**TWINNING PROJECT**

**Support to Development Process in the State Statistics Service of Ukraine with the Objective to Enhance its Capacity and Production**

**Ukraine**



**MISSION REPORT**

**on**

**Component 1.5 National Accounts – Globalisation Statistics**

**Activity 1.5: Assessment mission**

Mission carried out by Mr Niels Jon Mortensen and Mr Michael E. Nielsen,
Statistics Denmark

April 27-29, 2015

Version: Draft

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*Author’s name, address, e-mail (keep the relevant information)*

*Michael E. Nielsen*

*Senior Advisor, Business Dynamics Statistics*

*Statistics Denmark*

*Sejrøgade 11*

*Tel: +45 39 17 31 43*

*Email: men@dst.dk*

*Niels Jon Mortensen*

*Head of Section, Business Dynamics Statistics*

*Statistics Denmark*

*Sejrøgade 11*

*Tel: +45 39 17 31 07*

*Email: jmo@dst.dk*

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**List of abbreviations**

FATS Foreign affiliates in trade and services statistics

FRIBS Framework Regulation Integrating Business Statistics

IFATS Inward FATS

MDL Micro-data linking

OFATS Outward FATS

RTA Resident Twinning Advisor

SSSU State Statistics Service of Ukraine

SD Statistics Denmark

TEC Trade by enterprise characteristics

ToR Terms of Reference

# Background information

The mission under component 1.5 of the Twinning Project took place on April 27-29, 2015. The meetings were attended by experts of the SSSU and Statistics Denmark (SD).

The SD experts would like to thank the staff of the SSSU for their kind hospitality, preparations, as well as pleasant and fruitful collegial discussions during the mission.

# 1. General comments

The mission was carried out according to the ToR and the mission programme. This activity aimed at presentations and discussions on experiences covering globalisation statistics, including statistics on foreign affiliates, international sourcing and trade by enterprise characteristics (TEC) as well as micro-data linking (MDL) of foreign trade and business statistics data. The aim was to cover existing regulation and requirements, concepts and methodology, and how Statistics Denmark has implemented and organised the work within these areas.

# 2. Assessment and Results

The activity started with **opening remarks** by Ms Natalia Vlasenko, Beneficiary Country Project Leader, followed by an introduction of the mission and the MS experts by Mrs Irina Bernstein, Resident Twinning Advisor (RTA).

Overall, the topic of globalisation is not a new one, but it is increasingly important in statistics and in society at large. The conceptualisation and statistical measurement of the phenomenon is challenging, and the opportunity to hold this globalisation statistics mission was welcomed by the SSSU.

The next item on the agenda was an **overview presentation on globalisation statistics** that was given jointly by Jon Mortensen and Michael E. Nielsen. The presentation covered the globalisation phenomenon, the drivers of globalisation and the measurement challenges, and then gave an overview of globalisation statistics in terms regulations, concepts and illustrative results for the FATS statistics (both IFATS and OFATS), the survey on international sourcing and organisation of business functions, TEC and MDL projects as well as expected developments in the near future concerning globalisation statistics and new requirements from the EU (in particular the new Framework Regulation Integrating Business Statistics, FRIBS).

The next presentation on **foreign affiliates statistics (FATS), both inward and outward,** was given by Jon Mortensen. The presentation went into more detail with the FATS statistics. The presentation covered the background of the statistics, definitions, variables, sources, and slides with results. Finally, the presentation also described the expected changes in the statistics from the FRIBS.

The first presentation on April 28 concerned **global value chains and international sourcing statistics**, presented by Michael E. Nielsen. The presentation covered the background and design of the survey, policy issues and definitions used, and provided a detailed description of the harmonised Eurostat questionnaire that was used in the latest survey. Furthermore, in addition to presenting several results from the survey, the presentation also introduced the concept of business functions and how this had been used in the statistics.

It was agreed that the International sourcing and organisation of business functions questionnaire should be sent to the RTA for circulation to SSSU experts. Further, during the presentation, one of the questions concerned the link between business functions and international trade in services, a topic on which SD has carried out some analyses, and it was agreed that the project report should also be sent to the RTA for further circulation.

The next presentation, jointly by Jon Mortensen and Michael E. Nielsen, concerned **micro-data linking methodology and work on coupling trade and business statistics in projects and in TEC**. The presentation described the background or motivation for carrying out this work alongside some of the methodological challenges faced. Further, the SD experts described the methodology of micro-data linking used in practice, definitions used for analyses combined with illustrative results from the Danish linked data. Finally, the presentation covered in further detail the contents of TEC statistics as well as a description of the contents, experiences and results from an MDL project undertaken for the Nordic Council of Ministers by the statistical institutes in the five Nordic countries.

