



# Statistics on enterprise groups – the EGR potential

European Commission – Eurostat  
Directorate G: Global business statistics

# Outline of the presentation

- Background
- What is the EGR?
- EGR evolution
- Variables in the EGR
- EGR production
- Information use and potentials
- Some limitations

# Background

- An enterprise group (EG) is a set of legal units bound together by legal and/or financial links under the same control.
- EGs are major actors of the global economy, have complex structures and work beyond purely domestic market considerations.
- EGs represent a statistical challenge because their activities cannot be measured in the same traditional way as domestic enterprises.
- Profiling and the use of consolidating information are two tools to capture the structure and activities of EGs

# The EGR – what is it?

- The EuroGroups Register (EGR) is the statistical register on multinational enterprise groups of the European Communities.
- Main goals of the project:
  - ✓ to keep a record of the multinational groups present in Europe (units, relationships of units, group characteristics)
  - ✓ to provide a harmonised picture on groups for statistical purposes (e.g. define sampling frames for statistical surveys).
- All 28 EU Member States and EFTA countries participate (NSIs, Eurostat, NCBs and ECB).

# EGR evolution

- Settled down in 2009.
- Four yearly cycles up to 2013 for reference years 2008 to 2011.
- EGR has expanded its coverage from the 5,000 to more than 10,000 most important multinational enterprise groups in Europe.
- In the frame for reference year 2011, the EGR reports 116 characteristics in total, covering the enterprise group but also the constituent units.

# Variables in the EGR

- Demographic Variables: dates of commencement and cessation of the enterprise, ...
- Economic variables: Main economic activity, number of persons employed, turnover, ...
- Control and ownership characteristics: ownership relationships, information on global decision centre (GDC), ...
- Further stratification, geographical or other variables: legal form, county codes of constituent entities, ...

