

INWARD FOREIGN AFFILIATES STATISTICS 2018

NATIONAL REFERENCE METADATA IN SINGLE INTEGRATED METADATA STRUCTURE (SIMS)

CONCEPT 1 - CONTACT

Sub-Concept 1.1: Contact organisation

National Statistics Office (Malta)

Sub-Concept 1.2: Contact organisation unit

Structural Business Statistics

Sub-Concept 1.3: Contact name

Mr. Brandon Sacco

Sub-Concept 1.4: Contact person function

Head of Unit

Sub-Concept 1.5: Contact mail address

National Statistics Office,
Lascaris, Valletta,
VLT 2000.

Sub-Concept 1.6: Contact e-mail address

brandon.sacco@gov.mt

Sub-Concept 1.7: Contact phone number

+356 25997342

CONCEPT 2 – METADATA UPDATE

Sub-Concept 2.1: Metadata last certified

9th April 2021.

Sub-Concept 2.2: Metadata last posted

10th April 2021.

Sub-Concept 2.3: Metadata last update

10th April 2021.

CONCEPT 3 – STATISTICAL PRESENTATION

Sub-Concept 3.1: Data description

IFATS is a statistical output which draws a picture of the control patterns of the enterprises operating in the Maltese Economy. The values derived from IFATS are in-line with those of the SBS and provide a further breakdown of such business statistics by country of the Ultimate Controlling Institutional unit (UCI).

Sub-Concept 3.2: Classification system

The classifications used in this subject area are the [NACE Rev. 2](#) classification for the Economic Activities and the [ISO 3166-1](#) (in-line with the Balance of Payments Vademecum) for the Geographical Breakdown.

Sub-Concept 3.3: Sector coverage

The industrial sectors covered are:

NACE B to N and NACE 95 (Manufacturing, mining, quarrying, Construction, Wholesale and retail trade, transportation and storage, accommodation, food service activities, Information and communication, financial and insurance activities, real estate activities, professional, scientific, technical, administration and support service activities and repair of computers and personal and household goods).

Section K of NACE Rev. 2 is provided for a limited number of variables and is not included in the Total business activity aggregate.

Sub-Concept 3.4: Statistical concepts and definitions

- Foreign affiliate means an enterprise resident in the compiling country over which an institutional unit not resident in the compiling country has control;
- Control means the ability to determine the general policy of an enterprise by choosing appropriate directors if necessary;
- An enterprise is deemed to be controlled by an institutional unit when this unit directly or indirectly controls more than half of the shareholders voting power or more than half the shares;
- FATS data are published broken down by country of the ultimate controlling institutional unit (UCI) of a foreign affiliate, which means the institutional unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

Eleven characteristics are collected on an annual basis:

- Number of enterprises, which is the number of foreign controlled enterprises resident in the compiling economy (variable 11110);
- Turnover, that is market sales of goods and services supplied to third parties, including non-deductible taxes, duties and charges, rebates and discounts (variable 12110);
- Production value, which is the amount actually produced, based on sales, including changes in stocks and resale of goods and services (variable 12120);
- Value added at factor cost, which is the gross income from operating activities after adjusting for operating subsidies and indirect taxes (variable 12150);

- Total purchases of goods and services, which is the value of all goods and services purchased during the accounting period for resale or consumption in the production process, excluding capital goods (variable 13110);
- Purchases of goods and services which are purchased for resale in the same condition as received, i.e. purchases of goods for resale to third parties without further processing, output from service activities, rights to use predetermined services or physical supports for services (variable 13120);
- Personnel costs, i.e. total remuneration payable including taxes and social contributions paid by the employer and the employee (variable 13310);
- Number of persons employed, i.e. average yearly headcount of persons employed and paid by the observation unit including unpaid family workers and persons absent for a short time (variable 16110)
- Gross investment in tangible goods - investment in existing or new tangible capital goods (variable 15110).
- Total intra-mural R&D expenditure (variable 22110); and
- Total number of R&D personnel (variable 22120).

