STATISTICS INDONESIA

FOREIGN AFFILIATES STATISTICS (FATS) INDONESIA

International Workshop on the Integrated Use of International Trade Statistics and Economic Statistics

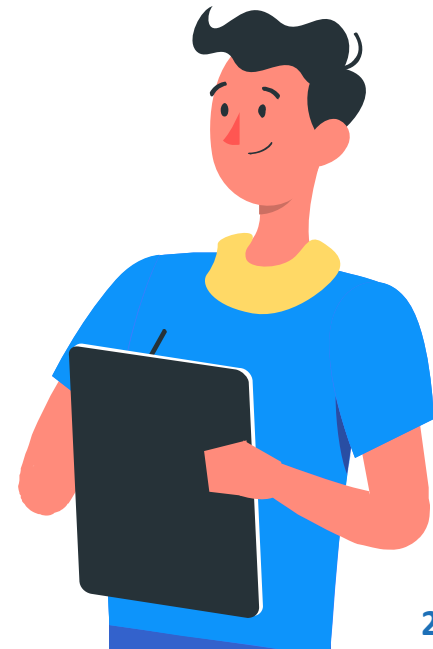Nov 2021

Titi Kanti Lestari
Director of Finance, IT, and Tourism Statistics
BPS – Statistics Indonesia

OUTLINE

- Background
- Basic Principles
- Data Collection
- Findings
- Issues And Challenges

Background

- **Globalization**: Global interaction affects foreign business activities and influence the Indonesian economy.

- **Current**: foreign affiliates is growing as a result of globalization

- **Competition**: between countries to attract foreign affiliates

Objective

- Obtain a directory of foreign affiliates
- Provides data on foreign affiliates statistics.

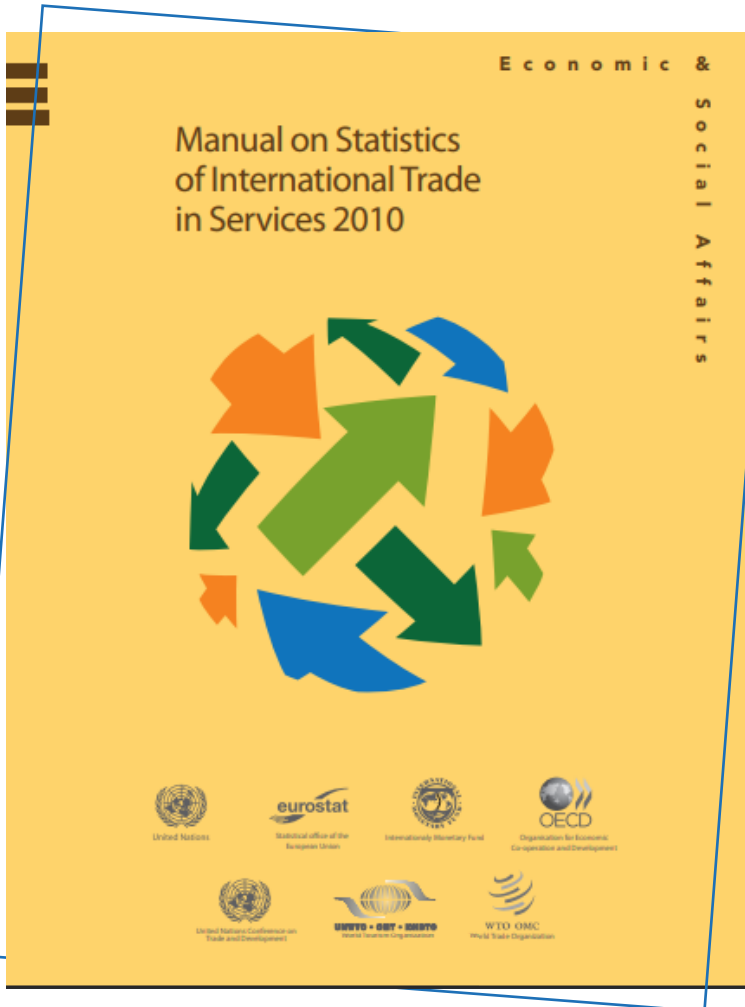## Advantage

- Understanding the impact of globalization on Indonesia economy.