# EGR production

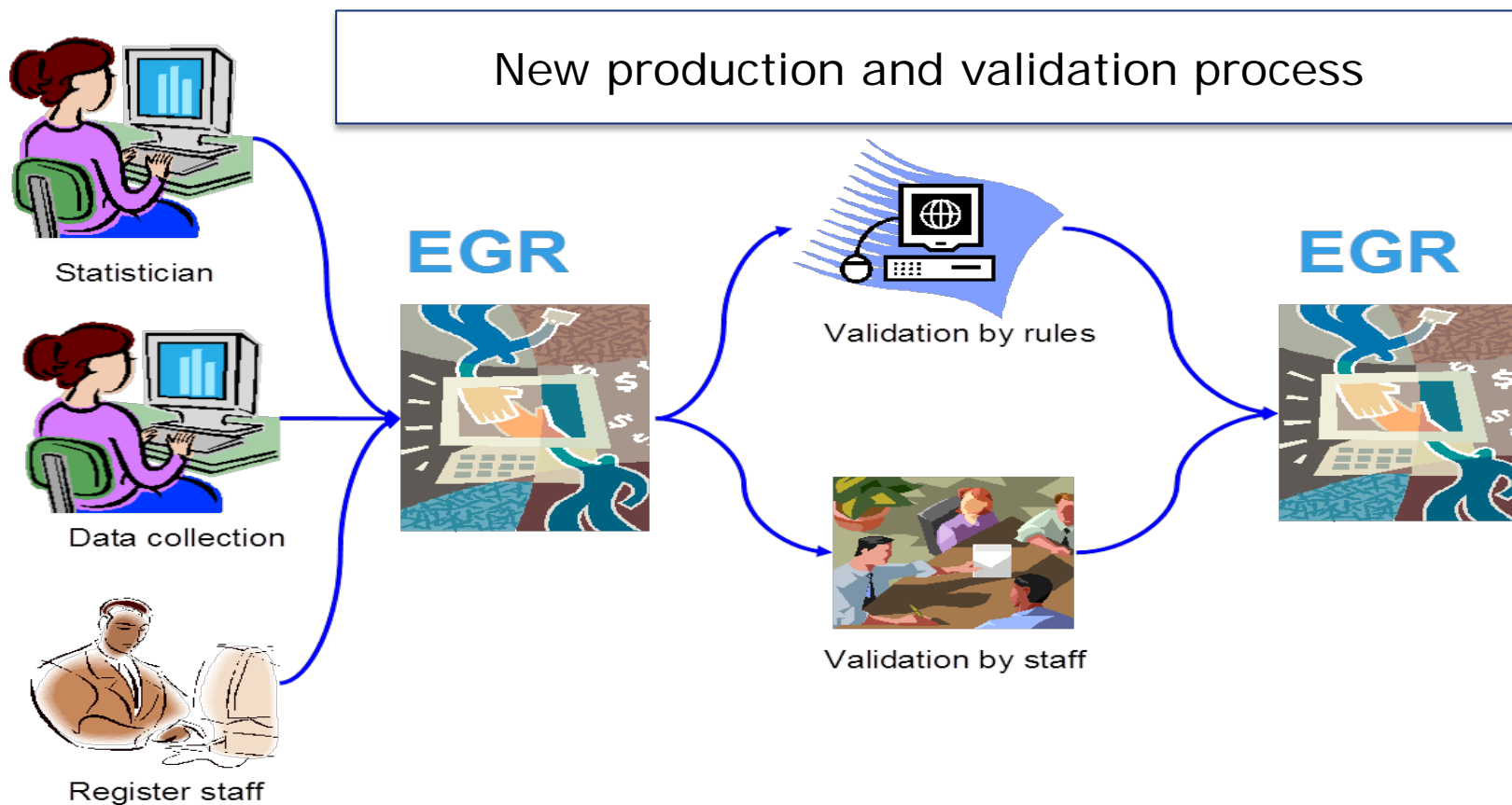
## Current procedure

- So far, the production cycles are based on commercial data acquired by Eurostat from two private providers
- The records of the two commercial data providers were linked by Eurostat
- NSIs validate the legal units and the relationships between them
- From the validated relationships preliminary enterprise groups are created
- Group structures and groups characteristics are also validated by NSIs
- Lengthy and burdensome procedure

## Next evolution:

- Less commercial data
- NSI and Business Registers as source of primary data in the EGR
- EGR creates the groups from the pair-wise relationships
- Less verification iterations

# EGR production





# EGR: information use

- EGR data are not available yet to the public but for restricted use within the European Statistical System to safeguard statistical confidentiality.
- The EGR information is increasingly used for internal statistical purposes.
- EGR potential to disseminate information to external users is yet to be developed. Two basic ways:
  - ✓ Public EGR products for all interested users inside and outside the EGR network.
  - ✓ Internal EGR products that address in particular the Business Register network or statisticians.

