Improving Statistics Development in Ukraine 2021

OECD

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Preface

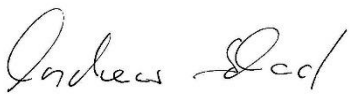
High-quality, reliable and meaningful statistics are a critical component of evidence-based policy. They are pivotal for making informed policy decisions, and for monitoring and evaluating policy implementation. Moreover, by contributing to transparency and accountability, statistics can improve the functioning of democratic processes. The COVID-19 crisis has reminded us all how important quality statistics are. The need for data consistent with the realities we aim to measure cannot be better exemplified, as they can be the basis for critical decisions that can affect hundreds of thousands, even millions, of lives. Never have we been surrounded by so many figures and charts than in the past 18 months, as policy-makers struggled with the pandemic and its economic impact, relying on the best available data to design, compare, monitor and adjust policy responses.

The OECD has longstanding experience in developing international standards for quality statistics. The Recommendation of the OECD Council on Good Statistical Practice is a pivotal instrument and reference for assessing national statistical systems. Collecting, storing, using and disseminating quality statistics lie at the heart of the Organisation's mission, which entails providing independent policy advice grounded on facts and data, developing far-sighted analytical work on a wide range of broad policy areas, and delivering valid, reliable indicators enabling international comparisons and policy-making.

Moreover, cross-border statistical co-operation helps ensure that national statistics are harmonised across countries and thus more readily interpreted by internal and external observers. This facilitates benchmarking, policy dialogue and policy learning. The OECD, its member states and Ukraine all recognise the importance of sharing the values, tools and best practices leading statistical systems. Such co-operation is all the more important at a time of rapid social, economic and technology change, as policy-makers work to fill gaps in "traditional" statistical systems – e.g. by producing more and better data on issues like gender and the environment – and to adapt to such phenomena as "Big Data", realising the potential of the digital transformation while addressing privacy and other risks.

The OECD thus works closely with members and partners to develop standards, systems and processes to ensure the quality and reliability of collected statistics. Improving statistics development across the globe can help OECD members and partners alike generate quality data on which better policies must be in order to deliver better lives for citizens.

Andreas Schaal, Director of Global Relations, OECD



Ihor Verner, Chair of the State Statistics Service of Ukraine

Haim Assaraf, Ambassador of Israel to the OECD

Aleksander Surdej, Ambassador of Poland to the OECD

Foreword

The project Improving Statistics Development in Ukraine in 2021, conducted by the OECD with the financial and intellectual support of Israel and Poland, has supported the State Statistics Service of Ukraine (SSSU) in its ongoing efforts to improve the collection, analysis and dissemination of data through the adoption of international standards and good practices. The work was undertaken at the request of the Secretariat of the Cabinet of Ministers of Ukraine, which oversees the SSSU, and carried out in the framework of the OECD-Ukraine Memorandum of Understanding, signed in 2014 and recently extended until 2025. Throughout 2021, the project delivered three capacity-building webinars based on OECD know-how and drawing on the expertise of the Israel Central Bureau of Statistics and Statistics Poland.

This booklet presents the key takeaways of the project's capacity-building webinars, which focused on selected topics of interest requested by Ukraine, including: (i) methods, good practices and recommendations to develop SME statistics at national, regional and local levels, (ii) development of questionnaires and surveys, and (iii) calculation of enterprise demography indicators.

The project was managed by Francesco Alfonso, Economist, under the supervision of Gabriela Miranda, Country Manager for Ukraine, and William Tompson, Head of Eurasia Division. The booklet was prepared by Peline Atamer, Yaroslav Kroutchinin, Geoff Upton and Yustyna Zanko, all Policy Analysts from the OECD Eurasia Division, on the basis of contributions from OECD colleagues in other directorates to whom we are grateful: Sandrine Kergroach, Head of SME and Entrepreneurship Performance, and Paolo Veneri, Head of the Statistics and Territorial Analysis Unit, from the OECD Centre for Entrepreneurship, SMEs, Cities and Regions, Philip Chan, Analyst, from the Statistics and Data Directorate, and Mariarosa Lunati, Senior Advisor in the OECD Global Relations Secretariat. Thanks are also due to Ksenia Lytvynenko and Anna Alekseeva, policy analysts in the OECD Eurasia Division, for their contribution to early stages of the project, as well as to William Tompson, Francesco Alfonso and Gabriela Miranda for the comments and revisions to this draft. Logistical and editorial support was provided by Elisa Larrakoetxea, Project Administrator in the OECD Eurasia Division.

