

Regional Course on Statistical Business Registers:
Making a Business Case for an Operational
Statistical Business Register

26 – 30 January 2015
Sungkai, Perak, Malaysia

**Conceptual Issues: Coverage and
Units**



So far ...



What is an SBR?

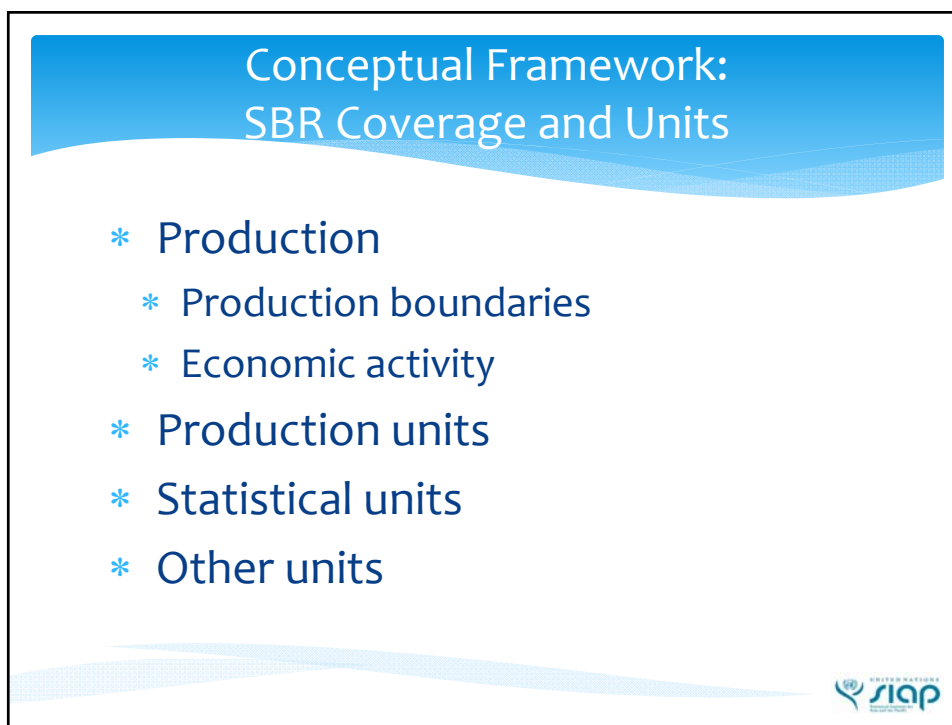
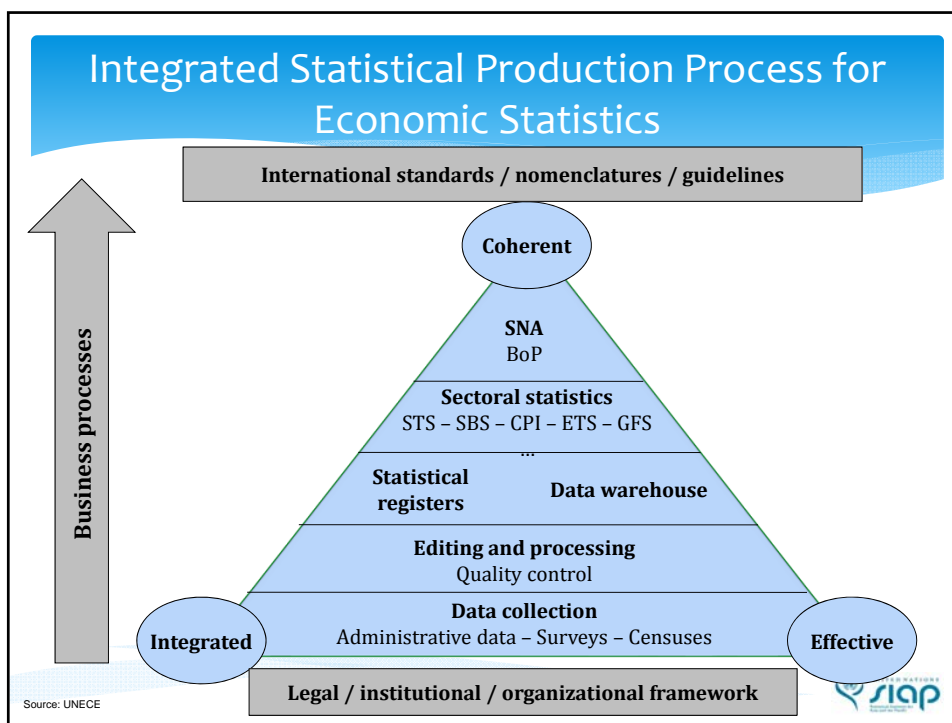
- * Database
- * Structured
- * Regularly updated
- * of specific business units in a territorial area
- * Maintained by a national statistical office and
- * Used for statistical purposes



