Report on 20th International Round Table on Business Survey Frames

Prepared by the Wiesbaden Group on Business Registers

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Report

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Wiesbaden Group on Business Registers
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1. Introduction

From October the 21st to 26th, the Federal Statistical Office of Germany hosted the 20th International Roundtable on Business Survey Frames. This international expert group under the patronage of the United Nations Statistical Commission is engaged in further developments of business registers, survey frames and associated topics.

Around 70 delegates from 40 countries and international organisations attended the conference, thus meaning the highest number of participants since the first Roundtable meeting in 1986 in Ottawa.

During five conference days, experts discussed several aspects of business registers and register based business statistics divided in six sessions. An extra session has been held to discuss the future of this group and the preparation of the next meeting. Additionally, a workshop has been carried out discussing business register issues from the specific point of view of developing countries.

Further information on the meeting and the "Wiesbaden Group on Business Registers" can be found at http://www.destatis.de/roundtable/.

2. Summary

As is the tradition, participating countries presented their progress reports at the first conference day. Each country/organisation described recent progress made and current problems in the framework of the business register, highlighting their key aspects. Also the newcomer nations reported on their state of affairs and recent developments.

The following sessions covered different topics. Session 2 focused on the "Introduction of new business register tools or systems". It could be seen that several national statistical offices had carried out re-engineering of their business registers in recent years and/or are still conducting or planning to do this in the near future. The main reasons for re-engineering business registers are the more exhaustive and intensive use of business registers and an increasing demand to support the production of business statistics. Delegates exchanged experiences and discussed different aspects of re-engineering like strategies, objectives, conceptual frameworks, administrative sources, hardware architecture and software solutions.

Session 3 dealt with "Classification systems within business register". One of the core functions of business registers is to assign and maintain various classification codes to the relevant units covered in the register and to provide these codes to the users for their specific purposes. The correct activity code in the business register is one of the basic dimensions for high quality. The recent revision of ISIC, the International System of Industry Classification, will have a high impact on statistics and registers.

A forward-looking perspective had Session 4 on "The role of the business register in a future statistical system". Statistical offices are under considerable pressure from policy makers. Rising requirements nowadays are contrasted by continuously decreasing budgets and shrinking resources in the statistical offices. Data collection strategies are changing rapidly. Availability and accessibility of administrative data are increasing. This has lead to a decrease of direct surveying of enterprises. The economic, social and technological developments assign new tasks to business statistics and especially to business registers.

Session 5 was split into parallel sessions, one of them on "Benchmarking tools for business registers" (session 5a). Delegates stressed the importance of benchmarking indicators in order to improve the quality of business registers, and to provide a basis for allocating scarce resources for quality improvement more systematically as well as increase staff motivation. Under the topic of "Business profiling" (session 5b), two countries presented their experiences. Profiling is a method to analyse the legal, operational and accounting structure of an enterprise group at national and international level, in order to determine the statistical units within that group, their links, and the most efficient structures for the collection of statistical data. The papers presented in session "Entrepreneurship indicators, business demography, SME statistics" (session 5c) showed the developments in different countries in this area. Over the last years, continued and increasing political interest in entrepreneurship has given rise to new demands for business demography and related data.

The increasing importance of "Multinational enterprise groups" as a specific aspect of globalisation was discussed in session 6. It is a challenge for business registers to record the relevant links between units of different countries in a correct way. The session on this topic discussed ways to develop business registers in respect of multinational groups and to meet the increasing demands for data in relation to globalisation. There is a clear need for continuing cooperation and exchange of ideas. Sharing of data is important but needs to ensure statistical confidentiality.

In the concluding session the future of the Roundtable as a city group was discussed. From 2008 on the meetings will take place biennial, alternating with the joint seminar on business registers organised by UNECE, OECD und Eurostat (next meeting in 2009). The OECD offered to host the next meeting in 2008 and several potential hosts showed interest to host another meeting in 2010.

The participants of the "20th International Roundtable on Business Survey Frames" agreed on renaming the Roundtable in "Wiesbaden Group on Business Registers". The additional subtitle of future conferences should be "XX. International Roundtable on Business Survey Frames" which will ensure a link to the history of this international expert group. The new name is intended to reflect the changing role of business registers increasingly being seen as backbones of business statistics and as sources of statistical data in their own and more clearly underline the status of the Roundtable as a United Nations City Group as well.

Following the conference, a special workshop for developing countries was held. The workshop brought together delegates of 18 developing and developed countries to discuss prospects of supporting developing countries in their developments in the field of business registers and register-based business statistics. In the future, a session within the official agenda of the conference will deal with the needs of the countries starting up business register and register-based business statistics.

In annex 1 to this document are attached the individual session reports authored by the session convenors.

3. Conclusions

As mentioned in item 2 the Roundtable on Business Survey Frames was renamed to "Wiesbaden Group on Business Registers" – as such it adopts the convention of naming UN City Groups and reflects the changing role of business registers as the backbone of business statistics and as sources of statistical data in their own right.

In this context the Wiesbaden Group on Business Registers confirmed its purpose and considered its future objectives. Its main purpose is to provide a forum for the exchange of views and experience and the conduct of joint experiments related to the development, maintenance and use of business registers to support survey sampling and other statistical activities related to the production of business statistics. The Wiesbaden Group is the unique global platform where problems, developments, projects, ideas, concepts and present aspects on the construction, maintenance and improvements of business registers were presented and discussed. By this, the group brings together experts and responsible persons on business registers who could use the experiences of others to promote and bring forward their own business register. In particular, the Wiesbaden Group tackles forward looking matters and aims to identify new challenges concerning business registers.

For the future the strengthening of conference profile for colleagues and managers not attending the meeting should be focused. The role of the Wiesbaden Group with respect to other international fora concerning statistical business registers, and business statistics in general, should become more transparent. As a result of the conference a demand for producing a visible output both for international bodies and for senior managers in National Statistical Institutions was underlined. In this connection it should be mentioned that all papers are available on websites of the hosts. Links to these websites can be found on the Eurostat website. Additional value could be gained by summary reports to be produced by session conveners, host and/or the steering group and provided to specific international bodies.

