

Summary report

First Meeting of the Committee of Experts on Business Statistics

Opening session

Mr. Julio Santaella, President of INEGI, Mr. Ivo Havinga, Assistant Director UNSD, and Mr. Stefano Menghinello, Director of Business Statistics, ISTAT

Summary of main points

In March 2017 the UN Statistical Commission requested the creation of a new Committee of Experts to prepare the guidelines for statistical business registers and give guidance on issues of business and basic economic statistics. After that request a group of experts was convened to meet in June 2018 to develop the terms of reference of the committee and its work program. One strong conclusion of that meeting was a recognition that a narrow focus on business registers would not be able to respond to several growing demands of the business statistics user community and indeed related challenges. As such, the group of experts agreed to develop a terms of reference that was more in line with these broader needs that were also aligned with the strategic thrust for strengthening basic statistics of Cape Town Global Action Plan for Sustainable Development Data (CTGAP). In providing this impetus for these basic economic statistics programs, actions from the related strategic areas of the CTGAP should also be considered such as on coordination and leadership, innovation and modernization, dissemination and use, multi-stakeholder partnerships and resource mobilization.

The new UN Committee of Experts can be an integral part of a transformation of the global economic statistics program of the Statistical Commission in conjunction with the universal 2030 Agenda for Sustainable Development.

Building on the 2030 Agenda and the related CTGAP, the Committee agreed to adopt a holistic approach to business statistics linking the economy to society and the environment. Given its broad scope, this approach will follow an enterprise-centered perspective for concepts and definitions of statistical units, classifications and data infrastructures. In particular, the approach emphasizes the importance that Statistical Business Registers (SBR) can play in developing evidence-based policies concerning society and the environment, and stresses their importance for consistent production of high quality statistics across all economic and policy areas dependent on business registers. Increasingly such a view needs to incorporate a global dimension – a reflection of increasing fragmentation of production and the growing and significant importance of multinationals and their affiliates – as an evolution from the traditionally ‘domestic’ orientation that continues to govern the framework of statistical business registers in most economies.

This demands an emphasis on the inclusion of new additional firm characteristics within business registers that better reflects 21st Century production - chief in this respect, with regards to globalization, are whether the firm trades internationally and whether the firm is part of (including the headquarter of) a multinational enterprise. These elaborations to business registers can in turn foster the development of integrated firm level business and trade statistics that may also obviate the need, in some areas for dedicated surveys. Through improved quality (i.e. coherence across currently competing data sources) it stands to reason that such an approach could have a significant beneficial impact on our collective ability to develop meaningful evidence based policies and to better understand the strong heterogeneity in the economic performance of businesses (in essence productivity and profitability) based not only on standard classification schemes (industry, business size) but also upon business internationalization profiles. Additional concerns that have grown significantly in recent years concern digitalization and regional inequalities. With regards to the former the current scope to identify and measure the phenomenon (including the related sharing/gig economy) using traditional aggregations of firms is limited, and in some ways is fueling the debate around mismeasurement, whilst for the latter, there is growing evidence that the focus on a national perspective may be masking important inequalities and differences across regions and even within region (metropolitan areas versus rural areas), with, for example, experimental data pointing to larger disparities in business dynamism with an high degree of data granularity within countries than across countries, which in turn may be hindering effective policy making.

Part I: Policy, Research and Business Needs

Key note speakers: Mr. Enrique Dussel, representing the academic sector; Mr. Alberto Gomez representing the private sector; and Ms. Alison Pritchard, representing the government sector

Summary of main points

Enrique Dussel: There is a need to undertake case studies for Global Value Chain (GVC) specific industries such as automotive, textile and apparel industry in a statistical framework consisting of a GVC satellite account and integrated business and trade statistics to address national industrial and trade policies for GVC integration and upgrading. The GVC satellite should allow for the detailing of the business dynamics of national and regional economy activity by detailing the Multinational Enterprises (MNE) core and supporting activities of the global enterprise groups. The compilation of such GVC satellites should be supported by the specification of the MNE network of specific GVC industries in the SBRs, including the detailing of the relationship between statistical units such as legal units, enterprises and enterprise groups.

Alberto Gomez: With the globalization and digitalization of our economies and their impact on our society and environment, additional types of business statistics are needed both at higher level of aggregation and geographical representation (such as national and regional levels for global enterprise groups) and at more disaggregated levels and lower levels of geographical representation. At the aggregated level, business statistics on core production activities and supporting functions should be made available at GVC related global enterprise groups and firm

networks. At disaggregated level, business statistics should be made available by urban areas/cities in addition to province/regional and municipality level. The unit level statistics could elaborate on the link between jobs and households by detailed local geographical areas. In this way business statistics could provide information about the new forms of job creation and household production enabled by the new business models and the use of platform enabled services like UBER, AirBNB, etc. New business statistics should measure the value added in trade in addition to the gross trade flows. Consideration should also be given to the use of new data sources generated by the private sector from the digital economy such as credit card data. Access to private sector databases for statistical purposes could potentially be advanced through dual interest in the use of those private sector data sources.

Alison Pritchard: Policy users like to understand globalization and trade along with the digital, creative and sharing economy. However, the statisticians are increasingly confronted with new measurement challenges from new business models of production and new employment arrangements. For instances, the “Bean Review 2016” set out to improve the UK’s national accounts and balance of payments through the use of administrative and commercial data sources, using new data collection techniques like web-scraping, etc. When using these new data sources, care should be taken to understand how the concepts and definitions of these new sources compared with those applied in traditional business surveys. Also, the emerging accounting practices of global enterprise groups may lead to a re-interpretation of traditional industrial classification for their affiliate companies. A case in point is Amazon operations, which centralized its retail operations and billing globally in Luxembourg and uses warehouses in other countries as a distribution services on a fee basis for the delivery of the goods. Another case, more relevant at the country level are the operations of employment agencies and payroll providers, which cannot locate the workers supplied to the client business by location. Also new contractual employment models, with employees working under zero-hours contracts may be missed in “point-in-time” (un) employment surveys.

