

Recording of globalisation phenomena in the Czech national accounts

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Behaviour of large multinational companies necessarily needs a reaction of national accounts compilers. The phenomena that were previously from the macroeconomic point of view irrelevant, in recent years due to their magnitude they directly affect the explanatory power of the national accounts, and their analytical applications.

The Czech economy is very open economy. More than 25% of the total output is produced for exports. Imports cover 28% of intermediate consumption, 17% of expenditure on household final consumption and 21% of investments in fixed capital. More than 35% of the net worth of the Czech financial and non-financial companies is owned by foreigners, mostly by large multinational companies. Recording of the globalisation phenomena in the business accounts is in many cases very far from the national accounts rules. The initial business accounts data need therefore adjustments in the process of national accounts compilation.

The paper is dedicated to how to record the four globalisation phenomena in the Czech national accounts, namely: (a) the production without own workers, or with the use of agency workers, (b) the production without own equipment, or recording of the case of processors and refineries, (c) production of non-resident units, or quasi-transitive trade and (d) the production of goods for permanently low prices, or solving the situation where the debt between the mother and daughter will never be paid.

Mass dimension of some previously existing and newly arising phenomena in behaviour of companies raises the question whether it is necessary to maintain the existing views on industries, on labour productivity, capital intensity, deflation, etc. From the other side, without the identification of these phenomena, their quantification and making the relevant adjustments they may cause much distorted view on the development of the entire economy or of individual industries.