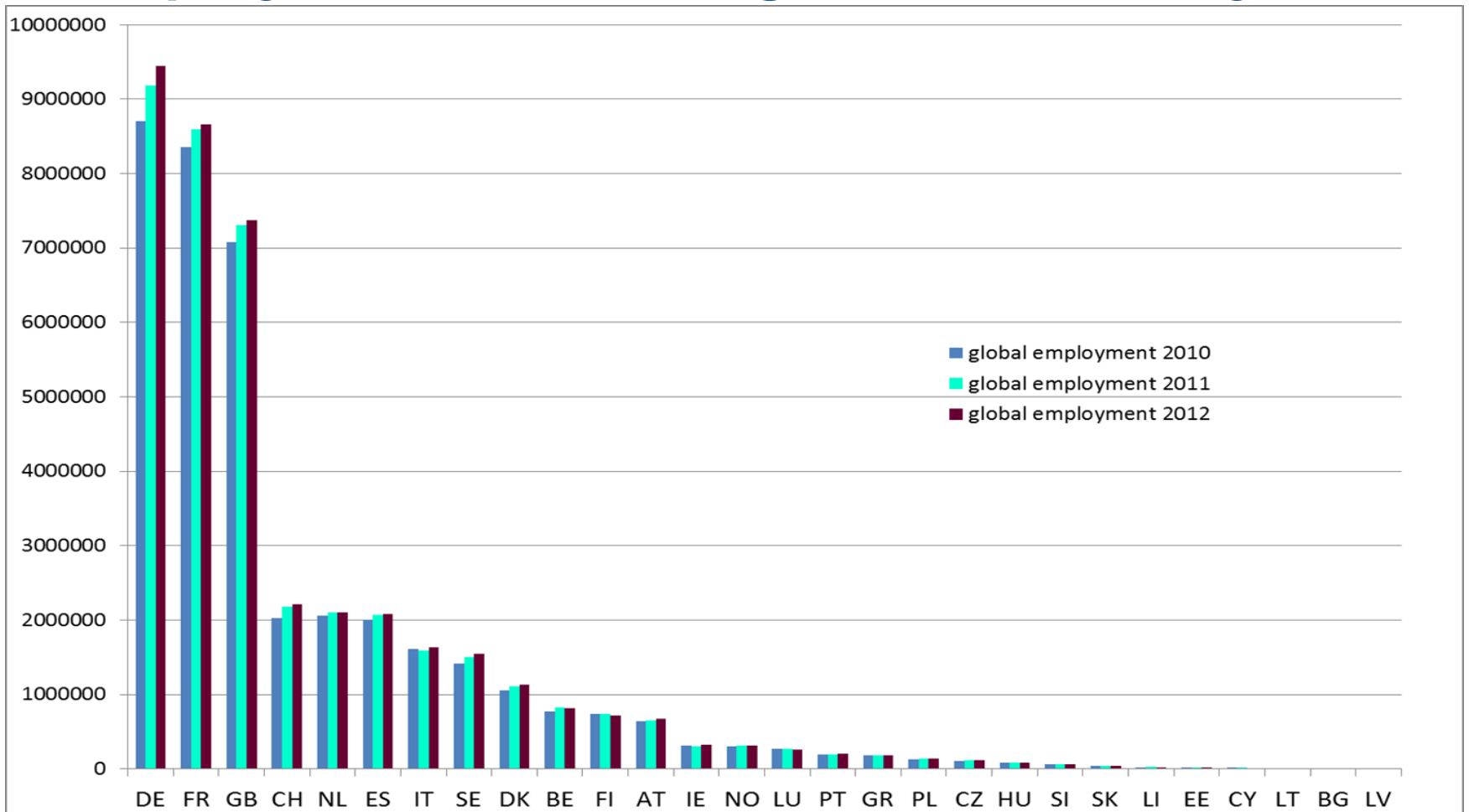
# Potential uses of EGR output

- Economic impact of globalization in EU countries.
  - ✓ % of enterprises in EGs by country
  - ✓ Share of employment in enterprises belonging to EGs by country
- Global economic impact of European enterprise groups.
  - ✓ Growth of employment in EGs with GDC in EU/EFTA
  - ✓ Number of countries where the Enterprise group is acting
- Globalisation and diversification in EU countries.
  - ✓ Share of employment in GDC country and abroad
  - ✓ Share of different main activities within the group

