



Globalization and Computer Services in Sweden

Vera Norrman, Statistics Sweden



What is known in figures

- **Main figures**
 - NA
 - SBS
 - SPPI
- **Ad hoc statistics**
 - Swedish Agency for Growth Policy Analysis
 - Eurostat with others



Export and import by S/U Tables (NA)

- **Computer services exports**
 - 20 % of industry production
 - 25 % of IT consultancy production
- **Computer services imports**
 - 11 % of industry use
 - 13 % of total use of IT consultancy



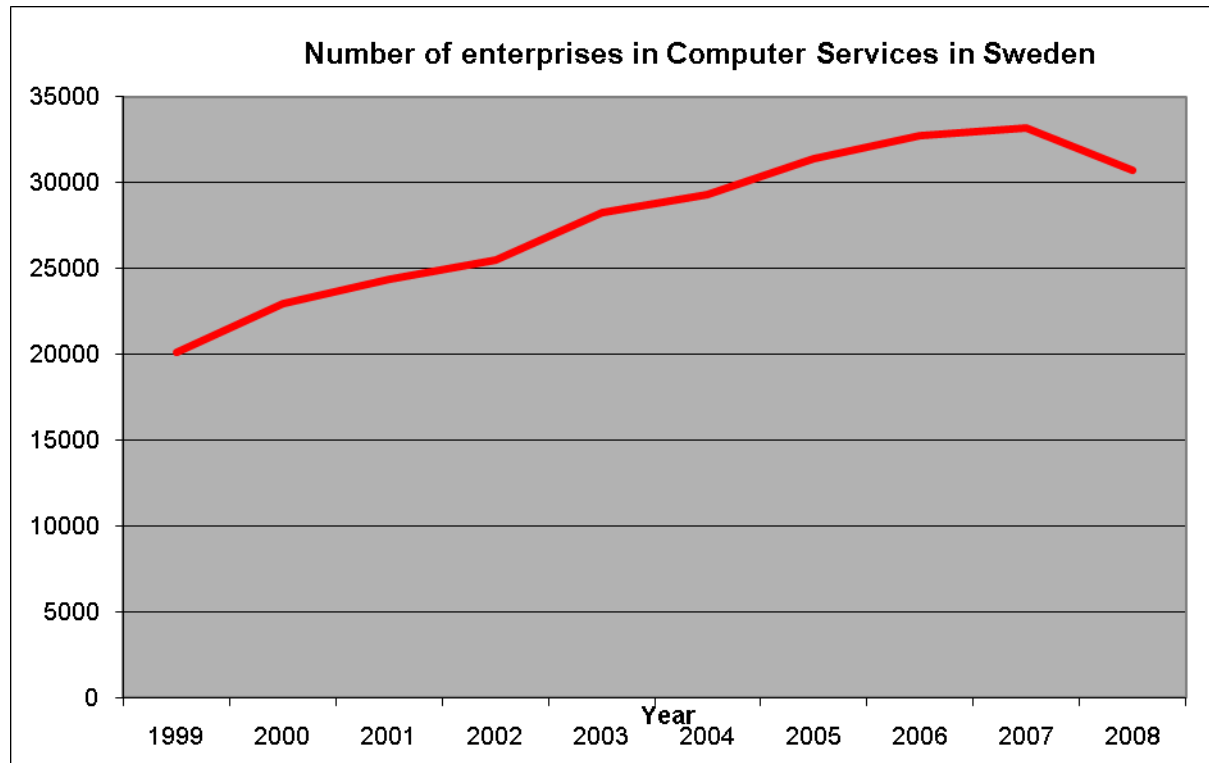
Export and import by NA

- **Computer services exports**
 - Increased as a part of total services exports from 7.5 (2006) to 10.4 % (2008)
- **Computer services imports**
 - as a part of total services imports remain stable about 6 % (2006-2008)



Computer Services in Sweden 1999 – 2008 (SBS)