The OECD thanks the governments of Israel and Poland for their financial support, as well as experts from their national statistical offices who participated in our webinars and shared their expertise, namely: Riki Kadury, Head of the Science and Technology Section, Michal Nir, Survey Methodologist, Agnes Topiol of the Business Register Division, and Lior Zisman, Head of Business Register Section, all from Israel Central Bureau of Statistics; and Piotr Łysoń, Director of the Social Surveys Department, Paweł Szymankiewicz, Consultant at the Programming and Coordination of the Statistical Surveys Department, and Katarzyna Walkowska, Head of Enterprises Department, from Statistics Poland. We also thankful to our Ukrainian partners at the State Statistics Service of Ukraine, particularly Mr Vadym Pishcheiko, and at the Secretariat of the Cabinet of Ministers, Oleksandr Melnychenko and Kateryna Penkova, for their strong collaboration and commitment to this work.

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Key takeaways

First webinar: methodology for compiling statistics to analyse the development of small and medium-sized enterprises (SMEs), including at regional and local levels

SME statistics at national and sub-national levels are used to analyse business dynamics, which play a central role in market economies. Understanding the characteristics and potential of businesses that populate the economy, in different sectors of activity and over time, and the extent to which they contribute to job creation and reallocation are central for economic policy. Developing such statistics requires an adequate organisation, as well as specific processes and tools. Collecting and analysing SME statistics can pose a number of challenges. At the sub-national level in particular, the study of business dynamics faces the challenge of the "headquarters bias", resulting in employment data allocation to headquarters' locations rather than locations where economic activity actually takes place. Though the distortion mainly affects large firms, it also has an impact for SMEs as larger SMEs can be directly affected. The headquarters bias also means that industrial organisation choices affect the numbers, and can distort the entire enterprise and employment demographics of a region or locality. It can notably skew statistical analyses of SME contribution to employment at the sub-national level, or the effect of new job creation on employment. This is why the headquarters bias is a major obstacle to a refined understanding of business dynamics across regions, while such understanding is pivotal to the development of sound SME and entrepreneurship policies that can contribute to both regional development and aggregate growth. Methodological approaches to develop quality enterprise statistics and overcome challenges such as the headquarters bias are therefore essential.

The OECD provides a number of useful tools and indicators on businesses statistics. The OECD Scoreboard on SME and entrepreneurship finance provides a comprehensive framework for monitoring SMEs' and entrepreneurs' access to finance over time. The OECD Territorial Grids present the maps of the territorial levels of Member countries used in the OECD classification; they are used in the OECD Regional database, which contains statistical information on demography, economic accounts, labour market, education, social and innovation themes at sub-national levels in OECD countries.

Good practices and key considerations for data collection

- National statistical offices typically rely on business registers to compile business demography indicators. The Israeli Business Register (IBR), for example, gathers data from several administrative documents provided by Tax authorities and the National Insurance Institute. The Polish Statistical Business Register (SBR), on the other hand, is updated with the information gathered through statistical surveys, in addition to administrative data from other sources.
- The case of Poland shows how different methods can be needed to target different enterprise populations. Due to the large size of the business population and in order to reduce the burden on respondents and survey costs, Statistics Poland conducts an annual *sample* survey for enterprises with fewer than 10 persons employed, and an annual *census* survey for enterprises with ten or more persons employed.

- Qualitative data collected can include names, identifiers, address, contact details, and main activity description, while quantitative data can include information on the number of employees, labour costs, revenues, turnover, exports value of goods, and total balance sheets.
- Using unique firm identifiers across sources is pivotal to enable data collection and aggregation. Poland, for example, uses a unique statistical number (REGON) as well as the Tax Identification Number, whereas Israel uses a "smart ID", consisting of a single 9-digit number, across administrations.
- Depending on policy focus or features of the national economy, specific aspects of the business population and entrepreneurial activity can be investigated further. For instance, in relation to its positioning as a "start-up nation", Israel looks closely at start-ups, international R&D centres, and fintechs, organising dedicated data collection initiatives for them.

