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INFORMATION ITEMS

**Statistical Business Register in countries of Eastern Europe, Caucasus and Central Asia:
2008 Questionnaire Survey results**

Note by the Secretariat

I. INTRODUCTION

1. This note renders the results of the 2008 United Nations Economic Commission for Europe (UNECE) Questionnaire Survey on business registers. By comparing collected information with the previous two questionnaire surveys, it also attempts to identify both the achievements and the shortfalls in the establishment of well-functioning statistical business register (BR) and upgrading its utility in countries of Eastern Europe, Caucasus and Central Asia (EECCA).

2. The UNECE has been collecting data and information on BR from a number of EECCA countries every two years since 1998. For the last three UNECE surveys replies were received from the following ten EECCA countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, and Ukraine. Turkmenistan replied only in 2004. Uzbekistan did not respond to the questionnaire in any of these rounds. The form of the questionnaire – based on the Eurostat questionnaire model - was modified substantially in 2000, and some further changes were introduced in 2004 and 2008 questionnaires. This makes comparisons over time somewhat problematic or in some cases not feasible.

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3. The results of the previous rounds of UNECE's questionnaire surveys including EECCA countries were presented at the Joint UNECE/Eurostat meetings on business registers in 1999, 2001, 2003, and 2005, and discussed at the Paris meeting of the Wiesbaden Group on Business Registers in 2008.

4. In general, it is important to note, that statistical business registers adopted by the EECCA countries are more diverse than those of the EU countries, which share common regional goals and are geared towards the implementation of a standardized form of BR. This diversity in the EECCA region is due to a number of factors: uneven state (or lack) of legislation conducive to statistical BR development, inadequate institutional support for regional (or sub-regional) harmonization, different level of economic development of the countries, to name a few. A number of NSOs in this region are still engaged in serious restructuring of their statistical business register, particularly where the use of administrative BR previously prevailed. Consequently, some information on statistical units remains unrecorded (i.e., date of cessation of activities, change of principal activity, etc.) in some cases and certain areas which are of concern for more developed registers (enterprise groups, individual entrepreneurs, farm registers, etc.) remain in part neglected.

II. UTILITY OF STATISTICAL BUSINESS REGISTER

5. There is a variety of purposes for which countries use their statistical BRs. In their responses to the 2004 UNECE BR questionnaire (this information was not collected during the 2006 and 2008 rounds), almost all EECCA countries indicated that statistical business registers were used as a basis for sampling frames. Use of statistical BR for grossing up survey results, survey editing and imputation, data tabulation, and as an information source for research and development statistics was also mentioned.

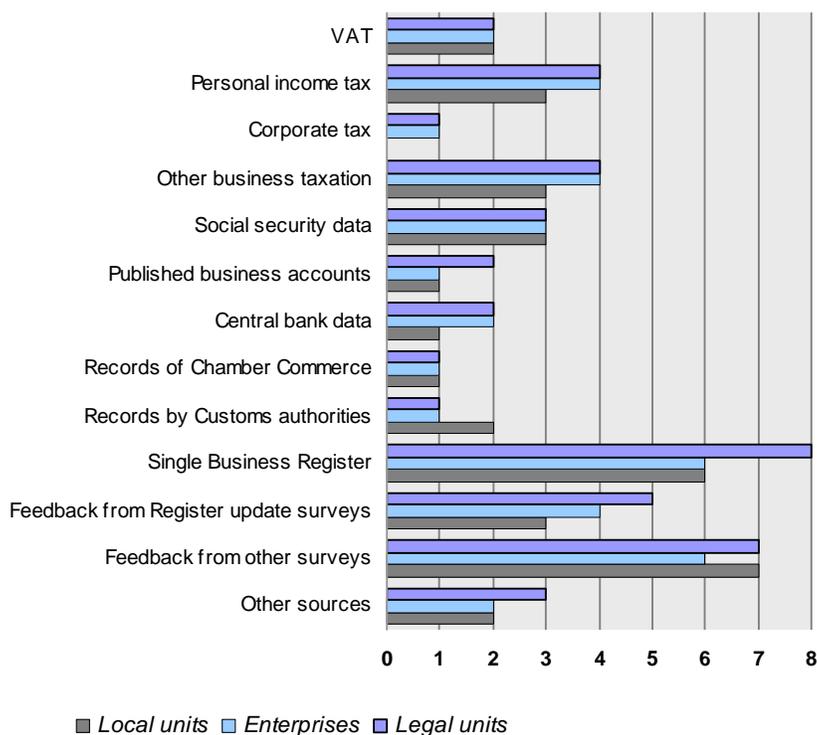
However, only a handful of EECCA countries mentioned the use of statistical BR for the direct production of data, particularly on economic statistics.

