

## STRUCTURAL BUSINESS 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**

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**

7<sup>th</sup> April 2021

##### **Sub-Concept 2.2: Metadata last posted**

12<sup>th</sup> April 2021

##### **Sub-Concept 2.3: Metadata last update**

12<sup>th</sup> April 2021

## **CONCEPT 3 – STATISTICAL PRESENTATION**

### **Sub-Concept 3.1: Data description**

Structural business statistics (SBS) describes the structure, conduct and performance of economic activities, down to the most detailed activity level.

SBS covers all activities of the non-financial business economy except for agricultural activities and personal services. Limited information is collected on banking, insurance and pension funds.

Main characteristics (variables) of the SBS data category include:

- Business demographic variables (e.g. Number of enterprises);
- "Output related" variables (e.g. Turnover, Value added);
- "Input related" variables: labour input (e.g. Employment, Hours worked); goods and services input (e.g. Total of purchases); capital input (e.g. Material investments).

### **Sub-Concept 3.2: Classification system**

The classifications used in this subject area are the NACE Rev. 2 classification for the Economic Activities.

The product breakdown is based on the Classification of Products by Activity (CPA) as stated in the Regulation establishing CPA 2008.

### **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).

### **Sub-Concept 3.4: Statistical concepts and definitions**

The complete list of variables covered by SBS may be accessed through the following link: <http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009R0251&from=EN>

The main SBS variables include:

- 11110 - Number of enterprises, i.e. a count of the number of enterprises active during the reference period.
- 12110 - Turnover, which comprises the totals invoiced by the observation unit during the reference period. This corresponds to market sales of goods or services supplied to third parties.
- 12120 - Production value, which measures the amount actually produced by the unit, based on sales and including any changes in stocks and resale of goods and services.
- 12150 - Value added at Factor Costs, i.e. the gross income from operating activities after adjusting for operating subsidies and indirect taxes.
- 12170 - Gross Operating Surplus, i.e. surplus generated by operating activities after the labour input has been deducted.

- 13110 - Total purchases of goods and services, which include the value of all goods and services purchased for resale or consumption in the production process during the reference period (capital goods excluded).
- 13310 - Personnel costs, which are the total remuneration from the employer to the employees, in cash or in kind, in return for work done by the latter during the reference period.
- 15110 - Gross investments in tangible goods, which include all investments during the reference period in all tangible goods. Included are new and existing tangible capital goods whether bought from third parties or produced for own use.
- 16110 - Number of persons employed, which is the total number of persons who work in the observation unit inclusive of working proprietors, partners working regularly in the unit, unpaid family workers, as well as persons who work outside the unit who belong to it and are paid by it.
- 16130 - Number of employees, i.e. the number of persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

Further characteristics are defined in [Commission Regulation No 250/2009](#).

### **Sub-Concept 3.5: Statistical unit**

Structural Business Statistics (SBS) refer to enterprises operating in the Maltese geographical territory. 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, SBS 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**

SBS covers selected market activities; more specifically NACE Rev. 2 Sections B to N and NACE Division S95. SBS data includes branches of foreign enterprises and excludes data of Maltese enterprises with foreign activities. The target population is selected from the Business Register maintained by the NSO. Enterprises which generates a Turnover below €7,000 during the reference period are excluded from the statistical population.

### **Sub-Concept 3.7: Reference area**

SBS data covers the active resident enterprises in Malta and Gozo. The data are not broken down by regions.

### **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).

#### **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.

Year 1995 was the first year for the implementation of the [Council Regulation No 58/97](#) (SBS Regulation).

The Council Regulation No 58/97 has been amended three times: by [Council Regulation No 410/98](#), [Commission Regulation No 1614/2002](#) and [European Parliament and Council Regulation No 2056/2002](#). As a new amendment of the basic Regulation it was decided to recast the Regulation No 58/97 in order to obtain a new "clean" legal text. The [European Parliament and Council Regulation No 295/2008](#) was adopted on 14/02/2008 and the provisions of this Regulation are applicable from the reference year 2008.

An overview is also found in the background section of the [dedicated website](#). More recent legislative text can be retrieved from the [EuroLex](#) server. The 'background' section on the dedicated website also contains the links to the legislation applicable.

##### **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).

No news release on SBS is published.

### **Sub-Concept 8.2: Release Calendar access**

Access to the release calendar is granted through the following link:

[https://nso.gov.mt/en/News\\_Releases/Release\\_Calendar/Pages/News-Release-Calendar.aspx](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**

SBS data are annual for all data series with only a few exceptions which are required at multi-annual basis.

## **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 Structural Business Statistics 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

Although the Recommendations Manual on SBS has not yet been published, EC Regulations No. 250 and 251/2009 provide a set of guidelines for SBS data.