Another aspect is the level of relevance and the scope of concerns of the Wiesbaden Group. On the one hand side many participants are expecting the exchange of experiences and ideas at an advanced level. On the other hand side one has to be aware that there should be the global forum on business registers and also has to respect the needs and interests of countries still developing business registers. The challenge will be to find the right balance.

The challenges for business registers resulting form globalisation have already been topics of the last conferences. As a general topic the next conferences will deal again with different aspects of globalisation for the register work. The steering group recommends that the focus for the next years (until 2010) will include the following topics:

- Profiling (Costs and Benefits)
- Concepts and Methods for Information and Data Sharing
- Business Registers and Business Statistics in Developing Countries

In 2008, the next meeting is planned in Paris hosted by the OECD. The frequency of meetings in future will be every two years - alternating with the joint seminar (UNECE, OECD und Eurostat) on business registers.

Annex 1 - Reports of the session convenors

Session 1 – Country Progress Reports
Peter Schmidt, Federal Statistical Office of Germany (Destatis)

General remarks

Traditionally, the session on progress reports was the first one of the conference and intended to give an overview about the situation in each country/organisation. The main value of the presentation of country progress reports was to provide a forum to all participants of the Roundtable to present the status quo and current developments within their country or organisation. As a product the conference got a common overview on evolutions for business survey frames and business registers.
Nearly all participating nations and organisations had handed in a "Country Progress Report". Based on the high number of attendees 38 progress reports were presented during the session, seven of them from "newcomer" countries like Mozambique or Oman attending the Roundtable for the first time. Due to the high number of presentations and the limited time of the session questions and discussions had to be restricted.

Summary

An aspect that bothers nearly all participants is the introduction of new classifications and/or classification systems. A high effort is made on reclassification activities, implementation of the new ISIC/ NACE/NAICS and revision of double coding as well as historical coding.
All European countries and organisations due to the new BR regulation just as some other countries deal with the topic of enterprise groups intensively. Thereby the compilation of an enterprise group register and of a complex structure of relation between enterprises is a main topic. In this context activities on profiling of enterprise groups were mentioned.
A continuous part of the maintenance process of the business register or a business survey frame is the improvement on quality, efficiency and coverage. This is a permanent task of the staff of business registers worldwide. Related to the new BR regulation in Europe the integration of NACE sections A, B and L (agriculture, fishery and public administrations) is a specific extension of BR coverage.
For the improvement of current business register systems several countries prepare or take an implementation of a new BR system or a BR redesign into account. Even new architectural structures are conceivable.
On all above mentioned topics – most named in countries progress reports – the Roundtable agenda provided a special session and presentations with different point of views and approaches. In this respect the agenda reflected the actual subjects in terms of common issues.
Beside these determining topics there were even many further subjects that were presented. Some of them were in focus for a longer period of time while others just moved into the spotlight of interest.
The reduction of compliance burden, business demography, entrepreneurship indicators and annual updating of the business register are several examples of themes of common interest over a long time.
The implementation of new units and the integration of satellite registers (e.g. non profit register) became necessary due to legal requirements or new demands for statistical data. European countries are moreover concerned with projects on new statistics like FATS/ FoBS.
Several countries reported about the start and/or progress of international cooperation projects. Thereby have to be mentioned the PHARE projects or the cooperation between China and the World Bank. As a bilateral project the team work of Portugal and Mozambique shall be pointed out as an example of such ventures.
In the view of reduced human and technical resources the ongoing developments have to be achieved with reduced or low staff and not appropriate IT-resources. These lacks of capabilities face several countries to extensive work emergence and sometimes even implicate that only daily work can be managed.

Future plans

For the future some of the topics have to be continued or elsewhere taken up to daily work. Many countries are engaged in the process of recoding units or implement classification changes. These challenges have to be coped.
On this year's conference the possibilities of a system redesign or the reengineering were showcased giving the opportunity to all participants to draw conclusions for their own process of redesigning or maybe get an insight in problems, solutions or issues that have to be taken into account. In that way countries can benefit of first experiences from others.
Business demography is still and for the future a topic attention will be paid to.
Quality improvements, benchmarking and effectiveness indicators as well as reduction of red tape are in focus of the public, respondents and official statistics that are directly linked with the business register and its developments. Hence, it is always an actual theme for the developments in business register units.
The implementation of geographic information and of a geographic code is a very future-oriented topic aiming to optimize the presentation of business register data. Even the extraction of helpful data sources and implementation of these information face the business registers to several problems that have to be solved. Hopefully the presentations and different approaches will help to widen the view on this matter.
During the discussion the issue of confidentiality was raised. While many countries restrict on the 'one-way-principle' of official statistics, some countries already give feedback to data providers. In this respect some countries report on the approach of defining different level of confidentiality.

Session 2 - Introduction of new business register tools / systems
Michel Euriat, National Institute for Statistics and Economic Studies (INSEE)

As it was already pointed out in the 19th Roundtable in 2005 in Cardiff, where a session on the same topic was organised, and as it can be seen from the countries progress reports, several statistical offices conducted in the recent years and/or are still conducting or planning in the near future the re-engineering of their business registers, for various concomitant reasons: new organisation of statistical production with an increasing use of administrative sources, obsolescence of computer architecture and software, new Regulation establishing a common framework for business registers for statistical purposes within the European Union, introduction of new industry classifications - national and regional - deriving from ISIC Rev. 4…

This theme attracted six very interesting papers devoted to various aspects of the design and features of new registers.

The Statistics Bureau of Japan described the outline of its new business survey frame with related topics such as the revision of the Statistics Act and the Optimisation Plan of Operations and Systems for Statistical Work. The main features of the new frame are a more frequent update using administrative sources, a link with the commercial registration of units, the use of data matching techniques. The new frame shall be used for providing users with information on the population covered, sampling facilities and for reducing the response burden of enterprises. The introduction of enterprise groups as register units will be considered in the near future, as well as the necessary investments to allow local governments to use the frame for their statistical needs.

The Italian national statistical institute presented the new statistical register of local units of enterprises (ASIA-UL), released in 2006 as a complement to the Italian business register ASIA. The main improvement from ASIA-UL is to provide statisticians with yearly updated information from administrative sources and statistical surveys on local units, using models in order to estimate their attributes.

