

USE OF SBR FOR FATS- NATIONAL EXPERIENCE

**Meeting of the Group of Experts on Business Registers,
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(Partly) solved issues

- **Coverage of I-FATS units in the EuroGroups Register (EGR)**
 - In the past, the coverage of national I-FATS units was unsatisfying
 - From reference year 2014 onwards it can be assumed that full coverage will be achieved

- **Coverage of O-FATS units in the EGR**
 - In some member states, the National Central Bank are responsible for O-FATS
 - Contribution of O-FATS to EGR is in progress
 - Data transmission is highly appreciated
 - Inconsistencies by mirroring I-FATS and O-FATS
→ only a comprehensive EGR will reduce inconsistencies

(Partly) solved issues

- **I-FATS units in VAT groups**
 - **I-FATS units can be part of a VAT group**
 - **Usually, only one unit reports the turnover of the whole VAT group**
 - **missing turnover information in the BR for the other members of the VAT group**
 - **Redistribution of turnover among VAT group members necessary**
 - **In Germany, an redistribution procedure based on a regression model is part of the regular data production in the BR**

$$\ln(y) = \alpha + \beta_1 \cdot \ln(x_1) + \beta_2 \cdot \ln(x_2) + \beta_3 \cdot \ln(x_3) + \beta_4 \cdot x_4 + \dots + \beta_i \cdot x_i + \varepsilon$$

Dependent variable: turnover

Independent variables: #employees, sector, legal form, location ...

(Partly) solved issues

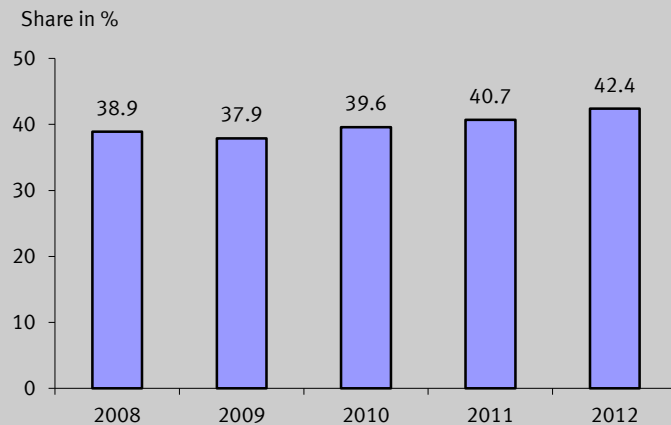
- **Development of new globalisation indicators**
 - **Indicators can be based on the linkage between trade statistics and I-FATS**
 - **Examples: Import share of foreign affiliates, Export share of foreign affiliates → published on www.destatis.de**

$$\text{Import share foreign affiliates} = \frac{\text{Intra-EU imports of foreign-controlled enterprises}}{\text{Total intra-EU imports}} * 100$$

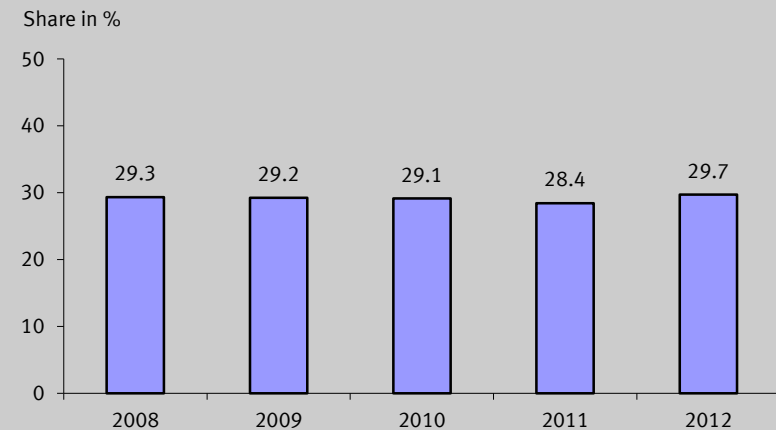
$$\text{Export share foreign affiliates} = \frac{\text{Intra-EU exports of foreign-controlled enterprises}}{\text{Total intra-EU exports}} * 100$$

(Partly) solved issues

Import share of foreign affiliates



Export share of foreign affiliates



Issues to be solved

- **Unknown ultimate controlling institutional unit (UCI)**
 - The assumption that the global group head (GGH) is identical with the UCI is not always correct
 - It would be very desirable if BR/EGR staff could identify cases where the GGH \neq UCI

- **Ancillary activities and vertical integration**
 - For the delineation of enterprise results ancillary units and vertically integrated units need to be identified
 - Ideally, the BR should provide the information needed to produce consolidated enterprise values

Issues to be solved

- **Size class identification of I-FATS units**
 - **Two opposing views to define the (employment) size class of an I-FATS enterprise**
 - 1) **domestic employment of the truncated enterprise**
 - national perspective
 - 2) **employment of the global enterprise**
 - global perspective
 - **Concerning alternative 2): Is the EGR able to provide the required cross border information on the employment of global enterprise groups?**

Issues to be solved

- **Identification of intra-firm-trade**
 - **Development of accurate globalisation indicators (e.g. export of I-FATS enterprises) deserves data about intra-firm-trade**
 - **Use of VIES (Vat Information Exchange System) data in combination with Intrastat and the EGR allow, in principle, to identify trade flows between enterprises of the same enterprise group**
 - **Practical obstacles exist:**
 - **No common identifier in Intrastat, VIES and EGR**
 - **Matching through BR, but units get lost during the linking process**
 - **Identification of intra-firm-trade is only possible when NSIs use turnover-tax IDs as identifiers in the EGR**
 - **Delivery of turnover-tax ID**

Thank you for your attention!



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