- Having adequate data for trade negotiations.

Basic Principles

FATS is statistics describing activity of foreign affiliates.

FOREIGN AFFILIATE refers to an enterprise in which a direct investor controls/owns more than 50% of voting power at each stage of the ownership chain.

STATISTICAL UNITS considered in FATS may be enterprises and establishments of enterprises.

ATTRIBUTION OF VARIABLES BY COUNTRY: inward FATS and outward FATS
- ✓ **Inward FATS** describes the activity of foreign affiliates in Indonesia.
- ✓ **Outward FATS** describes the activity of Indonesia's controlled affiliates operating abroad.

Manual on Statistics of International Trade in Services 2010

Economic & Social Affairs

GATS Mode of Supply

FATS are key to the compilation of statistics on the international supply of services through a commercial presence

- ✓ **MSITS 2002:** FATS refers to **F**oreign **A**ffiliates **T**rade in **S**ervices

- ✓ **MSITS 2010:** FATS refers to **F**oreign **A**ffilia**T**es **S**tatistics
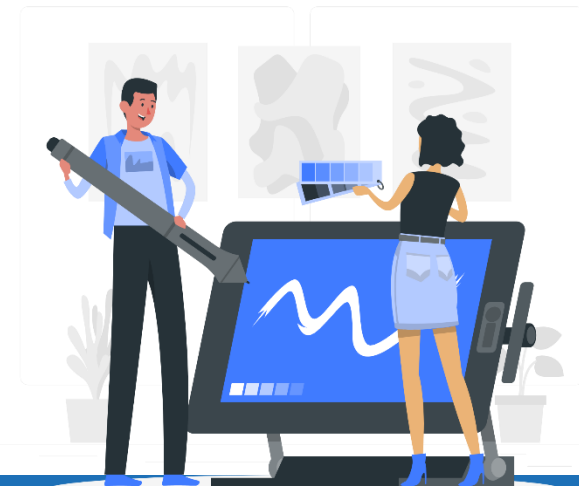
Mode 1
Cross Border Supply

Mode 2
Consumption Abroad

Mode 3
Commercial Presence

Mode 4
Presence of Natural Person

Indonesia Experience: FATS Data Collection

.... – 2012

Literature Study

Inward FATS:
1. Pilot Survey
2. Secondary Data Compilation

2013

2015

Inward FATS:
Secondary Data Compilation

Inward FATS:
Secondary Data Compilation

2018

2019

Inward FATS:
1. FATS Enterprise Survey
2. Secondary Data Compilation

Inward FATS:
Secondary Data Compilation

2020

2021

Inward FATS:
1) Enterprise Survey (Manufacturing Survey, Business Characteristic Survey, and Hotel Survey),
2) Secondary Data Compilation

Outward FATS: Literature Study

Indonesia Experience: FATS Data Collection

Year Activity	Objectives	Data Source	Key Variables*
2013	Inward FATS Pilot Study	1. Pilot Survey 2. Secondary data compilation	Output, Employment, Value Added, Export Import Goods and Services, Number of Enterprises
2015	Directory of Inward Foreign Affiliates	Secondary data compilation	Employment and Number of Enterprises
2018	Directory of Inward Foreign Affiliates	Secondary data compilation	Number of Enterprises
2019	Characteristics of Inward Foreign Affiliates	1. Survey FATS Enterprises 2. Secondary data compilation	Output, Employment, Value Added, Export Import Goods and Services, Number of Enterprises
2020	Inward FATS: statistics and directory of enterprises	Secondary data compilation	- Output, Employment, and Value Added <u>available only for Bank and Public Enterprises,</u> - Number of Enterprises
2021	1. Inward FATS: statistics and directory of enterprises 2. Study of outward FATS	1. Enterprise Survey (Incorporated in Manufacturing Survey, Business Characteristic Survey, and Hotel Survey) 2. Secondary data compilation	-

*Other variables collected in 2013, 2019, and 2020: assets, liabilities, equities, and employee compensation

Inward FATS Enterprise Survey 2019 - 1

1 *Statistical Unit*: Enterprise

2 *Number of Sample*: 2000 enterprises

3 *Sampling Method*: Non probability Sampling

4 *Industrial Coverage*: All enterprises covered in Indonesian ISIC Rev.4 (KBLI 2015) except section O, T, U.