Good practices and key considerations for data analysis

- Key business demography indicators include, in particular, the number of active businesses, births and entries, deaths, survival rates, reactivation, and growth.
- Definitions of firm size can be based on average annual employment, annual net turnover from sales and financial operations, and/or total assets.
- The new EU regulation on the European Business Statistics (EBS) introduces changes to the definitions of the variables to create a better link between variables and accounting principles and to ease data identification in financial statements. Shorter definitions also enhance understanding and accuracy, and enable better distinction between variables.
- While stability in the methods and definitions used help with identifying long-term trends and developing long series, statistical tools and techniques also need to evolve to detect and understand structural changes in the economy.
- The OECD recommends using indicators based on the location of headquarters (enterprise approach) for measuring firm dynamics, and to use indicators based on the location of plants (establishment approach) for measuring employment dynamics. As an alternative to these two methods, *ad hoc* analyses of micro-data can also be performed.

Cross-cutting considerations

- EU regulations, including on the European Business Statistics (EBS), provide guidelines and methodologies that help develop more relevant, consistent and comparable business statistics.
- SME statistics can be very helpful in the context of fast-changing environments. During the COVID-19 pandemic, short-term surveys have been extensively used to understand the consequences of lockdowns on businesses.
- In the broader perspective of SME policy, the OECD has developed the "6+1 analytical framework" for evaluating SME and entrepreneurship performance. The first three pillars of the framework consider the business environment, including: institutional and regulatory frameworks, market conditions, and infrastructure. The next three pillars concern SME capacity and opportunities to access strategic resources: access to finance, access to skills, and access to innovation assets. The final "+1 pillar" corresponds to the governance of SME/entrepreneurship policy, which affects and co-ordinates all the other pillars.

Second webinar: methods and standards for developing questionnaires and surveys

Well-designed questionnaires and surveys are a key instrument for data collection. The topic of questionnaire and survey development is of particular importance for the State Statistics Service of Ukraine due to the transition to the Generic Statistical Business Process Models (GSBPM) in 2019, along with the creation of a separate process of data collection. The development of quality questionnaires and surveys depends on a number of organisational and technical factors, including planning, design and testing, sample selection and quality control. Following international standards can help ensure data quality and comparability.

The OECD offers a range of tools and guidelines for ensuring international comparability of data. The OECD Short Term Indicators provide examples on the compilation of internationally comparable economic datasets of short-term economic indicators. The OECD Handbook for Business Tendency Surveys constitutes an implementation guide on design and methods and presentation and implementation of results. The Data Quality Framework for OECD Statistical Activities provides a systematic mechanism for ongoing identification and resolution of quality problems. It also gives increased transparency to the processes used by the OECD to assure quality. This Framework is based on collaboration among the IMF, Eurostat, Statistics Canada and other national statistical offices.

The OECD also provides important analytical products for international comparisons, such as the Consumer barometer, which allows to gauge consumer confidence on a global scale, and the Composite Leading Indicator, which is mostly derived from the Main Economic Indicators. The OECD Main Economic Indicators database provides real-time comparable data including balance of payments, international trade and labour market statistics for OECD Members and Key Partners.

Selection of international standards for data comparability

- The OECD uses the International Standards Industrial Classification (ISIC), Rev.4, for industrial statistics.
- The Joint Harmonised EU Programme of Businesses and Consumer Surveys can provide useful guidance for harmonised data, including beyond the EU. The OECD, for example, uses its definitions for household- and enterprise-level statistics.
- The International Monetary Fund (IMF) provides guidelines for financial statistics in sub-domains, such as monetary aggregates.

Good practices and key considerations on questionnaires and surveys development

- Institutional framework: large surveys and questionnaires used for national data collection campaigns are usually developed in the framework of clear institutional and organisational settings, as they require specific and consistent processes and tools. In Poland, the Law on Official Statistics provides the basis for the annual programme of statistical surveys of official statistics. In Israel, surveys are administered by a dedicated survey department within the Israel Central Bureau of Statistics.
- Survey development: the process typically involves drafting a first version of the survey instrument that is reviewed and tested before it is used on a large scale. The process itself needs to rely on robust methods and practices, as regards for example, the unification and standardisation of questions and the use of adequate proxies. Testing is a critical step. In the case of Poland, testing is planned ahead and carried out several months before the beginning of data collection, and reports from the testing are sent to the designers of IT applications connected to the web

questionnaire and to the survey co-ordinators to carry out the improvements needed. The testing phase can also include a pilot questionnaire administration to test “real-life” conditions.

