Introduction

The Jordanian Department of Statistics (DoS) is endeavoring since its establishment in late 1949 to strengthen and activate its contribution to the development issues and sustainable development through the provision of the best statistical products to the decision makers and researchers in a way that contributes to achieving the objectives of growth and development in all economic, social and demographic areas.

The enormous and rapid economic transformations in addition to the effects of globalization and internationalization on the economic entities (economic enterprises) and the companies, especially in the field of management and administration, have imposed new ways and methods in dealing with these large and complex entities, It has been reflected also on the identification controls and definition of these entities (enterprises) making it imperative for the national statistical centers to review the mechanisms and tools used, follow-up the global changes and developments and dealing with it, particularly with the increasing difficulties and challenges facing these centers.

Department of Statistics (DoS) realized the importance of the statistical unit (the enterprise) and its impact on the overall statistical process. It is the unit of data collection, the tool for arranging, organizing and producing the economic indicators and the unit for constructing the accurate and valid frames that depend upon to be a basis for the samples economic surveys and studies which lead for
improving the quality of economic indicators, reduction of sampling errors and production of timely economic indicators.

Department of Statistics (DoS) and in cooperation with the administrative data sources trying to form partnerships, harmonization of the used definitions, concepts and classifications to enhance the integration of data and to improve the economic indicators through the adoption of mechanisms and scientific instruments based on the optimal use of best practices and to create an environment suitable for joint national action in the field of statistical work. And (DOS) also works to build the national registries, to produce an official statistics of multiple sources consistent with international standards and concept.

Preface

In Jordan, there is no central of business register that can be relied upon, noting that there are several institutions, governmental and quasi-governmental agencies who have business registers, but in a partial and non-integrated manner, such as the Ministry of Industry and Trade, the Tax Department, the Chambers of Industry and Commerce, the Social Security Corporation, the Customs Department and the Professional Trade Unions. These entities possess only partial frames for enterprises according to their respective specializations. These entities have major problems such as lack of updated data and accuracy.

In 1999, the first census of economic establishments in Jordan was carried out based on a decision taken by the (DoS) to conduct a census of the economic establishments every five years. All establishments in Jordan regardless of the number of employees and the amount of capital were included, there were many of goals from these censuses, and the most important of these goals are:

a) Provide high quality, accurate comprehensive data that help to identify the characteristics of enterprises in various economic activities.

b) Provide a statistical frame containing the names of all economic establishments by employment size, volume of total revenues and the size
of capital, making it possible to design suitable samples of economic surveys in the coming years.

c) Provide a national register of the working economic enterprises to be updated annually from the available administrative sources.

The (DoS) were not able to achieve what it was seeking from the Establishments Census - 1999 and the ensuing censuses due to lack of an appropriate environment and planning based on facts. The following was observed:

a) The administrative records data are not prepared for statistical purposes.
b) Existence of differences in the used concepts and classifications.
c) The partnerships and collaboration with the administrative sources of data must be legalized and governed by clear and specific cooperation agreements which is privacy-sensitive and clarify the powers.
d) Weak legislation.
e) Absence of the national statistical system.
f) Weak human and material resources.

Despite all these difficulties, the Department of Statistics (DoS) still insists to confront the challenges until the objectives are fulfilled and the national project of Business Registers and the other National Registers are accomplished. So, Department of Statistics by administrative records division has developed a plan in 2012, and this plan consists of five stages as follows:

1. **Preparatory phase, our goals from this phase are as follows:**
   - To determine the administrative registers resources.
   - To get more knowledge on administrative registers its format, and characteristics, through the questionnaire that has been prepared.
   - To find out the willing of institutions for real cooperation with (DoS).

This phase includes several practical procedures

- Design the questionnaire.
- Visit all the institutions of the public sector to identify the registers sources.
- Data compilation, arranged and classification according to the target unit. (Statistical unit) in the register.
- Writing the report and recommendations
It is worthy to note that we are starting at the first of June 2014 by visiting all public sector institutions to collect the information.

2. **Adaptation the administrative data for statistical purposes phase.**
3. **Creating legal and regulatory environment phase.**
4. **Processing electronic environment and data collection from the sources phase.**
5. **Electronic linkage phase.**

Each of these phases includes many practical steps. In order to ensure the continuity of the project, reduce errors and not wasting resources and effort, we have taken into account review of the plan every six months, and work gradually step by step with the establishments according to available sources. Since the inception of the project, it was accompanied by a media promotion and publicity at the national level.

