STATISTICAL UNITS AND VARIABLES IN STATISTICAL BUSINESS REGISTERS

Training Course on "Statistical Business Registers"
under SESRIC Statistical Capacity Building Programme
April 1-2, 2024,
Online

Can DOĞAN – Head of Business Registers Group
candogan@tuik.gov.tr

CONTENT

- Statistical Units
- Variables

ELEMENTS OF METHODOLOGY

- Statistical (and non statistical) units
- Characteristic of Units: Variables
- Scope (coverage)
- Classifications
- Main (and supplementary) data source(s)
- Maintenance

METHODOLOGICAL SOURCES

- EU Regulation no 2019/2152 of The European Parliament and Council and Implementing Regulation (EU) 2020/1197
- Regulation No 696/93 on the statistical units,
- European Business Statistics Methodological Manual for Statistical Business Registers by Eurostat
- European Business Statistics by Eurostat
- Guidelines on Statistical Business Registers by UNECE
- Business Demography Manual by OECD – Eurostat
- European Business Profiling Methodological Manual by Eurostat
- Study Visits, Trainings, Traineeships, Meetings, Working Groups etc.

METHODOLOGICAL SOURCES

- Regulation (EU) 2019/2152 of the European Parliament and of the Council on EBS, repealing 10 legal acts in the field of business statistics
  - https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32019R2152
  - The frame regulation related to production of all business statistics areas
  - 9 Chapter and 26 Article and 6 Annex
  - 4 SU are to be recorded in statistical business registers (SBR):
    - *enterprise group,*
    - *enterprise,*
    - *local unit,*
    - *kind-of-activity unit*