Statistics Canada focused in its paper on the changes introduced with the development of a new BR and how these changes improve the economic survey programme. An integrated structure was established which encompasses a business's legal, operating and statistical structure and facilitates the use and update of the register. The new BR allows the integration of operating entities with particular characteristics and relationships in order to reflect what occurs in the business world. Statistics Canada also explained how the new BR provides easy access to information and how it allows to increase the effectiveness of data collection activities in terms of quality and information freshness of the register.

In its paper about the new business register ABR, the design of which started in 2003, Statistics Netherlands (SN) stressed the reasons for a redesign: introduction of the common identifier from the external Basic Business Register (BBR) adopted by various administrative sources already used by SN, introduction of new technical standards, the need to adopt a more transparent process to ease the management of the BR, the need to reduce the maintenance cost of the BR, the opportunity offered by the harmonisation of the SBS and STS statistics, and the strategic decision by SN to make use of administrative sources as much as possible. The paper includes a thorough review of the project and of redesign process, which is unquestionably of general interest.

The paper from the Office for National Statistics (ONS) of the UK was dedicated to the implementation in the BR of new data matching and address cleaning tools. It gives a very interesting discussion of the benefits of these tools and the issues relating to their implementation.

The US Bureau of the Census made an original contribution about the various challenges facing an institution in the years following the moment a new BR is set in operation, as it was the case for the Census Bureau in the fall of 2002. Questions relating to quality assurance, user support and training, re-redesign from what was learned in the early phases of production, system upgrades, security, introduction of new functionalities, are reviewed, all of them of general interest.

The vivid discussion and exchange of views about the presentations showed that each contribution met with a number of expectations from the participants involved in BR redesign.

Session 3 - Classification systems within business registers
Norbert Rainer, Statistics Austria

One of the core functions of business registers is to assign and maintain various classification codes to the relevant units covered in the business register. Such classifications are the basic economic statistical classifications, such as the classification of economic activities or the classification of institutional sectors. Other relevant classifications are classification of size classes or regional classifications.

The session aimed at providing information, exchange of experience and source for discussion on basic and practical aspects on how the management and application of the various classifications is organised; especially the following aspects were of particular interest:

Concepts of the classification system in the business register database
Concepts of the coding work
Management of the actual coding work
Dealing with new requirements
Quality policy and management

Four papers were presented which covered almost all the aspects of the intended session coverage.

The UK paper "Developing Standard Classification Systems for the UK Business Register" by John Perry (ONS, UK) provided an overview of the various classifications maintained in the statistical

business register (the Interdepartmental Business Register or IDBR) and the improvements undertaken in the recent years to standardize the classifications and their use in various government departments. In promoting standards the ONS plays a leading role.

The paper reported on the switch to the new NACE Rev. 2 based SIC2007 within the Interdepartmental Business Register as well as within the most important administrative data sources. It also presented the implementation of the sector classification and the country and area classifications.

The Italian paper "New economic classification and new instruments for business Register classification: an opportunity to improve the quality in the Business Register" by Simone Ambroselli and Paola Vicari (ISTAT, Italy) presented the methodologies that are used in the recoding of the units in the business register. The large enterprises (more than 100 employees) were recoded by experts using various instruments, such a balance sheets information, website, and statistical data or contacted these enterprises by phone. For the smaller enterprises mainly two instruments were used: a special survey (Sector Studies) managed by the Tax Authority and the automatic coding by text recognition using the Canadian ACTR software.

The Sector Studies were basically designed for fiscal purposes addressed to SME. The data available from these detailed sector studies provide ISTAT with more appropriate information in order to classify the enterprises as information is thus available on inputs, process and outputs. The paper illustrated that using the information available now, a significant number of units would be classified in NACE Rev. 2 classes that are outside the range of the correspondence table between old and new class as the current code needs to be corrected.

The Dutch paper "NACE Rev. 2: a new classification put into practice: balancing between wishes and possibilities" By Hans van Hooff (CBS, The Netherlands) focused on the issues of the implementation of the new NACE classification vis-à-vis the quality necessities and the actual possibilities given. In an optimal situation for each unit that cannot be reclassified automatically up-to-date information would be needed on the detailed activities performed and the share of each activity in value added.

Constraints in time and resources available as well as for reasons to avoid response burden, this optimal situation is usually not given. The recoding needed to rely on pragmatically and second-best solutions. The paper described some of theses pragmatically procedures that needed to be applied in the Dutch case. The result is that, where acceptable, the new classification may not be implemented in the highest quality.

The Austrian paper "Measuring and improving the NACE coding in the business register" by Thomas Karner and Norbert Rainer (Statistics Austria, Austria) focused on the measurement of the quality of the NACE coding and the quality policies that will be derived form these experience. Similarly to the Dutch topic the Austrian paper recognized the trade-off between the importance of correct codes and the impossibility to check the NACE code of all units in acceptable intervals. Thus, the paper develops two measures which build the basis of the future quality management: the rate of correctness and the rate of the stability of the NACE code.

The concept was illustrated by Austrian data; it was shown that the rate of correctness differs enormously over the various activities, thus helping to concentrate quality actions to those activities where that rate is relatively lower. The data available did not allow deriving the rate of stability. However, it could be shown that there is also for each activity a likely pattern into which activity code a unit would be classified in case the current code is wrong. A further conclusion of the paper was also that quality indicators, such as the reason for a change in a NACE code of a unit and the information on the quality checks performed should be documented in the business register.

Discussion

The discussion mainly focused on issues in relation to the recoding of the units according to the new NACE classification and the quality issue concerned. It was clearly emphasised that a high quality of the coding is a main task, not only for the recoding exercise but also for the current maintenance. The possibilities to guarantee a high quality NACE code seems to be restricted because of lack of adequate and up-to-date information. An adequate documentation of the coding status seems thus a prerequisite for any quality measures.

The recoding of the units according to NACE Rev. 2 is not only an expensive task, it is also a task that is only to be performed in longer term intervals, the last comparable recoding exercise was the introduction of NACE Rev. 1. It is therefore important to document the concepts, methods and problems of the recoding work in order to base any similar work in the future on the experience made currently. This documentation is also very useful for the exchange of practices between countries implementing the new NACE.