**Statistical Units**

The Statistical units has an important function in statistical process, a basis for data collection and processing and it is a tool of controlling the statistical operations. As long as the definition of the statistical unit in the methodologies is clear and specific, then it remains as a successful tool and has impact on the statistical process. The adoption of internationally accepted definitions and concepts issued by competent international references by the (DoS) makes the data and indicators comparable at the regional and international level.

**The Definition of statistical units on a central Business Register**

The statistical unit in the Department of Statistics is the Establishments which is defined as an economic entity capable in itself of owning assets, incurring liabilities, engaging in economic activities and to engage in transactions with other entities. It is the unit of data collection and compilation and a basis for design and sampling. Establishment is a basic core of the frame of establishments, which is
formed from the group of units (Establishments) used for design and selecting the sample.

Surveys and economic studies are based on a comprehensive framework of all establishments (statistical units) regardless of the amount of capital or number of employees which is based on the establishments’ census, which is updated every five years through censuses only, so we have a problem in data updating. This frame is used solely by the (DoS).

The definition of the establishment (the statistical unit) in the establishments’ census of 1999 has been adopted as defined by the system of national accounts (SNA) issued by the United Nations. The establishment is defined as follows:

“An establishment is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added, with the possibility of having one or more secondary activities undertaken provided that these activities are on a small scale compared to the main activity”.

For the purposes of the Establishments Census 1999, the establishment can be defined as: “The set of activities and resources that are managed by one owner or one department to produce a coherent set of goods and / or services, such as the single farm, mine, quarry, factory, shop, airport, bank, clinic, office and so on. Usually, that takes place in one geographical location.

The following conditions must be available in order to consider it an establishment:

a) Existence of a fixed place for practicing the economic activity, and thus, the establishment consists of a separate building, part of a building or group of buildings within a single site.
b) Engaging in an economic activity (i.e., the establishment provides a service or product to others).
c) The establishment should have an owner, whether it is an individual or a legal person.
d) The presence of a single administration for the establishment.
According to the censuses data since 1999, the establishment has been determined based on the economic regulation state of the establishment, in the following cases:

a) Headquarter without branches.
b) Headquarter with branches.
c) The branch that keeps separate accounts.

The following cases are not considered as establishments (statistical unit), namely:

a) The branch that does not keep separate accounts.
b) A non-operating branch of a foreign company (regional office).

This classification, that is based on the economic regulation state for determining whether the establishment is to be considered as a statistical unit or not.

**Business Profiling**

Business profiling is a process or a way to provide available information about companies or data sources by collecting these available data from the company or the economic entity and saved this information through a system or through the files, then to take advantage of these information for checking, review and follow-up data. Profiling helps in the monitoring and identification of structural changes in the company. Business profiling can also be defined as the results and information resulting from examination and analysis of the structure of the basic economic entity from the legal, operational and accounting aspects. The updating of the results and using these results in building and creating of standards based on the concepts and definitions adopted has continued in order to be able to identify and define the statistical unit.

Business Profiling is a modern concept at the (DoS) and it has been used by the staff of audit office as a simple concept named an audit profile, which is used as a tool to improve the quality of statistics, and to increase the efficiency of statistical operations.
The audit profile contains information on large establishments covering basic information & overall data on production and sales, this information & data are collected & updated from:

1) Censuses.
2) A periodic annual & quarterly economic survey which is usually includes all large establishments in the survey samples.
3) Available Administrative data sources.
4) Data collected through re-visits.

**Business profiling of large and complex enterprises**

The Jordanian economy is relatively small compared with the economies of the developed countries. In Jordan, there are (156728) establishments according to the results of the 2011 Census. The establishments that employ 250 + workers are only (246), the establishments that employ 100 + workers are (668), the establishments that employ 50 + workers are (1221) and the number of establishments that employ (20 + workers) and / or its sales (JD. 500000 +) in all economic activities are (2912) only. The (DoS) considers this category as a large establishment which is always included in the samples of the annual economic surveys due to their relative importance in the national economy. While in the case of complex companies, (DoS) adopts the establishment and not the enterprise as a statistical unit, and according to the classification of the state of economic regulation, there are no complex establishments in Jordan.

