THE PROFILING METHODS FOR THE MAINTENANCE OF THE JAPANESE BUSINESS REGISTER

- The Measures, Problems and Challenges -

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The Contents of the Presentation

(1) The Outline of the Japanese Business Register (JBR)
(2) Profiling by using Administrative Records
(3) Challenges for Advanced Profiling Methods
In January 2013, started the operation of the Japanese Business Register (JBR).

The legal base for the JBR maintenance (including Profiling) is the Statistical Act.

BR frame is updated annually.

BR frame information:
- name, address, main business activity, turn over, capital, number of employees, etc.
(1) Establishment

- A single physical location, an economic activity is conducted
- As a general rule, the following prerequisites are satisfied
  
i. An economic activity is carried out, under a single entity of management, at a certain fixed place, occupying a demarcated area.

  ii. The production or supply of goods and services is performed on a continual basis with the help of people and equipment.

(2) Enterprise

- Corporation
- Company owned by natural person
The JBR maintenance is mainly based on...

(1) Survey Feedbacks
- Economic Census
- 19 major industry surveys

(2) Administrative Records
- Labor Insurance (LI) Data
  - Every employer with his/her employees
- Commercial and Corporate Registration (CCR) Data
- EDINET (Electronic Disclosure for Investors’ NETwork) Data
  - Including about 4,000 large companies
    ex. companies of which securities are listed in a Financial Instruments Exchange
(1) The Outline of the Japanese BR Survey

JBR Maintenance cycle

Establishment Frame Database (Japanese Business Register)

Survey Data
- Economic Census
- Other Survey

Administrative Data
- LI Data
- CCR data
- EDINET data

Survey Feedbacks

Administrative Records

Statistics Offices

Conducting Surveys

BR Frame (Updated annually)

Register Statistics
- Business Pattern
- Business Demography

JBR Maintenance cycle
(2) Profiling by using Administrative Records

Problems of using Administrative Data

- Labor Insurance Data
  - Unit of data (next slide), Industrial Classification
    Newly established/extinguished, Number of employees

- Commercial & Corporate Registration Data
  - main business activity and number of employees are unavailable.

Profiling is necessary

For the linkage of LI & CCR & JBR
For collect information on
- Newly opened establishments (by mail)
- Possibly closed establishments (by mail & phone)
(2) Profiling by using Administrative Records

Linkage between LI Data & JBR units

**Labor Insurance Units**
- Business A
- Business B
- Business C
- Business D

**JBR Units**
- Establishment A
- Establishment B
- Establishment C
- Establishment D

**CASE 1**
- Business A -> Establishment A

**CASE 2**
- Business B -> Establishment B
- Business B -> Establishment C

**CASE 3**
- Business C -> Establishment B
- Business D -> Establishment D
On Current Profiling Methods

- LI data: Linkage problem between LI data & JBR units (slide 5 & slide 6: case 2)
  - Branches sometimes not included

- CCR data: no timely information of operating status

- No profiling for establishments continuing activities (only profiling newly-opened and closed establishments)
For Advanced Profiling...

- Focus on important units
  - large enterprises
    - With many branches or employees
    - With large turnover or capital

What thresholds appropriate?

- Use of new data sources
  (ex. commercial DB)
Now we started...

- Trial Profiling
  - Monitoring followings
    - How to use the administrative records more effectively
    - What data source effective
    - How many/much staffs and time needed

- Use of trigger
  (such as rapid increase of employees, etc.)
  ex. Hidiroglou-Berthelot
  Outlier Detection Method
Thank you for your attention

Economic Census mascot ("Bill-kun & Kei-chan")