

**STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE**

WORKING PAPER No 1

CONFERENCE OF EUROPEAN STATISTICIANS

ENGLISH ONLY

**Joint UNECE/Eurostat Seminar on Business Registers
(Luxembourg, 25-26 June 2003)**

**BULGARIAN BUSINESS REGISTER –
CURRENT STATUS AND DEVELOPMENT PROCESS***

Submitted by Statistics Bulgaria**

* Prepared by Mrs. Galina Vasseva, Statistics Bulgaria.

** Paper posted on Internet as submitted by the country.

1. Introduction

Pursuant to Section II, Chapter 7, Article 30 of the Bulgarian Law on Statistics¹, the National Statistical Institute (NSI) builds up and maintains a Register of Statistical Units as a main Statistical Business Register (SBR). There is no other law or regulation describing the scope and functions of the SBR. The SBR has only statistical functions and is not publicly accessible.

The **organization, management and usage** of the new Register of Statistical Units **will be determined by a Regulation to be approved by the NSI President.**

2. Current status of the Statistical Business Register

➤ *Scope and identification*

There are two types of statistical units in the currently used SBR – **enterprises and local units**. These statistical units correspond to the “legal units” and “branches” in the Administrative Register BULSTAT.

According to the Law on Statistics, the National Statistical Institute builds up and maintains a Unified Register BULSTAT for the identification of economic and other subjects performing their activities on the territory of the Republic of Bulgaria, hereinafter called **BULSTAT**. To each unit registered in BULSTAT is assigned a unique code, called the BULSTAT Unique Identification Code (UIN), which is obligatory for all economic and other units carrying out their economic activities in the country. All institutional registers and information systems, whose subjects are identical to those in BULSTAT, must also contain the BULSTAT codes of the respective subjects.

The enterprise in SBR corresponds to the BULSTAT legal unit and takes over its 9-digit UIN.

There are three types of SBR local units:

- Local units corresponding to the “branch” units in BULSTAT. In this case the local unit code is the 13-digit UIN of the branch.

- Local units not registered as branches in BULSTAT, but having the status of branch subdivisions (third-level subordination). In this case the local unit is identified with a 17-digit code, consisting of the 13-digit branch code and additional 4 digits identifying the local unit within the branch.

- Local units not registered as BULSTAT branches, but having the status of legal unit subdivisions. Here the code of the local unit consists of 17 digits, the first 9 being the UIN of the legal unit to which the local unit belongs, followed by 4 blanks positions and 4 digits identifying the local unit.

The Statistical Business Register includes all subjects covered by the BULSTAT Administrative Register, namely: all economic units, regardless of their type of activity (i.e. all NACE, rev.1 classes), type of ownership, source of

¹ Official Gazette, No.57 of 25 June 1999, amendment Official Gazette, No.42 of 27 April 2001

financing and legal grounds for establishment (legal act, decree or regulation, international agreement, other normative or administrative acts).

➤ ***Contents of the SBR (Variables)***

The following unit variables are kept in the Statistical Business Register :

❖ *For identification and characterization of the subject:*

- Unique Identification Code;
- Name of the unit;
- Address of the head office;
- Legal status and form;
- Previous code of the subject, if any;
- Type of statistical report;
- Identification code under the National Tax Register.

❖ *Stratification variables:*

- Address where the activity is carried out;
- Main economic activity code – NACE. BG-2001;
- Number of employed persons;
- Number of hired persons;
- Net income;
- Long-term tangible assets.

❖ *Variables for identification of the institutional sector:*

- Main economic activity code – NACE. BG-2001;
- Type of bookkeeping;
- Sources of financing;
- Type of ownership.

❖ *Demographic variables:*

- Subject status and activity – live, dead or dormant units are distinguished;
- Date of establishment;
- Date of cessation.

These variables are kept for both types of units.

Register data are archived once per year (after loading the stratification variables), and the copy is kept as historical information.