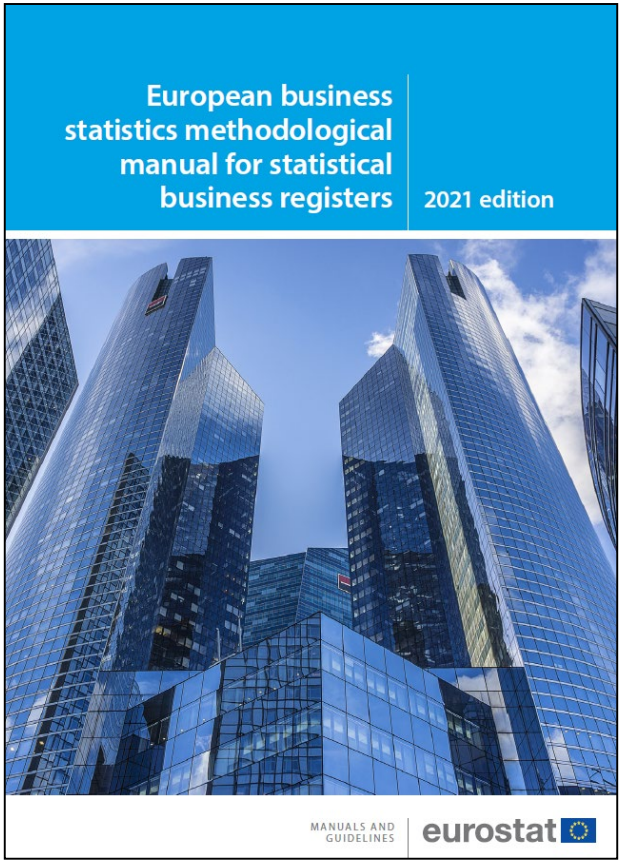
METHODOLOGICAL SOURCES

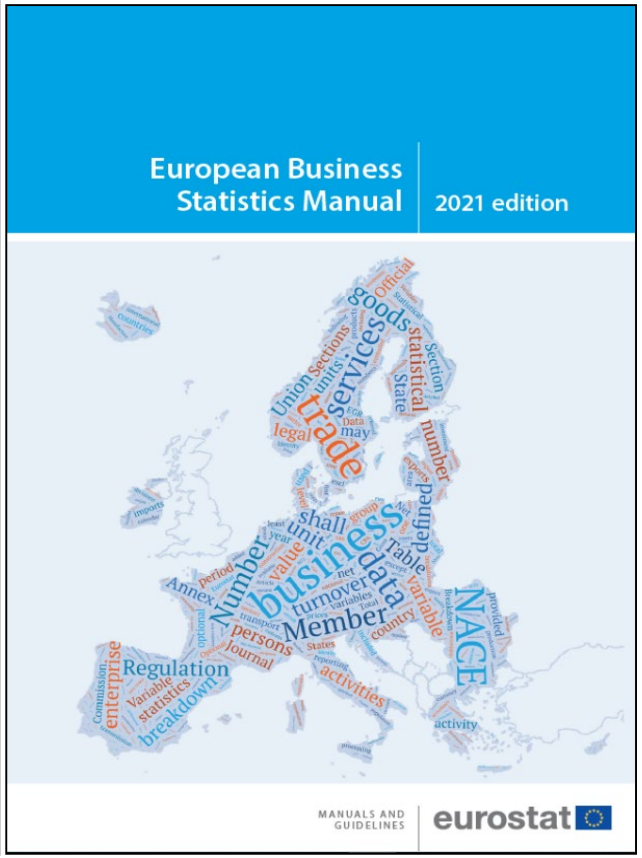
- Commission Implementing Regulation (EU) 2020/1197
  - https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1197
  - About technical specifications and arrangements pursuant to Regulation (EU) 2019/2152
  - 13 Article 9 Annex

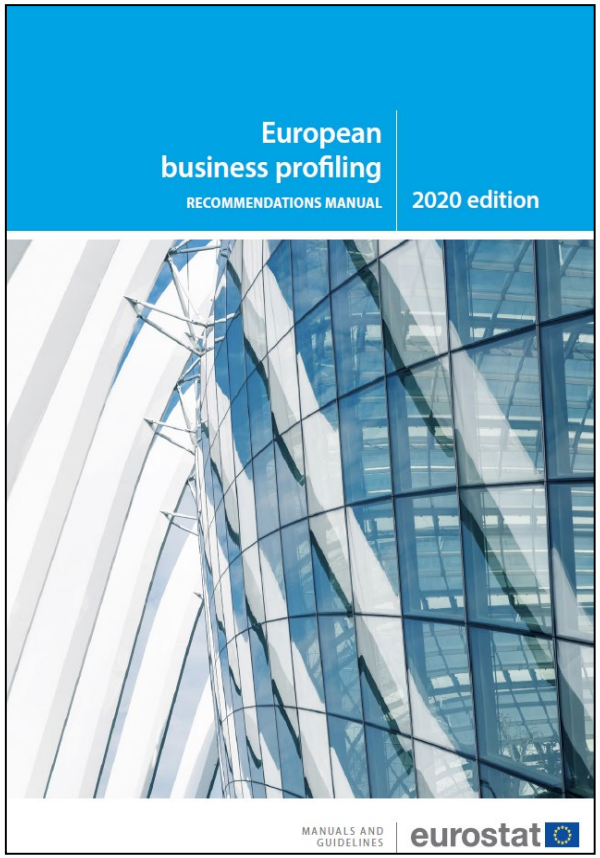
METHODOLOGICAL SOURCES

- Council Regulation (EEC) No 696/93 on the statistical units for the observation and analysis of the production system in the Community
  - https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A31993R0696
  - The basis for implementation of the statistical units (SU) in European Business Statistics (EBS)
  - 9 Articles
  - 1 Annex composed of 4 Sections
    - *The list of SU of the production system*
    - *Criteria used*
    - *Definitions of units and explanatory notes specific to each unit*
    - *Additional explanatory notes*

METHODOLOGICAL SOURCES







STATISTICAL UNITS

- The SU is the basis for statistical production in NSIs.
- Needed for consistent, comparable and standard statistics
  - Different accounting systems, legal structures etc.

STATISTICAL UNITS

- The enterprise group
- The enterprise
- The local unit
- The kind-of activity unit (KAU)
- The institutional unit
- The unit of homogeneous production
- The local kind-of-activity unit
- The local unit of homogeneous production

Requirement of EBS Reg.

STATISTICAL UNITS

The SUs are defined on the basis of three criteria:

- Legal, accounting or organizational criteria
- Geographical criteria
  - The regional levels are defined by the nomenclature of territorial units for statistics (NUTS), three levels (I, II, III).
- Activity criteria
  - An activity is characterized by an input of products (goods or services), a production process and an output of products.
  - principal activity and secondary activities according to the value added
  - If no value-added figures, other criteria must be used (employment, turnover and assets.

