Possible development of the UN Manual on Business Statistics

16 September 2024

UNSD

Possible development of the UN Manual on Business Statistics

I. <u>Introduction</u>

1. The outcome of the 6th meeting of the UN Committee of Experts on Business and Trade Statistics (UNCEBTS) in September 2023 called for the development of a proposal to explore the need to develop a handbook of business statistics to address the emerging needs. The subsequent discussion at the UNCEBTS bureau meeting recommended a concept note to be developed to review the business case for developing such a manual and brought forward to the 7th meeting of the Committee in September 2024 for discussion and recommendations. The present note was developed in response to the bureau request.

II. Scope of business statistics

- Business statistics provide information on the structure, economic activity and dynamic
 performance of businesses. With the increasing globalization and digitalization of our economies,
 users are demanding broader measures of business characteristics and economic performance
 linking the economy to society and to the environment.
- 3. Business statistics covers statistical activities on economy-wide activities of businesses across different sectors. It covers topics like statistics on economic activities of businesses, business demography, business investment, business services, demand for services, industrial performance, enterprises by size class, industrial production, commodities, structure of sales and services, outputs of the service industries, non-profit institutions, labour statistics collected from businesses. It also covers process and infrastructure-related topics on business statistics, including the development and maintenance of statistical business registers, as well as the dentification, assessment, methods and implementation of data collection and data gathering which includes censuses, surveys, administrative data and other data sources including privately held data.

4. The Classification of Statistical Activities, Version 2.0 (CSA 2.0)¹ provides a reference to classify statistical activities related to business statistics, noting that various governance or methodological documents currently existed at the regional and international also attempt to define the scope of business statistics². Variation of scope among these documents has been noted, partly reflecting the field is developing fast and the scope evolved to address emerging needs and priority on business statistics as times evolved. The core datasets within business statistics are the structural business statistics, business demography statistics and short-term business statistics. There are also other data sources that can complement structural business statistics by providing additional informationand breakdowns, including industrial production statistics, innovation statistics on ICT

UNCEBTS mandate

Business statistics provide information on the structure, economic activity, dynamism) and performance of businesses taking into account the increasing complexity of business models and fast changing and uncertain economic environment. Digitalization, environmental and social responsibility activities of businesses are considered as a part of the business statistics framework

European Business Statistics Manual 2021

Article 2(1) of the EBS Regulation states that EBS cover: (a) the structure, economic activities and performance of the statistical units, their R&D and innovation activities, their information and communication technologies (ICT) usage and e-commerce as well as global value chains; (b) the production of manufactured goods and services and the international trade in goods and services. The structure describes how output, employment and other indicators are distributed among different economic sectors. The term 'economic activities' is defined by NACE Rev. 2 (paragraph 1.2.11):

An economic activity takes place when resources such as capital goods, labour, manufacturing techniques or intermediary products are combined to produce specific goods or services. Thus, an economic activity is characterised by an input of resources, a production process and an output of products (goods or services).

Draft Handbook on Integrating Business and Trade Statistics

Business statistics consist of a number of statistical domains covering different aspects of the economic activities of the enterprises. The next domains represent the core datasets within the business statistics:

Structural Business Statistics contain key variables such as employment, turnover, and gross value added for enterprises within a business economy.

- Business Demography statistics cover newly born and ceased enterprises.
- Short-term business statistics (STS) are the earliest statistics released to show emerging trends in the economy. STS provide data for the major economic domains, industry, construction, trade and services. (Eurostat, 2021)

However, there are data sources that can complement structural business statistics by providing additional information and breakdowns:

- Industrial production (PRODCOM) statistics cover the mining, quarrying, manufacturing and material recovery sectors, in other words, ISIC Rev. 4 Sections B, C and E. The annual industrial production statistics are based on a statistical classification called the PRODCOM list which consists of more than 4,000 headings of industrial products.
- *Innovation statistics* include variables that detail the innovativeness of enterprises, the different types of innovation implemented and various aspects of the development of an innovation.
- Statistics on ICT usage and e-commerce in enterprises provide a large variety of variables covering among others general
 information about ICT systems, access to and use of the internet including mobile use of the Internet, e-commerce and ebusiness including Cloud computing, Internet of Things, Big data analytics, 3D printing, Robotics, Artificial Intelligence, etc.
 (Eurostat, 2021)
- Foreign Affiliates Statistics (FATS) describe the activities of foreign-controlled enterprises. Outward FATS data refer to firms controlled by residents and established outside of the compiling economy; Inward FATS data describe the activities of foreign affiliates resident in the compiling economy.