Part II Strategic View on Business Statistics

Presenters: Mr. Ivo Havinga, UNSD; Mr. Besa Muwele African Development Bank; Ms. Merja Rantala, Eurostat; Mr. Nadim Ahmad, OECD

Summary of main points

With Decision 48/114, the Statistical Commission requested in 2017 to create a Committee of Experts to prepare UN Guidelines for Statistical Business Registers and to give guidance on issues of business and basic economic statistics. These issues should take into account the use of administrative and new data sources and the measurement of globalization, digitalization and well-being and sustainability.

The agenda of the first meeting reflects the mandate of the Statistical Commission, including the preparation of the SBR guidelines and the strategic direction and program of work on integrated business statistics, globalization, digitalization and well-being and sustainability.

It is the objective of the first meeting to come to a formulation of the governance, mandate and program of work of this Committee of Experts and its relationships to other regional and international bodies and city groups in this field.

More specifically, the Committee is mandated to inform, advise and support UN countries on a strategic vision, direction and coordination for the methodological development of business and trade statistics and its implementation in national, regional and international statistical systems. For this purpose, it will review, maintain and update normative international statistical standards and supporting documents. Based on these internationally agreed methodological manuals, it will promote requirements for business and trade statistics at national, regional and international level in terms of scope and quality, promote implementation of those statistics through capacity building and promote its analytical and policy use. While undertaking this work, the Committee will coordinate with statistical entities at national, regional and international level in business and trade statistics and other statistical domains to seek synergies and promote best practices.

The Committee seeks to formulate an internationally agreed required data set for business and related statistics which countries should aspire to compile and disseminate with a priority for the coverage of statistical units with relevant impact on the economic structure, activity and performance.

It was proposed that the Committee would adopt a cross-cutting approach focusing on thematic areas, such as globalization, digitalization, and well-being and sustainability. Moreover, it would do so by linking business and trade statistics with the macroeconomic and environmental economic accounts. These thematic areas were chosen to align with programs of work on the System of National Accounts (SNA), the System of Environmental Economic Accounting (SEEA) and the International Labor Organization (ILO) guidelines on decent work.

While acknowledging the different levels of development in national statistical systems around the world, the Committee could recommend a register-based approach for the production of business statistics complemented by alternative solutions to provide information about the economic structure, activity and performance at local, national, regional and international level. Where possible, drivers of business dynamics regarding international trade, direct investment, R&D, innovation, and Information, Communication, and Technology (ICT) should be reflected in the SBR. The Committee will address those issues with a strategic approach to highlight best practices, identify new data requirements, and discuss emerging issues and topics related to statistical units, classifications, concepts and definitions.

Part III Integrated business and trade statistics: macro approach

Moderator: Mr. Ivo Havinga

Presenters: Mr. Arturo Blancas, Mexico; Mr. Saleh Al-Kafri, Palestine; Ms. Angela Hernandez, Colombia

Summary of main points

The UN Guidelines on Integrated Economic Statistics (2013) could be considered a good starting point for a macro approach to business and trade statistics. These guidelines recommend a broad and comprehensive system-wide approach to economic statistics with the objective to ensure the efficiency of the statistical production process and to increase the consistency and coherence of economic statistics. The three key components of the system wide approach are the adoption of the SNA as the conceptual framework, alignment of the interdependencies of the components of the statistical production process and the establishment of enabling institutional arrangements for statistical integration.

The main benefits of such an approach are to ensure consistency: between short-term, annual and benchmark statistics; in measuring economic activity across different sectors, industries and regions; and across countries for key economic indicators (such as real GDP, inflation, and international trade). The approach leads also to greater accuracy in the economic data through the reconciliation of discrepancies across data from different sources, the reduction in the reporting burden for business respondents and increased efficiency in the production of data.

Key features of the integrated economic statistics approach are harmonized terminology, definitions, concepts, standards and classifications. The SBR has a central role in this approach by providing a central sampling frame for all business surveys. Moreover, there is a focus on standardization of surveys, including survey design, sample frame, and questionnaire design and the matching of the concepts of administrative source data with statistical records, allowing for the utilization of using administrative records to promote more efficient data collection and reduction of the burden on respondents. Also, attention is given to the integration of dissemination and communication in order to provide user-friendly presentations of data and explanations of concepts and to ensure consistent formats across dissemination platforms.

In terms of scope, the integrated economic statistics approach will encompass the following statistical domains of business statistics: short term statistics, including sentiment and composite indicators – for business cycle analysis; structural business statistics; production statistics; SBRs and business demography statistics, including statistical units, classifications, business demographic and entrepreneurial statistics; In addition, to reinforce the integrated notion of business statistics and, in particular, the need to better capture globalisation and digitalisation, the scope of the group should necessarily reflect these dimensions to include: linking of customs and other trade based registers and business registers, and related derived statistics showing imports and exports by categories of firms; guidance on profiling particularly for MNEs and best practice for Large Case Units, FATS statistics, drawing on the need to identify ownership structures in business registers and to develop coherence of FATS surveys with broader business surveys; and also innovation, research and development statistics and information society statistics that, typically, require a priori firm selection, whose characteristics could also be separately identified with business registers.