5 *Area Coverage*: Six provinces (18 districts/cities)

6 *Survey method*: paper based, self enumeration

7 *Sampling Frame*:

- ✓ List of business licenses 2013-2018
- ✓ Banking Directory 2018
- ✓ Economic Census 2016
- ✓ Directory of Mining and Energy 2018

Inward FATS Enterprise Survey 2019 - 2

| Year	2018
Output (billion rupiahs)	637 312
Value Added (billion rupiahs)	259 027
Export Goods (billion rupiahs)	78 342
Import Goods (billion rupiahs)	76 282
Export Services (billion rupiahs)	3 679
Import Services (billion rupiahs)	4 883
Employment	337 326
Number of Enterprises	1 197

Among other industries, **Manufacturing, Wholesale, and Retail Trade** are the industries in which FATS enterprises dominated the most.
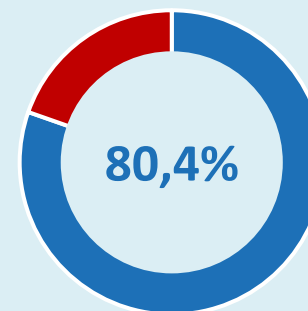
69,1%
Number of Enterprises

61,6%
Output/Sales

56,6%
Value Added
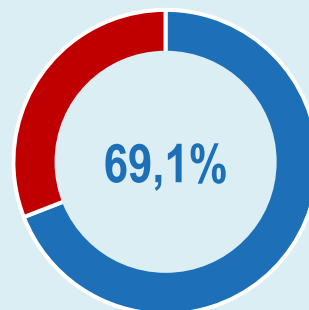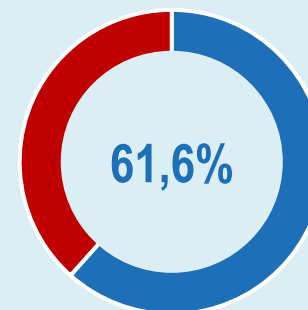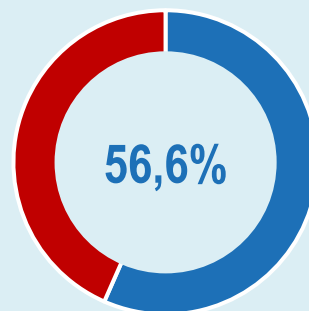
80,4%
Employment

Inward FATS Data Compilation 2020 - 1

1 ► ***Statistical Unit****: Enterprise*

2 ► ***Industrial Coverage****: All enterprises covered in Indonesian ISIC Rev.4 (KBLI 2015) except section O, T, U.*