6. A certain progress in this area can be seen, albeit indirectly, from the gradual expansion of the list of variables recorded in the statistical BR and improved coverage and timeliness of various records. For instance, the earlier often omitted record of the date at which the legal unit (enterprise or local unit) ceased its operation is currently registered in six (seven for enterprises and local units) out of ten EECCA countries, according to the 2008 UNECE Survey. Similarly, the reference period/date for which data on the number of statistical units that commenced or ceased their activities were provided is more recent (2007 or 1 January 2008) in the last than in two previous UNECE Surveys (when it lagged up to three years in some countries). These changes in the BR structure, coverage and number of recorded characteristics may lead to enhanced utilization of the BR for the production of statistics on business demography and economic development.

III. VARIETY OF SOURCES

7. According to the information provided in the last three UNECE Surveys, there was also an increase in the variety of sources used by the CIS countries for detecting the existence of units and/or of changes in their variables. In most countries, the legislation requires central registration of businesses and the administrative sources seem to be quite developed: currently eight out of ten countries obtain information on the incorporation/ registration of legal units and six out of ten on enterprises and local units from the Single administrative business register.

Chart 1. Variety of sources for BR, 2008



Source: 2008 UNECE Questionnaire Survey

8. The 2008 UNECE Survey also showed that more national statistical offices started obtaining data on enterprise births, deaths and change of activity from tax, social security, commercial and other registers: currently seven countries, as against four in 2006, use at least one of these sources; Kyrgyzstan, Tajikistan and Ukraine use at least the two first channels, while the Russian Federation relies more on published accounts, the central bank and the customs register. As a result, fewer of the EECCA countries tend to rely predominantly on register surveys or on other surveys with their own objectives which also contain data on business register units. In fact, according to the 2008 Survey, only in five to six countries information in statistical BR is further supplemented or up-dated by the feedback from surveys conducted by the statistical offices for this purpose (Chart 1).

IV. ACTIVITY CODING

9. By 2007, all reporting countries had finalised their transition from the classification of branches of the national economy to the ISIC/NACE based economic activity classification. The current challenge is to adapt these national economic activity classifications to the new revision of the ISIC-4/NACE-2 and to insure the double coding in the statistical BR for some period. As the 2008 UNECE Survey reveals, all ten countries have developed plans for the implementation of the new classification revision in the BR by 2009 or 2010 (Russian Federation, in 2011) and are engaged in developing/learning suitable techniques for it (Table 1).

Table 1. Implementing new economic activity classification

Country	Introduction of national SIC	Schedule for revised version (ISIC4/NACE2)		
	based on ISIC or NACE	national SIC	BR	SBS
<i>Armenia</i>	2001/2005	2009	2009	2009/2011
<i>Azerbaijan</i>	1996/2002	2009	2009	2009/2010
<i>Belarus</i>	2007	2009/2010	2011/2012	2012/2013
<i>Georgia</i>	1996/2004	2009	2010	2011
<i>Kazakhstan</i>	1997	2007/2008	2009	2010
<i>Kyrgyzstan</i>	2000	2008	2010	2010
<i>Republic of Moldova</i>	2005	2009	2010	2010/2012
<i>Russian Federation</i>	2001	2011	2011	..
<i>Tajikistan</i>	2004/2007	2009	2010	2012/2013
<i>Ukraine</i>	2000/2005	2009	2010	2011

Source: 2008 UNECE Questionnaire Survey and ad hoc Survey during TACIS High-Level Seminar on Statistical Classifications, Tashkent 2008.

10. Automatic recoding is expected to cover from 25 to 35 per cent of the statistical units (Kazakhstan, Kyrgyzstan, Tajikistan), while the rest will be recoded manually. Double coding for at least three years is foreseen in a number of countries. In a few countries there are also intentions to coordinate introduction of the revised activity classification in the Single administrative business registers and other administrative sources.

V. COVERAGE OF STATISTICAL UNITS AND ENTERPRISE GROUPS

11. In most CIS countries, the statistical business register displays a good coverage of incorporated business units - for which sufficient information exists - coming from different administrative registers, licensing and supervisory authorities. (Table 2, Chart 2)

