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Items for information: business registers

Report of the Wiesbaden Group on Business Registers

Note by the Secretary-General

In accordance with Economic and Social Council decision 2023/325 and past practices, the Secretary-General has the honour to transmit the report of the Wiesbaden Group on Business Registers, which is submitted to the Commission for information.

* E/CN.3/2024/1.



Report of the Wiesbaden Group on Business Registers

I. Introduction

1. The Wiesbaden Group on Business Registers is a city group established by the United Nations Statistical Commission. In the spirit of the United Nations city groups, it relies mainly on the active engagement of the participating delegates, providing a forum for the exchange of views and experiences regarding the development, maintenance and use of statistical business registers. The Wiesbaden Group considers conceptual and methodological issues in relation to the use of statistical business registers and the development and implementation of good practices regarding their production, and its work supports a more integrated approach to structural economic statistics through discussion and development of the role of business registers in data collection and data integration as well as in the production and dissemination of statistics.

2. The Wiesbaden Group, which was established in 1986 as the International Round Table on Business Survey Frames, held its first meeting in Ottawa in 1986. Following its twentieth meeting, held in Wiesbaden, Germany, in 2007, it was renamed the Wiesbaden Group on Business Registers. The change of name was made to conform to the naming convention for United Nations city groups and to reflect the changing role of statistical business registers, which, increasingly, provide the backbone for the production of economic statistics and are considered to be sources of statistical information in their own right.

3. The twenty-eighth meeting of the Wiesbaden Group was organized by Statistics Netherlands (see www.cbs.nl/en-gb/featured/28th-meeting-of-the-wiesbaden-group-on-business-registers) and was held from 2 to 6 October 2023 in The Hague. On the fifth and last day of the meeting, a special session on redesigns of the statistical business register was organized for interested countries.

4. The meeting was attended by 82 participants from 44 countries and six international organizations. The regular meeting of four days comprised a keynote speech on the first day and six thematic sessions. Session 5, held on the third day of the meeting, started with a plenary segment, followed by three parallel sessions. At the beginning of the fourth day, the main takeaways of the parallel sessions were presented to all participants. A fifth meeting day was organized, with a special session on redesigns of the statistical business register. Within a workshop format, interested countries exchanged experiences and ideas that would be useful in redesign. A brief summary of each session is provided in the present report.

II. Report of the twenty-eighth meeting of the Wiesbaden Group on Business Registers

A. Session 1 on country progress reports

5. The country progress report responses encompassed descriptions of the present and future developments of statistical business registers around the world and identification of some emerging activities for the consideration of future expert group meetings. The outcome from the country progress report responses reflected the different views on the maintenance and governance of a national statistical business register put forth by various countries, which provided useful information on the roles of a statistical business register in official statistics.

6. For the twenty-seventh meeting of the Wiesbaden Group, the National Institute of Statistics and Geography (INEGI) of Mexico had developed an online web-based data capturing system which enables countries to fill out and submit their country progress report online. The country progress report responses were stored in a database which was used for the data analyses and distribution of the results. In 2023, that system was taken over by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat and evolved into a new data-collection system for country progress reports, controlled and maintained by the Department for future use.

7. The new system was used by Statistics Netherlands for country progress report data collection. Participants that were not able to fill in the country progress report questionnaire online were offered the option of responding in Excel and having their response processed later on by the organization. The collected reports are available at <https://unstats.un.org/wiesbadengroup/cpr/>.

8. The session was chaired by Statistics Netherlands. Sixty-five country progress reports in total were collected, of which 63 contained reporting on national business registers, while the Global Legal Entity Identifier Foundation and Eurostat reported on their own business register of global entities. Many countries around the world responded to the country progress report survey, which proved the importance of maintaining a statistical business register. About half of the organizations kept a business register that had been established before the year 2000 and the other half kept a register established after 2000.

