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

Outline:

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

- **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
Profiling techniques

- **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

1- With the Group

2- Within NSI: between profilers and Business statisticians

3- Between profilers in different NSIs

H-O NSI

Business Statistics compilers

DEFINE GEN AND TEN

Group

Partnering NSI

Business Statistics compilers

ASSESS TEN
>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
Globalisation projects

- 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
Thank you for your attention!