Integrated Business Register Establishment
Statistics of Indonesia

A. Introduction

- The very dynamic business growth needs to be monitored and anticipated through regularly updated data.
- There are three data collection methods
  that are mutually supportive and complementary: censuses, surveys, and registers (administrative data).
- To generate up-to-date data which are in accordance with the real
  conditions, synergies and integration between these three methods are needed

Definition of IBR
- A list of integrated and unified business units
- As a statistical infrastructure
- Establishment and maintenance of an integrated economic statistic information system which serve many purposes.
- Providing national economic indicators

IBR could realize:
- Improvement in economic data collection system
- Describe business's real conditions time after time
- Economic impact indicators as the result of economic changes that occur, both on national, regional, and international scope

IBR's purpose and importance:
- As one of statistical infrastructure's main pillars
- A source for business unit's population and demographic data
- As a comprehensive business census / survey master sampling frame provider
- As a census / survey coverage and data integration coordination tool
- Data integration tools such as supply and uses table based on establishment unit and institutional sectors.
- Integration tool for list frame based surveys (business) and frame area based surveys (household and regional basis).

B. Statistical unit is an entity as the subject of the information from where information is collected. Statistical units need to be defined by a standard / default:
- to build a consistent statistic which is internationally comparable,
- suitable for data collection and aggregation,
- ensure survey's time consistency,
- avoid duplication and missed enumeration,
- improve result quality,
- better coordination among surveys,
- produce accurate economic data for users.

Coverage of IBR institution units :

INSTITUTIONAL UNIT			Production Unit	
			Enterprise	Establishment
1. Household (HH)			Household	Household, Micro and Small, Informal Business
2. Legal/ Social Entity				
a. Non-Profit Institu-tion (NPI)	NPI controlled by governments	= Government	NPI controlled by gov.	
			Central	Civil Servant Corps (KORPRI), Civil Servant Wife Org.(Dharma Wanita), National Sports Committee (KONI), Redcross (PMI)
			Province	
			District	
	NPI controlled by corporations	= Corporation	NPI controlled by corp.	
			Foundation	School, Hospital, and Nursing Home (Private)
	NPI controlled by household	= NPISH	NPI controlled by HH	
			Institution/ Org.	Legal Aid (LBHI), Consumer Org. (YLKI), Profession Org.
			Society	Arts Society, Church, Political Party
			Foundation	Orphanage, Nursing Home, Boarding School (Pesantren)
b. Government			Government	
			Central	Parliament (DPR), Supreme Court (MA), Corruption Eradication Commission (KPK), and Ministries
			Province	Local Parliament (DPRD), High Court, and Provincial Police (Polda)
			District	Local Parliament (DPRD), Public School, Public Hospital, District Military Command (Kodim)
c. Corpo-ration (For-Profit Institu-tion/ FPI)	Corporation (Legal Entity)	National private corp.	National private corp.	Factory, Power Plant Area, Hotel
		Foreign controlled corp.	Foreign controlled corp.	Factory, Mining Area, Branch Office
		Public corp. (central gov.)	Public corp. (central gov.)	Factory, Estate Area, Transp. Mode Operator
		Public corp. (local gov.)	Public corp. (local gov.)	Factory, Water Purification Area
	Quasi Corporation (QS) (Non Legal / Un-incorporated)	QC owned by household	QC owned by household	Shop, Home Industry, Food Shop, and Barber Shop
		QC owned by gov.	QC owned by gov.	Money Printing Institution (Perum Peruri)
		QC belong to non-resident	QC belong to non-resident	Malaysia Airlines Branch Office

Defining Statistical Unit has to meet several criteria:

- Legal or institutional criteria: important to recognize and identify the unit in an economy.
- Accounting or financial criteria: important for the availability of the complete financial information by requiring institutional unit has a set of balance sheet / comprehensive financial report.
- Organization criteria: unit must have a certain degree of autonomy in the organization.
- Geographical criteria: enabling economic data being compiled at local, regional and national level.
- Economic activity criteria: units engaged in the same or similar economic activity are grouped to facilitate production analysis.