9. Approximately two out of three national statistical institutes reported that the statistical business register was used as a survey frame to support business statistics data collection or as a population frame for linking administrative sources to the register. Another important aim in using the statistical business register was to produce business demography indicators, for example, the number of “births” and “deaths” of an active enterprise population. Several initiatives for improving statistical business register coverage were reported. In general, the coverage of different types of units in the statistical business register seemed sufficient to support official business statistics, although the integration of household companies was behind the integration of non-financial and financial corporations, governmental institutions and other types of entities.

10. Most of the European countries are allowed to share information on the cross-border relationships of their resident legal units with Eurostat and other European countries because of European legislation. In total, 43 national statistical institutes reported that geospatial coordinates were maintained in their statistical business register or that a link was stored in their statistical business register to enable the visualization of geospatial information on a street map or the characterization of different types of regions in their country.

11. Re-engineering or improving the national statistical business register was a central topic during this meeting. In the country progress report survey, 40 countries reported a redesign of their statistical business register since 2015. Indeed, 21 countries had redesigned their statistical business register during the last three years. Many initiatives were related to the integration of administrative sources in the statistical business register to maintain the register, improve timelines and enable the development of different types of unit populations. However, the integration of administrative sources in the statistical process and the development of a new information technology system were reported as main challenges currently and in the near future.

B. Session 2 on profiling complex statistical units

12. Profiling is commonly referred to as a method for investigating the legal, operational and accounting structures in the business world in order to delineate statistical units suitable for the collection of statistical data and gain a better understanding of the impact of large and complex statistical units in the economy.

13. In session 2, chaired by Statistics Germany, some experiences worldwide were presented on required data sources, selection of the groups proposed for examination and the “handling” of the organizations behind a complex statistical unit.

14. The main conclusions drawn from this session were that, while profiling was an ongoing process which might be hampered by lack of data sources, using the right kind of expertise and a “keep learning as you keep profiling” approach would provide a better understanding of complex statistical units, which might lead to improvements in data collection and result in more coherent information for the provision of national and international statistics.

15. The contributions to the session demonstrated that profiling of the most complex enterprise groups remained a case-by-case manual procedure, since many sources of relevant information could not be reliably exploited through automated routines or information technology programming. In this context, the term “manual work” signified analytical investigation of structures and content of statistical units in the business register by highly qualified and expert staff. While information technology could provide helpful technical assistance in data handling, the content of the results of profiling remained the product of human brainwork.

C. Session 3 on globalization and large case units

16. For many years, the collection of business statistics has been affected by globalization of large businesses. In fact, the presence of large and complex multinational enterprise groups are the main reason for the large data asymmetries between countries. Large enterprise groups do organize themselves in many different countries but not only for production-related reasons. They do so also for administrative reasons, for example, to optimize their profits or to enjoy a favourable tax environment.

17. One response to the challenges of globalization has been to set up large case units, not only to achieve the correct unit structure (a type of profiling activity) but also to ensure more accurate and efficient data collection. Large case units can be involved in organization of statistical units through to full-scale data collection for the largest multinational enterprise groups. Their role therefore spans different parts of statistical offices and requires additional skills, such as accountancy knowledge. Contributions covering the design and function of large case units would provide a useful comparison of country practices.

18. During session 3, the United Kingdom of Great Britain and Northern Ireland presented its approach in developing a large case unit to ensure that the impact of globalization of large and complex enterprises would be captured through the collection of data from business surveys, administrative data and other sources. One benefit of setting up a large case unit in the national statistical institute of the United Kingdom was the ability to identify data inconsistencies at an early stage of the statistical production process. This not only improved the quality of the data from important large and complex businesses which fed a wide range of economic statistics but also contributed to the reduction of administration burden.

19. Eurostat supports ongoing multinational enterprise-related activities in the member States of the European Union, as well as provides technical infrastructure and applications (for example, the European Groups Register, the early warning system and the international profiling tool) to help resolve inconsistencies in data of multinational enterprise groups. The joint development by the Organisation for Economic Co-operation and Development (OECD) and the United Nations of a multinational enterprise platform using open data was a highly interesting development for those without access to the European Union network. The Global Legal Entity Identifier Foundation then showed how the Global Legal Entity Identifier could provide a solution for understanding corporate relationships.