The country presentations indeed confirmed that their practices are coherent with the integrated statistics approach characterized by a system wide perspective, the centrality of the SBR for the sampling framework, the use of the SNA as the umbrella conceptual framework and the alignment of the statistical production process of basic economic statistics through surveys, censuses and updated SBR and macroeconomic and price statistics and enabling institutional environment

Part IV Integrated business and trade statistics: micro approach

Moderator: Mr. Ronald Jansen

Presenters: Ms. Carol Caldwell, US Census Bureau and Mr. Ken Roberson, US BLS (presented by UNSD), Mr. Soren Andersen, Denmark, Mr. Andrew Allen, UK, Mr. Gerardo Durand, Mexico

Summary of main points

The country presentations clarified that dynamics in jobs, firms and households can be closely monitored longitudinally through surveys and linking of micro data sets from business and household surveys and censuses. For instance, in the US, these employment dynamics extend to job mobility with trends in (1) the job-to-job transition rate, (2) hires and separations to and from employment, and (3) characteristics of origin and destination jobs for job-to-job transitions. These statistics are available nationally and at the state level, by industry and worker characteristics. Through regular update of the SBR through employment census for non-farm employment, the regular labor market statistics on employment (hours, wages, etc) labor openings and labor turnover (hires, quits, separations, lay-offs, etc.) are mutually consistent.

Micro Data Linking (MDL) projects are also pursued for GVC analysis by linking firms from different data sets and statistical domains at the relevant unit level (e.g. enterprise) to gain new insights by taking a holistic view. For instance, Structural Business Statistics (SBS) can be linked to international trade registers in addressing the firm heterogeneity in those trade, by size and foreign owners.

It can be considered to share practices and develop guidance on the methodological issues related to micro data linking such as unit consistency across domains; data consistency over time; coordination of samples to achieve coherence without creating additional response burden; completeness through better imputation methods; and output consistency with already published figures.

Further, country practices can be shared and efforts advanced to motivated further country examples of secure access to micro data sets for research purposes, which can draw on earlier work of the OECD (<http://www.oecd.org/sdd/microdata-access-final-report-OECD-2014.pdf>). Good practices include making available supplementary information in the SBR, prior approval of the research project and researchers that have access, anonymization techniques, inclusion of market sensitive information, cost of access of users, etc.

Part V Business Statistics and globalisation

Moderator: Ms. Merja Rantala

Presenters: Ms. Pierrette Schuhle, Mr. Stefano Menginello, Ms. Daniela Ravindra, Mr. Heru Margono

Summary of main points

This session reconfirmed the priority for business and trade statistics to inform the impacts of GVC chains globally and nationally on the structure, activities and performance of the economy as measured in terms of value added, jobs, income, investment trade and other economic variables.

It was advised that the specific issues related to globalization to be considered by the Committee for its work program on globalization should include the profiling of the statistical units of global enterprise groups, the direct investment relationships between multinational enterprises and where possible the in-scope non-affiliated enterprises in the GVC.

Country presentations demonstrated on-going work on the collection of specific data from global enterprise groups related to their global business activity. Best country practices in data collection on global business activity could be shared such as the processing or manufacturing services for clients abroad, using the client-supplied raw materials or intermediate goods; the payment of foreign entities to perform processing services abroad; the purchasing of goods outside of the country and selling them in foreign markets, without having the goods physically enter the economic territory (merchanting); the selling of finished goods that were manufactured abroad on their behalf without supplying raw materials; and the holding inventory (including in-transit) abroad. Moreover, best practices can also be shared on the testing of the specific questions on the global business activity in manufacturing surveys and wholesale surveys on matters related to the identification of the appropriate respondents in the global firms and the alignment of the concept and definitions in the questionnaire with the business accounting practices such as consignment, custom manufacturing, tolling, etc.

Moreover, it was observed that the Committee should consider the development of guidelines on the creation of Large Cases Units (LCU) in national agencies for the profiling of the MNE groups which have a significant economic influence. The guidance on LCUs could be based on best country practices, which cover both the statistical aspects on profiling procedures and by extension the collection and compilation of related business and national accounts statistics and the institutional arrangements, including the skill composition of staff of the LCUs and the relationship management with the enterprises. Also, the establishment of a network of national LCUs could support an early warning system on the cross border statistical implications of restructuring of the MNEs, including the need for data sharing between national statistical agencies to delineate the GVC related firm networks and the role of international agencies in establishing Global Group Registers.

Other issues to be taken up by the Committee include guidance on the sharing economy enabled by computer mediated platforms in the various industries, like UBER, AirBNB, E-bay, Amazon, etc. The aspects to be covered are household production, job creation, statistical units, classifications, etc.

In addition, the Committee should undertake GVC specific case studies for specific industries like agri-food, footwear, textile and apparel, automotive, etc.

Part VI Business Statistics and well-being and sustainability

Moderator: Mr. Ivo Havinga, UNSD

Presenters: Mr. Masao Takahashi, Japan, Ms. Leesha Delatie-Budair, Jamaica, Mr. Sagaren Pillay, South Africa and Mr. Manpreet Singh, ILO

Summary of main points

In considering this thematic area the point was made that business and household statistics should be linked with the macroeconomic accounts (SNA (Supply and Use Tables (SUT)) and institutional sector accounts) and the sectoral accounts of SEEA (water, energy, emissions, material flow) through micro-macro links using of statistical units in SBR. Moreover, the guidance in this thematic area should take the perspective of the economy - the economy contribution to wellbeing rather trying to measure wellbeing itself. Guidance has also to consider linking enterprises, jobs and households to measure the impact of business dynamics on inclusive growth. Moreover, well-being and sustainability measures should promote disaggregation by location, formal/informal sector, gender, age etc. Finally, in the consideration of this thematic area, it will need to focus on externalities – there is always going to be important measures outside of the SNA framework which link to wellbeing and quality of life (UN-SDG framework and the OECD framework) and environmental issues (UN-SDG framework and the SEEA framework).

In its deliberations it was recognized that linking micro data and linking micro data with macro data are an emerging field of statistical measurement. Moreover, the focus on households in the analysis of inclusive societies can build on the distributions work on income, consumption and wealth through links with jobs. Further guidance to capture the appropriate measures of firm characteristics in business registers and business statistics must be developed to better reflect participation in GVC.

