INTRODUCING PROFILING IN GERMANY: CONCEPTIONAL AND PRACTICAL IMPLICATIONS

Group of Experts on National Accounts
meeting in Geneva on 31 May to 2 June 2017

Item 4: Enterprises and Profiling

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The definition of the enterprise

The smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources.

An enterprise carries out one or more activities at one or more locations.

An enterprise may be a sole legal unit.
The definition of Profiling

A method
to analyse the structure
of an enterprise group
in order to establish statistical units
for data collection
Methods of Profiling

**Manual „Intensive“ Profiling:** In direct contact with the management of an enterprise group

**Manual „Light“ Profiling:** Using available information e.g. annual reports, internet, press etc.

**Automatic procedures:** Using probabilistic assumption, typical (e.g.) legal patterns and typical (economic) activities

**Schematic approach:** regard enterprise groups (of certain degree of simplicity or even all of them) as enterprises
Profiling in Germany – a new task

- Executed by the statistical business register
- Manual and Automatic Profiling
- Identification of enterprise structures (as set of legal units)
- Identification of enterprises in national perimeter
- Does not include data collection besides core variables
Profiling: Concept versus practicality

Target Population

User orientation

Structure and content

International dimension
Target population

- Manual profiling requires high resources

- Accordingly it should prioritize on big enterprise groups, expecting to find out about big enterprises

- All other enterprise groups: Automatic Profiling
Target population manual profiling

Starting point: enterprise groups
More than 100,000 enterprise groups in Germany
## Target population

### Number of Activities

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- **Employment**
  - >10,000
  - >2,000
User orientation

Profiling is a means in order to provide statistical users with appropriate statistical units.

How to identify the main points of interest of the users?

Differenciate the purposes/functions of units:

Respondent – Observation Unit – Statistical Unit

Which unit? In which function?

For which statistics?
User orientation

Structural Business Statistics (SBS, FATS)
enterprise, but only in national perimeter

Short Term Statistics (STS)
no longer enterprise: instead kind of activity unit (KAU)

National Accounts
Institutional unit (national perimeter) in best approximation
Structure and content
Enterprises by profiling

© Federal Statistical Office Germany | Roland Sturm | E 101 Business Register, Statistical Units
Structure and content
Enterprises by profiling
Structure and content

EU (Eurostat):
Legal Units (LEU) ➤ Enterprise Groups (EG) ➤ Enterprises (ENT)
Combine (legal) units to an enterprise and consolidate the data that refers to it

Canada, Australia:
Enterprises or “businesses” (what is it?) ➤ Kind of Activity Units (KAU), Local Units (LOU), (or even better L KAU?)
Distribute data that is available at enterprise/business level to smaller statistical units of local or activity-based purity (Local units, kind-of-activity units)
International dimension

How to achieve consistency in a complex environment?

How much coordination and how much cooperation are achievable and appropriate?
International dimension

Global Enterprise (GEN) by “European Profiling”:
Which statistics? Which users? 300 Profilings in 7 years?

“National” Enterprises (ENT):
Is there a common profiling methodology?

How to combine Manual – Automatic – Schematic profiling?
THANK YOU FOR LISTENING!

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