

Profiling: a better way to apprehend the globalisation

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Mesurer pour comprendre

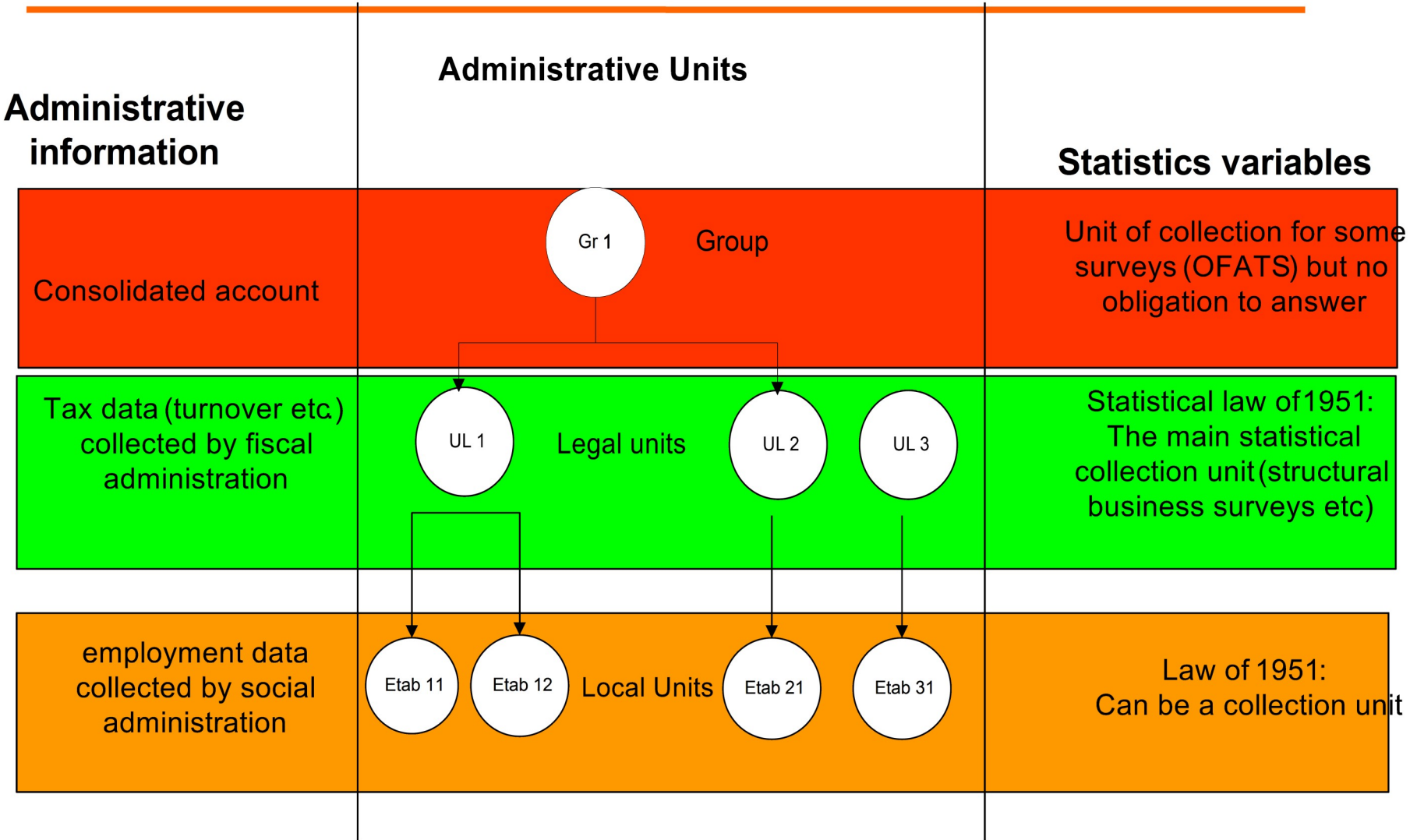


Outlines of the presentation

- 1) What are we talking about?
- 2) The French Business Register Network
- 3) The French Profiling Process of Large cases
- 4) The new data in the French SBR to enables new trade statistics
- 5) The new vision of the French exportation statistics
- 6) The European solution
- 7) Conclusion

What are we talking about (1/3)?

The Administrative Framework



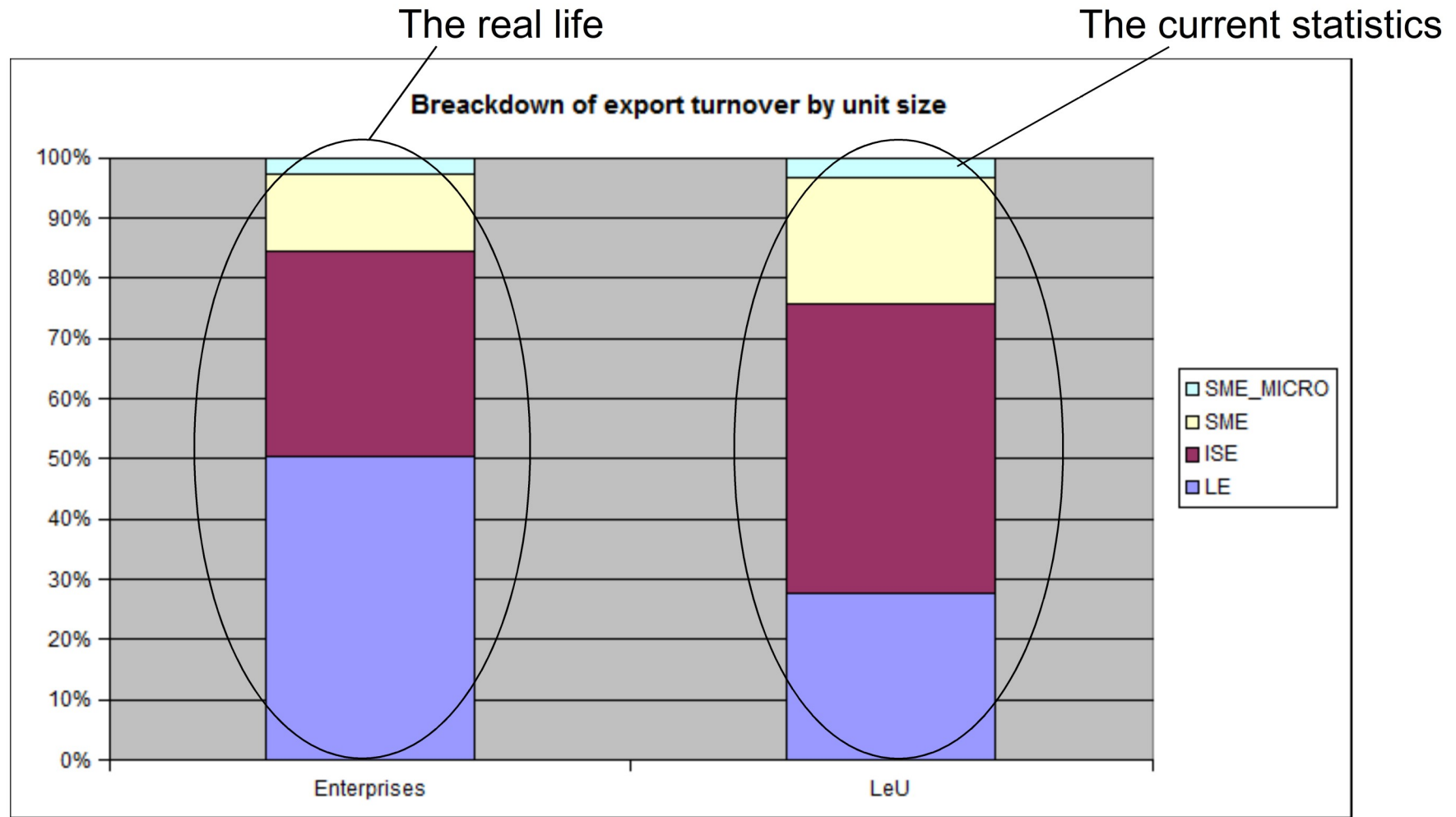
What are we talking about (2/3)?

