Framework regulation integrating business statistics (FRIBS)

Public consultation of data users

INTRODUCTION

CONTEXT OF THE QUESTIONNAIRE

To reduce the administrative burden put on businesses, the European Commission is currently in the process of rethinking the production process of business statistics.

The objective of this consultation is to collect inputs from the users of business statistics on how better to match the statistics produced with user needs.

CONTENT OF THE QUESTIONNAIRE

The questionnaire consists of three parts:

Part 1 : Identification and classification of respondents (p. 2-**Error! Bookmark not defined.**);

Part 2: Specific questions for users of business statistics (p. 4-**Error! Bookmark not defined.**);

Part 4: General questions on different policy options for rethinking the production process of business statistics (p. 11-**Error! Bookmark not defined.**).

HOW TO REPLY TO THIS QUESTIONNAIRE

This questionnaire contains a combination of single and multiple choice questions as well as numeric and text fields. The latter you can use to explain or motivate your answer. These additional elements are very valuable for ensuring a high-quality analysis, so we thank you in advance for taking the time to complement your answers in this way.

Should you encounter any technical problem, or have any question concerning the questionnaire, please contact ESTAT-G1@ec.europa.eu.

Please return the completed questionnaire to ESTAT-G1@ec.europa.eu no later than **October 7th, 2014**.

CONFIDENTIALITY

All responses we receive will be published on Eurostat's website. If you expressly object to publication of personal data (see Question Q.1.1.), your answers will be published anonymously.

The revision of the statistics' production process currently under consideration focuses on "business statistics", to be understood as statistics where the focus is on enterprises. More precisely, the following **statistical domains** fall within the scope *(please click on the hyperlinks below for an introduction of these domains)*:

1) Annual Structural business statistics (SBS);
2) Monthly and quarterly Short-term business statistics (STS);
3) Annual Statistics on the production of manufactured goods (Prodcom);
4) Statistics on trade of goods between EU Member States (Intrastat);
5) Statistics on trade of goods between EU Member States and non-EU countries (Extrastat);
6) Quarterly and annual Statistics on international trade in services (ITS);
7) Foreign Direct Investment (FDI);
8) Inward and outward Foreign Affiliates Statistics (FATS);
9) Research & Development and Innovation;
10) The use of Information and Communication Technologies (ICT).

The consultation relates to all European statistics and all national statistics used as input for European statistics (i.e. **harmonised statistics**).

Part 1.   RESPONDENT IDENTIFICATION

Q.1.1 Please provide your contact details below:

Name (mandatory)	
Organisation/institution (optional)	
Function (optional)	
Address (mandatory)	
E-mail address (mandatory)	
Telephone number (mandatory)	
Transparency Register ID number (optional)	

If you object to your personal data being published, please tick the box below
☒   I object to my personal data being published

Q.1.2 Type of respondent (mandatory):

☐   Professional association, please detail the sector(s) you represent:
☐   Individual enterprise, and if so:
☐   Micro-enterprise[1];

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[1] < 10 employees and ≤ 2 million EUR turnover or ≤ 2 million EUR balance sheet total

☐   Small enterprise[2];

☐   Medium-sized enterprise[3];

☐   Large enterprise.

☐ Central bank

☐ Service of the European Commission

☐ Competition authority

☒ Academic/research institute

☐ Other, please describe:

Q.1.3 Please specify the capacity in which you are responding (mandatory):

☐ Supplier of data used to compile business statistics

→ *Please fill in Parts 2 and 4*

☒ User of business statistics

→ *Please fill in Parts 3 and 4*

☐ Both supplier of data used to compile business statistics AND user of business statistics

→ *Please fill in Parts 2, 3 and 4*

☐ Other

→ *Please fill in Part 4*

Q.1.4 To improve our understanding of the answers, we foresee the possibility to follow-up the consultation with a telephone interview. In that case, we would contact you through e-mail to schedule an appointment. Please indicate below if you are prepared to participate in such a follow-up interview. (mandatory)

☒ I agree to be contacted

☐ I do not want to be contacted

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[2] < 50 employees and ≤ 10 million EUR turnover or ≤ 10 million EUR balance sheet total
[3] < 250 employees and ≤ 50 million EUR turnover or ≤ 43 million EUR balance sheet total

Part 2.   QUESTIONS FOR USERS OF BUSINESS STATISTICS

The questions are organised in five sections:
- Section 1: Combining data from different statistical domains;
- Section 2: Consistency of statistical data across Member States;
- Section 3: Additional data needs;
- Section 4: Confidence of users in the European business statistics system;
- Section 5: Closing questions.