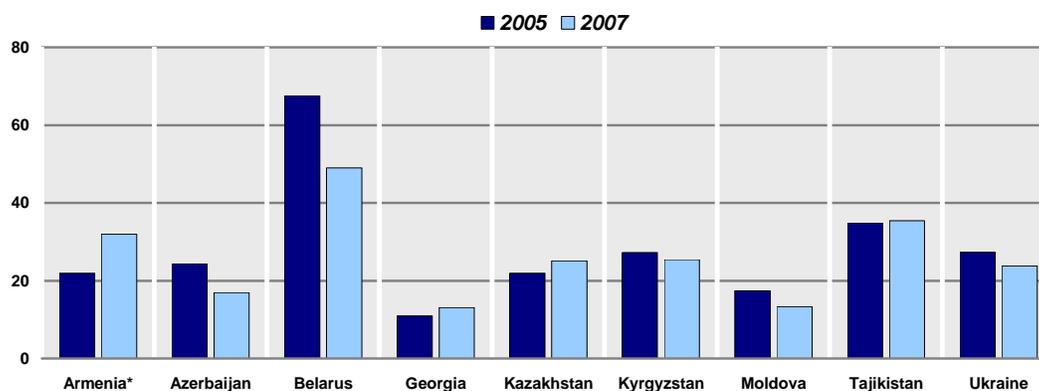
Table 2. Percentage change of unit population, BRQ 2006 - BRQ 2008

Country	Legal units	Enterprises	Local units	Reference period
Armenia	17.4	17.4	..	2006/2004
Azerbaijan	12.3	52.2	19.6	2007/2005
Belarus	66.4	42.1	1669.4	2007/2005
Georgia	51.7	-11.1	..	2007/2005
Kazakhstan	18.4	0.4	1.8	2007/2005
Kyrgyzstan	12.7	12.6	-0.6	2007/2005
Republic of Moldova	30.4	30.4	..	2007/2005
Russian Federation	1.7	1.7	-74.9	2007/2005
Tajikistan	62.2	39.0	207.8	2007/2005
Ukraine	11.0	10.5	10.1	2007/2005

Source: UNECE Questionnaire Surveys for 2006 and 2008.

12. The coverage of small businesses, individual entrepreneurs, and agricultural holdings, however, seems to be still inadequate in a number of countries. Very often these units either fall outside the scope of the administrative registers or their status is still unclear, and the parts of statistical business registers designed to cover them are not in practice yet (Armenia, Georgia, Republic of Moldova). Clearly, the financial constraints and changing legislation impose limits on the capacity of national statistical offices to provide more comprehensive unit coverage.

Chart 2. Average number of occupied persons per registered enterprise



Source: UNECE Questionnaire Surveys for 2006 and 2008.

13. In addition, and in contrast to the practice of many European countries, in the majority of CIS countries enterprise groups – be it all-resident or multinational ones - do not seem to be monitored for statistical BR purposes. Only Kyrgyzstan, the Russian Federation and Tajikistan provided some information on them during the 2008 UNECE Survey. However, in Kyrgyzstan this information seem to be exclusively based on entries in some administrative registers, as there is no indication about any corresponding variable for enterprise groups in the statistical BR. The Russian Federation, in turn, reports only on the overall number of all-resident enterprise groups and indicates that only a few basic variables for them are included in its statistical BR.

14. There are, however, plans for 2009 to extend the list of observed variables for all-resident enterprise groups and to start incorporating multinational enterprise groups as well into the Russian statistical BR. The Tajik statistical BR seem to contain more comprehensive information on the multinational enterprise groups sourced from both administrative sources and statistical surveys. (Table 3)

Table 3. Multinational enterprise groups, BRQ 2008

	Kyrgyzstan			Tajikistan		
	EGRs	Enterprises	Employed	EGRs	Enterprises	Employed
<i>Foreign controlled in national territory</i>	..	91	1 676	615	896	20 432
<i>By country of decision centre</i>						
<i>EU-25</i>	..	8	93	82	152	3 622
<i>Other Europe</i>	..	16	285	143	211	4 941
<i>Japan</i>	24	24	754
<i>USA</i>	..	25	481	86	109	2 699
<i>Other non-Europe</i>	..	42	827	280	400	8 416

Source: 2008 UNECE Questionnaire Survey

VI. HARMONISATION OF METHODOLOGICAL APPROACHES AND PRACTICES – ONE WAY TO RESPOND TO THE NEW CHALLENGES

15. Recent experience of several east European and CIS countries, including the Republic of Moldova, Kyrgyzstan, Russia and a few others, indicates that harmonising methodological approaches with those used by more advanced market economies brings a marked improvement in the reliability and comparability of business registers and their utility for business and other statistics. Employment of internationally accepted practices, such as profiling of large and complex enterprises, delineation of enterprise groups, and correct (top-down) principal and secondary activity coding of businesses, might allow statistical institutes to monitor an important part of economic activities more efficiently, particularly in larger countries where such enterprises are common.

16. The international practice confirms the utility of well-functioning statistical business register for monitoring and for lightening the burden on businesses caused by statistical surveys. One way to achieve this is better cooperation and information-sharing amongst various governmental and municipal institutions. Although the initial step of shifting the emphasis from special surveys as a main source of information for BR to the use of tax and other administrative and commercial registers seems to have been taken in the CIS countries, there remains a need for legislation on data-sharing and confidentiality issues in order to establish common data-monitoring and management systems.
