



The European profiling of multinational enterprise groups and the EuroGroups Register: crucial tools for improving business statistics

Eurostat, Unit G1 Coordination and register, Unit G2 Structural Business Statistics and Global Value Chains

Expert Group on International Trade and Economic Globalization Statistics, 26-28 January 2016

Outline:

- ❖ European Profiling
- ❖ EuroGroups Register
- ❖ Globalisation projects in business statistics



❖ MEETS 4-year program to modernise business statistics

- ESSnet profiling
- ESSnet consistency
 - Need to have a correct statistical implementation of the economic definition of enterprise
- ESSnet EGR
 - Set up the EGR system

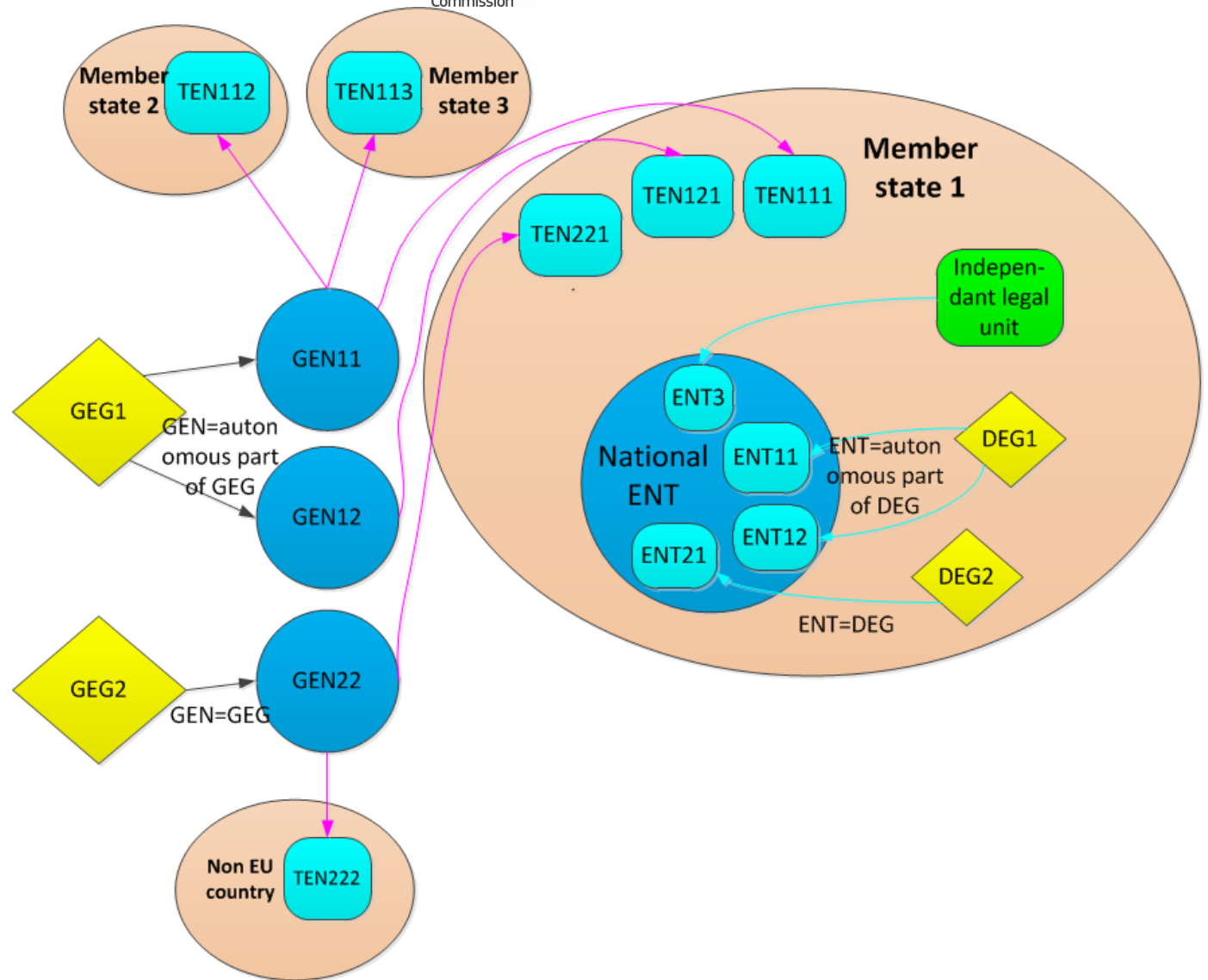
❖ Statistical Unit (SU) TF:

- Operational rules for harmonized implementation
- Notice of intention on SU and implementation plan
 - Adopted by Directors Macro-Economic Statistics (DMES) and Business Statistics Director Group (BSDG)

❖ FRIBS:

- SU and profiling decoupled from the scope

European profiling





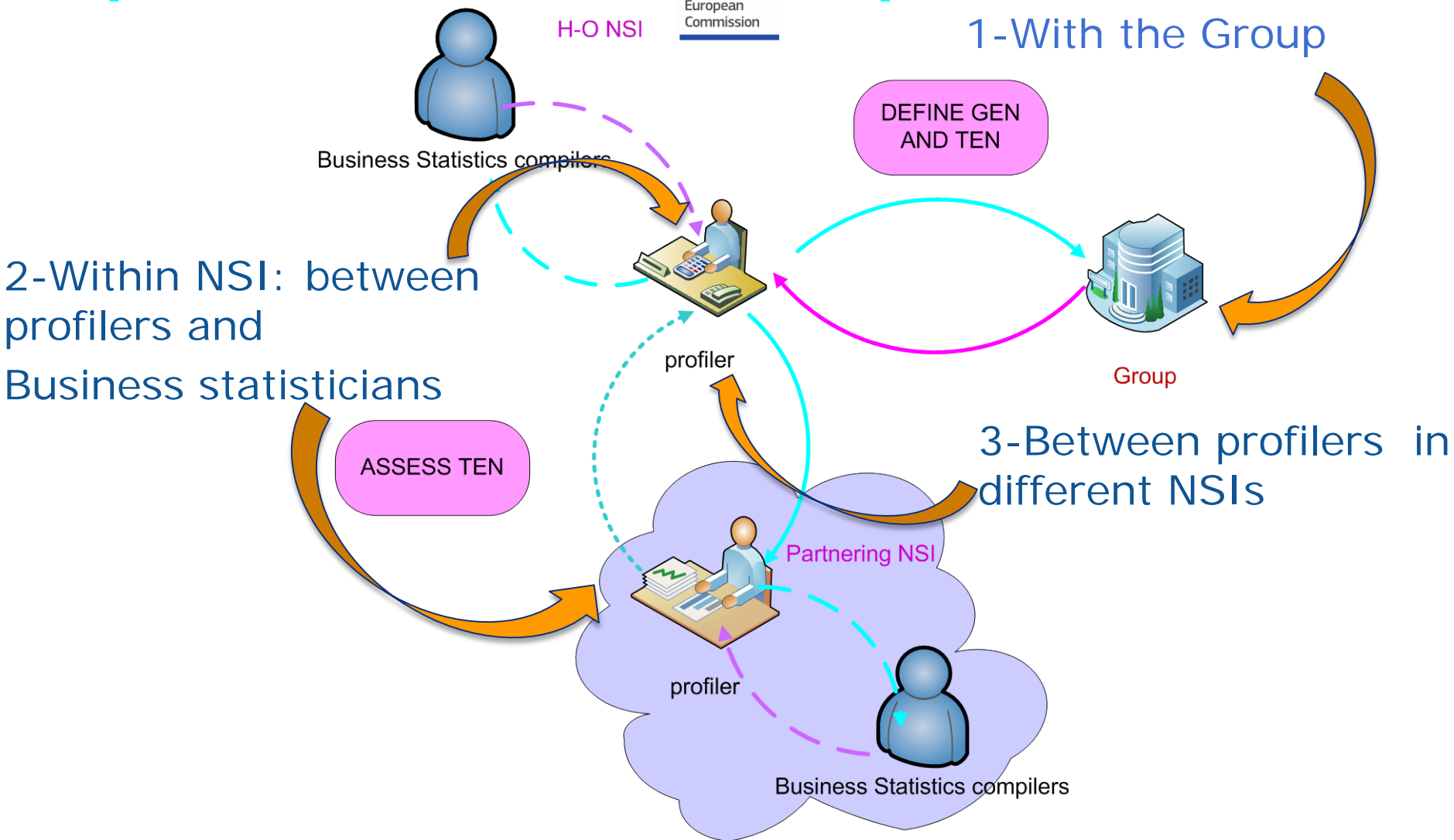
- ❖ Intensive: full involvement of the enterprise group (visits)
- ❖ Light: desk research
- ❖ Automatic: automatic procedures are run on data on legal units from national BR and EGR active within a certain country