Sub-Concept 3.5: Statistical unit

Inward Foreign Affiliate Statistics (IFATS) refer to enterprises and branches under foreign control.

The enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit. Up till reference year 2018, IFATS data are reported according to the legal unit. Work on the transformation from legal unit to enterprise unit is underway.

For detailed information on statistical units, please see [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 (Section III).

Sub-Concept 3.6: Statistical population

The statistical population is composed of all active resident enterprises in the data compiling economy and branches which have turnover of over €7,000. To be able to compare with the whole business economy, the nationally controlled enterprises in the Structural Business Statistics are also included in IFATS.

Sub-Concept 3.7: Reference area

IFATS data cover the active resident enterprises in Malta and Gozo.

Sub-Concept 3.8: Time coverage

2009-2018.

Sub-Concept 3.9: Base period

Not applicable.

CONCEPT 4 – UNIT OF MEASURE

- 11110 – Number of enterprises in number units (UNIT);
- 12110 – Turnover in thousands of euro (KEUR);
- 12120 – Production in thousands of euro (KEUR);
- 12150 – Value added at factor cost in thousands of euro (KEUR);
- 13110 – Total purchases of goods and services in thousands of euro (KEUR);
- 13120 – Purchases of goods and services purchased for resale in the same condition as received in thousands of euro (KEUR);
- 13110 – Personnel cost in thousands of euros (KEUR);
- 15110 – Gross investments in tangible goods in thousands of euros (KEUR);
- 16110 – Number of persons employed in number units (UNIT);
- 22110 – Total intra-mural R&D expenditure (every odd year) in thousands of euros (KEUR);
- 22120 – Total number of R&D personnel (every odd year) in number of units (UNIT).

CONCEPT 5 – REFERENCE PERIOD

2018.

CONCEPT 6 – INSTITUTIONAL MANDATE

Sub-Concept 6.1: Legal acts and other agreements

[The Malta Statistics Authority Act, 2000](#). The Act empowers the NSO to collect, compile, extract and release official statistics related to demographic, social, environment, economic and general activities and conditions of Malta.

As from 2007 onwards data are collected according to FATS [Regulation \(EC\) No 716/2007](#) of the European Parliament and the Council (EC) of 20 June 2007 (FATS-R). The Commission adopted three other regulations implementing and amending the FATS-R, these being:

- 1) Commission Regulation (EC) No [364/2008](#) on the technical format and transmission;
- 2) Commission Regulation (EC) No [747/2008](#) on the structure and activity of foreign affiliates; and
- 3) Commission Regulation (EC) No [834/2009](#) as regards the quality reports. In addition, the FATS Recommendations Manual is a reference document.

Sub-Concept 6.2: Data sharing

Eurostat disseminates all non-confidential data on its website.

CONCEPT 7 - CONFIDENTIALITY

Sub-Concept 7.1: Confidentiality – Policy

At National level:

The NSO requests information for the compilation of official statistics according to the articles of the MSA Act – Cap. 422 and the Data Protection Act – Cap. 586 of the Laws of Malta implementing the General Data Protection Regulations (GDPR).

Article 40 of the MSA Act stipulates the restrictions on the use of information while Article 41 stipulates the prohibition of disclosure of information. Furthermore, Section IX of the Act (Offences and Penalties) lays down the measures to be taken in case of unlawful exercise of any officer of statistics regarding confidentiality of data.

Since its inception, the NSO has always assured that all data collected remains confidential and that it is used for statistical purposes only according to the articles and derogations stipulated in the laws quoted above. The Office is obliged to protect the identify of data providers and refrain from divulging any data to third parties that might lead to the identification of persons or entities.

During 2009, the NSO has set up a Statistical Disclosure Committee to ensure that statistical confidentiality is observed, especially when requests for microdata are received.

Upon employment, all NSO employees are informed of the rules and duties pertaining to confidential information and its treatment. In line with stipulations of the MSA Act, before commencing work, every employee is required to take an oath of secrecy whose text is included in the same Act.

