

## REVISION OF THE INTERNATIONAL RECOMMENDATIONS FOR STATISTICS ON ECONOMIC ACTIVITIES

Questions :

- 1) *Should the scope of new document be extended to include all economic activities except agriculture, forestry, fishing, and hunting and the Public Administration?*
  - Yes, new document should be extended.
- 2) *Should separate recommendations be provided on how to cover the unincorporated units or small establishments? What are the best practices in this area?*
  - Yes, the best practices in this area are to collect data on household budget and labour force surveys.
- 3) *Should recommendations be made regarding the size of large, medium and small enterprises by employment? What units should be covered by complete enumeration instead of by sampling technique? Should the decision be left to countries to decide?*
  - Yes, the size of large enterprises should be covered by complete enumeration instead of sampling technique. The decision should be left to countries to decide.
- 4) *Cost of data collection of numerous small establishments in developing countries is high. Should the revised recommendations have a special section dealing with issues in developing countries?*
  - Yes, the revised recommendations should have a special section dealing with issues in developing countries.
- 5) *What are the best practices in covering data to the same reference period?*
  - The best practices in converting data to the same reference period are to use the inflation rate for the same fiscal-year.
- 6) *Should criteria of an establishment be more clearly defined?*

No definition of establishment is a clear.

For instance:

  - a) *When two activities or more are carried on at a single location under a single ownership, all activities generally are grouped together as a single establishment and classified on the basis of its predominant activity unless there exist account on costs on each activity.*
  - b) *When the activities classifiable into different ISIC, these activities may be identified as separate establishments only if separate cost account of each activity is available.*
  - c) *When activities are carried out at different locations but only one cost account is kept, they can be treated as one establishment unless activities cross into the border of another geographical territory on which statistical agency is required to collect data. In such a case, some simple allocation rule based on employment may be adopted.*
  - d) *Should the recommendations by the SNA as described in para.19 of this paper be adopted only if cost accounts on separate activities are available?*
  - No, the recommendations by the SNA as described in para. 19 of this paper should not be adopted only if cost accounts on separate activities are available.
- 7) *Given the design of SNA93 as a statistical system that integrates economic activities by ISIC and institutional sectors, should both establishment and enterprise serve as statistical units?*

- Yes, both establishment and enterprise should serve as statistical units.
- 8) *Given that both establishment and enterprise serve as statistical units, how should questionnaires be designed? How should they be cross-references so that common costs paid by the enterprise such as ancillary costs can be allocated to establishments? What indicators to be used for such allocation? What are the best country practices in this area?*
- Two different questionnaires should be designed for production and structural business statistics (SBS) based on establishment and enterprise. SBS and STS (short term statistics) questionnaires for enterprises should be covered separately all the local units some information which belong to enterprise.
- 9) *Should the general recommendation of SNA update be adopted to allocate production data for multi-territory enterprises or enterprise with joint sovereignty?*
- Yes, recommendation of SNA update should be adopted to allocate production data.
- 10) *Should the recommendation of the SNA update be adopted and the SPEs created in the economy by non-residents be covered under the inquiry even if it do not undertake production? This recommendation will affect only data collection on enterprise statistics to get data on financial transactions and on financial balance sheets. In that case, should output be valued at costs?*
- Yes, output should be valued at basic prices.
- 11) *Should the recommendation of the SNA update be adopted to treat the unincorporated entity of non-resident owners (with no physical presence but having substantial operations) as a separate institutional unit?*
- Yes, the recommendation of SNA update should be adopted to treat the unincorporated entity of non-resident owners as a separate institutional unit.
- 12) *Should ancillary units be treated as separate establishments when these are located at locations separate from establishments they support?*
- Yes, ancillary units should be treated as separate establishments even if located at separate locations. This situation is important for calculating regional accounts.
- 13) *In the above case, should ancillary units be singled out only when it is located at a separate location and/or keep separate cost accounts?*
- Yes, ancillary units should be singled out.
- 14) *What are the best indicators to use in imputing output of ancillary unit to the establishments it serves? Should these indicators be employment or output value?*
- Employment is the best indicator for imputing output of ancillary unit.
- 15) *Should data be produced at two levels: before imputation of ancillary output as intermediate consumption and after?*
- Yes, in the first stage, ancillary output should be imputed as intermediate consumption, after that, net profit of this enterprise should be allocated to whole activities (principal, secondary and ancillary).
- 16) *Should ancillary corporation (corporation set up to provide services mainly to the parent corporation) and holding corporation that do not undertake production (that owns other corporations as subsidiaries) be treated the same way as ancillary units?*