Statistical Units in SNA 2008
- **Enterprise** is an institutional unit doing production activities (producing goods and / or services).
- **Establishment** is an enterprise or part of an enterprise which is located in <u>one location</u> and only doing <u>single production activity</u>; or when added value from <u>primary production activity</u> is the major added value
- **Enterprise Group** consists of companies under the control of single owner, they form a group to achieve economic benefits (economies of scale, market control, and productivity) through more effective business management.
- IBR not only capture the statistical units, but also the structure **which are classified into the classification of statistical units**

C. IBR Variables

The variables are collected in accordance with the characteristics of statistical units :
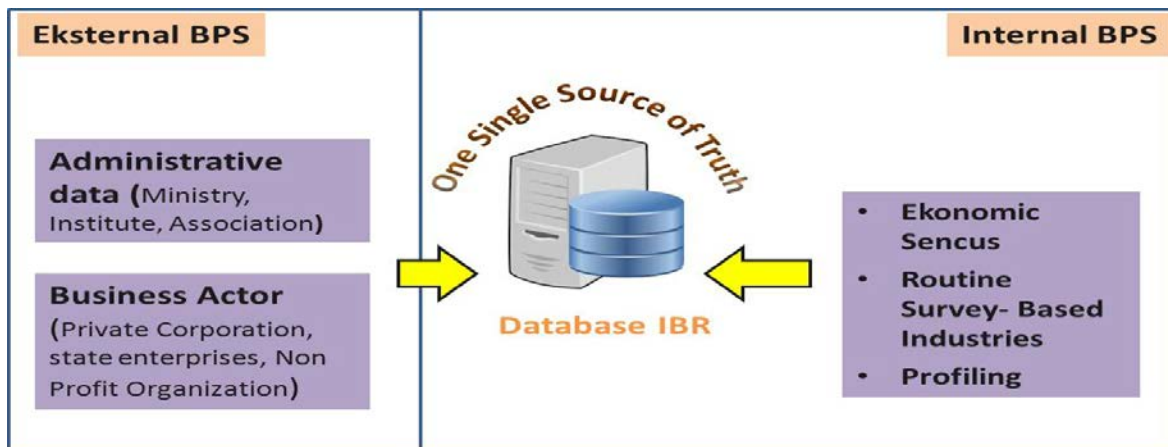
Scope Variable IBR collected

a. Identification Characteristics		Unit	
Name identity	*ID Unit (generated by system)*		To identify the unit, to make sure no duplication of unit which the data are collected
	1. Legal name	**All**	
	2. Commercial name	EG, EN	
Statistical unit identity	3. Statistical unit clasification (EG/EN/ES)	All	To differentiate which form that suitable for the unit
Location identity	**4. Address**	**All**	• Where the unit can be found physically? (identification to smallest area)?
	5. RT	**All**	• Where regional location the unit contribute economic gross domestic regional product (GDRP)?
	6. RW	**All**	
	7. Census Block Number	**All**	
	8. Village	**All**	
	9. District	**All**	
	10. City/ Regency	**All**	
	11. Province	**All**	
	12. Postcode	**All**	
	13. Phone number	**All**	
	14. Phone extension number	**All**	
	15. Facsimile number	**All**	
Contact Person (CP) identity	16. Contact Person's Name	**All**	Who the person responsible for/ can be contacted to get confirmation/ update for the data?
	17. Contact Person's Position	**All**	
	18. Contact Person's Phone Number	**All**	
	19. Contact Person's Email	**All**	
Owner identity	20. Owner name	EG, EN	

b. Demographic characteristics		Unit	
Demographic unit	**21. Year of established**	**All**	**To analyze demographic statistics of businesses in national level (how many business that: new, active, closed, not operated, etc),** provided for BPS data user
	22. Year of starting the operation	**All**	
	23. Life status	**All**	
c. Control Characteristics/ Relationship Between The Units			
Largest shareholder	24. Largest Shareholder's Name	EN	*To define the structure of the unit in group, which one as the parent entities and which one as the child entities (based on share ownership)*
	25. Share owned percentage (%)	EN	
d. Economic/ Stratification Characteristics			
Economic Activity	26. Main activity	All	To publish agregat data based on economic activity/ industry, provided for BPS data user
	27. KBLI Category	**All**	
	28. KBLI Code	**All**	
Economic Indicator	**29. Output value**	**EN, ES**	• To classify unit into business scale (large/medium/small/micro)
	30. Number of workers	**EN, ES**	• To measure unit contribution for national economy
	31. Payroll for the workers	**EN, ES**	