The Enterprise definition

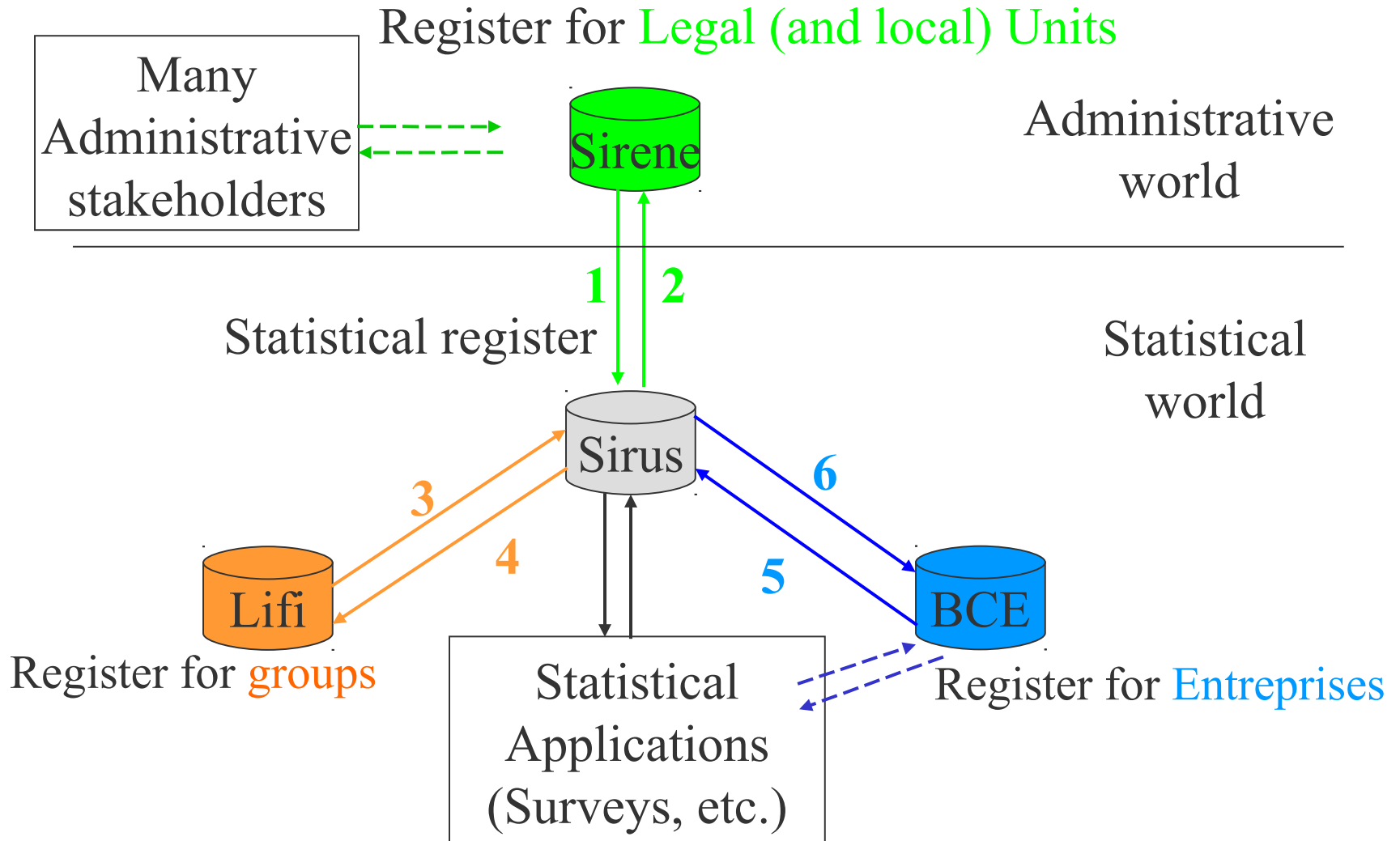
An Enterprise is defined as the smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making

What are we talking about (3/3)?