LEGAL UNIT

Legal units include:

- legal persons whose existence is recognized by law independently of the individuals or institutions which may own them or are members of them,
- natural persons who are engaged in an economic activity in their own right
- The legal unit always forms, either by itself or sometimes in combination with other legal units, the legal basis for the SU known as the ‘enterprise’

ENTERPRISE

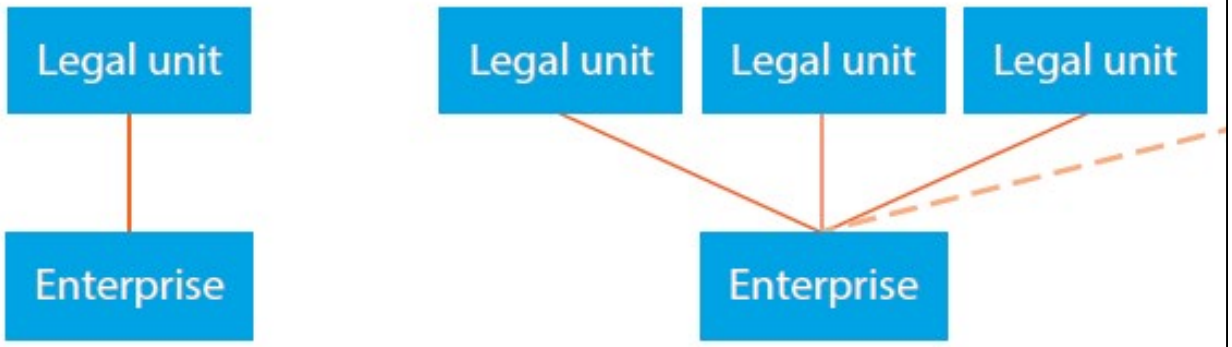
- An enterprise is an organisational unit which has a sufficient degree of autonomy in decision-making and sells in its own will goods and services to a third party. It can be constituted by one legal unit, a combination of legal units or of parts of legal units.
- An enterprise carries out one or more activities at one or more locations.
- An enterprise may be a sole legal unit.
  - It can correspond to a group of legal units (Some legal units, in fact, perform activities exclusively for other legal units)

ENTERPRISE

- An enterprise is delineated within the enterprise group and in the same institutional sector.
- There should be a management who make decisions for the whole enterprise.
- An enterprise has its accounts for its legal units.
- Complex Enterprise: An enterprise consisting of more than one legal unit under the same control can be referred to as a complex enterprise

LEGAL UNIT&ENTERPRISE

Figure 4.7: Relationships between legal units and enterprises



ENTERPRISE GROUP

- An enterprise group is an association of enterprises bound together by legal and/or financial links.
- A group of enterprises can have more than one decision-making centre, especially for policy on production, sales and profits. It may centralize certain aspects of financial management and taxation.
- The group head is a parent legal unit which is not controlled either directly or indirectly by any other legal unit
- Used for profiling so that the delineation of SUs is realized.
- Used to measure globalisation.

ENTERPRISE GROUP

Figure 4.1: Enterprise group containing non-hierarchically structured enterprises