D.   Data Source:

The data source consists of internal dan external data

Company Profile Arrangement (Profiling) is
Methods for analyzing legal, operational, and accounting structure
of group companies in national and global level, in order to establish statistical units in the
group, relationship, and the most efficient structures for statistical data collection

Profiling aims:
♣ improve the quality of business registers,
♣ get an even portrait of company's overall structure and business units
     IBR profiling resources derived from:
♣ company's annual reports ,
♣ company's financial statements,
♣ company's official website,
♣ business news websites and newspapers.
♣ Sources of information used are the company's latest year files.

Crawling company's information in profiling:
• Company's information extracted in top-down approach
• Information is always being updated in regard with the latest news headlines.
• In committing the duties, the profiler work as a team, and monitored / controlled by supervisors.
Profiling teams:
- Force 1: 30 STIS graduates Force 51 period March-November 2014
- Force 2: 30 STIS graduates force 52 period December 2014-2015
- The job requires computer equipment with high speed internet access for companies exploration
which rely on Internet information

External BPS (Under Process)

Administrative data is the data that is generated through administrative process as a follow-up for legislation or regulations.

Why Using Administrative Data?
1. Reducing the burden of business respondents
2. Complete coverage (population)
3. Improving business register data quality
4. Improving timeliness statistics
5. Costs efficiency

Administrative Data Types
♣ Registration of business units and administrative records;
♣ List of companies related to taxation;
♣ social security data;
♣ The financial statements of the company;
♣ List of companies owned by the government (central and local);
♣ Note organized by associations of employers, employees, or profession;
♣ list held by other agencies, such as credit institutions, rating, non-profit organizations, etc.
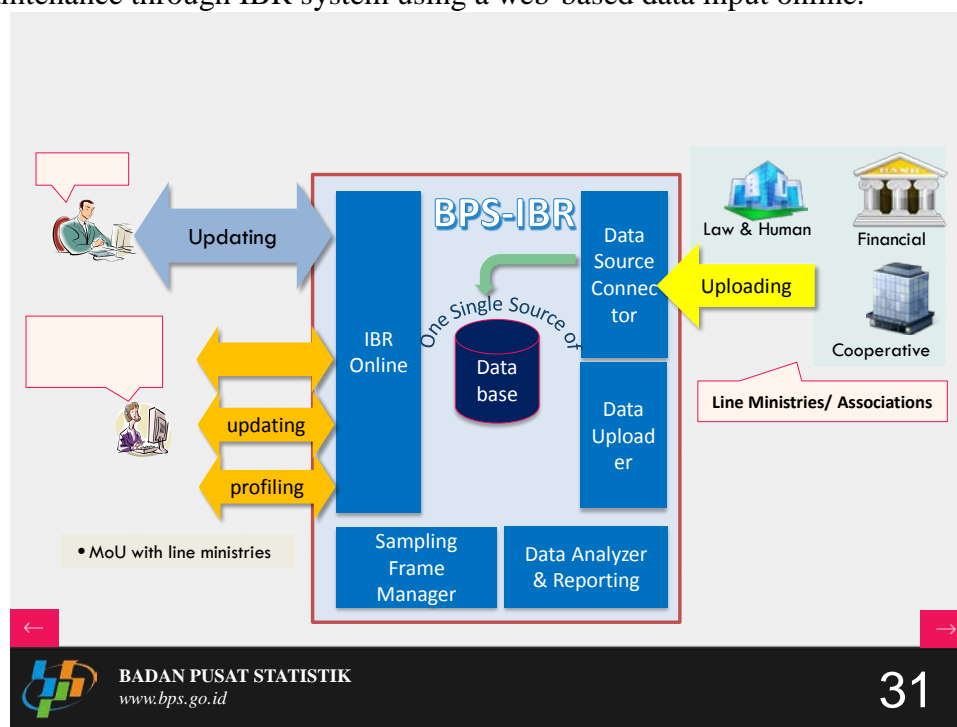
Business Actors:
Confirm directly to business actors by phone and updating form submission via email / fax (mailing form)
Direct enumeration through an electronic web-based survey / online

E.   IBR System

Maintenance through IBR system using a web-based data input online.

