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Title of Paper: The role of the SBR in the modernization of the statistical production process

1 Introduction

Montenegro, as a one developing country, maintained the Statistical Business Register since 2007. At the beginning , Statistical Business Register has served only as directory for finding a list of legal and statistical units and their addresses. It's main function was to provide identity numbers and contact details for the implementation of statistical surveys.

Today, Statistical Business Register is the main source for selection process of observation units for most statistical surveys. This register is the base for statistical system and it represent a mutual frame for all registers of business and non-business entities. His roles are different: collection basis roles - providing frame population, selection and coordination of samples and providing “weights”; technical roles - survey support, survey documentation and response burden, links to administrative registers/sources and links to other statistical registers; and database roles - statistics based on business register database and survey replacement or reduction. The Statistical Business Registers in Montenegro covers all active units and their characteristics to serve as backbone in statistical production process. An important area of Statistical Business Register application is that it provides a data comparison between countries due to standardization of definitions, variables, units, etc.

Statistical business register is composed of two parts: the administrative and statistical part.

The administrative part consists of:

- legal units, and

Statistical part consists of statistical units such as:

- ✚ Enterprise (the biggest number of cases in BR are where is legal unit = enterprise but lately we had more cases where is more than one legal unit create an enterprise).
- ✚ Local units
- ✚ KAU units and
- ✚ Enterprise Group.

It is necessary that it always exists a consistency between these two parts of the registry. Administrative sources and different statistical surveys are used for updating this register. Statistical Business Register provides the link between administrative data input and statistical data output.

The variables that exist for each of these units in the statistical business register, are:

- identification;
- stratification;
- demographic;
- relational.

For legal unit there are only identification and relational variables, such as:

- Identification

- identity number;
- the name of the unit;
- address;
- the name of the responsible person;
- form of organization;
- type of ownership;
- capital;
- the status of activities;
- links with other registers;
- legal registration date.

- Relational

- the registration number which is associated with other registers and
- identity number of the enterprise that is controlled by the legal unit.

The data for all these variables are taken from administrative sources. Beside each name is a source of information and the date to which data refers. Also, in order to enable tracking of demographic changes, there is a field which checks every kind of change occurred during the "life" of the unit.

Identity number of the legal unit has 8 digits and is taken from administrative sources. It was produced by the module 11 and used by all administrative bodies, which greatly facilitates linking data from different sources.

For the statistical unit enterprise - includes the following variables:

- Identification

- identity number;
- the name of the unit;
- address;
- number of local units;
- number of units KAU;
- name of the executive director;
- name of the owner;
- status of activity.

- Stratification

- identification code of the primary activity;
- description of the primary activity;
- identification of first secondary activity;
- description of first secondary activity;
- identification code of ancillary activity;

- description of ancillary activity;
- the activity sector;
- number of employees;
- turnover;
- VAT paid;
- assets;
- class size enterprises;
- % shares.

Also, in addition to any data for these variables is the source and the date on which the data refers.

- Demographic

- The date of legal registration;
- The date of commencement of the activity;
- the date of end of some or all activities;
- Relational - identification number of the legal unit

- Relation of belonging

The relationship between legal units and enterprises which unit manages and the relationships between the enterprise and certain statistical units where enterprise carries out activities must be time marked and accurately described. (relationship commencement date, relationships end date, a description of the relationship) .

Description of the relationship between legal units and enterprises - these relations can be described in one of the following ways:

- The owner - manager;
- Manager who is not the owner;
- Owner who is not the manager;
- Additional legal intermediary company.

The first two modes correspond closely to relationship where one legal unit is the main legal representative of the company. It is necessary to check whether the company has such a close relationship with only one legal unit.

- Relation of control

Although the statistical business register mainly focuses on enterprises and their local units, the fact that companies are parts of the group must also be taken into account. Belonging to a group is an important criterion for analyzing stratification enterprise performance. Group has a number of enterprises that are directly or indirectly controlled by the same legal unit, control hereby means the power to setup managers of legal unit which operates the activity of enterprise.

