

OUTWARD 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

12th April 2021.

Sub-Concept 2.3: Metadata last update

12th April 2021.

CONCEPT 3 – STATISTICAL PRESENTATION

Sub-Concept 3.1: Data description

OFATS is a statistical output which provides an illustration of the foreign affiliates controlled by entities resident in Malta. Data are available by country of foreign affiliate and 'Ultimate Control' is identified as the entity, on top of the enterprise group's chain of control, which is not controlled by another entity.

The complete list of variables covered by the Inward FATS Regulation may be accessed through <https://ec.europa.eu/eurostat/documents/3859598/5910069/KS-AR-09-014-EN.PDF/07bb38ec-bab7-4a3b-92e0-1077c3f3d383>. In addition, the [FATS Recommendations Manual](#) lays down detailed guidelines for the methodology, collection and compilation in the European Union.

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

Outward FATS data cover a wide range of economic activities; NACE Rev. 2 Sections B to S excluding O.

Sub-Concept 3.4: Statistical concepts and definitions

- A '[Foreign affiliate](#)' in the framework of Outward FATS is an enterprise or branch not resident in the compiling country, over which an institutional unit resident in the compiling country has direct or indirect control. FATS data are compiled according to the Ultimate Controlling Institution (UCI) concept. In this way, double counting of the same affiliates by several countries can be avoided.
- The [Ultimate Controlling Institutional unit](#) is an institutional unit; proceeding up a foreign affiliates chain of control, which is not controlled by another institutional unit. Control is the ability to determine the general policy of the affiliate by appointing appropriate directors and managers. Control is often difficult to determine and in practice, the share of ownership is often used as a proxy for control. FATS thus focus on the affiliates that are majority-owned by a single investor or by a group of associated investors owning more than fifty percent of ordinary shares or voting power.
- [FATS data](#) are compiled according to the Ultimate Controlling Institution (UCI) concept. In this way double counting of the same affiliates by several countries can be avoided. FATS thus focus on the affiliates that are majority-owned by a single investor or by a group of associated investors owning more than fifty percent of ordinary shares or voting power.

The following characteristics are collected on mandatory basis:

- [Number of enterprises](#), which refer to the statistical units of outward FATS, i.e. the foreign affiliates abroad that are controlled by an institutional unit resident in Malta (variable 11110);

- Turnover, which comprises of the totals invoiced by the observation unit during the reference period, and corresponds to market sales of goods or services supplied to third parties, including non-deductible taxes, duties and charges, rebates and discounts (variable 12120);
- Number of persons employed, which is defined as the total number of persons (average annual headcount) who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit but belong to it and are paid by it (e.g. sales representatives, delivery personnel, and repair and maintenance teams) (variable 16110).

Sub-Concept 3.5: Statistical unit

The statistical units for Outward FATS refer to enterprises or branches abroad that are controlled by an institutional unit resident in the compiling country (Malta), which is not controlled by another legal or private person.

Sub-Concept 3.6: Statistical population

The statistical population is made up of Maltese Ultimate Controlling Institutions (UCIs) which have 50 percent or more of ownership in foreign branches or subsidiaries.

Sub-Concept 3.7: Reference area

Malta (MT).

Sub-Concept 3.8: Time coverage

Outward FATS data have been reported in NACE Rev. 2 classification from reference year 2010 onwards. Data prior to 2010 have been reported in NACE Rev. 1.1.

Sub-Concept 3.9: Base period

Not applicable.

CONCEPT 4 – UNIT OF MEASURE

- 11110 – Number of enterprises in number of units (UNIT);
- 12110 – Turnover in thousands of euro (KEUR);
- 16110 – Number of persons employed 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

Non-confidential data are published by Eurostat. The OFATS results are shared internally to supplement the data of the EGR (Euro Groups Register).

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

The news release calendar is available on the NSO website and is accessible through: 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

Past OFATS results are disseminated in the form of a news release:

https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_B1/Structural_Business_Statistics/Pages/Outward-Foreign-Affiliates-Statistics.aspx

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 OFATS 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 OFATS 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

The data are compared with previous years' data and checked for any major changes especially due to large deviations in the main variables concerned. For example, data received on the variable of Turnover in Outward FATS is checked against previous years to make sure that the values are provided in the corresponding currency, i.e. in Euros.