- Quality control: quality control is required at all stages, from the beginning of the development process to the data analysis phase. The cost of statistical error can be very high, as it can lead to limited usability of data. Quality control frameworks can thus be very useful to limit and manage errors. Israel relies on TSE-Total Survey Error framework, a paradigm that provides the conceptual framework for optimizing surveys by maximising data quality within budgetary constraints. In the case of Israel, this framework is used to achieve Total Survey Quality, which involves relevance, accuracy and reliability, timeliness and punctuality, coherence and comparability, accessibility, and clarity.

Highlights from the case study of the Household Budget Survey in Poland

- Four main methods are used for this type of survey:
  - CATI: Computer-Assisted Telephone Interviewing (most used method since COVID-19)
  - CAWI/CAII: Computer-Assisted Web/Internet Interviewing
  - CAPI: Computer Assisted Personal Interviewing (suspended due to COVID-19)
  - PAPI: Paper and Pencil Interviewing (suspended due to COVID-19)
- Sample selection is done in two stages: the first is the primary sampling units (PSU) based on the records of statistical areas designed for the Census. The second stage focuses on addresses of dwellings, based on the registers of inhabited dwellings in the selected PSU. At the second stage, dwellings for both basic and reserve samples are selected.
- Two questionnaires are administered: a first questionnaire about the recruitment process, and used to collect data on the type of dwelling, its conditions and the characteristics of the residential area. A second questionnaire is used to collect characteristics about social demographics of households and a subjective self-evaluation of living conditions for those who participate.
- In addition, a “household budget diary” is used to record main daily expenditures.
- Household Budget Surveys results are used as a basis for further analyses by bodies such as Statistics Poland, governmental institutions, international organisations, universities, mass media, and private users. For example, results can be used for the analysis of living conditions, their changes over time, for setting the minimum wage level, for poverty measurement, and for the analysis of social benefits.

Third webinar: methodology for calculating enterprise demography statistics

Statistics on business demography cover births and deaths of enterprises, their life expectancy and their role in economic growth and productivity performance. Entrepreneurship is an essential instrument for improving competitiveness and promoting economic growth and job creation. Since entrepreneurial dynamism can be revealed through analysis of business demography statistics over time, there is strong demand from policy-makers and analysts for sound and comparable enterprise demography indicators across countries. Such indicators can facilitate studies of entrepreneurship and growth, and, ultimately, help policy-makers to formulate and implement better policies. Different enterprise demography indicators stem from the divergent conditions and legal frameworks on which the production of business statistics is based at the country level. Moreover, the methodologies for calculating enterprise demography statistics are not always well harmonised at the national level. Thus, co-operation among national statistical offices, as well as all relevant stakeholders at country, regional and global levels, is crucial to address these challenges and promote good practices among countries with respect to methodologies for calculating business demography statistics.

The OECD provides a number of useful tools and approaches for calculating enterprise demography statistics. In particular, the Eurostat-OECD Manual on Business Demography Statistics outlines a common methodological framework for business demography statistics and sets out a series of indicators that are essential for comparability of entrepreneurship across OECD and EU countries. The Facebook-OECD-World Bank Future of Business Survey is an innovative example of co-operation between international organisations and the private sector in the field of enterprise data development and collection.

Good practices and key considerations for methodological alignment on quality standards

- National statistical offices should use a standardised methodology and closely co-operate with each other while calculating business demography statistics, in order to ensure cross-country comparability of the data.
- The co-operation of statistical offices with other public institutions, the private sector and international organisations can help them address a wider range of data-related questions and access alternative sources of data, particularly for solving short- and medium-term needs. This, however, implies trade-offs between availability on the one hand, and reliability of samples and representativeness of the data collected on the other.
- International standards should be referred to when they are available (e.g. for the definition of SMEs, employment, value added, turnover, etc).
- When a change in the definition of an indicator occurs, statistical offices should ensure that they have all the relevant information for the new indicator, before adjusting their calculations to fit the new definition.

Good practices and key considerations for data collection

- Questions in business surveys should be formulated in such a way as to allow comparison over time, across countries, and between surveys.
- Data sources for business demography statistics are typically statistical business registers and administrative data sources, such as tax information and social security, and annual and short-term surveys.
- For basic Business Demography statistics, the key data source is social security data, which provides information on the activity, death and birth of enterprises. Microdata can be used to link legal units from the business register to statistical surveys and administrative data.
- Alternative data sources complement official statistics produced by national statistical offices, in particular with respect to data that are very costly to measure through official statistics systems. In this regard, the use of new data sources such as big data can be explored.