D. Session 4 on industrial classification systems

20. Industrial classifications systems provide a framework for the collection and presentation of information on economic activity and it is critical that they reflect the current industrial picture of an economy, so that the public and decision makers can make informed decisions on key policy issues. There are various industrial classification systems around the world and each one provides a unique perspective on the industrial composition of an economy. Those systems include the North American Industry Classification System (NAICS), the Statistical Classification of Economic Activities in the European Community (NACE) and the International Standard Industrial Classification of All Economic Activities (ISIC), among several others. Each industrial classification system is updated on a periodic basis, whereupon business registers implement the changes and reclassify statistical units. Some updates to these systems can be minor, while others can have major impacts and present implementation challenges for business registers.

21. The upcoming revisions of the Statistical Classification of Economic Activities in the European Community and the International Standard Industrial Classification of All Economic Activities are of great importance to statistical agencies. For many countries, it is a challenge to find the right sources, techniques and methods for classifying new activities carried out, for example, by factory-less goods producers, the sharing economy (represented, e.g., by digital platforms) and special purpose entities. During the meeting, Eurostat and the Statistics Division presented an overview of the main changes in the revised International Standard Industrial Classification and the Statistical Classification of Economic Activities. It turned out, after the discussion, that the size of the changes and the impact on national and international statistics might be huge, because approximately 40 per cent of the units in a statistical business register may be affected by this operation.

22. France and Indonesia presented an approach to classifying activities using methods of artificial intelligence. The first results showed that using machine learning models for industry classification based on textual descriptions of activities and products is feasible. However, important requirements are activity descriptions of the proper quality and a so-called golden set of perfectly coded (national) Statistical Classification of Economic Activities/International Standard Industrial Classification classifications.

23. Many statistical agencies are examining appropriate sources with respect to classifying the activities of units automatically so as to eliminate the need to conduct special surveys and avoid the extra administrative burden. The websites of the businesses are an important source to be considered. One commercial organization presented its expertise: it had merged web data with business registry data to enter detailed activities into the International Standard Industrial Classification.

E. Session 5 workshop on the Statistical Business Register Maturity Model

24. The Statistical Business Register Maturity Model is an instrument that provides statisticians with a framework for assessing the current status of the statistical business register in their country. It helps to determine the stage of the statistical business register for several dimensions. The Statistical Business Register Maturity Model aims to serve as a tool for sharing knowledge and best practices, determining possible next steps for development and finding the help and guidelines needed to acquire the actual capacity to take those steps. The underpinning idea is to conduct a global assessment on the Statistical Business Register Maturity Model to achieve a global overview of the status of implementation of statistical business registers in countries and to identify priority areas for technical assistance and topics for further methodological guidance and future work. That project was supported by the Statistical Commission at its fifty-third session in 2022.¹ Since there was some overlap with the country progress report and in order to spare national statistical offices an unnecessary administrative burden, the idea was presented of combining the country progress report of the Wiesbaden Group and the global assessment by expanding the country progress report through inclusion of additional questions from the self-assessment questionnaire of the Maturity Model. That idea was supported by the participants at the twenty-eighth meeting of the Wiesbaden Group and the members of the Wiesbaden Steering Group.

25. Special attention was given to stressing the importance of “worldwide” unique identifiers for developing an “arbitrary” business register and supporting the linkage of microdata with other sources.

26. In the second part of the session, the participants at the meeting split up into smaller groups in so-called breakout rooms. The participants were allowed to choose a room in which to discuss the topics of interest to them. In the first room, several countries presented their approach to developing a statistical business registers and showed their progress measured against the Statistical Business Register Maturity Model. In the second room, the importance of geospatial information was stressed, with the power to visualize statistical information on a (street) map being one of the main advantages of this approach. The last room was reserved for sharing information on more advanced topics (and challenges) associated with a “modern” statistical business register. Emerging from the breakout part of the session was the interesting overall finding that many countries faced similar challenges, in particular on information technology-related issues.

