

Twinning Project

Contract: GE 16 ENI ST 06 18

Strengthening the Capacity of the Georgian Statistical System

Component 3: *“Development of Business Statistics”*

Sub-component 3.2: *“Statistical Business Register (SBR)”*

MISSION REPORT

Activity: 3.2.C *“Implementation of specific changes”*

Mission carried out by
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The European Union for Georgia



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1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". This was the third mission within the sub-component 3.2: "Statistical Business Register (SBR)" and was mainly devoted to Implementation of specific changes with focus on the data model and structure for tables with temporal (historical) information.

The purposes of the mission were:

Discussion of current situation and outline of a work plan and thereby;

- Status for and comment to development of the new IT datastructure
- Implementation of new method for data loading
- Information of foreign affiliates
- The work to come concerning Enterprise Groups and joint Stock companies
- Presentation of Danish model for sharing Basic Data

The consultants would like to express their gratitude to all officials and individuals met for the kind support and valuable information which they received during the stay in Georgia and which highly facilitated the work of the consultant.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, Geostat, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

2. Assessment and results

Since the second mission, the SBR team at Geostat, including IT, have been working with the topics and recommendations made at the latest mission. Work has been done on both priority A and B tasks. Concerning one prioritized topic about getting data from Central Bank regarding foreign affiliates, the SBR-team have received help and there has been contact. GEOSTAT's lawyer handles the contact, so we will wait and see for the results.

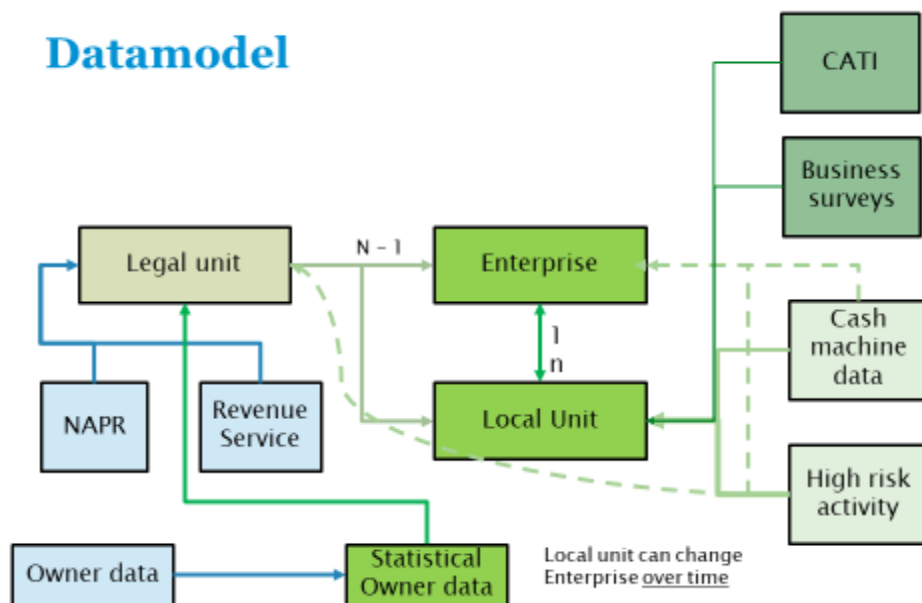
New IT system

The IT system is under development. The structure of history for the main tables has been understood and the work is well underway. It's a hope that the development can be finished by the end of the year. The experts does not see it as a problem that there will not be cascading updates. The new table structure should give the SBR a more flexible and robust structure, facilitating much easier control, test and expansion in the future.

For the SBR team, it is important to test that the new IT system also works in practice. It is also important that some prioritization rules are implemented, so that information in the CATI or statistics survey is not overwritten by next month's update. From the experts, the recommendation is that one should consider that LeU and LLU are administrative units that are not updated by the SBR team, if this is not possible, the procedure for updating with administrative sources must be changed so only updates in the administrative source will go to the SBR.

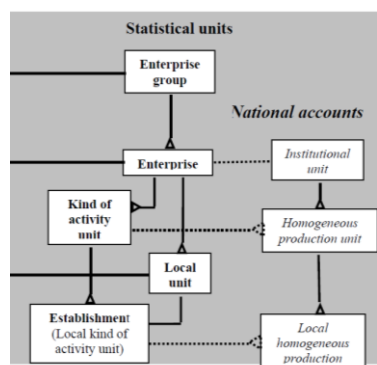
Fig. 1 Data model with different sources

Datamodel



Statistical units

Which types of statistical unit should be in the SBR and how should they be created:



Enterprise Group – When we have relations between companies, it will be possible to have EG.

