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

Enrica Morganti
Eurostat, Unit G1, Coordination and infrastructure development
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 (½)

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

IPT
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


✓ 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!