Session 4 – Role of the Business register in a future statistical system
Andreas Lindner, OECD

This session, as the title indicates, took a forward-looking perspective on best practice to re-design efficiently and effectively a Business Register system across economic activities and actors.

The first lecture from Jean Ritzen, Statistics Netherlands ("The business register in relation to changed data collection strategies") introduced the new Dutch trade register which combines all official administrative data using a trade register identifier. This linking tool with administrative sources allows linking of institutional and functional statistics and facilitates analysis of the globalisation process. The new system can be considered as a global social information system with mutual interdependencies. Combining common sense ("only once questioned, but multiple uses") with modern IT (the new "Extensible Business Reporting Language" XBRL), both response burden and data reporting are optimised.

The second lecture from Roland Sturm, Federal Statistical Office Germany ("Role of the business register in a future statistical system") presented the new German BR System, integrating a patchwork of registers and surveys into one consistent matrix of business statistics. As in the Netherlands, a shift from primary, survey– based data sources towards secondary, administrative, data sources can be observed. The extension and strengthening of the statistical Business register will allow in the future to combine and connect data sources, hitherto isolated from each other. Also here, the key role of an integrated ID-system was highlighted. It was stressed that the recording of the whole survey population (e.g. beyond sampling) would allow to combine data and to extend the number of variables which can be generated. Multiple marking would facilitate the combination of survey data with administrative sources. The new data infrastructure would allow to detect, qualify and connect all existing data in a multi-sources data warehouse.

The two papers were very well received by participants and numerous questions were asked. The Chair summarized the session result as follows:
- These presentations were excellent examples of good practice for data integration and efficiency
- The BR is THE integrator, the fundamental tool for "translating" and "integrating" of virtually all national statistics into a non-redundant system of statistics
- One ID system, covering as many economic actors as possible, is clearly a facilitating factor for data integration
- Good practice, such as the maxim "don't ask again for data already surveyed elsewhere", is key for future success
- Make the elements of a national system to the extend possible compatible and connectable, and also integrable into international systems.

Session 5a - Benchmarking tools for business registers
Søren Andersen, Statistics Denmark

Background

Benchmarking is a very broad concept, which has been defined in numerous – more or less – similar ways, including:
"Benchmarking is a practical tool for improving performance by learning from best practices and the processes by which they are achieved"
"A process for identifying and importing best practice to improve performance"
"Comparing the performance of your agency with that of others with outstanding performances to find fresh approaches and new ideas"
"The comparison of similar processes across organisations, companies and industries to identify opportunities for improvement"
"The process of comparing the performance of and individual organisation against a benchmark, - or ideal – level of performance. Benchmarks can be set on the basis of performance over time, across a sample of similar organisations or against some externally set standard.
"Benchmarking is the continuous process of measuring products, services and practices against the toughest competitors or those recognised as industry leaders"
"Benchmarking is the search for industry best practices that lead to superior performance"

Thus, in essence benchmarking focus on comparison, measuring, performance, improvement, best practice, process-orientation and learning – things that are all close to the statistical profession.

Against that broad definition, benchmarking tools for SBR would comprise most initiatives that serve to improve different dimensions of the quality of the business register. This ranges from plausibility checks, to indicators to measure quality up to methods to improve the quality or to reduce response burden. Much attention has been devoted to this in many countries and in previous Roundtable meetings.

However, with increasing requirements for more comparable statistics, and – for EU members – the new requirement to record multinational enterprise groups based on exchange of data from national BRs and the fact that many NSIs face diminishing resources, it seems an idea to pay some further interest in how benchmarking is performed in order to share experience and perhaps put in place better benchmarking indicators or indicators covering other parts of our business, or perhaps more comparable indicators. And that was the background for this session.

Papers

There were two contributions to this session. Firstly, a paper from Ms Moedinger from the Federal Statistical Office of Germany and, secondly, a paper from Ms Viitaharju from Statistics Finland.

Ms Moedingers paper described the implementation of four benchmarking indicators: Two were output indicators, namely Reliability and consistency of data, the third was a process indicator, namely non-response due to incorrect register data, and the fourth was an outcome indicator, namely response burden.

Ms Viitaharjus paper had taken a slightly different approach, where examples of measurements related to output in terms of timeliness of the annual frame and process in terms of:
- the percentage of enterprises and local units subject to annual surveying
- the percentage of enterprises having used the internet or responding
- the percentage of collected data coming from administrative sources
- the percentage of enterprises participating in surveys and how the participation is spread among enterprises (i.e. response burden)

were mentioned in relation to a description of the Finnish BR system, including their annual quality survey. Also, the Finnish paper mentioned the timeliness of input data as one of the strategic issues.

Finally, both papers emphasised improved efficiency as being a key driver for the ongoing developments, although a direct indicator for this was not mentioned.

Against that background, the papers complemented the paper submitted by Mr Karner from Statistics Austria to session 3, about quality measurement of activity data.

Discussion

Firstly, with regard to the German indicator about non-response due to incorrect register data, different ways to utilise information in the business register about the units' level of economic activity in order to obtain more accurate information about the share of non-response actually caused by incorrect register data and the share of non-response caused by other factors (lack of motivation, bad questionnaires etc.) were discussed.

Secondly, practical possibilities for sharing current knowledge and practice regarding benchmarking indicators were discussed. A current tool, which could in it self be considered a benchmarking tool, is the BR annual inquiry conducted by Eurostat and the UNECE. It was suggested – on the one hand – that this tool could perhaps be used as a vehicle to ask countries whether they have put in place quality- or benchmarking indicators, how they are defined etc. Subsequently, this could perhaps result in an update of the related chapter in the BR recommendations manual.

On the other hand, it was argued that the indicators would differ from one country to another and that there could also be a problem in relation to making such indicators (and the results) publicly available.

Conclusion

It was concluded that it could be useful to bring the topic of benchmarking indicators further in order to improve the quality of business registers, improve the basis for allocating the scarce resources for quality improvement more systematically and increase staff motivation.

Concretely, it was concluded to discuss the possibility of including the topic of benchmarking indicators in the BR annual inquiry in order to gather and share knowledge and practice at the upcoming BR Working Group meeting in Luxembourg in late November 2007 in order to have an overview (or inventory) of existing indicators and their definitions, but not necessarily the results.