Enterprise – is for the moment 1-1 with the Legal Unit. When Geostat gets information about Enterprise Groups, perhaps some Enterprises (not equal to Legal Unit) can be created. We must decide rules.

Kind of Activity unit – Statistics Denmark have at least one KAU for all Enterprises. KAU is automatically formed from the main activity at the associated Local units. Most country creates only KAU for the most important enterprises (<30), and they are created manually.

Local Unit – Create local unit when Geostat get the information form CATI or the statistical production

Establishment – is not a unit we have in the Danish SBR. We have very few Local units, where we can use the address to identify them as LKAU. To have an LKAU one must be able to identify some financial key figures for the unit and this is rarely possible, so the recommendation is not to form this unit at the moment.

Activity codes

Geostat has carried out a clean-up in activity codes on the units in SBR, so that there are now a maximum of 4 activity codes on one unit where one of them is defined as the main activity. SD's recommendation is that the clean-up continues, so for all units under 100 employees, it is the main activity at LU that defines which industries should be at ENT. After that the other way around, if activity codes not on ENT then remove is from LU. For the larger units, a manual review may be necessary, whether the limit is 100, 250 or 500 employees should be reversed with the statistics.

Enterprises without an activity code is declining. Enterprises involved in CATI survey has increased significantly. There are still 40,000 units but all new or small, and all are expected to be coded before the end of the year. Some units, not many though, have been identified by the CATI survey as very large. It is important to be able to identify these companies quickly. If Georgia is similar to Denmark, the units will often not be new but takeovers of companies at the same address. One should examine whether they can be identified more quickly for the sake of statistical production

Outward FATS

To find out how outward FATS should be handled, Statistics Denmark suggests that in the CATI survey some of the larger units should be selected and asked 4 questions, which in practice can be many more, as they are repeated.

- Do you have affiliates abroad
- Which country
- Activity of affiliates (each country)
- Employment (each country)

Sector code

The SBR team presented the status of implementing Sector code. There are good ideas in the structure, but we shall remember it shall be done almost automatic. The experts recommend that the SBR team talk to the users and especially NA about their needs in relation to the solution.

SD presentation

The experts presented the Danish program on Basic data. Links about basic data is here:

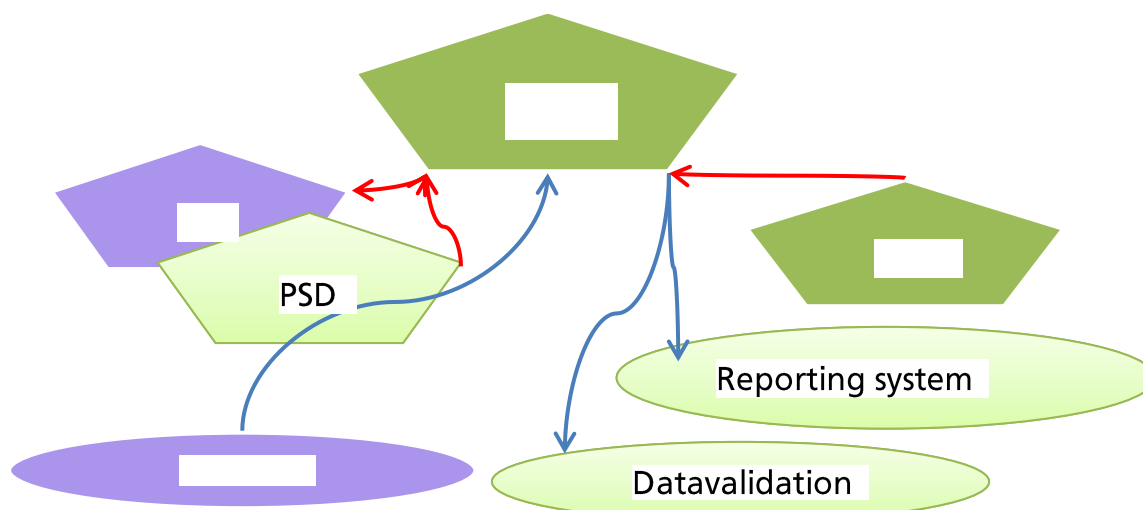
<https://en.digst.dk/data-and-it-architecture/basic-data/>

https://joinup.ec.europa.eu/sites/default/files/inline-files/eGovernment_Denmark_February_2016_18_01_v3_02.pdf

Homepage for the program owner <https://en.digst.dk/>

In the presentation was also a picture of how integrated SBR is with statistics systems, maps and property day and SD's reporting system with contact to respondents

Base Registers and coherence



3. Conclusions and follow up

From mission 3.2.A eight items was noticed, cf. the mission report from 3.2.A. An updated status is given.

