New Zealand’s Business Register

Maintaining a register and producing outputs using register data

October 2013
Outline

- What is included on the register?
- How do we update and maintain the register?
- The future of New Zealand’s register
- Data integration: the Longitudinal Business Database (LBD)
New Zealand’s business register

- Around 470,000 businesses stored on the register
- Holds an indicator of foreign ownership
- Percentage of foreign ownership also held
- Industry classifications, employee counts, company structures
- Excludes enterprises that are not ‘economically significant’
Enterprise structure on the register

Overseas parent

NZ Group Top Enterprise

Enterprise

Kind of activity unit

Geographic unit

Enterprise

Kind of activity unit

Geographic unit
Some indicators on the register

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotechnology</td>
<td>Unknown</td>
</tr>
<tr>
<td>Buy and sell goods offshore</td>
<td>Unknown</td>
</tr>
<tr>
<td>Fees earned from offshore manufacture</td>
<td>Unknown</td>
</tr>
<tr>
<td>Fees paid for offshore manufacture</td>
<td>Unknown</td>
</tr>
<tr>
<td>Hotspot</td>
<td>No</td>
</tr>
<tr>
<td>Ignore Cos Off Ownership Info</td>
<td>No</td>
</tr>
<tr>
<td>Maori Business</td>
<td>Unknown</td>
</tr>
<tr>
<td>Non-Profit Organisations</td>
<td>No</td>
</tr>
<tr>
<td>Overseas commercial services</td>
<td>Unknown</td>
</tr>
<tr>
<td>Overseas intellectual property</td>
<td>Unknown</td>
</tr>
<tr>
<td>Research and Development</td>
<td>No</td>
</tr>
<tr>
<td>Statutory Accounts</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

IRD Registrations

- [ ] GST registered
- [ ] PAYE registered
Maintaining a register

- Company registration through the Inland Revenue Department
- Annual (and Monthly) Frame Update Survey
- Account managers that deal with large companies
- Feedback from existing surveys
- New Zealand’s companies office
What do we use the register for?

- Storing variables (ownership percentages etc.)
- Survey selection
- Viewing group structures
- Deriving industry classifications in the Balance of Payments
The future of the register

- Admin data first policy
  - Register will be maintained mostly from administrative data, not surveys
    - Except for the largest companies
- Will include businesses that are not economically significant
- Moving to the same platform as business surveys will be using
  - Better data integration
Longitudinal Business Database (LBD)

- Company/tax returns (IR4) 1990-2010.
- Agriculture Production Survey (APS) 2002-2011.
- Annual Enterprise Survey (AES) 1993-2011.

Foreign affiliate data from the LBD

- Overseas ownership indicator is important
  - Inward FATS population can be derived
- This population can then be matched across various other datasets to construct variables like:
  - Industry
  - Employee counts of foreign affiliates
  - Country of ownership
  - Revenue and exporting activity
Examples of LBD research

- Exporting and firm performance
- Entrepreneurship and trade growth
- Exporters’ currency hedging behaviour
- Export market choices of New Zealand firms
- [LBD homepage](#)
Options for further integration

- More detailed BoP goods
- Increasing bilateral data for services to allow presentation of total goods and services trade
- No plans for:
  - intra-group trade in goods and services
  - integrated industry-based presentation.
- But… new opportunities may arise!