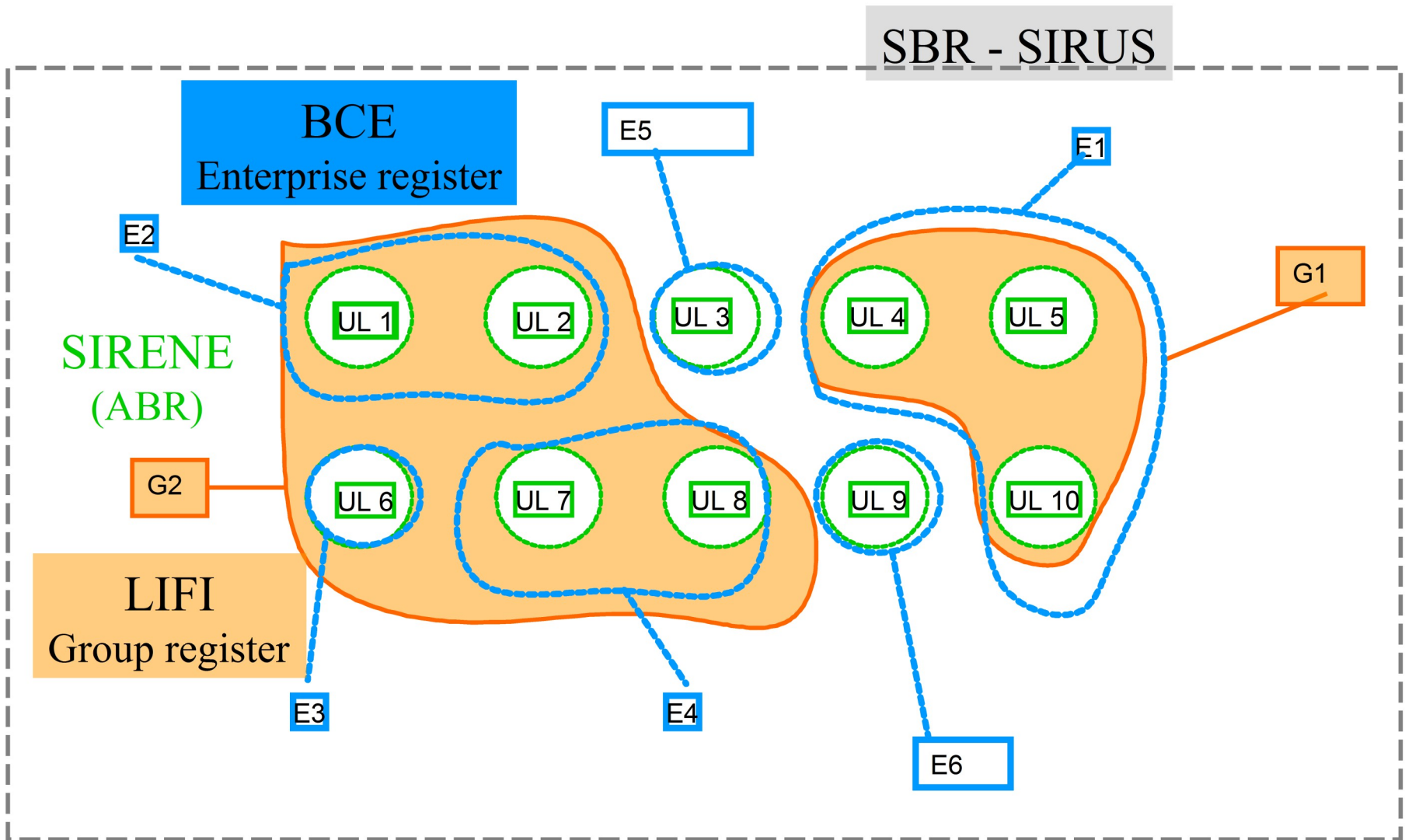
The new economic vision



The French Business Register Network (1/2): The different registers and their links



The French Business Register Network (2/2): The different registers and their units



The French profiling process of Large cases (1/3)

A dedicated division at INSEE

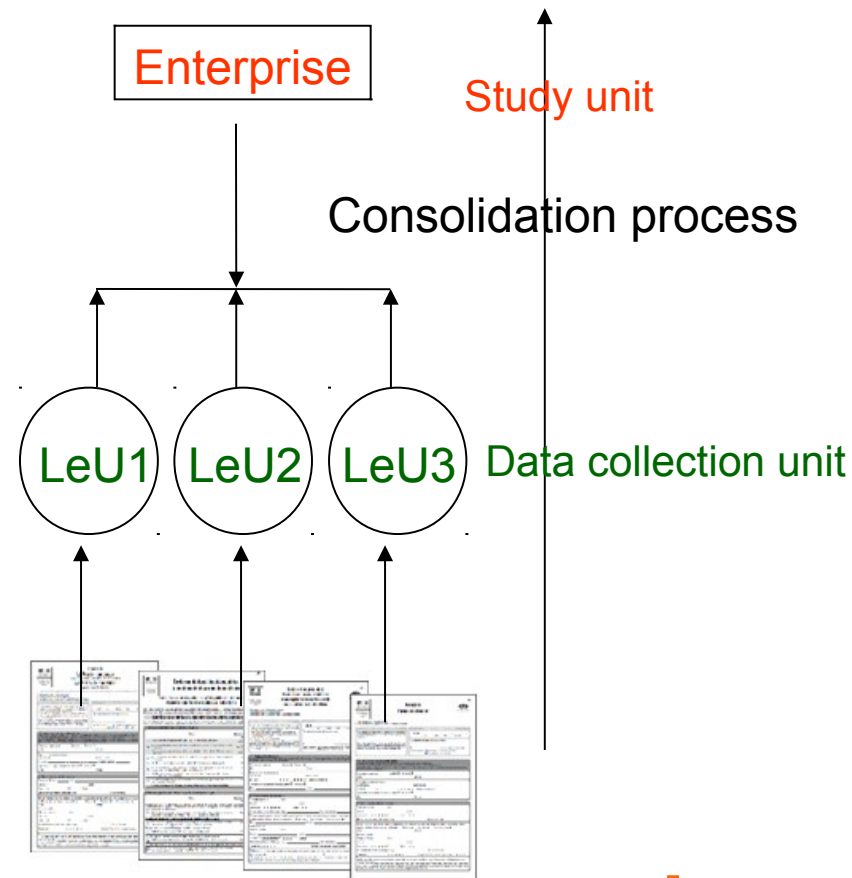
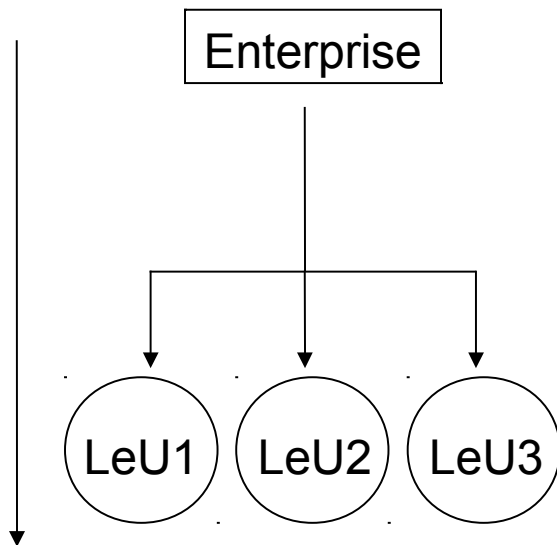
- **French profiling of Global Enterprise Group (GEG) located in France is carried out by a specific division at Insee**
 - under the Business Statistics Directorate
 - under the department responsible for
 - . business registers,
 - . structural business statistics (*required by the SBS regulation, the national accounts and the sector classification of the business units*).
- **This division « Profilage et traitement des grandes unités » (PTGU) was set up in 2008**
 - implementing the economic definition of the Enterprise from national law in 2008
Based on the 1993 European Regulation :
“The Smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources.”
- **PTGU gathers**
 - 7 profilers dedicated to manual profiling of the LCU's (and involved in European profiling): statistical, accounting and financial skills, partly from the private sector,
 - 2 statisticians dedicated for 2 years to a consolidation algorithm development to deal with other groups (above 100 000, excluding agriculture and financial sector).

