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FRAME OF ACTIVE ECONOMIC ENTITIES

Business register for statistical purposes

Business statistics are compiled on the basis of the data <u>economically active entities</u>. However, not all economic entities recorded in the legal registers are necessarily active. In order to produce business statistics, Statistics Estonia keeps a business register for statistical purposes. Its data are obtained from the commercial register, non-profit associations and foundations register, register of taxable persons, and state register of state and local government institutions. In addition to legal registers, other data sources are used, such as the data of the Estonian Tax and Customs Board as well as statistical and financial reports, etc.

In the business register for statistical purposes, <u>statistical units</u> for producing official statistics are specified, economic entities on the basis of international standards are classified, and economically active entities are identified. Entities are considered to be economically active if, in a given year, they have shown signs of activity: turnover, paid employees, investments. 'Signs of life' indicating economic activity identified from other sources are also taken into account.

Initial frame of active economic entities

All entities registered in Estonia are entered into the business register for statistical purposes. However, unlike legal registers, the statistical business register provides a frame of active economic entities for each year, comprising only the entities that were active in a given year, including those that were active only for a certain period of the year. The frame of active economic entities (also referred to as the statistical profile) compiled by **November of each year** is used as the frame for the annual statistics for that year and for the short-term statistics for the following year, from which samples are drawn.

The data for the frame of economic entities are published in the statistical database in the January of the following year to provide users with information on the previous year as soon as possible. The frame of entities compiled by November does not include data for the whole year and is therefore referred to as the initial frame of active economic entities.

Final frame of active economic entities

The quality and coverage of administrative data sources used to update the statistical register have increased. Therefore, a final frame of active economic entities can be compiled in official statistics by **November of the year following** the reference year when most of the annual data are available. This frame is used to produce annual business statistics, such as business demography statistics, structural business statistics (annual economic indicators of enterprises), etc.

The final frame of active economic entities was compiled for the first time for the year 2021.

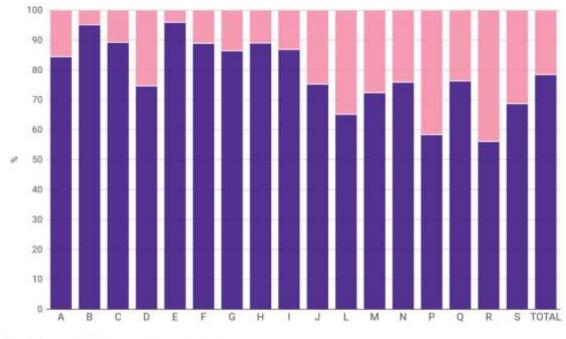
Difference between initial and final frame of active economic entities

Unlike the initial frame, the final frame covers entities that were active during the calendar year, including those that were only active in the final months of the year. The main source for updating the frame of active economic entities are annual reports. These can also be used to identify the 'signs of life' indicating economic activity of micro-enterprises, i.e. enterprises that are not registered for VAT (annual turnover up to 40,000 euros) and have no paid employees and for which no other sources of information are available.

In 2021, for instance, small enterprises were added to the final frame of active economic entities mainly in service activities. The share of these enterprises in economic indicators such as turnover is not very high.

Figure 1. Economically active enterprises by economic activity (EMTAK 2008), 2021

STATISTICS



Initial frame Added to the final frame



