tables is developing a suite of new databases in response to growing user demands. The IMF is working on the financial flows associated with these developments. The UN has established an Expert Group on International Trade and Economic Globalization Statistics that is developing a Handbook on *Accounting for Global Value Chains: Extended National Accounts and Integrated Business Statistics*. The UNECE has produced the *Guide to Measuring Global Production* which provides practical guidance and reviews conceptual issues linked to globalization.

The side event is organized by the Intersecretariat Working Group on National Accounts (ISWGNA) to have a discussion around measurement issues brought about by globalization and the implications for the work of statistical agencies. In particular, the side event will (i) discuss the work currently being undertaken on improving the measurement of globalization in the macroeconomics; (ii) highlight country initiatives on improving statistics on globalization; (iii) discuss the feasibility and challenges of sharing information across countries to improve statistics on globalization.

Speakers: The meeting will be addressed by:

- Paul Morrin, Assistant Director General, CSO, Ireland
- Julio Alfonso Santaella, President, INEGI, Mexico
- Mariana Kotzeva, Acting-Director General, Eurostat
- Paul Schreyer, Deputy Chief Statistician, OECD
- Ivo Havinga, Assistant Director, UNSD

Refreshments will be served, courtesy the IMF.