

# Community statistics on the structure and activity of foreign affiliates

2005/0016(COD) - 31/05/2012 - Follow-up document

The Commission presents a report on the implementation of Regulation (EC) No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates for the year 2009.

**Quality of the statistics produced:** with regard to timeliness, the report states that compliance with the reporting deadline for 2009 was satisfactory and punctuality has improved compared to data submission for the reference year 2007, when for inward FATS only 18 countries, and for outward FATS only 16 countries delivered data by the deadline set. A compliance-monitoring routine has been established and Eurostat is working together with those Member States which do not yet fully comply with the deadlines.

Furthermore, for the reference year 2009, the completeness of data improved considerably. For outward FATS, the share of missing values fell from 21% to 6% as missing data were reported by only 5 countries, whereas 22 Member States provided complete data sets. For inward FATS, the overall share of missing data declined from 47% in 2007 to 19% in 2009 as 9 EU Member States provided 100% of the requested data.

**Costs and burden of foreign affiliates statistics:** most Member States do not measure the burden in quantitative terms and can therefore provide only qualitative assessments. Therefore, any estimation of the costs involved in the collection and dissemination of foreign affiliates statistics is not easily quantifiable. There is a wide range of FATS data sources that are also used for the production of other statistics, or linked to reporting by financial institutions and enterprises to regulatory authorities. Hence, it is difficult to separate the specific costs of collecting and producing the foreign affiliates' data from the total cost incurred for collecting data often used for other purposes. Moreover, in certain Member States, data may be collected by two different institutions, i.e. the national central bank and the national statistical office, rendering reliable estimates even more complicated.

**Progress and implementation of pilot studies:** several pilot studies were implemented by participating Member States. Their results gave an insight into the scope for compiling additional variables in inward and outward FATS that were defined as non-mandatory in the FATS Regulation. The Commission has reservations about proposing that any of the piloted variables be made mandatory, as this seems to increase the burden for National Statistical Authorities and for respondents. Nevertheless, the Commission confirms the strong demand by users for this information.

**Areas for possible improvements and amendments:** for the near future, Eurostat plans to further improve the quality of the FATS data by developing and harmonising methodology with a view to:

- implementing a smooth transition of the NACE Rev. 2 classification for the outward FATS, which would lead to better international comparability;
- calculating EU aggregates from the 2009 reference year onwards for both inward and outward FATS data;

In the medium term, when compiling the FATS statistics, Member States could use the EuroGroups Register (EGR) as a common tool. The EGR is under development and will contain data on enterprise groups and their constituent units and characteristics. This makes it possible to align the country code of the UCI to which the enterprises belong and will thus enhance the quality of the FATS statistics.

Eurostat is also currently working on the Framework Regulation Integrating Business Statistics (FRIBS) to establish a common legal framework for the systematic collection, compilation, transmission and dissemination of European statistics related to the economic activity, structure and performance of the business sector. The FATS requirements will be reassessed in the context of FRIBS.