3 ► ***Data Source:***

    ✓ *List of business licenses 2019-2020*

    ✓ *Banking Directory 2019*

    ✓ *Listed Companies 2019*

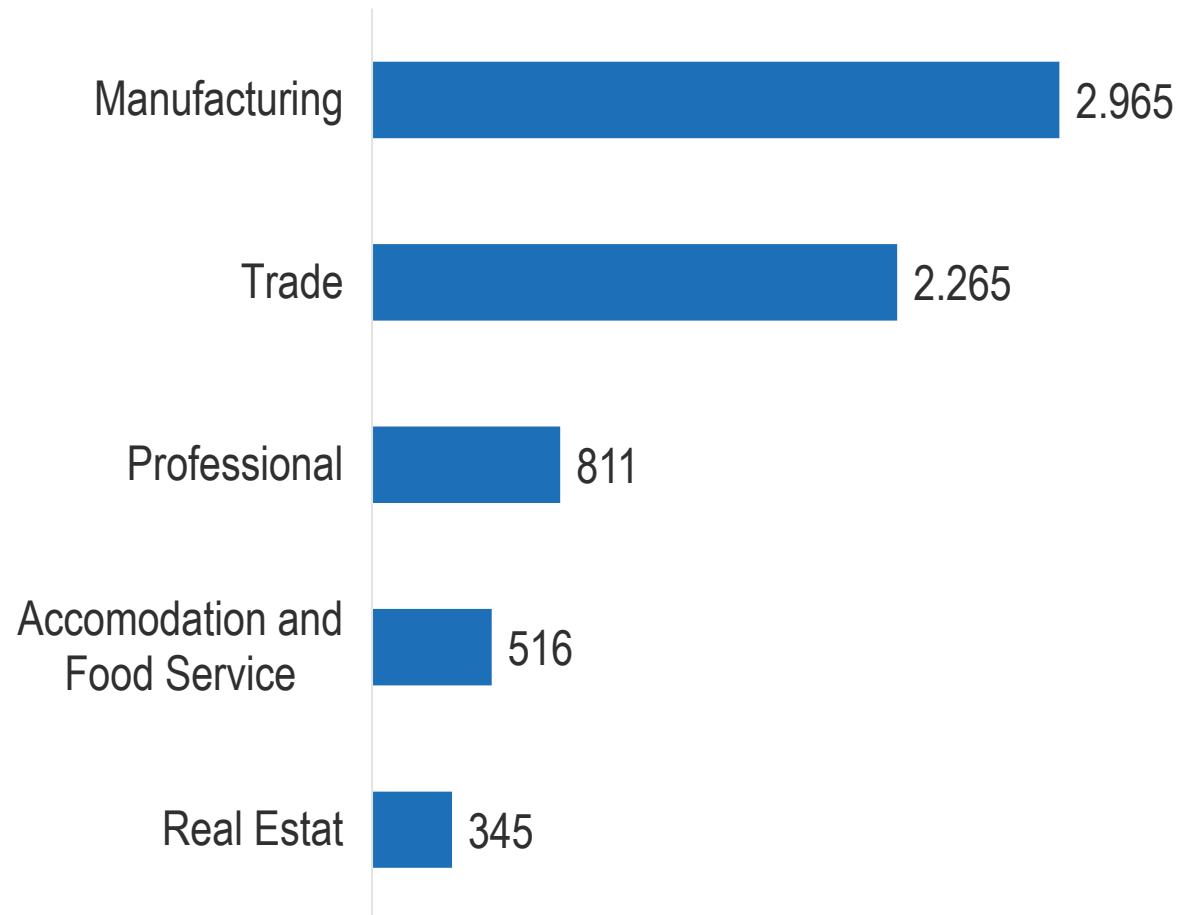   ✓ *Directory of Inward FATS Enterprises 2019*

4 ► ***Number of enterprises identified as inward foreign affiliates****: 8.790 enterprises*

5 ► ***Number of inward foreign affiliates for which the FATS key variables can be identified****: 150 enterprises*

**Number of Foreign Affiliates
by Selected Industry, 2019**

Industry	Number
Manufacturing	2.965
Trade	2.265
Professional	811
Accomodation and Food Service	516
Real Estat	345

Inward FATS Data Compilation 2020 - 3

Number of enterprises identified as Foreign Affiliates

8.790

Only 105 enterprises for which the FATS variables can be identified

Year	2019
Output (billion rupiahs)	1 019 174
Value Added (billion rupiahs)	197 454
Number of Employees	506 328
Number of Enterprises	105

Other Findings on Key Variables

Year Activity	Sales/Turnover/ Output	Employment	Value Added	Export-Import Goods Services	Number of Enterprises
2013	✓	✓	✓	✓	✓
2015	-	✓	-	-	✓
2018	-	-	-	-	✓
2019	✓	✓	✓	✓	✓
2020	Banks and Public Enterprises Only	Banks and Public Enterprises Only	Banks and Public Enterprises Only	-	✓

Other variables collected (2013, 2019, 2020): assets, liabilities, equities, and employee compensation

Issues and Challenges

Inward FATS cannot be fully described due to limited data coverage of foreign affiliates.

Inward FATS compilation through compilation of secondary data takes precedence over special surveys because of the relatively low response rates and some incomplete and inconsistent questionnaire achievements.

BPS will improve strategic relationships with ministries/agencies in optimizing available secondary data.

BPS will be optimizing the enterprise/establishment survey conducted by internal subject matter such as Manufacturing Survey, Business Characteristic Survey, and Hotel Survey.