

Meeting of the Group of Experts on Business Registers

27-29 September 2017, Paris, France

BUSINESS REGISTER IN AZERBAIJAN

The State Statistical Committee of the Republic of Azerbaijan

The necessity to create the Business Register in Azerbaijan was due to the changes in the country's economy that began in the first half of the 1990s and the appearance of new forms of economic units that did not fit into the existing concept of accounting unit. Basically, these were economic entities of the non-state sector. The transition to a market economy, accompanied by the denationalization of state property, as well as the acquisition by both legal entities and individuals, of opportunities to engage in free economic activity, created the conditions for a rapid increase in the number of enterprises. In this period, in addition to state enterprises, enterprises with various types of ownership and organizational legal forms began to appear. And this circumstance made impossible to continue to use the old methods to record and conduct statistical observation of the activities of economic entities.

Thus, in order to systematization the data of a daily growing number of economic units and provide the basis for conducting statistical observations in 1992, the Cabinet of Ministers of the Republic of Azerbaijan adopted a resolution on the establishment of the State Register of Statistical Units, on the basis of which work was started in the SSC (State Statistical Committee) to establish the Business Register.

The experience of the statistical office of the Netherlands, and also of the Central Statistical Office of Poland, was used in creation of the register. Experts from these organizations shared their experience with our specialists, and also took practical part in the process of establishing the Business Register in Azerbaijan.

The legal basis for the Business Register is the Civil Code of the Republic of Azerbaijan, the Law of the Republic of Azerbaijan on "Official Statistics" and the corresponding Resolution of the Cabinet of Ministers of the Republic of Azerbaijan on the establishment of a register of statistical units. According to the law on "Official Statistics", SSC is the owner of the Register of Statistical Units, and also manages it. The task of this official register is to serve the units included in the register, that is, to assign identification codes based on the single window system, to create an opportunity for automatic processing of data and to provide government and other users with data from the register. The register consists of three parts:

1. the register of legal units, including the legal units that went through the official registration process and their local units as well as the branches of foreign companies acting in the territory of Azerbaijan (around 112 598 units)
2. the register of physical units – individual entrepreneurs (around 770 920 units)
3. the register of farmers/land owners who received cost-free land plot as a result of the land reform in the mid 1990ies (around 850,000 units).

In accordance with paragraph 3 of the Decree on the State Register of Statistical Units, the Register must cover the following identified entities operating in the territory of the Republic of Azerbaijan:

- A) all enterprises, institutions and organizations, public and religious organizations, cooperatives, stock exchanges, banks, brokerage offices, as well as other entities, regardless of the type of activity and property;
- B) structural subdivisions, branches and representative offices of enterprises, departments and organizations operating in the territory of the Republic of Azerbaijan;
- C) legal entities and individuals engaged in entrepreneurial activities.

In the process of creating and using of the Business Register, five main purposes of its use were identified in the SSC. They are:

- a means of detecting and creating statistical units;
- a tool for the preparation and coordination of surveys;
- an information source used in the statistical analysis of the aggregate of enterprises and its demography;
- tool for attracting data obtained from administrative sources and
- data dissemination tool.

The most indisputable purpose of the Business Register is to provide files used for conducting surveys and providing the necessary base for control samples.

As part of the preparation and implementation of various statistical surveys Register:

- provides an annual list from which lists of addresses are generated to send questionnaires to respondents;
- provides a set of enterprises, on the basis of which effective sampling plans are compiled;
- provides a basis for extrapolation the results of sample surveys to the whole set of enterprises;
- avoid duplication of entries and omissions when collecting data on enterprises;
- reduces the discrepancies between the results obtained during various surveys;

- the register used for statistical purposes, to some extent, improves the field of observation or allows to detect inaccuracies, because in this case the data is carefully studied by other users.

In order to fully serve for statistical work, especially for the extensive use of information capabilities of accessible sources of information (especially survey results), the Statistical Register is also maintained in the SSC. The Statistical Register was created as a basis for sampling for all surveys conducted by SSC. This Register contains descriptions of all enterprises, public sector units and non-profit units that are subject to statistical observations, and promotes a more complete and correct dissemination of survey results.

From the point of view of practical application of the Business Register in the statistics of Azerbaijan, it is the basis for research in the field of economic statistics, some studies in the field of social statistics, as well as the creation and updating of socio-economic databases.

The use of the Business Register in statistical studies is multifaceted:

- A) In case of continuous surveys, the Register is used to form a set of reporting units according to the algorithm that is set by the survey authors,
 - B) For sample surveys, to create a sampling frame, and to determine the sample of units that will be observed,
 - C) In addition, the data of the Business Register are used to control the completeness of the responses on the basis of the aggregate of reporting units formed in preparation for the survey,
 - D) as well as for replenishment of arrays with statistical data contained in the Register
- Register contains stated below main data
- statistical code
 - ID code as tax payer
 - the name entities
 - address
 - contact information
 - the economic activity code (NACE rev.2)
 - code for the type of property
 - code for the territory
 - number of employees
 - turnover and others

Since 1997, the Business Register has been updated annually. When the Register is updated, the following indicators are specified:

- address data of units;
- basic and additional activities of units;
- the state of economic activity of units;
- number of employees and annual turnover (volume of work performed), for Determination of units and subsequent stratification;
- as well as other indicators.

In order to comply with the international standards, it uses international classifiers as the NACE rev.2, the Classifier of Economic Sectors, Classification of the World Countries. At the same time, the main methodology used to maintain the register is the various recommendations of Eurostat on business registers, international recommendations for the statistical business of the register: Business registers Recommendations manual (Eurostat); International Guidelines for Statistical Business Registers (Eurostat); Guidelines on Statistical Business Registers (UNECE).

The Register data are published quarterly. The publication presents data on the number of units of the economy, as well as structural changes during the quarter against the backdrop of changes throughout the year. These data are developed by type of ownership, by main types of activity and in the regional context.

The main external users of the Register's data are ministries and central government bodies such as the Cabinet of Ministers, the Ministry of Economy and the Ministry of Taxes, the heads of the Executive Power, etc. On request of courts and law enforcement bodies, they are also provided with information on individual units.

The SSC also started analyzing all kinds of administrative data available in other government agencies in order to identify additional data sources for updating the register and improving its quality.

The further direction of development of the Register.

- improvement of the software used to maintain the registry;
- introduction of the system of data entry of local units into the register by regional statistical offices;
- increased use of administrative data;
- Integration of information resources of statistics with the resources of other administrative sources.