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**The role of the Statistical Business Register in the modernisation of the statistical production and services.**

## **Business Registers' Utilization as the unique frame for subject matter surveys in non-census years in China**

**Note by the National Bureau of Statistics of China**

### *Summary*

Since 2010, a series of measures have been implemented for improving the utilization of Business Registers in China. In non-census years, the Business Registers mainly offer 'above threshold' enterprises list for annual or regular subject matter surveys which are conducted with 'Integrated Questionnaire for Enterprises' monthly. On these bases, more and more subject matter surveys will be linked to Business Registers. But Business Registers' utilization is still faced with various challenges, such as improving the quality to meet the requirements of different survey programmes, integrating different administrative data and realizing a two-way updating between Business Registers data and subject matter survey feedback.

## **I. Legal units, establishments and 'above threshold' enterprises**

1. In terms of the types of units, China's Business Registers (BR) cover all legal units and establishments within the territory of China. Legal units include enterprises, institutions, departments, social groups and other legal units classified by the character of the units. Establishments include single establishments and multi-establishments. According to the statistics programmes of National Bureaus of Statistics (NBS), the

Business Register's role is to provide principal lists for 'above threshold' enterprises, 'under threshold' enterprises and non-enterprise units.

2. The 'above threshold' enterprises are those whose turnover is more than RMB 20 million in industry, and qualification owned in construction; RMB 5 million in wholesale; RMB 2 million in retail; RMB 2 million in hotel and catering; and all real estate enterprises. The 'under threshold' enterprises and non-enterprise units include other enterprises, government, institutional and social organizations, and other units.

3. By the end of May 2013, the national BR covered approximately 10.73 million legal units and 2.31 million establishments. In June of the same year, BR provided a comprehensive quality frame with approximate 0.8 million 'above threshold' enterprises for subject matter surveys in terms of coverage and a set of stratification variables such as industrial classification, revenue, number of employees and total assets.

## **II. Utilization of the BR as the one and only frame for various statistical surveys**

### **A. A solid survey list for 'above threshold' enterprises**

4. In accordance with '*Interim Management Measures for the Establishment, Maintenance, Usage of National Business Registers*' (July 2010), every statistical survey must use a unified list as its survey directory or sample frame. Units that are not in the list should not be included in any subject matter survey. It could be regarded as a guiding and fundamental document for the work of BR for a period, and the promulgation of the measures means a new stage. Before that, China's Business Register failed to play an active role in the statistical work though it was expected to function as a uniformed statistical frame for all economic surveys when it was built in 2001. In fact, divisions for subject matters maintained their own frames which had little relevance with Business Registers. The establishment of Business Registers follows an 'easy to hard' principle. The first step is to build a solid survey list for 'above threshold' enterprises. It is necessary to integrate BR as the one and only frame for various statistical surveys. The integration was realized through Triple times comparison and reconciliation between BR and subject-matter survey frames.

5. From August to October 2010, the first comparison and reconciliation between BR and subject matter survey frames was completed. Later on, two additional comparisons, one at the provincial level and one at the national level, were conducted in May and August 2011 respectively, which targeted the 'above threshold' enterprises for an overall verification including subject matter identifier confirmation. After integration, the frame for 'above threshold' enterprises was preliminarily built, which enables annual (regular) reports produced directly based on units in the BR.

### **B. Business Registers' utilization and Four Major Programmes**

6. The National Statistical Work Conference held in December 2010 promoted the thought of 'Four Major Programmes' by the Commissioner of NBS. The whole statistical system started to work for the interrelated Four Major Programmes, namely Business Register, Integrated Questionnaire for Enterprises, Data Collecting and Processing Software and Online Reporting System. The Four Major Programmes work interactively with Business Register as the foundation, Integrated Questionnaire for Enterprises as the core concept, Data Collection and Processing Software as the platform, and Online Reporting System as the tool. After being selected from the unified Business Register, a legal survey unit should finish the Integrated Questionnaire for Enterprises and submit it to National

Data Management Center directly via the internet, using the Data Collecting and Processing Software. In this programme, statistical agencies at all levels can receive, check and share raw data online synchronously, and the accuracy, integrity and timeliness of data can be enhanced.

7. It was a transition period from April to the end of August 2011, where BR of 'above threshold' enterprises were used as the sole sample frame. NBS also conducted its pilot on 'Integrated Questionnaire for Enterprises', where the first stage BR provided the pilot with about 370,000 survey units. Along with the finalization of BR of 'above threshold' enterprises, NBS followed a principle of 'enter the BR first, then be surveyed later' strictly since September 2011. Any unit that was not included in the BR of 'above threshold' enterprises stopped reporting data ever since. According to this, BR provided about 640,000 'above threshold' enterprises and 350,000 subordinated establishments for the annual survey of 'Integrated Questionnaire for Enterprises' in November, 2011.