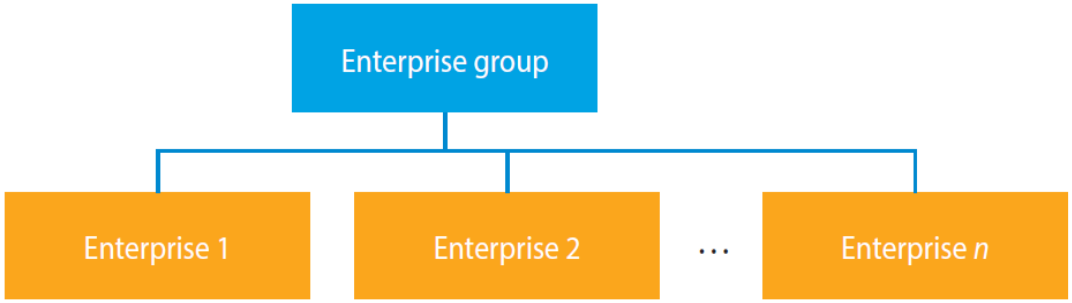
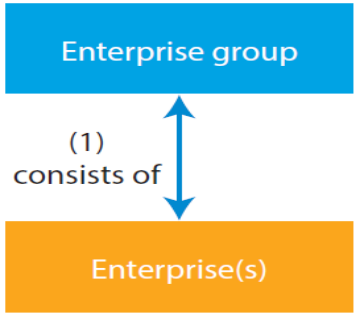
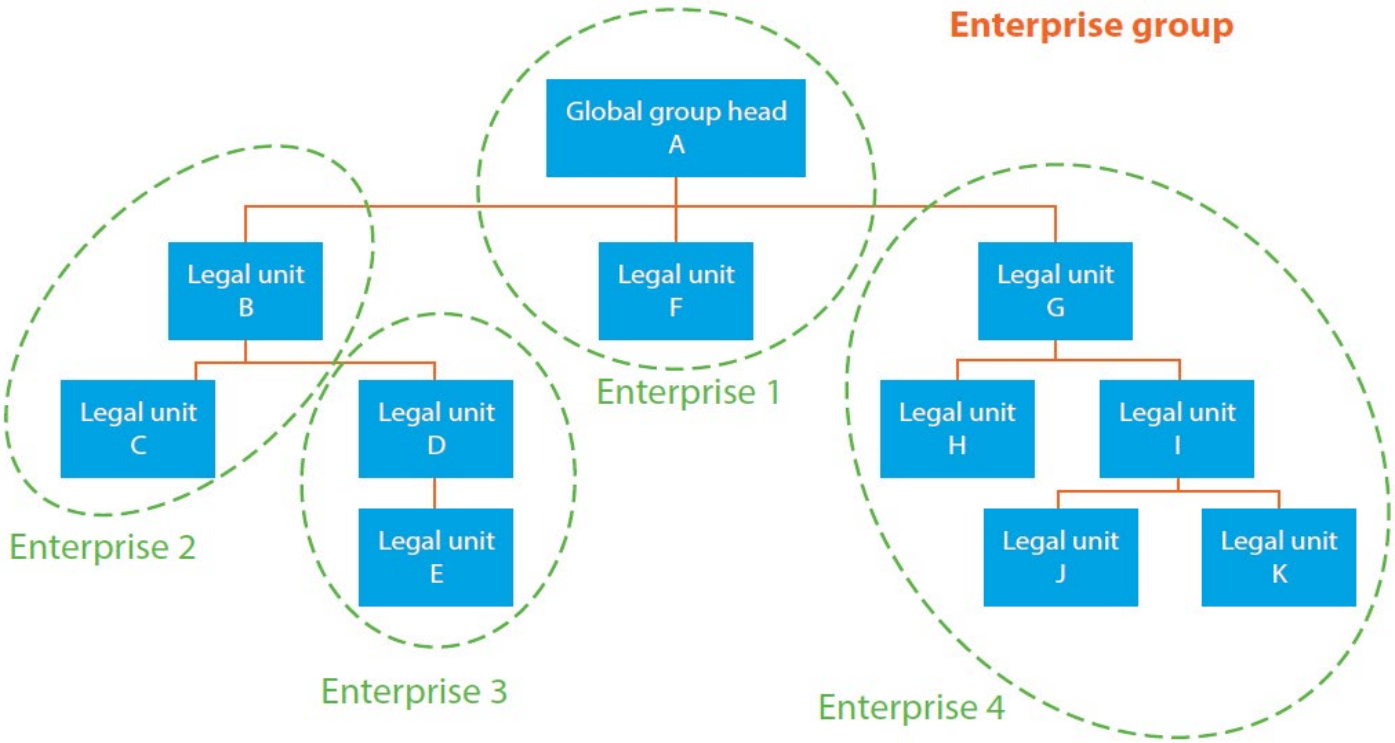


Figure 4.2: Two-level hierarchy of enterprise group and its constituent enterprises



LEGAL UNITS&ENTERPRISE&ENTERPRISE GROUP

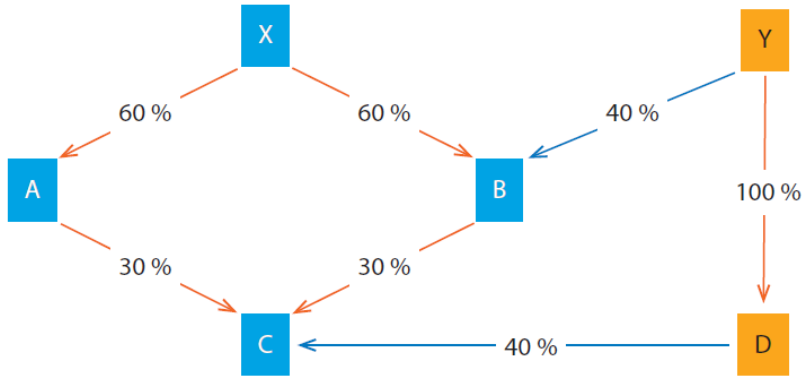
Figure 4.6: Legal units as a common basis of the enterprise group and the relations to its enterprises



ENTERPRISE GROUP

- Enterprise Groups are based on control consept. The definition states that control may be exercised in different ways. The acquisition of an absolute majority (50 % + 1) of shareholdings with voting rights is the main instrument used to take control over a legal unit and in the absence of other information it is generally used as a proxy to control.