In benchmarking labor market, employment and earning related statistics with the macroeconomic accounts, it is necessary to ensure coherence with labor accounts drawn from business surveys and presented in the production account and national supply-use tables. Business and trade statistics should prioritize links to jobs related sources, such as occupation surveys that provide scope for this information to be embedded in the core household production accounts, which are presently largely missing from the SNA.

As part of the considerations of well-being, also the role of the non-market producers should be recognized in the delivery of services expected by citizens. These non-market producers include the government but also the non-profits, third sector and cooperatives.

As part of the considerations of sustainability, the link with sustainability reporting of the corporate and SME sector could be included and the link of sustainability reporting and the SDG indicators.

Country presentations demonstrated that work is well underway to inform well-being and sustainability through business and household surveys related to decent work, poverty, labor productivity and informal sector. In this context OECD countries are monitoring the OECD quality of life and wellbeing framework through explicit benchmark indicators.

Part VII Business Statistics and digital economy

Moderator: Mr. Nadim Ahmad, OECD

Presenters: Ms. Daniela Ravindra, Canada, Mr. Livio Lugano, Switzerland, Ms. Carol Caldwell, US Census Bureau and Mr. Ken Roberson, US BLS (presented by UNSD)

Summary of main points:

While there seems an increasing convergence on the articulation of the digital economic framework in terms of digitally ordered, digitally delivered and platform enabled goods and services, further work was considered by the Committee on the following broad categories: global consumers; household production; digital exchanges, digital markets and digital intermediaries; investment through digital leasing; and data as assets.

Further work is needed in considering guidance in identification of digital services, including multinational corporations in the SBR; examining product and industry classifications to determine where digital intermediation should be captured; expanding the household production account to include a larger set of industries such as accommodation, transportation and cultural services; and filling data gaps through new sources of information including surveys and alternative data.

Following these conceptual developments, best practices could be exchanged and collated on these reflections in supporting business and, indeed, household surveys.

Country practices demonstrated that this thematic area should also cover the impact of these conceptual developments on ICT surveys and innovation surveys.

Part VIII Business demographics and business dynamics

Moderator: Mr. Norbert Rainer, UNSD consultant

Presenters: Mr. Gogita Todradze, Georgia, Ms. Mennat Abou-Hasswa, Egypt, Mr. Atef Ouni, Tunisia, Mr. Fabio Tomasini, Switzerland

Summary of main points

This topic benefitted from the publication of the UNECE Use of Statistical Business Register for Business Demographic and Entrepreneurship Statistics Guidelines drafted by the UNECE Task Force on Entrepreneurship Statistics.

The Committee confirmed the increasing importance of business demographic and entrepreneurship statistics and the need for international harmonization in developing these statistics in countries outside of the OECD and EU. Guidance is provided on the linking of SBRs to business demography data with other business statistics, including the linking of SBR to data on natural persons (entrepreneurs). Such a link would lead to a better understanding of the role of entrepreneurs. Moreover, the link would strengthen the role and broaden the purpose of SBRs beyond its role as sampling frame.

The new UNECE guidance document does assist countries on how to develop SBRs to support the production of business demography and entrepreneurship statistics. Moreover, it provides guidance on linking SBRs with information from other data sources for improving the production of business demography statistics with a view to be used as entrepreneurship indicators.

It was noted that the new UNECE Guidelines supplement and are consistent with the other international manuals in this domain: Guidelines on Statistical Business Registers (UNECE, 2015), Manual on Business Demography Statistics (Eurostat and OECD, 2007), and Business Registers Recommendations Manual (Eurostat, 2010).

The country presentations reflected on the progress in generating business demographic and entrepreneurship statistics which include the events in the life cycle of enterprises such as number of births, deaths and active enterprises along with the number of persons employed and the number and full time equivalent units of employees. These data provide annual snapshots and related business dynamics on enterprise survival rates over 5-year period.

An important consideration in this work is the possibility of a joint production system for structural and business register statistics. It was argued that such a joint production system leads to conceptual coherence between business demographic statistics from the SBR and SBS such the number of employees. Moreover, a single production system allows for easier integration of any new administrative source with a single set of quality controls for all related statistics (i.e. SBR and SBS). The drawback is that the revision of data series is heavier to handle because of the dependence between BD and SBS statistics.

The Committee concluded that the main guidance of the UNECE Use of Statistical Business Register for Business Demographic and Entrepreneurship Statistics Guidelines should be included in the updated UN Handbook on Statistical Business Registers. It was also noted that additional

statistical indicators could be derived from standard structural business statistics that could provide important insights on underlying business dynamics without compromising confidentiality, for example on productivity distributions, and measures of concentration.

Part IX and X UNECE Guidelines for SBR- Overview and Distribution of work

Moderator: Mr. Norbert Rainer, UNSD Consultant

Discussants: Mr. Gerardo Durand, Mexico; Mr. Mohammad Ari Nugraha, Indonesia, Mr. Andrew Allen, UK; Mr. Saleh Al-Kafri, Palestine and Ms. Mennat Abou-Hasswa, Egypt

Summary of main points

The Committee considered the request of the Statistical Commission in its 2017 session to establish global UN guidelines for SBRs based on the existing guidelines and considering the needs of countries with less-developed statistical systems by incorporating practical guidance and country cases applicable to a broad range of statistical systems. In particular the guidance should consider the use of administrative data, the choice of statistical units in the context of globalization, and issues related to countries with large informal sectors.

This request from the Commission was in recognition of the central role of the SBRs in the production of economic statistics, both in terms of the way the statistics are produced and in terms of their content and quality. In view of an observed diversity in the content and use of SBRs across countries and regions, a growing need for international harmonization of guidance on SBRs is needed which would strengthen the internationally comparability of economic statistics.