Session 5b- Business profiling
Harrie van der Ven, Eurostat

Profiling is a method to analyse the legal, operational and accounting structure of an enterprise group at national and world level, in order to establish the statistical units within that group, their links, and the most efficient structures for the collection of statistical data.

Profiling clearly improves the quality of the business register, its use as a survey frame and source of information. It improves the cooperation with the respondents and the delineation of the statistical units in reality. The main hindrance for profiling is its cost.

Statistics compilers are confronted with major challenges to produce relevant and consistent national statistics taking into account the way large enterprises organise their activities, especially in the case they operate internationally. Also national (tax) legislation can influence the

organisational structure. Restructuring processes (e.g. merging etc.) makes it even more difficult to find, define and track the real actors in the economy.

In this session 2 papers were presented: a paper prepared by Mrs. Svetlana Šutova from Statistics Estonia and a paper prepared by Mr. John Perry from the Office for National Statistics (ONS) and. While ONS has already a long history on profiling, Statistics Estonia just started with profiling. In both papers real cases were presented showing how profiling is working and the relevance.

Statistics Estonia presented how via a well structured approach profiling can be introduced in a statistical office.
The project to implement Complex Enterprises was launched in March 2006, and finished in April 2007. The project was financed by Eurostat. The aim of the project was to implement the concept of Complex Enterprises in the Register and to integrate this concept into the process of producing statistics.
Key success factors:
- Operationalisation of the methodology (including the analyses of experiences of others)
- Involvement of internal as well as external users
- Agreement with users on the profiling method
- A model for storing the results in the register and documentation.

Some lessons learned:
The implementation of profiling is practical only useful if it is implemented both in the Statistical Register as well as in the production of statistics.
In future, the topic of profiling of Complex Enterprise could be discussed in Eurostat not only within the area of statistical registers but by involving branch statisticians, too.
It would be useful to continue the good practice of profiling seminars. It would be a great advantage, if branch statisticians could be invited, too.

The UK has a long history of profiling businesses, commencing in the mid 1980's with the introduction of company level reporting for surveys, when it was recognised that complex businesses could not provide the information needed to support the statistical system.
The UK has business profiling plan that is reviewed annually to ensure that the criteria for proving adapt to the changes in the way that businesses operate and to the continuing need to increase efficiency within government.
There are currently four strands to the UK development of profiling:
Continual review of profiling criteria
- Improvement of tools for communication with enterprise groups (real case included)
- Introduction of electronic communication with enterprise groups
- Management of survey data collection for profiled enterprise groups.

The UK paper reported about some topical profiling issues relating to survey data collection:
Special purpose entities
Increasing globalisation of business activity, in particular of cross-border transactions ha led to the creation of Special purpose entities. These are: (1) generally organised or established in economies other than those in which the parent companies are resident; and (2) engaged primarily in international transactions but in few or no local operations. Spas are defined either by their structure (e.g., financing subsidiary, holding company, base company, regional headquarters), or their purpose (e.g., sale and regional administration, management of foreign exchange risk, facilitation of financing of investment).
Private Finance Initiative
ONS is starting a project with the initial aim to assess whether assets have been recorded on both private and public sector balance sheets or on neither.
Foreign Airlines
There has also been correspondence specifically from one foreign airline stating that they cannot reasonably identify the UK part of their global activities required for UK surveys.
Employment Agencies

The treatment of employment agencies in the Business Register Survey and consequently on the statistical business register has been an issue for many years.
Composite and Managed Service Companies
At the other end of the spectrum people who were previously employees or operated as sole proprietors have taken advantage of certain tax incentives for incorporated businesses.
Data collection for large businesses
Profiling has focussed on getting the structure right. Data collection has remained fragmented with individual surveys making their own contacts. This has led to concerns that surveys are receiving inconsistent information for different parts of the business and for different surveys. A project has started that looks at the enterprise groups that have the largest impact on the national accounts.

Discussion

Relationship between profiling and legal framework which obliges enterprises to report. Can an enterprise (after profiling) legally be forced to respond? The outcome of a profiling process is based on an agreement with an enterprise. In practice this should not give problems
The outcome of a profile process doesn't necessarily coincide with the structure of e.g. fiscal units. This means that administrative data can't be used without transformation.
How is quality control implemented: feedback from surveys
ONS asked for best practises regarding the use of electronic exchange of confidential data.
How to deal with cost/benefit.

Recommendations

To use the City group as a platform for exchanging best practices
To involve statistics compilers
To develop a model for defining costs/benefits of profiling

Session 5c - Entrepreneurship Indicators, business demography, SMEs Statistics
Rick Clayton, US Bureau of Labour Statistics

This session contained four papers relating to the role of business registers as data sources for SMEs, business demography and entrepreneurship.

Besides a theme of innovative new data series is a second theme of using the particular strengths or features of each country's BR process to maximize the quality and accuracy of the available data. While this is, of course, the appropriate approach, it can lead to slightly less comparable measures.

The first paper by Geoff Mead of Statistics New Zealand. The SNZ system provides a monthly census of employers and employees. Mr. Mead discussed how the movements of employee records among firms can be used to help identify business predecessors and successors. Commensurately, the number of false births is reduced. The US BLS uses a similar technique for the same purpose on a quarterly basis. Varying criteria and the number of available staff to review individual cases can also affect the final level of some measures. More time and more staff will likely lead to a closer scrutiny of smaller and smaller cases, and a lower final birth rate.

The second paper, "Business Demography in the UK", by John Perry of the British Office of National Statistics (ONS), focused on a method for improving the timeliness of business death measures. The UK system uses the Value Added Tax reporting as the basis for the BR. The birth and death measures use the fairly standard definition. Emphasizing deaths, Mr. Perry pointed out that the common definition of deaths includes waiting up to two or more years to be sure that a non-reporting unit is indeed dead, thus preventing a false death due to a reactivation. However, policymakers want more rapidly available performance measures to see if policy changes have had a positive effect as rapidly as possible. ONS is evaluating the use of the VAT deregistration rates based on historical data to more quickly approximate death rates.

