



REPUBLIC OF CROATIA



QUALITY REPORT FOR STATISTICAL SURVEY
Foreign-Controlled Enterprises (iFATS)
for 2020

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0. Basic information

- Purpose, goal, and subject of the survey

Inward statistics on foreign affiliates (iFATS) describe activity of foreign affiliates resident in the compiling economy. According to Eurostat's methodology, controlling institutional unit should be determined according to ultimate controlling institutional unit of a foreign affiliate (UCI), which is not controlled by another institutional unit within the foreign affiliate's chain of command. In this survey, due to a lack of relevant sources for its detection, UCI is determined for the period 2008 - 2015 by a substitution criterion based on the headquarters of the first foreign owner. Starting with the 2016 the reference year, UCI is taken from the EuroGroups Register (EGR), and for all entities that are not registered in EGR, UCI is still determined by a substitute criterion according to the headquarters of the first foreign owner.

The purpose of the survey on iFATS is measuring direct and indirect effects of foreign control on employment, wages and productivity in the Republic of Croatia and the NKD sections; for the preparation of economic, competition, enterprise, research, technical development and employment policies in the context of the liberalisation process. The survey is carried out in accordance with the Regulation (EC) No 716/2007 of the European Parliament and the Council (EC) of 20 June 2007 on the structure and activity of foreign affiliates; the FATS Regulation. Data have been available since 2008.

- Reference period

Calendar year

- Legal acts and other agreements

Regulation (EC) No 716/2007 of the European Parliament and of the Council of 20 June 2007 on Community statistics on the structure and activity of foreign affiliates (OJ L 171, 29.06.2007) as last amended by Commission Regulation (EC) No 747/2008 of 30 July 2008 amending Regulation (EC) No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates, as regards the definitions of characteristics and the implementation of NACE Rev. 2 (OJ L 202, 31.7.2008)

Commission Regulation (EC) No 364/2008 of 23 April 2008 implementing Regulation (EC) No 716/2007 of the European Parliament and of the Council, as regards the technical format for the transmission of foreign affiliates statistics and the derogations to be granted to Member States (OJ L 112, 24.4.2008)

Foreign Affiliates Statistics (FATS) Recommendations Manual, Eurostat, 2012

Business registers Recommendations manual, Eurostat, 2010

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 Rev. 2 and amending Council Regulation (EEC) No 3037/90 and certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006)

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 (OJ L 76, 30.3.1993)

Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February

2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93 (OJ L 61, 5.3.2008)

Commission Regulation (EC) No 192/2009 of 11 March 2009 implementing Regulation (EC) No 177/2008 of the European Parliament and of the Council establishing a common framework for business registers for statistical purposes, as regards the exchange of confidential data between the Commission (Eurostat) and Member States (OJ L 67, 12.3.2009)

- Classification system

National Classification of Activities, 2007 version (NKD 2007)

- Statistical concepts and definitions

Number of enterprises (EU code 11110) is a number of enterprises under foreign control, registered in the Statistical Business Register that were active during at least a part of a reference period.

Turnover (EU code 12110) comprises the total accrued incomes from market sales of goods or services to third parties, with the exception of deductible VAT. Incomes classified as financial, other and extraordinary ones are excluded.

Production value (EU code 12120) measures the amount actually produced by the enterprise, based on sales, including changes in stocks and the resale of goods and services.

Value added at factor costs (EU code 12150) is the gross income from operating activities after adjusting for operating subsidies and indirect taxes, calculated gross (depreciation is not subtracted). Income and expenditure classified as financial is excluded from value added. Total purchases of goods and services (EU code 13110) include the value of all goods and services (with the exception of deductible VAT) purchased during the accounting period, excluding capital goods the consumption of which is registered as consumption of fixed capital. Expenditures classified as financial ones are excluded.

Purchases of goods and services for resale (EU code 13120) include the value of goods and services (with the exception of deductible VAT) purchased for resale to third parties.

Personnel costs (EU code 13310) are remunerations calculated and payable by employers to employees in return for the work done. They are made up of wages and salaries (EU code 13320) and social security costs (EU code 13330).

Gross investments in tangible goods (EU code 15110) include all realised investments in new and existing tangible capital goods during the reference period, having a useful life of more than one year, including non-produced tangible goods such as land.

Number of persons employed (EU code 16110) is defined as the total number of persons who work in an enterprise (including working proprietors, partners working regularly in the unit, unpaid family workers and voluntary workers), as well as persons who work outside the enterprise who belong to it and are paid by it.

- **Statistical units**

Observation unit for iFATS is an enterprise - a business entity that makes an organisational unit engaged in producing goods and/or services, holds 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.

Units according to the UCI are taken over from the EGR, while the coverage of business entities that are not registered in the EGR is formed according to the information received from the Croatian National Bank. Each enterprise as a whole is assigned a code number of its principal activity according to the National Classification of Activities. The principal activity is determined and updated by the Statistical Business Register (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 the 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.

- **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 in sections B - J and L - N as well as in division 95 of section S in the NKD 2007.

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 user satisfaction survey of data quality is not carried out.

There is no feedback from external users regarding the quality of data.

Internal users are mostly satisfied with the quality of data.

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**

Not applicable

2.2.1. Coverage error

Not applicable

2.2.2. Over-coverage rate

Indicator for this survey is not applicable.

2.2.3. Measurement error

Not applicable

2.2.4. Non-response error

Not applicable

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

Not applicable

2.2.8. Imputation rate

Indicator was not computed for this survey.

2.2.9. Model assumption error

Not applicable

2.2. Data revision

2.3.1. Data revision – policy

There is no need for iFATS final data revision at the moment.

2.3.2. Data revision – practice

There is no data revision practice for iFATS final data.

2.3.3. Data revision – average size

Indicator for this survey is not applicable.

2.3. 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 \(iFATS\), 2020](#)

4.2. On-line database

Database in PC Axis

[Foreign-controlled enterprises \(iFATS\), 2020](#)

4.3. Micro-data access

Accessibility is in accordance with the provisions of the Official Statistics Act, the Ordinance on Access to Confidential Statistical Data and the Ordinance on Conditions and Terms of Using Confidential Data for Scientific Purposes.

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 data series are available for the period from 2008 to 2018.

In 2019, there was a break in time series and data are not comparable to data in previous years.

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 check and data editing, considering that input data are taken over from existing administrative and statistical sources.

6.2. Burden

Not applicable