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Country: Denmark

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1. Organisation and Population of the Business Registers

During these years Statistics Denmark is undergoing changes with regard to the organisation of the statistical production process. The institution is continuing its transition towards a more functional organisation. The Danish Statistical Business Register (SBR) is part of this process and from 2009 the SBR will part of a newly created unit with responsibility for the different basic registers used (businesses, buildings and dwellings, farms) in the Business Statistics Department. The SBR is maintained by a staff corresponding to approximately 15 full time equivalents plus approximately 4 full time equivalents of IT staff.

The SBR is fully integrated with the Central Administrative Business Register (CABR) through an online connection. Thus, the SBR contains all the administrative units which includes both legal units and the legal local kind of activity units (LKAUs), the so-called "production units" belonging to the legal units. The legal units and the LKAUs is the key input for the statistical units and in March 2008 the SBR was populated by approximately 300,000 economically active enterprises and there are approximately 320,000 LKAUs belonging to these enterprises (according to the threshold prescribed by the EU Business Register Regulation). Presently, the register also contains 67 of the most important enterprise groups operating in Denmark. This figure will increase considerably once the project involving the enhancement of the SBR with enterprise groups is finalised in order to comply with the new European Business Register Regulation.

2. Progress and Developments in the Past Year

Originally the LKAUs were introduced into the CABR at the request of Statistics Denmark. Originally, it was not foreseen that the LKAUs should be used intensively for administrative purposes, but this is now changing significantly. A range of government bodies now use the LKAUs for administrative purposes and they demand an even more complete and more timely coverage of activities on all physical locations (addresses) than what is now in the register. Consequently, the administrative body responsible for the administrative Business Register has for 1½ year been open for "self registration" of LKAUs via the internet and have introduced a legal obligation for the legal units to register all their LKAUs on a current basis (i.e. from start the start-up of activities).

The increased use of the LKAUs for administrative purposes holds a great potential, but also raises some issues and challenges. Originally the LKAU was defined according to guidelines given by Statistics Denmark which among other things meant that the rules of continuation were laid down according to statistical considerations. Among others, continuation of LKAUs was not exclusively connected to the owner. A LKAU could remain the same (and keep the same id-number) even if it was taken over by a new owner. Due to the new administrative uses made of LKAUs and the self

registration of LKAUs on the internet, the LKAU no longer live up to the original statistical definition and this means that we will now have to loosen the very tight integration with the CABR.

However, Statistics Denmark certainly still needs to follow establishments over time and has worked hard to adapt the SBR to these changes in the source register and this adaptation has now come to a successful end.

Another major project was the recoding of activity codes in the Danish SBR in order to comply with NACE rev. 2. All units were recoded by the end of 2007. At the level of LKAU, the SBR has close to 620,000 units that need a new activity code. To the largest extent possible we recoded the units automatically and we could do this for approximately three quarters of the units. The majority of the remaining units could be recoded on the basis of statistical information available to us, or on the basis of information in other public registers. Also, we purchased data from “the yellow pages” to recode a large number of units. The remaining units were recoded by the use of a special survey. In this survey we included all enterprises with more than 29 employees – irrespective of whether they could have been recoded automatically – to ensure that they were correctly coded. In total we surveyed approximately 43,000 enterprises.

Subsequently we have maintained the old NACE rev. 1.1 codes during 2008 and – via estimation and probability distribution techniques – “back-casted” the NACE rev. 2 codes back to 2000, meaning that all units now have both NACE rev. 1.1 and NACE rev. 2 codes in the period 2000-2008.

3. Issues solved, problems and future plans

A major project in 2008 and 2009 for the Danish SBR – as for many other countries - will be the implementation of enterprise groups. Currently, we have access to two different sources to identify control relations among legal units – a key element to the establishment of enterprise groups. The first is an administrative source and originates from Danish tax records. Any legal unit that enters an enterprise group has to inform the tax authorities in order to have the legal units taxed jointly. Also, provided a legal unit leaves a group the same authorities are to be informed as well. The second source is a commercial source. Statistics Denmark has made an arrangement with Experian about delivery of data regarding ownership shares of legal units operating in Denmark. These files will be used to identify both direct and indirect control relations among legal units. The project is well under way and by combining the administrative and commercial source the SBR is expected to cover all enterprise groups by the summer of 2009.

As an integral part of the maintenance of the SBR, Statistics Denmark is annually linking every employee in Denmark to a LKAU. The main source for this process is an income register from the tax authorities. In 2008 a new administrative income register has been introduced that will be widely used by several authorities including Statistics Denmark. The new register will enable us to link every employee to a LKAU on a quarterly basis instead of yearly, and it will thus require us to completely re-design our working procedures. In return Statistics Denmark will be able to publish short term employment statistics on a very detailed level. Additionally, this new source will enable the development or improvement of other statistical products.

Finally, we are initiating a number of smaller projects. The first is to integrate Statistics Denmark’s separate farm register into the SBR. Another project aims at further improving the coherence in the statistical usage of SBR data for the different surveys via so-called “frozen versions”, i.e. using the same SBR extracts in different statistics for a given reference period. A third project aims at implementing a periodical measurement of the quality of the SBR according to the different dimensions in the quality concept of the European Statistical System. The purpose of this project is to have a solid basis for prioritising the scarce resources available for quality assurance, to inform users of the quality in a qualified manner and to make the quality assurance more motivating for the staff.