

Expert Group on Extended Supply and Use Tables (EGESUT)¹

Chair:	Oscar Lemmers (NDL)
Bureau members:	Bernhard Michel (BEL), Jose Manuel Rueda-Cantuche (EC-JRC), Thomas Howells (USA), Sanjiv Mahajan (UK) ²
Members:	Open to all Member countries Austria, Belgium, Canada, Chile, Denmark, Estonia, France, Japan, Korea, Latvia, Mexico, Netherlands, Norway, Turkey, United Kingdom, United States, Costa Rica, Lithuania and China
Participants:	Eurostat, European Commission Joint Research Centre, IPTS, WTO, UNESCWA and UNSD
Date of creation:	01 October 2014
Duration:	31 December 2023

Mandate (Proposed):

The Expert Group shall act as a forum for national accounts experts of Members and Partners to facilitate the development of Supply and Use Tables, both Extended and conventional, in national statistical information systems; to share experiences and best practices; to make them accessible for Members and Partners outside the Expert Group providing guidance; and to collaborate with the Working Party on National Accounts to improve the quality and coherence of national accounts and international accounting frameworks and to thereby better deal with the statistical challenges presented by globalisation.

Timing and Deliverables

The Expert Group has a mandate of three years with results expected by December 2023, in the shape of the following:

- A methodological manual to compile Extended Supply and Use Tables (based on previous meetings and the Terms of Reference).
 - This will describe best practices (and alternatives) and propose guidance towards creating international standards in this field.
 - At least one chapter will show how compilation challenges were addressed by countries that have already developed Extended Supply and Use Tables.
 - To be used by current members of the Expert Group but mainly to give guidance to countries that are not yet producing Extended Supply and Use Tables.
- A final report with the results of discussion of Beyond Value Added topics, including:
 - Jobs and compensations
 - CO2 and other emissions
 - Distribution of income
 - Employment in the informal economy
 - GFCF origin and use tables
 - Jobs skill

¹ The mandate has been endorsed by the Working Party on National Accounts (WPNA) in December 2020.

² Since December 2020, the bureau has welcomed additional three members, including Agnes Topiol (ISL), Isabelle Remond-Tiedrez (EUROSTAT) and Norihiko Yamano (OECD).

It is recognised that Extend Supply and Use Tables provide an ideal tool to improve the relevance and accuracy of accounts, and furthermore, it can be achieved without imposing additional burdens on respondents. The work on extended SUTs should serve as a mean to address the policy relevant questions, not as a goal in itself. The dissemination of the Extend Supply and Use Tables and their extensions - Beyond Value-Added topics - provides a powerful instrument to help policy makers to understand heterogeneous economic, income and environmental impacts of business production, particularly about the inclusiveness of globalisation. For example, it should respond the questions like what type of workers benefit how much in the value chain; how much of value added in exports leaks abroad via the profits of foreign multinationals; and is the value chain of MNEs "greener" or not.

According to the discussion among members, the following topics, related to conventional SUTs, should be prioritised in upcoming discussion of the Expert Group, based on country experiences:

- Re-exports;
- Merchanting and processing;
- SUTs projections and nowcasting; and
- Breakdowns of imports and exports by partner.

An annual progress report should be submitted to the WPNA in each of the years 2021, 2022 and 2023.

Finally, given the progress of several members in developing Extended Supply and Use Tables with a focus on ownership, an international comparison exercise will be developed, focusing on the impact of granularity in the value added creation process. One specific goal should be to develop a minimum level of industries and a common MNE breakdown.³ The progress on this exercise will be informed to WPNA.

The Expert Group will be expected to meet once a year. Between meetings discussions will take place via an Electronic Discussion Group co-ordinated by the OECD (<https://community.oecd.org/community/egesuts>).

A more detailed timetable including deliverables is provided below:

- October 2020: Sixth Meeting of the Expert Group.
- November 2020: Mandate proposal to the WPNA.
- December 2020 – September 2021: Outline and drafting Methodology and Beyond Value Added report. Chapters drafted by members.
- October 2021: Seventh Meeting of the Expert Group. Methodology and Beyond Value Added first drafts.
- November 2021: First drafts presentation in WPNA. Conventional SUTs recommendations. Comparison exercise progress report.
- October 2022: Eighth Meeting of the Expert Group. Methodology and Beyond Value Added final drafts.
- November 2022: Final drafts presentation in WPNA. Conventional SUTs recommendations. Comparison exercise progress report.
- October 2023: Ninth Meeting of the Expert Group.
- December 2023: End of mandate

³ The issue of homogenization (in classification of economic units, products, stratification, observation unit, valuations, confidentiality, etc.) should be a long term concern of the Group. The idea behind this planned exercise is to have a comparison bearing in mind there are difference in standard.