Core Set of Economic Statistics

Prices and costs	Consumer, producer, product price indices, labour cost, wages, exchange rates, PPPs, terms of trade
Demand & output	GDP (p/e), external trade, industrial structure statistics; short-term indicators (industry output/demand) and productivity
Income & wealth	NA for economy/by sector to measure income, savings, investment, wealth; BoP to measure international income and capital flows, IIP and external debt
Money & banking	Assets and liabilities of banking sector, monetary measures and interest rates
Government	Public revenue, expenditure, borrowing and lending, government accounts
Labour market	Labour supply and demand, LF characteristics, employment/unemployment, underemployment, hours worked, employment in informal/formal sector, job creation and vacancies
Natural resources & the environment	Measures of sustainable economic growth, discovery/depletion and degradation of natural assets





Key Concepts

- * SNA is the integrating framework
 - * Economic production (SNA production boundary)
 - * Institutional units & sectors
 - * Enterprises & groups of enterprises
 - * Economic activity (use of ISIC)
 - * Partitioning of enterprises, i.e. by economic activity, geography
 - * Ownership and control
- * Non-observed economy: informal sector, household production for own final use, illegal & underground production

Regional Course on Statistical Business Registers: Making a Business Case for an Operational Statistical Business Register



System of National Accounts (SNA)



- * SNA 2008 provides general conceptual framework for economic statistics
- * Start (and end) here.
 - * Completeness
 - * Coverage
 - * Content



General Production Boundary

- * General production activity
 - * Carried out under the control and responsibility of an *institutional unit*
 - * Uses *inputs*: labour, capital, goods, services
 - * Produces *outputs*: goods, services

