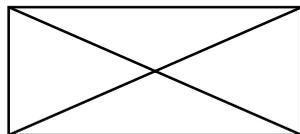




# INTERNATIONAL GUIDELINES FOR STATISTICAL BUSINESS REGISTERS



Normal characters: Definition

*Italics*: Comments

***Bold and italics***: Source (followed by link to source, if any)

**Indented**: Related terms (if any)

## Accuracy

Accuracy is an attribute of statistics measuring the closeness of estimates to the unknown true values.

*According to the European Statistics Code of Practice, European statistics must accurately and reliably portray reality.*

**European Union, Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (Official Journal of the European Union No L 87, 31.3.2009, p.164 - 173)**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:087:0164:0173:EN:PDF>

## Acquisition

Acquisition refers to obtaining ownership and control by one firm, in whole or in part, of another firm or business entity.

*The definition covers both control and influence (minority ownership). There are many other definitions (Wikipedia). If acquisition is used in statistical context, its meaning must always be specified. Acquisition is not a statistical event if the acquired unit does not cease to exist, in which case it is a take-over.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Control

Merger

Ownership

Shares by owner

Take-over (of an enterprise)

## Active unit

Unit, which either had turnover or employment at any time during the reference period. This statistic should include all units active during at least a part of the reference period.

*In the Business Register Regulation economically active units are defined and the definition is wider than the SBS definition. A legal unit can be legally or administratively active without any economic activity.*

**Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 concerning structural business statistics**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997R0058:EN:HTML>

Dormant unit

Economic activity

## Activity

An activity can be said to take place when resources such as equipment, labour, manufacturing techniques, information networks or products are combined, leading to the creation of specific goods or services. An activity is characterised by an input of products (goods and services), a production process and an output of products.

*If a unit carries out more than one activity, all the activities which are not ancillary activities are ranked according to the gross value added. On the basis of the preponderant gross value added generated, a distinction can then be made between principal activity and secondary activities. Ancillary activities are not isolated to form distinct entities or separated from the principal or secondary activities of entities they serve.*

*Activities can be determined by reference to an activity classification, e.g. ISIC (United Nations International Standard Industrial Classification of All Economic Activities) or NACE (Statistical Classification of Economic Activities in the European Community).*

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00095.htm>

Industry

Kind-of-activity unit (KAU)

### Administrative business register

An administrative business register is a regularly updated structured list of specific business units in a territorial area, which is maintained by administrative authorities for administrative purposes (e.g. recording and maintaining certain details of businesses or taxation)

#### **Eurostat**

Statistical Business Register

### Administrative register

Administrative registers come from administrative sources and become statistical registers after passing through statistical processing in order to make it fit for statistical purposes (production of register based statistics, frame creation, etc.).

**Eurostat, Manfred EHLING, Thomas KÖRNER and others, "Handbook on Data Quality Assessment Methods and Tools", Wiesbaden, 2007**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/Handbook\\_on\\_data\\_qual\\_assess\\_tools.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/Handbook_on_data_qual_assess_tools.pdf)

European Business Register

### Administrative source

A traditional definition of administrative sources is that they are files of data collected by government bodies for the purposes of administering taxes or benefits, or monitoring populations. This narrow definition is gradually becoming less relevant as functions previously carried out by the government sector are, in many countries, being transferred partly or wholly to the private sector, and the availability of good quality private sector data sources is increasing.

It is therefore necessary to consider a wider definition of administrative sources. Administrative sources are sources containing information that is not primarily collected for statistical purposes. This wide definition was proposed by the Eurostat Task Force on Administrative Sources in 1997. This wide definition allows the consideration of virtually the whole range of non-survey inputs to business registers, regardless of origin.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Administrative data holder

Administrative data provider

Administrative dataset

Administrative regulation

Coverage (of an Administrative Dataset)

European Business Register

Register

### All-resident enterprise group

Enterprise group composed only of enterprises that are all resident in the same country.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Domestically controlled enterprise group

Enterprise group

Foreign controlled enterprise group

Multinational enterprise group

Truncated enterprise group

### Analytical unit

Real or artificially constructed unit, for which statistics are compiled.

*Analytical units are created by statisticians, often by splitting or combining observation units with the help of estimations and imputations in order to compile more detailed and more homogeneous statistics than is possible using data on observation units (United Nations, Introduction to ISIC Rev. 3 (International Standard Industrial Classification of All Economic Activities, Revision 3), para. 63). Analytical units can correspond therefore for example to enterprises, local units, kind-of-activity units (KAU), local kind-of-activity units (local KAU) as well as to units of homogeneous production (UHP) and local units of homogeneous production (local UHP).*

#### **SDMX (2009)**

<http://www.sdmx.org/>

Classification

### Ancillary activity

An ancillary activity is a supporting activity undertaken within an enterprise in order to create the conditions within which the principal or secondary activities can be carried out.

This definition is used both in SNA 1993 (§ 5.9 and 5.10 [15.16]) and in SNA 2008 (§ 5.36).

*An ancillary activity is incidental to the main activity of an enterprise. It facilitates the efficient running of the enterprise but does not normally result in goods and services that can be marketed (SNA 2008, § 5.10).*

*In addition, ancillary activities have certain common characteristics related to their output.*

*These additional characteristics include:*

- a. The output of an ancillary activity is not intended for use outside the enterprise.*
- b. Ancillary activities typically produce outputs that are commonly found as inputs into almost any kind of productive activity;*
- c. Ancillary activities produce services (and, as exceptions, goods that do not become a physical part of the output of the principal or secondary activity) as output;*
- d. The value of ancillary activity output is likely to be small compared with that of the principal or secondary activities of an enterprise (SNA 2008, § 5.36).*

*Ancillary activities generally produce services that are commonly found as inputs into almost any kind of productive activity and the value of an individual ancillary activity's output is likely to be small compared with the other activities of the enterprise (e.g. cleaning and maintenance of buildings) (SNA 1993, § 5.9 and 5.10 [15.16]).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

### Associate

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

**International Accounting Standard IAS 28, Official Journal of the European Union, L 394/126, 31.12.2004**

[International Accounting Standard IAS 28, Official Journal of the European Union, L 394/126, 31.12.2004](#)

Significant influence

Subsidiary corporation

**Benchmark**

A recognised standard that forms the basis for comparison.

*In quality improvement lexicon, a benchmark is a best in class achievement. This achievement then becomes the reference point or recognized standard of excellence against which similar processes are measured.*

*Benchmark data is a recognised standard data set against which other data sets are compared.*

**SDMX (2009)**

<http://www.sdmx.org/>

**Birth (of enterprise group)**

The birth of an enterprise group is the establishing of a link of control, direct or indirect, between two or more independent legal units, where no link of control existed before and no other enterprise group is involved.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Date of creation [of enterprise group]

**Birth (of enterprise)**

A birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises. It does not include entries into a sub-population resulting only from a change of activity.

*A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered as an enterprise birth if new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth.*

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Business demography

Date of creation [of enterprise]

**Birth (of local unit)**

The birth of a local unit is the emergence of a local unit, which did not exist before. Since the local unit is a part of an enterprise, situated in a geographically identified place, and the enterprise is a combination of production factors, the birth of a local unit amounts to the creation of a (partial) combination of production factors at a geographically identified place.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Date of creation [of local unit]

**Birth date (of enterprise)**

The date on which a unit was born.

In principle the date could be decided by referring to the definition of the enterprise: the birth takes place at the (first) moment the conditions of the definition are met, so the moment there is an organisational unit producing goods or services.

The convention is that the date on which the first financial commitments for investments are made should be taken. This may seem somewhat early, since actual production will take place afterwards, but this allows for the statistical coverage of all important variables, such as investments, from the beginning. This date is not considered too early since serious commitments have been made, however, from the point of view of cost-efficiency and response burden it may not always be desirable to actually collect the date of birth from the enterprise; in that case the registration date at the administrative source has to be taken.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

**Branch**

Local units without separate legal entity, which are dependent on foreign enterprises, and classified as quasi-corporations according to ESA95 and SNA93 principles, shall be treated as enterprises in the business registers.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

**Break-up (of an enterprise group)**

Break-up involves one enterprise group before and more than one enterprise group after the event. In a break-up, the enterprise group is divided in such a way that neither (none) of the new enterprise groups keep the identity of the original enterprise group.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Break-up (of an enterprise)

Cessation (of business)

Creation (of business)

**Break-up (of an enterprise)**

Break-up involves one enterprise before and more than one enterprise after the event. In a break up, the enterprise is divided in such a way that neither (none) of the new enterprises keeps the identity of the original enterprise.

*There is no continuity or survival, but the closure of the previous enterprise is not considered to be a real death. Similarly the new enterprises are not considered to be real births. A break up can be seen as the opposite of a merger.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Break-up (of an enterprise group)

Cessation (of business)

Creation (of business)

De-concentration

Split-off (of an enterprise)

## Burden

Administrative burdens on enterprises are seen as impediments to their competitiveness. They result from all administrative demands. Requests by National Statistical Offices and other parts of national administrations responsible for statistical data collection figure among the list of administrative burdens. When considering the statistical burden on an enterprise it is useful to distinguish the two terms "load" and "burden". The net burden of a survey can be defined as follows:

+ the additional cost to business arising from their inclusion in a survey (the load)  
- value to enterprises of uses of the statistics (the benefits)  
= net burden

In practice however, whether businesses see a survey as a burden or not will be a matter of perception which may not be in accordance with the actual costs and benefits involved. Thus:

+ perceived load  
- perceived benefits  
= perceived burden

**Andrew Machin, "Statistical burden on businesses", ONS (Office for National Statistics), London, June 1995**

## Business closures

See: Cessation of business

### **Eurostat**

## Business demography

Business demography covers events, like births and other creations of units, deaths and other cessations of units, and their ratio to the business population. It covers follow-up of units in time dimension, thus gaining information on their survival or discontinuity. It also covers development in time dimension according to certain characteristics like size, thus gaining information on the growth of units, or a cohort of units, by type of activity.

Demographic information can in principle be produced by any statistical unit, however, a clear political interest in Europe is on enterprise demography.

The demography of enterprises can be assessed by studying enterprise births and enterprise deaths and by examining the change in the number of enterprises by type of activity, i.e. by examining the flows and stocks to get a complete picture of the enterprise dynamism.

The demography of local units could be assessed in a similar way as for enterprises, though this is not common. In many non-European countries demography of establishments is produced regularly. Some European countries are also interested in the demography of local kind-of-activity units.

Discussion of the demography of enterprise groups is only in a starting phase, but it may become important in the future. There are some clear differences with enterprise demography. Births and deaths of enterprise groups are less important than other events: mergers, take-overs, break-ups and split-offs.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Birth (of enterprise)

Continuity

Death (of enterprise)

Survival

## Business start-ups

See: Creation of business

### **Eurostat**

## Capital

Capital is generally considered as a wealth component (sum of assets belonging to enterprises, government and households). Capital corresponds in economics to a factor of production.

### **Eurostat**

## Captive unit

Situation, generated by strategies of outsourcing, aimed at reducing costs of production and increasing productivity, such as exclusive sales or supply contracts that generate dependency of one legal unit from another without any direct participation from the part of the former into the capital share of the latter. A legal unit can thus be captive by another unit without being owned by that, but linked by a commercial contract, which ensures to the parent legal unit the exclusive rights of the work. In the case of natural persons such units are also called false self-employed.

*Captive units are not part of the enterprise group.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Control

Ownership

## Central bank

The central bank is the national financial institution that exercises control over key aspects of the financial system (SNA 2008, § 4.104).

A central bank is the public financial corporation, which is a monetary authority; that is, which issues banknotes and sometimes coins and may hold all or part of the international reserves of the country. The central bank also has liabilities in the form of demand or reserve deposits of other depository corporations and often government deposits (SNA 1993, § 4.86).

*There are three broad groups of central bank services. These are monetary policy services, financial intermediation and borderline cases (such as supervisory services) (SNA 2008, § 6.151).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

## Cessation (of business)

The cessation of activities of a unit can occur either due to a (real) death of the unit, or due to other cessation by a merger, take-over, break-up or discontinuity point according to the continuity rules.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Break-up (of an enterprise group)

Break-up (of an enterprise)

Closure (of business)

Merger

Take-over (of an enterprise)

### Chamber of commerce

A chamber of commerce is an organization of businesses seeking to further their collective interests, while advancing their community, region, state or nation.

#### **American Chamber of Commerce Executives (ACCE)**

<http://www.acce.org/whatisachamber/>

### Classification of activities

The main purpose of a classification of activities is to classify productive economic activities. The main aim is to provide a set of activity categories that can be utilised when dissecting statistics according to such activities.

Different classifications are needed to cater for the different functions which statistics are required to perform, so at international and national levels classifications have been developed for a wide range of purposes, whereby each has its own specific area of application depending on the subject of classification.

Economic classifications can be broadly divided into two categories:

Classifications of economic activities cover all economic activities - from agriculture to services - and are used to classify economic entities (enterprises, local units and similar statistical units). Such classifications therefore form the basis for compiling statistics on output, the production factors entering into the production process (input: labour, raw materials and supplies, energy etc.), capital formation or financial transactions.

The outputs of the economic entities are termed products and are generally divided into goods and services. They are classified in product classifications.

The main activity classifications are ISIC (International Standard Industrial Classification of All Economic Activities, maintained by the United Nations, used at world level) and NACE (Statistical Classification of Economic Activities in the European Community, maintained by Eurostat, used at European Union level).

**1) Statistical Office of the United Nations, "International Standard Industrial Classification of all Economic Activities, Third Revision", Statistical Papers Series M No. 4, Rev. 3, United Nations, New York, 1990, par. 16;**

**2) Eurostat, "NACE Rev. 1 - Statistical Classification of Economic Activities in the European Community - Introduction", Office for Official Publications of the European Communities, Luxembourg, 1996**

Economic activity

International Standard Industrial Classification of all economic activities (ISIC)

### Closure (of business)

Enterprises that are not active in a given period, but were active in the previous period.

