National statistical business register - Georgia

National Reference Metadata in Euro SDMX Metadata Structure (ESMS)

Compiling agency: National Statistics Office

Eurostat metadata

For any question on data and metadata, please contact: Eurostat user support

1. Contact   Top

1.1. Contact organisation	National Statistics Office
1.2. Contact organisation unit	Business Statistics Department, Business Register Division
1.5. Contact mail address	30, Tsotne Dadiani Str., Tbilisi, 0180, Georgia

2. Metadata update   Top

2.1. Metadata last certified	31/05/2024
2.2. Metadata last posted	31/05/2024
2.3. Metadata last update	31/05/2024

3. Statistical presentation   Top

3.1. Data description

The statistical business register held by Geostat is largely in line with international recommendations such as Eurostat's "Business registers – recommendations manual" and UNECE's "Guidelines on Statistical Business Registers".

The Business Register (BR) covers all types of economic entities (legal entities under private and public law and individual enterprises).

The Business Register includes information about the **Legal Unit** and the following statistical units: **Enterprise, Local Unit (LU), Local Kind Activity Unit (LKAU), Enterprise Group** (work on this entity is not yet completed).

There is full coverage of legal entities and enterprises, but full coverage of local units and local kind of activity units has not been achieved yet.

BR contains the following variables for each entity:

- Identification number
- Statistical code
- Name of the economic entity
- Registration data
- Registration number
- Legal address
- Actual address
- Organizational-legal form
- Ownership type
- Telephone, fax, e-mail, web page
- Name, surname, address, gender and phone number of the head
- Name, surname, addresses, gender and shares of statutory capital of partners
- Economic activities (principal and others) by 5 digits of NACE Rev. 2
- Size

Geostat uses a statistical business register as a sampling frame for various business surveys.

Based on the BR, many indicators are produced and published.

For example:

The number of **registered** and **active** entities by:

Organizational-legal form;

Owner type;

Region and municipality;

Economic activity;

Gender of founders;

Founding country, etc.

Business Demography – Enterprise Births, Survival and Death by**:**

Organisational-legal form;

Economic activity;

Region.

3.2. Classification system

The data is based on the national classifier of economic activities (NACE Rev. 2).

Nomenclature of legal form (created in Geostat);

Nomenclature of Ownership form (created in Geostat);

Nomenclature of Type of addresses (created in Geostat);

Nomenclature of Size (created in Geostat);

Classification of institutional sectors.

3.3. Coverage - sector

The data is based on the national classification of economic activities (NACE Rev. 2).

Nomenclature of legal form (created in Geostat);

Nomenclature of Ownership form (created in Geostat);

Nomenclature of Type of addresses (created in Geostat);

Nomenclature of Size (created in Geostat);

Classification of institutional sectors.

3.4. Statistical concepts and definitions

Economic activity represents merging of various types of resources (human resources, technology, information networks, etc.), which results in various types of goods and/or services. Economic activity is considered as the use of resources, the existence of production process and therefore product output.

In practice, the majority of entities are engaged in mixed types of activities (they conduct more than one type of activities at the same time). Accordingly, there are distinguished:

 • principal activity,

 • secondary activity,

 • ancillary activity.

Principal activity is an activity, which contributes most to the value added of a particular economic entity or the activity the value added of which exceeds that of any other activity. The principal activity doesn't need to account for 50% or more of the total value of an economic entity.

Secondary activity is each separate activity that produces products eventually for third parties and that is not the principal activity. The outputs of secondary activities are secondary products.

Ancillary activity is an activity that creates conditions for carrying out economic activities (principal and secondary) by an entity (bookkeeping, transportation, storage, purchasing, promotion, repair and maintenance).

An entity is **active** if meets one of the following criteria:

      1. Turnover >0 (VAT, monthly income and other declarations);
      2. Salary or number of employees>0 (monthly income or other declarations);
      3. Has a profit or loss (profit declaration);
      4. Paid any kind of tax, except property tax.

Types of economic activities are specified in the national classification of Georgia "Types of Economic Activities" (sec 006-2016), based on the European classification of types of economic activities NACE (Nomenclature des Activities de Communaute Europeenne).

Law of Georgia "On entrepreneurs" defines **business activity** as lawful and repeated activity, which is oriented to get profit, and which is carried out independently and is well organized.