The French profiling process of Large cases (2/3)

Profiling all the groups located in France at INSEE means :

1. A top down approach for the delineation

2. A bottom up approach to obtain the data



3. Updating each of these elements each year.

4. Derivation of the French SBS indicators :

- achieved since 2014 reference year for the Large Cases (manually profiled) ;
- ongoing for the other (automatically consolidated) groups, by 2019 (2017 reference year).

The French profiling process of Large cases (3/3)

The scope and methods

Groups are profiled using different methods according to their size and complexity:

➤ The LCUs (target 1)

- The largest groups located in France are **profiled by face to face**, by PTGU division.
- The profilers meet groups on a yearly basis (contacts : mostly the head of consolidated accounts).
 - 51 groups for 2016 exercise = 12 % of the full time equivalent employees, 16 % of the added value for non-farm and non-financial business sector.
- This category of large groups is progressively extended.

➤ Small or medium groups (target 2)

- more than 100 000 small or medium-sized groups (< 250 employees).
- These groups will be profiled **by algorithm** ;
- assumption that each group = a single enterprise.

58 % of the full time equiv. employees, 56 % of the added value

➤ Groups between these two size classes (target 3)

- The groups between these two classes (about 5 000), **will be profiled later according to methods mixing desk profiling and surveys**. In a first time, will be profiled in the same way that the small/medium groups of target 2.

The remaining units are independant LEUs : 30 % of the full time equiv. employees of the economy, 28 % of the added value.