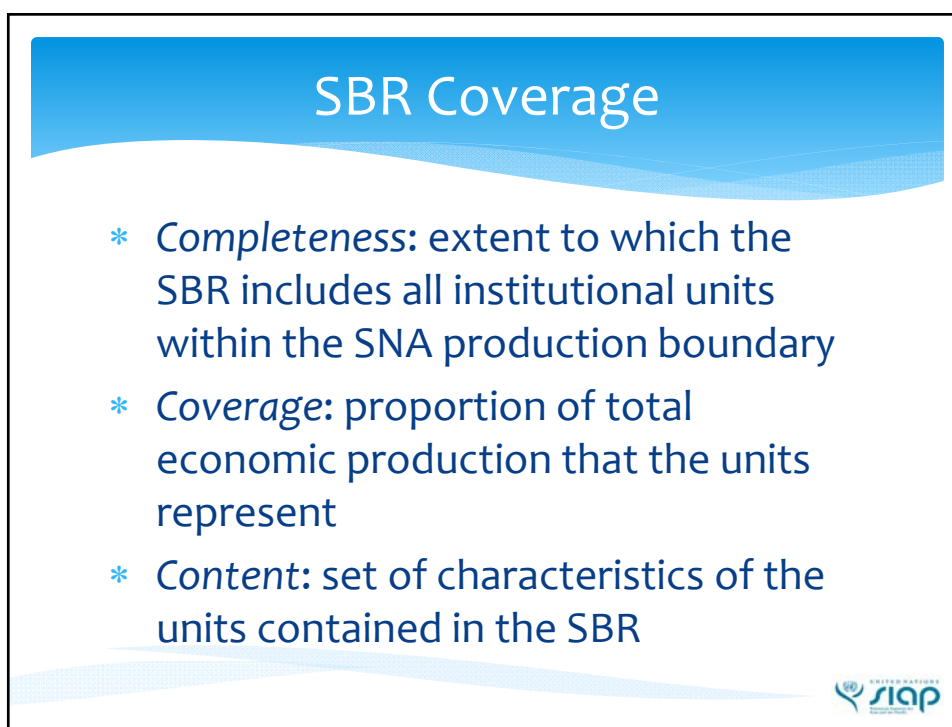
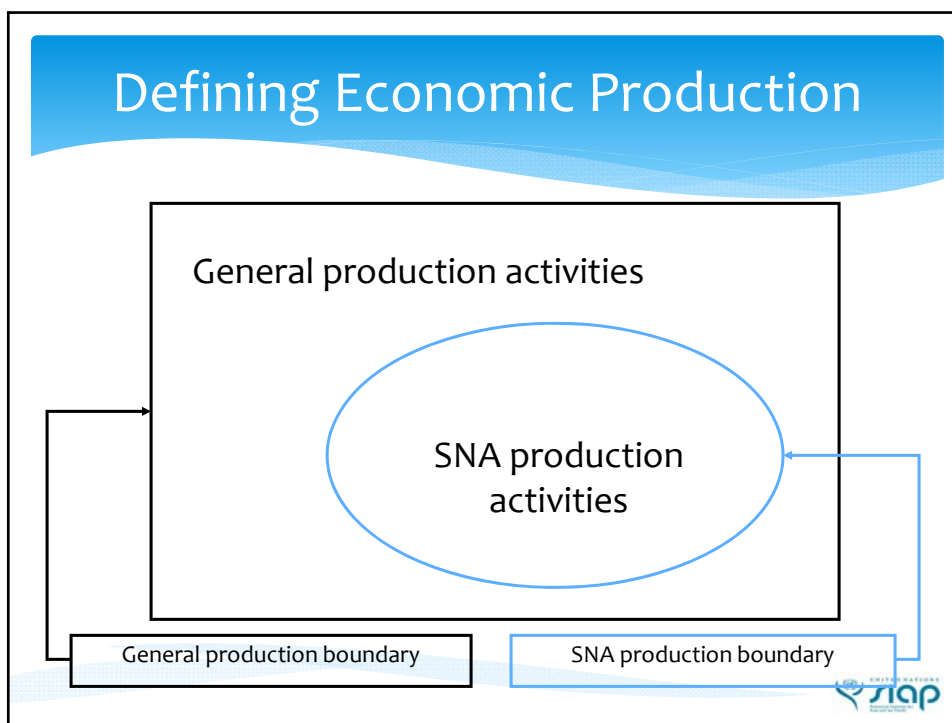


SNA Production Boundary

- * SNA production activity
 - * Excludes some general production activities:

Production of domestic or personal services for own final consumption within the same household, except services produced by owner-occupied dwellings and services produced by employing paid domestic staff





Enterprise (Economic Producer)

- * Institutional unit
 - * Non-financial corporations
 - * Financial corporations
 - * Government units
 - * Households
 - * Non-profit institutions serving households