➤ ***Maintenance and updating***

❖ *Information sources for maintenance and updating of SBR. Schedule of updating:*

- The information about newly registered subjects and registration changes concerning existing subjects is retrieved from the BULSTAT Register once per month.
- Stratification variables data are updated after the completion of annual statistical surveys, i.e. once per year.

❖ *Levels of usage of the Register:*

- The methodological, technological and software maintenance of currently existing SBR is performed by the Statistical Registers Division.
- A file containing data about the subjects that have been active during the preceding year is created annually. This file represents a population for the formation of samples for current statistical surveys.
- The file is made available to the Central Office statistical divisions and split by regions is distributed to the twenty-eight regional statistical offices in the Republic of Bulgaria.

➤ *Deficiencies*

- In the present Statistical Register the meaning of statistical unit types is considerably different from that defined by Regulation 696/93 of the Council of Europe. The usage of a single Unique Identification Code both for legal and statistical units, which are different in their nature, leads to poor identification of the statistical units in SBR. This may lead to overcoverage or undercoverage of SBR units.
- The current SBR does not support all obligatory variables for statistical units prescribed by Regulation 2186/93 of the Council of Europe - shares of ownership, ancillary and secondary activities, and others.
- The software is developed by NSI experts in the programming language Clipper v.5.2. for the DOS v. 6.2 Operating System. It provides network access, but does not allow the definition of access levels for the Register users.
- The task of storing the changes in the units variables is also not solved. The unit status at an arbitrary past moment cannot be retrieved. Only access to the archived annual SBR copy is supported.
- In the present register the temporal relations between units are not well defined, which leads to losses of demographic information about them, as well as to difficulties in the formation of time series.
- The outdated software causes increasing difficulties both for the technological support of the Register itself (because of the excessively grown number of units) and for the exchange of data with information sources external to the Register based on more up-to-date platforms.

3. Guidelines for the future development of the Register

The Statistical Registers Division of NSI has been established in 1999 with the following main functions:

- Technological support of existing SBR.
- Development of a new SBR, named Register of Statistical Units (RSU).
- Drafting of technical specifications for the new Register.
- Investigating the modern information technologies which would be suitable for the new register.

Currently, a tendering procedure pursuant to the Public Procurement Law is underway for the selection of an independent contractor for the development of RSU software according to the Technical Specifications approved by the

President of NSI. The new RSU will comply to a maximum extent with the European Union prescriptions in the area of statistical business registers, as well as with our national specific requirements and needs.

➤ ***Training and seminars***

A number of seminars for specialists from the Statistical Registers Division and for leading experts from the entire system of statistics have been held. Lecturers from EU Member States with extensive experience in the operation of SBRs, as well as lecturers from some candidate countries having achieved a more advanced stage in the building up of modern SBRs have shared their experience. The more important discussion topics have been as follows:

- Theoretical basis for building up of SBRs – major acts of secondary EU legislation concerning business registers for statistical purposes – in particular Council Regulation (EEC) №696/93 of 15 March 1993 on statistical units used for the observation and analysis of production system in the Community, Council Regulation (EEC) № 2186/93 of 22 July 1993 on Community Coordination in Drawing up Business Registers for Statistical Purposes and Business Register Recommendations Manual of 6 September 1994.

- Building up, maintenance and coverage of SBRs in different countries.

- Usage of RSU for statistical purposes – samples, methods and error estimates.

- Discussion of problems typical for Bulgaria, related to the definition of units and to specificities of the national legislation and practice, with a view to finding out of an optimum solution for the new SBR.

- Usage of the Business Register for statistical purposes as one of the ISIS (Integrated Statistical Information System) components and as a tool for integration and coordination of statistical activities.

➤ ***Technical Specifications***

- Technical Specifications reflect the accumulated experience and new concepts of NSI experts responsible for the Register, as well as of its current users.

- Based on EU regulations and the Recommendation Manual for Drawing up and Maintenance of Statistical Business Registers (EUROSTAT), as well as on our national practice, the Technical Specifications provide for the support of the following types of units by RSU:

- Legal units;
- Statistical units:
 - ✓ Enterprise;
 - ✓ Local unit;
 - ✓ Kind of activity unit;
 - ✓ Local kind of activity unit.

