# Pre-requisites for statistical business registers to support business demography statistics

Steven Vale

Statistical Division, UNECE

steven.vale@un.org

# UNECE

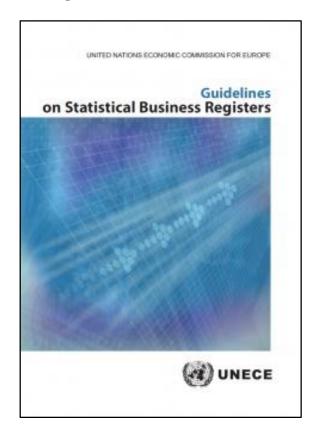
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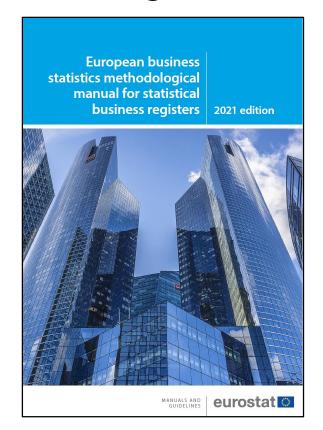
- Pre-requisites
- \* Sources
- Units
- Quality issues
- More information



#### **Pre-requisites**

 A statistical business register (SBR) that complies with international guidelines

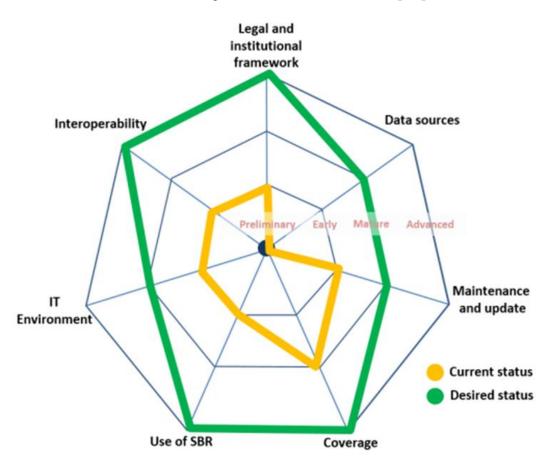






# Level of compliance

#### Maturity matrix approach



#### See:

https://unstats.un.org/unsd/business-stat/UNCEBTS/Documents/Third\_Meeting/Statistical%20Buisness%20Register%20Maturity%20Model%20v2020-09-22.pdf

https://www.inegi.org.mx/eventos/202 1/wiesbaden/doc/7\_5\_PPT\_HERMA NS\_AL\_KAFRI.pptx

#### Sources



- A statistical business register (SBR) should include all active businesses
- It may be based on:
  - Survey or census data
  - Mandatory business reporting
  - Tax and other administrative data
  - Other data sources
    - Private sources, "Big Data", geospatial information, web-scraping, ...