*The number of enterprise deaths is derived from the population of enterprise closures by removing reactivations within two years and closures that do not meet the definition of enterprise deaths.*

**Eurostat, Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Cessation (of business)

### Cluster of control

A cluster of control is a set of legal units which are directly or indirectly controlled by one legal unit.

**EuroGroups Register (EGR) website, online glossary, consulted 5 February 2013**

<http://egr.istat.it/?q=glossary1/all>

## Coding

The process of converting verbal or textual information into codes representing classes within a classification scheme, to facilitate data processing, storage or dissemination.

### **SDMX (2009)**

<http://www.sdmx.org/>

## Company

"Companies or firms" means companies or firms constituted under civil or commercial law, including co-operative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

**European Union, Treaty of Nice, articles 43 and 48, quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Corporation

Enterprise

Institutional unit

Legal unit

Non-profit institution

## Complex enterprise

An enterprise combined of two or more legal units under the same control.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Enterprise

## Concentration of enterprises

Concentration of enterprises refers to demographic events (mergers and take-overs) involving more than one enterprise before and one enterprise after the event.

The term may also be used to denote that the population of enterprises gets fewer owners or is spread over a reduced number of enterprise groups.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

De-concentration

Merger

Take-over (of an enterprise)

### Confidential data

Data which allow statistical units to be identified, either directly or indirectly, thereby disclosing individual information. To determine whether a statistical unit is identifiable, account shall be taken of all relevant means that might reasonably be used by a third party to identify the statistical unit.

**European Union, Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (Official Journal of the European Union No L 87, 31.3.2009, p. 164 - 173)**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:087:0164:0173:EN:PDF>

EuroGroups Register (EGR)

Statistical confidentiality

Statistical unit

### Confidentiality

A property of data indicating the extent to which their unauthorised disclosure could be prejudicial or harmful to the interest of the source or other relevant parties.

*Confidentiality refers to a property of data with respect to whether, for example, they are public or their disclosure is subject to restrictions. For instance, data allowing the identification of a physical or legal person, either directly or indirectly, may be characterised as confidential according to the relevant national or international legislation. Unauthorised disclosure of data that are restricted or confidential is not permitted and even legislative measures or other formal provisions may be used to prevent disclosure. Often, there are procedures in place to prevent disclosure of restricted or confidential data, including rules applying to staff, aggregation rules when disseminating data, provision of unit records, etc.*

*Sensitivity (of information) is sometimes used as a synonym to confidentiality.*

*This concept can be broken down into: Confidentiality - policy; Confidentiality - status; Confidentiality - data treatment.*

**SDMX (2009)**

<http://www.sdmx.org/>

Confidential data

### Consolidated financial statements

Financial statements of a group presented as those of a single enterprise.

**Commission Regulation (EC) No 494/2009 of 3 June 2009 as regards International Accounting Standard (IAS) 27, quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Consolidated legal unit

Legal unit compiled on the basis of one or more sources.

*When different sources deliver information about "Bakery Adams", then all this information is consolidated in one consolidated legal unit of "Bakery Adams".*

**EuroGroups Register (EGR) website, online glossary, consulted 5 February 2013**

<http://egr.istat.it/?q=/glossary1/all>

## Consumption

The activity of consumption consists of the use of goods and services for the satisfaction of individual or collective human needs or wants (SNA 2008, § 9.39).

Consumption is an activity in which institutional units use up goods or services; consumption can be either intermediate or final (SNA 1993, § 1.49).

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

## Continuity

In theory, the continuity rules would be derived from the definition of the enterprise (or other unit) and its statistical uses. In principle, the continuity of an enterprise depends on the continuity of its production factors: employment, machines and equipment, land, buildings, management, and intangible assets. The continuity of these factors can be measured and weighted to decide upon the continuity of the enterprise.

In practice, the continuity rules depend on considerations of cost-efficiency, notably availability of information, costs of additional information collection for the statistical institute, and response burden effects.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Business demography

Survival

## Control

Control over a corporation is defined as the ability to determine general corporate policy by choosing appropriate directors, if necessary.

*A single institutional unit (another corporation, a household or a government unit) secures control over a corporation by owning more than half the voting shares or otherwise controlling more than half the shareholders' voting power. In addition, government secures control over a corporation as a result of special legislation decree or regulation which empowers the government to determine corporate policy or to appoint the directors.*

*In order to control more than half the shareholders' voting power, an institutional unit needs not own any of the voting shares itself. A corporation C could be a subsidiary of another corporation B in which a third corporation A owns a majority of the voting shares.*

*Corporation C is said to be subsidiary of corporation B when: either corporation B controls more than half of the shareholders' voting power in corporation C or corporation B is a shareholder in C with the right to appoint or remove a majority of the directors of C.*

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00070.htm>

Acquisition

Captive unit

Dominant influence

Effective minority control

Indirect control

Majority ownership

Ownership

### Coordination of samples

Increasing the sample overlap for some surveys rather than drawing the samples independently is known as positive coordination. A positive coordination is often searched in repeated surveys over time (panels) in order to obtain a better accuracy of statistics depending on correlated variables from two surveys. Reducing the overlap between samples for different surveys is known as negative coordination. A negative coordination is used in order to share more equally the response burden among responding units when statistics from surveys are not used together or are not correlated.

**Lessler, J.T. and Kalsbeek, W.D. (1992), "Non Sampling Error in Survey", New York: John Wiley or US department of Commerce (1978), "Glossary of Non Sampling Error Terms: An Illustration of a Semantic Problem in Statistics", Statistical Policy Working Paper 4, Office of Federal Statistical Policy Standards, 1978**

### Corporate governance

Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Corporation

In the SNA, the term corporation covers legally constituted corporations and also cooperatives, limited liability partnerships, notional resident units and quasi-corporations (SNA 2008, § 4.7).

A typical corporation may be described as a legal entity, created for the purpose of producing goods or services for the market, that may be a source of profit or other financial gain to its owner(s); it is collectively owned by shareholders who have the authority to appoint directors responsible for its general management (SNA 1993, § 4.23).

*In the SNA, the term corporation is used more broadly than in just the legal sense. In general, all entities that are:*

- a. capable of generating a profit or other financial gain for their owners,*
- b. recognized at law as separate legal entities from their owners who enjoy limited liability,*
- c. set up for purposes of engaging in market production,*

*are treated as corporations in the SNA, however they may describe themselves or whatever they may be called. As well as legally constituted corporations the term corporations is used to include cooperatives, limited liability partnerships, notional resident units and quasi-corporations (SNA 2008, § 4.38).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

Company

Enterprise

Institutional unit

International Accounting Standards (IAS)

**Country of residence of the group head**

Country where the head office of the group head is located.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Group head

**Coverage**

Specifies the population from which observations for a particular topic can be drawn.

**United Nations, Online Glossary of Classification Terms, prepared by the Expert Group on International Economic and Social Classifications, consulted 1st February 2013**

[http://unstats.un.org/unsd/class/family/glossary\\_short.asp](http://unstats.un.org/unsd/class/family/glossary_short.asp)

**Creation (of business)**

The emergence of a new business unit. This can be either due to a (real) birth of the unit, or due to other creation by a merger, break-up, split-off or discontinuity point according to the continuity rules.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Break-up (of an enterprise group)

Break-up (of an enterprise)

Merger

New enterprises

Split-off (of an enterprise)

**Cut-off threshold**

A cut off threshold is used, mainly for cost or burden reasons, to exclude from the target population (hence from the frame) units contributing very little to the requested statistics, small businesses for instance. The contribution from the population below the threshold can either be deemed negligible or be estimated by using a model.

Note: Threshold could be used also in statistics for better comparability. An example could be to include in the number of enterprises only units with at least one person employed. This would enable better comparability between the country figures, if the coverage below the threshold varies by country.

**Eurostat, "ESS Handbook for Quality Reports", Luxembourg: Office for Official Publications of the European Communities, 2009**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/EHQR\\_final.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/EHQR_final.pdf)

**Cycle**

Period in which a population frame for a particular frame reference date is constructed.

**EuroGroups Register (EGR) website, online glossary, consulted 5 February 2013**

<http://egr.istat.it/?q=/glossary1/all>

**Date of cessation (of enterprise group)**

Date of cessation of the all-resident/truncated enterprise group

*Cessation of a group means either death of the group (dissolution of the links of control between the units belonging to the group), or (more commonly) other cessation date by merger with or take-over by another group, or break-up, split-off, or restructure into two or more groups.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Death (of enterprise group)

**Date of cessation (of enterprise)**

Date of final cessation of activities.

*This variable refers to the death or other deletion date of the enterprise (when it becomes historical) and is interpreted in a way similar to the corresponding variable for local units.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Death (of enterprise)

**Date of cessation (of legal unit)**

Date on which the legal unit ceased to be part of an enterprise.

*This date is not easy to collect but the registration of the event is far more important than the precise day and month of its having taken place. Basically, the legal unit ceases to be part of an enterprise when:*

- a) The legal unit ceases to exist. The death of the legal unit is marked on the register.*
- b) The legal unit ceases to be economically active and it is not part of the control chain within the enterprise group. The legal unit can either be kept in the register as marked inactive, or its death can be marked in the register.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

**Date of cessation (of local unit)**

Date of final cessation of activities.

*This variable refers to the death or other deletion date of the local unit. As for legal units, this date may not be available with any precision, only the fact that the local unit has ceased to exist during the reference year may be known.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Death (of local unit)

**Date of creation [of enterprise group]**

Date of commencement of the all-resident/truncated enterprise group. The date refers either to a date when a new all-resident group is born), or other creation date of a new group (by merger, break-up, split-off, or restructure).

*The birth of a new group may be difficult to define in practice, if the smallest groups of no statistical importance to the Member State are not monitored. The date from which the group is being monitored shall then be used as a proxy. However, the approximate dates are important in order to know from which year a certain multinational group is monitored in different countries.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Birth (of enterprise group)

**Date of creation [of enterprise]**

Date of commencement of activities.

*The date refers to the date of birth, i.e. in principle the date on which the first financial commitments are made, although in practice it may refer to the registration date in the administrative source, if the unit starts its economic activities immediately after that. However, the legal unit may change and be re-registered for instance after a change of legal form, while the enterprise remains the same, because the continuity rules for enterprises should be applied.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Birth (of enterprise)

**Date of creation [of legal unit]**

Date of incorporation for legal persons or date of official recognition as an economic operator for natural persons - The "date of official recognition" should be the date on which an identification number is given, or the date on which the legal existence was approved, be it a company/trade register number, a VAT number or other.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

**Date of creation [of local unit]**

Date of commencement of the activities - This date should refer to the birth or other creation date of the local unit according to the continuity rules.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Birth (of local unit)

**Daughter company**

A company that is completely or partly owned by another company

**Financial Times Lexicon**

<http://lexicon.ft.com/Term?term=daughter-company>

Subsidiary

**Death (of enterprise group)**

The death of an enterprise group is the cessation of all control links, direct or indirect, between the legal units of which the enterprise group consists. The legal units become independent again or cease to exist. No other enterprise group is involved.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Date of cessation (of enterprise group)

**Death (of enterprise)**

A death amounts to the dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. Deaths do not include exits from the population due to mergers, take-overs, break-ups or restructuring of a set of enterprises. It does not include exits from a sub-population resulting only from a change of activity.

An enterprise is included in the count of deaths only if it is not reactivated within two years. Equally, a reactivation within two years is not counted as a birth.

**Eurostat and OECD, "Eurostat - OECD Manual on Business Demography Statistics", Luxembourg, Paris, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Business demography

Date of cessation (of enterprise)

**Death (of local unit)**

The disappearance of a local unit, which existed before. Since the local unit is a part of an enterprise, situated in a geographically identified place, and the enterprise is a combination of production factors, the death of a local unit amounts to the dissolution of a (partial) combination of production factors at a geographically identified place.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Date of cessation (of local unit)

**Death date**

The date on which a unit died.

*The date is not easy to collect but registration of the event is more important than the exact day.*

*There may be no interest from the part of the unit to announce its death. Between activity and death there may be a period of inactivity, in which the unit may be recorded as dormant. Only after a long period, e.g. 24 months, of such status may the unit be erased from the statistical business register and that is the date to be retained.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Dormant unit

### De-concentration

De-concentration is defined as changes (break-ups and split-offs) involving one enterprise before and more than one enterprise after the event.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Break-up (of an enterprise)

Concentration of enterprises

Split-off (of an enterprise)

### Delineation

The delineation of statistical units is mainly done by considering groupings or divisions of legal units and applying harmonised rules and/or using classifications. Bad delineation may occur when two units are considered as one and vice versa (for instance a cafeteria attached to a supermarket). Another frequent case of difficulties in delineation is encountered with very small enterprises, which represent a total employment less than the full-time equivalent of one year.

**Eurostat, "ESS Handbook for Quality Reports", edition 2009, quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Divestiture

Divestiture refers to firms selling part of their current operations, divisions or subsidiaries.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Split-off (of an enterprise)

### Domestically controlled enterprise group

Multinational group controlled by a group head that has its headquarters resident in the country compiling the business register.

*All-resident enterprise groups are also self-evidently domestically controlled, but as they are not multinational, they do not belong to this type.*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

All-resident enterprise group

Foreign controlled enterprise group

Group head

Multinational enterprise group

### Dominant influence

The dominant influence can be exercised in different ways. The acquisition of the absolute majority (50 % + 1) of shareholdings with voting rights is the main instrument used to take control over a legal unit. On the other hand the absolute majority of ownership of the capital share is neither a necessary nor a sufficient condition to have control.