#### **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 SBS is produced every year as a requirement from Eurostat.

The SBS quality reports for data series within Annexes I-IV and VIII for the reference period are transmitted through the ESS Metadata Handler. In addition, the Structural Business Statistics Unit annually documents specific details about the work processes and procedures for internal purposes.

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**

As from the reference year 2008 Member States have been providing Eurostat with regular (annual) quality reports covering most of the categories of the [ESS Standard for Quality Reports](#). Eurostat prepares a summary quality reports which is discussed in a yearly meeting with Member States.

Moreover, the final process of quality assurance involves comparing the results of the SBS at macro level with previous years' data. Large deviations in the main variables are investigated and the reasons for such fluctuations documented. When available the data are re-checked with an administrative source for confirmation.

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.

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.

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**

SBS data are compiled according to the ESS principles related to Relevance, Accuracy, Timeliness and Punctuality, Coherence and Comparability.

As such, measures are taken into consideration to assure that the data are of good quality. At enterprise level, checks are carried out to test the validity of the data provided. Enterprise data are also compared with data available for the previous year. These validation checks generally identify both data-entry errors as well as errors related to the respondent's judgment when filling in the questionnaire. More importantly, validation checks are carried out at NACE industry level. All data received are checked against administrative sources when available.

## **CONCEPT 12 - RELEVANCE**

### **Sub-Concept 12.1: User needs**

The main users of SBS data are Eurostat, the Commission, researchers, students, international organisations focusing on SMEs and other units within the NSO.

### **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**

All data requested in the SBS Regulation and which is relevant to Malta are regularly provided. The completeness assessment is rated in the EU-wide Quality Report produced by Eurostat. Malta is exempted from sending variables that are less than the one percent of the European Community total and thus makes use of the 1% rule (exemption) and the CETO flag.

## **CONCEPT 13 – ACCURACY AND RELIABILITY**

### **Sub-Concept 13.1: Overall accuracy**

Main sources of error are related to non-response rate, sampling errors, and the respondents' understanding of the questionnaire.

### **Sub-Concept 13.2: Sampling errors**

Refer to spreadsheet titled 'Annex A'. The table shows the coefficients of variation at NACE division level for SBS 2018. The indicators are numeric values of the quality indicator rounded to the nearest one decimal digit. All indicator values are weighted to represent the population. Sampling error is neither calculated on Credit Institutions nor Pension Funds since they are based on population.

### **Sub-Concept 13.3: Non-sampling error**

The sources giving rise to non-sampling error include the following:

- Data providers providing data for a reference year different than the one required;
- Data not converted to Euro;
- Improper record-keeping of important variables (such as hours worked);
- Number of employees not provided as an average for the year; and
- NACE misclassifications.

Imputations are usually done based on an administrative source and, in extreme cases, data from previous years is used (for both unit and item non-response). In some cases, large enterprises are checked with financial statements when available or with an administrative source. Alternatively, if no information from administrative sources is available for item non-response in key variables, the sector and the size of the unit in question are considered, and an intelligent hot-deck imputation method is applied.

### **Sub-Concept 13.3.1: Coverage error**

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**

The over-coverage rate of the initial list of sampling units drawn from the sampling frame for SBS 2018 was 7.6%.

### **Sub-Concept 13.3.1.2: Common Units Proportion**

Not available.

### **Sub-Concept 13.3.2: Measurement error**

Not available.

### **Sub-Concept 13.3.3: Non-response error**

Non-response error is more prevalent among companies rather than self-employed. This is mostly due to data being unavailable to the respective companies or if the financial statements would be in the process of an audit.

### **Sub-Concept 13.3.3.1: Unit non-response**

The unweighted response rate of the questionnaire by the time SBS 2018 was finalised was 55.2%. The lower response rate is attributable to the COVID-19 pandemic, resulting to lower efforts in chasing businesses during such sensitive moments. The units which did not manage to submit their results on time were replaced with information from administrative sources. Consequently, the turnover-weighted unit response rate for SBS 2018 (including data from administrative sources which were equally accurate) was 78.3% (i.e. a weighted non-response rate of 21.7%).

### **Sub-Concept 13.3.3.2: Item non-response**

Not available.

### **Sub-Concept 13.3.4: Processing error**

Not available.

### **Sub-Concept 13.3.5: Model assumption error**

Not available.

## **CONCEPT 14 – TIMELINESS AND PUNCTUALITY**

### **Sub-Concept 14.1: Timeliness**

SBS is provided at T+18 months.

### **Sub-Concept 14.2: Punctuality**

SBS 2018 was delivered to Eurostat on time.

## **CONCEPT 15 – COHERENCE AND COMPARABILITY**

### **Sub-Concept 15.1: Comparability – Geographical**

The data are comparable across other EU countries due to common definitions and methodology of data.

### **Sub-Concept 15.2: Comparability**

2009-2018.

