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**STATISTICAL COMMISSION and
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EUROPE**

**COMMISSION OF THE EUROPEAN
COMMUNITIES (EUROSTAT)**

**CONFERENCE OF EUROPEAN
STATISTICIANS**

**Joint ECE/EUROSTAT Seminar
on Business Registers
(Geneva, 28-29 June 2001)**

EXPERIENCES IN DEVELOPING BUSINESS REGISTER IN AZERBAIJAN

Summary of the note submitted by Statistics Azerbaijan^{*}

1. Statistics in Azerbaijan was earlier established on the basis of an administrative system of management based on complete registration – in a stark contrast from the system of collection, processing and aggregation of data in countries with developed market economies. The system of registration or list of enterprises and organisations in the republic also covered all structural subdivision of public economy that at that time belonged to the state. Data from administrative sources were used only to control the completeness of the data collected and only sometimes were used for statistical surveys.
2. The process of development of market economy had begun after Azerbaijan became an independent country. Development of the non-state sector and growing number of economic units in the private sector, development of market infrastructure and other new phenomena in reformed economy lead to establishment of national statistical service. This necessitated application and development of new methods of organisation of statistical service. It also led to establishment of a business register that meets world's standards.
3. In 1992 the priority was given to establishment of the State register of recorded units giving the possibility to switch from total surveys to sample surveys. It also enabled introduction of new methods

^{*} Prepared by Mr. Faig Hajiyev.

of information processing aimed at aggregation in accordance with international classifications and forms of data presentation. Implementation of this Program was scheduled for 1993-1997.

4. At present, following the implementation of the program of privatisation of state sector in the Republic, there are almost half a million economic units. Such a rise in number of enterprises makes it almost impossible to conduct complete statistical investigation due to funding and implementation and therefore the sample method is becoming preferable.

5. In 1992 an obligations on development and filling of registration cards for economic units were imposed on the State Committee of Azerbaijan Republic. With this purpose a special division "Organisation of State Register and Classifications" with 7 employees was established.

6. Business register in Azerbaijan records following units:

- a) enterprises, institutions, organisations, public and religious organisations, cooperatives, stock markets, banks, broker offices, and other units that cover all kinds of activities and types of ownership;
- b) structural subdivisions, branches and representations of enterprises, departments and organisations functioning on the territory of Azerbaijan Republic and also out of its boundaries but owned by Azerbaijan Republic;
- c) enterprises and organisations of the Ministry of Defence, defence branches, Internal Affairs, National Security and other which are included in the register by pre-defined procedure;
- d) Legal and natural persons engaged in entrepreneurial activities, subsidiary types of economic activity.

7. The main characteristic of the Register in Azerbaijan is the establishment of an automated data bank. This data bank constitutes a unified state register of all economic subjects to which the law "On Statistics" is applied, and which are legal persons, or natural persons (entrepreneurs) and are the subject for state registration.

8. All units are described in the Register by (i) an identification code for economic units; (ii) full and short name of the unit in Azerbaijan and English language; (iii) type of ownership code; (iv) organisational legal form code; (v) economic activity code; (vi) name of the director; (vii) kind of activity code.

9. During the process of registration main kind of activity is indicated by the recorded units themselves or those who founded them, and in future it will be updated on the base of NACE classification.

10. Work carried out at present can be characterised as updating of the existing register. In future, register updating is going to be carried once a year with a situation as of 1 January. Simultaneously with this updating, data from statistical surveys and data derived from administrative sources will be also used during the year. At present, main attention is paid to data quality. Considering that further development of statistics and in particular a switch to survey method depends directly on the quality of information received from the Register, work on quality improvement will continue in future.

10. Statistical office is also maintaining the register of natural persons and the register of individual (family) households with an appropriate set of indicators for each.

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