The third paper, "Measuring American Entrepreneurship", by Richard Clayton and others at the US Bureau of Labor Statistics, profiled a range of new data products relating to entrepreneurship. US BLS is one of a several countries participating in the OECD effort to develop internationally comparable definitions of entrepreneurship. Research results on measures of births, deaths, business age, business survival and related measures of size class were provided and discussed. For example, a review of death rates over the past business cycle and theories of creative destruction might show that a high death rate is a "good" sign that unproductive firms are being replaced by more productive firms.

As usual, more data raises more questions than might be answered. BLS is next moving to study high growth firms and gazelles as part of its research agenda and in support of the OECD Entrepreneurship Indicators Steering Group.

The last paper, "Business Demography and Entrepreneurship Indicators – developments in Europe since 2005" by Hartmut Schroer of Eurostat covered results from the innovative Factors of Business Success (FoBs) survey. A one-off survey collected in 2005 provided a wealth of measures about the demographics of business owners across several countries.

The next Eurostat effort is likely to be focused on "access to capital".

All of these efforts show the power of business registers for research and analysis, often with very small time lags after reference periods. The continued work on SMEs, Entrepreneurship and related topics validates the investments made in BRs, their quality and their analytic capabilities.

Session 6 Multinational groups
John Perry, Office for National Statistics, UK

The issue of the treatment of multinational enterprise groups (MNEs) has a long history dating back to the first meetings of the roundtable, where common standards for statistical units were a live issue. Later papers presented by Statistics Canada and others led to the idea of examining specific MNEs. Proposals to the UNECE in 2003 resulted in the MNE project led by Statistics Canada with project support from the UK and additional participation of France, Italy and Netherlands statistical offices. This project reported to the UNECE plenary session in 2005 and the agreement of Eurostat to develop the ideas within the context of the European Union. The Cardiff roundtable in October 2005 also discussed the outcome of the MNE project and the Eurostat plans for the EuroGroups Register (EGR) project in 2006.

This session received a report from Eurostat on the EGR project and contributions from France and Italy, who were members of the MNE project. Two further papers demonstrated developments in two other EU countries, Slovenia and Finland. A presentation from the European Central Bank (ECB), demonstrated its relevance to the development of the topic

The order of presentation of the papers provided participants first with an overview of the situation in Slovenia, where the inclusion of enterprise groups is a recent innovation. This set the scene for the Eurostat presentation on the EGR project. Three papers then followed from EU countries that have well-developed enterprise group systems. The session ended with the ECB, which is working closely with Eurostat on the steering group for the EGR project.

Issues raised and discussion

The paper from Slovenia showed the steps done in the construction of the Enterprise Group Register in Slovenia that started from scratch using three existing administrative sources that provided both control and share ownership data. The system presents the resulting complex structures graphically using GoDiagrams. The first issue faced was a lack of consistency between

the sources to the extent that matching of records was difficult. Other issues were developing rules for continuity of the enterprise groups and for the treatment of natural persons. There was a strong need to link with the EGR.

The Community Statistical Programme 2008-2012 of the EU foresees the implementation of a Community statistical register on multinational enterprise groups and their constituent units, the EuroGroups Register or EGR, underpinned by regulations. The starting point was a pilot project in 2006 involving the statistical offices of the Netherlands, UK, Germany and Hungary and data on 600 MNEs from two private supplier databases. In 2007, Eurostat acquired further data from one private data supplier, Bureau van Dijk, for 1200 of the most important MNEs in the EU with the objective of improving, enlarging and completing the central EGR software as a web application and providing data communication between the central EGR and Member States through eDAMIS and using SDMX-ML. Eurostat has recently set up a steering group for the project, which supported by an implementation task force expects to deliver a system for 10,000 MNEs by 2009. With such a large investment within Eurostat and EU Member States, it is vital that the needs of all stakeholders are taken into account.

For two years the statistical office in France, INSEE, led a working party on statistics based on groups and their sub-groups under the jurisdiction of CNIS (National council of Statistical Information) resulting in a final report in April 2007. The paper presented the current situation in terms of statistics to measure globalization, the need and the potential for improving measurement. The paper raised important questions about the nationality of ownership, for example for MNEs that claim dual nationality. The EU FATS (Foreign Affiliates Statistics) Regulation was seen as driving developments both for inward and outward transactions. The working party made two important recommendations; firstly that there should be a permanent system that follows the activities of French MNEs abroad; and secondly that there should be a regular publication for intra-group imports and exports.

The importance of Statistics Finland's Enterprise Groups register has increased in relation to other statistical domains. Recent development of the enterprise group register and of FATS statistics has increased the coherence of the statistical output of the foreign owned enterprises in Finland. At present the updating of the enterprise group register relies heavily on manual updating but new requirements such as data exchange with the EGR and integration of new data sources requires automated procedures and major ere-engineering of the register systems. This development need has resulted in many challenges. The use of several sources with differing definitions and varying quality requires rules for standardisation. Despite the problems with the data, automation is possible and will improve the service provided to users.

For Italy, the new EU Regulation on business registers has required reengineering of the statistical production process of the enterprise groups register at ISTAT. The new register with reference year 2005 is now being released and from 2008 it will be integrated fully with the main business register of Enterprises. The first requirement was for a new tool to automatic the treatment of all non resident units. There was also a need to combine data from different administrative sources, in order to reduce the time and costs of manual checking activity. This involved the introduction of a user-friendly interface.

The ECB paper described its Register of Institutions and Assets Database (RIAD). There are currently four datasets co-owned by two Directorates General within the ECB (Statistics and Market Operations). Data are collected from European Union/euro area National Central Banks using XML and then disseminated to the ECB website. RIAD is expanding to meet user needs through the addition of new datasets, including investment funds and financial vehicle corporations. Challenges posed by the latter data collection, include identification and lack of information on private placements. RIAD has also added variables for existing datasets and improved its user interface. Data sharing is becoming increasingly important, leading, for example, to the need for collecting additional identification codes (International Securities Identification Number, 'BIC/SWIFT code'), and to close involvement with the EGR project.

Both the papers and discussion highlighted the need for data sharing but recognised the related confidentiality issues that could affect access. Both national statistical institutes and national banks had a role to play and communication between them was essential. All of the presentations demonstrated the vital role of administrative data in creating and maintaining registers of MNEs but lack of common standards required automated rules for transformation and data matching in order to use the data effectively. While the needs of the main stakeholders were reasonably clear, for example through the EU FATS Regulation, there were increasingly wide demands for data on MNEs that required constant dialogue.