Background:

- **SDD/CSSP(2018)9**

6. In 2014, the CSSP endorsed the creation of a Task Force on Extended SUTs, expressing strong support for extensions to National Supply-Use tables that provide the basis for integrated international economic accounts. These accounts are better equipped to deal with the statistical challenges presented by globalisation, in turn improving the quality and coherence of national accounts and, through their integration into global (extended) Supply and Use tables, international accounting frameworks such as TiVA.

7. The Task Force, since renamed the CSSP Informal Expert Group on ESUTs, includes experts from fifteen OECD countries, accession countries and Key Partners (Austria, Belgium, Canada, Chile, Denmark, Estonia, France, Japan, Korea, Latvia, Mexico, Netherlands, Norway, Turkey, United Kingdom, United States, Costa Rica, Lithuania and China), as well as participants from other International Organisations (Eurostat, European Commission Joint Research Centre, IPTS, WTO, UNESCWA and UNSD). The Group operates under the Working Party on National Accounts (WPNA).

8. Three physical meetings of the Group have been convened since its formation during which significant progress has been made, with a fourth meeting scheduled for 6-7 June 2018. A number of countries have mainstreamed the production and compilation of ESUTs into their core statistical information systems and many others are looking to do so. More generally, including outside of the Expert Group, there is a growing recognition that ESUTs provide an ideal tool to improve the relevance and accuracy of the accounts, which, importantly, can be achieved without imposing any additional burdens on respondents. The WPNA has received regular updates on the Group's progress.

9. The ESUT tables are already beginning to have an important impact on the policy debate, particularly for those countries that have pursued extensions to integrate foreign ownership dimensions (through the integration of foreign affiliate trade statistics), which has helped provided a strong narrative around trade and investment. The Secretariat has itself helped to feed the policy debate through similar activities, including through the creation of ESUTs that categorise firms on the basis of their size, which formed an important input to the OECD's SME Ministerial in February 2018.

10. Wishing to build on and share these experiences, while also continuing to develop best practice, including in areas not yet embarked on by the Group (such as the integration of data on jobs, wages, skills), that will continue to help develop our collective capacity to respond to the inclusive globalisation agenda, members of the WPNA have proposed that CSSP agrees to establish the Group as an official body in order to provide stability and visibility to its programme of work. This revision would be budget neutral.

2.1. Proposed mandate of the EG-ESUT

11. The proposed mandate of the Expert Group on Extended Supply-Use Tables will support the international national accounts community in the development of extended National Supply Use Tables for integrated international economic accounts.

12. The Expert Group shall act as a forum for national accounts experts of Members and Partners to facilitate the development of extended supply use tables in national statistical information systems; to share experiences and best practices; and to undertake additional work as required by the Working Party on National Accounts to improve the quality and coherence of national accounts and international accounting frameworks and to thereby better deal with the statistical challenges presented by globalisation.

13. The Expert Group will make regular reports to the Working Party on National Accounts.

14. The mandate of the Expert Group shall remain in force until 31 July 2020 unless the Working Party on National Accounts decides otherwise.

2.2. Participants

OECD members: All members

Non-OECD members: see the Committee on Statistics and Statistical Policy draft Global Relations Strategy [SDD/CSSP(2018)2]

International and Regional Organisations: European Commission Joint Research Centre, IPTS, WTO, UNESCWA and UNSD

- **SDD/CSSP/M(2018)1/REV1**

31. Mr. Pesendorfer introduced the CSSP governance issues topic [SDD/CSSP(2018)9] which includes two proposals: i) a request that the Working Group on International Investment Statistics (WGIIS) becomes a joint subsidiary body of the CSSP along with the Investment Committee, its current parent; and ii) a request to establish the informal expert group on extended supply-use tables (EG-SUT) as an official body reporting to the WPNA.

32. The Vice-Chair of the WGIIS, Mr. Krzysztof Makowski of the Polish Central Bank, intervening by videoconference, presented the WGIIS request, explaining that leveraging the leadership of the CSSP on statistics is expected to allow for the production of improved statistics on international investment and MNEs to better meet the needs of policymakers. Mr. Nadim Ahmad then presented the EG-SUT request to formalise its status while also providing an update on progress achieved by the Group to date.

33. CSSP delegates welcomed the two proposals and expressed their strong support of the work being undertaken on the development of extended supply-use tables by the EG-SUT. CSSP delegates approved both proposals set out in document [SDD/CSSP(2018)9] and took note that the WGIIS proposal will be submitted to the Investment Committee prior to its transmission to the External Relations Committee.