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# Session 4: Quality and coverage Measures for ensuring the quality of the classification codes in the Austrian Statistical Business Register



#### **Content**



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## Concepts and principles for coding (1) Activity Classification



#### Possible approaches for coding:

- self-coding of the enterprises is the least preferred option
- use of the classification codes that were applied by administrative registers
- Preferred method: coding by national statistical institute in contact with the enterprises:
  - Ask the enterprise to provide information on the structure of their revenues/turnover
  - Transform the turnover structure into a value added structure
  - Derive the main (and secondary) activity by using the topdown approach

## Concepts and principles for coding (2) Coding example 1



Enterprise A Activity	Turnover share (%)		weight (value added)	weighted turnover		Adjusted for added value quota (%)	Top down
Manufacture of machinery for textile production (C 2826 "Manufacture of machinery for textile, apparels and leather production")	50	×	0.507	25.35	/: 0.34	74.5	main activity
Wholesale trade of machinery for textile (G 4659 "Wholesale of other machinery and equipment")	50	x	0.174	8.70  34.05=100% 1%=0.34	/: 0.34	25.5	secondary activity

## Concepts and principles for coding (3) Coding example 2



Enterprise B Activity	Turnover share (%)		weight (value added)	weighted turnover		Adjusted for added value quota (%)	Top down
Software development (J 6201 "Computer programming activities)	20	x	0.471	9.42	/: 0.53	17.8	secondary activity
Market research (M 7320 " Market research and public opinion polling ")	40	x	0.505	20.20	/: 0.53	38.1	secondary activity
Call Center (N 8220 " Activities of call center")	40	×	0.584	23.36 ———————————————————————————————————	/: 0.53	44.1	main activity

## Concepts and principles for coding (4) Classification of the institutional sector



#### > Five institutional sectors

- Non-financial corporations
- Financial corporation
- General government
- Households
- Non-profit institutions serving households

#### > For correct coding additional information will be needed:

Activity classification (only of use for very specific subsectors)

## Measures taken for the quality of the coding (1)



#### The classification notification

- § 21 Federal Statistics Act 2000 (BGBl. Nr. 163/1999, as amended): activity code for all Austrian enterprises (newly recorded enterprises, activity code, name, legal form or address of the enterprises has changed)
- Notification by postal mail replies by web, postal mail, by fax or by telephone
- Enterprises: confirmation and/or appropriate information of actual activities performed

## Measures taken for the quality of the coding (2)



Screen shot of the notification application showing the structure of information requested on turnover share for each economic activity performed

Für die Ermittlung der richtigen Zuordnung bitte die ausgeübten Wirtschaftstätig Wirtschaftsjahres) angeben.	keiten sowie deren Anteil (in %) an den gesamten erzielt	en Umsatzerlösen (Ergebnisse des letzten
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Land- u. Forstwirtschaft		+-
Erzeugung und Gewinnung		- +-
Reparatur		- + -
Bau- und Baunebenleistungen		- +-
Handelsvermittlung		- + -
Großhandel		- +-
Einzelhandel		- + -
Verkehr		- +-
Beherbergung u. Gastronomie		- + -
Gesundheits- und Sozialwesen		- +-
Andere Tätigkeiten		- +-
Beschreibung der Geschäftszweige	IT-Consulting IT-Dienste	6
Bitte geben Sie hier zusätzlich Ihre(n) Geschäftszweig(e) an, sofern Ihnen Ihre	IT-Einrichtungen, Betrieb für Dritte IT-Security	cheinen:
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## Measures taken for the quality of the coding (3)



#### Overview of all contacts with enterprises in relation to activity codes

Contact with enterprises	2014
Notifications sent to new enterprises	31.219
Change of activity has been requested by the enterprise itself	4.844
No change in the activity - the assignment was correct despite opposition of the enterprise	301
Secondary activities were additionally assigned - according to	440
information of the enterprise or on the basis of research	440
Change of the name or the address of the enterprise	5.499
Activity of the unit changed due to research or in the course of business statistics surveys	4.364
Total number of enterprises in the statistical business register	492.875

## Measures taken for the quality of the coding (4)



> Maintening the classification database

> Co-operations with other units and institutions

Systematic quality checks



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### Thank you for your attention!

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