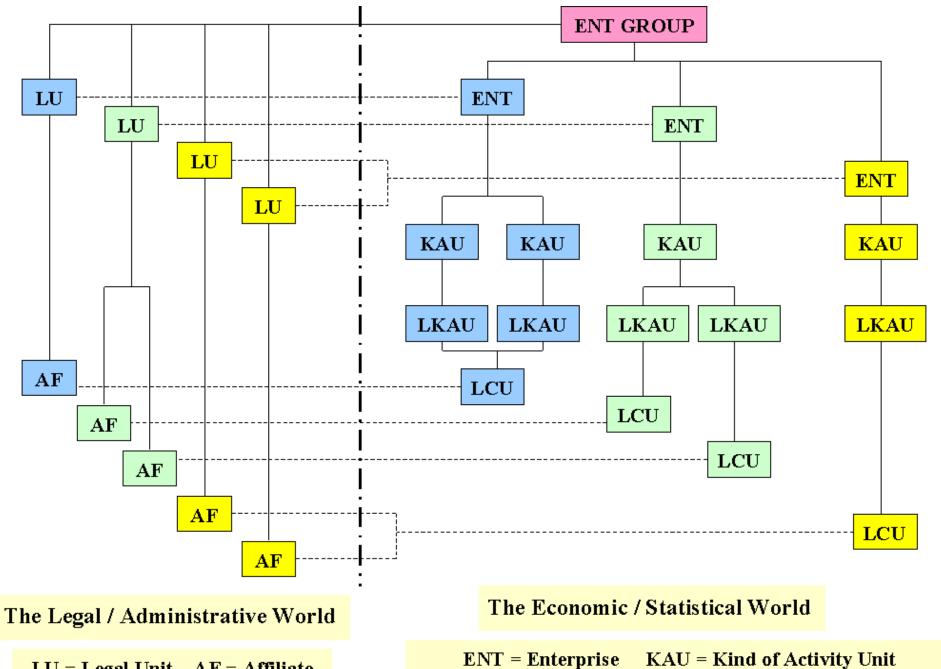
# Sources for business demography

- \* "Live" register versus snapshots?
- When to take a snapshot?
- Storage, comparison and linking
- Longitudinal database of SBR snapshots?

#### **Units**



- Preferred international standard for business demography: Enterprise
- Can also use:
  - Legal unit (not comparable internationally)
  - Local unit (to understand regional developments)
  - Establishment / kind of activity unit (to understand industry sector developments)
  - Enterprise group (global trends)



LU = Legal Unit AF = Affiliate

ENT = Enterprise KAU = Kind of Activity Unit

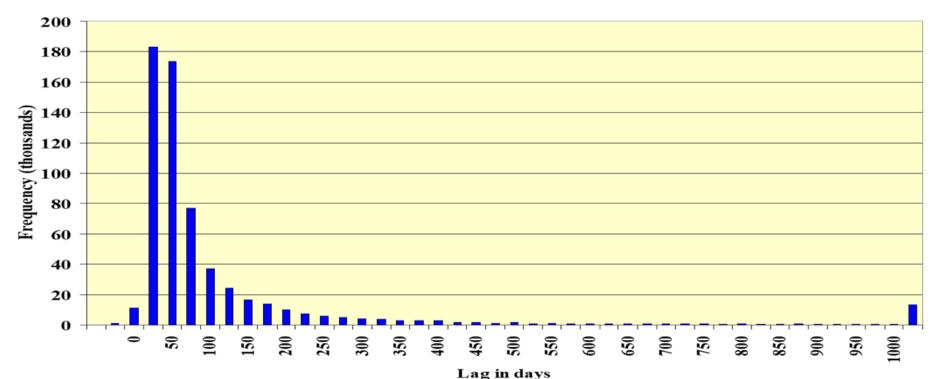
LCU = Local Unit LKAU = Local Kind of Activity Unit



- 1) Coverage
- Do SBR sources cover all units?
  - Informal economy?
  - Very small units, below administrative thresholds?
  - Non-profit?
  - Public sector?
- For demography purposes, the SBR should also keep information on closed businesses



- 2) Timeliness
- What are the lags in recording enterprise "births" and "deaths" in the SBR



# **UK SBR "birth" lags**



- 2/3 of businesses are on the SBR within 2 months of start-up
- Mean lag = 4 months due to "outliers"
- Median = Approx. 40 days
- A few cases: 3 years or more!
- Some pre-register negative lags



- 3) Completeness
- Data for all necessary variables?
  - Birth date (and death date if applicable)
  - Size (turnover / employment)
  - Economic activity (ISIC / NACE codes)
  - Legal form
  - Location (geo-coding)
- Can missing data be estimated?



- 4) Accuracy
- Dates particularly death dates
- Size how often updated?
- Economic activity correctly assigned?
- Need to monitor SBR regularly to identify potential problems
- Cost / accuracy trade-off
- Risk of bias due to selective corrections



#### General

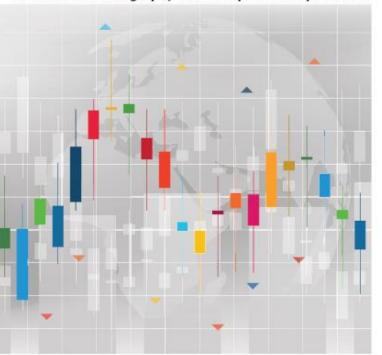
- Most business statistics focus on few large units
- Business demography gives all units equal weight
- Need to review quality strategy and processes?

#### More information



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Guidelines on the use of statistical business registers for business demography and entrepreneurship statistics





Published 2019
Prepared by
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https://unece.org/info/ Statistics/pub/21869



# Any questions?