



REPUBLIC OF CROATIA



CROATIAN BUREAU OF STATISTICS

QUALITY REPORT FOR STATISTICAL SURVEY
Statistical Business Register
for 2019

Organisational unit: Administrative Business Register Department
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0. Basic information

- Purpose, goal, and subject of the survey

The Statistical Business Register is a complete, comprehensive, structured and regularly updated database of legal and statistical units included in the production of goods and services. The Statistical Business Register provides population for conducting statistical analysis of population of business entities and for compilation of business demography statistics, for establishing links with administrative sources and for identifying and creating statistical units.

It contains information on legal entities and natural persons who perform an independent activity (craftsmen and free lances) and contribute to GDP. Data from administrative and statistical sources are compiled. Administrative sources from which data are obtained are the following: the Register of Business Entities; the Central Register of Crafts, the Register of Tax Payers; the Court Register; the Central Depository and Clearing Company Inc.; the Financial Agency, etc. The EuroGroup Register and statistical surveys of the Croatian Bureau of Statistics are used as statistical data sources.

The Statistical Business Register includes the following types of units: legal units, enterprises, local units, enterprise groups and non-resident units linked by ownership with resident units.

- Reference period

Calendar year.

- Legal acts and other agreements

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 (OJ L 61, 5 March 2008)

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 (OJ L 76, 30 March 1993)

Decision on the National Classification of Activities 2007 – NKD 2007. (OG, Nos 58/07 and 72/07)

- Classification system

National Classification of Activities, 2007 version (NKD 2007.)

Classification of territorial units for statistics

Sector Classification of Institutional Units according to ESA 2010

- Concepts and definitions

The Statistical Business Register (hereinafter: SBR) is used to register information on the following main types of units: legal units, enterprises, local units and enterprise groups.

Legal unit is an administrative unit that allows for the creation of statistical units and their linking with administrative databases. Legal unit can be a legal entity or natural person

which performs an independent activity for the purpose of gaining profit, i.e. for realisation of the function for which it is established. It may appear in the form of a trade company, institution, state government body, body of local and regional self-government unit, association, political party or another legal constitutional formation of legal entities, as well as a craft or freelance that is registered and operates according to the law.

Information on legal units in the Statistical Business Register are the following: identification numbers (ID, PIN, TIN, number of craft licence, etc.); name; address; telephone and fax numbers; e-mail address; date of incorporation for legal persons or date of official recognition as an economic operator for natural persons; date of cessation; legal form; number of persons employed and annual turnover; activity code according to the NKD 2007; sector code according to the ESA 2010, ID of enterprise group to which a unit belongs; date of association to the enterprise group; date of separation from the enterprise group; identification number(s) of resident legal unit(s) that are controlled by the legal unit; identification number of a resident legal unit that controls the legal unit, etc.

Enterprise is a basic statistical unit defined in the methodology of business registers, which is in most cases identical to legal unit, but in some exceptional cases it may be created by grouping of legal units. In that case, an enterprise means the smallest combination of legal units that constitute an organisational unit engaged in the production of goods and services and has a certain level of autonomy in making decisions.

Information on enterprises that are entered in the SBR are the following: identification number; link to the legal unit or group of legal units; name; address; telephone and fax numbers; e-mail address; date of creation; date of cessation; number of persons employed and annual turnover; activity code according to NKD 2007.; sector code according to ESA 2010; ID of enterprise group to which a unit belongs; date of association to the enterprise group; date of separation from the enterprise group; code of the survey in which a unit is included, etc.

A local unit means the enterprise or a part of an enterprise/legal unit that operates at geographically determined location. One or more economic activities of the enterprise to which the local unit belongs are performed at or from that location. At least one person performs activity at that location, even in exceptional cases when that person does not full time.

Information on local units that are entered into the Statistical Business Register are the following: identification number; link to the enterprise and legal unit; ordinal number within the legal unit; name; address; telephone and fax numbers; e-mail address; identification numbers of the legal unit and enterprise to which the local unit belongs; date of creation; date of cessation; main activity at the NKD 2007. class level; secondary activities at the NKD 2007. class level; designation in case if the activity performed in the local unit is an auxiliary activity at the enterprise level, etc.

