Consistency and profiling of large enterprise groups within Statistics Netherlands

Abstract

Since 2010 Statistics Netherlands has a department dedicated to delivering consistent micro data on large and complex enterprise groups (EG) for business statistics. One of the reasons to create the unit were large inconsistencies between statistics that came to light when compiling the national accounts. These inconsistencies were often caused by inconsistent micro data for large EG. It was expected that by concentrating the work on these EG in one department inconsistencies could be detected and solved early in the statistical process and hence the quality of both individual statistics and national accounts could be improved.

The department deals with 330 EG which account for 35% of the total value added. The department is responsible for maintaining the relations with the EG, profiling the structures, the processing of the micro data and eventually for delivering consistent micro data to the statistical departments. The department has proven its value, i.e. inconsistencies are indeed detected and solved or explained earlier, the quality of statistics has improved and there is a thorough knowledge of the EG’s and their operations.

This good knowledge of the EG is vital not only for deriving consistent figures, but also for establishing the right statistical units. These units have to be describable and recognizable for the EG, because otherwise it won’t be able to deliver meaningful figures, and simultaneously have to fulfil the needs of Statistics Netherlands. Therefore, interactive profiling of the EG is essential. It is an integrated part of the strategy to get consistent business data along the whole chain, from the maintenance of the business register till the compilation of national accounts. Since more than twenty years Statistics Netherlands has been using a top down approach in profiling. It starts with delineation of the Enterprise group in terms of legal units, then the enterprises are constructed. In the delineation of the enterprises information from the annual reports of the EG’s as well as information from the tax authorities is used. Where appropriate, EG’s are visited to discuss the enterprises proposed after profiling.
Due to the open economy of the Netherlands, globalization leads to extra complications in the compilation of a correct statistical description of the national economy. As a consequence the department mostly deals with multinational enterprise groups. In the profiling of these MNE the way the group organises itself internationally is also taken into account.

Profiling is very important to reach consistent statistics. The other way round the occurrence of inconsistencies can be the trigger to reconsider the profiling of an EG.

The paper will describe the work of the department for large enterprise groups at Statistics Netherlands and the importance of profiling to obtain more consistent data from large enterprise groups.