Statistiska centralbyrån Statistics Sweden





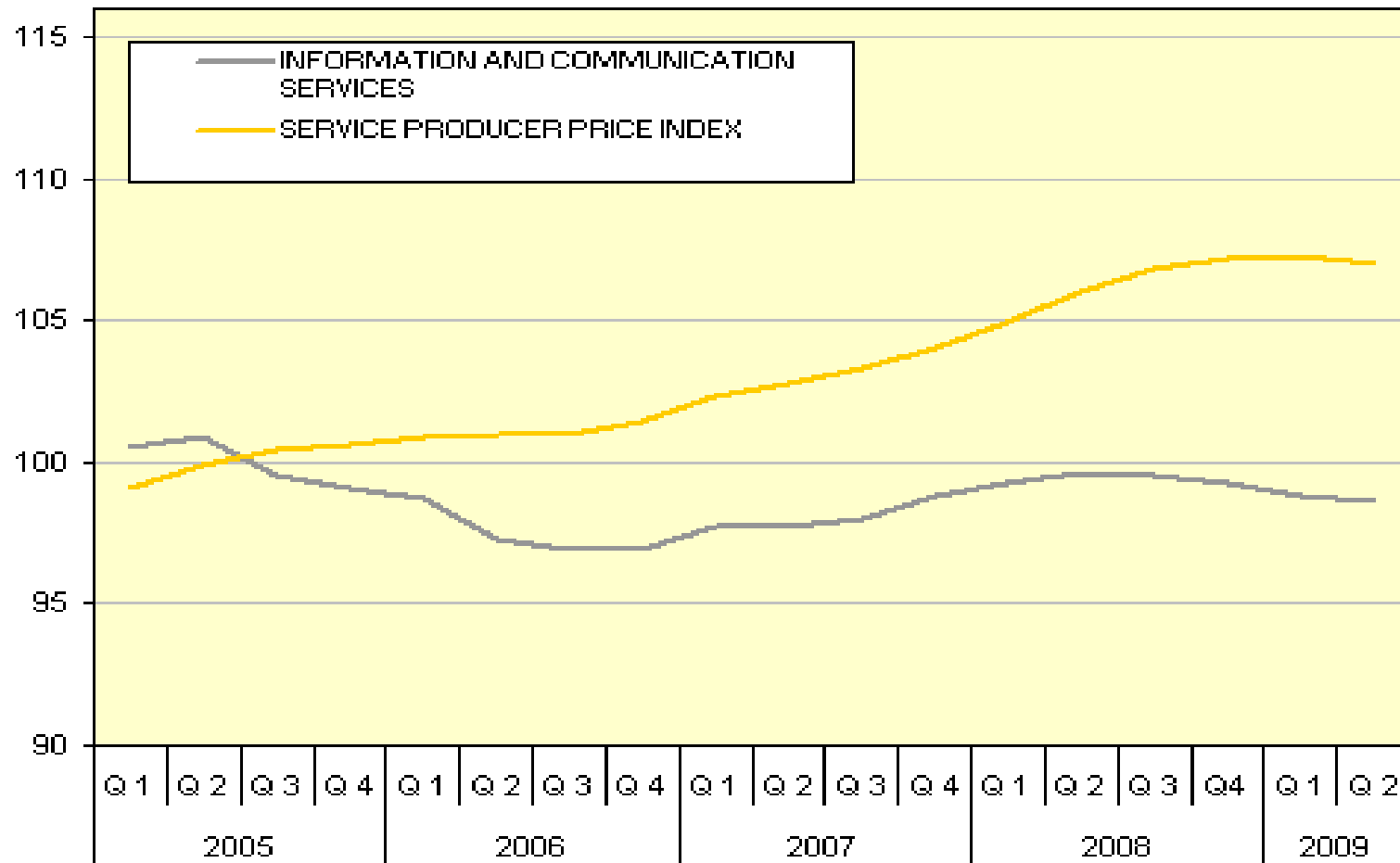
Computer Services by SBS

- Foreign clients stand for 18 % of industry turnover
- 20 largest companies stand for near 40 % of turnover and 25 % of number of employees
- All of them are MNE
- 28 % of external costs are related to computer services
- Lack of import figures