Enterprises are grouped **by size** as follows: large, medium and small.

Large enterprise is an enterprise, where the average annual number of employed exceeds 249 persons or volume of average annual turnover - 60 million GEL.

Medium size enterprises are all enterprises of organizational-legal form, where average annual number of employed ranges from 50 to 250 persons or the average annual turnover – from 12 million to 60 million GEL.

Small size enterprises are all enterprises of organizational-legal form, where the average annual number of employed does not exceed 50 persons and the average annual turnover – 12 million GEL.

Turnover is an indicator of economic activity during an accounting period. It corresponds to the volume of sales of goods or services made by the entity. Turnover includes all taxes or duties on goods and services (except the value-added tax, and also other taxes, being in direct connection with turnover). It includes all the expenses (transportation, packing, etc) which are imposed on the buyer, even if they are included in the invoice separately. Reduction, discount or concession of prices and the cost of the returned package can be deducted from turnover (only discount on price can be deducted in case of payments by cash). Turnover does not include the sale of fixed capital, and the subsidies on production, which are received from the state bodies.

Number of persons employed implies (employees, employed shareholders and employed family members in the case of family-owned enterprise) of the company during the reporting period.

Number of employees is defined as persons who work for an enterprise; whose labour relations are regulated through an agreement or contract concluded with an enterprise; and who receive or pay salary.

3.5. Statistical unit	

An enterprise is an economic entity, which produces goods or renders services, independently makes economic decisions on the distribution of its resources (possesses a certain degree of freedom in decision-making). An enterprise carries out one or several kinds of activity in one or several places. An enterprise can be an individual (physical) or legal person.

Kind of activity unit (KAU) - the kind of activity unit groups all the parts of an enterprise contributing to the performance of an activity at subclass level (five digits) of NACE and corresponds to one or more operational subdivisions of the enterprise.

Local unit - the local unit is an enterprise or part thereof (e. g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place.

Enterprise group - an enterprise group is an association of enterprises bound together by legal and/or financial links.

3.6. Statistical population	

All active entities whose economic activities are not related to the T section (Activities of households as employers; undifferentiated goods and services-producing activities of households for own use) of the National Classification of Economic Activities (NACE Rev. 2).

3.7. Reference area	

The entire territory of Georgia, except for the occupied regions.

3.8. Coverage - Time	

The National Statistical Business Register was established in 1995.

The statistical units are implemented and maintained in the national statistical business register as follows:

- Enterprise group – implemented and maintained since 2024 *(not yet investigated)*.
- Enterprise – implemented and maintained since 1995.
- Local unit – implemented and maintained since 2012.

Information (turnover, employment) exists only about entities participating in business surveys.

- Kind of activity unit – implemented and maintained since 1995.

Information (turnover, employment) exists only about entities participating in business surveys.

3.9. Base period	

Not applicable.

4. Unit of measure

The economic variables of employment are recorded in absolute figures. The net turnover is recorded in Georgian Lari.

5. Reference Period

The reference period for the annual copy of the National Statistical Business Register is a calendar year.

An annual copy that reflects the state of the national statistical business registers at the end of the year is taken and kept for at least 30 years for analysis.

The latest available copy of the National Statistical Business register consists of the final annual master frame for the 2022 reference year.

In this annual copy, the economic variables (number of employees, turnover and economic activity) refer to the 2022 reference year.

6. Institutional Mandate

6.1. Institutional Mandate - legal acts and other agreements	

Law of Georgia on "Official statistics"
https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf
Statistical Work Programme (annual);
https://www.geostat.ge/en/modules/categories/307/statistical-work-programme
Charter of the National Statistics Office of Georgia.
https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf

6.2. Institutional Mandate - data sharing	

There are signed Memoranda of Cooperation with administrative data owners, on behalf of Geostat, namely, with the Revenue Service of the Ministry of Finance of Georgia and the National Registry of Public Register.

7. Confidentiality

7.1. Confidentiality - policy	

1. The Law of Georgia on Official Statistics:

According to the article 5 of the law Statistical confidentiality and exclusive use for statistical purposes – individual data collected or received by the producer of official statistics, relating to natural or legal persons, must be strictly confidential and used only for statistical purposes.