An internal policy on anonymisation and pseudo-anonymisation is in place to ascertain that adequate methods are used for the protection of data which the office collects and shares with the public in its capacity as the National Statistics Office. The policy is meant to safeguard confidentiality of both personal and business data entrusted to the NSO. The document provides guidance for all NSO employees who process data on a daily basis as to how anonymisation and pseudo-anonymisation methods should be applied. The policy applies to all confidential, restricted and internal information, regardless of form (paper or electronic documents, applications and databases) that is received, processed, stored and disseminated by the NSO.

At European level:

[Regulation \(EC\) No 223/2009](#) on European statistics (recital 24 and Article 20(4) of 11 March 2009 (OJ L 87, p. 164), stipulates the need to establish common principles and guidelines ensuring the confidentiality of data used for the production of European statistics and the access to those confidential data with due account for technical developments and the requirements of users in a democratic society.

Sub-Concept 7.2: Confidentiality – Data Treatment

Primary confidentiality is flagged on either too few enterprises (where the number of units is less than 3), or if the information of a single business unit is able to derive an estimate of a particular component of another business unit within 10 % of its true value (i.e. the p% rule).

Secondary confidentiality is flagged to protect primary confidential data, which are suppressed so that sensitive information is not revealed. These are identified and flagged by NSO using a common methodology applied by other statistical agencies.

CONCEPT 8 – RELEASE POLICY

Sub-Concept 8.1: Release Calendar

An advance release calendar is maintained by the NSO and published on the NSO website. The calendar projects three months of news releases (including the current and two subsequent months).

Sub-Concept 8.2: Release Calendar access

https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx

Sub-Concept 8.3: User access

An internal policy on dissemination is in place to govern the dissemination of official statistics in an impartial, independent and timely manner, making them available simultaneously to all users.

The NSO's primary channel for the dissemination of official statistics is the NSO website. Tailored requests for statistical information may also be submitted through the NSO website.

CONCEPT 9 – FREQUENCY OF DISSEMINATION

Annual.

CONCEPT 10 – ACCESSIBILITY AND CLARITY

Sub-Concept 10.1: News release

Not applicable.

Sub-Concept 10.2: Publications

Not applicable.

Sub-Concept 10.3: Online Database

Not applicable.

Sub-Concept 10.4: Micro-data access

Not applicable.

Sub-Concept 10.5: Other

Not applicable.

Sub-Concept 10.6: Documentation on methodology

Work processes and procedures for the compilation of IFATS are documented in a standardised reporting template and aligned to the GSBPM model. The model covers all phases of the statistical production process, from the initial stages of identifying what statistics are needed and the scope of the particular survey, to the final stages of dissemination and evaluation. The GSBPM report is only available internally and may be accessed by all NSO employees.

Sub-Concept 10.6.1: Metadata completeness rate

Information about all required metadata concepts (and sub-concepts thereof) are provided.

Sub-Concept 10.7: Quality Documentation

Dedicated SIMS reports are available to the public on the [NSO's metadata website including concepts related to metadata and quality](#). Moreover, a quality report on IFATS is produced every year as a requirement from Eurostat.

The NSO has developed an internal Quality Management Framework (QMF) which is built on common requirements of the ESS Code of Practice (ESS CoP). A document was prepared to include a set of general quality guidelines spanning over all statistical domains. Assuring methodological soundness is an integral part of the QMF, nonetheless, the document spans also on other areas related to institutional aspects.

CONCEPT 11 – QUALITY MANAGEMENT

Sub-Concept 11.1: Quality Assurance

Since Inward FATS data are equivalent to the SBS values, all quality measures would have already been implemented to finalise SBS data. In addition, Inward FATS dataset is compared with previous years' data and checked for any major changes especially due to large deviations in the main variables concerned.

The NSO ensures the accuracy of data released to the public and prepares clear methodological notes which explain the processes involved in the collection and production of official statistics.