It is not a necessary condition because there may be situations in which a relative majority of shareholdings with voting rights is enough to take control. This can be due to:

- a) Absenteeism in the meetings from the part of the other shareholders.
- b) Existing contracts about control.

It is not sufficient because the ability to effectively exercise control depends on the possibility to actively participate in the decision making process of the meeting. This may be limited by the presence of:

- a) Shareholdings with limited voting rights;
- b) Statutory provisions that limit the transferability of shares;
- c) Temporary suspension of voting rights.

Situations vary very much from country to country and depend on the legal framework concerning the corporate government, i.e. the legislation that regulates the allocation of property rights and control of enterprises in the economy. In particular the principles vary sometimes notably between civil law systems and common law ones.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Control

Effective minority control

Indirect control

Majority ownership

### Dormant unit

A unit is said to be dormant if it is legally alive and has legal personality, but does not carry on any activity and has neither employment nor turnover.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Active unit

Death date

Reactivation

### Economic activity

Any activity consisting in offering goods and services on a given market.

**European Union, Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February 2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:061:0006:0016:EN:PDF>

Active unit

Classification of activities

Principal activity

### Effective minority control

Effective minority control means having the effective control of a unit without having the majority of voting stock. It does not include indirect control via a majority-controlled subsidiary. The most common case is a minority but large shareholder and a very large number of dispersed small shareholders, none of which holds a significant share of the capital. The minority shareholder can thus exercise effective control insofar as no majority of shareholders is really able to oppose it. However, it is possible that the small shareholders join forces in order to have more influence over the strategic decisions.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Control

Dominant influence

Majority ownership

### Electronic data interchange, EDI

Electronic exchange of data usually in forms that are compatible so that software or a combination of individuals and software can put the data in a compatible form at the receiving end if necessary.

*EDI offers businesses the opportunity to retrieve information electronically from their internal systems and to forward that information to trade partners/suppliers/customers/government through a communications network. An example might be pulling data of one type of database management system into a sequential format and then transferring the data to a second location where the data are stored in a format different from the originating database management system.*

**Economic Commission for Europe of the United Nations (UNECE), "Glossary of Terms on Statistical Data Editing", Conference of European Statisticians Methodological material, Geneva, 2000**

<http://www.unece.org/stats/publications/editingglossary.pdf>

Electronic data interchange for administration, commerce and transport, EDIFACT

Generic statistical message, GESMES

### Employees

Employees are all those workers who hold the type of job defined as "paid employment jobs". Employees with stable contracts are those "employees" who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis. "On a continuous basis" implies a period of employment which is longer than a specified minimum determined according to national circumstances. (If interruptions are allowed in this minimum period, their maximum duration should also be determined according to national circumstances.) Regular employees are those 'employees with stable contracts' for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labour legislation.

**International Labour Organisation (ILO), Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians, January 1993**

[http://ec.europa.eu/eurostat/ramon/coded\\_files/icse\\_1993\\_en.pdf](http://ec.europa.eu/eurostat/ramon/coded_files/icse_1993_en.pdf)

Employment

Number of employees (Index)

## Employment

The "employed" comprise all persons above a specified age who during a specified brief period, either one week or one day, were in the following categories:

(a) "paid employment":

(a1) "at work": persons who during the reference period performed some work for wage or salary, in cash or in kind;

(a2) "with a job but not at work": persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.

This formal job attachment should be determined in the light of national circumstances, according to one or more of the following criteria:

- (i) the continued receipt of wage or salary;
- (ii) an assurance of return to work following the end of the contingency, or an agreement as to the date of return;
- (iii) the elapsed duration of absence from the job which, wherever relevant, may be that duration for which workers can receive compensation benefits without obligations to accept other jobs;

(b) "self-employment":

(b1) "at work": persons who during the reference period performed some work for profit or family gain, in cash or in kind;

(b2) "with an enterprise but not at work": persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

*For operational purposes, the notion of "some work" may be interpreted as work for at least one hour.*

*Persons temporarily not at work because of illness or injury, holiday or vacation, strike or lockout, educational or training leave, maternity or parental leave, reduction in economic activity, temporary disorganisation or suspension of work due to such reasons as bad weather, mechanical or electrical breakdown, or shortage of raw materials or fuels, or other temporary absence with or without leave should be considered as in paid employment provided they had a formal job attachment.*

*Employers, own account workers and members of producers' co-operatives should be considered as in self-employment and classified as "at work" or "not at work", as the case may be.*

*Unpaid family workers at work should be considered as in self-employment irrespective of the number of hours worked during the reference period. Countries which prefer for special reasons to set a minimum time criterion for the inclusion of unpaid family workers among the employed should identify and separately classify those who worked less than the prescribed time.*

*Persons engaged in the production of economic goods and services for own and household consumption should be considered as in self-employment if such production comprises an important contribution to the total consumption of the household.*

*Apprentices who received pay in cash or in kind should be considered in paid employment and classified as "at work" or "not at work" on the same basis as other persons in paid employment.*

*Students, homemakers and others mainly engaged in non-economic activities during the reference period, who at the same time were in paid employment or self-employment should be considered as employed on the same basis as other categories of employed persons and be identified separately, where possible.*

*Members of the armed forces should be included among persons in paid employment. The armed forces should include both the regular and the temporary members as specified in the most recent revision of the International Standard Classification of Occupations (ISCO).*

*population, employment, unemployment and underemployment, adopted by the Thirteenth International Conference of Labour Statisticians, October 1982*

[http://ec.europa.eu/eurostat/ramon/coded\\_files/ecacpop\\_en.pdf](http://ec.europa.eu/eurostat/ramon/coded_files/ecacpop_en.pdf)

Employees

Number of employees (Index)

Self-employed person with employees

Self-employed person without employees

### Enterprise

The enterprise is the smallest combination of legal units that is an organisational 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 does not limit enterprise to one country. However, by convention this is generally done in the European statistical context. Enterprise may thus be used elsewhere in the meaning of enterprise group, in America also in the meaning of truncated enterprise group.*

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Company

Complex enterprise

Corporation

Enterprise group

Foreign affiliate

Institutional unit

Legal form

Legal unit

Statistical unit

Truncated enterprise group

### Enterprise closures

Enterprises that are not active in a given period, but were active in the previous period. The number of enterprise deaths is derived from the population of enterprise closures by removing reactivations within two years and closures that do not meet the definition of enterprise deaths.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

### Enterprise group

An enterprise group is an association of enterprises bound together by legal and/or financial links. A group of enterprises can have more than one decision-making centre, especially for policy on production, sales and profit. It may centralise certain aspects of financial management and taxation. It constitutes an economic entity which is empowered to make choices, particularly concerning the units which it comprises.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

All-resident enterprise group

Enterprise

EuroGroups Register (EGR)

Group head

Multinational enterprise group

Statistical unit

Truncated enterprise group

### Error in business register

An error in a statistical business register is a difference in the information presented in the register and the information as it should be according to a chosen image of the real world produced and maintained by an accepted instrument and documented procedures.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Frame error

### ESBRs

European System of interoperable statistical Business Registers. It is a project of the European Statistical System (2013 - 2017) aiming at consistent and interoperable business registers in the EU, which will operate as backbone for the European business statistics

**Eurostat, "Business Case ESBRs"**

EuroGroups Register (EGR)

Profiling

## Establishment

Enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added (SNA 2008, § 5.2).

Enterprise, or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added (SNA 1993, § 5.21).

*The majority of production is carried out by a relatively small number of large corporations that undertake many different kinds of production, there being virtually no upper limit to the extent of diversity of production in a large enterprise. If enterprises are grouped together on the basis of their principal activities, at least some of the resulting groupings are likely to be very heterogeneous with respect to the type of production processes carried out and also the goods and services produced. Thus, for analyses of production in which the technology of production plays an important role, it is necessary to work with groups of producers that are engaged in essentially the same kind of production. This requirement means that some institutional units must be partitioned into smaller and more homogeneous units, which the SNA defines as establishments (SNA 2008, § 5.2).*

*The establishment combines both the kind-of-activity dimension and the locality dimension. Establishments are sometimes referred to as local kind-of-activity units (local KAUs) (SNA 2008, § 5.14).*

*Thus, establishments are designed to be units that provide data that are more suitable for analyses of production in which the technology of production plays an important role.*

*In practice, an establishment may usually be identified with an individual workplace in which a particular kind of productive activity is carried out: an individual farm, mine, quarry, factory, plant, shop, store, construction site, transport depot, airport, garage, bank, office, clinic, etc (SNA 2008, § 5.16 and 5.17).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

Local kind-of-activity unit (local KAU)

### EuroGroups Register (EGR)

The EuroGroups Register (EGR) is a network of registers, consisting of a central register kept at Eurostat and registers in each EU Member State and in EFTA countries. The central register contains information about multinational enterprises groups (MNEs), which have statistically relevant financial and non-financial transnational operations in at least one of the European countries. Registers in the EU Member States and in EFTA countries contain information regarding MNEs active in the respective countries and are fully consistent with the central register. In practice both, Eurostat and European countries exchange confidential and non-confidential data on MNEs by EDI exclusively for statistical purposes.

The EGR integrates data coming from commercial providers and from the National Statistical Authorities. The different sources are compiled to unique MNEs in the central register at Eurostat in co-operation with the concerned statistical authorities of the EU Member States and EFTA countries.

The aim of the EGR network is to hold a complete, accurate, consistent and up-to-date set of linked and co-ordinated statistical registers, which offer compilers a common frame of multinational enterprise groups, global as well as truncated national groups, operating in the economy of the EU and EFTA countries, together with their constituent legal units and enterprises and the ownership and control relationships between legal units.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Confidential data

Enterprise group

ESBRs

Multinational enterprise group

Truncated enterprise group

### European Business Register

The European Business Register (EBR) is a network of [administrative] business registers kept by the registration authorities in most of the European countries. EBR makes it possible to obtain (for a charge) company information (which varies by country) from countries connected to the network.

The EBR EEIG (European Economic Interest Group) manages the relationships between members of the EBR network.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Administrative register

Administrative source

### European Free Trade Association (EFTA)

An intergovernmental organisation set up for the promotion of free trade and economic integration to the benefit of its four Member States: Iceland, Liechtenstein, Norway and Switzerland.

**European Free Trade Association official website, last consulted on February 22nd 2013**

<http://www.efta.int/>

### European Statistical System (ESS)

Partnership between the Community statistical authority, which is the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities responsible in each Member State for the development, production and dissemination of European statistics.

**ESS official website, last consulted 22nd February 2013**

[http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp\\_ess/ess/ess\\_news](http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/ess/ess_news)

### European system of accounts (ESA)

The European System of National and Regional Accounts (ESA) is an internationally compatible accounting framework for a systematic and detailed description of a total economy (that is a region, country or group of countries), its components and its relations with other total economies.

The ESA is fully consistent with the world-wide guidelines on national accounting, namely the System of National Accounts (SNA).

The ESA framework consists of two main sets of tables:

- Sector accounts: provide, by institutional sector, a systematic description of the different stages of the economic process: production, generation of income, distribution of income, redistribution of income, use of income and financial and non-financial accumulation. The sector accounts also include balance sheets to describe the stocks of assets, liabilities and net worth at the beginning and the end of the accounting period.

- Input-output framework and the accounts by industry: describe in more detail the production process (cost structure, income generated and employment) and the flows of goods and services (output, imports, exports, final consumption, intermediate consumption and capital formation by product group).

The ESA encompasses concepts of population and employment. These concepts are relevant for both the sector accounts and the input-output framework. The ESA is not restricted to annual national accounting, but applies also to quarterly accounts and regional accounts.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00005.htm>

System of national accounts (SNA)

### eXtensible Business Reporting Language (XBRL)

An XML based framework that provides the financial community with a method to prepare, publish in a variety of formats, extract and exchange financial statements. It is expected to have major implications for all concerned with presentation and analysis of company accounts. Development is led by a Steering Committee of over 100 organisations and corporations including the US Census Bureau. XBRL taxonomies already existed for some specific reporting schemes, such as US GAAP (Generally Accepted Accounting Principles), and are under development for many others, including IAS (International Accounting Standards) and several national GAAPs

**European Commission, JoinUp official website, "Description of the XBRL Reference Architecture", last consulted 8 March 2013**

[http://joinup.ec.europa.eu/sites/default/files/XBRL\\_Architecture\\_v2\\_0\\_en.doc](http://joinup.ec.europa.eu/sites/default/files/XBRL_Architecture_v2_0_en.doc)

### eXtensible Mark-up Language (XML)

An expandable, self-describing, platform independent data exchange format - two of the many specific XML languages of particular potential interest to statisticians are ebXML and XBRL.

**Eurostat, "Accounting and Statistics Glossary", no date**

<http://circa.europa.eu/irc/dsis/accstat/info/data/en/ACSTAT%20GLOSSARY.doc>

### Final population frame

Population frame of MNEs that represents the situation of units at a specific moment in time. The final population frame is used to update the national business register or the national copy of the EGR at the NSA.

The final population frame is used for statistical purposes.

**EuroGroups Register (EGR) website, online glossary, last consulted 22 February 2013**

<http://egr.istat.it/?q=glossary1/all>

## First shot

See: Immediate foreign owner

### **Eurostat**

Immediate foreign owner

## Foreign affiliate

"Foreign affiliate" shall mean an enterprise resident in the compiling country over which an institutional unit not resident in the compiling country has control, or an enterprise not resident in the compiling country over which an institutional unit resident in the compiling country has control.

**Eurostat, "Recommendations Manual on the Production of Foreign Affiliates Statistics (FATS)", Methodologies and Working papers, 2007 Edition**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/FATS\\_2007\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/FATS_2007_EN.pdf)

Enterprise

Institutional unit

Subsidiary

## Foreign Affiliates Trade in Services (FATS)

Foreign Affiliates Trade in Services (FATS) statistics measure the commercial presence abroad of service suppliers through affiliates in foreign markets, and therefore are closely related to statistics on foreign direct investment.