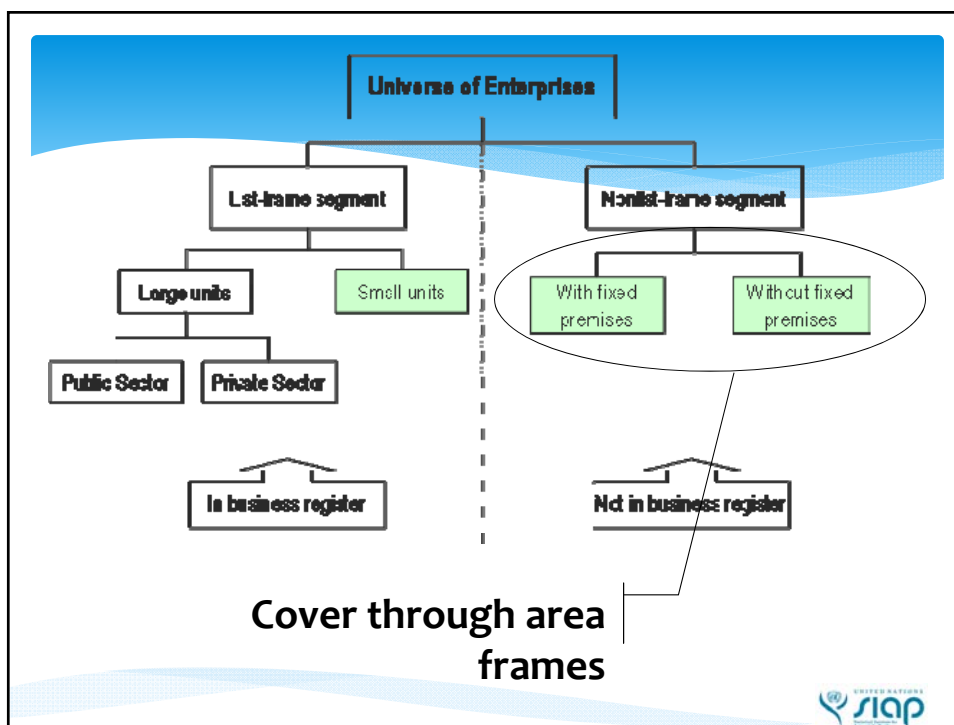
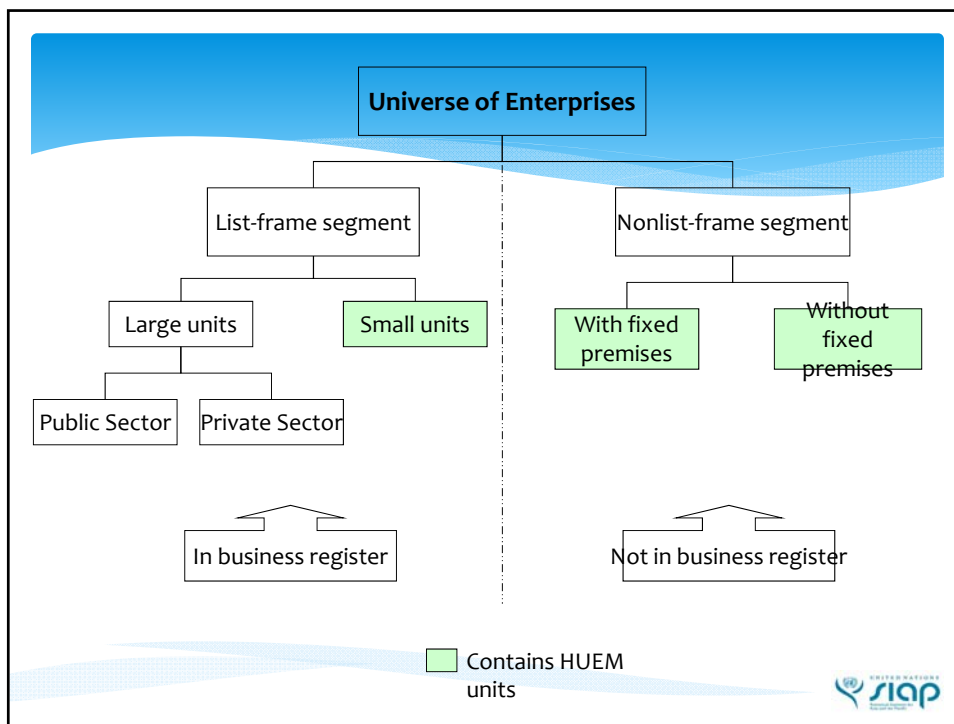


Informal Sector (Also: Fig 3.3)

Household Enterprises					
Producing at least some goods & services for market				Producing goods & services for own final use	
Non-agricultural		Agricultural		Goods	Services
Formal sector	Informal sector	Formal sector	Informal sector	Agriculture, forestry, fishing	Paid domestic services
				Other activities	Owner occupied dwelling services