¹ https://unstats.un.org/unsd/classifications/CSA2

² The following provide a selective list of description on the scope of business statistics in various methodology or governance documents at the regional and international level.

usage and e-commerce in enterprise, foreign affiliate statistics, etc. Table 1 provides a list of statistical areas that are related to business statistics in CSA 2.0.

Table 1: List of statistical areas related to business statistics in CSA 2.0

CSA 2.0	CSA 2.0	Statistical areas	
2-digit level code	3-digit level code		
202		Business Statistics	
	20201	Short term business statistics	
	20202	Structure business statistics	
	20203	Business demography and business dynamics	
	20204	Entrepreneurship	
	20205	Multinational enterprise statistics	
	20299	Business statistics, n.e.c.	
603		Statistical registers	
	60301	Statistical business registers	
604		Data sources	
	60402	Business and agricultural census	
	60404	Business and agriculture surveys	
	60405	Administrative sources	
	60499	Data sources, n.e.c.	

5. Table 2 presents an initial attempt to assess the status of the existing international methodological documents on business statistics for reference.

Table 2: Inventory of statistical standards, international recommendations and best practices for business statistics

CSA 2.0	Statistical Domain(s)	Manual	Valid from	Mainten ance organiza tion	Reference
202	Business Statistics				
20201	Short term business statistics	International Recommendations for the Index of Industrial Production 2010	2010	UNSD	https://unstats.un.org/unsd/industry/Docs/F107_edited.pdf
20201	Short term business statistics	Handbook on Data Template and Metadata for Short-Term Statistics	2018	UNSD	https://unstats.un.org/unsd/nationalaccount/docs/Data_T emplate_Metadata_STS.pdf
20201	Short term business statistics	Methodology of short-term business statistics Interpretation and guidelines	2006	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/5895945 /KS-BG-06-001-EN.PDF.pdf/609c47c3-220a-48b4-874f- d9c589bf302c?t=1414781295000
20201	Short term business statistics	European business statistics methodological manual for short-term business statistics	2021	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1392755 1/KS-GQ-21-018-EN-N.pdf/a971106a-6884-9350-38b1- 3b095601bb64?t=1638976676048
20201	Short term business statistics	European business statistics compilers' manual for short-term business statistics	2021	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1392767 0/KS-GQ-21-017-EN-N.pdf/e9001d0b-4bf0-7d89-de1c- 4e690d8e86b7?t=1638975990481
20202	Structure business statistics	Methodological manual on European Structural Business Statistics	2021	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/5854781 /CA-24-99-897-EN.PDF.pdf/c13e6549-ff0c-495b-b0c8- 776a86d9359c?t=1414780379000
20203	Business demography and business dynamics	Guidelines on the use of statistical business registers for business demography and entrepreneurship statistics	2019	UNECE	https://unece.org/DAM/stats/publications/2018/ECECESS TAT20185.pdf
20203	Business demography and business dynamics	Eurostat-OECD Manual on Business Demography Statistics	2007	OECD, Eurostat	https://ec.europa.eu/eurostat/documents/3859598/5901585 /KS-RA-07-010-EN.PDF.pdf/290a71ec-7a71-43be-909b- 08ea6bcdc521?t=1414781381000
20204	Entrepreneurship	Guidelines on the use of statistical business registers for business	2019	UNECE	https://unece.org/DAM/stats/publications/2018/ECECESS TAT20185.pdf