Specific issues from participants included the following

The focus of the presentations was inevitably on the EU EGR developments and its implications for EU Member States and international bodies. There was also a need to develop a cooperative stream outside the EU.

Data on MNEs were instrumental also in maintenance of the business register itself, having a direct link with business profiling and business demography, as well being a potential source for FATS statistics. In particular it helps in determining the national accounts sector classification. Identification of the immediate cross-border relationships was extremely important for users, requiring cooperation between statistical offices to ensure consistency of treatment.

Rules are needed to ensure consistent treatment of natural persons who are majority shareholders but not economic actors, of joint ventures and of funds.

The enterprise group is an important unit for the collection of data, often being the level at which businesses wish to provide statistical information, but with MNEs reporting globally it is difficult to obtain national figures and even nationally they lack homogeneity. Business profiling is important in identifying the data reporting issues.

Determining the nationality of MNEs is not always straightforward. While the location of the major part of employment may be thought a good indicator, MNEs such as Peugeot increasingly outsource to foreign subsidiaries that now have the majority of employment, although the group head office does not move.

Data sources may provide incomplete or inconsistent information on company linkages and share ownership. MNE systems required rules to manage such data quality issues. A minimum requirement was for indicators of direct control (<50% shareholding) and of trade interest (<10% shareholding).

In some countries there was a need for cooperation between the statistical office and the national bank in compilation of outward FATS; the Netherlands had achieved this through its statistics legislation.

A major issue for the EU EGR would be timing, with users needing early data but with complex checking of data sources requiring extending processing time in some countries.

The ECB appears to be a good source for identifying special purpose vehicles (SPV) through its financial vehicle corporations (FVC) database. The ECB sources are also comprehensive and used extensively in those national accounts. The ECB separates its statistical from regulatory functions in such a way that data sharing is not considered to be an issue.

Conclusions

The session provided a basis for other countries to develop their registers in respect of MNEs to meet the increasing demands for data in relation to globalisation. There was a clear need for continuing cooperation and exchange of ideas. Sharing of data was vital but needed to recognise confidentiality of data supplied by businesses. The earlier MNE project has shown that limited data could be shared. There was scope to extend this type of work in parallel with the more formal development of the EGR within the EU. This could be achieved by: working on reconciling differing standards and definitions; sharing information on the needs of stakeholders; and selection of a small number of cases studies in preparation for review at a future meeting of the roundtable.

Sessions 7 and 8 - Future of the Roundtable, Preparation of the next meeting
Peter Schmidt, Federal Statistical Office of Germany (Destatis)

Background

At the Roundtable 2005 in Cardiff the agenda contained a session on the future of the Roundtable. This session was added to the agenda at the request of several participants, as a result of questions from senior managers about the value for money of the Roundtable and "city groups" in general. Participants agreed that the Roundtable had to respond to these challenges, and better demonstrate the value of the meetings, if it was to continue. Not all the questions on the future of the Roundtable could be discussed concludingly at the Cardiff meeting.

To respond to the challenges mentioned above, the Roundtable agreed to set up a small steering group. The role of this group was defined as follows:

- To actively engage the UN Statistical Commission and other senior management forums to promote the work of the Roundtable and seek their inputs regarding future activities.

- To develop links with other relevant international bodies, to ensure support for attendance by developing countries.

- To ensure coordination with meetings on related topics (e.g. joint UNECE / OECD / Eurostat meeting on business registers).

- To assist the host of the next meeting on matters relating to content.

In order to continue the discussion on the future design of the Roundtable the steering group prepared a paper on relevant issues concerning the future role of the Roundtable for the plenary discussion, to be presented and discussed during the session. This paper summarizes the past and current discussion about the future of the Roundtable which not all participants of the Roundtable 2007 may have followed. It explains the background of this discussion and latest developments.

Organisational changes and activities of the steering group:

The Roundtable steering group has convened and helped to coordinate the collection of progress reports in 2006 as well the preparation of the actual Roundtable. When organising the Roundtable 2007, the following changes were implemented by the organiser and the steering group:

- The regular meeting length was reduced to four days plus one multi-purpose day.

- A workshop for developing countries directly after the conference was offered to attract the Roundtable for developing countries.

- Parallel sessions on one conference day were integrated again in the 2007 agenda. Nevertheless, the majority of the meeting sessions remain plenary in nature and the conclusions of the parallel sessions are reported back to the plenary session.

- The time to be spent on progress reports was limited to half a day for the 2007 agenda.

- Coordination with the joint UNECE/OECD/Eurostat seminar on business registers took place both in preparing the agenda as well as in discussing the future of both meetings.

Discussion and results

Based on proposals of the steering group the following issues were discussed:

Re-naming the Roundtable:

The proposal of re-naming the Roundtable was discussed very intensively considering different aspects as well as possible alternatives and consequences. Based on a complete opinion poll the

participants agreed on renaming the Roundtable in "Wiesbaden Group on Business Registers". For future conferences the additional subtitle "XX. International Roundtable on Business Survey Frames" shall be used in order to put emphasis on the long history of this international expert group. The new name is intended to reflect the changing role of business registers increasingly being seen as backbones of business statistics and as sources of statistical data in their own and more clearly underline the status of the Roundtable as a United Nations City Group as well.

Next meeting and frequency of meetings

The recommendation of the steering group to hold face-to-face meetings every second year only - alternating with the joint UNECE/OECD/Eurostat seminar on business registers - was broadly supported. Similar to 2006, progress reports should be collected for years between meetings.

The next joint seminar is planned for 2009. Discussions about a clearer distinction between the two conferences brought up the idea, that the Wiesbaden Group is expected to tackle forward looking strategic topics in the field of business registers and its applications while the joint seminar should focus on the exchange of information about current practices and the implementation of international standards. Coordination on the agendas of the two meetings will be task of the Steering group of the Wiesbaden group and the Organising Committee of the joint seminar.

The conference discussed the difficulties for countries to offer the hosting of a Wiesbaden Group meeting. In that respect the organisation of a "smaller" conference or the co-hosting by two or more countries were proposed.