Data on the activities of majority-owned foreign affiliates in the compiling economy are usually referred to as inward FATS, and those relating to majority-owned foreign affiliates of the compiling economy that are established abroad are referred to as outward FATS.

FATS statistics cover a range of variables that comprise some, or all, of the following: sales (turnover) and/or output, employment, value added, exports and imports of goods and services, number of enterprises, etc.

**Lindner, A., et al. (2001), "Trade in Goods and Services: Statistical Trends and Measurement Challenges", OECD Statistics Brief, No 1, October, OECD, Paris**

<http://www.oecd.org/std/thestatisticsbrief.htm>

## Foreign controlled enterprise group

Multinational group controlled by a group head that has its headquarters resident outside the country compiling the business register.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

All-resident enterprise group

Domestically controlled enterprise group

Group head

Multinational enterprise group

## Foreign direct investment (FDI)

Foreign direct investment (FDI) is assumed to reflect the objective of obtaining a lasting interest by a resident entity in one economy in an entity resident in an economy other than that of the investor. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise

**Based on: Organisation for Economic Co-operation and Development (OECD), "OECD Benchmark Definition of Foreign Direct Investment, Fourth Edition 2008", Paris, 2008**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/Foreign\\_direct\\_invest\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/Foreign_direct_invest_EN.pdf)

## Foundation

A social economy enterprise (non-profit institution) characterized by:

- Run by appointed trustees
- Capital supplied through donations and gifts
- Financing and undertaking of research, supporting international, national and local projects; providing grants to relieve the needs of individuals, funding voluntary work, health and elderly care.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Legal form

Non-profit institution

## Frame

A list, map or other specification of the units which define a population to be completely enumerated or sampled.

*The frame consists of previously available descriptions of the objects or material related to the physical field in the form of maps, lists, directories, etc., from which sampling units may be constructed and a set of sampling units selected (Eurostat, "Assessment of Quality in Statistics: Glossary", Working Group, Luxembourg, October 2003). The frame may or may not contain information about the size or other supplementary information about the units, but should have enough details so that a unit, if included in the sample, may be located and taken up for inquiry. The nature of the frame exerts a considerable influence over the structure of a sample survey. It is rarely perfect, and may be inaccurate, incomplete, inadequately described, out of date or subject to some degree of duplication. Reasonable reliability in the frame is a desirable condition for the reliability of a sample survey based on it.*

**The International Statistical Institute, "The Oxford Dictionary of Statistical Terms", edited by Yadolah Dodge, Oxford University Press, 2003**

Frame error

Under-coverage

## Frame error

Error caused by inherent limitations of input data, or by delays and errors in data acquisition and processing.

*Frame errors cover:*

- coverage errors
- erroneous inclusions, omissions and duplications
- classification errors
- units not classified, or misclassified by industry, geography or size
- contact errors
- units with incomplete or incorrect contact data.

*A frame error consists of a difference in the information presented in the frame and the information as it should be. There are various reasons for the differences between this image and the real world. The sources of information used to maintain and update the frame will generally contain irregularities of some sort. The frame may be subject to certain lags in the recording of real world events, or it may have gaps due to the lack of adequate sources for certain types of information. If these distortions of the real world are considered to be acceptable by users of the frame, they should not be considered to be errors. If they are not acceptable, procedures or sources need to be changed or improved.*

**Lessler, J.T. and Kalsbeek, W.D. (1992), "Non Sampling Error in Survey", New York; John Wiley or US department of Commerce (1978), "Glossary of Non Sampling Error Terms: An Illustration of a Semantic Problem in Statistics", Statistical Policy Working Paper**

Error in business register

Frame

## Franchise

The operation of a franchise network is a method of doing business that is popular in a number of service activities, especially hotels, restaurants, and retail sales. Franchisees are independent legal units which sign a contract with another legal unit, the franchiser, to engage in an activity making use of trademarks, trading styles and marketing support provided by the franchiser, usually in return for a fee or a share of the profits. A franchise contract typically includes a number of restrictive clauses limiting the franchisee's freedom of choice, for instance imposing standards as to the goods and services to be produced, their quality and their price. The franchisee may be compelled to obtain supplies from the franchiser and must pay possibly access rights. The franchisee remains entirely responsible for his investment. Contribution towards certain services organised by the franchiser that is common to the entire network. The franchiser, in turn, offers scale economies without completely taking away the autonomy of the franchisee, for example by taking care of collective marketing. Franchise operators may or may not belong to the same enterprise group.

Franchisees are deemed to be separate enterprises because they consist of a complete combination of factors of production, and they run the full entrepreneurial risk. Moreover, the definition of the enterprise requires autonomy but allows for this autonomy to be somewhat restricted ("a certain degree of autonomy" is required), and full accounts tend to be available only at the level of the separate franchisees. The franchiser is also regarded as a separate enterprise.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

### Full-time equivalent units

Full-time equivalent units are used in annual business statistics to improve the comparability of measures of employment. Figures for the number of persons working less than the standard working time of a full-year full-time worker, should be converted into full time equivalents, with regard to the working time of a full-time full-year employee in the unit.

Included in this category are people working less than a standard working day, less than the standard number of working days in the week, or less than the standard number of weeks/months in the year.

The conversion should be carried out on the basis of the number of hours, days, weeks or months worked.

#### ***Extract from the definitions of SBS Regulation variables (16 14 0) and Eurostat***

Head count

Number of employees (Index)

### Global decision centre

Unit where the strategic decisions referring to an enterprise group are taken. The term UCI, ultimate controlling institutional unit, is equivalent to this term.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Group head

Ultimate controlling institutional unit (UCI) of a foreign affiliate

### Globalisation

Globalisation is the existence of interactions between enterprises residing in different countries which are related by other links than mere market trade, and their socio-economic consequences.

***Globalisation reflection group; the impact of globalisation on statistics - summary, conclusions, recommendations - 30th July 1998***

## Goods

Goods are physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets (SNA 2008, § 6.15).

Goods are physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets (SNA 1993, § 6.7).

*They are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services. The production and exchange of goods are quite separate activities. Some goods may never be exchanged while others may be bought and sold numerous times. The production of a good can always be separated from its subsequent sale or resale (SNA 2008, § 6.15).*

*They are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services. The production and exchange of goods are quite separate activities. Some goods may never be exchanged while others may be bought and sold numerous times. The separation of the production of a good from its subsequent sale or resale is an economically significant characteristic of a good that is not shared by a service (SNA 1993, § 6.7).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

## Product

### Government sector

All departments, offices and other bodies which furnish but normally do not sell to the community those common services, other than higher education, which cannot otherwise be conveniently and economically provided and administer the state and the economic and social policy of the community. The Government sector includes the NPIs controlled and mainly financed by government. Public enterprises are included in the business enterprise sector.

**Organization for Economic Cooperation and Development (OECD), "Frascati Manual 2002: The measurement of scientific and technological activities - Proposed Standard Practice for Surveys on Research and Experimental Development", OECD, Paris, 2002**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/Frascati\\_Manual\\_2002\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/Frascati_Manual_2002_EN.pdf)

### Gross domestic product (GDP)

Gross Domestic Product (GDP) measures the total final market value of all goods and services produced within a country during a given period. GDP is the most frequently used indicator of economic activity and is most often measured on an annual or quarterly basis to gauge the growth of a country's economy between one period and another. GDP is also a measure of total consumer, investment and government spending plus the value of exports minus imports.

*GDP is the most widely used indicator from the System of National Accounts (SNA). Its methodology is standardised internationally thus enabling comparison between countries anywhere in the world. GDP was created in the wake of the great depression and second world war to provide decision-makers with a measure of economic activity and performance.*

**European Union, Press releases RAPID, "Questions and Answers on Gross Domestic Product and beyond", MEMO/09/378, 08/09/2009**

## Group head

An enterprise group is a set of enterprises controlled by the group head. The group head is a parent legal unit which is not controlled either directly or indirectly by any other legal unit.

In case of multinational enterprise groups global and domestic group heads can be identified. The global group head is the group head of the multinational enterprise group, the domestic group head is on the top of the truncated national part of the multinational enterprise group.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Country of residence of the group head

Domestically controlled enterprise group

Enterprise group

Foreign controlled enterprise group

Global decision centre

Multinational enterprise group

Parent corporation

Ultimate controlling institutional unit (UCI) of a foreign affiliate

Ultimate investing country

## Growth

The term growth is used in business demography to study how groups of enterprises develop. Growth is measured in terms of a change in size (in this case employment) over time. It is expected that growth for births will generally be positive (for those enterprises that have survived) as the vast majority are very small at the time of start-up. There will be occasional cases for births, and more frequent cases for the population of active enterprises, where the growth measured in this way will be negative.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

## Head count

The number of physical persons (full time and part time) employed by a unit.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Full-time equivalent units

### Holding company

If an enterprise has a holding legal unit, which is not holding assets of any other enterprise, this legal unit is considered to carry out an ancillary activity. It should be combined with the other legal units of the enterprise.

A legal unit set up to hold the assets of two or more enterprises within an enterprise group (a "holding company") resembles to some extent the previous case. It is not market oriented in the sense that it does not sell goods and services to customers outside the group. Pure holding companies only hold the assets of other units, and therefore have no turnover or employment, though many holding companies also provide some sort of group service, often of a financial nature. The costs of providing such a service are often recovered through transfers from the enterprises involved.

In theory, pure holding companies do not fulfil the definition of the enterprise, as they are not a combination of factors of production producing goods and services. Since an enterprise cannot contain parts of legal units, and as NACE Rev. 2 class 64.20, "activities of holding companies", allows the units concerned to be clearly recognisable and their impact quantifiable, holding companies within groups could be regarded as separate enterprises. This solution does not rule out the possibility of apportioning variables to other enterprises within the group, indeed this may be desirable for certain types of statistics. The possibility of combining all legal units within the truncated group into one enterprise is not considered here as the groups under consideration can be very large. Units that combine holding and other types of activities should be treated as separate enterprises, particularly if this involves the provision of goods and services outside the group.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Holding corporation

### Holding corporation

Corporation that controls a group of subsidiary corporations and whose principal activity is owning and directing the group.

**United Nations, "System of National Accounts (SNA) 1993", § 4.100, United Nations, New York, 1993**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA\\_1993\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA_1993_EN.pdf)

Holding company

### Horizontal integration

Two legal units are said to be horizontally integrated if they are within the same enterprise group, carry out similar or complimentary activities, are managed as one business, and present themselves as a single business to the market. This means that their operations are integrated, they share resources, inputs are combined, and marketing is done for the business as a whole. If two (or more) legal units are horizontally integrated they can not be considered to act autonomously. Thus, the legal units should be combined to form a single enterprise.

The concept of "complimentary activities" is used here because the activities of horizontally integrated businesses involve similar inputs, and processes. Activities may be complimentary without necessarily falling into the same position of the classification of economic activities. An example could be units that buy steel tubes, and use similar processes and shared resources to make metal furniture and bicycles respectively.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Vertical integration

## Household

A household is a group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food (SNA 2008, § 4.4, 4.149 and 24.12).

A household is a small group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food (SNA 1993, § 4.132 [4.20]).

*Households often coincide with families, but members of the same household do not necessarily have to belong to the same family so long as there is some sharing of resources and consumption. Households may be of any size and take a wide variety of different forms in different societies or cultures depending on tradition, religion, education, climate, geography, history and other socio-economic factors. The definition of a household that is adopted by survey statisticians familiar with the socio-economic conditions within a given country is likely to approximate closely to the concept of a household as defined in the SNA, although survey statisticians may add more precise, or operational, criteria within a particular country (SNA 2008, § 4.150 and 24.13).*

*Persons living permanently in an institution, or who may be expected to reside in an institution for a very long, or indefinite, period of time are treated as belonging to a single institutional household when they have little or no autonomy of action or decision in economic matters. Some examples of persons belonging to institutional households are the following:*

- a. Members of religious orders living in monasteries, convents or similar institutions;*
- b. Long-term patients in hospitals, including mental hospitals;*
- c. Prisoners serving long sentences;*
- d. Persons living permanently in retirement homes (SNA 2008, § 4.152).*

*As well as individual households, there are units described as institutional households that comprise groups of persons staying in hospitals, retirement homes, convents, prisons, etc. for long periods of time.*

*The individual members of multiperson households are not treated as separate institutional units. Many assets are owned, or liabilities incurred, jointly by two or more members of the same household while some or all of the income received by individual members of the same household may be pooled for the benefit of all members. Moreover, many expenditure decisions, especially those relating to the consumption of food, or housing, may be made collectively for the household as a whole. It may be impossible, therefore, to draw up meaningful balance sheets or other accounts for members of the household on an individual basis. For these reasons, the household as a whole rather than the individual persons in it must be treated as the institutional unit (SNA 2008, § 4.4 and 4.5).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

## Immediate foreign owner

Immediate owner or first shot is the first enterprise outside the Member States in an affiliate ownership chain that has an ownership of more than 50% of the ordinary shares or the equivalent in the case of an unincorporated enterprise.

**Eurostat, "International ownership in trade and service activities - First findings of a study on foreign affiliates", Office for Official Publications of the European Communities, Luxembourg, 1998**

First shot

Ownership

## Imputation

Procedure for entering a value for a specific data item where the response is missing or unusable.