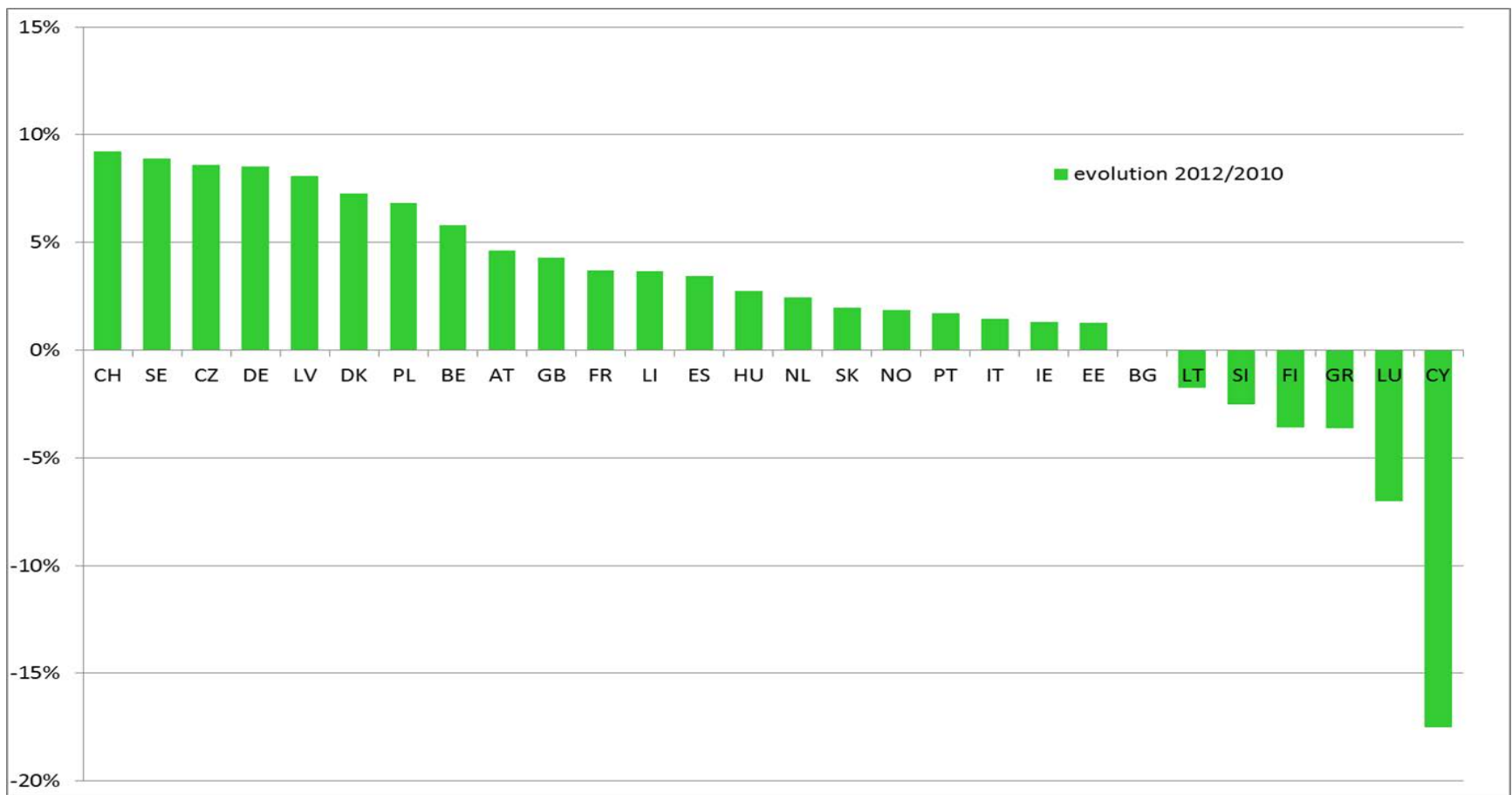


European  
Commission

# European groups contribution to global employment (according to GDC country)



# Employment evolution (2010-2012) in enterprise groups by country of GDC



# EGR – some limitations

- The EGR includes information only on the biggest multinational enterprise groups with at least one affiliate in one reporting European country.
- Quality issues related to the sources of information:
  - ✓ intrinsic errors on some variables (missing information, wrong codification, not updated data...)
  - ✓ use of different sources which are inconsistent (duplication of legal units, inconsistent treatments across sources...)

Thank you for your attention!