An enterprise group is an association of enterprises bound together by legal and/or financial links. It can have more than one decision-making centres, especially concerning for policy on production, sales and profits. 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. Information on enterprise groups that are entered into the Statistical Business Register are the following: identification number (national and European); type of group; name of the group in the Republic of Croatia; address; telephone and fax numbers; e-mail address; date of creation of the group in the Republic of Croatia; number of employed persons and annual turnover; main activity code according to the NKD

2007.; secondary activity codes, if any; direct parent of the main legal unit in the Republic of Croatia; direct parent's country; subsidiaries, links between the main legal unit and subsidiaries; percentage of ownership; mark of control; consolidated turnover of the group and number of employed persons in the group.

- Statistical units

Statistical units in the Statistical Business Register are enterprise and local unit.

Until 2019, a legal unity was considered a proxy for enterprise, while, during 2019, an intensive work on creating complex enterprises took place. Complex enterprises are created by using of method of profiling (automatic and manual).

An enterprise adopts characteristics of the legal unit that has the highest number of employed persons. The turnover in all legal units is being consolidated in such a way that interflow between units of the complex enterprise is eliminated from the total turnover.

- Statistical population

SBR is a complete and comprehensive list of business entities registered in administrative registers in the Republic of Croatia (residents in the Republic of Croatia). No threshold whatsoever is used in coverage, but data on all business entities are taken over from available administrative sources. Natural persons – lump sum income tax payers are excluded from the coverage.

1. Relevance

1.1. Data users

- internal users of SBR data: statistical units of the Croatian Bureau of Statistics (Business Statistics Directorate and Macroeconomic Statistics Directorate, as well as particular surveys in Social Statistics Directorate)
- external users of SBR data: Croatian National Bank and Ministry of Finance within sectoral classification of institutional units
- individual users

1.1.1. User needs

The contents of the SBR data is defined by the EU regulation on business registers, which determines basic indicators for conducting statistical surveys and statistical analyses.

The needs of external users are satisfied to a limited degree due to the fact that the SBR data, except those on sectoral classification of institutional units, are confidential and unavailable to external users. External users can use only aggregate data in order to prevent the identification of individual units and their business indicators.

1.1.2. User satisfaction

User satisfaction is measured in a user satisfaction survey. It was first carried out in 2013 and then in 2015. The level of user satisfaction was published in the results of this survey in 2015 at

https://www.dzs.hr/Eng/international/Quality_Report/Quality_Report_Documents/Quality_Report_Satisfaction_Survey.pdf.

Semi-annual meetings with internal users provide opportunity for users to express their opinion and satisfaction with SBR.

1.2. Completeness

SBR is fully harmonised with the EU legislation.

1.2.1. Data completeness rate

The indicator for this survey is not computed.

2. Accuracy and reliability

2.1. Sampling error

Not applicable for SBR.

2.1.1. Sampling error indicators

Indicator for this survey is not applicable.

2.2. Non-sampling error

Non-sampling errors that affect the quality of SPR data refer to errors of coverage, measurement and processing.

2.2.1. Coverage error

The coverage errors relate to undercoverage, duplication of units and misclassification according to the NKD 2007.

Undercoverage: In SPR, legal entities are fully covered, but there are some shortcomings in the part covering natural persons, which primarily relate to the coverage of free lances and, to a very small extent, of crafts.

The undercoverage of free lances is caused by a lack of a single and up-to-date register of free lances, since special categories of free lances are registered in dozens of various registers within professional chambers, associations and other organisations.

In the absence of a single register of free lances, the Register of Taxpayers is used instead, in which there are certain shortcomings in designating individual categories of natural persons who perform their activity independently.

Crafts are subject to under-coverage to a lesser extent, and this occurs in exceptional and rare cases when some crafts are not transferred to the Statistical Business Register due to a certain error in the Crafts Register.