Household Unincorporated Enterprises with some Market Production (HUEMs)





Issues: Non-observed Economy

- * Informal
- * Household production for own final use
- * Illegal
- * Underground
- * Not covered by basic data collection systems



Recommended Minimum SBR Coverage

<i>Enterprise Type</i>	<i>Within Recommended Minimum SBR Coverage</i>	<i>Additional information</i>
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.
Informal own account*, non-registered non-agricultural household market enterprises excluding self-employed professionals	No	Component of informal sector. If significant, cover through two stage household-enterprise survey but do not maintain the enterprises in the SBR
Informal own account*, non-registered non-agricultural household market that are self-employed professionals	Yes	Component of informal sector. Depends on suitable source being available



Recommended Minimum SBR Coverage

<i>Enterprise Type</i>	<i>Within Recommended Minimum SBR Coverage</i>	<i>Additional information</i>
Informal own account*, non-registered agricultural household market enterprises	No	Component of informal agriculture. If significant, cover through two stage household-enterprise survey but do not maintain the enterprises in the SBR
Unincorporated enterprises with employees non-agricultural, market producers	No	Component of informal sector. Include if a coverage source can be identified
Unincorporated units with employees agricultural, market producers	No	Component of informal agriculture. Include if a coverage source can be identified
Household non-market enterprises	No	If significant, cover their activities through two stage household-enterprise survey but do not maintain the enterprises in the SBR

*Own account implies self-employed with no employees



Statistical Units



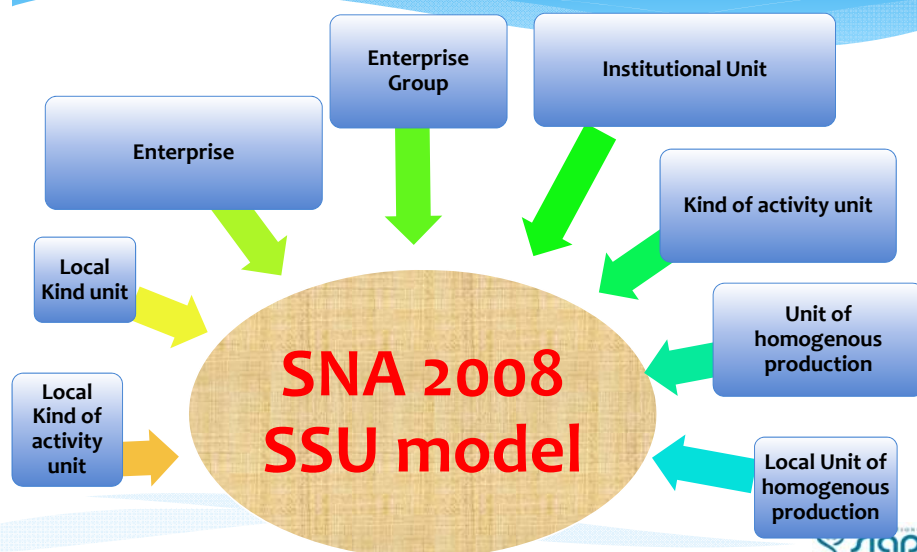
Groups of Units in SBRs

- * Statistical units
- * Legal, administrative and operational units
- * Observation and reporting units

21



Statistical Units

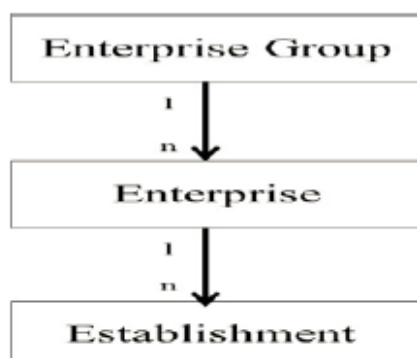


Statistical Units

- * Enterprise group
- * Enterprise
- * Establishment or local kind-of-activity unit

- * Kind-of-activity units
- * Local unit: local unit of enterprise & local unit of legal unit

