

QUALITY REPORT FOR STATISTICAL SURVEY
Foreign-Controlled Enterprises (iFATS)
For 2021

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0. Basic information

- Purpose, goal, and subject of the survey

Inward foreign affiliates statistics (iFATS) describe the activity of foreign affiliates resident in the compiling economy. According to Eurostat's methodology, a controlling institutional unit should be determined according to the ultimate controlling institutional unit of a foreign affiliate (UCI), which is not controlled by another institutional unit proceeding up an affiliate's chain of control.

In this survey, due to a lack of relevant sources for the period from 2008 to 2015 for the detection of UCI, a substitution criterion has been determined based on the headquarters of the first foreign majority owner. Starting with the 2016 reference year, UCI has been taken over from the EuroGroups Register (EGR), while, concerning all enterprises not recorded in the EGR, UCI is still determined by a substitution criterion based on the headquarters of the first foreign majority owner and is taken over from the Statistical Business Register (SBR).

The purpose of iFATS survey is to collect information on the role and impact of foreign affiliates within business economy of the Republic of Croatia.

The iFATS survey is carried out in full accordance with European standards of business statistics (Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics).

- Reference period Calendar year
- Legal acts and other agreements
Legal framework

REGULATION (EU) 2019/2152 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics (Text with EEA relevance)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2152>

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1197 of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics, repealing 10 legal acts in the field of business statistics (Text with EEA relevance)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1197>

COUNCIL REGULATION (EEC) No. 696 /93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31993R0696>

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1470 of 12 October 2020 on the nomenclature of countries and territories for the European statistics on international trade in goods and on the geographical breakdown for other business statistics (Text with EEA relevance)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1470>

Other methodological materials

REGULATION (EC) No. 1893/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No. 3037/90 as well as certain EC Regulations on specific statistical domains (Text with EEA relevance)

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1893>

- Classification system

National Classification of Activities, 2007 version (NKD 2007)

- Statistical concepts and definitions

Statistical variables in this survey are:

210301 Number of foreign-controlled enterprises

220501 Number of employees and self-employed persons in foreign-controlled enterprises

220701 Employee benefits expense in foreign-controlled enterprises

240301 Total purchases of goods and services of foreign-controlled enterprises

240302 Purchases of goods and services for resale of foreign-controlled enterprises

250601 Net turnover of foreign-controlled enterprises

250701 Value of output of foreign-controlled enterprises

250801 Value added of foreign-controlled enterprises

260201 Foreign-controlled enterprises' gross investment in tangible non-current assets

More detailed information are available in the document

<https://web.dzs.hr/Eng/DBHomepages/Structural%20business%20statistics/methodology-iFATS.htm>

- Statistical units

The main observation unit used in the iFATS is an enterprise - a business entity that makes an organisational unit engaged in producing goods and/or services, benefits from a certain degree of autonomy and operates on the territory of the Republic of Croatia under foreign control, in accordance with Council Regulation (EEC) No. 696/93 on the statistical units for the observation and analysis of the production system in the Community. Depending on the business and organisational situation, it may correspond to either one legal unit or a group of several legal units. In addition to legal units, enterprises also include free lances and crafts.

Each enterprise as a whole is assigned a code number of its principal activity according to the National Classification of Activities, 2007 version. The principal activity is determined and updated by the SBR of the Croatian Bureau of Statistics. The criterion for determining the principal activity is the largest share in the total value added of an enterprise. If it is not possible to obtain accurate information on the value added, the activity classification has to be determined by using substitute criteria such as income and/or the number of employed persons. For enterprises classified in section K - Financial and insurance activities, observation units are still legal entities or natural persons, which are used as proxies for enterprises.

Units according to UCI have been taken over from the EuroGroups Register (EGR), while, concerning all enterprises not recorded in the EGR, UCI is determined by a substitution criterion based on the headquarters of the first foreign majority owner and is taken over from the Statistical Business Register (SBR).

- Statistical population

The statistical population is composed of all enterprises in the data compiling economy in SBS which are under foreign control. To be able to compare them with the whole business economy, the nationally controlled enterprises are also included in the statistical population. It includes all active enterprises that are, according to their main activity, classified into sections B - N, P - R and divisions S95 and S96, according to their principal activity.

1. Relevance

1.1 Data users

Internal users:

- Statistical Business Register - updated with feedback information from Structural Business Statistics - Branch statistics

External users:

- international organisations
- Ministries and state administration bodies - on request
- scientists and researchers - on request
- business entities - on request
- journalists

1.1.1 User needs

The standard prescribed by Eurostat meets the national and international users needs.

1.1.2 User satisfaction

The first user satisfaction survey of the Croatian Bureau of Statistics was conducted in 2013, the second one in 2015, and the last one at the end of 2022. The results of the survey are available on the website of the Croatian Bureau of Statistics – [User satisfaction surveys](#).