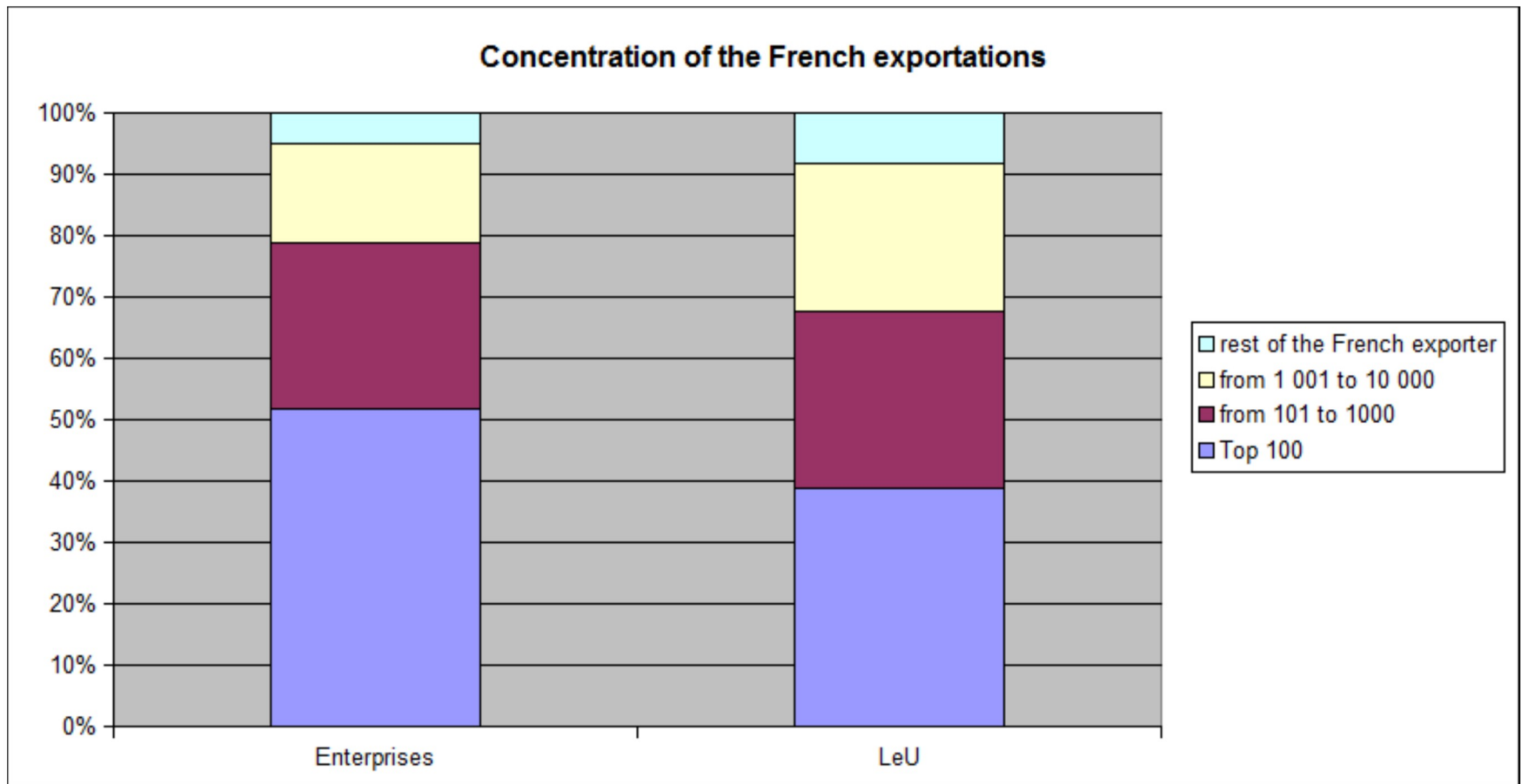
New data in the French SBR SIRUS

- SIRUS contains new units:
 - The enterprise units (in plus of legal units)
- SIRUS contains new variables:
 - The categorie of the enterprises:
SME-Micro, SME, ISE, LE
 - The types of the enterprise group:
GET-MNE, GFR-MEN, GFR-FRA, IND-FRA

=> enables to calculate new trade statistics

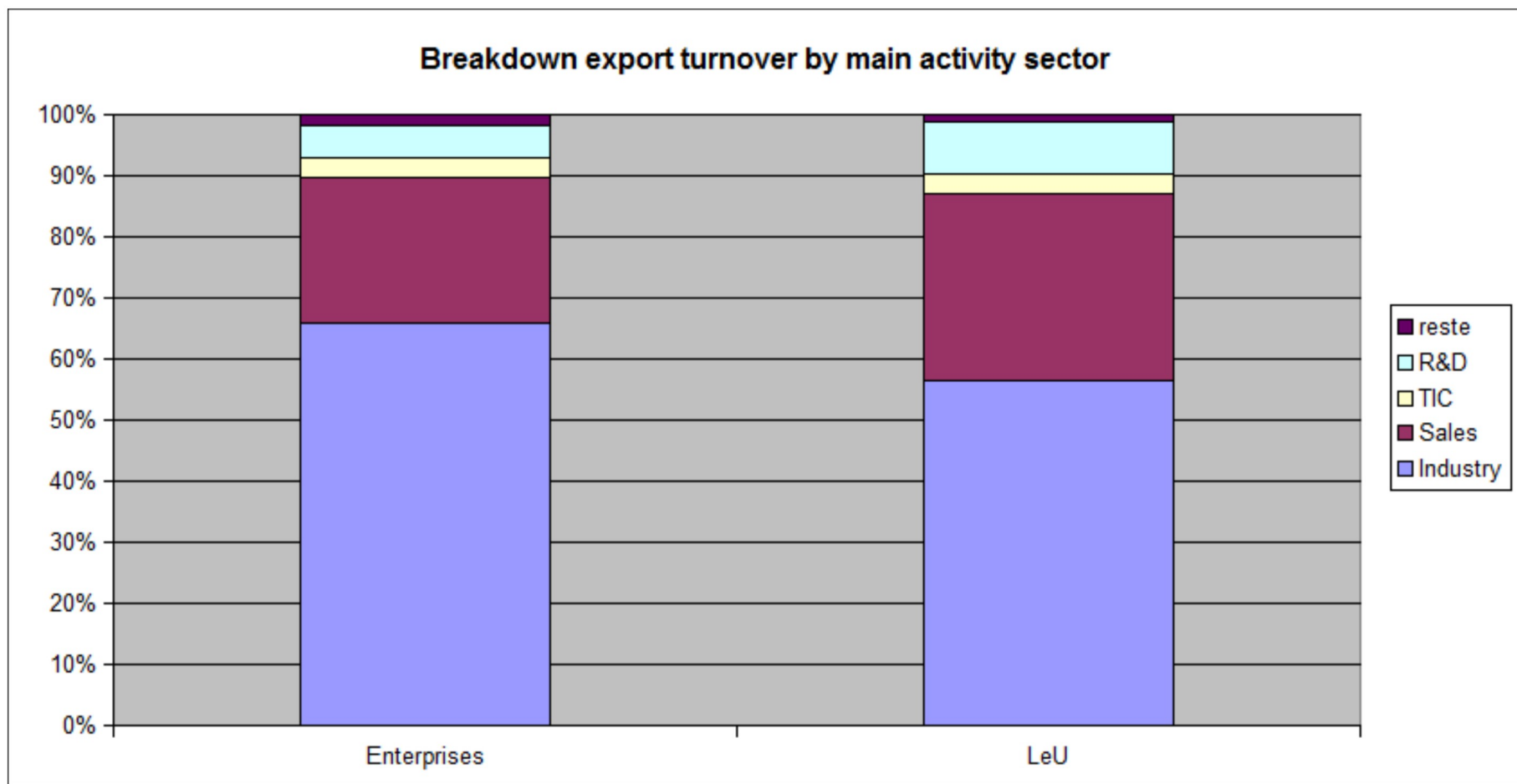
New vision of the French exportation statistics

