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How European profiling could support the exchange and sharing of economic data in the future

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Content

Current situation

- *What EU profiling experience has developed*
- *The Interactive Profiling Tool to share MNEs data*

Drivers for change

Future situation

- *Extend EU profiling capacity for supporting more data sharing in business and economic statistics*

EUROPEAN PROFILING TODAY - 1

- ***Definition of European profiling***

"analyse legal, economic, operational structure of a group to delineate statistical units and produce relevant statistics"

National profiling:

- focus on 'enterprise' delineation in one country
- deals only with the MNEs' resident units in the profiling country
- sometimes run by LCUs

European profiling:

- focus on 'seeing the whole elephant', collaborate, share data
- production chains across national borders
- same challenges to statisticians in different countries
- see the complete structure and activities (production, trade)
- produce relevant business and economic statistics

EUROPEAN PROFILING TODAY - 2

- ***Legal framework***

- **With current legal provisions EU Profiling is a voluntary activity**
- **Question: whether a stronger legal framework is needed**
- **Framework Regulation Integrating Business Statistics (FRIBS), cover this need to a certain extent**

IT ALLOWS:

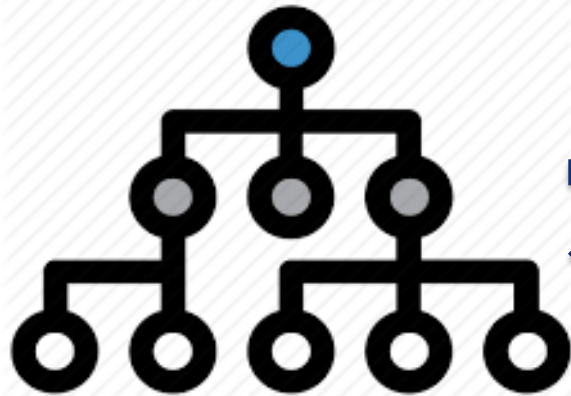
- **Exchanging confidential data collected under FRIBS**
- **To improve the quality of statistics in the EU**
- **Only for statistical purposes**
- **Confidential data treatment**

EUROPEAN PROFILING TODAY (1/2)

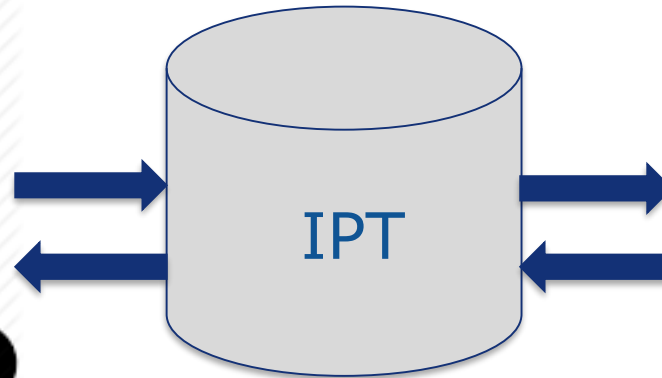
GDC



1. Meet the groups' representatives
2. Check global decision centre
3. Update perimeter (control) of legal units
3. Delineate global enterprises (~operating segments)



>500 by 2019



1. Discuss needs of national statistical users
2. Delineate the national enterprises

Partnering countries



DRIVERS FOR CHANGE

- Differences in terms of countries' coverage and participation, important MNEs not EU profiled
- European profiling is a stand-alone process not integrated in statistical registers (infrastructures)
- European profiling results not yet systematically re-used in other statistical domains
 - **because they implies changes to the existing statistical processes**
 - **because data collected is not sufficient and/or targeted to serve some user needs**