8. The first step is to verify and create survey frames for 'above threshold' enterprises which have been achieved. The second step, frames for 'under threshold' enterprises and non-enterprise units, is on-going.

### **III. Gradual achievement of a unified management of survey units**

#### **A. Unified management for the frame of 'above threshold' enterprises**

9. In August 2011, the NBS issued *Implementation Articles of Interim Management Measures for the Establishment, Maintenance, and Usage of National BR*, which stipulated unified management of survey units by the BR management authority.

10. Unified management refers to two types of activities: one is to manage the entering, exiting of units and the changes of specified items; the other is to provide frames for subject matter surveys in non-census years. Both types of activities were regulated by the BR management authority.

11. With well-defined management scope, standard and management principles of survey units, the unified management can be achieved through the following activities:

- Standardize the management for the frame of 'above threshold' enterprises;
- Determine criteria of the entering, changing and exiting of survey units;
- Determine approval process of the entering, changing and exiting of survey units in the frame;
- Determine the frequency and measure of the provision of 'above threshold' enterprises frame;
- Determine the frequency and measure of update feedback of survey units.

#### **B. Offering 'above threshold' enterprises list for 'the Integrated Questionnaire for Enterprises' regularly**

12. According to the management for the frame of 'above threshold' enterprises, BR offered 'above threshold' enterprises list for 'the Integrated Questionnaire for Enterprises' quarterly before April this year. In order to provide timely-updated and complete frames for subject matter surveys, the frequency was changed to monthly. The BR division in collaborate with the Department of Industry & Transport Statistics, the Department of Investment & Construction Statistics and the Department of Trade & External Economic

Relations Statistics conduct examination and approval of the entering, changing and exiting of survey units of 'above threshold' enterprises through BR processing system according to the corresponding criteria, where the units to be approved are those 'above threshold' enterprises which have changed due to restructuring, re-registering, merging or splitting. Enterprises which pass the verification are included in the frame for 'the Integrated Questionnaire' and will be provided to Online Reporting System for their surveys.

13. In May 2013, BR provided a total frame with about 795,000 'above threshold' enterprises for 'the Integrated Questionnaire' programme, increased 2,800 from April of which there are 344,000 industrial enterprises, 88,000 construction enterprises, 138,000 wholesale and retail enterprises, 40,000 hotel and catering enterprises, 88,000 real estate enterprises and 97,000 important service enterprises which were included in 'the Integrated Questionnaire' programme from April this year. In June of this year, the number of newly-added enterprises into 'the Integrated Questionnaire' is 4,400, the change owing to restructuring, re-registering, merging or splitting is 26, and 1,600 exited from the frame.

#### **IV. Challenges**

14. In non-census years, the BR mainly offers 'above threshold' enterprises list for annual or regular subject matter surveys conducted with the Integrated Questionnaire for Enterprises, monthly. On these bases, the BR began to provide survey universe or sampling frames for other surveys on important service enterprises, small size and mini-size enterprises, and cultural industry. More and more subject matter surveys will be hooked to the BR. BR's utilization is still faced with various challenges.

##### **A. 'Timeliness' and 'Accuracy'**

15. BR's utilization is of great significance, but to truly reflect BR's social values, the key is 'timeliness' and 'accuracy'. China is now in a period of rapid economic development and huge social changes, various units change with the annual average rate of about 20-30%. But the capacity of the statistical agencies at grassroots level is weak. Sometimes, administrative records from other government agencies do not reflect the real situations of units either. China's BR need to improve the quality continuously in order to meet the requirements of different survey programmes. Otherwise, the BR will be unable to provide strong support for different survey programmes with perfect 'timeliness' and 'accuracy'.

##### **B. Integration of various administrative data**

16. In non-census years, administrative records are an important source for BR updating and maintenance. However, the organizational code in administrative records is somewhat different from that in the BR. It is the lack of a sole identifier to exchange data with related departments, and that greatly hinders the work of linking the database of the different administrative registers with BR. Work should be done towards the creation of a unique national business identifier (in conjunction with other ministries such as the taxation department). The development and use of a unique business identifier amongst government department facilitates the efficient use of administrative data. Now we keep striving to establish administrative records exchanging mechanism with other government agencies.

**C. Realizing a two-way updating between BR data and subject matter survey feedback.**

17. It is necessary for BR to improve data quality to meet requirements of different survey programmes. On the other hand, BR are supposed to be updated with timely survey data. In order to realize a two-way updating between BR data and subject matter survey feedback, changes and corrections to frame data on the BR should be transmitted regularly by survey collection areas during the collection of subject matter survey data.

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