- In the enterprise approach : the exportations are more concentrated



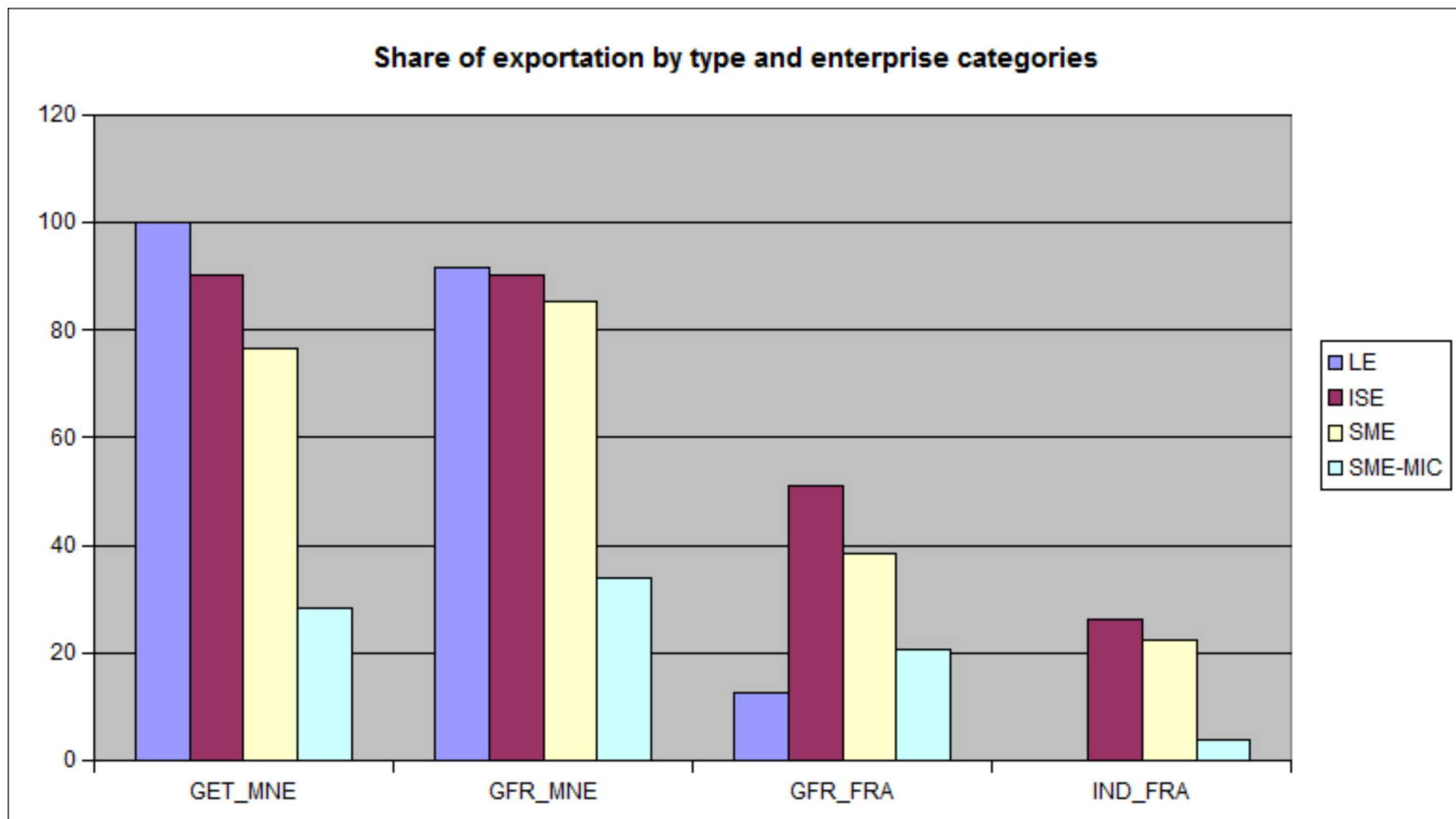
New vision of the French exportation statistics

- In the enterprise approach : industry is more consistent



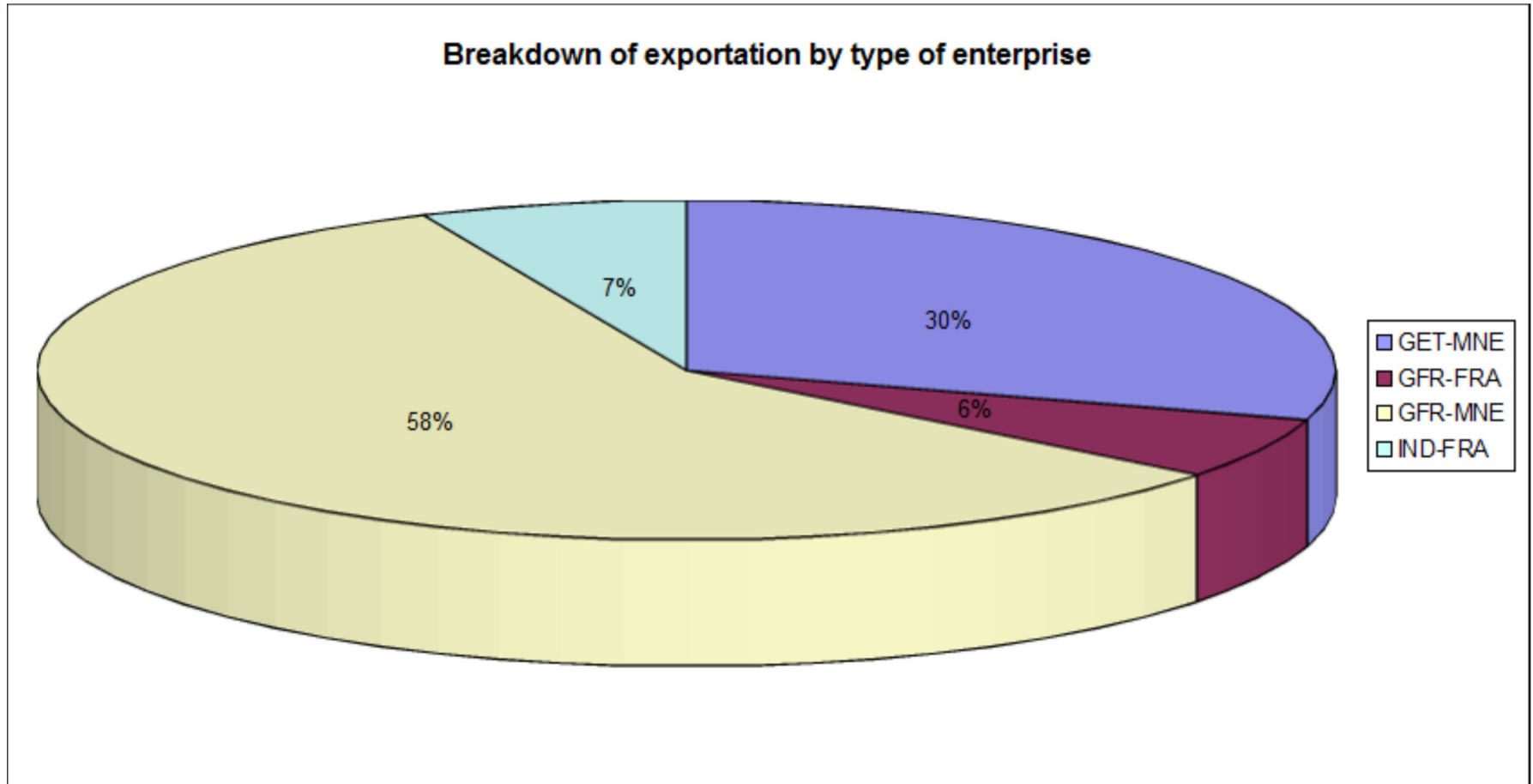
New vision of the French exportations statistics