For 2008, the OECD offered to organise the next meeting of the Wiesbaden Group. OECD additionally proposed to give the next meeting a motto like globalisation with the aim to strengthen the dialogue between producers and users of BR. Regarding future conferences several potential hosts showed their interest to host the meeting in 2010.

Purpose and objective of the Wiesbaden Group

The participants underlined the purpose of the group to provide a forum for the exchange of views and experience as well as the conduct of joint experiments related to the developments, maintenance and use of business registers. The Roundtable successfully brought together business register experts from different countries who could use the experiences of others to promote and bring forward their own business register.

In order to strengthen its profile as a UN city group the need for more transparency and visible output was raised. It was suggested to describe a roadmap and a work plan for the middle term future. Though the Wiesbaden Group has no permanent secretariat and no specific budget, so all work needs to be done on a voluntary basis by participating countries, where usually the organisers of the next and previous meetings bear the greatest share.

Composition and tasks of the Steering Group

Members of the Steering Group will be Australia, Eurostat, France, Germany, OECD, UNECE, United Kingdom, United States (BLS).The Steering Group should prepare a draft for the Terms of Reference of the Wiesbaden Group. Additionally, the steering group will assist the host of the next meeting in defining title and agenda of the next meeting.

Session - Workshop for developing countries
Gerhard Stock , Federal Statistical Office of Germany (Destatis)

As agreed within the Steering Group, for the first time a workshop for developing countries was integrated in the agenda of the Roundtable in order to provide a forum to exchange experiences concerning building up and maintaining business registers in developing countries as well as discussing common issues. Addressees were institutions from developing countries as well as

institutions that have profound knowledge in giving technical aid in the field of business registers and business statistics to developing counties.

The workshop was attended by Australia, Brazil, Bulgaria, China, Croatia, Denmark, Finland, Germany, Japan, Mozambique, New Zealand, Oman, Pakistan, Portugal, Slovenia, South Africa, Tajikistan and Turkey.

Simone Koll (FSO Germany) showed with her presentation "Statistics across Borders" the general strategy of German official statistics to co-operate with developing countries in order to help them to meet international requirements. The fields of statistical co-operation cover all aspects of official statistics, wherein business statistics and business registers play an important role. All larger co-operation projects of the FSO include a component for the improvement of business statistics with special regard to the development of business registers. Since 2004 fifty activities related to the issue „business statistics" and „business register" were carried out, these were about 10 % of all activities in this period.

Du Dejun (Census Center of NBS China) presented the challenges of building-up and maintaining the Chinese BR after the economic census in 2004. The main problems are that the administrative registration is managed in a decentralized way and it is difficult to use the data of various departments. Also the standards for classifying units are not unified, so that it is difficult to share the data among different departments. Inside the statistical agencies frequent changes take place in various units and the capacity of the statistical agencies at the grassroots level is weak. That means that the pattern of management needs to be improved and the function of program needs to be strengthened.

Zrinka Pavlovic (Central Bureau of Statistics Croatia) pointed out the challenges in the development of Croatian Business Register. As a consequence of being an EU candidate country the official statistical system in Croatia has to be brought in line with the EU requirements including those of the EU Business Register Regulation. For the moment the main problem is the lack of IT personnel necessary for improving the data base and all functionalities for running the BR. To some specific questions concerning historiography of register data and the treatment of enterprise groups answers could be provided by the plenum during the workshop.

Sabir Said Al Harbi (Ministry of National Economy Oman) presented the business survey frame (BSF) development in Oman. A new BSF was developed in 2004 with the objectives to provide accurate and up-to-date business register and to facilitate sampling for economic surveys. The updating procedure is based on linking the commercial register with the municipality permit database using the common C/R Number identifier. So it is possible to identify which establishments in the commercial register are active. A major challenge facing the development of the New Business Survey Frame was the fact that there were three different classifications of business activity between the ministry of commerce and Industry and the four municipality organizations which has to be harmonized. The future plans are to introduce a national standard economic classification to reflect ISIC Rev. 4 and to use this revised classification in the frame for the establishments census of 2010. This census will be an updating exercise with the existing data mounted on a hand held PDA, the enumerators recording changes to the data rather than full data collection. Additionally it is planned to introduce GPS data for each establishment in order to map the geographical distribution of establishments.

Ishaq Rana and Afzal Arain (Federal Bureau of Statistics Pakistan) illuminated the present situation of business statistics and business registers in Pakistan. Due to low accounting standards, illiteracy, cultural constraints and a low propensity to deliver information there are still problems in the collection of statistical data. Additionally the deregulation since 1980s - especially in industrial location policy - led to faulty and outdated administrative frames. The project of building-up a BR is on the very beginning. As administrative sources for updating the BR it is planned to use as a start-up files from the authority of supervision of corporation, tax authority, energy providers and the directorates of provincial labour & industries departments. Initially the content of the register should be limited to manufacturing, based on data of supervision of corporation to begin with. Data from other sources may be added subsequently with the strengthening of the BR. Afterwards the scope should be extended to other parts of the economy later on. To some specific questions concerning

confidentiality rules, legal base, and form of access for deliverers and user to the BR answers could be provided by the plenum during the workshop.

Geoff Mead (Statistics New Zealand) demonstrated the tool "Business Register System for Small and Developing Countries - Overview and Demo", developed by NZ especially for the usage in the National Statistical Offices of the small island states of the Pacific. The presented prototype includes different functionalities like data entry masks, classification tools, business survey management tools and so on. NZ distributed copies of the Demo-CD to interested participants and offered further information (contact address: hamish.mckenzie@stats.govt.nz)

During *the plenum discussion* the participants from the developing countries unanimously appreciated the value added for them in discussing challenges of building up and running business registers "from the very beginning". It was pointed out that the more future-oriented papers and presentations of the preceding sessions during the Roundtable were of course interesting but nevertheless not directly applicable in developing countries. There is a strong need for the exchange of experience for example how to cope with quality aspects of administrative data, how to classify units according to international classification standards and how to run BR with constrained IT facilities.

The participants agreed on the importance for developing countries to attend future conferences of the Wiesbaden Group on Business Registers, and proposed - instead of having a workshop after the "official" end of the meeting - to add a one-day session "BR in developing countries" to the agenda of the next meeting of the Wiesbaden Group.