The Commission advised that in developing the international guidance on SBRs, the UNECE guidelines on SBRs should be taken as point of departure. These UNECE guidelines were endorsed by the Conference of European Statisticians in 2015 and published in the same year.

The Committee considered those issues in the existing UNECE guidelines which need updating. Some issues had been identified during the on-line discussion before the meeting, while others were brought up during this meeting. The following issues were identified as the most important issues in developing and maintaining statistical business in less-developed statistical systems.

- How to deal with the informal sector in the guidelines, given that the informal sector is quite large in almost all developing countries.
- Problems with administrative data: administrative data are considered of low quality (in coverage and maintenance) and NSIs are often not given access to administrative data due to lack of legal basis or lack of cooperation by the administrative authority.
- Additional non-traditional data sources might be considered.
- The register maintenance often needs to be based on economic censuses, telephone interviews and surveys, rather than on regularly available administrative data.
- More guidance is needed on the coverage of the register in case of very small enterprises.
- Importance of a good legal basis and cooperation and exchange with administrative bodies.

- Criteria for the selection and use of administrative sources.
- Possible roles of an NSI in the creation and improvements of administrative data, including unique identifiers and their application in the statistical system.
- More guidance on the delineation of enterprises based on legal units as well as more guidance on the practical identification of enterprise groups (profiling).
- More guidance on the relations between establishments, local and ancillary units.
- In addition to the general data source issue, also the maintenance strategy with a view to the available resources is of concern.
- Application for data matching tools is more complicated for complex languages.
- The need for appropriate IT infrastructure for a system of SBRs that fulfills the basic criteria for creation and maintenance of an SBR.
- More guidance on quality frameworks.
- Including explicit guidance on business demographic and entrepreneurship statistics building on existing UNECE and other guidelines.

The identified issues have been translated into (exactly 100) action points (see annex), which are organized by the various chapters of the UNECE guidelines.

The Committee recognized that the concerns and needs in developing countries regarding the identification and compilation of all businesses go far beyond the scope of the UNECE guidelines. In particular, the scope of the international guidelines on the SBR should cover the full scope of enterprises as statistical units (see Annex 1).

It was agreed by the Committee that we would move forward with a limited initial update of the guidelines. The initial update could be accomplished before the next Statistical Commission in 2019 in order to report concrete progress and to offer initial international guidance on SBRs.

The Committee also recommended that further guidance should be developed to more completely address the problems faced by developing and least developed countries. A Task Team of the Committee was established during the first Committee meeting, which would work on the “exhaustive business register”, especially to include guidance for dealing with all the components of the informal sector, as mentioned in Annex 1.

For the update of the UNECE guidelines, solutions for the identified issues will be integrated into the existing structure. These will mainly be done by adding new paragraphs and boxes, by additional country examples, etc.

In addition to incorporating all identified issues (see Annex 2), it was also agreed to incorporate the relevant parts of the recently completed Guidelines on the use of SBRs for Business Demographics and Entrepreneurship Statistics.

It was suggested that the title of the new international manual could be: UN Guidelines on Statistical Business Registers and its use for Business Demographics and Entrepreneurship Statistics.

Distribution of work and timeline

Selected Committee members were invited to provide drafts for the action points for the initial draft of the UN Guidelines. The concrete division of labor will be determined through written

procedure). The drafts from the members should be provided by end of end-August 2018. Norbert Rainer, as UN consultant, will integrate these drafts into the guidelines structure together with any required editing.

In a meeting back-to-back to the forthcoming Meeting of the Wiesbaden Group on Business Registers in 24-27 September 2018 in Switzerland a full initial draft should be discussed, and the updated version should be available in October 2018.

Part XI Governance issues

Chair: Mr Stefano Menghinello, ISTAT

Summary of main points

Before opening a round table discussion on the mandate of the Committee and on the specific topics of interest of its work programme, the Chair provided some guidelines on governance issues that took into account the unique and very innovative nature of this Committee, that, he mentioned, he is very pleased and honored to coordinate.

He mentioned that he will be assisted in his work of technical coordination by UNSD as Secretariat of the Committee. He also noted that, given the cross cutting and multi purposes nature of the Committee, he needs the active support of all the members of the Committee and especially those in the Bureau of the Committee. Since the work programme of the Committee will be designed and organized around Task Teams, countries leading the task teams will be directly responsible for the main components of the work programme, and thus eligible to be part of the Bureau of the Committee.

Based upon the fruitful discussion that took place during the meeting and in order to formulate and implement the Committee's work programme, the Chair suggested that at least three task teams should be created on the following topics: "Exhaustive business register", "Digital economy and globalization"; and "Well-being and sustainability". Each team would cover aspects of coordination, methodology, data, capacity building and communication related to the specific topic.

The Chair then opened the discussion in order to share views and opinions on the mandate as well as on the work program of the Committee. In particular, he aimed at reaching a preliminary consensus, in terms of interest and active engagement by countries, either as members or potential leaders, around specific topics to be considered as potential Task Teams.

From the round table discussion, the following topics and related Task Teams seem to have gained strong support and a well-balanced composition in terms of countries in order to develop concrete actions for the Committee. Moreover, Eurostat, OECD and UNSD indicated that they would participate in each Task team.