Figure 4.2 Recommended Statistical Units Model



Statistical Units: Definitions

- * Enterprise
- * Partitioning an enterprise
 - * Kind-of-activity unit or KAU (economic activity)
 - * Local unit (location)
 - * LKAU (both economic activity and location)

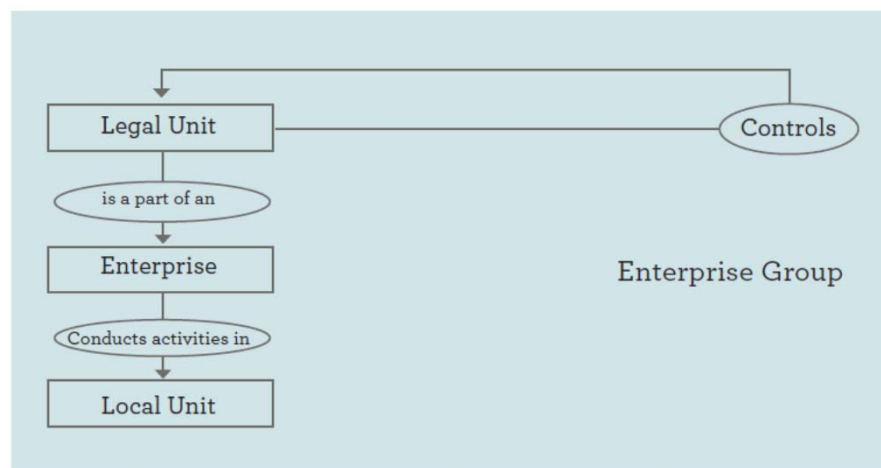


FIGURE 2.1: SNA/ ISIC PARTITIONING OF AN ENTERPRISE

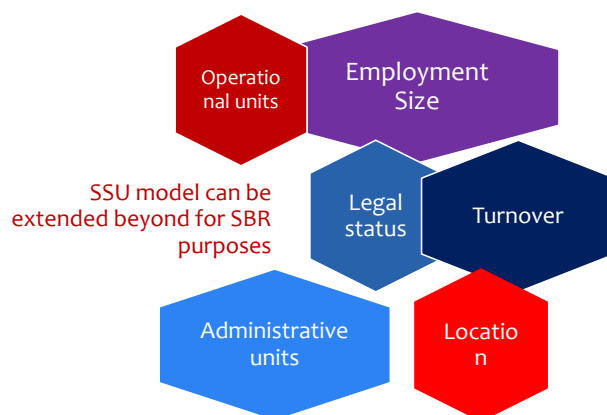
		Partition by Location	
		<i>No</i>	<i>Yes</i>
Partition by Economic Activity	<i>No</i>	Enterprise	Local Unit
	<i>Yes</i>	Kind of Activity Unit	Establishment