Section 1.   Combining data from different statistical domains

Q.2.1 Have you ever experienced difficulties when trying to combine data from different statistical domains to produce tailor-made data series?   (mandatory)

☒ Yes   ☐ No

Q.2.2 Please explain the purpose of the combination and elaborate on the kind of difficulties you have encountered. (mandatory)

For example: The data of personal income of self-employed persons (source: SILC, ilc_di05) differ from the national data in Germany gathered on the basis of the microcensus.

Q.2.3 We have listed below four concrete measures that would be implemented under the new integrated framework for business statistics (FRIBS) and could facilitate combining data. Please indicate for each what you expect its impact will be. Please also explain how these measures could be helpful in solving problems you have encountered, or how they would on the contrary worsen current possibilities for data linking. (mandatory)

	Positive impact on data linking	No impact on data linking	Negative impact on data linking	No opinion	Please explain
Eliminate or reduce the existing inconsistencies in certain definitions of variables across statistical domains *e.g. in turnover statistics, figures include VAT in the annual statistics, but exclude VAT in the monthly or quarterly ones; this would be aligned*	☒	☐	☐	☐	Often the inconsistencies are not clearly visible and should be better explained or (at best) eliminated.
Ensure the application of common classifications and nomenclatures across business statistics *e.g. at present, though the activity classification NACE is*	☒	☐	☐	☐	Only the application of common classifications and nomenclatures across business statistics lead to comparability of the data.

	Positive impact on data linking	No impact on data linking	Negative impact on data linking	No opinion	Please explain
generally very well implemented, in a limited number of cases different NACE aggregations are used for the dissemination of data of the various statistical domains. Likewise, class sizes used in breakdowns can differ according to statistical domains.					
Enrich where necessary the statistical output with new data such as on services or new categories of products *e.g. in manufacturing industries, Prodcom collects data on the production of industrial goods. FRIBS could offer possibilities to develop similar statistics for the service sector.*	☒	☐	☐	☐	Considering the high importance of the service sector for the entire economy, statistics for the service sector should be as comprehensive as possible.
Implement a unique identifier for the units recorded in the ESBR[4] *e.g. a unique identifier would allow the development of additional links between datasets because of improved mapping between different statistical domains*	☒	☐	☐	☐	A unique identifier would be helpful.

Q.2.4 Do you see other possible measures to improve the opportunities for combining data from different statistical domains? (optional)

Section 2.   Consistency of statistical data across Member States

The National Statistical Institutes (NSIs) of the EU Member States collect and produce national data using uniform standards and harmonised methods. The results are then transmitted to Eurostat where the data are used to produce statistics at EU level. Nevertheless, today, the national statistical

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[4] ESBR = European System of Business Registers, a consistent net of national statistical business registers. National business registers are harmonised registers for statistical purposes, which serve e.g. as a tool for the preparation and coordination of surveys and as a source of information for the statistical analysis of the business population and its demography.

data used by Eurostat still feature several differences, which have an impact on the comparability across Member States and on the feasibility to compile European aggregates. Examples include differences in implementing the statistical unit definition[5], small differences in size classes, the use of different NACE aggregations and differences in assumptions taken by NSIs to estimate information that is not available from business accounts.

Q.2.5 Are you aware of inconsistencies between Member States? (mandatory)

☒ Yes   ☐ No

Impact of inconsistencies on the quality of your work

Q.2.6 Do you think that inconsistencies have a negative impact on the quality of your work? (mandatory)

☒ Yes   ☐ No

Q.2.7 Why? (e.g. comparability of the data, aggregation of data at EU level, etc.) (mandatory)

Due to different definitions and different statistical coverage used by the underlying national statistics (e.g. with regard to minimum threshold values such as annual turnover), the comparability of Eurostat data is often strongly restricted. When the inconsistencies are not sufficiently regarded, this leads to wrong policy-related conclusions. E.g., compared to other countries, Germany sometimes holds a lower ranking position in Eurostat data only due to the inconsistencies of the data.

Q.2.8 On a scale of 0 to 10, to what extent would an increased coherence and consistency between data provided by the Member States improve the quality of your work? (0 = no improvement on the quality of my work, 10 = very significant improvement on the quality of my work (mandatory)

10

Q.2.9 Please comment on your answer: (optional)

Utmost coherence and consistency between data is a fundamental prerequisite for any meaningful analysis of statistical data and for the design of policies based upon these data.