- The main factor for exportation: to be a multinational enterprise



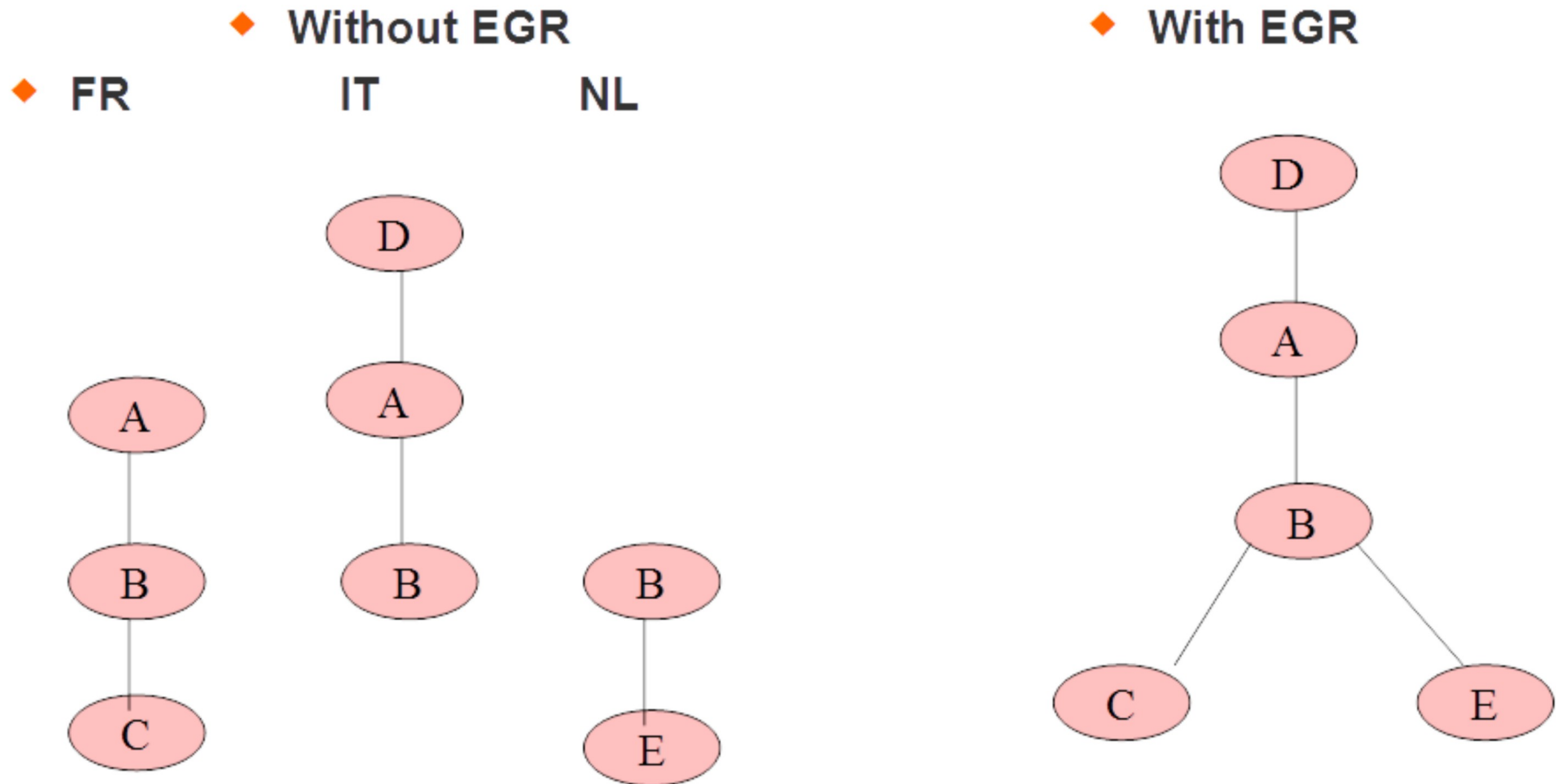
New vision of the French exportations statistics

- The French multinational enterprises export more than the Foreign multinational enterprises implanted in France

