

BR Maintain and Updating in Census Year

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I 、 Concept of basic units as well as coverage and contents of BR

(I) Concept of Basic Units

The basic unit is a general definition of the units of two types. That refers to legal units and establishments. Legal units are composed of establishments. The establishments are managed and controlled by the legal units.

A legal unit refers to the unit, which satisfies the following requirements: (1) It is legally established with its own name, organization and location, and can bear the civil responsibility independently. (2) It owns and uses (or is authorized to use) its assets, is charged with obligations and has the right to sign contracts with other units. (3) It keeps separate accounts and is able to compile balance sheet.

An establishment affiliated to a legal unit refers to the unit, which satisfies the following requirements: (1) It engaged or mainly engaged in a kind of socio-economic activity in a location. (2) It organizes the productive, management or business activities in a relatively independent way. (3) It is able to master the business accounting data, such as the data on revenues and expenditures.

In basically meaning, the legal units in China are basically identical in definition with the institutional units in SNA of the United Nations while the establishments are essential identical with the establishments in SNA.

(II) Coverage of BR

The BR covers all legal units and establishments within the boundary of China. The present national BR is established on the basis of the result of the first national economic census undertaken in 2004 and updated with the data collected from the semi-annual statistical reports. Up to end of 2007 it contains the grassroots data of 654 million Legal units, covering 20 sectors, 95 major divisions, 396 divisions and 913 groups. Of the total, classified by the character of the units, there are 4.552 million enterprises, 931 thousand government and institutional units, 127 thousand social organizations, 102 thousand private-investment non-enterprises and 825 thousand other organizations, there are 8.32 million establishments, of which, 6.19 million single establishments and 2.13 million multi-establishments.

At present, the BR at the national level has not included nearly 40 million individual businesses engaged in various business activities, because they are numerous in quantity, fast in change and difficult to conduct surveys in non census year.

(III) Content of BR

BR is a database containing the basic characteristics, main attributes, business scale and other information of the above-mentioned various units. The main indicators include the code of the unit, name of the unit, name of the legal representative, address of the unit, means for contact, industrial classification, type of the registration, share-holding status, type of the institution, agency for approval of the registration, duration of the business operation, status of the business operation, relationship between the legal units and the affiliated establishments as well as the main data such as the number of employee, annual business income, man business income and total assets, etc.

II 、 Ways for BR updating

At present, the whole system of BR is classified into four levels, namely the national level, provincial level, prefecture level and county level. The pattern for management can be described as building the BR by different levels, updating it level after level and reporting it level by level. At each level there is its own independent system of BR. Firstly, the statistical bureaus at the county level maintain and update BR. They report the updated BR to the statistical bureaus at the prefecture level. Then the updated BR is reported to the higher levels, finally to report to national bureau of statistics.

The existing ways for updating the BR can be classified into two kinds:

1、 Partly updating the BR in non census year

The specific procedures are described as follows: Firstly, the agencies responsible for authorizing the strength of various organizations, for civil affairs, for taxation bureau and for bureau of industrial and commercial at various levels provide semi-annually data on the new birth, changeable or dead units, which are examined, approved and registered by these agencies, to the statistical bureau at the same level twice in a year. Next, the statistical bureau at various levels makes use of the data collected from administrative registration as clues to conduct surveys of the birth or changeable or dead units and verify those units information. In addition, it is to use the data collected from the basic unit surveys and annual statistical reports on industry, construction, wholesale, retail sale and catering trade to update parts of the units in the BR in the years when economic censuses are not undertaken. The statistical bureau make use of the data collected from the subject matter annual statistical reports on industrial and construction enterprises above given size as well as the wholesale, retail and catering trades , so as to partly update the BR monthly. The given size means that

the turnover is more than RMB 5 million in manufacture, the qualification level is first to fourth in construction, and the turnover is more than RMB 20 million in wholesale and more than RMB 5 million in retail trade, and the turnover is more than RMB 2 million in hotel and catering.

2、Totally Updating the BR in economic census year:

Before 2003 it is to use the data collected from the two national censuses of the basic units undertaken in 1996 and 2001. Since 2004 China conducts the first national economic census and update BR totally. So up to now China update BR by the economic census undertaken twice in 10 years end of year 3 and 8. In 2008 we are carrying the second economic census nationwide.

III、BR updating in economic census year

(I) introduction of the second national economic census in China in 2008

China conducts Economic Census twice in ten years. In 2008 China will conduct the second economic census. The objects are all legal units and establishments and individual business of second industry and tertiary industry in the whole country. The sectors include mining, manufacturing, production and supply of electricity, gas and water, construction, transport, storage and post, information transmission, computer services and software, wholesale and retail trades, hotels and catering services, financial intermediation, real estate, leasing and business services, scientific research, technical services and geologic prospecting, management of water conservancy, environment and public facilities, services to households and other services, education, health, social security and social welfare, culture, sport and entertainment, public management and social organization etc..

The economic census time point is 31st December, 2008 and time period is from 1st January to 31st December, 2008.

The economic census main contents include: basic characteristics, finance condition, operating status, productive capacity, productive equipments, energy consumption, information technology, science and technique activity etc.

NBS had set up unified economic census program and supply professional training to province and county staffs. Especially NBS will carry out enumeration at four levels nationwide.

