

**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
COMMITTEE ON INDUSTRY, INNOVATION AND ENTREPRENEURSHIP**

Working Party on Globalisation of Industry

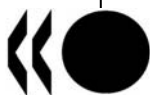
MANDATE OF THE WORKING PARTY ON GLOBALISATION OF INDUSTRY

Meeting to be held at the OECD headquarters in Paris on 9-10 October 2008

This document will be discussed under item 16 of the draft agenda.

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MANDATE OF THE WORKING PARTY ON GLOBALISATION OF INDUSTRY

1. Under the general direction of the CIIE (Committee on Industry, Innovation and Entrepreneurship), the Working Party on Globalisation of Industry is responsible for analysing the impact of the globalisation of industry in the economy of member countries through policy-oriented economic analyses and using international statistical surveys. Its objective is to contribute to the CIIE's policy discussions and to help the Committee respond to the numerous demands involving globalisation from both within and outside the OECD.

2. The Working Party on Globalisation of Industry shall assist the CIIE by developing policy-oriented quantitative analysis concerning the projects inscribed in its programme of work. More specifically and resources permitting, the Working Party shall:

a) On an analytical level:

- Measure the various forms of the globalisation of industry and their implications for the competitiveness and performance of enterprises.
- Analyse trends for different forms of international diffusion of technology and measure the effects on the innovation potential of the countries involved.
- In the framework of the global value chain, evaluate the impact of business operations on growth, productivity, employment, trade performance and the need for structural reforms.
- Analyse the impact of emerging economies on the industrial activity and performance of the OECD Member countries.
- In co-operation with the Working Party on SMEs and Entrepreneurship, measure and analyse the factors that influence smaller firms and suppliers to become part of global value chains, as well as identify the barriers they face in participating in these chains.
- In co-operation with relevant bodies, prepare the biennial publication of *OECD Economic Globalisation Indicators*.
- Contribute to the publication of the *OECD Science, Technology and Industry Scoreboard*.

b) On a methodological level, and in respect of database management:

- Collect and disseminate basic data and indicators from the member countries:
 - On the activity of multinational firms (affiliates under foreign control in host countries, parent companies and affiliates abroad controlled by compiling countries) in manufacturing and in services.

- On technology receipts and payments (technology balance of payments), in order to measure technology transfers and assess the role of intellectual property in international transactions.
- Enhance the quality of the data and indicators collected and invite the member countries to adhere to the guidelines proposed in the *OECD Handbook on Economic Globalisation Indicators*; in addition, consider revising the *Handbook*, exploring topics that could not be included in the first edition.
- Act as a forum to discuss conceptual and data collection issues related to global value chains.

3. The Working Party shall pursue co-operative efforts in its areas of expertise with other OECD bodies and with the main international organisations concerned (WTO, UNCTAD, World Bank, IMF). This includes co-operation with WGIIS (Working Group on International Investment Statistics) on the reconciling the statistics on the activities of multinational enterprises with FDI statistics, with a view to establish the basis for a sound analysis of the global economy, as defined by the research agenda of the *OECD Benchmark Definition of Foreign Direct Investment*.

4. Taking account of the CIIE's outreach strategy, and to do a better job of evaluating the roles in the world economy of the main OECD non-members, the Working Party shall forge contacts with non-member economies that play substantial roles in globalisation, inviting them, for example, to compile data in accordance with the definitions of the *OECD Handbook on Economic Globalisation Indicators*. Contacts will also be pursued with the business community.

5. To promote consistency with the CIIE framework and to ensure efficiency and effectiveness in carrying out its activities, the Working Party on Globalisation of Industry will provide regular reports to the CIIE on the progress it is making in achieving its objectives, and will hold, as appropriate, joint bureau meetings, back-to-back meetings, and/or joint seminars and similar events aimed at taking forward issues of mutual interest with the CIIE and its other Working Parties, as well as with other concerned OECD bodies.

6. The terms of reference of the Working Party on Globalisation of Industry shall expire on 31 December 2011.