

Challenges posed by globalisation: the case for future changes in the System of National Accounts

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The rapidly changing nature of production arrangements and in particular the ways in which producers produce goods and services has cast a spotlight on the SNA's preference for the use of the establishment as the unit to compile national accounts statistics by industry, in the supply and use framework. One of the primary motivations for this preference reflected the view that establishments classified to the same industrial classification grouping shared similar characteristics in their production functions, and, so, were considered broadly "homogeneous". However, especially increased international fragmentation of production, coupled with growing emergence of new types of producers, in particular factory-less producers, processors, and a growing share of output generated by foreign affiliates have led to more complex and dynamic structures of production, that can no longer be regarded as homogeneous. In this respect, calls have been made for having the enterprise as the preferred statistical unit. The choice for the latter unit would also increase the possibility of having an improved linkage between the analysis of the production process and the analysis of income and finance, which have become increasingly interconnected. It would also substantially increase the potential for linking macro-data with micro-data, thus creating a more flexible approach for having alternative groupings responding to emerging user demands. Last but not least, the use of the enterprise as the statistical unit would also lead to a significant reduction of the respondent burden.

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