*Imputation is the process used to determine and assign replacement values for missing, invalid or inconsistent data. This can be done by changing some of the responses or assigning values when they are missing on the record being edited to ensure that estimates are of high quality and that a plausible, internally consistent record is created. (Statistics Canada, "Statistics Canada Quality Guidelines", various online editions, available at <http://www5.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=12-539-X&CHROPG=1&lang=eng>).*

**Economic Commission for Europe of the United Nations (UNECE), "Glossary of Terms on Statistical Data Editing", Conference of European Statisticians Methodological material, Geneva, 2000**

<http://www.unece.org/stats/publications/editingglossary.pdf>

## Indirect control

Indirect control means that an institutional unit may have control through another affiliate which has control over an enterprise.

**Eurostat "Foreign Affiliates Statistics (FATS). Recommendations Manual", Methodologies and Working Papers, Publication Office of the European Union, Luxembourg, 2012**

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-RA-12-016/EN/KS-RA-12-016-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-12-016/EN/KS-RA-12-016-EN.PDF)

Control

Dominant influence

Majority ownership

## Industrial activity

See: Economic activity

### **Eurostat**

## Industry

There is no harmonised definition for the term 'Industry' in business statistics due to its wide usage in different circumstances.

"Industry" is often used as a synonym for "activity", for the "industrial sector" and for "industrial activity". However it is broader than the industrial sector in that it may be used to refer to a population based on observation units other than the enterprise or the local unit, namely the kind of activity unit (KAU) or the local KAU. Care should be taken to avoid confusion with a "branch" which is based on the unit of homogeneous production (UHP) or the local UHP.

Industries comprise both local KAUs producing market goods and services and local KAUs producing non-market goods and services. An industry by definition consists of a group of local KAUs engaged in the same type of productive activity, irrespective of whether or not the institutional units to which they belong produce market or non-market output.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00097.htm>

Activity

## Informal sector

The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations – where they exist – are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. This broad definition is operationalised for statistical purposes and the informal sector defined as comprising those household unincorporated enterprises with market production that are:

- informal own account enterprises (optionally, all, or those that are not registered under specific forms of national legislation);
- enterprises of informal employers (optionally all those with less than a specified level of employment and/or not registered and/or employees not registered).

***International Labour Organisation Resolution Concerning Statistics of Employment in the Informal Sector Adopted by the 15th International Conference of Labour Statisticians, January 1993, paras. 5, 8 and 9, quoted in Organization for Economic Cooperation and Development (OECD), "Measuring the Non-Observed Economy - A Handbook", OECD, Paris, 2002***

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/oecd\\_measuring\\_non\\_observed\\_economy\\_2002\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/oecd_measuring_non_observed_economy_2002_EN.pdf)

## Institutional sector

Grouping of institutional units on the basis of their principal functions, behaviour and objectives.

The SNA distinguishes five institutional sectors:

- a) Non-financial corporations
- b) Financial corporations
- c) General government
- d) Households
- e) Non-profit institutions serving households (NPISHs).

Each sector contains a number of subsectors distinguished according to a hierarchical classification. A subsector comprises entire institutional units, and each institutional unit belongs to only one subsector though alternative groupings are possible. The distinction between public, national private and foreign controlled corporations and between various socio-economic groups of households is included in the SNA in order to respond to policy concerns.

*The institutional sectors of the SNA group together similar kinds of institutional units. Corporations, NPIs, government units and households are intrinsically different from each other in that their economic objectives, functions and behaviour are different.*

*Institutional units are allocated to sector according to the nature of the economic activity they undertake. The three basic economic activities recorded in the SNA are production of goods and services, consumption to satisfy human wants or needs and accumulation of various forms of capital. Corporations undertake either production or accumulation (or both) but do not undertake (final) consumption. Government undertakes production (but mainly of a different type from corporations), accumulation and final consumption on behalf of the population. All households undertake consumption on their own behalf and may also engage in production and accumulation. NPIs are diverse in nature. Some behave like corporations, some are effectively part of government and some undertake activities similar to government but independently of it.*

*Fundamental to the distinction between corporations and government is the basis on which production is undertaken. Corporations produce for the market and aim to sell their products at economically significant prices (§ 4.16, 4.17 and 4.18).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

Institutional unit

### Institutional unit

The institutional unit is an elementary economic decision-making centre characterised by uniformity of behaviour and decision-making autonomy in the exercise of its principal function. A unit is regarded as constituting an institutional unit if it has decision-making autonomy in respect of its principal function and keeps a complete set of accounts.

- In order to be said to have autonomy of decision in respect of its principal function, a unit must be responsible and accountable for the decisions and actions it takes.
- In order to be said to keep a complete set of accounts, a unit must keep accounting records covering all its economic and financial transactions carried out during the accounting period, as well as a balance sheet of assets and liabilities.

Note: According to the Regulation on statistical units an institutional unit may correspond to an enterprise in the corporate enterprises sector.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Company

Corporation

Enterprise

Foreign affiliate

Institutional sector

### International Accounting Standards (IAS)

Authoritative statements of how particular types of transaction and other events should be reflected in financial statements.

*International Accounting Standards (IASs) are developed by the International Accounting Standards Committee (IASC), whose purpose is to develop a single set of global accounting standards. Further to the restructuring of the IASC, the new Board on 1 April 2001, as one of its first decisions, renamed the IASC as the International Accounting Standards Board (IASB) and, as far as future international accounting standards are concerned, renamed IAS as International Financial Reporting Standards (IFRS). These standards should, wherever possible and provided that they ensure a high degree of transparency and comparability for financial reporting in the Community, be made obligatory for use by all publicly traded Community companies.*

**John BLAKE, Henry LUNT, "Accounting Standards", Seventh Edition, Pearson Education Limited, Harlow, UK, 2001**

[http://books.google.be/books?id=yw-nxVwsnswC&pg=PA373&lpg=PA373&dq=%22accounting+standards+are+authoritative+statements%22&source=bl&ots=2eO4-sg7HX&sig=v9U\\_-NWoxWTmyOtEE1JaBePn8FA&hl=en&sa=X&ei=VHgnUdChE9OChQfr2oDwBQ&redir\\_esc=y](http://books.google.be/books?id=yw-nxVwsnswC&pg=PA373&lpg=PA373&dq=%22accounting+standards+are+authoritative+statements%22&source=bl&ots=2eO4-sg7HX&sig=v9U_-NWoxWTmyOtEE1JaBePn8FA&hl=en&sa=X&ei=VHgnUdChE9OChQfr2oDwBQ&redir_esc=y)

Corporation

### International Standard Industrial Classification o

The International Standard Industrial Classification of all Economic Activities (ISIC) of the United Nations is intended to be a standard classification of all productive economic activities. Its main aim is to provide a set of activity categories that can be used when analysing statistics according to such activities. The detailed groups and classes of the ISIC are best suited for classifying the kind of economic activity of establishments.

The ISIC is a classification by activity. The activity carried out by a statistical unit is the type of production in which it engages.

**Statistical Office of the United Nations, "International Standard Industrial Classification of all Economic Activities, United Nations, New York**

<http://unstats.un.org/unsd/cr/registry/isic-4.asp>

### International Standard Industrial Classification of all economic activities (ISIC)

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The ISIC is a classification by activity. The activity carried out by a statistical unit is the type of production in which it engages.

Classification of activities

NACE

Statistical classification of economic activities in the European Communities (NACE)

### Inward statistics on foreign affiliates

"Inward statistics on foreign affiliates" (Inward FATS) shall mean statistics describing the activity of foreign affiliates resident in the compiling economy.

**Eurostat, "Recommendations Manual on the Production of Foreign Affiliates Statistics (FATS)", Methodologies and Working papers, 2007 Edition**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/FATS\\_2007\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/FATS_2007_EN.pdf)

## Job

A job is defined as an explicit or implicit contract (relating to the provision of labour input, not to supplying output of a good or service) between a person and a resident institutional unit to perform work (activities which contribute to the production of goods or services within the production boundary) in return for compensation (including mixed income of self-employed persons) for a defined period or until further notice.

In that definition, both employee and self-employment jobs are covered: that is, an employee job if the person belongs to another institutional unit than the employer and a self-employment job if the person belongs to the same institutional unit as the employer.

The concept of jobs differs from the concept of employment:

- It includes second, third, etc. jobs of the same person. Those second, third, etc. jobs of a person may either successively follow one another within the reference period (usually, a week) or, as when someone has an evening job as well as a daytime job, run in parallel.

- On the other hand, it excludes persons temporarily not at work but who have a "formal attachment to their job" in the form, for instance, of "an assurance of return to work or an agreement as to the date of return". Such an understanding between an employer and a person on lay-off or away on training is not counted as a job in the system.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00470.htm>

## Joint venture

A joint venture is created when two or more independent enterprises agree to commit some of their resources to work together on a common project or towards a common goal. An important feature of a joint venture enterprise is that none of the original enterprises exercise outright control over the entity created, therefore it is considered to be an enterprise.

*For business demography purposes, joint ventures may be considered to be real births if they involve the creation of new factors of production. The cessation of a joint venture mirrors the above. It can be considered a real death if less than half of the employment is transferred to the participating enterprises.*

*The proportion of the new factors of production necessary for a joint venture to be considered a real birth should be at least half, i.e. if less than half of the total employment of the joint venture enterprise is transferred from the participating enterprises, it is considered to be a real birth.*

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

## Kind-of-activity unit (KAU)

The kind of activity unit (KAU) groups all the parts of an enterprise contributing to the performance of an activity at class level (4-digits) of the European Union activity classification NACE and corresponds to one or more operational subdivisions of the enterprise. The enterprise's information system must be capable of indicating or calculating for each KAU at least the production value, intermediate consumption, manpower costs, the operating surplus and employment and gross fixed capital formation.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Activity

Statistical unit

## Legal form

The legal form (also known as legal status) is defined according to national legislation. It is useful for eliminating ambiguity in identification searches and as the possible criterion for selection or stratification for surveys. It is also used for defining the institutional sector. Statistics according to legal form are produced e.g. in business demography. The character of legal or natural person is decisive in fiscal terms, because the tax regime applicable to the unit depends on this. It means that any statistical register fed with fiscal records will have that information. Experience has shown that legal form will often be useful to make adjustments to information collection processes and questionnaires on the legal unit operating an enterprise. A code representing the legal form should therefore be recorded in accordance with the classification of legal forms or categories.

The following legal forms can be found in most countries:

- Sole proprietorship: Enterprise owned exclusively by one natural person.
- Partnership: Association of persons who conduct a business under a collective name. It can take the form of a limited partnership.
- Limited liability companies: Enterprises comprising joint-stock companies, limited partnerships with share capital and private limited company. .
- Co-operative societies: These are bodies set down by law in each country. They observe a number of general principles, for example they may only be entitled to provide their services to members, profits are often distributed in proportion to members' dealings with the society, etc.
- Non-profit making bodies.
- Enterprises with other forms of legal constitution: This group includes nationalised industries, publicly-owned enterprises and state or local authority monopolies.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Enterprise

Foundation

Non-profit institution

## Legal person

The term "legal person", which is used in the legislation of a number of countries, though not all, corresponds to all forms of legal construction organised by the constitution and laws of countries and endowed with rights and obligations characteristic of legal personality.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Legal unit

Natural person

## Legal unit

Legal units include:

- legal persons whose existence is recognised by law independently of the individuals or institutions which may own them or are members of them.
- natural persons who are engaged in an economic activity in their own right.

The legal unit always forms, either by itself or sometimes in combination with other legal units, the legal basis for the statistical unit known as the "enterprise".

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community (Official Journal of the European Communities No L 076, 30/03/1993, p. 1)**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Company

Enterprise

Legal person

Statistical unit

## Local kind-of-activity unit (local KAU)

The local kind-of-activity unit (local KAU) is the part of a KAU which corresponds to a local unit.

The local KAU corresponds to the operational definition of the establishment.

According to the European System of Accounts (ESA) the local KAU is called the establishment in the SNA and ISIC.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community (Official Journal of the European Communities No L 076, 30/03/1993, p. 1), Section III G of 15.03.1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Establishment

Statistical unit

## 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. At or from this place economic activity is carried out for which - save for certain exceptions - one or more persons work (even if only part-time) for one and the same enterprise.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community (Official Journal of the European Communities No L 076, 30/03/1993, p. 1)**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

## Main location (of an enterprise)

Location of the local unit with the largest number of persons actually employed.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Majority ownership

The acquisition of an absolute majority (50 % + 1) of shareholdings with voting rights is the main instrument used to take control over a legal unit and in the absence of other information it is generally used as a proxy to control. On the other hand the absolute majority of ownership of the capital share ownership is not always necessary or a sufficient condition to have control.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Control

Dominant influence

Effective minority control

Indirect control

Ownership

### Market producer

Market producers are local KAUs or institutional units the major part of whose output is market output.

It should be noted that if a local KAU or institutional unit is a market producer its main output is by definition market output, as the concept of market output is defined after having applied the distinction market, for own final use and other non-market to the local KAU and institutional unit that have produced that output.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00141.htm>

Other non-market producers

### Matching

Matching is the process of linking data from different sources. There are various forms of matching, including:

- Exact Matching (Record Linkage) - linking corresponding records from two or more sources using a common identifier.

- Probabilistic Matching - determining a probable link between records from two or more sources using an algorithm based on common fields, e.g. name, address, economic activity code.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Consistent items

Match

## Merger

Enterprises may integrate to the extent that the number of existing enterprises is reduced. If two enterprises integrate entirely, the enterprises involved may lose their identity because they are dissolved beyond recognition in the new organisation. If both enterprises lose their identity, the event is called a merger.

There is no continuity or survival, but the closures of the previous enterprises are not considered to be real deaths. Similarly the new enterprise is not considered to be a real birth. This event can be seen as the opposite of a break-up.