Impact of inconsistencies on the time needed for exploiting the data

Q.2.10 Do you think that inconsistencies have a negative impact on the time needed for exploiting the data? (mandatory)

☒ Yes   ☐ No

Q.2.11 Why? (e.g. comparability of the data, aggregation of data at EU level, etc.) (mandatory)

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[5] Statistical units are the entities for which information is sought and for which statistics are ultimately compiled. Statistical units are defined on the basis of three criteria: legal, accounting or organisational criteria; geographical criteria and activity criteria.

We need time for carrying out plausibility checks. Furthermore, we encouter time-consuming difficulties when we elaborate the reasons for inconsistencies and when we try to explain the differences when interpreting the data.

Q.2.12 On a scale of 0 to 10, to what extent would an increased coherence and consistency between data provided by the Member States reduce the time needed to exploit the data? (0 = no reduction of time needed, 10 = very significant reduction of time needed) (mandatory)

10

Q.2.13 Please comment on your answer: (optional)

Increased coherence and consistency between data strongly increase the reliability of Eurostat data. In turn, an increased reliability would increase users ' trust in Eurostat data and would help users to work with Eurostat data without having to think about and analyse possible inconsistencies. In any case, inconsistencies should be highlighted much more clearly and at a prominent place in Eurostat statistics. So far, inconsistensies are often not explained at all or only at a very hidden place

Section 3. Additional data needs

Q.2.14 When using business statistics for a particular project or study, have you ever been faced with a severe lack of relevant data in one of the following domains: (mandatory)

*   In structural business statistics (SBS):

    ☒ No coverage of services like financial and insurance activities, education, human health and social work activities, arts, entertainment and recreation and activities of membership organisations[6];

    ☐ Insufficient frequency of collecting data on registration, bankruptcies and deregistration of businesses;

    ☒ Lack of variables on regional business demography;

    ☒ Lack of variables on economic globalisation, including global value chains;

    ☒ Other topics related to Structural business statistics;

*   In foreign affiliates statistics (FATS):

    ☒ No coverage of services like financial and insurance activities, education, human health and social work activities, arts, entertainment and recreation and activities of membership organisations[7];

    ☒ Lack of variables on the value of characteristics describing the activities of the parent-company of an enterprise group;

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[6] e.g. trade unions, political or religious organisations, etc.
[7] e.g. trade unions, political or religious organisations, etc.

☐ Other topics related to Foreign Affiliates Statistics (FATS);

* In Short-term business statistics (STS), a set of infra-annual – mostly monthly – indicators used, amongst others, for business cycle analysis:

☐ Lack of information on the production of the services industries (like transport and storage, hotels and restaurants, communication and business services, real estate, wholesale trade), comparable to the index of industrial production;

☐ Insufficient frequency of data on the turnover in the services industries;

☒ Insufficient coverage of data on the services industries in general;

☐ Other topics related to Short-term business statistics;

* In Statistics on the production of manufactured goods (Prodcom):

☐ Insufficient information on industrial services (repair and maintenance, treatment and assembly work);

☐ Insufficient information on sub-contracted operations as part of the manufactured goods;

☐ Other topics related to statistics on production of manufactured goods;

* ☐ In Statistics on trade in goods (intra- and extra-EU trade);

* In Statistics on international trade in services (ITS):

☐ Lack of coverage of partner countries;

☐ Lack of coverage of certain services sectors;

☐ No coverage of services trade by enterprise characteristics;

☐ Other topics related to international trade in services statistics;

* In Foreign Direct Investment (FDI):

☐ Lack of coverage of partner countries;

☐ Lack of coverage of certain economic activities;

☐ Other topics related to foreign direct investment statistics;

* ☐ In R&D and Innovation;

* ☐ In ICT;

* ☐ None of the above.

Q.2.15 If so, please explain and describe the impact on the analysis you wished to carry out: (optional)

There should be a coverage of the whole service sector. All economic sectors should be covered (NACE Ref.2.0-Code A-S)

Q.2.16 Have you ever been unable to obtain the data you sought because they were marked as underline confidential? (mandatory)

☐ Frequently   ☒ Occasionally   ☐ Never

Q.2.17 If so, please explain and describe the impact on the analysis you wished to carry out: (optional)

In SBS e.g. there is only a limited selection of variables.