Globalization has caused major complications in the identification and definition of the economic establishments (the statistical units). These units are the sources for collecting economic data. The data of large companies have a relatively large impact on the national economic indicators and has a relatively greater influence on the national economic indicators. The impact increases with the share of these companies in the national economy. Business profiling is a tool that guarantees data quality, therefore reducing the negative effects on the national economy especially in the major economies.

The term “Business Profiling/ Audit Profile” is one of the modern terms in the (DoS). The concept has been practiced in a simple and non-institutional manner and was imposed initially due to the need of the surveys staff to increase the
accuracy and quality of data collected from the economic establishments, and then it became part of the methodology of work. Audit Profile contains basic information, overall data on production & sales on 2912 establishments. (DoS) uses the file information to determine the statistical unit and to review and edit the obtained data.

These files include also key data for previous years. The data acquired from the field are reviewed on the basis of the information available in these files and interviewing the concerned staff in the companies. It is also possible to verify and correct any information in the questionnaire. Therefore, the following benefits are attained:

a) Ensuring consistency in the data, and to monitor variations and their causes.

b) Ensuring control and follow-up, and to increase rates of accuracy of the data.

➢ Business profiling / Audit Profile in support of identifying statistical units

The presence of a definition for the statistical unit in business profiling files helps in data collection and compilation from their sources without conflict, repetition or deletion.

There is no doubt that the Business profiling is one of the important mechanisms and methods in supporting the identification and definition of the statistical unit. Business profiling is based on the provision, testing and analysis of data of a certain company or an economic entity and extraction of the necessary characteristics and information on this entity particularly the information relating to residence and structure from the operational, legal and accounting aspects. Then follows display and application of information and results on the adopted standards and definitions for the statistical unit to be able to identify this entity and treat it as a statistical unit or not. The most important elements that affect the support identification of the statistical units are as follows:

a) Provision of basic structure information on the economic entity contributes to identifying the statistical unit.
b) Availability of sufficient information and data about the legal, accounting and structural status of the economic entity.

c) Clarity in defining the statistical unit in the methodology of the statistical work and outlining standards.

d) Continuous updating of the Audit Profile information and monitoring of any structural changes on the establishment.

➤ **Challenges in establishing a Business Profiling Program**

Indeed, despite the many benefits in the creation of business profiling program that helps in knowing the uses of available data, offering good measurement tools on data quality and accuracy, evaluation and description of this data, but there are a lot of challenges and difficulties in the creation of business profiling program. These challenges are:

a) Absence of national statistical system.

b) Non-availability of comprehensive national business register, noting that work in this project began on 1 June 2014.

c) Non-existence of cooperation between (DoS) & government institutions to provide information about the new companies.

d) Difficulties and lack of the technical expertise required.

e) Variations of definitions and classifications used in the data sources.

f) Variations of laws and regulations governing data sources.

g) The laws of data confidentiality and lack of determining the powers and responsibilities.

h) Possessive mentality and working away from collective and partnership concepts.

i) The lack of effective mechanisms to update the data.

➤ **How business profiling helps coherence analysis**

Consistency is the adequacy of the data and statistical information to be integrated reliably in different ways and for different uses, or the logical relationship that organizes between parts of the same component. The degree of consistency denotes the extent of the logical relevance and integrity of the data, noting that they internally consistent with the passage of time and consistent externally at the regional and international levels.
Consistency is required and considerable in data and information to support its quality and accuracy. Business profiling is no doubt that it is one of the auxiliary and supportive tools to help in the analysis of consistency on the local and international level as follows.

a) Improving the survey data quality.
b) Continuous data checking & controlling based on the audit profile leads to consistency in time series.
c) Adequate audit profile information leads to accurate imputation process of the non-responding establishments.
d) Observing & follow up of structural & geographic locations changes and reflecting it on the frame.
e) Ensuring non-conflict & overlapping of establishments’ distribution.
f) Inclusion of the business profiling files with clear concepts, definitions, classifications and methodologies at the national & international level.
g) Profiling also helps in determining the statistical unit on the frame of enterprises and reduces duplication and deletion. This helps consistency analysis.

Finally, We in the Department of Statistics hope through this forum, which includes countries and experts from all over the world that have considerable expertise and experience to benefit from their experiences and support in the completion of the construction of the business records. In view that we are taking the first step in this area, we are looking for the best practices to reduce the effort, waste of resources and time.

References:

1. Instruction manuals for surveys and censuses in the Department of Statistics
2. Work methodologies for studies, statistical surveys and censuses in the Department of Statistics.
3. Adopted practices in statistical process, through the personal interview.