Figure 4.3: How control can differ from ownership



X controls the C even though it does not have 50%+ shareholdings.

X controls C through its two subsidiaries A and B by combining their voting rights in the meeting of C (30 % + 30 %) = 60 %

LOCAL UNIT

The local unit is an enterprise or part thereof (e. g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which — save for certain exceptions — one or more persons work (even if only part-time) for one and the same enterprise.

- If a person works in more than one place (maintenance or surveillance) or at home, the local unit is taken to be place from which instructions emanate or from where the work is organized
- A geographically identified place must be interpreted on a strict basis: two units belonging to the same enterprise at different locations (even within the smallest administrative unit of the Member State) must be regarded as two local units

KIND OF ACTIVITY UNIT

The kind of activity unit (KAU) groups all the parts of an enterprise contributing to the performance of an activity at four digits level of NACE and corresponds to one or more operational subdivisions of the enterprise.

The enterprise's information system must be capable of indicating or calculating for each KAU at least the value of production, intermediate consumption, manpower costs, the operating surplus and employment and gross fixed capital formation.

- The KAU was devised as an observation unit in order to improve the homogeneity of the results of statistical surveys by activity

KIND OF ACTIVITY UNIT

- KAUs do not have to be delineated for all enterprises.

- 1. Operational rule: thresholds

In the practical implementation, the delineation of KAU may be restricted to enterp which because of their size (e.g. production value) have:

(i) a significant influence on the aggregated (national) data at NACE activity level,

and

(ii) at the level of the individual enterprise, as guidance one secondary activity accounts for:

- more than 30 % of its total production at the 4-digit (class) classification. level of the valid NACE classification,
- or
- more than 20 % of its total production at the 2-digit (division) level of the valid NACE

KIND OF ACTIVITY UNIT

- 2. Operational rule: other KAUs

In the case of enterprises which are not covered by rule 1, the KAU is considere be equal to the enterprise.

- 3. Operational rule: estimates

In case that not all of the economic indicators are available from the responde they may also be estimated by the national statistical authorities.

INSTITUTIONAL UNIT

- Institutional Unit: An elementary economic decision-making centre characterized by uniformity of behaviour and decision-making autonomy in the exercise of its principal function.
- A unit is regarded as constituting an institutional unit if it has decision-making autonomy in respect of its principal function and keeps a complete set of accounts.

ANCILLARY ACTIVITIES/UNITS

- Ancillary activities/units: Ancillary activities support the principal and secondary activities.

- They can comprise activities such as bookkeeping, transportation, storage, purchasing, information technology (IT) services, repair and maintenance, and security. The output of ancillary activities.

- There is no agreed exhaustive list of economic activities that should be regarded as ancillary.

ANCILLARY ACTIVITIES/UNITS

Box 4.3: Examples of possible ancillary activities

1. Distribution and logistics

- *Trade services of own products*
- *Freight transportation services*
- *Cargo handling services*
- *Freight transport agency services and other freight transport services*
- *Postal and courier services*

2. Marketing, sales- and after sales services including help desks and call centres

- *Marketing management consulting services*
- *Advertising services and provision of advertising space or time*
- *Market research and public opinion polling services*
- *Advertising and related photography services*
- *Telephone call centre services*
- *Trade show assistance and organization services*

3. ICT [information and communication technology] services

- *Information technology (IT) consulting and support services*
- *Hosting and information technology (IT) infrastructure provision services*
- *IT infrastructure and network management services*
- *Telephone and other telecommunication services*
- *Internet telecommunication services*

4. Administrative and management functions

- *Legal and accounting services*
- *Management consulting and management services*
- *Business consulting services*
- *Other management services, except construction project management services*
- *Combined office administrative services*
- *Specialized office support services*