Group dimensions are marked with the relationship between legal units rather than the relationship between enterprises. However, this solution has its drawbacks in terms of time monitoring of the group since legal unit at the forefront of the group may change over time. Therefore, it is more useful, which is

done in our case, to introduce the Group in the statistical business register as an explicit unit with its own identity number.

Each enterprise in the statistical business register has one "fictitious" local unit which is the headquarters of company - enterprise. Other local units are the actual units. For the statistical local unit in the statistical business register there are following variables:

- Identification

- identity number of the local unit;
- the name of the local unit (if needed);
- municipal - code and the name of the municipality;
- settlement - code and name of the settlement;
- registered office of the enterprise - street and number;
- the address for receipt of mail - street and number;
- telephone number;
- fax number;
- e-mail address;
- web address;
- activity status.

Also, in addition to any data for these variables there is the source and the date to which data refers.

- Stratification

- Number of employees
- Activity codes of activities carried out.

- Demographic

- date when the local unit was founded;
- date of termination of the unit.

- Relational

- registration number of the enterprise to which the unit belongs

A statistical unit – Enterprise Group in the statistical business register includes the following variables:

- Identification

- identity number of the group;
- identity number of the head of the group (if in Montenegro and if abroad)
- The name of the group;
- type of group (National/foreign)
- address;

- e-mail address;
- Web address;
- activity status.

- Stratification

- Primary activity at the group classification level
- Secondary activity at the group classification level;
- Number of employees;
- Consolidated turnover;

- Demographic

- date of the establishment of the group;
- date of termination of the group.

- Relational

- the country in which enterprises that belong to the group are located;
- identity number of the enterprise that is the direct owner of the enterprise in the country;
- identity of the enterprises belonging to the group;
- names of enterprises belonging to the group;

Following this review there are 71 variables in statistical business register.

Statistical business register is largely different from statistical survey because it is something that is continually reworked and updated.

Statistical business register lists all units and variables set by the European Commission Regulation no. 177/2008.

All data changes along with the date changes and data sources are stored in the historical database tables in the statistical business register.

2 The sources of the register maintenance

Maintenance of statistical business register is not a single process. It is continuous activity. The frequency of the register maintenance is a crucial point in the timeliness of the register. We maintained our statistical business register from different source with different periodicity. In that case the most frequently used source determines the frequency of the register maintenance.

The register sources can be administrative registers, register surveys, feedbacks from survey results and other sources. The main sources of the our statistical Business Register are the administrative sources. Everything because we need to have less response burden. The most important source is the Tax Authority register. Except this register, we also use Central register of business entities and Central Bank register. Also, we have signed Agreements of understanding with Montenegro Business Alliance and Montenegrin Employers Federation.

The most commonly used sources		
	<i>Primary source</i>	<i>Secondary source</i>
Legal unit	Central Register of Business Entities	Tax Authority
Enterprise	Tax Authority	Statistical surveys-SBR survey, SBS, survey about wages and earnings, Central Bank
Local unit	SBR survey	Feedback gained from different statistical surveys
Enterprise group	SBR survey	Central Bank

We plan to have this kind of agreement, also, with Post office. In Montenegro the registration is operated by a so called “one-window” system where the unit is recorded in one authority and other authorities connected to the “one-window” and the statistical register can see and use directly the registration information.

Second source for maintaining of Business register are special BR surveys. We have two regular BR surveys: Survey for medium and large enterprises and Survey for legal units which has local units and one pilot survey for Enterprise Group. The primary purpose of these surveys is to collect information to update business register information. They are also used to control the quality of the business register, to get information on the activity of the units or the changes of their certain attributes. Also, we use this surveys because we don't have available administrative source for information's which are very important.

Very important for maintenance of Business Register are feedbacks from statistical surveys. The data collection is built on the survey frame that is based on the register. During the data collection phase,

accessing the respondents might reveal the error of the survey frame attributes, the changes of the address, name, the status of activity , activity type or other attributes of the respondents.

The same feedback can be gathered from questionnaires returned. We, also, use Internet, web pages and yellow pages for business register maintenance.