Finally, at the last day there was a session dedicated to **consultations** on relevant topics. The SSSU opened the session by thanking for the presentations and discussions and by explaining that the inputs received would be used in the future work on globalisation statistics. Then, the consultations can be summarised as follows. Firstly, there was a detailed conversation about the FATS statistics in terms of questionnaire and question design, definitions, delimitations, sources, and work processes related to the practical implementation and data collection for these two – Inward and Outward – statistics, where the two SD experts shared their knowledge and experiences. Secondly, there was an exchange of information on gender aspects in particular in entrepreneurship or business demography statistics and data, with a detailed description of the types of sources and information available and used in Denmark, and an exchange of information and experiences on this topic. Finally, there was consultation on e-Commerce in enterprises, where the SD expert explained about the implementation of the EU survey ICT Usage and e-Commerce in enterprises in Denmark.

It was agreed that the SD OFATS questionnaire as well as the Eurostat questionnaire on ICT Usage and e-Commerce in enterprises should be sent to the RTA for circulation to SSSU experts.

# 3. Conclusions and recommendations

The mission produced several presentations and fruitful discussions on globalization statistics, and the SSSU received inputs that will be used in the future work on globalization statistics. The mission was more of a seminar than an assessment mission, and so there were no concrete recommendations.

It was agreed, however, that different documents should be exchanged after the mission (questionnaires, report on trade in services and international sourcing of business functions).

A second mission was not scheduled and agreed during the mission, but this has been considered and could be arranged, depending on the needs and interests of the SSSU. For the SD experts, the most suitable period for such a mission would be September/October 2015.

# Annex 1 Terms of Reference

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**European Union Twinning Project**

**Support to Development Process in the State Statistics Service of Ukraine with the Objective to Enhance its Capacity and Production**

**Twinning No.: UA/13/ENP/ST/38**

**Terms of Reference**

for a short-term mission to the State Statistics Service of Ukraine

*Component 1 National accounts*

*Activity 1.5 "Globalisation Statistics:* assessment mission/seminar*"*

27–29 April, 2015

**General information**

Statistics Denmark in partnership with INSEE France, Statistics Lithuania, Statistics Finland, Central Statistical Bureau of Latvia, is leading the EU-Twinning project on “Support to Development Process in the State Statistics Service of Ukraine with the Objective to Enhance its Capacity and Production” in Ukraine. The beneficiary is the State Statistics Service of Ukraine.

This activity is implemented under the Component 1 National accounts.

The objective for this assessment mission/seminar is

* Discussion of TEC and micro-data linking of foreign trade in goods and business statistics,
* international organisation and sourcing of business functions, and
* foreign affiliates (FATS) statistics
* how Statistics Denmark has implemented and organised the work within these areas.

The SSSU will present their objectives in these areas, and the mission will discuss an assessment of current practices and the identification of future focus and next steps.

Knowledge on Globalisation Statistics will contribute to further implementation of the Twinning project´s mandatory results and therefore very appreciated by both project partners.

**Purpose of the mission**

The SSSU would like to improve the connections between foreign trade statistics, SBS, National Account and Investments. The following surveys would be of special interest for the SSSU:

1. Trade in Enterprise Characteristics (TEC) is an EU mandatory statistics prepared annually by coupling micro-data from foreign trade with information about companies in the business register. Link: <http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/International_trade_by_enterprise_characteristics>
2. International organization and sourcing of business functions. So far voluntary EU survey, but are included in the current version of FRIBS as mandatory. Link: <http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/International_sourcing_of_business_functions>
3. Foreign affiliates (FATS) statistics. Link:

<http://ec.europa.eu/eurostat/statistics-explained/index.php/Foreign_affiliates_statistics_-_FATS>

**Activities**

A tentative schedule for the mission is:

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| Monday, 27 April | Tuesday, 28 April | Wednesday, 29 April |
| 11 Opening of the seminar11-12:30 Globalisation statistics: General Introduction 12:30-13 QAParticipants: all departments | 11-12:30 Global value chains and international sourcing statistics12:30-13 QAParticipants: responsible departments | 10-13 QAParticipants: responsible departments |
| Lunch 13-14:00 | Lunch 13-14:00 |  |
| 15-16:30 Foreign Affiliates Statistics (FATS) : Inward and Outward 16:30-17 QAParticipants: responsible departments | 15-16:30 Microdata linking, Nordic project and Trade by Enterprise Characteristics 16:30-17 QA17 Closing of the seminarParticipants: responsible departments | 14-17:00Preparation of the mission report |

**Tasks to be done by SSSU to facilitate the mission**

The meetings will be attended by head of divisions, deputy heads of divisions and other responsible staff (10-25 participants per session).

**Consultant and counterpart**

The mission will be carried out jointly by:

Mr Michael Elgaard Nielsen, Senior Advisor and Team Leader (Statistics Denmark)

Main activities and responsibilities: Senior Advisor and Team Leader, Globalisation, Entrepreneurship and Information Society Team, Business Development Statistics.