		demography and entrepreneurship statistics			
20205	Multinational enterprise statistics	European business statistics compilers' manual for foreign affiliate statistics	2024	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1862238 8/KS-GQ-23-018-EN-N.pdf/bfcf28ea-1430-e089-d971- 76f85800623a?version=3.0&t=1709546836946
20299	Business statistics, n.e.c.	Guidelines on Integrated Economic Statistics	2013	UNSD	https://unstats.un.org/unsd/nationalaccount/docs/IES- Guidelines-e.pdf
20299	Business statistics, n.e.c.	Accounting for Global Value Chains GVC Satellite Accounts and Integrated Business Statistics	2021	UNSD	https://unstats.un.org/unsd/business- stat/GVC/Accounting_for_GVC_web.pdf
20299	Business statistics, n.e.c.	Guide to Measuring Global Production	2015	UNECE	https://unstats.un.org/unsd/nationalaccount/docs/Guide_ to_Measuring_Global_Production_EN.pdf
20299	Business statistics, n.e.c.	Manual on Principal Indicators for Business and Trade Statistics	2022	UNSD	https://unstats.un.org/unsd/business- stat/UNCEBTS/Manual_on_Principal_Indicators_Final_W hite-Cover_Version.pdf
20299	Business statistics, n.e.c.	OECD Handbook on Measuring the Space Economy	2022	OECD	https://www.oecd.org/en/publications/oecd-handbook- on-measuring-the-space-economy-2nd-edition_8bfef437- en.html
20299	Business statistics, n.e.c.	Handbook on Measuring Digital Platform Employment and Work	2023	OECD	https://www.oecd.org/en/publications/handbook-on- measuring-digital-platform-employment-and- work_0ddcac3b-en/full-report/component- 6.html#chapter-d1e3249-a4d1a04127
20299	Business statistics, n.e.c.	Handbook on Measuring Digital Trade	2023	OECD, IMF, UNCTA D, WTO	https://www.oecd.org/en/publications/handbook-on-measuring-digital-trade-second-edition_ac99e6d3-en.html
20299	Business statistics, n.e.c.	European Business Statistics Manual	2021	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1245340 9/KS-GQ-21-001-EN-N.pdf/f67631e8-c728-e650-d777- de0d9079bf18?t=1614247963543
603	Statistical registers				
60301	Statistical business register	UN Guidelines on Statistical Business Registers	2024	UNSD	https://unstats.un.org/unsd/business- stat/SBR/Documents/UN_Guidelines_on_SBR.pdf
60301	Statistical business register	Manual on the Maturity Model for Statistical Business Registers	2024	UNSD	https://unstats.un.org/unsd/business- stat/UNCEBTS/Documents/Third_Meeting/Manual-on- the-Maturity-Model-for-Statistical-Business-Registers- Draft-publication-22-Dec-23.pdf
60301	Statistical business register	European business statistics methodological manual for statistical business registers	2021	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1243302 3/KS-GQ-20-006-EN-N-pdf/0c31c77a-5d20-9954-9223- 2b856fdb93c9?t=1613481618625

60301	Statistical business	European business statistics	2024	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1859402
	register	compilers' manual for EuroGroups			4/KS-GQ-23-023-EN-N.pdf/1485a57e-e0c6-ee23-abf4-
		register (EGR)			4b06b2f78463?version=2.0&t=1709117113605
60301	Statistical business	European business profiling	2020	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1047972
	register	Recommendations manual			8/KS-GQ-20-002-EN-N.pdf
60301	Statistical business	Guidelines on Statistical Business	2015	UNECE	https://unece.org/fileadmin/DAM/stats/publications/2015/
	register	Registers			ECE_CES_39_WEB.pdf
60301	Statistical business	Guidelines for Building Statistical	2014	African	https://www.afdb.org/fileadmin/uploads/afdb/Document
	register	Business Registers in Africa		Develop	s/Project-and-
				ment	Operations/Guidelines_for_Building_Statistical_Business
				Bank	_Registers_in_Africa.pdf
604	Data sources				
60402	Business and	Economic census: challenges and	2010	UNSD	https://unstats.un.org/unsd/economic_stat/Economic_Cen
	agricultural census	good practices A technical report			sus/Economic%20Census%20TR.pdf
60405	Administrative	Using Administrative and Secondary	2011	UN	https://unece.org/DAM/stats/publications/Using_Admini
	sources	Sources for Official Statistics:			strative_Sources_Final_for_web.pdf
		A Handbook of Principles and			-
		Practices			
60405	Administrative	Use of administrative sources for	1999	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/5854781
	sources	business statistics purposes:			/CA-24-99-897-EN.PDF.pdf/c13e6549-ff0c-495b-b0c8-
		Handbook on good practices			776a86d9359c?t=1414780379000
60499	Data sources, n.e.c.	Businesses statistics compilers'	2023	Eurostat	https://ec.europa.eu/eurostat/documents/3859598/1836975
		manual for ICT usage and e-			0/KS-GQ-23-012-EN-N.pdf/20fb6a79-2c43-df3d-1551-
		commerce in enterprises			7366c72f5f8c?version=2.0&t=1706102581439