- 1) Task Team on Globalization and Digitalization: Austria, Canada, Denmark, France, Indonesia, Mexico, United Kingdom and Switzerland,
- 2) Task team on Well-being and Sustainability: Denmark, United Kingdom and United States
- 3) Task team on Exhaustive Business Registers: France, Egypt, Jamaica, Palestine, United Kingdom and Tunisia

- 4) Task team on Business Dynamics, Demography and Entrepreneurship: Colombia, Egypt, Georgia and Mexico
- 5) Task team on Capacity building (leaving no one behind): Japan, Palestine and South Africa

To initiate the discussion, the Chair and UNSD circulated a very preliminary draft version of the mandate of the Committee. Based on the discussion during the meeting and in consultation with Eurostat, OECD and a small group of countries that have already volunteered as potential leaders of the Task Teams (e.g. Canada and the United Kingdom), the Chair and UNSD will prepare a draft mandate of the Committee for approval by the Committee. The revised mandate will be circulated by email to all countries participating to the meeting before the end of September for approval.

It was suggested that the revised mandate would include a section describing the main goals and the expected results of each Task Team. A template will be also prepared for the Task Teams to organize their work programmes in an effective and harmonized way.

It was also suggested that the Task Teams must elaborate a work programme that complements the work programs of other statistical entities in the area of business statistics until 2020. This proposed 2-year time line was a deliberate choice, because it coincides with the expected timeline to be established by the Statistical Commission for the launching of the research agenda on national accounts and other macroeconomic accounts. Also, it was agreed that the Task teams would clarify the relationships with the other statistical entities such as the Wiesbaden Group when formulating the coordination aspect of their work programmes.

It was furthermore agreed that the various Task Teams will be mobilized by the Chair of the Committee in September through WebEx meetings with a request to prepare their draft work programs by end October. The Chair will also approach members of the Committee to become the Task Team Leads. The Chair may also approach countries and international agencies not present at the first Committee meeting to join the Committee and the Task Teams.

During this session, the Committee confirmed the appointment of Mr. Stefano Menghinello as the first Chair of the Committee and agreed to amend the name as United Nations Committee of Experts on Business and Trade Statistics.

Part XII Report to the Statistical Commission

Chair: Mr. Stefano Menghinello, ISTAT

Summary of main points

The Committee members supported the overall goals and governance structure of the Committee following the request from the Statistical Commission for the creation of a Committee of experts to inform, advise and support countries on a strategic vision, direction and coordination for the methodological development of business statistics and its implementation in national, regional and international statistical systems.

The Committee was informed that following the drafting of the work programmes by the Task Team, UNSD and the Chair will draft the report of the Committee to the United Nations Statistical Commission. The Committee's report to the United Nations Statistical Commission is to be approved by its Bureau by end of November and submitted for posting in December 2018.

Annex 1: Table 3.4 Recommended SBR coverage

Enterprise Type	Recommended SBR Coverage	Additional information)
Government	Yes	Component of formal sector. Inclusion of units in the SBR is preferable but having links in the SBR to data for government units held in an administrative source is acceptable.
Financial corporations and quasi-financial corporations (including those controlled by government)	Yes	Component of formal sector.
Non-financial corporations and quasi corporations	Yes	Component of formal sector.
Non-profit institutions serving households	Yes	Component of formal sector.
Registered household enterprises (including agricultural)	Yes	Component of formal sector.
Own account), non-registered non-agricultural household market enterprises excluding self-employed professionals	Yes, but only if suitable administrative source available	Component of informal sector. If significant but no administrative source, cover through two stage household-enterprise survey.
Own account), non-registered non-agricultural household market enterprises that are self-employed professionals	Yes, but only if suitable administrative source available	Component of informal sector. If significant but no administrative source, cover through two stage household-enterprise survey.
Own account), non-registered agricultural household market enterprises	Yes, but only if suitable administrative source available	Component of informal sector. If significant but no administrative source, cover through two stage household-enterprise survey.
Non-registered, non-agricultural household market enterprises with employees	Yes, but only if suitable administrative source available	Component of informal sector. If significant but no administrative source, cover through two stage household-enterprise survey.

Enterprise Type	Recommended SBR Coverage	Additional information)
Non-registered, agricultural household market enterprises with employees	Yes, but only if suitable administrative source available	Component of informal sector. If significant but no administrative source, cover through two stage household-enterprise survey.
Household non-market enterprises	No	If significant, cover their activities through two stage household-enterprise survey.

a) Recommended coverage is provided on the assumption that the informal sector is defined as the set of household enterprises that have market production but are not registered in the administrative source(s) on which the SBR is based. (See paragraph 3.26).

b) Own account means self-employed with no employees.

Annex 2

UN Guidelines on Statistical Business Registers

List of action points as agreed at the Mexico meeting

Chapter 1: Introduction

- 1.1 Paragraph needed on importance of SBR for the implementation of **SNA 2008**
- 1.2 (para 1.18) additional examples, plus indication of **technical requirements to be able to keep all information** in the system.
- 1.3 (para 1.18) **new data sources** might be mentioned
- 1.4 Reference to **statistics on foreign affiliates**
- 1.5 (para 1.24) Because administrative data may not include all the information that would to be needed, it is **still necessary to conduct economic surveys** to meet those needs.
- 1.6 (para 1.26) **Big data** that will be a new source of data; can already be given an example for their use for SBRs?
- 1.7 It is important to emphasize that the guidelines should be **relevant for all countries**, therefore, **covering various levels of statistical development**.
- 1.8 Indicate how **SBR can be linked to** economic census, to administrative data on households. How to cover also informal sector.
- 1.9 **Coordination of administrative data** should be more emphasized.
- 1.10 Emphasize of how to also help developing countries, and how we can formulate **minimum requirements for creating and maintaining SBRs**.

- 1.11 Guidelines to be aspirational, plus showing ways to get there
- 1.12 Importance of access to administrative data; advocacy from UN
- 1.13 On coverage – adding more clearly how informal sector can be estimated and what alternative data sources could be used.