### **Sub-Concept 15.3: Coherence – Cross Domain**

In general, SBS data follows the same trends as Short-term statistics, Business registers, and National accounts. Differences in outputs can occur mainly due to diverging objectives.

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

Preliminary SBS is transmitted to Eurostat at T+10 months. The discrepancy between the SBS at T+10 and T+18 may be traced to the difference in data availability, both in terms of administrative sources and in terms survey data.

#### **Sub-Concept 15.3.2: Coherence – National Accounts**

Data of the production approach to GDP in National Accounts should match those of the SBS except for any exhaustiveness adjustments.

#### **Sub-Concept 15.4: Coherence – Internal**

Computed fields are consistent across all years.

## **CONCEPT 16 – COST AND BURDEN**

Around 5,300 questionnaires were sent out by post. The SBS Unit is constantly seeking ways to reduce administrative burden primarily by shortening the questionnaire for specific groups and replacing the answers of several questions using available administrative information.

## **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.

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

SBS data are scheduled for review at T+30 months and transmitted to Eurostat. After such review exercise, data are considered final.

## **CONCEPT 18 – STATISTICAL PROCESSING**

### **Sub-Concept 18.1: Source data**

SBS data are collected through a statistical survey. The sampling strategy adopted for the reference year is the Neyman Allocation of counts per strata. The stratification variables are based on NACE Rev. 2 (mostly at two-digit level); employment size classes (0-1, 2-9, 10-49, 50-249, and 250 and over); and Turnover Quartiles. The sampling frame is based on the Business Register.

### **Sub-Concept 18.2: Frequency of data collection**

The data are collected on an annual basis except for certain series which are requested on a multi-annual basis.

### **Sub-Concept 18.3: Data Collection**

SBS is a paper questionnaire posted to all relevant enterprises in the sample. If questionnaires are undelivered, the address of the enterprise at hand is checked and if updated, the questionnaire is re-sent. Non-respondents are chased when the deadline is approaching, and reminder letters are sent. Data on credit institutions is compiled by the Central Bank of Malta and transmitted by the NSO.

### **Sub-Concept 18.4: Data Validation**

The NSO validates the data before they are published. In general, at the vetting stage, the data are checked for the most obvious mistakes or for item non-response and compared with the financial statements. In addition, the information provided is analysed and compared to previous years for any significant fluctuations. A number of logical checks are carried out through the use of the application software which shows the validations needed to be checked or confirmed.

### **Sub-Concept 18.5: Data Compilation**

In case of non-response, an administrative source is used to replace the questionnaire information. In the absence of administrative data, cold-deck imputations are normally applied for some strata. The weighting structure is based on NACE Rev.2 (predominantly at two-digit level), employment size classes, and turnover quartiles. All information received is compared to the Financial Statements (where available) and to administrative sources, when available. Queries that require checking or confirmation are clarified with respondents and contact is usually made by email or by telephone.

**Sub-Concept 18.5.1: Imputation**

Imputations are carried out based on an administrative source and, in some cases by applying cold-deck imputation methods (for both unit and item non-response). In some cases, large enterprises are checked with financial statements when available or with various administrative sources. Alternatively, if no information from administrative sources or past years is available for item non-response in key variables, the sector and the size of the unit in question are considered, and an intelligent hot-deck imputation method is applied.

**Sub-Concept 18.6: Adjustment**

Not applicable.

**Sub-Concept 18.6.1: Seasonal Adjustment**

Not applicable.

**CONCEPT 19 - COMMENT**

No further comments.

## **ANNEX A**

*Table 1.*

*Coefficient of variation (CV) for variable 12150 (Value Added at Factor Cost) at NACE 2-digit level for NACE Rev.2 Sections B to J and L to N and Division S95:*

<b>Economic Activity (NACE Division)</b>	<b>Coefficient of variation (CV)*</b>
8	2.1
9	1.4
10	5.7
11	2.1
12	0.0
13	4.8
14	4.2
15	0.2
16	2.2
17	1.3
18	6.2
19	0.0
20	1.6
21	2.6
22	2.6
23	1.8
24	1.9
25	4.0
26	3.0
27	2.2
28	2.4
29	3.1
30	2.2
31	3.6
32	7.2
33	5.1
35	2.1
36	5.3
37	1.1
38	2.4
39	1.6
41	4.1
42	2.7

43	4.9
45	7.4
46	7.5
47	6.0
49	7.5
50	3.5
51	2.5
52	4.3
53	4.6
55	4.6
56	3.6
58	2.3
59	3.8
60	2.4
61	3.3
62	8.6
63	2.6
68	5.6
69	5.3
70	5.3
71	8.8
72	2.0
73	6.6
74	4.4
75	1.5
77	7.8
78	2.4
79	4.8
80	2.3
81	5.7
82	3.5
95	2.3

**\*CV is calculated as a numeric value of the value added rounded to one decimal place.**