(II) introduction of enumeration on second economic census in 2008 in China

For promoting and perfecting economic census NBS determine to implement enumeration before formal economic census registration. The aim of enumeration is

to grasp quantity and scale and business activity on all kinds of legal units and establishments and individual business which are engaged in second industry and tertiary industry. Meanwhile by enumeration we can determine various units to get corresponding subject matter questionnaires. For example when we conduct enumeration to find out a furniture production enterprise, we will send a set of manufacture questionnaires to it and it fill out these questionnaires correctly and timely in formal economic census. Finally BR will be updated after enumeration and economic census totally.

a. Enumeration time

Enumeration starts 1st September and ends First ten days December 2008. Enumeration time point data is 30th September 2008 and time period data is estimated from 1st January to 31st December 2008.

b. Enumeration objects and scale

The objects are all legal units and establishments of all industries and individual business of second industry and tertiary industry in the whole country.

The sectors include agriculture, forestry, animal husbandry and fishery, mining, manufacturing, production and supply of electricity, gas and water, construction, transport, storage and post, information transmission, computer services and software, wholesale and retail trades, hotels and catering services, financial intermediation, real estate, leasing and business services, scientific research, technical services and geologic prospecting, management of water conservancy, environment and public facilities, services to households and other services, education, health, social security and social welfare, culture, sport and entertainment, public management and social organization etc..

c. Enumeration principal and method

Enumeration principal is “Statistics office at each level is mainly responsible for economic census organization and performance, and other government agencies at same level assist statistics office to do enumeration work”. Other government agencies mainly refer to the Commission Office for Public Reform and Office of Civil Affair and Tax Bureau and Office of Industry and Commerce which are responsible for legal unit and establishment registration. The National Economic Census Office demands these other local government agencies to supply records of unit registration to the statistics office at the same level during enumeration period timely.

Statistics offices at county level divide census areas according to Residential Committee or Village Committee of division of administrative areas in China. Enumerators have to count the legal units and establishments and individual businesses one by one in each census area. All legal units and establishments have to fill out 《Questionnaire on Enumeration of Legal unit and Establishment》 and all individual businesses which are engaged in second industry and tertiary industry have to fill out 《Questionnaire on Enumeration of Individual Business》 .

d. Enumeration contents and indicators

1、 Questionnaire for enumeration

Enumeration will apply different questionnaires for legal unit and establishment and individual business.

(1) Questionnaires for legal unit and establishment

Contents include: organization number, unit name, unit responsible person, address and division of administrative region, contact telephone, industry classification, registration condition, institution type, unit type, account system, employed person number of 2008, main business revenue, level on construction and real estate enterprise, chain business condition on wholesale and retail trade or hotel and catering etc.

(2) Questionnaire for individual business

Contents include: individual business name, owner name, address, main business activity, industry code, employed person number of 2008, contact telephone, license of industry and commerce or not, tax registration license or not etc.

2、 Aggregate questionnaires for enumeration

(1) Aggregate enumeration questionnaire for legal unit and establishment

Collect Legal unit and establishment number and employed persons number divided by sector and region (province and prefecture and county) and given size (it means manufacture enterprise main revenue is more than RMB 5 million, construction enterprise has grade license and real estate enterprise belongs to 1—4 levels, wholesale enterprise main revenue is more than RMB 20 million, retail trade enterprise main revenue is more than RMB 5 million, hotel and catering enterprise main revenue is more than RMB 2 million etc). Determine what are annual report legal units or not and supply basic reference for future formal census registration by above mentioned grouping.

(2) Aggregate enumeration questionnaire for individual business

Collect individual business number and employed persons number divided by sector and region (province and prefecture and county). Supply basic reference for estimate individual business gross on sector or region (province and prefecture and county).

(III) the challenge on utilizing other administrative resource

1、 Role of other government agencies in BR updating and maintain

An agreement was signed between the National Bureau of Statistics with other government agencies (the State Commission Office for Public Sector Reform, Ministry of Civil Affairs, State Administration of Taxation and State Administration of Industry and Commerce) in September of 2005. The Notice for Setting up the National System for Updating BR was jointly issued after the first national economic census. Since 2006, the other government agencies which are responsible for registration and management for legal unit and establishment and individual business at various levels are demanded to provide the data on new birth, changeable or dead

units to the statistical bureaus at the same level once in every half year, so as to jointly maintain and update the BR at various levels in non-census year. An encouraging step was historically made forward in sharing the records collected from the other government agencies administrative registration.

Another important agreement was signed between the National Bureau of Statistics with other government agencies (the State Commission Office for Public Sector Reform, Ministry of Civil Affairs, State Administration of Taxation and State Administration of Industry and Commerce) in August of 2008. This notice demand in economic census year other government agencies at each level have to supply all unit records which they are responsible for registration to the statistics office at same level before January 2009. The main records include name and organization number and detail address and code on division of administrative region and contact telephone and industry code (main business activity). Using those records as a clue statistics office at each level could conduct enumeration correctly and timely.

2、 the challenge on utilizing other administrative resource

Although NBS had made many efforts to improve relationship with other government agencies, we still have a lot of work to need done.

(1) The work for registration and approval of the units and the work for issuing the codes of units are not synchronized. As a result, it is lack of the sole characteristic, which indicates the identity of each unit and can be used by the different departments in a unified way, and it is very difficult for the agencies of registration to verify the data of various departments and cancel the duplicated units.

(2) The laws and regulations build by the other government agencies for registration and management of the units have the features of departmental administration to a certain extent and are therefore lack of unified standards and regulations as a whole. There are certain differences among the various departments in the standards for defining units in the principles and contents and coverage. As a result, it is difficult to use the administrative records to update BR. Particularly when the place for registration of the unit is different from the place for the business activity of the units, it is a big challenge how to find out such units accurately.

(3) The other departments responsible for unit registration are lack of methods for updating unit records. For example some enterprises which have been closed or changed could be detected timely and effectively. As a result, the administrative records from other government departments are unable to reflect the real situations totally.