Section 4.   Confidence of users in the European business statistics system

Q.2.18 On a scale of 0 to 10, when using business statistics published by Eurostat, to what extent do you feel confident in the quality thereof? (0 = not confident at all in the quality of the data, 10 = very confident in the quality of the data) (mandatory)

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Q.2.19 Do you think your confidence in European business statistics would increase with a single harmonised regulation and quality requirements? (mandatory)

☒ Yes   ☐ No

Q.2.20 Please comment on your answer: (optional)

So far, the confidence in the European business statistics system is not very high. We have often recognized that there are inconsistencies and non-comparabilities; without this being clearly highlighted at a prominent place. In addition, there is often a deviation from the official data published by the national statistical office.

Section 5.   Closing questions

Q.2.21 Besides the aforementioned topics, have you encountered other problems when using European business statistics? If so, please explain. (optional)

In SBS, with regard to special indicators, we have often been missing an aggragate value for all sectors covered. If we want to obtain a value for all sectors covered (e.g. total number of enterprises in the sectors covered by Eurostat's SBS) we must calculate it manually, which is very time consuming indeed. Another critical point is the confidentiality of data in single smaller sectors which further aggravates the manual calculation of an aggregate value over all sectors covered.

Q.2.22 Do you have further suggestions on how to improve the system of business statistics? (optional)

We would appreciate to have information about:

- enterprise groups
- economic units instead of legal units
- microdata about ownership and management of an enterprise
- information about male and female entrepreneurs
- export and import of enterprises by size classes

Part 3. GENERAL QUESTIONS

The "general questions" aim at obtaining your view regarding a number of policy options under consideration. Section 1 provides a brief description of these options, whereas Section 2 (on page 14) presents a number of questions regarding these options.

Section 1. Description of policy options under consideration

In line with the Communication from the Commission to the European Parliament and the Council on "the production method of EU statistics: a vision for the next decade[8]" and with the European Statistical Programme 2013-2017, Eurostat is aiming to:

- streamline and rationalise the reference framework for European business statistics, thereby reducing unnecessary statistical burden on respondents ;
- define a new architecture for European business statistics instrumental in compiling high-quality and purpose-relevant European business statistics.

In this regard, a number of policy options have been identified. These are presented below. It should be noted, however, that regardless of the policy option chosen, there is a need to update the data requirements for all statistical domains: SBS, STS, FATS, PRODCOM, INTRASTAT, EXTRASTAT and ICT. This is necessary for several reasons. Alignment is needed to remain relevant and correctly measure the relevant phenomena in a globalised economy. This comprises e.g. expanding information on the services sector.

Option A – No policy change

This option would consist in maintaining the current series of separate legal texts for the individual business statistics. Option A has the following main advantages and disadvantages:

Advantages:

- Statistical domains are in themselves consistent and tailor-made to the purpose of the domain.
- There are no one-off implementation costs.

Disadvantages:

- The number of surveys on businesses and their periodicity are not co-ordinated and optimised.
- The same data must be repeated in different surveys.
- The methodological guidelines are numerous and inconsistent, for example, the definitions of required statistical variables like turnover are not consistent.
- Statistics from the different domains are not comparable.
- Data linking across business domains is very difficult or even impossible.

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[8] COM (2009) 404 of 10 August 2009.

- The systematic use of administrative sources (data collected by governments for non-statistical purposes, e.g. tax data) is not generalised.

Option B – Better enforcement and implementation of existing legislation

Generally, current compliance by Member States with existing legislation in the field of business statistics is satisfactory, with, however, one major exception: the Statistical Unit Regulation. The issue here is that most of the Member States are assuming that legal units and enterprises are identical and thus take a juridical/administrative view instead of an economic one. Since the national administration and company legislations differ among the Member States, inconsistencies occur. Moreover, the Statistical Unit Regulation has been implemented by several Member States, albeit not uniformly. Inconsistencies resulting from a different application of this regulation can be important, since it is chiefly large entities that are concerned.

Option B would focus on improving the application of existing EU legislation by the Member States, with the Statistical Unit Regulation, where the gap between existing legislation and implementation is seen as the major compliance issue in the field of business statistics. To help Member States to better implement the existing Statistical Units Regulation, definitions would be clarified and operational rules on how to interpret and implement the definitions developed.