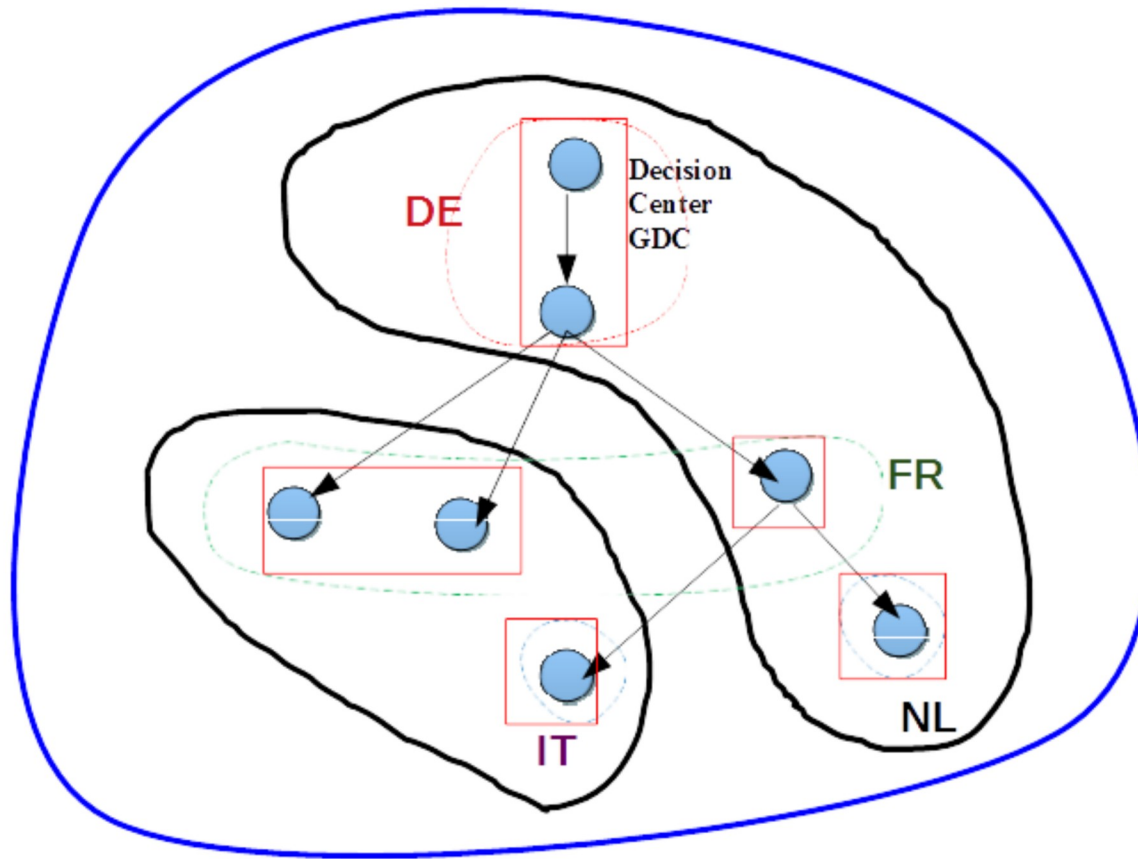


European solution: The European Group Register

➤ A better global view of MNEs



European solution: European Profiling and Units



Global Enterprise Group - GEG



Legal Unit - LeU



Global Enterprise - GEN



Temporary Enterprise - TENT

Conclusion

1 – To have more relevant information about globalisation:

- NSOs must use different units of interest (enterprises, groups, legal units, local units...)
- SBRs must store information about different kinds of units and their links
- NSOs must develop process to delineate and collect information on Enterprise units (Profiling) by using information on Groups
 - Especially on Large Cases (Profiling by Face to Face)
 - ... also on smaller Groups (Profiling by Algorithm)
 - Profiling is not only unit's perimeter delineation activity but also obtaining business information (Turnover, Employment...) on the new delineated units.
- NSOs must change of unit of interest: Enterprise vs Legal unit
 - Study unit (Enterprise) ≠ Reporting unit (legal Unit)
 - BR is the backbone of the system

2 - The European solution:

- EGR and European Profiling and Units

Profiling: a better way to apprehend the globalisation

Thanks for your attention !

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Insee

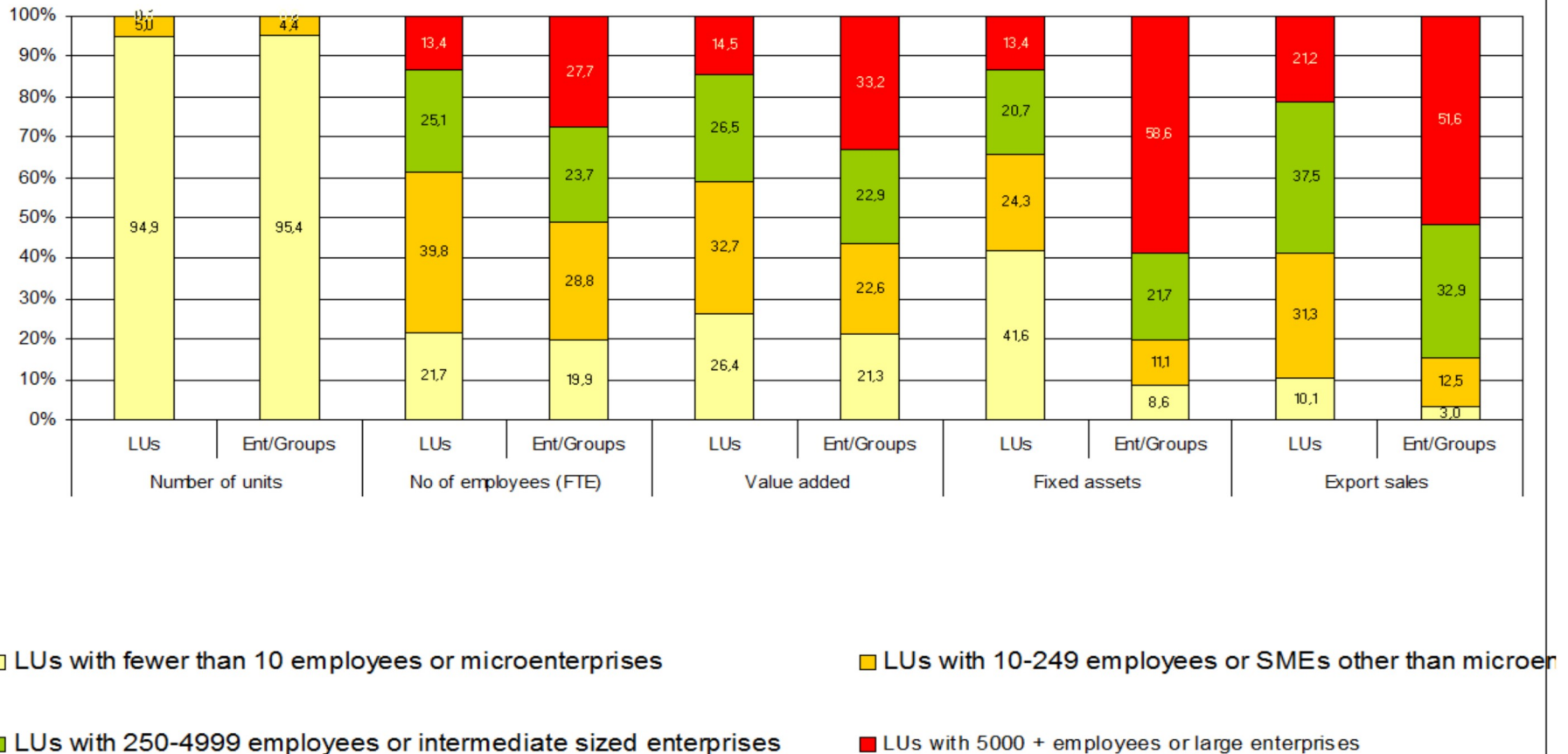
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du lundi au vendredi de 9h00 à 17h00

Why is profiling essential?

Share of legal units and enterprise/group categories in French economy, by size, in 2011



The legal units are not sufficient today to provide good quality business statistics : profiling is necessary