- ❖ Which method to apply depends on:
 - **complexity of enterprise group**
 - size of group,
 - number of performed activities,
 - geographical scope

Profiling implementation



A collaborative process





>EGR system version 1 (2009-2015)

System based on commercial data which were verified and improved by NSIs. Standalone central system without on-line access to users. System modules:

- EGR Core (v1)
- EGR off-line browser

>EGR system version 2 (2015-)

System based on integration of NSI data. New tools applied for on-line collaboration and data browsing. System modules:

- EGR Identification Service – **EGR IS**
- **EGR Core** (v2)
- EGR Interactive Module – **EGR IM**
- EGR FATS user interface – **EGR FATS**



❖ Input data

- **NSIs** deliver data on legal units for identification > EGR IS
- **EGR IS** identifies all legal units > unique IDs are assigned to be used in the later stage of the process: LEID numbers (internal numbers)
- **NSIs** deliver data on legal units and relationships > EGR Core
- **Commercial sources** also deliver legal units and relationships for extra EU+EFTA units > EGR Core

❖ Consolidation process

- **EGR Core** validates and transforms the input data
- **EGR Core** creates the groups from the pair-wise relationships



❖ Output validation

- **EGR IM** shows the preliminary results of the consolidation – groups and relationships
- **NSIs** update and validate the relationships and groups on-line [EGR IM available from 02/2016]
- **EGR Core** creates the output data, the EGR frame for the reference year processed

❖ Dissemination

- **EGR FATS** disseminates the EGR frames
- **NSI and NCBs** consult & retrieve the EGR frame
- **Allowed only for statistical purposes**

Frame release: T+15 months



❖ Latest results

- EGR 2013 data were disseminated in April 2015
- Final frame coverage
 - 46,822 multinational enterprise groups
 - 611,449 legal units

❖ Current production

- EGR 2014 frame - release in March 2016

Integration of profiling in EGR



- ❖ 300 largest groups in scope, 170 profiles were completed by 2015 as a standalone process
- ❖ Results of profiling have to be integrated into the EGR and into the national BRs
- ❖ European profiling should start with EGR data (as it is now) and finally should feed EGR (not yet)
- ❖ Groups under profiling in the period T+4 to T+11
- ❖ The complete business process for integration is under design (ESSnet ESBRS by 2016), then starts implementation
 - **Main issues to solve: organisational process, data flows, ownership of data, roles & responsibilities of actors**



- ❖ Services trade by enterprise characteristics
- ❖ Global aspects of entrepreneurship
 - Based on the Eurostat/OECD Entrepreneurship Indicator Programme
 - Linking “business demography” and “international trade in goods”, new indicators
- ❖ Global SBS 2020
 - Plans for data production for “more global” statistical information
 - New dimensions, better representation of services, statistics by business function, aligning FATS and FDI



European
Commission

Thank you for your attention!