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Session 2 – Profiling complex Statistical Units (SUs)

***A Top-tier* approach for the largest Multinational Enterprise Groups in the EU**

**Abstract**

*(300 – 500 words)*

*In the European Statistical System, the EuroGroups Register (EGR) is the statistical business register developed by Eurostat in cooperation with the national statistical offices (NSIs) of EU Member States (MS) and EFTA countries, managing the complete structure of the Multinational Enterprise (MNE) groups operating in the EU and EFTA countries. It constitutes the necessary infrastructure for the coordination of consistent statistics on globalization in the EU. To fulfil this role, the EGR has to record high quality and up-to-date information.*

*With the aim to increase the accuracy and timeliness of the EGR and to reduce the burden on the national statistical offices, the data quality management of the MNE groups in the EGR is going to be based on a “Two-tier approach”, ensuring high accuracy and timeliness on the largest and most significant MNE groups with sizable impact on European statistics (Top-tier), while investing in automation to treat the rest of the MNE groups with sufficient accuracy and coverage.*

*A Task Force between Eurostat and some MS was created in 2021 to specify the criteria to select the Top-tier population of the MNE groups as well as to define an updated treatment and profiling process for them.*

*The Task Force specified the Complexity and Statistical Impact (CSI) index to define the population of the “Top-tier” MNE groups. It is based on economic variables and linked to the structure of the MNE groups. A method based on percentiles is used to classify and rank them. Once the Top-tier list has been drawn up, a dedicated profiling activity is implemented by the NSIs in the shared on-line application provided by Eurostat.*

*The Task Force also specified the Top-tier profiling process for the treatment of the groups structure. The process is under test since April 2023. The profilers of the NSIs shall focus on updating the structure of the Top-tier MNE groups and their legal units, responding to events that are statistically significant and require revisions in the EGR. The Task Force developed functionalities to support the manual treatment of the structure in EGR. The country where the decision-making center of the MNE group is located leads the process and proposes updates to the partnering countries, that work on the resident parts of the MNE groups in their territory. If the NSIs have resources, they can also delineate the statistical units in the shared on-line application provided by Eurostat, otherwise the information will be updated in bulk during the automated data exchanges with the EGR.*

*The new approach is expected to significantly increase the number of Top-tier MNE groups that can be profiled, thus increasing the quality and reliability of EGR data and allow more frequent data releases. It is also aiming to reduce the burden on Eurostat and MS during the whole EGR process.*

*Keywords: EuroGroup Register, Complex and Statistical Impact index (CSI index), Top-tier groups*