III. <u>Business Cases</u>

- 6. The possible development of the UN Manual on Business Statistics could be seen as part of the work by the Committee to facilitate the vertical and horizontal integration of business statistics, and to strengthen the adopted production and output framework based on common registers, the use of common definitions and classifications and the integration of survey and administrative and other data sources, and integration of business statistics with other statistical domains The results of an initial assessment, as shown in table 3, show that while there are existing guidance in addressing certain thematic areas under the business statistics, an overarching international framework on business statistics is yet remained to be developed.
- 7. New priority areas call for the identification and development of cross-cutting activities to address emerging needs for business statistics. Methodological works have been embarked by Committee on these emerging topics, such as the global initiative on unique identifiers, integration of business and trade statistics with the environment domains, entrepreneurship, digitalization, multinational enterprises, entrepreneurship and measurement of adoption, investment in automation technologies, gender mainstreaming into business and trade statistics and the integration of geospatial information into the statistical business registers. The development of the Manual could be seen as an instrument to synthesize the current methodological works undertaken by the Committee and the advance the research agenda.
- 8. Addressing problems faced by developing and the least developed countries, in particular guidance on dealing with all the components of the informal sector, is an existing gap that remain to be addressed. During the preparation process to the UN Guideline on Statistical Business Registers, it was recognized by the Committee of Experts of Business and Trade Statistics that a comprehensive update of that address all concerns and needs of developing countries regarding the identification and compilation of all businesses, would have gone beyond the task and the time frame requested by the Commission. It was therefore agreed by the Committee that the development of such guideline would be limited in scope to reflect the most important issues in developing countries and that further guidance should be developed to more completely and comprehensively address the problems faced by developing and the least developed countries, in particular guidance on dealing with all the components of the informal sector. The potential development of the UN Manual of Business Statistics could thus offer an opportunity to address these issues encountered by developing countries.

9. More emphasize is being placed on using administrative data and new data sources for the compilation of business statistics, but for many countries economic census and survey are still the main data sources to construct their statistical business registers and compile business statistics. There is current a lack of up-to-date international guidance in these areas, in particular on economic census and the methods for cleaning and converting administrative data into statistical sources.

IV. Way forward

- 10. The preliminary discussion pointed to the validity of business cases on developing such manual, noting that careful consideration should be taken in the light of the resource constraint encountered by the national statistics offices and international organization. There was suggestion that emphasis focus on the implementation aspects of the existing international guidelines. It was also suggested to embark on global consultation exercise to assess the priority needs in the field of business statistics from the national statistical offices of both developed and developing countries to ensure the relevant and utility of such work. Considering the business statistics domain is broad, effort is recommended to leverage on existing methodology work by other related domains to avoid duplication of work.
- 11. The Committee is invited to discuss in principle the development of UN Manual on Business Statistics, its scope and timeline, noting that details on scope and timeline can only be defined subject to availability of resources. The Committee is invited to consider the following discussion points:
 - a. Is there a sufficient use case for the Manual?
 - b. If there is a sufficient use case, what are the appropriate means (such as the establishment of a task team) and timeline in advancing the work?