- According to the article 34 (Observing Confidentiality of Statistical Data) of the law 1. Data collected, processed, and stored to produce official statistics are confidential if they enable the direct or indirect identification of a statistical unit. In addition,

aggregated data are subject to statistical confidentiality: a) Aggregates composed of 1 to 3 units, when the unit is a natural or legal person if one of these units could be identified indirectly, thereby disclosing individual data about this unit. Aggregates composed of more than 3 units may be declared confidential by the Executive Director if required to ensure statistical confidentiality; b) Information declares as a state secret based on the „Law of Georgia on State Secrets". 2. Confidential data shall be used exclusively to produce statistics in accordance with this law. 3. Statistical data about the administrative body cannot be considered confidential information, except for the information determined by the Law of Georgia „On State Secrets". 4. Individual data obtained from publicly available sources, which are defined as public information in accordance with the legislation of Georgia, shall not be considered confidential information. 5. Confidential (individual) data may be published if there is written consent from the statistical unit regarding the publication of such data. 6. It is not allowed to disseminate and distribute confidential data or use it for non-statistical purposes.

- According to Article 38 (Confidentiality commitments) of the law the confidential statistical data collected and processed for statistical purposes shall not be used or disseminated either for personal, academic, research or any other activities, by the employees of the producers of Official Statistics: https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf

2. Data Confidentiality Policy at Geostat: Data-Confidentiality-Policy-at-Geostat_En.pdf

3. Procedure for providing access to confidential data for research purposes Rule-on-Access-to-Confidential-Data-for-Scientific-and-Research-Purposes....pdf (geostat.ge)

4. The Law of Georgia on Personal Data Protection https://matsne.gov.ge/en/document/view/1561437?publication=9

7.2. Confidentiality - data treatment
• Confidentiality guidelines • Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.

8. Release policy

8.1. Release calendar

Data dissemination dates are defined by the calendar developed on the basis of the Statistical Work Programme, which is published on the website of Geostat and is publicly available.

8.2. Release calendar access

https://www.geostat.ge/en/calendar

8.3. Release policy - user access

Data is available for all categories of costumers at the same time.

9. Frequency of dissemination Top

The user gets access to the current database, which is updated on the site every month.

10. Accessibility and clarity Top

10.1. Dissemination format - News release

Not applicable.

10.2. Dissemination format - Publications

N/A

10.3. Dissemination format - online database

Online database is presented on the website of the National Statistics Office of Georgia, MS EXCEL format:
http://br.geostat.ge/register_geo/?lang=en

10.4. Dissemination format - microdata access

Procedure for providing access to confidential data for research purposes is available on the Geostat website:
https://www.geostat.ge/media/61533/Rule-on-Access-to-Confidential-Data-for-Scientific-and-Research-Purposes....pdf

10.5. Dissemination format - other

A number of statistical indicators are produced on the basis of the business register database, which are periodically published on the Geostat web page.

Monthly:

The number of registered and operating entities according to the type of economic activity, legal form, form of ownership and regions;

10.6. Documentation on methodology

Methodology (Business register – recommendations manual (Eurostat); Eurostat – OECD Manual on Business Demography Statistics)
 is available on the website of the National Statistics Office of Georgia:
https://www.geostat.ge/en/modules/categories/121/methodologia-business-statistics

10.7. Quality management - documentation

N/A.

11. Quality management Top

11.1. Quality assurance

To ensure the quality of the statistical processes and products Geostat follows Chapter 10 – Quality of Official Statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (ESS QAF).

11.2. Quality management - assessment

Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit, self-assessment of statistical processes and assesses the risks for the quality of statistical processes and products. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system. Quality policy is available on the following link:
https://www.geostat.ge/media/44380/QP_Geostat_EN.pdf

12. Relevance

12.1. Relevance - User Needs

The SBR is the basis for organizing single statistical recording; at the same time, it provides an opportunity to observe the process of creati of new enterprises and jobs in the country, to group existing economic entities by economic activity, by owner, legal form, region, size of enterprises and by many other attributes.

SBR are important for establishing efficient statistical survey frames, providing identification numbers of all the units and for linking to many different sources, increasing statistical information and reducing the reporting burden on enterprises.

SBR are referred to as the 'backbone' in the production of economic statistics because they provide the core infrastructure to ensure data consistency between various statistical outputs.

The main stakeholders are: business sector representatives, researchers and students, international organizations, state institutions, medi outlets, etc.