Computer Services - SPPI

Statistiska centralbyrån Statistics Sweden

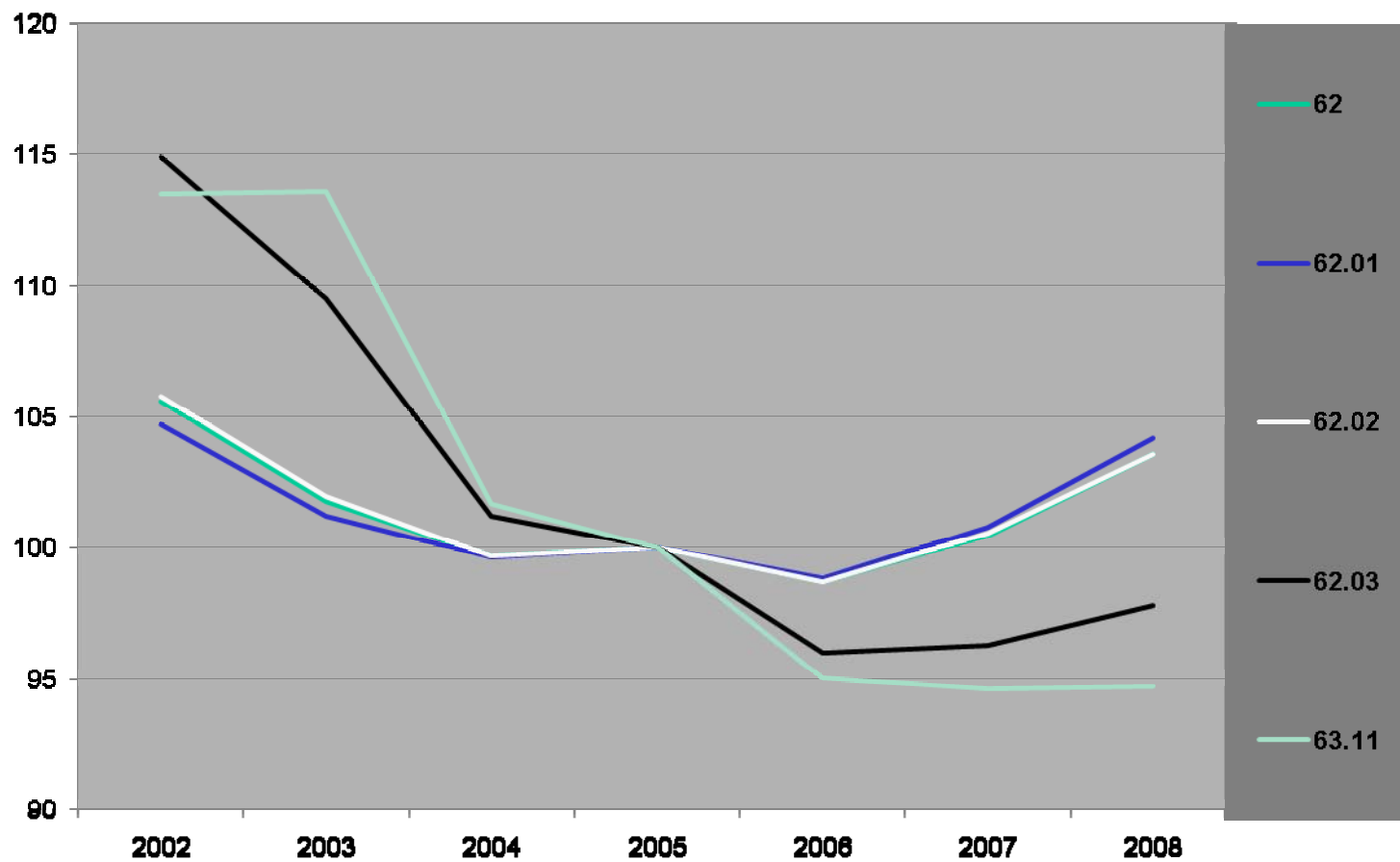


Data up to and including the Second Quarter 2009



Computer Services - SPPI

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Ad hoc statistics (2007) example 1

- Of 1,308 Swedish controlled groups with affiliates abroad (with 1.1 million employees abroad) there were 86 classified in computer services with 12,562 employees abroad
- Rate of internationalization 49.2 %
(65.3 % for services in total)



International Sourcing Survey

- Swedish level of international sourcing 2001-2006 (5%) compared with some other countries is low
- Explanation:
Instead of asking a large sample of enterprises whether they have sourced internationally or not, Sweden decided to use existing data - the “notice statistics” from the Swedish Labor Market Board.



Some lessons of ad hoc results

- **Can we trust to ad hoc figures?**
No/Yes, but be careful, check everything!
- **Where come the sources from?**
Different parts of Statistics Sweden



Some lessons (2)

Implications for future

- Improvements in official statistics are needed
- Coordination of different statistics is necessary



Improvements done or planned at Statistics Sweden

- Improvements concerning distribution of external costs in service industries
- Extended number of kinds of services in foreign trade statistics
- Coordination and corporate affair unit (large enterprises) established
- Register of multinational companies



Improvements (2)

- Guidelines and classification rules concerning outsourcing are used (NACE Rev.2)
- Coordination SNA and BoP in practical work
- Discussions in important internat. groups about globalization are followed up – not all (?) solved yet



Improvements (3)

- XMPPI for services - preparatory studies done
 - treatment of transfer prices
 - how to look at offshoring
 - currency conversions
- Check the treatment of above in all types of economic statistics important coming issue
- XMPPI for goods serve as example



What IT MNEs told about their strategies

- What about internal transactions within MNE in international trade?
 - Statisticians do not know the size exactly
 - Is probably a significant part of exports and imports figures
 - Possible to ask



What IT MNEs told ... (2)

- Companies are more cost efficient if they relocate production within own organization than outsource the production to an external international supplier
- Costs are driving offshoring, the relocation back to Sweden is not the way to go
- The competition is hard



What IT MNEs told ... (3)

- Lower levels of IT jobs are usually offshored (simple programming services, lower level development)
- If companies plan to expand, they go offshore due to the high costs in Sweden
- Specialists = consultants are staying in Sweden



What IT MNEs told ... (4)

- To follow an international Swedish company (important customer) to new markets in the world
- Prices differ between countries
- To provide price data separately for Swedish and foreign customers seems to be technically possible but accounting systems of companies do not support this reporting today



Conclusions

The globalization makes it harder to collect statistics, especially on services.

At the same time much work remains to improve the quality in statistics in order to understand the effects of the globalization.

The coordination of sources, definitions and routines, checking and exchange of results have to get higher priority if we will succeed.



Statistics Sweden

Statistiska centralbyrån

Computer Services speed up Globalization!

Thank you for your attention!

Questions?