In Third Council Directive (78/855/EEC) mergers are divided in two types (of which the first refers to take-over and the second to merger. Thus 'merger' often covers both mergers and take-overs. The terms can also be used interchangeably):

1. "Merger by acquisition" shall mean the operation whereby one or more companies are wound up without going into liquidation and transfer to another all their assets and liabilities in exchange for the issue to the shareholders of the company or companies being acquired of shares in the acquiring company and a cash payment, if any, not exceeding 10 % of the nominal value of the shares so issued or, where they have no nominal value, of their accounting par value.

2. "Merger by the formation of a new company" shall mean the operation whereby several companies are wound up without going into liquidation and transfer to a company that they set up all their assets and liabilities in exchange for the issue to their shareholders of shares in the new company and a cash payment, if any, not exceeding 10 % of the nominal value of the shares so issued or, where they have no nominal value, of their accounting par value.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Acquisition

Cessation (of business)

Concentration of enterprises

Creation (of business)

Take-over (of an enterprise)

## Metadata

Metadata are systematic, descriptive information about data content and organization (§ 2.37).

*They provide information on the concepts, sources, and methods underlying the data and therefore help users to understand and assess the characteristics of the data. Statistical compilers should provide metadata to their users because metadata are an integral part of the publication of statistics (§ 2.37).*

***International Monetary Fund (IMF), "Balance of Payments and International Investment Position Manual" (BPM6), sixth Edition, Washington D.C., 2009***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/bpm6.pdf>

## Microdata

Non-aggregated observations, or measurements of characteristics of individual units.

*Microdata set is the result of a survey instance or other data collection instance after unit-level editing and imputation and possible matching with other unit-level data. It organizes unit level data so that relationships between individual units and their characteristics can be identified, so as to allow all forms of aggregation.*

*This is sometimes called an observation register (see, for instance, B. Sundgren: Guidelines for the modelling of statistical data and metadata, UN Geneva and New York, 1995).*

*Anonymised microdata are individual statistical records which have been modified in order to minimise, in accordance with current best practice, the risk of identification of the statistical units to which they relate (European Commission Regulation (EC) No 831/2002 of 17 May 2002 implementing Council Regulation (EC) No 322/97 on Community Statistics, concerning access to confidential data for scientific purposes).*

*Longitudinal microdata sets combine unit-level data from succeeding data collection instances over multiple time periods. Related terms Longitudinal data.*

### **SDMX (2009)**

<http://www.sdmx.org/>

## Multinational enterprise group

Enterprise group which has at least two enterprises or legal units located in different countries.

*Multinational enterprise group is effectively the same as "Multinational enterprise" or "Multinational company".*

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

All-resident enterprise group

Domestically controlled enterprise group

Enterprise group

EuroGroups Register (EGR)

Foreign controlled enterprise group

Group head

## NACE

General Industrial Classification of Economic Activities within the European Communities (1970 version); Statistical classification of economic activities in the European Community (after 1970)

*Though more disaggregated than ISIC, NACE is completely in line with it and can thus be regarded as its European version*

### **RAMON, Eurostat's metadata server**

<http://ec.europa.eu/eurostat/ramon>

International Standard Industrial Classification of all economic activities (ISIC)

## National Statistical Authority (NSA)

At national level, the National Statistical Institute (NSI) and other statistical bodies in charge of producing and disseminating official statistics.

**Based on: EuroGroups Register (EGR) website, online glossary, last consulted 22 February 2013**

<http://egr.istat.it/?q=/glossary1/all>

National Statistical Institute (NSI)

### National Statistical Institute (NSI)

Official statistical agency of a country.

The national statistical institute is the national statistical authority designated by countries as the body having the responsibility for coordinating all activities at national level for the development, production and dissemination of statistics.

***EuroGroups Register (EGR) website, online glossary, last consulted 22 February 2013***

<http://egr.istat.it/?q=/glossary1/all>

National Statistical Authority (NSA)

### Natural person

The term natural person is used by the law and by many administrative authorities to denote a human being endowed with all the rights constituting legal personality.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Legal person

### New enterprises

Enterprises that are active in a given period, but were not active in the previous period. The number of enterprise births is derived from the population of new enterprises by removing reactivations and other enterprise creations that do not meet the definition of enterprise births.

***Eurostat and OECD, "Eurostat - OECD Manual on Business Demography Statistics" (Edition 2007)***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Creation (of business)

### Non-market output

Non-market output includes:

- Output produced for own final use: this consists of goods or services that are retained either for final consumption by the same institutional unit or for gross fixed capital formation by the same institutional unit.

- Other non-market output: this covers output that is provided free, or at prices that are not economically significant, to other units.

***Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996***

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00125.htm>

### Non-profit institution

A non-profit institution is defined as a legal or social entity created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gains for the units that establish, control or finance them. In practice, their productive activities are bound to generate either surpluses or deficits but any surpluses they happen to make cannot be appropriated by other institutional units.

Non-profit institutions serving households are separate legal entities, which are private other non-market producers. Their principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments and from property income.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996, §2.87, 3.31**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00126.htm>

Company

Foundation

Legal form

Other non-market producers

### Number of employees

Those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

The relationship of employer to employee exists when there is an agreement, which may be formal or informal, between an enterprise and a person, normally entered into voluntarily by both parties, whereby the person works for the enterprise in return for remuneration in cash or in kind.

A worker is considered to be a wage or salary earner of a particular unit if he or she receives a wage or salary from the unit regardless of where the work is done (in or outside the production unit). A worker from a temporary employment agency is considered to be an employee of the temporary employment agency and not of the unit (customer) in which they work.

In particular the following are considered as employees:

- i) Paid working proprietors
- ii) Students who have a formal commitment whereby they contribute to the unit's process of production in return for remuneration and/or education services
- iii) Employees engaged under a contract specifically designed to encourage the recruitment of unemployed persons
- iv) Homeworkers if there is an explicit agreement that the homeworker is remunerated on the basis of the work done and they are included on the pay-roll.

*The number of employees includes part-time workers, seasonal workers, persons on strike or on short-term leave, but excludes those persons on long-term leave.*

*The number of employees does not include voluntary workers.*

*The number of employees is calculated in the same manner as the number of persons employed, namely as the number of jobs and is measured as an annual average.*

**European Union, Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:344:0049:0080:EN:PDF>

**Number of employees (Index)**

## 2006 definition

The number of employees is used as a temporary approximation of the number of persons employed.

The number of employees is defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

The relationship of employer to employee exists when there is an agreement, which may be formal or informal, between an enterprise and a person, normally entered into voluntarily by both parties, whereby the person works for the enterprise in return for remuneration in cash or in kind.

A worker is considered to be a wage or salary earner of a particular unit if he or she receives a wage or salary from the unit regardless of where the work is done (in or outside the production unit). A worker from a temporary employment agency is considered to be an employee of the temporary employment agency and not of the unit (customer) in which they work.

According to this definition, the groups included are:

- paid working proprietors,
- students who have a formal commitment whereby they contribute to the unit's process of production in return for remuneration and/or education services,
- employees engaged under a contract specifically designed to encourage the recruitment of unemployed persons,
- home workers if there is an explicit agreement that the home worker is remunerated on the basis of the work done and they are included on the payroll.

The number of employees includes part-time workers, seasonal workers, and persons on strike or on short-term leave, but excludes persons on long-term leave.

The number of employees does not include voluntary workers.

The number of employees should be determined as a representative figure for the reference period.

*2001 definition*

*The number of employees is used as a temporary approximation of the number of persons employed.*

*The number of employees is defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.*

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*According to this definition, the groups included are:*

- paid working proprietors,*
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- employees engaged under a contract specifically designed to encourage the recruitment of unemployed*

persons,

- homeworkers if there is an explicit agreement that the homeworker is remunerated on the basis of the work done and they are included on the payroll.

The number of employees includes part-time workers, seasonal workers, persons on strike or on short-term leave, but excludes persons on long-term leave.

The number of employees does not include voluntary workers.

The number of employees should be determined as a representative figure for the reference period.

**European Union, Commission Regulation (EC) No 1503/2006 of 28 September 2006 implementing and amending Council Regulation (EC) No 1165/98 concerning short-term statistics as regards definitions of variables, list of variables and frequency of data compilation**

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l\\_281/l\\_28120061012en00150029.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_281/l_28120061012en00150029.pdf)

Employees

Employment

Full-time equivalent units

#### Number of employees in full-time equivalent units

This heading is defined as a count of the number of employees converted into full time equivalents (FTE).

Figures for the number of persons working less than the standard working time of a full-year full-time worker, should be converted into full time equivalents, with regard to the working time of a full-time full-year employee in the unit.

Included in this category are people working less than a standard working day, less than the standard number of working days in the week, or less than the standard number of weeks/months in the year. The conversion should be carried out on the basis of the number of hours, days, weeks or months worked.

**European Union, Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:344:0049:0080:EN:PDF>

#### Observation unit

An observation unit represents an identifiable entity, about which data can be obtained.

During the collection of data, this is the unit for which data is recorded. It should be noted that this may, or may not be, the same as the reporting unit.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Reporting unit

Statistical unit

### Offshore enterprise

In balance of payments accounts, the residency of so called offshore enterprises is attributed to the economies in which they are located without regard to the special treatment they may receive by the local authorities, such as exemptions from taxes, tariffs, or duties.

This treatment applies to enterprises such as those engaged in the assembly of components manufactured elsewhere and in the processing of re-exported goods, to those engaged in trade and financial operations, and to those located in special zones (e.g. special trade zones, free-trade zones, or tax-havens).

**International Monetary Fund, online "Glossary of Foreign Direct Investment Terms", last consulted 22 February 2013**

<http://www.imf.org/external/np/sta/di/glossary.pdf>

### Offshoring

Generally, offshoring is used to describe a business's (or a government's) decision to replace domestically supplied service functions with imported services produced offshore.

**OECD Glossary of statistical terms**

<http://stats.oecd.org/glossary/>

Outsourcing

### Other non-market producers

Local kind-of-activity units (KAUs) or institutional units whose major part of output is provided free or at not economically significant prices.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996, [3.26]**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00125.htm>

Market producer

Non-profit institution

### Out-of-scope units

Units that should not be included in the sampling frame because they do not belong to the target population in the reference period.

*If enumerated, out of scope units cause over-coverage.*

**Eurostat, "Assessment of Quality in Statistics: Glossary", Working Group, Luxembourg, October 2003**

[http://ec.europa.eu/eurostat/ramon/coded\\_files/QGLOSSARY 2003.pdf](http://ec.europa.eu/eurostat/ramon/coded_files/QGLOSSARY 2003.pdf)

Scope

### Outsourcing

Delegating (part of) activities to an outside contractor. Production can be externalized to a third-party service provider in home country, or to a third-party provider abroad; either to an independent company or to an affiliate of another multinational enterprise group.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Offshoring

Subcontracting

### Over-coverage

Over-coverage arises from the presence in the frame of units not belonging to the target population and of units belonging to the target population that appear in the frame more than once.

These cases are usually observed for contacted units, but not necessarily for non-contacted units or those excluded from a sample. Reasons for over-coverage are the death of units, misclassification and a non-updated frame. The over-coverage in a register generally biases the estimators drawn from that sampling list.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Ownership

The ownership of a unit or a group of units is related to the property of its assets and determines the distribution of financial flows and income. If a unit or group of units is owned by shareholders, its ownership is vested in the shareholders collectively and can be seen as diffused among the legal units that own its shares in proportion to their shareholdings, and independently of voting rights.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Acquisition

Captive unit

Control

Immediate foreign owner

Majority ownership

Ownership rates

Shares by owner

### Ownership rates

Ownership rates are computed by following chains of ownership, taking into account direct and indirect ownership links, without restriction to the economic territory of any country, as follows:

If enterprise A owns 70 per cent of enterprise B and B owns 60 per cent of enterprise C, then A owns  $70\% \times 60\% = 42$  per cent of C.

If enterprises B1 and B2 own 20 and 35 per cent, respectively, of enterprise C, and if enterprise A, owns 100 per cent of B1 and 80 per cent of B2, then A owns  $100\% \times 20\% + 80\% \times 35\% = 48\%$  of enterprise C.

If ownership rates are to reflect the share of dividends of an enterprise accruing to another one, their computation should be based on the total shares owned, as opposed to the voting shares. If they are to reflect the "degree of influence" exercised by an enterprise on another one, voting shares should be used.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Ownership

Shares by owner

## Parent corporation

A parent corporation is one, which controls more than half of the shareholders' voting power in another corporation, or is a shareholder in another corporation, with the right to appoint or remove a majority of the directors of that corporation.

**United Nations, "System of National Accounts (SNA) 1993", § 4.32 and 4.33, United Nations, New York, 1993**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA\\_1993\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA_1993_EN.pdf)

Group head

Subsidiary

## Principal activity

Activity which contributes most to the total value added of the unit under consideration.

*The principal activity does not necessarily account for 50% or more of the unit's total value added. The classification of principal activity is determined by reference to the classification of economic activities in use, first at the highest level of the classification and then at more detailed levels ("top-down" method).*

**Eurostat, "NACE Rev. 1, Statistical Classification of Economic Activities in the European Community", Office for Official Publications of the European Communities, Luxembourg, 1996**

[http://ec.europa.eu/eurostat/ramon/documents/nace\\_1/pdf/nace\\_en.zip](http://ec.europa.eu/eurostat/ramon/documents/nace_1/pdf/nace_en.zip)

## Product

Products, also called "goods and services", are the result of production; they are exchanged and used for various purposes: as inputs in the production of other goods and services, as final consumption or for investment.

This definition is used both in SNA 1993 and in SNA 2008.

Products are goods and services (including knowledge-capturing products) that result from a process of production (SNA 2008, § 6.14).

*The SNA makes a conceptual distinction between market, own final use and non-market goods and services, allowing in principle any kind of good or service to be any of these three types (SNA 2008, § 2.36).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

Goods

## Production

Production is an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital and goods and services to produce goods and services. Production does not cover purely natural processes without any human involvement or direction, like the unmanaged growth of fish stocks in international waters (but fish farming is production).