They need these data to carry out different types of statistical analysis, to plan a marketing strategy or to evaluate and study the economic situation.

12.2. Relevance - User Satisfaction

Customer satisfaction survey has not been conducted. However, it is constantly controlled by formal and informal contacts.

12.3. Completeness

The data appropriates to international standards.

13. Accuracy

13.1. Accuracy - overall

The main issues regarding the accuracy of the data are as follows:

1. Inaccuracies caused by the information provided by the administrative source (under-coverage and over-coverage)

(e.g.: Sometimes the same entity is mistakenly registered more than once in the administrative source. Later, this error may be corrected by an administrative source, but if the business register is not notified, this information cannot be corrected);

2. Inaccuracies due to the procedure of automatic reflection of the information received from the administrative source and the lack of complete information: (under-coverage and over-coverage)

(e.g.: Some individual entrepreneurs have both 9- and 11-digit identification codes. When one of them is not reflected in the business register database and the information obtained from the administrative source indicates this unknown code, the procedure fails to recognise the entity and registers it as a new entity, which leads to redundant coverage.);

3. Inaccuracy due to differences in the form (standard) of recording the same information.

Since there is no standardised system of addresses in the country, it may happen that the addresses of local units cannot be exactly compared and that a local unit with the same address (due to the inconsistency of the records) is repeatedly recorded.

13.2. Sampling error

Not applicable.

13.3. Non-sampling error

Not applicable.

14. Timeliness and punctuality

14.1. Timeliness

Preliminary frames are available 1 month after the reference year T (Since registration data is provided from administrative sources once a month.).

Final frame is available 10 months after the reference year T (Since the results of the annual survey of business entities are available in the month of October.).

The database reflecting the latest current situation is available with a delay of one month, since the registration data is provided from administrative sources once a month.

14.2. Punctuality

The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.

15. Coherence and comparability

15.1. Comparability - geographical

Data are collected and processed using the same methodology and definitions for regions and self-governing units (selfgoverning cities and municipalities).

15.2. Comparability - over time

Data is comparable over time.

15.3. Coherence - cross domain

The NSBR frame provides information on the active population of enterprises carrying out economic activities which contribute to the gross domestic product (GDP), the legal units of which those enterprises consist of, local units, kind of activity units and enterprise groups.
The national statistical business register is used by statistical users as a coordinated frame population in order to derive consistent statistical output.

15.4. Coherence - internal

The SBR data included in the final frame isinternally consistent

16. Cost and Burden

Not available.

17. Data revision

17.1. Data revision - policy

Statistical data revision policy is available on the website of Geostat: https://www.geostat.ge/media/59824/Data-Revision-Policy-and-Error_Correction-at-Geostat_Eng.pdf

17.2. Data revision - practice

N/A.

18. Statistical processing

18.1. Source data

NSI uses the following data sources, including a combination thereof for the national statistical business register:

Administrative Sources:

- National Agency of Public Registry (NAPR)
- Revenue Service

Internal Sources:

- Quarterly business surveys
- Annual business surveys
- CATI (Computer Assisted Telephone Interviewing - special survey that isdirectly aimed at updating information about the status, kind of economic activity and actual address of every local unit of the enterprises)
- Other business surveys

18.2. Frequency of data collection

The business register database is updated continuously based on internal sources and monthly based on administrative sources.

18.3. Data collection

Statistical business registers use data from administrative and statistical data sources, and from any other relevant sources that are comparable and compliant with the applicable specific quality requirements.

18.4. Data validation

The information received from the administrative source is checked and properly responded before the activation automatic reflection procedure in the business register database.
In particular:
1. The identification code of the newly registered individual entrepreneurs is compared with the business register base in order to exclude duplicates (because quite often individual entrepreneurs cancel registration and then re-register).
2. The positions specified in the information received from the administrative source are compared with the list of positions in the business register base classifier, in order to improve the classifier.
3. The monitoring of the last name field of individual entrepreneurs, managers and founders is carried out, in order to identify and correctly reflect the dual citizenship data of these persons in the business register database. Adoption of this size is because the data of the country corresponding to one of the citizenships of persons with dual citizenship is reflected in the last name field together with the last name by the administrative source.

18.5. Data compilation

Information from any source (administrative source, different business survays) is reflected in the same SQL database.

18.6. Adjustment

Not applicable.

19. Comment

N/A

Related metadata

Annexes