

## **Implementation of the Economic Census**

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### 1. Background of the development of the Economic Census

In Japan, censuses and large-scale statistical surveys have been largely divided into major industrial sectors, such as agriculture, forestry and fisheries, manufacturing, commerce, and services sectors, and these censuses and surveys have been conducted in different years and cycles, under a decentralized statistical system. As a result, it has been difficult to produce comprehensive industrial structural statistics, which cover all industries of Japan at the same point of time.

The Establishment and Enterprise Census has been conducted in Japan every five years (with a simplified survey in interim years). However, its aim is not to investigate the accounting aspects of economic activities, but mainly to compile a list of all establishments and enterprises to produce a national sampling frame, and to produce statistics which count the establishments, enterprises and persons employed.

Moreover, statistics on the services sector cannot be described as adequate in terms of quantity or quality, and their development has been rather unsystematic. This has become a serious concern as the share of the sector in the national economy becomes increasingly important. Therefore, the development of statistics capable of grasping all the economic activities of Japan comprehensively at a single reference time has become a critical issue.

To solve this matter, uniting censuses and surveys, such as the Establishment and Enterprise Census, Survey on Service Industry, etc., an Economic Census, which covers all economic activities of every industrial sector at the same point in time, will be conducted in 2009 and 2011.

## 2. Objectives of the Economic Census

The objectives of the Economic Census are not only to produce comprehensive statistics on the industrial structure, but also to enhance the business frame to improve the accuracy of various economic statistics.

In detail, the objectives of the Economic Census are listed as follows:

- a. To develop statistics that cater to the diversification in economic activities, and to provide information on the related statistical population.
- b. To provide basic information for policy making and administration such as settlement of local consumption tax, and the allocation of subsidies for the development of small- and medium-sized enterprises.
- c. To develop comprehensive statistics on the services sector.
- d. To provide reliable primary data for the compilation of the input-output tables and national accounts statistics.
- e. To provide primary data for the compilation of regional input-output tables and prefectural/municipal accounts statistics.
- f. To provide reliable information concerning the population of establishments and enterprises, based on which sampling methods, cut-off instructions, and benchmark parameters are determined for various related sample surveys.

## 3. 2009 Economic Census for Business Frame

### 3.1 2009 Census and 2011 Census

To achieve the above objectives, Economic Censuses are planned to be conducted in two stages. To clarify the accounting condition for each industry, we have to deliver different questionnaires respectively, so we need information on the kind of activity and to set up the complete survey frame. So, in 2009, to make a complete survey frame, the 2009 Economic Census for Business Frame are planned to be conducted, utilizing administrative records such as the Commercial/Corporate Register.

The accuracy of the Economic Census depends on the extent to which economic activities in Japan are grasped with no duplication or omission. To do so, a complete list of establishments/enterprises to be enumerated in the Economic Census has to be prepared. To establish the business frame, some countries use administrative records directly, but in Japan, the list of establishments/enterprises has been compiled by statistical enumeration.

However, recent diversification in economic activities has resulted in cases of business being performed with no obvious signage, such as SOHOs, and it is increasingly difficult for enumerators to go around the enumeration districts to canvass establishments/enterprises with no omissions. The direct enumeration method can provide high accuracy because of high response rates, but with the above circumstances in mind, the Economic Census plans to provide the enumerators with subsidiary information from the Commercial/Corporate Register, to achieve a high level of accuracy.

After the complete survey frame had provided, in 2011, in order to establish comprehensive industrial statistics, there are plans to conduct an Economic Census for Business Activity.

### 3.2 Reducing the response burden and improving the survey efficiency

As introducing the Economic Census, to reduce the response burden and save the budget, several censuses, such as the Establishment and Enterprise Census, Census of Commerce, Census of Manufacture are combined into the Economic Census.

In the Establishment and Enterprise Censuses, which were conducted until 2006, enumerators visited all establishments and delivered/collected questionnaires, but in the Economic Census, in order to reduce the response burden and improve the survey efficiency, enumerators will visit only the head offices and deliver/collect questionnaires for head offices and their branch offices, to be completed by the head offices. In addition, to reduce the enumerators load, SBJ and local government will directly deliver the questionnaires to large scale enterprises and collect from the same. Furthermore, an on-line survey system will be introduced for such large scale enterprises and they can choose several response methods.

### 3.3 Plan for the 2009 Census

The 2009 Economic Census is planned to be conducted on July 1, 2009, and we are now preparing for the Census. The survey frame of the Census will be established by the end of 2008, combining the results of Censuses, such as the former Establishment and Enterprise Census, Census of Commerce, and Census of Manufacture, and the Commercial/Corporate Registration data. After setting up this information, some survey items, such as the names and addresses of establishments or the kinds of activity will be pre-printed into the questionnaire, using information on the former Establishment and Enterprise Census data for the convenient of responder.

Other topics to be surveyed are as follows:

- i) Name, Phone number and Address
- ii) Opening year
- iii) Number of persons engaged
- iv) Kind of business activities and Type of establishment
- v) Capital and Foreign capital ratio
- vi) Month of settlement of accounts
- vii) Whether a Stock holding company or not
- viii) Name and Address of parent company
- ix) Number of subsidiary companies
- x) Number of branches

The results of the 2009 Economic Census will be released based on the following schedule:

- i) Prompt tabulation results: June 2010
- ii) Final tabulation results: November 2010
- iii) Results on enterprise groups, together with a parent company and its subsidiary companies: March 2011

#### 4. Future plan

In parallel with preparing the 2009 Census, we are planning for the 2011 Census. As mentioned above, in the 2011 Census, we have to develop 20 to 30 questionnaires which differ by industry. The contents of the survey and response burden will be more significant than in the 2009 Census, so we have to develop a more simplified method. To check these issues, there are plans to conduct the first pilot survey in January 2009.

As mentioned above, several censuses will be abolished or suspended, but to pursue greater efficiency, the Japanese government, not only SBJ but also all the ministries and agencies concerned, have to examine the possibility of combining further surveys, including monthly and annual surveys.

Furthermore, to obtain more accurate and timely frame information, more administrative records data than Commercial/Corporate Register, such as social security data, are effective, and SBJ has started discussing with the authorities concerned.