The **advantages** and **disadvantages** are similar to those for Option A, the difference being that there would be implementation costs for enforcing the existing Statistical Units Regulation. In addition, it must be noted that in this Option the operational rules would not be regulated. Consequently/, their stability and binding character could be questioned, which could hamper the considerable investments needed.

Option C – Implement legislative actions

This option would entail the modification of existing legal texts in the field of business statistics separately. Several parallel actions would thus be undertaken:

(a) Streamline the data requirements for all business statistics domains, e.g. by having one definition for each cross-cutting variable;

(b) Update the regulation on business registers allowing the set-up of a system of interoperable business registers, the registration of every unit with a single identifier, the reinforcement of the quality management programme and an enabling clause on profiling[9];

(c) Define a legislative framework for the exchange of micro-data between Member States;

(d) Define specific provisions for accessing to administrative sources in those domains where it can improve the efficiency of the statistical production.

Advantages:

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[9] Profiling is a method of analysing the legal, operational and accounting structure of an enterprise group at the national and world levels, to establish the statistical units within that group, their links and the most efficient structures for the collection of statistical data.

- The number and periodicity of surveys on businesses would be better co-ordinated and optimised.
- The methodological guidelines would be more consistent with one definition for all cross-cutting variables.
- Comparing statistics from different domains would be simplified.
- Data linking across business domains would be facilitated.
- The systematic use of administrative sources would be generalised, which would reduce the burden on respondents by replacing survey data by administrative data and/or reducing sample sizes.

Disadvantages:

- The legislation in the field of European business statistics would still consist of a series of individual legal acts which together form the basis for collecting, compiling, transmitting and disseminating European business statistics.
- Changes to these individual legal acts would still be made separately.
- The changes would be made at different times.
- Not all current business statistics Regulations deal with the same issues, which hampers addressing them consistently.
- There is no guarantee that changes would be made such that they would lead to the integration of business statistics given the practices so far and given the difficulties of monitoring closely numerous legal acts over several years.

Option D – Integration of business statistics in a single framework (FRIBS)

Option D would consist in implementing the same actions as under Option C but this would be accomplished by replacing all existing individual legal acts by a single framework Regulation.

Advantages:

- All actions would be undertaken in a consistent and time-coordinated way.
- The single Regulation would provide a flexible frame for the future development of business statistics in the EU, since changes in statistical areas would always take place within the framework of this single Regulation, and thus, by definition, consistently.
- The number of surveys on businesses and their periodicity would be fully co-ordinated and optimised.
- The methodological guidelines would be made more consistent through the use of a single definition for all cross-cutting variables.
- A common implementation path for statistical units for all domains would be defined and consistent switching would be made possible.
- The same vintage (or 'period') of the Business Register could be used, if possible.
- Statistics from the different domains would be fully comparable.
- Data linking across business domains would be facilitated.
- The systematic use of administrative sources would be generalised, which would reduce the burden on respondents by replacing survey data by administrative data and/or reducing sample sizes.

- An additional reduction of response burden would be made possible by simplification and priority-setting in the field of business statistics.
- There would be more flexibility to react to the changing economic environment and to provide quick and timely responses to emerging users' needs.

Disadvantages:

- The single Regulation will be comprehensive and the data requirements will still have to be broken down into packages for organising the data collection.
- The individual statistical domains could lose consistency with previous datasets.

Section 2.	Questions

Q.3.1 Which of the four options listed do you prefer? (mandatory)

☐ Option A
☐ Option B
☐ Option C
☒ Option D
☐ None of the above
☐ No opinion

Please briefly explain your answer. (mandatory)

For us as a data user this would be the best option, because all data would be based on a single framework regulation.

Q.3.2 Is there an option you would reject? (optional)

☒ Option A
☐ Option B
☐ Option C
☐ Option D
☐ None of the above
☐ No opinion

Please briefly explain your answer. (optional)

The current data situation undermines trust in the reliability of Eurostat data.

Q.3.3 Are there other elements which should be included in your preferred option? (optional)

The statistics of the single member states (in particular with regard to coverage, definitions and methodology) would have to be adjusted to the new EU-standard in Eurostat statistics.

Q.3.4 In your view, are there other means for addressing the current issues with European business statistics? If so, please describe. (optional)

More cleary visible information on inconsistencies and different national definitions and coverage. Otherwise, Eurostat data suggest a comparability of data, which in fact is not given.

Thank you for your participation