F.   Implementation of the current IBR :

1. Comparing Coverage Variables in EC2016 and IBR
– SE2016-L2 consist of 34 variables and IBR consist of 33 variables.
– EC2016 already covered 22 of 33 IBR variables (66,67%), with 3 additional variables for facilitating crosschecking IBR unit structure/ relationship between unit within company (mapping of central-branch office) such as:
  ▪ Network of business / company (sole proprietorship, head offices, factories, branches, representative offices, supporting units)
  ▪ The number of branches, representative offices, and supporting units (if it's the head office)
  ▪ Name address of the head office, province up to village (if it's branches/ representative offices/ supporting units)

2. PROFILING WORK
Drafting Company Profile (Profiling)
A method to analyze the legal, operational, and accounting structure of group enterprise in the national and global level, in order to establish the statistical units in the group, the relationship, and the most efficient structures for collecting statistics.
- The information of enterprise is explored using **top-down approach**, starting from the highest level (EG) to the lower level (EN) and the lowest (ES)
- The data taken from any official **data source available in the web**, in the **latest** publication
- The purposes are to get **whole picture, valid, and up-to-date** of business information in advanced, before direct confirming to the business.
- *Profiling target and progress to date*

- *Target: Indonesian Top 100 Private Group and 138 State-Owned Enterprises, which have big contribution in national economy.*

- The profiling work has been done in 9 weeks by 30 dedicated profilers, that results :
  - Profiling study (Sinar Mas Group): 1 EG, 162 EN, and 210 ES
  - 1st stage (week 1-4): 96 EG, 6.471 EN, and 28.656 ES
  - 2nd stage (week 5-9): 142 EG, 2.157 EN, 12.003 ES
- Integrate (upload & match) it with IBR data (SMAs data) in the IBR system, and continue to relate between unit → who will do the work?
The next target is maintaining the data results continuously to keep it up-to-date and enrich it with the next top rank 101-200 → who will do the work

Profiling Implementation in IBR System
– a. Matching data SE06-UMB with SMA's directory (done by SMAs) , which results IBR data
– b. Integrate IBR data with information from profiling results
– c. Visualizing Relationships between unit based on profiling results in IBR system

- *Profiling target*

   Indonesian Top 100 Private Group and 138 State-Owned Enterprises, which have big portion of contribution in national economy.

   - The business unit data collected in excel template for standardized variables to fill in.
   - The data collected consist of:
      - Identification Characteristics (legal name, statistical unit, location, CP, owner)
      - Demographic characteristics (year established, year of starting the operation, life status)
      - Control Characteristics/ Relationship Between The Units (largest shareholder, %share owned)
      - Economic/ Stratification Characteristics (activity, ISIC code, output value, number of workers, payroll)
      - Link Characteristics with the Other Register (legal entity number, tax number)

3. GROUND CHECK

Preparatory Studies Establishment IBR Economic Census 2016

Confirmation directly to businesses by phone and updating a form submission via email / fax (mailing form**)**

Preparatory Studies Economic Census 2016 (SPSE2016) Establishment of IBR is a study to assess:
   - Reconfirming the existence of unit
   - Completing information
   - Confirm the concept of statistical units (EG, EN, ES) profiling results
   - Build contacts and relationships good start with businesses
   - Assessing the accuracy of variables questions
- **Target SPSE2016 IBR:** 48 Largest Private Corporations groups in Indonesia and 48 state-owned companies, including several subsidiaries and business units, based on the results of exploration profiling external sources, with a sample:

SOEs		66 EG/EN	36 ES		
Private	48 EG	36 EN	36 ES	**Total**	
Total	**48 EG**	**102 EN**	**72 ES**	**222**	**unit**

Methodology: Building the contact and relationship with corporate
   - Phone/Fax/Email/Post (inside and outside of Jakarta),
   - Direct visiting (for DKI Jakarta)

- **Implementation Schedule:**

- Stage I: 10 Juni – 11 Juli 2014

- Stage II: 11 Agustus – 10 September 2014

4. Building Relationship with Line Ministries& Businesses

The activity used moment National Statistics Day 26 Sept which inline with the day theme: "With National Statictics Day Spirit, Let's Encourage People/Society Participation in Developing Statistics"