Duplication of data is present in relation to free lances because of multiple ID numbers assigned to the same freelancers, where each new ID number taken over from an administrative source is considered a new unit.

The trend in SBR is to register the code of the activity actually performed. A necessary information on that activity is mainly obtained on the basis of various statistical surveys of business statistics, in which indicators related to specific activities are collected (industry, agriculture, services, tourism, construction, etc.), to which reporting units are selected according to their registered activity.

If the registered activity is not actually performed, reporting units cannot enter the required information and report another activity instead. The given information is a foundation for a possible change of the activity code in SBR.

In other surveys, in which the requested data are not directly related to the activity (e.g. investments), reporting units often report that the activity assigned in SBR is incorrect and state the activity registered in the Administrative Business Register as a correct one, which is often not accurate.

2.2.2. Over-coverage rate

The indicator for this survey is not computed.

2.2.3. Measurement errors

The measurement errors that occur in the Statistical Business Register relate to data taken over from poor-quality administrative sources. These errors are primarily errors in the number of employees and turnover, which occur when the data are incorrectly entered into the source from which they have been taken over.

Such errors are continuously identified by comparing data from multiple sources or consecutive years, checked and corrected.

2.2.4. Non-response errors

Not applicable for SBR.

2.2.5. Unit non-response rate

The indicator for this survey is not computed.

2.2.6. Item non-response rate

The indicator for this survey is not computed.

2.2.7. Processing errors

Units are registered in SBR with features that have already been recorded in administrative sources, i.e. they are calculated by using specific algorithms when downloaded to SBR, the example of which is the code of the institutional sector. There are errors in specific cases that are continually checked and corrected by contacting the reporting units.

2.2.8. Imputation rate

The indicator for this survey is not computed.

2.2.9. Model assumption error

Not applicable for SBR.

2.3. Data revision

2.3.1. Data revision – policy

The indicator is not applicable.

2.3.2. Data revision – practice

Indicator for this survey is not applicable.

2.3.3. Data revision – average size

The indicator for this survey is not computed.

2.4. Seasonal adjustment

Seasonal adjustment is not carried out in SBR.

3. Timeliness and punctuality

3.1. Timeliness

T + 10 months

3.1.1. Timeliness – first results

Timeliness of first results is T + 10 months.

3.1.2. Timeliness – final results

Timeliness of final results is T + 12 months.

3.2. Punctuality

The Register is updated according to the planned schedule and ready to fulfil users' needs.

3.2.1. Punctuality – delivery and publication

Indicator for this survey is not applicable.

4. Accessibility and clarity

Data are delivered in aggregated form on request in paper and electronic format.

4.1. News release

Data are not published in the publications of the Croatian Bureau of Statistics.

4.2. Online database

Data on classifying business entities according to the Sectoral Classification of Institutional Units are available online.

4.3. Microdata access

Only microdata pertaining to the Sectoral Classification of Institutional Units are available.

4.4. Documentation on methodology

The Business Register Recommendations Manual is publicly available on the Eurostat web at the following link: <https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-32-10-216>.

5. Coherence and comparability

5.1. Asymmetry for mirror flows statistics

Not applicable for SBR.

5.2. Comparability over time

Statistical data on business entities in SBR are comparable and adjusted over time (2008 – 2018). In 2019, there was a break in time series and data are not comparable to data in previous years.

5.2.1. Length of comparable time series

Length of comparable time series is one year.

5.2.2. Reasons for break in time series

Data for 2019 are not comparable due to the creation of a statistical unit enterprise.

5.3. Coherence – short-term and structural data

The indicator for this survey is not computed.

5.4. Coherence – national accounts

The indicator for this survey is not computed.

5.5. Coherence – administrative sources

The indicator for this survey is not computed.

6. Cost and burden

6.1. Cost

Costs directly linked to the conduct of the Statistical Business Register are the following:

- Staff costs
- eight employed persons
- IT maintenance and development costs
- 100 000 kuna on the annual basis.

6.2. Burden

The burden on reporting units has been minimised by using administrative sources. The burden is present only in cases when data check is required by direct contacting with reporting units.