Production is an activity resulting in a product. It is used with reference to the whole range of economic activities. The term is not reserved for the agricultural, mining or manufacturing sectors. It is also used in relation to the service sector. More specific terms may be used to denote production: provision of services, processing, manufacturing, etc., depending on the branch of activity. Production may be measured in various ways either in physical terms or according to value.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00123.htm>

### Production unit

A production unit carries out an economic activity under the control and responsibility of an institutional unit using inputs of labour, capital and goods and services to produce outputs of goods and services.

**United Nations, "System of National Accounts (SNA) 1993", United Nations, New York, 1993**

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA\\_1993\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA_1993_EN.pdf)

### Profiling

Method to analyse the legal, operational and accounting structure of an enterprise group at national and world level, in order to establish the statistical units within that group, their links, and the most efficient structures for the collection of statistical data.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

ESBRs

### Public undertaking

Any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it.

A dominant influence on the part of the public authorities shall be presumed when these authorities, directly or indirectly in relation to an undertaking:

- a) hold the major part of the undertaking's subscribed capital ; or
- b) control the majority of the votes attaching to shares issued by the undertakings ; or
- c) can appoint more than half of the members of the undertaking's administrative, managerial or supervisory body.

**European Union, Commission Directive 80/723/EEC of 25 June 1980 on the transparency of financial relations between Member States and public undertakings**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31980L0723:EN:HTML>

## Quality

ISO standard 9000:2000 states that quality is the "degree to which a set of inherent characteristics fulfills requirements". Therefore the quality of statistics can be determined by the extent to which they meet user needs.

Quality of statistics can be defined with reference to several criteria.

- Relevance: an inquiry is relevant if it meets users' needs. The identification of users and their expectations is therefore necessary.
- Accuracy: accuracy is defined as the closeness between the estimated value and the (unknown) true value.
- Timeliness and punctuality in disseminating results: most users want up to date figures which are published frequently and on time at pre-established dates.
- Accessibility and clarity of the information: statistical data have most value when they are easily accessible by users, are available in the forms users desire and are adequately documented.
- Comparability: statistics for a given characteristic have the greatest usefulness when they enable reliable comparisons of values taken by the characteristic across space and time. The comparability component stresses the comparison of the same statistics between countries in order to evaluate the meaning of aggregated statistics at the European level.
- Coherence: when originating from a single source, statistics are coherent in that elementary concepts can be combined reliably in more complex ways. When originating from different sources, and in particular from statistical surveys of different frequencies, statistics are coherent in so far as they are based on common definitions, classifications and methodological standards.
- Completeness: domains for which statistics are available should reflect the needs and priorities expressed by the users of the European Statistical System

**International Organization for Standardization (ISO), ISO Standard 9000/2005: "Quality management systems - Fundamentals and vocabulary", Geneva, 2005**

[http://www.iso.org/iso/iso\\_catalogue/catalogue\\_tc/catalogue\\_detail.htm?csnumber=42180](http://www.iso.org/iso/iso_catalogue/catalogue_tc/catalogue_detail.htm?csnumber=42180)

## Reactivation

A unit that re-commences activity after a period of temporary cessation of no more than 24 months.

**Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Dormant unit

## Record check

A study in which data on individual units, obtained by one method of data collection, are checked against data for the same units from available records, obtained by a different method of data collection.

*An example of record check is the comparison of ages as reported in a census with information from birth certificates.*

**Lessler, J.T. and Kalsbeek, W.D. (1992), "Non Sampling Error in Survey", New York: John Wiley or US department of Commerce (1978), "Glossary of Non Sampling Error Terms: An Illustration of a Semantic Problem in Statistics", Statistical Policy Working Paper**

## Register

Written and complete record containing regular entries of items and details on particular set of objects.

**Economic Commission for Europe of the United Nations (UNECE), "Terminology on Statistical Metadata", Conference of European Statisticians Statistical Standards and Studies, No. 53, Geneva, 2000**

[http://ec.europa.eu/eurostat/ramon/coded\\_files/UNECE\\_TERMINOLOGY\\_STAT\\_METADATA\\_2000\\_EN.pdf](http://ec.europa.eu/eurostat/ramon/coded_files/UNECE_TERMINOLOGY_STAT_METADATA_2000_EN.pdf)

Administrative source

Statistical business register

## Reporting unit

The unit that reports to the survey authority. It reports information for each of the observation units. In certain cases it may correspond to an observation unit.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Observation unit

Statistical unit

## Response burden

The effort, in terms of time and cost, required for respondents to provide satisfactory answers to a survey (Australian Bureau of Statistics).

The time it takes the respondent to complete the survey questionnaire plus the time spent for extracting data from the business files (Statistics Finland).

The time required to perform the task of completing a survey (Statistics Austria).

*This burden can lead to providers experiencing annoyance, anger, frustration, etc., at being requested to participate, with escalation of these feelings generated by the complexity, length and/or frequency of surveys. The terms "respondent burden" and "respondent load" are also used to describe provider load (Australian Bureau of Statistics).*

*It is quite well known that one can distinguish between "perceived response burden" and "actual response burden". The first one is the subjective burden which will differ between the individuals and the second should be the real burden which in principle could be measured. Clearly, the measurement of perceived burden is out of scope of official statistics. Thus, only the actual burden can be the basis for the quantification of response burden. The actual burden can be measured by the time required to perform the task of completing a survey. The time required – measured in minutes and hours – can be compared between enterprises, surveys, over time, etc. and can also be aggregated to achieve total (Statistics Austria).*

**Australian Bureau of Statistics, Topics @ a Glance - Service Industries Statistics, online "Glossary of Terms", last consulted 1 March 2013**

<http://www.abs.gov.au/CA25670D007E9EA1/0/DB35F160E9383A1FCA256B650006C3D0?Open&Highlight=0Glossary>

## Restructuring

Restructuring within an enterprise does not affect the continuity of the enterprise, but changes its structure in the process. An example could be the creation or deletion of a local unit. Restructuring may affect key characteristics such as size or principal activity. It could be argued that this is not really a demographic event at the level of the enterprise and does not impact on the demographic variables relating to the enterprise, but it could affect the way the enterprise is included in demographic statistics. Restructuring will be reflected through changes to relationships or characteristics recorded in the register.

Restructuring within an enterprise group is a change (e.g. creation and/or cessation of one or more enterprises) involving more than one enterprise before and more than one enterprise after the event, where all enterprises involved are under common control. It affects the identity of at least one enterprise, though the total number of enterprises before and after the event may be the same. A typical example is the complete reorganisation of the production capacity of a large enterprise group, involving many enterprises and possibly, but not necessarily, entailing a change in the number of enterprises of the group. Complex restructuring is a similar event, but this is not constrained to one enterprise group. An example is the transfer of a number of enterprises or parts of enterprises between groups. Restructuring within an enterprise group, or complex restructuring, may entail any number of register creations and deletions.

***Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

## Secondary activity

A secondary activity is an activity carried out within a single producer unit in addition to the principal activity and whose output, like that of the principal activity, must be suitable for delivery outside the producer unit.

This definition is used both in SNA 1993 (§ 5.8 [15.16]) and in SNA 2008 (§ 5.9).

*The output of the secondary activity is a secondary product (SNA 2008, § 5.9).*

***European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

## Self-employed person with employees

Person who works in his/her own business, professional practice or farm for the purpose of earning a profit, and who employs at least one other person.

***Eurostat, "The European Union labour force survey - Methods and definitions - 2001", Luxembourg: Office for Official Publications of the European Communities, 2003***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-BF-03-002--N-EN.pdf>

Employment

## Self-employed person without employees

Person who works in his/her own business, professional practice or farm for the purpose of earning a profit, and who does not employ any other person.

***Eurostat, "The European Union labour force survey - Methods and definitions - 2001", Luxembourg: Office for Official Publications of the European Communities, 2003***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-BF-03-002--N-EN.pdf>

Employment

### Service industries

The terms service industry(ies), service sector(s) or simply service(s) are generally used to refer to economic activities covered by Sections G to N and P to S in classifications ISIC Rev. 4 and NACE Rev. 2, and the units that carry out those activities.

**Eurostat, "NACE Rev. 1, Statistical Classification of Economic Activities in the European Community", Office for Official Publications of the European Communities, Luxembourg, 1996**

[http://ec.europa.eu/eurostat/ramon/documents/nace\\_1/pdf/nace\\_en.zip](http://ec.europa.eu/eurostat/ramon/documents/nace_1/pdf/nace_en.zip)

### Services

Services are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. Services are heterogeneous outputs produced to order and typically consist of changes in the conditions of the consuming units realised by the activities of producers at the demand of the consumers. By the time their production is completed they must have been provided to the consumers (SNA 1993, § 6.8).

*The production of services must be confined to activities that are capable of being carried out by one unit for the benefit of another. Otherwise, service industries could not develop and there could be no markets for services. It is also possible for a unit to produce a service for its own consumption provided that the type of activity is such that it could have been carried out by another unit.*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

### Shares by owner

Recording % share ownership is important for identifying indirect control links (or checking the information available in sources). In Direct Investment statistics, as reported in the balance of payments, shareholdings of over 10 % are considered. It is also useful in identifying associate relationships and trade interest links and thus helps in dealing with monopolies policy. Recording shares below 10 % (portfolio investment) is likely to be too burdensome for register updating

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Acquisition

Ownership

Ownership rates

### Significant influence

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

**European Union, Commission Regulation (EC) No 2238/2004 of 29 December 2004 amending Regulation (EC) No 1725/2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, as regards IASs IFRS 1, IASs Nos 1 to 10, 12 to 17, 19 to 24, 27 to 38, 40 and 41 and SIC Nos 1 to 7, 11 to 14, 18 to 27 and 30 to 33, Official Journal of the European Union No L 394, 31.12.2004, p. 1 - 175**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:394:0001:0175:EN:PDF>

Associate

### Small and medium-sized enterprises

1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

3. Within the SME category, a micro enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

Types of enterprise taken into consideration :

1. An "autonomous enterprise" is any enterprise which is not classified as a partner enterprise or as a linked enterprise.

2. "Partner enterprises" are all enterprises which are not classified as linked enterprises and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).

However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked either individually or jointly to the enterprise in question:

a. Public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses ("business angels"), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000;

b. Universities or non-profit research centers;

c. Institutional investors, including regional development funds;

d. Autonomous local authorities with an annual budget of less than EUR 10 million and fewer than 5 000 inhabitants.

3. "Linked enterprises" are enterprises which have any of the following relationships with each other:

a. An enterprise has a majority of the shareholders' or members' voting rights in another enterprise;

b. An enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;

c. An enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;

d. An enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

Only autonomous enterprises are regarded as SMEs. Apart from the exceptions for public bodies, as mentioned in

***European Union, Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises***

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l\\_124/l\\_12420030520en00360041.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_124/l_12420030520en00360041.pdf)

### Special purpose entity

Special purpose entities (SPEs) are: (1) generally organised or established in economies other than those in which the parent companies are resident and (2) engaged primarily in international transactions but in few or no local operations. SPEs are defined either by their structure (e.g., financing subsidiary, holding company, base company, regional headquarters), or their purpose (e.g., sale and regional administration, management of foreign exchange risk, facilitation of financing of investment). SPEs should be treated as direct investment enterprises if they meet the 10 per cent criterion. SPEs are an integral part of direct investment networks as are, for the most part, SPE transactions with other members of the group.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Split-off (of an enterprise)

Split-off involves one enterprise before and more than one enterprise after the event. In a split-off, the new enterprise(s) is (are) generally much smaller and the identity of the original enterprise is retained by the larger enterprise.

There is no death, but one or more new enterprises are created. This event can be seen as the opposite of a take-over.

***Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Break-up (of an enterprise)

Creation (of business)

De-concentration

Divestiture

### Statistical Business Register

The statistical business register is a fully and comprehensive, regularly updated and structured list of statistical units engaged in the production of goods and services, which is maintained by national statistical authorities for statistical purposes to assist the compilation of statistical data.

*Usually one or more administrative business registers are used as input*

#### **Eurostat**

Administrative business register

### Statistical classification of economic activities

NACE ("Nomenclature générale des Activités économiques dans les Communautés Européennes" – Statistical classification of economic activities in the European Communities) is the acronym used to designate the various statistical classifications of economic activities developed since 1970 in the European Union. It is the European standard classification of productive economic activities. NACE presents the universe of economic activities partitioned in such a way that a NACE code can be associated with a statistical unit carrying them out. NACE provides the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (e.g. production, employment, national accounts) and in other statistical domains.

#### **RAMON, Eurostat's metadata server**

<http://ec.europa.eu/eurostat/ramon>

International Standard Industrial Classification of all economic activities (ISIC)

### Statistical confidentiality

The statistical confidentiality is a principle according to which confidential data related to single statistical units, obtained directly for statistical purposes or indirectly from administrative or other sources, are protected and their use for non-statistical purposes and their unlawful disclosure prohibited.

***Based on European Union, Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (Official Journal of the European Union No L 87, 31.3.2009, p.164 - 173)***

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:087:0164:0173:EN:PDF>

Confidential data

### Statistical Data and Metadata Exchange (SDMX)

The SDMX (Statistical Data and Metadata eXchange) initiative aims to develop and implement standards and guidelines for a more efficient transmission and dissemination of statistics, including both data and metadata. The SDMX initiative was launched in 2001 by Eurostat together with six other sponsors: the Bank for International Settlements (BIS), the European Central Bank (ECB), the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the United Nations Statistical Division (UNSD) and the World Bank. SDMX currently consists of standard formats for data and reference metadata, together with architecture for data exchange, and content guidelines.