1.2. Completeness

iFATS data are defined by EU regulations and Eurostat methodological standards.

1.2.1 Data completeness rate

The data completeness rate is: 99%

2. Accuracy and reliability

2.1. Sampling error

Not applicable.

2.1.1 Sampling error indicators

Indicator for this survey is not applicable.

2.2. Non-sampling error

Non-sampling error occurs as coverage error, measurement error, processing error and model assumption error.

2.2.1. Coverage error

Coverage error - there is no exact information about out-of-scope units, but we assume that the number of out-of-scope units and units with wrong NACE code is very low. National Statistical Business Register continuously checks relevant administrative sources (administrative registers, Crafts Register).

2.2.2. Over-coverage rate

Indicator for this survey is not applicable.

2.2.3. Measurement error

Measurement errors - checks are conducted at data source level (Financial Agency, other CBS departments and units). In order to reduce errors, the SBS Unit delivers suggestions for improving checks and methodological instructions to data source owners.

2.2.4. Non-response error

Not applicable. FATS survey is fully based on available administrative sources.

2.2.5. Unit non-response rate

Indicator for this survey is not applicable.

2.2.6. Item non-response rate

Indicator for this survey is not applicable.

2.2.7. Processing error

Processing errors - data entry and processing errors made at data source level are removed with automatic data editing process. Possible errors due to inadequate automatic data-editing process (overediting).

2.2.8. Imputation rate

Indicator was not computed for this survey.

2.2.9. Model assumption error

Model assumption error - in some cases there are possible errors due to inadequate application of weight for assessment.

2.3. Data revision

2.3.1. Data revision – policy

There is no special revision policy for iFATS, but in case of need, we are obliged to act in accordance with the General revision policy of the Croatian Bureau of Statistics available on website:

[General Revision Policy 2021](#)

2.3.2. Data revision – practice

Not available.

2.3.3. Data revision – average size
Indicator for this survey is not applicable.

2.4. Seasonal adjustment

Not applicable

3. Timeliness and Punctuality

3.1. Timeliness

The final data are published with 21 months delay from the end of the reporting period.

3.1.1. Time lag – first results

Indicator for this survey is not applicable.

3.1.2. Time lag – final results

Time lag - final results is: T + 21 month

3.2. Punctuality

All data are published within the planned deadlines in accordance with the Calendar of Statistical Data Issues and Publishing Programme.

3.2.1. Punctuality – delivery and publication

Delivery and publication is: 1

4. Accessibility and clarity

Website of the Croatian Bureau of Statistics - electronic versions of First Releases

Website of the Croatian Bureau of Statistics - databases

Other (fax, e-mail, etc.)

4.1. News release

[Foreign Controlled Enterprises \(iFATS\), 2021](#)

4.2. On-line database

Database in PC Axis:

[PX-Web - Select table \(dzs.hr\)](#)

4.3. Micro-data access

Conditions under which certain users can have access to microdata are regulated by the Ordinance on the Conditions and Manner of Use of Statistical Data for Scientific Purposes (OG, No. 137/13), on the link: [the Ordinance on conditions and terms of access and use of confidential statistical data of the Croatian Bureau of Statistics for scientific purposes.](#)

The metadata are not published.

4.4. Documentation on methodology

Website of the Croatian Bureau of Statistics - electronic versions of First Releases

Website of the Croatian Bureau of Statistics - databases

Website of the Croatian Bureau of Statistics - folder of the Structural Business Statistics Department

5. Comparability over time

5.1. Asymmetry for mirror flows statistics

Not applicable

5.2. Comparability - over time

Comparable series are available for the periods:

1) from 2008 to 2018

2) from 2019 onwards

In 2019, there was a break in time series.

5.2.1. Length of comparable time series

Length of comparable time series is: 2

5.2.2. Reasons for break in time series

Data from 2019 onwards are not comparable to data in previous years due to the extension of the coverage of active enterprises (since 2019, the coverage has also included self-employed natural persons, whose activity is determined on the basis of lump-sum income tax reports). In addition, until 2018, legal entities and natural persons were used as an equivalent to the enterprise, while, since 2019, the definition of enterprise according to EU methodology has been applied.

5.3. Coherence – subannual and annual statistics

Indicator was not computed for this survey.

5.4. Coherence – national accounts

Indicator was not computed for this survey.

5.5. Coherence – administrative sources

Indicator for this survey is not applicable.

6. Cost and burden

6.1. Cost

Costs of statistical data production are minimal and refer mainly to data source checking and data editing, considering that input data are taken over from existing administrative and statistical sources.

6.2. Burden

The burden on Reporting units has been minimised by using administrative sources.