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.

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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

Quality is assessed based on the comparability of the values from the previous years. Anomalies are validated through further correspondence with the respondent. This assures accuracy and reliability.

CONCEPT 12 - RELEVANCE

Sub-Concept 12.1: User needs

These types of data are of interest to users who are interested in understanding the degree of control on foreign affiliate held by Maltese resident entities.

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 rate stands at 100%.

CONCEPT 13 – ACCURACY AND RELIABILITY

Sub-Concept 13.1: Overall accuracy

Data are based on questionnaire information. The lack of administrative data sources available for this subject area make the results prone to bias linked with the willingness of the respondent to provide accurate data on Turnover and Number of employees.

Sub-Concept 13.2: Sampling errors

No elements of sampling are used for OFATS given that a census is carried out.

Sub-Concept 13.3: Non-sampling error

The sources that give rise to this error include:

- Different base year than the one required;
- Data not converted into Euro;
- The respondents' willingness to provide accurate information; and
- Number of employees not provided as an average for the year.

All known enterprise groups are surveyed for Outward FATS. Imputations for Outward FATS are usually carried out based on administrative sources and data from previous years.

Sub-Concept 13.3.1: Coverage error

The sources of the population frame are the EGR (Euro Groups Register), selected company financial statements and the Groups Register. Under coverage errors may exist as the information on business units abroad owned by (Malta) resident natural persons is limited.

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

The non-response error is associated with units not willing to collaborate and contribute to official statistics. If the existence of the non-respondents is confirmed, an imputation is applied.

Sub-Concept 13.3.3.1: Unit non-response

Non-response rate for 2018: 0.0%. For the first time, the response rate for the OFATS survey was 100%.

Sub-Concept 13.3.3.2: Item non-response

All respondents answered all of the three required variables. As such, the item non-response rate is identical to the unit non-response rate.

Sub-Concept 13.3.4: Processing error

Not applicable.

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

2007-2018.

Sub-Concept 15.3: Coherence – Cross Domain

The population of OFATS may vary from the population of the EGR due to differing concepts governing the methodology in the domains' respective legislation.

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

Not applicable.

Sub-Concept 15.3.2: Coherence – National Accounts

Not applicable.

Sub-Concept 15.4: Coherence – Internal

Not applicable.

CONCEPT 16 – COST AND BURDEN

OFATS typically consumes three months of a full time equivalent to complete. The questionnaire is simple and short. Respondents are only required to answer three questions on each business unit operating abroad.

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.

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

The data submitted are considered final and not subject to change unless an extra-ordinary issue is identified.

CONCEPT 18 – STATISTICAL PROCESSING

Sub-Concept 18.1: Source data

OFATS data are collected through a census survey. The population of OFATS Survey is drawn from information obtained from the Business Register (BR), the Euro-Groups Register (EGR), the Groups register and annual financial statements. No thresholds are used.

Sub-Concept 18.2: Frequency of data collection

Annually.

Sub-Concept 18.3: Data Collection

The survey is sent by e-mail and by post. Turnover and employment values are compared with previous years during data entry. Any anomalies are validated through further correspondence with the respondent.

Sub-Concept 18.4: Data Validation

Any anomalies are validated through further correspondence with the respondent.

Sub-Concept 18.5: Data Compilation

The main laborious phase for OFATS is the process of identifying the units which are relevant for the target population. The sources for the OFATS population are merged information from the EGR, Groups Register and Annual financial statements. Units which may seem to be remotely related to the concepts targeted by the OFATS regulation are requested to answer the OFATS questionnaire. Validation identifiers are placed in the questionnaire to determine whether a particular unit belongs to the OFATS population or not. A census survey is carried out and the few non-response units are assumed to have retained the same structure and performance as the previous year.

Sub-Concept 18.5.1: Imputation

2018: 0%. No cells were imputed.

Sub-Concept 18.6: Adjustment

No adjustments are carried out unless confirmed by the respondent.

Sub-Concept 18.6.1: Seasonal Adjustment

Not applicable.

CONCEPT 19 - COMMENT

No further comments.