Source: Eurostat (2015), Notice of intention of the BSDG and the DMES on the consistent implementation of Council Regulation (EC) No 696/93 on statistical units

REPORTING&OBSERVATION UNITS

- Reporting unit is the unit from which data about an observation unit in a survey

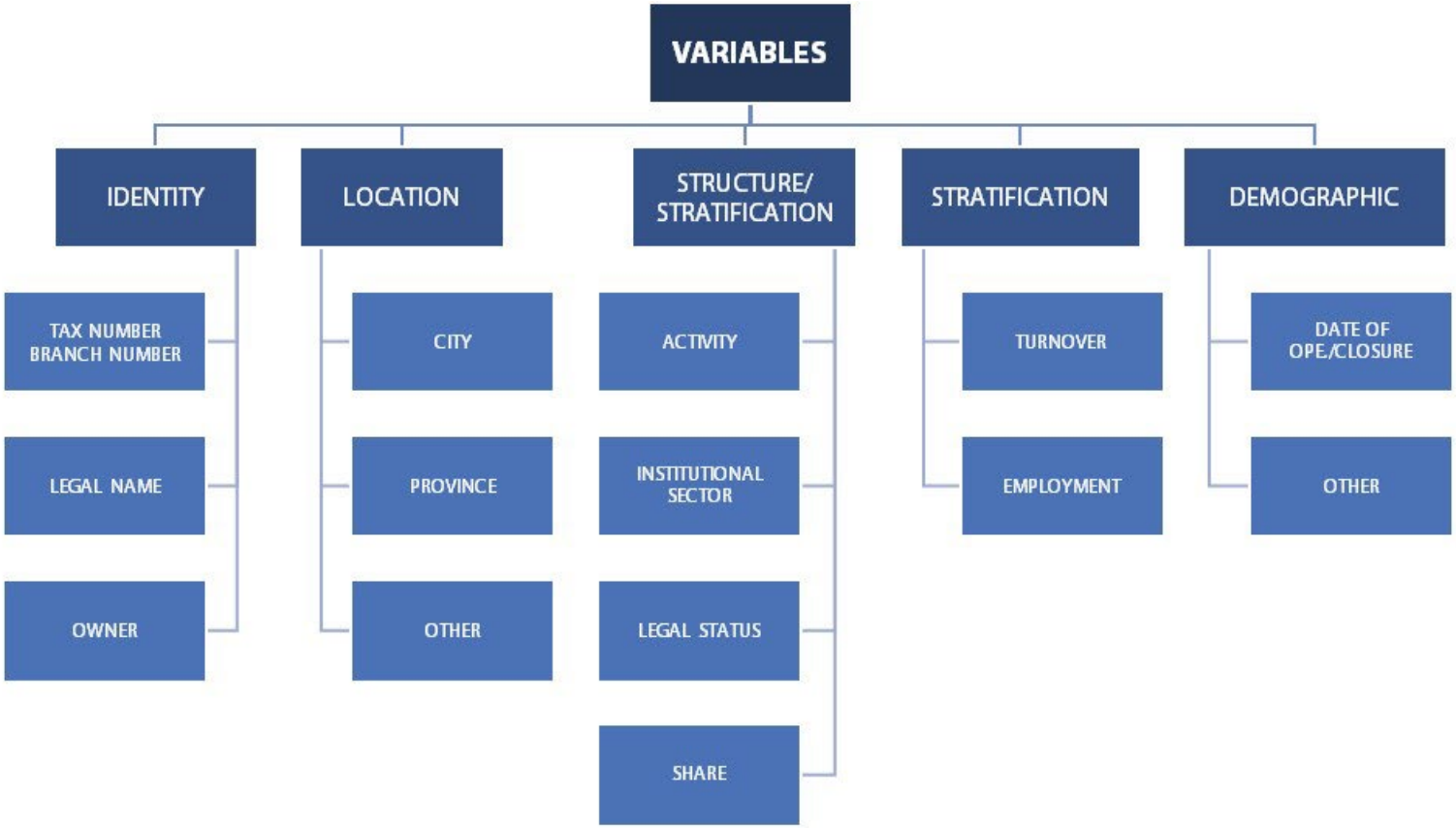
- Observation unit is the unit about which data are obtained in a survey

OTHER UNITS

Some units not statistical:

