

# **FESAC**

# **Factoryless Goods Producers**

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Agency Update  
U.S. Census Bureau  
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# Economic Census

## ➤ 2012 Economic Census

- Collection
- Review

## ➤ 2017 Economic Census

- Preparation
- Dissemination

# 2012 Economic Census Collection

- Data collected prior to 2012
  - 2011 Company Organization Survey (COS)
- Special Inquiry designed and added to 2012 forms
  - All manufacturing forms
  - All wholesale forms
  - Management of companies and enterprises form
    - Corporate, Subsidiary, and Regional Managing Offices
  - Research and Development and engineering auxiliary form
    - Professional, Scientific, and Technical Services (Enterprise Support)

# Special Inquiry questions

- Purchase of Contract Manufacturing
  - Did this establishment purchase contract manufacturing services from other companies or foreign plants of your company in 2012?
    - Yes/No
  - Report the costs incurred by this establishment for contract manufacturing purchased in 2012
  - Report the value of sales, shipments, receipts, or revenue generated in 2012 from products whose purchases were reported as contract manufacturing costs in line 2 (directly above)

# Special Inquiry questions

- Additional section on manufacturing forms only
  - Did this establishment provide contract manufacturing services to others in 2012 (regardless of materials ownership)?
    - Yes/No
  - Report the value of sales, shipments, receipts, or revenue generated in 2012 from contract manufacturing performed at this location for others (regardless of materials ownership and based on specifications provided by the contracting company)

# 2012 Economic Census Review (2013-14)

## ➤ Micro-level review

- General

- Establishment based data and review
- No re-classification of “factoryless goods producers” (FGPs) for 2012
- Baseline classification rules established for consistent classification in 2012 Census
- Set indicators within micro-record database on establishments with FGP characteristics
  - Indicator fields consistent across trade areas
  - Indicator to be used in evaluation of FGP related data
  - Also set indicator for manufacturing service providers (MSPs)

# 2012 Economic Census Review (2013-14)

- Review plan (late 2013 – 2014)
  - Coordinate review among trade areas
  - Understanding of integrated manufacturers (IM), manufacturing service providers (MSP), and factoryless goods producers (FGP)
  - Expectations of which NAICS areas most likely to have FGP related activities
  - Use Special Inquiry (SI) data collected and indicators assigned along with other data collected for 2012 within the relevant trade areas
  - Identify specific establishments having FGP characteristics (potential FGPs)

# 2012 Economic Census Review (2013-14)

- Evaluate reliability of FGP data
  - FGP data consistent with other data collected
  - FGP data reported similarly across trade areas
  - FGP data reported within ‘expected’ NAICS areas
  - ‘False positives’
  - Missed FGP activity
  - Contact with specific establishments as needed to question and/or confirm data
- Evaluate MSPs and similar cases
- Central source within Census to review and prepare macro-level report



# 2012 Economic Census Review (2013-14)

- Prepare macro-level internal tabulations of appropriate data items
  - NAICS level (three-digit, six-digit)
  - Size criteria (employment ranges)
  - Geographic distribution (states)
- Submit initial macro-level findings to Census Bureau management and interagency FGP team (late 2014)
- Evaluate magnitude of FGP establishments
  - Impact on manufacturing sector, other sectors
  - Impact on specific six-digit NAICS codes
    - » Expected
    - » Unexpected

# 2017 Economic Census Preparation (2014-17)

- FGP identified establishments
  - Create specific list
  - Monitor and research establishments further
  - Communicate with specific establishments and companies
    - Establishments' perspective on topic
    - Establishments' ability to report data
- FGP identified NAICS areas
  - Communicate with relevant trade associations and other notable subject matter experts
  - Coordination and education among internal Census staff

# 2017 Economic Census Preparation (2014-17)

## ➤ Data collection

- Determine data items to be collected
- Develop specific form content and instructions as it relates to FGP activity
- Set appropriate NAICS code (mfg) on establishments within Census database leading up to 2017 mailout

# 2017 Economic Census Dissemination Plan (2015-18)

- FGP inclusion in manufacturing sector
  - Specific industry assignment based on goods manufactured
- FGP establishments will be identified and tabulated separately (specifics still to be determined)
- Bridge structure expected to be provided linking back to prior census data

# Conclusion

## ➤ Timeline

- Current (2013)
  - Preparing micro-data review guidelines
- 2014
  - Review micro-level data
  - Late 2014, develop list of specific 2012 FGP establishments based on review
- 2014-17
  - Develop 2017 form content
  - Assign updated NAICS codes to FGP establishments
  - Develop 2017 dissemination plans

# Conclusion

## ➤ Key points

- Implementation of FGP establishments and corresponding data into manufacturing will be challenging
- Many unknowns still exist for review of 2012 data and preparation for 2017
- Communication among Census staff, Federal agencies, subject matter experts will be critical to ultimate success