3 Use of SBR in Statistical office of Montenegro as unique survey frame for national business statistics

In Statistical office of Montenegro, now, and during the years we use statistical business register as a sample frame for all statistical surveys which use enterprises and their parts as reporting units.

At the beginning, situation was totally different. Statistical business register was used only as address list from different surveys. People who were responsible for different surveys asked us, from registers department, for address lists from statistical business register. They had own order numbers for all enterprises in their address lists.

After this period of basic using of statistical business register, we implemented new infrastructure and new process. We started to use unique identification number which is used by all administrative bodies and it was a key variable for linking data from different sources.

We also created different identification numbers for different statistical units.

Also, we have procedures for updating of business register from statistical surveys. We created a questionnaire where statisticians printed current data from statistical business register and then put into the questionnaire new data and date of changes.

4. QUESTIONNAIRE FOR UPDATING OF STATISTICAL BUSINESS REGISTER

1. ID number			
2. Name of business entity	current data in SBR	new data	date of changes
3. Address of business entity	current data in SBR	new data	date of changes
4. Name of responsible person	current data in SBR	new data	date of changes
5. Telephone and fax number and e-mail	current data in SBR	new data	date of changes
6. Legal form	current data in SBR	new data	date of changes
7. Type of ownership	current data in SBR	new data	date of changes
8. Primary activity	current data in SBR	new data	date of changes
9. Secondary activity			
10. Other activities	current data in SBR	new data	date of changes
11. Number of employees	current data in SBR	new data	date of changes
12. Date of starting with activity	current data in SBR	new data	date of changes
13. Date of stopping with activity	a) liquidation	b) bankruptcy	c) merging
14. Status of activity	1) active 9) non active		
15. Name of person who made a changes			
16. Notes			

When this questionnaire comes in business register department then we check this new data and after that we make a changes respected continuity rules.

After all, updating from different sources at the end of the year around 1 of December we make a frozen frame. From all statisticians we have different requests. Very important for outputs are good defined requests. Based on these requests we create their sample frames.

Now, we are in the phase of testing of new application in which all statisticians will have possibilities to make a sample for their own purposes.

We have a suggestion from foreign experts that we need to take a samples most frequently then now. For example, they suggested us that for monthly surveys take samples monthly, for quarterly every quarter etc..

5. The role of the SBR in the modernization of the statistical production process

The impact of globalization imposes more extensive coverage of statistical units and their connections.

The objectives of the modernization are to :

- ✚ simplify the Business Register;
- ✚ increase the integration, harmonization and coherence;
- ✚ optimize the processes and allocated resources;
- ✚ update the technological environment and
- ✚ improve access.

These objectives translate into changes means changes in how survey structures will be defined, changes in interfaces between surveys and the Business Register and changes in the available information for designing surveys.

We will starting to use new tools for Business Register application. The project of modernization proposes a new Statistical Business Register whose main objectives will be to simplify concepts, procedures and systems, make this register more accessible and user friendly, facilitate its integration with other major economic survey systems, and improve the timeliness of the data through quicker updates. Also, very important part of modernization will be producing of more data from Statistical Business Register on different levels of aggregations.

We will modernize our Business Register because of that is needed for different statistical purposes. We will produce from this register for short term statistics frozen frames for periods which they need.

Also, one of the main goals is implementation and using of geospatial data in the Business Register.

Purpose: The geographical location code complements the address and postal codes and can be used to derive classifications relating to the geographical location of units at the most detailed level. Other national classifications such as administrative regions, travel-to-work areas, health or education regions etc. can also be derived from it.

Address data consist of: Settlement Code - Street name - House number .

Sources of address data : Statistical Business Register is compiled from several sources which provide address data Central register of business entities, Tax Authority, Administrative register, etc.

Sources of spatial data: statistical register of territorial units, cadaster and Real estate management.

We want to improve and modernize our Business Register in a way that that this will be a live register, as a backbone to coordinate populations of statistical and administrative units in space and time through register snapshots and frozen frames; as a survey frame and survey support to minimize reporting burden; the SBR as an information source and its role in international data exchange.