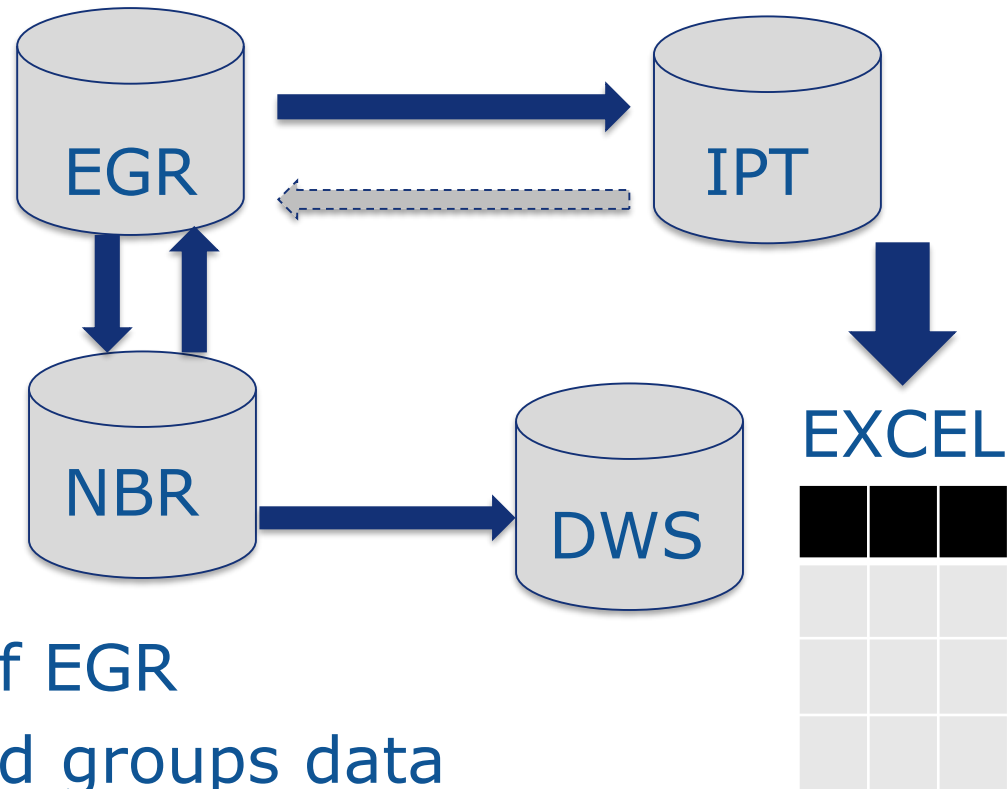
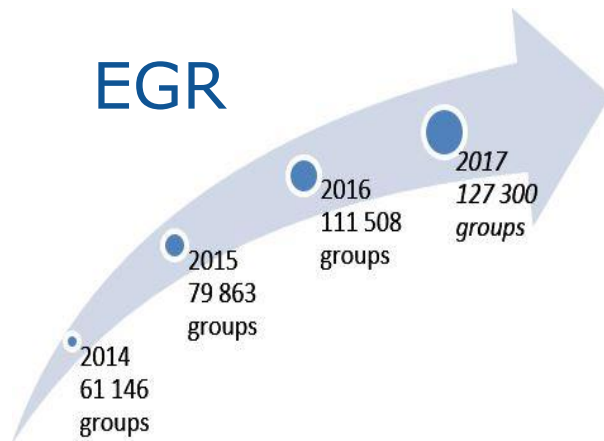
EUROPEAN PROFILING IN FUTURE

- 1. European profiling programme**
- 2. European profiling and EuroGroups Register integration**
- 3. Re-use European profiling results and capabilities**

European profiling programme

- Regularly profile a number of top MNEs
 - **Some large MNEs not yet covered**
- Systematise European profiling over time
 - **Define a regular cycle for follow up**
- Increase the coverage by country
 - **Attract more countries**
- Equalise the burden
 - **Between GDC and partnering**
- Include additional user needs
 - **Agree on selection criteria targeting different users**

European profiling and EuroGroups Register integration



- Improve the quality of EGR
- Accessibility to profiled groups data
- BY 2020 Short term solution
- After 2020 Long term solution

Re-use European profiling results and capabilities

Financial support has created capabilities, experience, know how in NSIs

- Teams of experienced profilers
- Able to do networking and work cooperatively
- Agreed methods, process, tool
- Skills to contacts the MNEs
- Knowledge on statistics, accounting
- Capable to speak the MNEs language
- And to negotiate statistical data collection

Results of European profiling

- Global view on the MNEs legal, economic and organisational structure
- Collect only some core economic variables (employment, NACE and turnover)
- Not sufficient to other statistical users (business and macroeconomic statistics)
- How can this be further addressed?

Data integration or data linking - 1

2013, Sturgeon Report: *Global Value Chains and Economic Globalization - Towards a New Measurement Framework*

- ✓ Data sharing and data linking best solution
 - ✓ Making possible to create multidimensional cubes
 - ✓ Enriching data at macro and micro levels
 - ✓ Produce registers-based statistics on globalisation
-
- EGR and European profiling can be the core statistical infrastructure, in their linking function
 - Provide the highest possible quality register information

Data integration or data linking - 2

- *New technologies*
- *Data virtualisation*
- *Linking multiple sources (warehouses, data marts, and data lakes)*
- *Without the need to physically integrate them*
- *No double store*
- *No need to secure in different environments*
- *Using the principles of authentic source to keep data in its original place*
- *Align to standards of interoperability*

Thank you!