- **Legal unit** - Recognized by law and registered officially
  - ✓ *Legal persons*
  - ✓ *Natural persons*
  - ✓ *Local legal units*
- **Administrative units**
  - ✓ *VAT, TAX, Social security*
- **Operational unit**
  - ✓ *Organizational*
  - ✓ *Productive*
- **Observational unit**
  - ✓ *The unit about which data are reported*
- **Reporting unit**
  - ✓ *Legal unit*
  - ✓ *Administrative unit*

Variables


VARIABLES
IDENTITY
LOCATION
STRUCTURE/ STRATIFICATION
STRATIFICATION
DEMOGRAPHIC
TAX NUMBER BRANCH NUMBER
LEGAL NAME
OWNER
CITY
PROVINCE
OTHER
ACTIVITY
INSTITUTIONAL SECTOR
LEGAL STATUS
SHARE
TURNOVER
EMPLOYMENT
DATE OF OPE./CLOSURE
OTHER

Variables

Scope of variables

- ✓ *Identification variables*
- ✓ *Contact variables*
- ✓ *Geographical variables*
- ✓ *Activity information*
- ✓ *Classifications*
- ✓ *Size-classes*
- ✓ *Dates of changes*
- ✓ *Source of information*

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Identification variables					
Identity number	1.1	2.1	3.1	4.1	5.1
Identity number of legal unit able to report data		2.2	3.2		5.2
Name	1.2	2.3	3.3	4.2	5.3
Text description of the enterprise group		2.4			
Website address		2.5	3.4		
Identity number of GDC		2.6			
Country of GDC		2.7			
Postal and email addresses	1.3	2.8	3.4	4.3	5.4
Identity number of GGH		2.9			
Country of GGH		2.1			
Country of residence of the UCI		2.10a			
Telephone number, etc.	1.4			4.4	
VAT number	1.5				
Type of enterprise group		2.11			
Demographic events					
Date of incorporation (commencement)	1.6	2.12	3.7	4.5	5.5
Date of cessation	1.7	2.13	3.8	4.6	5.6

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Stratification parameters and economic variables					
Legal form	1.8				
Legal activity status	1.9				
Flag for branches	1.1				
Flag for SPEs	1.11				
Principal activity		2.14	3.9	4.7	5.7
Secondary activities		2.15	3.1	4.8	
Ancillary activities				4.9	
Number of employees and self-employed		2.16	3.11	4.1	
Number of employees			3.12	4.11	
Number of employees (full-time equivalents)			3.13	4.12	
Net turnover		2.17	3.14		

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Turnover in specific sectors			3.15		
Institutional sector and subsector			3.16		
Total assets		2.18			
Countries of the group		2.19			
Size of for each KAU / size of the principal and secondary activities of the enterprise			3.17		5.8
Geographical location code				4.13	

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Link with enterprise					
Identity number of the enterprise	1.12			4.14	5.9
Date of association to the enterprise	1.13				
Date of separation from the enterprise	1.14				
Links with enterprise group					
Identity number of the enterprise group	1.17		3.6		
Date of association with the enterprise group	1.18				
Date of separation from the enterprise group	1.19				
Links with other units and registers					
Reference to Intrastat/Extrastat	1.15				
Reference to administrative global identifiers, reference to balance sheet data, reference to the BoP register or FDI register and reference to the farm register, etc.	1.16				
Identity number of legal unit			3.5		
Reference to register with information on local units				4.15	

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Control of units					
Identity number of resident legal unit controlled	1.20a				
Identity number of resident legal unit controlling	1.20b				
Countries of non-resident legal units controlled	1.21a				
Country of registration of non-resident legal unit controlling	1.21b				
VAT number of non-resident legal units controlled by the legal unit	1.22a				
VAT number of non-resident legal unit that controls the legal unit	1.22b				

Variables

Variable	Unit				
	Legal unit	Enterprise group	Enterprise	Local unit	KAU
Ownership of units					
Identity number(s) and shares (%) of resident legal unit(s) owned by the legal unit	1.23a				
Identity number(s) and shares (%) of resident legal unit(s), which own(s) the legal unit	1.23b				
Country(ies) of registration and EGR identity number(s) and Name(s), address(es) and VAT number(s) and shares (%) of non-resident legal unit(s) owned by the legal unit and dates of start and end of the shares	1.24a				
Countries of registration and EGR identity number and name, address and VAT number and shares of non-resident legal unit owing the legal unit and dates of start and end of the shares	1.24b				

Thank you for your attention!