Chapter 2: Roles of the SBR

- 2.1 (para 2.7) Can reference be made to experiences in sharing micro-data in secure environment?
- 2.2 Can we indicate a priority ranking of administrative data in their usefulness for SBR? (maybe to Ch. 6)
- 2.3 Can we use the GSBPM model for the process of creation and maintenance of the SBR, maybe in a separate chapter or as an annex (maybe to Ch.7).
- 2.4 GSBPM – France offers examples
- 2.5 Examples of roles of SBR (2nd and 3rd role)
- 2.6 (para 2.54) Use of additional data sources in linking of SBR with trade statistics (for consolidating purposes)
- 2.7 (para 2.59) Importance of good legal framework
- 2.8 (para 2.71) SBR satellite – provide example
- 2.9 (section 2.4) How to deal with under-coverage
- 2.10 (para 2.46) Add comments to time-lag between Economic censuses (especially for Business Dynamics).

- 2.11 Role of SBR – 2-way exchange of data with national administrations

Chapter 3: Coverage of SBR

- 3.1 (Chapter 3) An additional section should be drafted which takes into account the circumstances in developing countries with respect to the coverage of a Statistical Business Register.
- 3.2 (section 3.2). the concept of “Residency” should be added in this section.
- 3.3 (paras 3.18 – 3.27). It is suggested to complement this section with information from the chapter 11, section 11.11, mentioning the relevance to cover the informal activities where this sector is important (i.e. mainly for developing and emerging economies).
- 3.4 (para 3.17) Include the usefulness for specifying the companies that use digital platforms (digital economy) in the section of Non-Observed and Observed Economies due to the relevance of this topic.
- 3.5 (para 3.14 -3.15) Reference to informal sector and non-observed economy. Link to chapter 11
- 3.6 (section 3.3) Non-financial corporations – “include only if admin data available”; can we rephrase if no admin data available?
- 3.7 (table 3.4 and 3.5) More explanation is needed
- 3.8 Further clarification on under-coverage by admin sources due to thresholds

Chapter 4: Units of the SBR

- 4.1 (section 4.1) The legal unit definition could be expanded, since this is so important. Could more advice be provided on how to build enterprises from legal units, and in what circumstances the enterprise is not equal to the legal unit? More info on consolidation

- 4.2 (section 4.2) It is mentioned that in a national SBR the delineation of an enterprise is normally restricted to the national territory. We suggest to clearly delineate between the **concept of residence** and any alternative presentation of statistics.
- 4.3 (section 4.3) More examples are needed on **identifying Enterprise Groups in practice**.
- 4.4 (para 4.53) The address of a GGH, is also a location for an economic unit (enterprise) to do the operation of itself. Could the **address of a GGH** always identified an enterprise also? Maybe with the activity of head office. This needs to be discussed in connection with GDC.
- 4.5 (section 4.3.3) The definition of **"truncated enterprise group"** (the part of a multinational enterprise group that comprises only the legal units resident in the particular country is defined to be a "truncated enterprise group" within that country) seems to refer to the concept of **"local enterprise group"** as defined in BPM6 4.55-4.56: local (or territory-specific) enterprise group refers to an investor and the legal entities under that investor that are resident in the same economy (see also CDIS Guide, and OECD Benchmark Definition of Foreign Direct Investment). A reference could be made to this term of "local enterprise group" as opposed to the "multinational enterprise group" or "global enterprise group".
- 4.6 (para 4.83) In *International Recommendations for Industrial Statistics*, it is mentioned that an **ancillary unit which is located in a geographically different location** will be treated as an establishment. In Indonesia, we tried to identify ancillary unit besides establishment when we did the 2016 economic census. How do we treat ancillary units in SBR? How to maintain its data? How to utilize the data gathered about the units and what analysis should we make?
- 4.7 (section 4.10) Examples from developing countries should be added in this part. More examples should be added focusing on **local statistical units** besides the circumstances of outward foreign affiliates
- 4.8 (section 4.10) **Updates on SPEs** could be given from recent work at IMF and others
- 4.9 (section 4.3.3) **More recent information on Profiling** needed
- 4.10 Profiling of Enterprise Groups – **can we share best practices?**

4.11 Profiling of Enterprise Groups: **France can share methodology**

4.12 Where can we put **more info on Profiling**? In Annex?

4.13 Should we add **“Social enterprises”** in this chapter?

Chapter 5: Characteristics of units

5.1 (section 5.2) We suggest defining multinational domestically controlled and multinational foreign controlled. The **terms are used in the text but are not defined**.

5.2 What are the characteristics of **“Social Enterprises”**?

Chapter 6: Data sources for the SBR

6.1 (chapter 6) One of the **data sources is still the establishments census**. The guidelines should deal with that.

6.2 (section 6.1) It would be recommendable to explicitly include the **economic census** as an example of statistical sources. This comment applies to paragraph 6.8 too.

6.3 (para 6.29) It would be recommendable to include **examples where both establishment and enterprises are built as statistical units** in the SBR.

6.4 (section 6.3) **Tax authorities are the ones most reluctant to release individual data** in spite of requirements of statistical acts. Must be the case in several countries (how to address this issue?) Secondly, how to ensure common and **correct economic classification codes** in the data bases of the different data sources. Should 'description of activities' be a must? What is the common practice in countries?