- Yes, both ancillary and holding corporations should be treated as ancillary units.
- 17) *Should the measurement of the census value added through industrial statistics program be made as close as possible to the national accounts concept of value added by allocating costs of non-industrial services paid by enterprises to each establishment? To do this, should data collection on establishment and enterprise be integrated?*
- Yes, data collection on establishment and enterprise should be integrated.
- 18) *Should a separate establishment be identified for output of non-industrial output of an enterprise, when it is produced by the enterprise directly at the headquarter and not at the establishment level? When it is produced at the establishment level, should it be treated as secondary product instead of being ignored?*
- No, it should not be treated as secondary product.
- 19) *Should the cycle of data collection be clearly specified? For example, census for all large enterprises; sampling technique for medium and small incorporated enterprises and household units?*
- Yes, the cycle of data collection should be clearly specified.
- 20) *Should monthly instead of quarterly sample survey be implemented for the compilation of quarterly national accounts?*
- Yes, monthly instead of quarterly sample survey should be implemented.
- 21) *Should inquiry of less frequency be recommended for detailed inputs?*
- Yes, inquiry of less frequency should be recommended for detailed inputs.
- 22) *Should a 5-year cycle for conducting the economic census be recommended?*
- Yes, a 5-year cycle conducting the economic census should be recommended.
- 23) *Should censuses be done only for population of incorporated enterprises or only large enterprises and sampling technique be used for others?*
- If a country has a business register system, censuses should not be done.
- 24) *In country where business register for some subset of population is annually updated should censuses on them be done away with and focus should be placed on annual surveys and quarterly surveys in order to reduce cost of data collection?*
- Yes, business register should be updated annually.
- 25) *Should developing countries develop complete register of all large incorporated enterprises (with a fixed cut-off point in employment)? The rest can be measured by using area sampling technique and household surveys?*
- Yes, it could be a good beginning to set up business register for developing countries.
- 26) *Should the register of all large incorporated enterprises be updated annually with minimum data requested: number of employees, and addresses, ISIC and number of employees of each establishment in the enterprise?*

- Yes, the register of all large incorporated enterprises should be updated annually with minimum data requested.
- 27) *Should area sampling technique and household survey be used for other fixed location enterprises?*
- Yes, area sampling technique and household survey should be used for other fixed location enterprises.
- 28) *Should the FIRST methodology be recommended as a strategy? Should the International Recommendation review the characteristics (e.g. incorporation, registration, size of employment, location separate from household etc.) of units that need to be covered by establishment/enterprise survey to delineate what should be covered by establishment/enterprise survey and what should be covered by the household survey)*
- Yes, the FIRST methodology should be recommended as a strategy.
- 29) *Should items above be modified to take into account the classifications of institutional sectors in SNA93 where corporations are distinguished from incorporated household enterprises and non-profit institutions are distinguished into serving government, corporations and households?*
- Yes, items above should be modified to take into account the classifications of institutional sectors in SNA93.
- 30) *Should the recent classification of employment be adopted to replace the current one used by IRIS83?*
- Yes, it should be adopted to replace the current one used by IRIS83.
- 31) *Should all expenditure on services be included as expenditures and all revenues of services be included as outputs?*
- Yes, all expenditure should be included as expenditures and all revenues should be included as outputs.
- 32) *Should outputs (revenues) be basic values, i.e. excluding taxes on products produced by enterprises that they collected from purchasers on behalf of the government? (taxes and subsidies on products can be collected as additional data items)*
- Yes, outputs (revenues) should be at basic values.
- 33) a) *Should all data items mentioned above receive equal priority?*  
 b) *Should some more data items be added? Should some data items be deleted from the list?*
- a) -
  - b) -
- 34) *Should the scope of the industrial statistics programme be extended to include to collect enterprise statistics so as to facilitate compilation of sequence of accounts of this segment of the economy within the framework of SNA93?*
- Yes, industrial statistics programme should be extended.