Every five to seven years, the NSO participates in a Peer Review exercise through which the compliance of its operations with principles of the ESS CoP is assessed by an expert team. Peer Reviews are indeed part of the European Statistical System (ESS) strategy to implement the ESS CoP. Each NSI is expected to provide information as requested by a standard self-assessment questionnaire. Following this an expert team visits the office to meet NSI representatives and main stakeholders. Peer Reviews result in a compliance report and the listing of a set of Improvement Actions which need to be followed up by the NSI. The next round of Peer Reviews is planned to be carried out in 2022.

Sub-Concept 11.2: Quality Assessment

The methodological assessment is monitored in the EU-wide Quality Report produced by Eurostat.

CONCEPT 12 - RELEVANCE

Sub-Concept 12.1: User needs

These types of data are of interest to users who would like to understand the control patterns of the Maltese Economy.

Sub-Concept 12.2: User satisfaction

The last User Satisfaction Survey was held in 2014 with the aim to collect information about key users' satisfaction with statistical output.

The NSO keeps record of the number of News Releases and publications disseminated on its website; the users to whom statistical products are provided; as well as the number of requests that are processed every year.

News Releases and tailor-made statistical outputs were assessed on account of their quality, timeliness, and on their ability to meet users' needs.

Sub-Concept 12.3: Data Completeness

The data completeness stands at 100% and is perfectly in-line with the SBS domain.

CONCEPT 13 – ACCURACY AND RELIABILITY

Sub-Concept 13.1: Overall accuracy

Refer to sub-concepts 13.2 and 13.3.

Sub-Concept 13.2: Sampling errors

Given that Inward FATS data are compiled on an existing SBS survey, the sampling error which applies for IFATS is the same as SBS. Inward FATS is not compiled by undertaking a separate survey. All units included in SBS are included when compiling Inward FATS statistics.

Sub-Concept 13.3: Non-sampling error

Non-sampling error is quantified. The sources that give rise to this error include:

- Different reference year than the one required (when the control of the statistical unit may have shifted without any publicity);
- NACE misclassifications;
- Insufficient data on the UBO and UCI.

Imputations for SBS are usually done based on administrative sources and in extreme cases data from previous years is used.

Sub-Concept 13.3.1: Coverage error

Same coverage as the SBS. The coverage error is mainly associated with the early cut-off data when identifying the sampling frame.

By the time the SBS survey is about to be finalised, almost all of the administrative sources are received by the NSO and integrated into the BR. The final SBS is calibrated with the final updated target population.

Sub-Concept 13.3.1.1: Over Coverage

Not applicable.

Sub-Concept 13.3.1.2: Common Units Proportion

Not applicable.

Sub-Concept 13.3.2: Measurement error

Not applicable.

Sub-Concept 13.3.3: Non-response error

Not applicable.

Sub-Concept 13.3.3.1: Unit non-response

Not applicable

Sub-Concept 13.3.3.2: Item non-response

Not applicable.

Sub-Concept 13.3.4: Processing error

Refer to sub-concept 13.3.

Sub-Concept 13.3.5: Model assumption error

Not applicable.

CONCEPT 14 – TIMELINESS AND PUNCTUALITY

Sub-Concept 14.1: Timeliness

The data are to be provided at t+20 months after the end of the reference period.

Sub-Concept 14.2: Punctuality

There have been no issues related to a lack of punctuality.

CONCEPT 15 – COHERENCE AND COMPARABILITY

Sub-Concept 15.1: Comparability – Geographical

Not applicable.

Sub-Concept 15.2: Comparability – Over Time

2009-2018.

Sub-Concept 15.3: Coherence – Cross Domain

The data of IFATS (in terms of UCIs) and the EGR (Euro Groups Register) do not completely match due to a methodological conflict in the respective regulations.

Confidential cells in SBS are replicated in IFATS since IFATS data are derived from SBS data. However, the confidential cells are higher for IFATS as by nature, IFATS data provide further breakdown (by country of UCI). IFATS are not harmonised with inward FDI due to different concepts.

