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Producing entrepreneurship statistics by combining statistical business registers with other data sources

Use of statistical business register and other data sources for production of entrepreneurship statistics in Georgia

Main source for update of business register in Georgia is data received from administrative sources, namely from National Agency of Public Registry and from Revenue Service (Tax Office);

The use of data from administrative sources is an obvious alternative to data collection from respondents. The access to data from administrative sources for statistical purposes is granted to the Geostat by the law "On Official Statistics" and by special government decrees which oblige other public institutions to cooperate with the Geostat.

From Public Registry Geostat receives information about newly registered and liquidated (closed) companies, also information on changes. From Revenue Service (Tax Office) Geostat receives information on active taxpayers.

The received information from administrative sources is automatically reflected in BR.

Administrative data are very important for update of business register, at the same time, use of data from administrative sources is an obvious alternative to data collection from respondents, but quality of administrative data is also very important, as in business register Geostat collects approximately 25 variables and 80% of which comes from administrative sources;
Update procedures are automated. The information is received from administrative sources monthly, using automatic interfaces that the Geostat has with the databases of these institutions. The received data is cleansed and structured. The statuses for the companies are identified.

High quality of statistical products in most cases is received by combining administrative and survey data. Therefore Geostat conducts specific surveys and provides investigations on regular basis, which is another source for update of business register and for production of entrepreneurial statistics.

In database received from administrative sources, actual address and kind of economic activities are indicated only for limited number of enterprises. Sometimes indicated information on economic activities are incorrect, which is huge problem for business register and for production of business statistics.

That’s why Geostat conducts every month computer assisted telephone interviews (CATI) for the companies in the business register to update information about status, kind of economic activities and actual addresses by each local units of the companies.

Role of Business Register for surveys is huge, because all business surveys are based on the business register and Geostat uses only one sampling frame for all business surveys; In addition the business register is continuously updated during the year and the structural data and all statistical information are integrated;

Business register in Georgia covers approximately 610 000 entities and includes about 25 variables by each entity. Information about kind of economic activity is available for 43.4% of registered entities; Information about actual address is available for 51.5%; data on turnover or income - for 46.6%; data on number of persons employed is available for 22 % of registered entities.

Geostat assess regularly applicability of administrative sources for the production of statistics.

Administrative sources are used for production of business statistics, namely

- Data on active taxpayers (Revenue Service)
- Data on registered and liquidated entities (National Agency of Public Registry)
- Information about permissions granted for construction and completed objects (Architect Service)

Administrative sources are used also for production of transport statistics, construction statistics, demographic statistics, external trade and Foreign Direct Investments statistics, education and social protection statistics etc.
Activities related combining administrative and survey data, can be split in two parts: implemented and planned activities.

For production of entrepreneurship statistics, following activities were implemented by Geostat:

- Processing data received from RS (Tax office) and NAPR and integrate with survey data
- Integrate Civil Registry with BR data
- Conduct Computer Assisted Telephone Interview (CATI)
- Identify groups of legal units, enterprise units and investigate liquidated companies
- Investigate and processing data on cash registers (received from Tax office)
- Processing data received from Architect Services (construction permits, completed objects.)
- Processing data received from the Ministry of Internal Affairs
- Processing data received from the Ministry of Energy and energy distribution companies

Related combining administrative and survey data, following activities are planned:

- Production of short-term statistics indicators and ensure full compliance with EU list of variables
- Develop and improve business demography indicators
- Looking for other alternative sources for improve quality of data on local units in BR and use more and more administrative data for production of business statistics

By combining the statistical business registers with social and business statistics data it is possible to derive new indicators, which can be used for characteristic of entrepreneurship by various variables (location, kind of economic activity, Ownership type, organizational-legal form, business demography, gender etc).

Geostat’s intends to produce new indicators by combining of statistical business registers with administrative data, survey data and other data sources. A few months ago Geostat decided to produce entrepreneur statistics by gender. That’s why by
combining statistical business register and Civil Registry - gender component was reflected in business register.

By combining of statistical business registers with administrative and survey data following indicators were developed:

- Business demography indicators
- Labor input indicators
- Monthly economic indicators
- Information about permissions granted for Construction and completed objects
- Energy statistics indicators

Some issues are still challenging. Of which quality of data, methodology and not sufficient recourses are in the top of the list.

In terms of quality of statistical data, which is very essential, it is necessary to pay particular attention to the quality of administrative sources and business register, as well as to take into account international standards, recommendations and experience of developed countries.

It is also important to investigate requirements of data users; asses data sources, use more and more administrative data for production of business statistics and identify challenges as well as approaches to face current problems.

In terms of methodology - differences between administrative and statistical processes, namely: definition for status (enterprise is active or non-active); in some cases there are differences between methodology for calculation some variables (turnover, wage).

Also Identification key from administrative sources is available only for legal units. Identification keys for units as enterprises, local units, KAU, etc are assigned in Geostat (business register).

In terms of not sufficient recourses - economic census has never been carried out in Georgia, because of not sufficient financial recourses.

Also not enough experts working on BR is challenging: 7 persons are working on BR, however it's necessary to enlarge number of statisticians, who will work on maintenance of BR and for improve it’s quality.