- 6.5 (section 6.3) More should be said about **non-tax data sources** and their strengths and weaknesses. For example, how complete are **utility company lists**. It would be good to get some examples for non-tax authority data sources. Agree that more advice needed on gaining access to tax data, and also creating regular supply with confidence that supply will be maintained.
- 6.6 (para 6.58) This is a big deal in many countries, therefore it would be desirable to know experiences of NSI's which have successfully reconciled **legislation to allow data sharing for statistical purposes**. --> UNECE Generic law
- 6.7 (section 6.5.2) It would be convenient to include a paragraph mentioning that the countries should analyze the **cost/benefit balance in order to make the decision to identify local units or establishments**.
- 6.8 (section 6.6.2) What happens in the case where **small and medium size units in the SBR are not maintained**? The SBR population of small units progressively grows in size where births are introduced via administrative sources and deaths are not removed. This is a reality since due to the lack of resources (when a choice has to be made between maintaining large and small units) often the population of small businesses in the SBR is not maintained.
- 6.9 (section 6.6.2) **France practice** on dealing with enterprise deaths
- 6.10 (section 6.6.2) **Danish practice** on dealing with enterprise deaths
- 6.11 (section 6.6.2) The role of the **economic census** is perhaps controversial, but are these more common in developing countries? More needs to be said on these approaches to keeping up to date in the long period between censuses.
- 6.12 (section 6.6.4) It is suggested to provide a diagram with the **profiling steps** in order to facilitate its comprehension with examples from several regions and countries. (**maybe in Ch.4**)
- 6.13 (section 6.8) **Additional explanation** and examples are necessary
- 6.14 (section 6.9) Country experience needed on **agricultural units**, particularly when these are mostly small ones and operate in an informal way is difficult to obtain from administrative sources and surveys are costly.

- 6.15 More context is needed on the **cooperation of statistics agencies and public institutions that provide administrative data** for preparing the SBR.
- 6.16 Many developing countries do not have a network of administrative registers yet since they do not have a **unique public identifier** for the administrative units. For this reason, it would be convenient to include a detailed methodology about the actions needed to build this network – if the administrative registers are enough good for this goal and how to build an SBR from economic censuses.
- 6.17 (Section 6.2) Combining different data sources. Emphasize the need to standardize over different data sources. **More clarification and best practices needed.**
- 6.18 Distinction should be made between use of **data sources for creation and maintenance** (and data quality) of SBR – throughout the chapter.
- 6.19 Examples of best practices of **combining data sources** needed.
- 6.20 (para 6.8.4) **Matching in complex languages** should be dealt with.
- 6.21 (Para 6.14) **Further precision** of language is needed (**Indonesia**)
- 6.22 (Para 6.27) **Updating** of language (**Indonesia**)
- 6.23 Ch. 6 has to deal better with **Economic Census and hybrid solutions in-between censuses**, e.g. with relation to upcoming sharing economy.
- 6.24 **Potential of using new data sources** in absence of admin data
- 6.25 (6.6.3) **SBR improvement surveys used for updating of SBR**. Aerial samples. Expand on this point.

- 6.26 (6.6.1) **More positive mention of Economic Census** – be careful with cost implications / aerial frame;
- 6.27 (6.6) Update from surveys feedback – **be careful**
- 6.28 **More linkages** with SBR, beneficial for SBR and new statistics
- 6.29 **Table on plus/minuses of data sources**

Chapter 7: Maintenance of SBR

- 7.1 (para 7.9) Include the **economic census** as an additional source of information.
- 7.2 (para 7.19) **Different SBR updating scenarios** could be presented showing varying periodicities that depend upon the statistical infrastructure, the availability and quality of administrative and statistical sources, objectives and resources of the countries. **Developing countries have different updating periodicities, depending on quality of available data sources for the updating.**
- 7.3 **Keep updating work inside the system**, not to repeat the work again next year.
- 7.4 **Use admin data for maintenance purposes**, esp. in absence of economic census
- 7.5 **Share algorithms and updating procedures with administrative sources**; so admin agencies can clean up their data.

Chapter 8: Survey frame methodology

- 8.1 (para 9.27) The **Mexican example of DENUE** will be updated since RENEM (the Mexican SBR) was created in 2015, now DENUE is the public part of RENEM (**in Annex**).

- 8.2 It should be taken into consideration the **weakness of the data** in countries with weak SBR when building the sample frame and its effects on resulting statistics.

Chapter 9: Dissemination

- 9.1 **Granularity that can be disseminated** for GVC purpose (made available to other agencies, also internationally)
- 9.2 **Link this chapter to the Guidelines on Business Demographics.** How can we integrate those guidelines within this document?
- 9.3 Why do not call it **Dissemination of Economic Statistics or Dissemination directly from SBR?**
- 9.4 **What kind of data can be released to admin agencies?** Can the example of DENU be used in other countries, and how?

Chapter 10: Quality of SBR

- 10.1 (section 10.4) Further clarification of the **hyper dimension topic** would be necessary in order to improve the in-depth understanding about the implementation of quality assurance measures.
- 10.2 Checking quality of input data, **further clarification needed**
- 10.3 **Compare quality framework** in this chapter with UNECE Big Data quality framework.

Chapter 11: Key considerations in establishing an SBR

- 11.1 Proposal to use SDMX for Business Registers for international comparability and facilitation of exchange of data.

11.2 Further explanations about the creation and use of standard templates and software programs to **automate SBR information extraction** would be of great help.

11.3 It would be desirable (and great!) establishing **basic characteristics to create an ID** at internal level to facilitate the identification of economic units for statistical purposes (taking into account the issues and practices in several countries worldwide) the identification number must keep homogeneity at the international level according to the unit classification mentioned in this chapter.

11.4 Examples of experience in **Palestine**

11.5 Examples of experience in **Indonesia**

11.6 Examples of experience in **Egypt**

11.7 Examples of experience in **Tunisia**

11.8 **Simplified version** of starting up SBR for small economies

11.9 **Checking quality** of admin data sources with Economic Census in setting up SBR

Chapter 12: Topics for further work and research

12.1 (para 12.2) The survey conducted by Facebook, the World Bank and the OECD, entitled **Future Business Survey** (<https://eu.futureofbusinesssurvey.org>), could be considered in the research agenda. It analyzes Small and Medium Enterprises (SMEs) in the digital commerce environment. This survey generates tools that are useful, not only for the SBR but also for the creation and providing elements to new indicators such as those related to digital commerce.