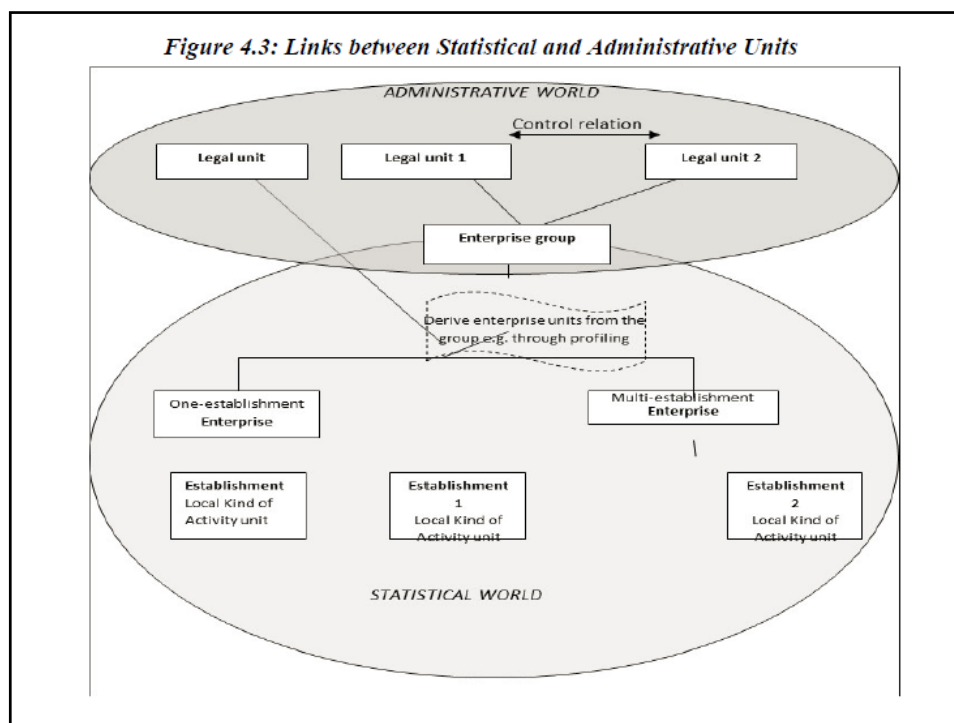



FIGURE 3.1: EUROPEAN COUNCIL BR REGULATION NO. 177/2008 MODEL



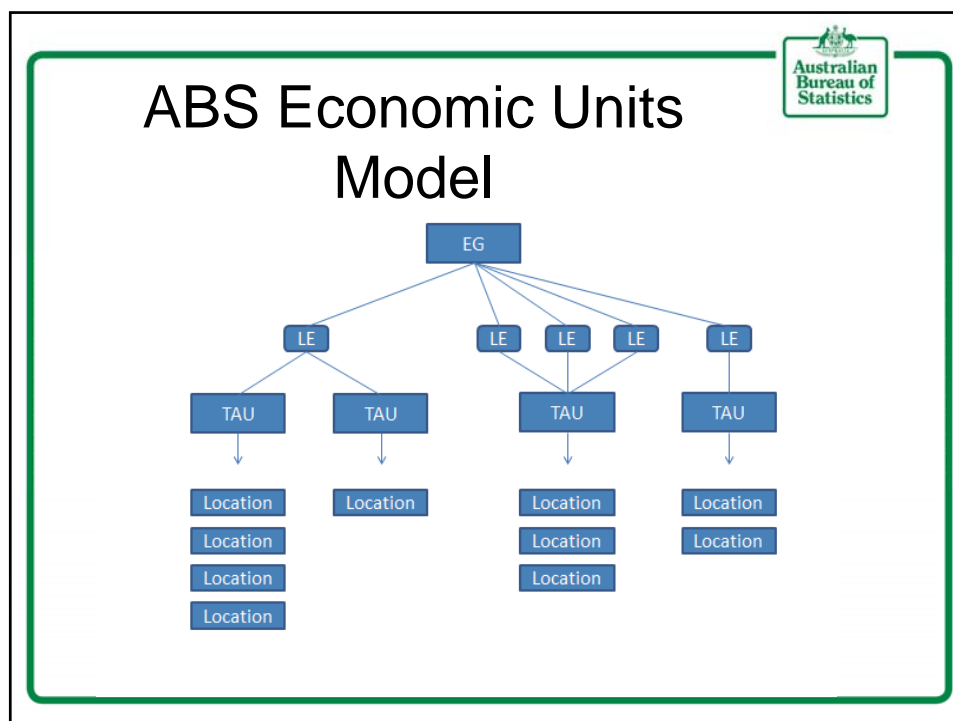
Statistical Units








Pop Quiz in applying Units Model





Applying Units Model (1)

- An establishment conducts two activities:
 - Retail Trade: 70% IVA
 - Wholesale Trade: 30% IVA
- Where does it get coded to?



Applying Units Model (2)

- An establishment conducts two activities:
 - Retail Trade: 50% IVA
 - Wholesale Trade: 50% IVA
- Where does it get coded to?



Applying Units model (3)

- To prevent units changing ISIC on the basis of temporary activity changes, how many years must the change in activity be in place before the change in ANZSIC is applied?



Applying Units model (4)

- A baking establishment is involved in several stages of production, including the baking/production of bread and other delicious pastries, as well as the retail operations.
- How do you code this establishment?