***Official website of the SDMX (Statistical Data and Metadata eXchange) initiative, last consulted 1 March 2013***

<http://www.sdmx.org>

### Statistical disclosure

Statistical disclosure is said to take place, if the dissemination of a statistics enables the external user of the data to obtain a better estimate for a confidential piece of information than would be possible without it.

***ESSNet SDC (Network of Excellence in the European Statistical System in the field of Statistical Disclosure Control), under the coordination of Anco HUNDEPOOL, "Handbook on Statistical Disclosure Control", version 1.2 (2010 Edition)***

[http://ec.europa.eu/eurostat/ramon/statmanuals/files/SDC\\_Handbook.pdf](http://ec.europa.eu/eurostat/ramon/statmanuals/files/SDC_Handbook.pdf)

## Statistical unit

Council Regulation (EEC) No. 696/93 of 15 March 1993 on statistical units for the observation and analysis of the production system in the Community lays down a list of eight (types of) statistical units:

- the enterprise;
- the institutional unit;
- the enterprise group;
- the kind-of-activity unit (KAU);
- the unit of homogeneous production (UHP);
- the local unit;
- the local kind-of-activity unit (local KAU);
- the local unit of homogeneous production (local UHP).

Statistical units are defined on the basis of three criteria:

- Legal, accounting or organisational criteria;
- Geographical criteria;
- Activity criteria.

The relationship between the different types of statistical units can be summarised in the following way:

- Units with one or more activities and one or more locations
  - Enterprise,
  - Institutional unit;
- Units with one or more activities and a single location
  - Local unit;
- Units with one single activity and one or more locations
  - KAU,
  - UHP;
- Units with one single activity and one single location
  - Local KAU,
  - Local UHP.

**European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Confidential data

Enterprise

Enterprise group

Kind-of-activity unit (KAU)

Legal unit

Local kind-of-activity unit (local KAU)

Observation unit

Principal activity

Reporting unit

Unit of homogeneous production (UHP)

## Subcontracting

Two enterprises are linked by a subcontracting relationship whenever conditions A and B are met together:

- A. the customer enterprise, also said main-contractor, participates in the conception of the product providing, even partially, technical specifications to the supplier enterprise, also said subcontractor, and/or provides it with the materials to be processed;
- B. the customer enterprise sells the subcontracted product, either as such or as part of a more complex product, and takes on the after-sales liability for the product.

Note: The mere stipulation of a colour, size or catalogue number does not constitute a technical specification in itself. The manufacture of a tailor-made product does not of itself necessarily imply a subcontracting relationship.

**European Union, Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:344:0049:0080:EN:PDF>

Outsourcing

## Subsidiary

Separate incorporated entity in which another entity has a majority or full participation.

**European Central Bank, Guideline of the European Central Bank of 1 August 2007 on monetary, financial institutions and markets statistics (recast), Official Journal of the European Union No L 341, 27.12.2007, p. 1 - 232**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:341:0001:0232:EN:PDF>

Daughter company

Foreign affiliate

Parent corporation

## Subsidiary corporation

Corporation C is said to be a subsidiary of corporation B when:

- (a) Either corporation B controls more than half of the shareholders' voting power in corporation C; or
- (b) Corporation B is a shareholder in corporation C with the right to appoint or remove a majority of the directors of corporation C.

**Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996**

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/esa95-new.htm>

Associate

## Survival

In general, survival occurs when a unit is active and identifiable both before and after a specific (business) demographic event. The unit may be changed in some way, e.g. in terms of economic activity, size, ownership or location, but there should be continuity of the unit reference number in the statistical business register.

In the Business Demography context, survival occurs if an enterprise is active in terms of employment and/or turnover in the year of birth and the following year(s). Two types of survival can be distinguished:

- 1) An enterprise born in year xx is considered to have survived in year xx+1 if it is active in terms of turnover and/or employment in any part of year xx+1 (= survival without changes).
- 2) An enterprise is also considered to have survived if the linked legal unit(s) have ceased to be active, but their activity has been taken over by a new legal unit set up specifically to take over the factors of production of that enterprise (= survival by take-over).

***Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Business demography

Continuity

## System of national accounts (SNA)

The System of National Accounts (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. The recommendations are expressed in terms of a set of concepts, definitions, classifications and accounting rules that comprise the internationally agreed standard for measuring such items as gross domestic product (GDP), the most frequently quoted indicator of economic performance. The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for purposes of economic analysis, decision-taking and policymaking. The accounts themselves present in a condensed way a great mass of detailed information, organized according to economic principles and perceptions, about the working of an economy. They provide a comprehensive and detailed record of the complex economic activities taking place within an economy and of the interaction between the different economic agents, and groups of agents, that takes place on markets or elsewhere.

The framework of the SNA provides accounts that are:

- a. comprehensive, in that all designated activities and the consequences for all agents in an economy are covered;
- b. consistent, because identical values are used to establish the consequences of a single action on all parties concerned using the same accounting rules;
- c. integrated, in that all the consequences of a single action by one agent are necessarily reflected in the resulting accounts, including the impact on measurement of wealth captured in balance sheets.

The accounts of the SNA provide more than a snapshot of the economy at a point in time, since in practice the accounts are compiled for a succession of time periods, thus providing a continuing flow of information that is indispensable for the monitoring, analysis and evaluation of the performance of an economy over time. The SNA provides information not only about economic activities taking place within a period but also about the levels of an economy's assets and liabilities, and thus the wealth of its inhabitants, at particular points of time. In addition, the SNA includes an external account that displays the links between an economy and the rest of the world.

The SNA is designed for economic analysis, decision-taking and peacemaking, whatever the industrial structure or stage of economic development reached by a country. The basic concepts and definitions of the SNA depend upon economic reasoning and principles which should be universally valid and invariant to the particular economic circumstances in which they are applied. Similarly, the classifications and accounting rules are meant to be universally applicable. There is no justification, for example, for seeking to define parts of the SNA differently in less developed than in more developed economies, or in large relatively closed economies than in

*The System of National Accounts (SNA) has been prepared under the joint responsibility of the United Nations, the International Monetary Fund, the Commission of the European Communities, the OECD and the World Bank.*

*The SNA is designed to give a realistic and compact view of the economy that is suitable for policy and analytical use (SNA 2008, Annex 4, § A4.1).*

**European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

European system of accounts (ESA)

### Take-over (of an enterprise group)

Like enterprises, enterprise groups may have many kinds of intergroup relations and integrate their operations partly or totally. Two (or more) enterprise groups may integrate entirely and become one group. In this process either both groups involved may lose their identity, because they are dissolved beyond recognition in the new organisation, or one group may remain largely the same. In the latter case the other group is generally much smaller; it is merely absorbed by the larger group, which remains largely the same. If one of them keeps its identity, it is called a take-over.

***Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

### Take-over (of an enterprise)

Enterprises may integrate to the extent that the number of existing enterprises is reduced. If two enterprises integrate entirely, one of the enterprises may remain largely the same. In this case the other enterprise is generally much smaller, it is merely absorbed by the larger enterprise, which remains the same. If one of the enterprises keeps its identity, the event is called a take-over.

Enterprises taken over are not considered to be real deaths. In this case, one of the original enterprises does survive in a recognisable form, and therefore there is both continuity and survival. The remaining original enterprises are closed. This event can be seen as the opposite of a split-off.

***Eurostat and Organization for Economic Cooperation and Development (OECD), "Eurostat - OECD Manual on Business Demography Statistics (Edition 2007)", Methodologies and Working Papers, Office for Official Publications of the European Communities, Luxembourg, 2007***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-RA-07-010-EN.pdf>

Acquisition

Cessation (of business)

Concentration of enterprises

Merger

### Target population

This is the conceptual population of elements (units for analysis) at which the survey is aimed and for which statistics should be produced.

***Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Administrative population

Administrative regulation

Completeness (of an administrative dataset)

Coverage (of an Administrative Dataset)

### Top-down classification

The top down method follows a hierarchical principle: the classification of a unit at the lowest level of the classification must be consistent with the classification of the unit at the higher levels. To satisfy this condition the process starts with the identification of the relevant position at the highest level and progresses down through the levels of the classification in the following way:

1. Identify the position at the highest level of the classification which has the relatively highest share of the value added.
2. Within this second highest level of the classification, identify the position which has the relatively highest share of the value added within this section.
3. Within this third highest level of the classification, identify the position which has the relatively highest share of the valued added within this division.
4. Within this fourth highest level of the classification, identify the position which has the relatively highest share of the valued added within this division, etc.

**Eurostat, " NACE Rev. 2, Statistical Classification of Economic Activities in the European Community, Rev. 2", Office for Official Publications of the European Communities, Luxembourg, 2008**

<http://circa.europa.eu/irc/dsis/nacecpacon/info/data/en/index.htm>

### Trade mark

Trade mark refers to words, symbols or other marks which are used by firms to distinguish their products or services from those offered by others. A trade mark may be registered under the Patent Act or the Trademark Act or other such intellectual property legislation as may be applicable. A trade mark may often become equated with the product itself and may be a source of competitive advantage. Trade marks may communicate information about the quality of a good or service to customers. Firms which license their trade marks to retailers may thus require conditions in the licensing contract assuring uniform quality.

**"OECD Glossary of industrial organisation economics and competition law", quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

### Truncated enterprise group

The part of a multinational enterprise group, which comprises only the legal units resident in the same country, is called truncated enterprise group.

It is thus possible that a truncated group consists of several seemingly unlinked units and subgroups, if their parent is non-resident, but they belong to the same multinational group.

A truncated group may also consist of only one unit, parent or subsidiary, which is in the national territory.

**Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

All-resident enterprise group

Enterprise

Enterprise group

EuroGroups Register (EGR)

## Turnover

Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties.

Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover.

It also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice. Reduction in prices rebates and discounts as well as the value of returned packing must be deducted.

Income classified as other operating income, financial income and extra-ordinary income in company accounts is excluded from turnover. Operating subsidies received from public authorities or the international institutions are also excluded

**European Union, Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics**

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:344:0049:0080:EN:PDF>

## Ultimate controlling institutional unit (UCI) of a

"Ultimate controlling institutional unit (UCI) of a foreign affiliate" shall mean the institutional unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

If the UCI is not known from existing data, the decision about the UCI should be taken preceding the ownership chain of the units involved with a step by step analysis, in each step determining control. Global calculation by multiplication of shares of ownership for alternative candidate UCIs leads to the wrong UCI.

**Eurostat Recommendations Manual on Production of FATS (edition 2007), quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

## Ultimate controlling institutional unit (UCI) of a foreign affiliate

"Ultimate controlling institutional unit (UCI) of a foreign affiliate" shall mean the institutional unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

If the UCI is not known from existing data, the decision about the UCI should be taken preceding the ownership chain of the units involved with a step by step analysis, in each step determining control. Global calculation by multiplication of shares of ownership for alternative candidate UCIs leads to the wrong UCI.

Global decision centre

Group head

## Ultimate investing country

The country in which the ultimate investor is resident is the ultimate investing country (UIC) for the investment in the direct investment enterprise. It is possible that the ultimate investor is a resident of the same economy as the direct investment enterprise.

**OECD Benchmark definition of Foreign Direct Investment (edition 2008), quoted in Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010**

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Group head

### Under-coverage

Failure to include required units in the frame, which results in the absence of information for those units.

*Under-coverage should not be confused with non-response.*

#### **SDMX (2009)**

<http://www.sdmx.org/>

Frame

Target population

### Unincorporated enterprise

An unincorporated enterprise represents the production activity of a government unit, NPISH or household that cannot be treated as the production activity of a quasi-corporation (SNA 2008, § 5.1).

An unincorporated enterprise is a producer unit which is not incorporated as a legal entity separate from the owner (household, government or foreign resident); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners, the enterprises as such cannot engage in transactions with other economic units nor can they enter into contractual relationships with other units nor incur liabilities on their own behalf; in addition, their owners are personally liable, without limit, for any debts or obligations incurred in the course of production (SNA 1993, § 4.140 and 4.141).

***European Commission (Eurostat), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations (Statistics Division), World Bank, "System of National Accounts 2008", United Nations, New York, 2009***

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/SNA2008.pdf>

### Unit of homogeneous production (UHP)

The unit of homogeneous production (UHP) is characterised by a single activity which is identified by its homogeneous inputs, production process and outputs. The products which constitute the inputs and outputs are themselves distinguished by their physical characteristics and the extent to which they have been processed as well (as) by the production technique used, by reference to a product classification. The unit of homogeneous production may correspond to an institutional unit or a part thereof; on the other hand, it can never belong to two different institutional units.

***European Union, Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community***

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R0696:EN:HTML>

Statistical unit

### Value added tax (VAT)

A value added type tax (VAT) is a tax on goods and services collected in stages by enterprises and which is ultimately charged in full to the final purchasers.

This heading value added type taxes comprises the value added tax which is collected by the General government and which is applied to national and imported products, as well as, where appropriate, other deductible taxes applied under similar rules to those governing VAT, for simplicity henceforth called "VAT".

Producers are obliged to pay only the difference between the VAT on their sales and the VAT on their purchases for their own intermediate consumption or gross fixed capital formation.

***Eurostat, "European System of Accounts - ESA 1995", Office for Official Publications of the European Communities, Luxembourg, 1996***

<http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/en/een00157.htm>

### Vertical integration

Two legal units are said to be vertically integrated if they are within the same enterprise group and all of the output of one is consumed by the other. For example, the output of a legal unit engaged in printing could go entirely to a legal unit engaged in bookbinding.

*Eurostat, "Business registers. Recommendations manual", Methodologies and Working Papers, Publications Office of the European Union, Luxembourg, 2010*

<http://ec.europa.eu/eurostat/ramon/statmanuals/files/KS-32-10-216-EN-C-EN.pdf>

Horizontal integration