Sub-Concept 15.3.1: Coherence – Sub-Annual and Annual statistics

IFATS data are produced on an annual basis only.

Sub-Concept 15.3.2: Coherence – National Accounts

Not applicable.

Sub-Concept 15.4: Coherence – Internal

IFATS is coherent with SBS data for the same reference year.

CONCEPT 16 – COST AND BURDEN

Although IFATS statistics is not based on a survey, several efforts are carried out during the SBS data collection to include the required data on branches residing in Malta. Branches are not obliged (by law) to report their financial statements of the activities based in Malta. This increases the burden on respondent to estimate such data and the cost on the statistical office during the follow up stages.

SBS data are the main source for IFATS, thus the additional cost in terms of administrative burden on respondents in the actual IFATS compilation stage is almost nil. The biggest burden for NSO is the maintenance of the BR in relation to both current enterprise groups and new groups structures. Each enterprise group is individually checked by the SBS team engaged in this domain through the MFSA database and other sources to determine the UCI. This process required two full time equivalent SBS members engaged in this subject area for two months.

CONCEPT 17 – DATA REVISION

Sub-Concept 17.1: Data revision – Policy

At the NSO, there is currently no internal policy governing revisions that occur for all statistics produced. Nonetheless, a revisions policy is being drafted to safeguard a coordinated revisions system across statistical domains.

This policy will take account of the need and causes for revisions; time and frequency of revisions; data and other statistical products affected by such revisions; and length of periods revised.

At the SBS Unit, the revision policy set for the SBS domain is set to revise all data one year after the target date. This review at T+30 (months) concept is a voluntary action programmed as a measure of quality for boosting the accuracy of SBS results to Eurostat and concurrently enhance the coherence between the National Accounts and the Structural Business Statistics. Consequently, the IFATS domain is revised in the same manner to retain its consistency with the SBS domain at T+32 (months).

Sub-Concept 17.2: Data revision – Practice and Data Revision

IFATS data are scheduled for review at T+32 months and transmitted to Eurostat. After such review exercise, data are considered final.

CONCEPT 18 – STATISTICAL PROCESSING

Sub-Concept 18.1: Source Data

No survey is carried out for IFATS. The final data are linked with SBS and Euro-Groups Register (where possible), for the values and the geographical breakdown respectively. The data makes use of the same weights and thresholds which are used in SBS.

Sub-Concept 18.2: Frequency of Data Collection

Annual.

Sub-Concept 18.3: Data Collection

Refer to sub-concept 18.1.

Sub-Concept 18.4: Data Validation

Data on the UCIs are validated and corroborated with other administrative sources and the EGR.

Sub-Concept 18.5: Data Compilation

In general, the data of SBS is used as the main starting point. This information is supplemented with UCI data from various sources, including the EGR, the Groups Register and Financial Statements. A different compilation method is used for Financial Activities (NACE K).

Data (production value and number of persons employed) for NACE classes 64.11 and 64.19 are obtained from the Central Bank of Malta (CBM) in an aggregated form. The production value for NACE class 64.30 (part of investment funds) is also obtained from the CBM. The data are aggregated, and the highest two values are identified for each country (in order to pass the correct judgment for the confidentiality flagging). Employment for NACE class 64.30 is updated from the financial statements. For NACE division 64 and 66, the number of units is updated from the Business Register (BR) since they are not covered with the SBS regulation. The production value for NACE division 64 and the turnover for NACE division 66 is updated with financial statements and other administrative sources. The number of persons employed for both NACE division was updated from the BR and other administrative sources.

Sub-Concept 18.5.1: Imputation

The main study variable of IFATS is the UCIs of each unit in the Maltese Economy. When no information on a particular statistical unit is available from any source on the respective reference year, it is normally assumed that the control pattern of the company has not changed.

Sub-Concept 18.6: Adjustment

Not applicable.

Sub-Concept 18.6.1: Seasonal Adjustment

Not applicable.

CONCEPT 19 - COMMENT

No further comments.