Time and Place
Date:
Thursday, 25 Sept 2014
Place:
BPS Auditorium,
1st Building, 10th Floor, BPS
Activity theme:
"Future Statistics, Era of Administrative Data"

Purpose of the Activity:
1. Disseminate BPS activity in establishing Integrated Business Register, which is an integration of census and survey data activities BPS along with Ministries / Institutions administrative data.
2. Educate policy makers the importance of coordination and integration of all supporting elements for the establishment of an integrated, effective, and efficient National Statistics System.
3. Build good relationships and commitment in data synergy between all supporting elements of the National Statistics System for the achievement of better quality national economic data, up to date, and reflects national economic condition which is changing very dynamic.
4. Lift up a need of single unique ID number as a national business identity for the integration of data between ministries, agencies, and business associations
5. Bring IBR as one of the instruments for economic data collection improvements in effective, efficient, and integrated way, which also can reduce the burden of businesses as respondent of the data.
6. Obtain input for the improvement and development of BPS Integrated Business Register.

Attendees: *147 participants consist of 54 participants from BPS, 88 participants from Ministries/Institutions/Associations/Businesses (based on suggestion from SMAs), and 5 participants from mass media.*
Ministries/Institutions
– Ministry of Trade
– Ministry of Manufacture
– Ministry of Law
– Ministry of Energy & Mineral Resources
– Ministry of Health
– Ministry of Finance
– Ministry of Research & Technology
– Ministry of Agriculture

- Ministry of Transportation
- Ministry of Cooperation & Micro/ Small Enterprise
- Ministry of Communication & Information
- Ministry of Public Infrastructure
- Ministry of National Development Planning
- Ministry of Marine & Fisheries
- Ministry of Social
- Ministry of Youth & Sports
- Ministry of Religion
- Ministry of Living Environment
- Directorate General of Tax
- Investment Coordinating Board
- Financial Services Authority
- BNPB
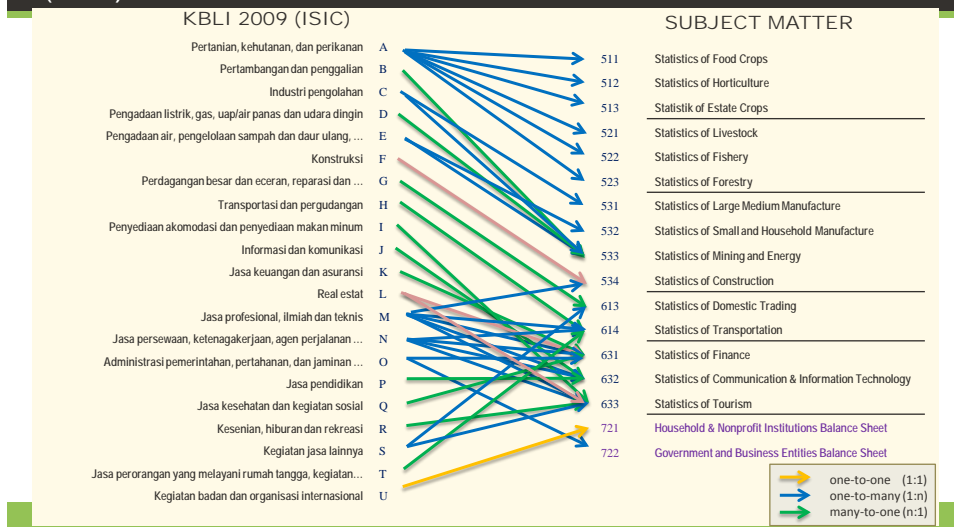- BPH Migas
- BSN
- BPPT

Associations/ Businesses

- KADIN
- PERPAMSI
- ASPINDO
- GINSI
- APHI
- ASPERINDO
- GAPMMI
- Indonesia Eximbank/ LPEI
- APBI-ICMA
- BEI
- APHI
- PT Japfa Comfeed
- BNI

5. HARMONIZING INDUSTRY COVERAGE MAINTAINED BY SMAs BASED ON ISIC

Importance of harmonization statistics responsibility by KBLI 2009 (ISIC)

- Defining a clear scope of the statistics, without overlapping of activities
- Generate national economy data that's better with complete data coverage (no economic activity that missed / not caught)
- Proper classification of economic activities and can be compared between regional, national, and international Improving coordination of statistical activities

6. IBR SYSTEM DEVELOPMENT

Enhanced new features...