27. In a plenary session, the results as discussed in the breakout rooms were summarized by the session’s room leaders and shared. The notion of concentrating expertise and personal preferences was welcomed by the participants.

F. Session 6 on new data sources: opportunities and challenges

28. The objective of session 6, chaired by OECD, was to discuss the opportunities and challenges associated with the use of new data sources and new techniques for improving the timeliness, coverage and quality of statistical business registers.

29. The fact that alternative data can be used in different ways in the production of official statistics, in particular in statistical business registers, was well illustrated by the highly diverse set of papers presented during the session. They can help increase the coverage of those registers, facilitate the development of new indicators

¹ Decision 53/119, para. (d).

(e.g., early warning systems (Singapore)) and checking tools (Global Legal Entity Identifier Foundation) and enlarge the scope of analysis (e.g., to enable the provision of information on gender and trade (Mexico)).

30. However, a number of challenges posed by the use of those data were identified, including the need for the proper information technology infrastructure and technical expertise for handling the data. Full access to some data, such as administrative data and microdata, was seen as a major obstacle, with many national statistical offices currently putting in place memorandums of understanding with other producers of official statistics with a view to addressing this issue.

G. Session 7 on redesigns of the statistical business register

31. Session 7 concentrated on the approach to redesigning a statistical business register to be integrated in statistical production processes. Important topics in this regard were communication with stakeholders regarding sources to be integrated, interfaces for maintenance and development of technical solutions for a new statistical business register system.

32. Three countries prepared a presentation for session 7. Statistics Netherlands focused on the triggers for redesigning its statistical business register and presented its new global vision as a starting point for redesign and addressing the expected challenges ahead. The United Kingdom gave a presentation on the progress of its redesign project and focused on the complexity of the computer system, the opportunities for supporting real-time processing and the possibilities for storing more metadata. The United Kingdom concluded by sharing some of the lessons learnt so far. Having had to re-engineer its statistical business register twice, Statistics Switzerland presented its thoughts on both re-engineering journeys. From Statistics Switzerland, the participants learned that, in a redesign project, an architectural vision could support a common understanding across all stakeholders. The early devising of a communication strategy and ensuring the availability of people with the knowledge required to handle the chosen technologies were recommended.

33. In the afternoon, the participants at the meeting again split up into smaller groups to discuss the most important topics to be addressed before the process of redesigning a statistical business register system began. The discussions were guided by colleagues at Statistics Netherlands. The suggestions and recommendations of the participating experts were written out on a poster. The organizations of the Wiesbaden Group will use the recommendations as a source of guidance in implementing their approach to redesign.

III. Conclusions

34. The statistical business register is an important instrument for the coordination by statistical agencies of their official economic statistics. Many international guidelines that provide recommendations related to establishing a register are available.

35. Global multinational enterprise groups exert a large impact on national and international statistical systems. Global initiatives, such as the Global Group Register and the European Groups Register, will become more important with regard to the description and comparing of economies around the world.

36. The treatment of large and complex enterprise groups separately from that of other, smaller enterprise groups will raise the overall quality of national statistics and

increase understanding on how these organizations operate. A special large cases unit and profiling are useful supporting instruments in this context.

37. The Task Team of Exhaustive Business Registers has developed several instruments designed to inspire many countries to establish, improve or redesign a statistical business register. The Maturity Model, which is the latest among such instruments, is supposed to help countries identify the status of their statistical business register and provide guidance on meeting their specific needs.

38. The revision of the Statistical Classification of Economic Activities in the European Community/International Standard Industrial Classification of All Economic Activities will be a time-consuming project for many countries over the coming years. New technical solutions are required to limit the amount of manual work, prevent surveying and ensure greater efficiency.

39. In their country progress reports, many countries reported that they had redesigned their statistical business register in the last five years. While each redesign had its own challenges, there were many similarities, which could be shared in advance to speed up the work.

40. The host of the next meeting of the Wiesbaden Group is not yet known.

IV. Action to be taken by the Statistical Commission

41. **The Commission is invited to take note of the present report.**