The inclusion of lower-level units in the Register (kind of activity units or local kind of activity units) is to be decided by the statistician responsible for the respective survey. It is not obligatory to perform an exhaustive description of the

enterprise with all its lower level units, i.e. a balance between the needs for information and the possibilities of its provision is allowed.

- Identification of the units:
 - Legal units are identified by their BULSTAT UIN.
 - Statistical units – by an 11-digit Internal Identification Code (IIC), which is generated upon entering the unit into the Central Register Database. The record for lower level statistical units should always contain a link to the higher level unit, and the record for an enterprise – should contain the BULSTAT UIN of the legal unit responsible for it.
 - The information access and data exchange between the RSU and other administrative registers and information systems is governed by the legal unit's UIN. NSI respondents are the legal units responsible for the "enterprise" statistical unit. Therefore, the access to all types of units in the Register is effected through the legal unit's UIN or directly through its IIC.
- The fundamental principles for building up of the Register are defined, and it is underlined that the RSU will be one of the main components of the Integrated Statistical Information System.
- The scope of unit's variables is extended. The RSU will keep all changes of variable values. For each change the date, the source and the author will be recorded, so that the register status at each desired previous moment could be recovered.
- The scope of information sources is also extended. Mostly for defining and characterizing the local units, the National Tax Register, the Register of Insurance Agencies and other institutional and branch registers will also be used along with BULSTAT (which preserves its leading role as a main source) and the annual statistical surveys.
- The whole information in the new Register of Statistical Units will be kept in a Central Database sited in Sofia. The database will be based on a modern DBMS, a client-server technology for application development and an Intranet (internal institutional network) as a transfer environment.
- Outputs from the SBR.

The intention of the developers of Technical Specifications is to define dynamically register outputs by assigning values to a set of parameters, both of the type and relations between the variables and of the type and contents of output files.

- Access system to the Register.
 - Each user having the right to use the Register resources must be defined in advance into the system. It is also possible to define a group of users with equal access rights.
 - The different kinds of users and the access levels for each kind, as well as their rights and obligations will be documented in the Regulation for Maintenance, Usage and Development of the RSU.
 - The access permission system will include access permission rights to the Database, levels of usage of different Register subsystems and levels of processing of requests for RSU data retrieval.
 - The access permission system, to be managed dynamically by the database administrator, will allow the users to "see" and use the RSU

database in a configuration chosen by them – with respect to coverage, contents and external appearance.

➤ *RSU development prospects*

- The RSU role in the comprehensive support of statistical activities is to be increased and the Register should become an efficient tool for coordination of statistical activities.
 - RSU capabilities should be extended in order to support the coordination between different statistical surveys and to allow management of the inclusion of the same units in different surveys.
 - The Register should be improved so as to permit the preparation of lists of addresses of the respondents to different statistical surveys.
 - Statistical data in the Register collected from administrative sources other than BULSTAT should be used instead of collecting them anew from the respondents.
 - Statistical data in the Register collected from administrative sources should be used to implement statistical surveys, gradually replacing the observations from some traditionally performed surveys.
- The subsystem for RSU sampling for different statistical surveys should be improved through the inclusion of algorithms and statistical and mathematical methods and models for sampling, criteria for error estimation, etc.
- A subsystem for quality improvement of the Register should be developed by implementing tools for verification of data authenticity and for analyzing the RSU structure, the demography of units, their distribution by type, size, activity, territorial distribution, etc.
- From this year on, a special statistical survey, entitled “Enterprise Data Questionnaire”, will be carried out. It will check the quality of Register units and will serve for updating of the information about them, more specifically: head office address, contact address, ownership by shares, types of economic activity (taking into account their share in sales revenue and the addresses of their performance).
- The Register outputs subsystem would be further developed, so as to increase the role of RSU both in the production of outputs to external users of statistical data and in the performance of analyses of the demography of enterprises.