- Priority A, to get automatic updating procedures to Enterprise and Local Units
 - Model under development – status is good
- Priority A, to look at loading new data deliveries (each month) from NAPR and how to handle historical information
 - Tables created and work is ongoing
 - An agreement on deliveries monthly and with information about turnover, activity and determination.
 - Do we still need a meeting with NAPR and Revenue Service to ensure activity code on more units.
- Priority A, to create Frozen SBR frames in production and used by surveys.
 - A final version for 2018 will be created before Christmas with old methodology.
 - A preliminary version for 2019 for creation of populations was created in January with old methodology.
 - A final version for 2019 for creation of populations was be created in august with old methodology.
 - In spring 2020 there will be a discussion with users about how to work with frozen versions. Topic for visit before summer
 - New methodology will be developed in 2020.
- Priority B, to have information about Cash registers in production, to improve knowledge about NACE and creation of Local units
 - Description of how to use it is made for both Cash Machine Data and High Risk activities
- Priority B, to assess the possibilities for automatic creation of Enterprise Groups and how to manage automatic updating
 - No work on these topics

- Priority B, to get access to data about Joint Stock companies from the Central Bank.
 - There has been contact with the Central Bank, but not yet a solution
- Priority A, to obtain preliminary knowledge about the extent of foreign affiliates and the possibilities for surveying the domain.
 - Links from the Danish OFATS has been delivered and will be a topic on next mission
 - A presentation will be made in Copenhagen of FATS statistics
- Priority A, to have an “in-house estimate” about Response burden for the management
 - The task is taken over by the Methodology division. SBR not allowed to doing it.

Actions needed for moving forward:

Action	Deadline	Responsible person
IT development finalized to test	December, 2020	
SBR team and IT will together decide rules for updating and overwrite of statistical information with adm. Sources. The experts means the SBR team shall look at it again	Oktober, 2020	
SBR team will create use cases for test of new it system	November, 2020	
IT will start implement rules for update Enterprise and Local unit from Legal Unit	november 2020	Ms. Manana Telia Mr. Giorgi Kartvelishvili
There is a need for a meeting with at least NA to make sure we meet their needs in relation to the solution	December, 2020	Ms. Manana Telia Mr. Steen Bielefeldt
Finalize an agreement about join stock companies with the National Bank.	December 2020?	Geostat
Ongoing meetings with NAPR and/or Revenue Service about advantage with better data from registration for the public sector in Georgia	Regularly	Geostat
SBR team will update the list of sources. So each statistic that make deliveries for update in SBR can be identified. The work is started	December 2020	Ms. Manana Telia

Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

August 26th – September 3rd 2020

Component 3: Development of Business Statistics

Sub-component 3.2: Statistical Business Register (SBR)

Mandatory results and benchmarks for sub-component 3.2

- Statistical business register (SBR) improved

Indicators of Achievement (baseline and targets):

- Availability of SBR-Storage procedures
 - **Baseline:** 2019 – Updating and storage procedures of SBR are insufficient
 - **Target:** March 2021 – Relevant changes applied for Ownership classifications, Continuity rules, Time stamps, Data changes and activity codes in SBR

Activity 3.2.C (RS): “Implementation of specific changes”

1. Purpose of the activity

Geostat have been working on different issues since the latest mission. The work performed and the status on the below mentioned subjects will be discussed:

- Automatic monthly updating
- Updating of the Datamodel
- New method of data loading
- Decisions made on Cash machine data
- Information of foreign affiliates
- The work to come concerning Enterprise Groups og joint stock companies

2. Expected output of the activity

- The above mentioned subjects have been discussed and the work performed by Geostat has been reviewed.
- Revisions and guidelines to further work and progress on the above mentioned subjects have been provided.
- Work plan for sub-component 3.2 updated.
- Mission report written
- Preparation of ToR for next mission



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Annex 2. Persons met

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