Project manager, Business demography statistics, ICT-usage in enterprises survey.

Project manager for various analytical projects, including Linking Trade and Business statistics, Nordic Exports of Goods and Exporting Enterprises (linking trade in goods and business statistics across Nordic countries), various consultancy works for international organisations, ministries and commercial customers.

Part of coordination and expert group on Eurostat projects on international sourcing and global value chains, most recently the ESSnet on Measuring Global Value Chains (2012-2014).

Niels Jon Mortensen, Head of Section (Statistics Denmark)

Main activities and responsibilities:

Production and development of external trade in goods statistics. Responsible for the Trade by Enterprise Characteristics statistics (linking trade in goods and business data). Coordination of activities related to interactive geovisualisation of trade statistics, Project management Participation and development project on improved coherence between statistical units in external trade and business register statistics.

The BC counterpart will be:

Margarita Kuznetsova, Deputy Director, Department for Structural and Business Finance Statistics

Anatoliy Fryzorenko, Director, Trade statistics Department

Valentyna Kruglyak, Deputy Director, Trade statistics Department

Tetyana Poremska, Head of the Unit, Foreign trade statistics

Myroslava Sobko, Deputy Director, Production Statistics Department

Olha Antonova, Head of Unit, Production Statistics Department

Olena Faraon, Chief Economists, Production Statistics Department

And others

**Timing**

The mission will be carried out during 27-29 April 2015 in Kyiv.

**Report**

A final report from the mission should be made available not later than two weeks after the termination of the mission.

# Annex 2. Meeting programme (agenda)

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**European Union Twinning Project**

**Support to Development Process in the State Statistics Service of Ukraine with the Objective to Enhance its Capacity and Production**

**Twinning No.: UA/13/ENP/ST/38**

**SEMINAR / MISSION PROGRAMME**

**Topic**: **GLOBALISATION STATISTICS**

**Data and time**: April **27**: 11:00 - 13:00; 15:00-17:00

April **28**: 11:00 - 13:00; 15:00-17:00

April **29**: 10:00 - 13:00

**Place**: 3 Shota Rustaveli Str., Press-center, State Statistics Service of Ukraine

**Component 1.5 – National Accounts**

**Experts: Mr Niels Jon Mortensen (Statistics Denmark)**

 **Mr Michael Elgaard Nielsen (Statistics Denmark)**

**Date: 27-29/04/2015**

**Working language: English, Ukrainian**

**Interpreter: Ms Svitlana Taranova**

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| MONDAY, APRIL 27 |
| **10:45 Arrival to the SSSU** | *Address: 3, Shota Rustaveli Str., Press center**At the entrance to the SSSU you will be picked up by Ms K.Zhulay, Protocol Unit* |  |
| **11:00 – 11:05** | **Opening remarks**  | Ms Natalia Vlasenko, Beneficiary Country Project LeaderIrina Bernstein, RTA |
| **11:05 – 12:30** | **Globalisation statistics: General Introduction**  | Mr Niels J. Mortensen, Stat DKMr Michael E. Nielsen, Stat DK |
| **12:30 – 13:00** | **Questions & answers** |  |
| **13:00 – 14:30** | *Lunch* |  |
| **15:00 - 16:30** | **Foreign Affiliates Statistics (FATS): Inward and Outward** | Mr Niels J. Mortensen, Stat DKMr Michael E. Nielsen, Stat DK |
| **16:30 - 17:00** | **Questions & answers** |  |

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| TUESDAY, APRIL 28 |
| **10:45 Arrival to the SSSU** | *Address: 3, Shota Rustaveli Str., Press center**At the entrance to the SSSU you will be picked up by Ms K.Zhulay, Protocol Unit* |  |
| **11:00 – 12:30** | **Global value chains and international sourcing statistics** | Mr Niels J. Mortensen, Stat DKMr Michael E. Nielsen, Stat DK |
| **12:30 – 13:00** | **Questions & answers**  |  |
| **13:00 – 14:30** | *Lunch* |  |
| **15:00 - 16:30** | **Microdata linking, Nordic project and Trade by Enterprise Characteristics**  | Mr Niels J. Mortensen, Stat DKMr Michael E. Nielsen, Stat DK |
| **16:30 - 17:00** | **Questions & answers** |  |

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| WEDNESDAY, APRIL 29 |
| **10:00 Arrival to the SSSU** | *Address: 3, Shota Rustaveli Str., Press center**At the entrance to the SSSU you will be picked up by Ms K.Zhulay, Protocol Unit* |  |
| **10:00 – 13:00** | **Consultations** | Mr Niels J. Mortensen, Stat DKMr Michael E. Nielsen, Stat DK |