- Uploading
- Validation and Duplication Checking
- Matching for Profiler and BPS Province
- FAQ/ Forum

G.   Ongoing progress and future plans :

✓ IBR OUTPUT:
   STATISTICS BUSINESS UNIT PUBLICATIONS
   1. Demographics Business Unit
   Through IBR, business unit statistics for various data purpose can be compiled.
   2. Business Unit Indicators
   • The number of workers
   • The remuneration of labor
   • Production value
   3. Characteristics of Business Unit
       According to Business field or Industry: Agriculture, Fisheries, Forestry, Mining and
   Energy, Trading, Manufacturing, Construction, Finance, Services
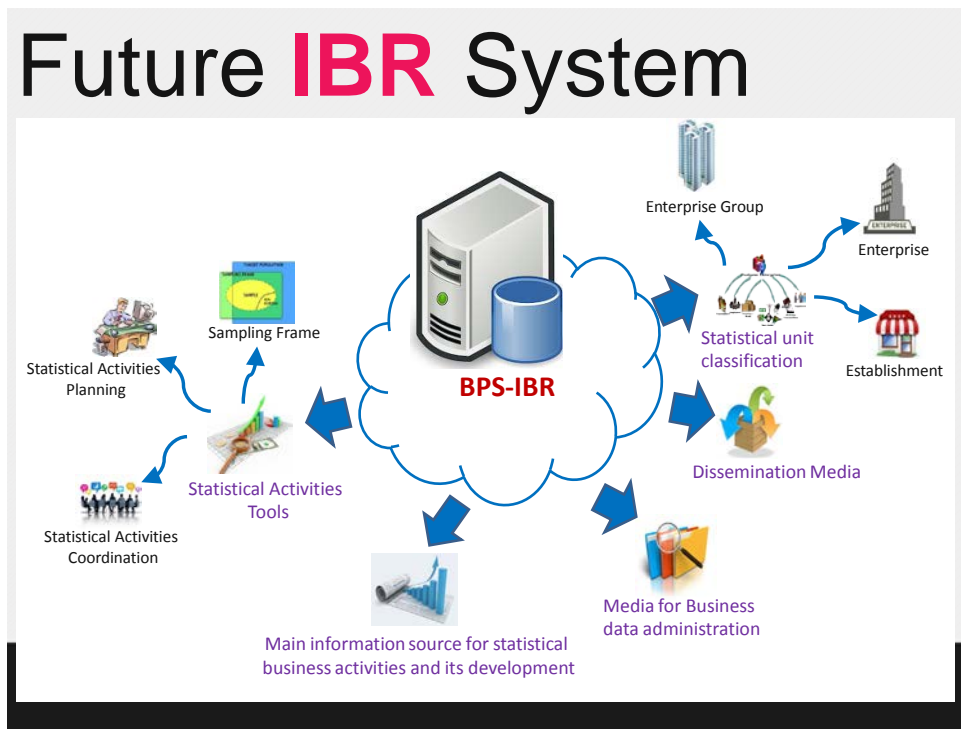   According to Business Scale: Large, medium, small, micro
        According to Actors / Ownership: Household and Government
   4. BPS's censuses and surveys will use IBR data as an integrated master sampling frame.

✓ MAINTENANCE AND SUSTAINABILITY IBR

• The main issue in managing IBR is maintenance and renewal, given the dynamic changes in the business world
• IBR couldn't run without the support from various
stakeholders (ministries, agencies, associations, and businesses) in which, further IBR have to be updated at least once a year
• The most effective method for IBR updating is by combining information:

1. Census / survey conducted by BPS, especially the Economic Census which is going to be conducted in 2016;
2. Profiling for IBR maintenance;
3. Integration with administrative data sources owned by ministries / institutions / associations in accordance with the laws / regulations.

Future **IBR** System

H. **Further work of IBR conceptualization and development conceived on a roadmap as a work guidance:**