

21st Meeting of the Wiesbaden Group on Business Registers - International Roundtable on Business Survey Frames

24-27 November 2008 • OECD, Paris • France

Country progress report 2008

Country: Croatia

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1. Organisation and Population of the Business Registers

The Statistical Business Register (SBR) in Central Bureau of Statistics (CBS) of the Republic of Croatia is a part of Division for development, classification and statistical infrastructure. It is one of three units of the Registers Department that besides SBR includes also administrative business register, so called Register of Business Entities and Register of Territorial Units.

The Croatian SBR covers all legal persons, state government bodies and bodies of local and regional self-government units registered by the RBE, and crafts which are considered as natural persons.

The sources for compiling the units and updating the SBR are:

- Administrative

1. Register of Business Entities (RBE) – Central Bureau of Statistics
2. Central Register of Crafts (CRC) - Ministry of Economy
3. Register of Annual Financial Accounts - Financial Agency (FINA)
4. Register of Tax Payers - Tax Administration (TA)

- Statistical

5. Statistical sources

The SBR consists of legal unit, enterprise and local unit.

Legal units are transferred from two administrative sources – Register of Business Entities (legal persons and government bodies) and Central Register of Crafts (CRC) that is held by the Ministry of Economy.

For every legal unit one enterprise is created (relationship 1:1). New units are added to the SBR monthly from the RBE and once a year from the CRC. Deaths and other changes of the variables of units are recorded at the same frequency.

For the statistical use only active enterprises are important. Activity of the enterprise is determined on the basis of the financial reports that legal entities are obliged to submit to the Financial Agency (FINA) who holds the Register of Annual Financial Reports. In the annual financial report, the most important variables for the SBR are employment or turnover. Also, to have better coverage of active enterprises, tax files are checked for those legal entities that have not submit financial report to FINA, but according to this source had some activity in the previous year. The SBR receives these data once a year for the past year, so the activity status is updated once a year in the middle of the year when the data from financial reports is available.

Every enterprise has at least one local unit. In the SBR local units are created either by compilation from administrative sources (RBE and CRC) or added according to the information given directly from the enterprise (by phone or fax), from the Internet, yellow pages etc. In Croatia there is no legal obligation for the

business entities to register all local units, so in the administrative registers the coverage of the local units is not satisfactory enough. The Croatian SBR has local units at the level of the address.

There are 352.357 legal units in the SBR (state on 31st December 2007.). Number of active enterprises is 202.931 and number of their local units is 263.449.

Enterprise groups are still not included in the SBR, but in order to comply with the new BR regulation No. 177/08 the necessary preparation are made for including them as a part of the MB PHARE 2006 project.

All sections of the NACE are covered and there are no size constraints among all units.

Presently only four persons work in the SBR on the methodological issues, developing and updating (recently two persons left CBS). IT support is still burning problem within CBS and the main obstacle in further development steps. Because of the lack of IT staff, all development projects are in delay. That is the most serious problem of the SBR.

At the moment preparatory activities for upgrading SBR are taking place and they are supported through the PHARE 2005 and MB PHARE 2006 projects.

2. Progress and Developments in the Past Year

By the end of last year PHARE 2005 project on restructuring and enhancing the Croatian Statistical System has started. The project consists of Twinning and Service Contract. One of the components in that project is "Business Register and National Classification of Economic Activities (NKD) - reclassification of business entities".

Since the RBE is situated in the CBS and is the basic administrative source for the SBR, it has been decided that it has to be reclassified first and that the SBR will be reclassified after that, actually new codes for the units in the RBE will be taken over into the SBR.

It is important to say that when legal entities come to RBE to register their business, they are assigned by unique identification number which is afterwards used in all operation of their business. At the moment of the registration in the RBE, according to the statement in the application form the NKD 2002/NKD 2007 code (national version of NACE Rev.1.1/ NACE Rev. 2) is assigned to the legal entity. And this NKD code is also used in all other administrative bodies.

By the middle of February 2008, RBE data base was reclassified and from that date both codes NACE Rev. 1.1 (national version is NKD 2002) and NACE Rev. 2 (national version is NKD 2007) are in use. The CBS intends to have dual coding of units for two years.

After reclassifying, all businesses have been informed about newly assigned code and they have had an opportunity to react if the code was not correct. Upon their request, during this year main activity of many legal entities has been corrected.

After the work on reclassifying the RBE, new codes have to be taken over in the SBR.

Current SBR application has been enriched with NKD 2007 field during the summer time by IT specialist through Service contract. Now SBR is ready for taking over NKD 2007 codes from the RBE. Since the SBR also covers crafts, we have prepared all necessary data to be able to recode those units in similar way.

3. Issues solved, problems and future plans

All units in the SBR will be reclassified by NACE Rev. 2. by the end of November 2008 when SBR should be ready for use as a sample frame for statistical surveys conducted by statistical departments.

In order to comply with the new BR Regulation, preparations for including enterprise groups and additional variables in BR started in the middle of 2008 as a part of MB PHARE 2006 project. It is planned to start to register EG's in the SBR by the end of 2009.

By the end of 2008 coverage of units in the SBR will be improved by including free lances. Free lances are registered in the number of different registration offices and bodies. As many of that registration offices has the data only in the paper form, it has been decided that data about free lances will be taken from the Tax Administration.

Due to the problems with IT resources in CBS, and as improving of SBR is part of the PHARE 2005 project, it has been decided to upgrade SBR data base (adding new units, variables, history of the data) and to re-design SBR user interface within the PHARE 2005 – Service Contract project.

Next year we plan to conduct control Quality survey of BR to verify the accuracy of the key variables in SBR.

Despite of suffering from insufficient resources (IT and SBR is understaffed) development of Croatian SBR slowly goes forward with the help of consultants within PHARE 2005 project and MB PHARE 2006 funding.