Good practices and key considerations for data analysis and dissemination

- Databases for business demography statistics can be constructed based on “annual frozen snapshots of year t”. It should be taken into consideration that reports on termination of business activity are only reliable as of the second half (June) of the following year (t+1), because they are normally submitted late and often retroactively.
- There are different approaches to building quarterly and annual Business Demography statistics, including with respect to high-growth enterprises, and methodologies should be adjusted accordingly.

Cross-cutting considerations

- Comparable business statistics facilitate the evaluation of entrepreneurial dynamics and economic activity in various contexts. For instance, they have been used to analyse the impact of the COVID-19 pandemic on enterprises' structural and demography patterns.
- Developments in the national economy might stimulate demand for the development of enterprise demography statistics that have a specific focus. For example, a comprehensive representation of start-ups in official statistics has followed Israel's emphasis on the "start-up nation".
- Compliance with European regulation on business statistics can sometimes be challenging, due to methodological differences in constructing indicators.

Appendix

Annex A: Agenda and detailed proceedings of the 1st webinar

Agenda, 27 April 2021

Please note that the timing below is based on Kyiv, Ukraine time zone (GMT+2)

10.50 - 11.00	*Online access to the virtual workshop*
	Introduction and moderation by Mr **Bill Tompson**, Head, Eurasia Division, OECD
11.00 - 11.15	**Opening Statements**
	• H.E. Mr **Bartosz Cichocki**, Ambassador Extraordinary and Plenipotentiary of Poland to Ukraine • H.E. Mr **Joel Leon,** Ambassador Extraordinary and Plenipotentiary of Israel to Ukraine • Mr **Vadym Pishcheiko**, Advisor to the Chair, State Statistics Service of Ukraine
Session 1 – Introduction, challenges and approaches to develop regional and sub-national SME statistics	
11.15 – 12.00	*The OECD will open the webinar stressing the importance of good quality, internationally comparable statistical data to analyse entrepreneurship and business dynamics, and the importance of sub-national indicators to inform economic policies. The session will shed light on the existing challenges in producing timely and comparable statistics on firm dynamics at the subnational level. In the second part of the session, the OECD will present the measurement framework used to monitor SME and entrepreneurship performance, as well as the business environment in which firms operate. The session will highlight the various areas to cover and challenges to face to inform SME and entrepreneurship policy makers.* • Mr **Paolo Veneri,** Head of the Statistics and Territorial Analysis Unit, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD • Ms **Sandrine Kergroach**, Head of the SME and Entrepreneurship Performance, Policies and Mainstreaming Unit, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD ***Q&A session with webinar participants***
Session 2 – Methodologies for compiling, analysing and disseminating SME statistics in Ukraine	

12.00 – 13.00	*Experts from Statistics Poland will present methodologies and best practices for developing statistics about the SME sector. This session will shed light on the statistical definitions, data sources for national and European data requirements and indicators used in the production of SME statistics. In addition, experts will present good practices in the dissemination of statistical information about the SME sector.* • Ms **Katarzyna Walkowska,** Head of Enterprises Department, Statistics Poland *Practical examples presented by Poland and Q&A session with webinar participants*
13.00 – 14.00	*Experts from the Israel Central Bureau of Statistics will make a presentation on the work that the ICBS undertakes to tackle SME statistics. The presentation will have a focus on specific types of SMEs. This session will shed light upon the statistical definitions, data sources, data requirements and indicators used in the production of SME statistics.* • Ms **Agnes Topiol,** Israel Central Bureau of Statistics, Business Register Division *Practical examples presented by Israel and Q&A session with webinar participants*

Closing remarks and next steps

14.00 - 14.15	• H.E. Mr **Haim Assaraf**, Ambassador and Permanent Representative to the OECD, Israel • Mr **Dominik Rozkrut**, President, Statistics Poland • Ms **Gabriela Miranda**, Senior Policy Analyst and Head of Ukraine Unit, OECD

Detailed proceedings

Overview

The capacity-building webinar *Methodology for compiling statistics to analyse the development of small and medium-sized enterprises (SMEs), including at regional and local levels* was the first of the three webinars organised within the project *Improving Statistics Development in Ukraine in 2021*, implemented with the financial and intellectual support from Poland and Israel.

The aim of the webinar was to contribute to the development of statistics for more evidence-based SME policy-making in Ukraine, and to improve data comparability with the OECD member countries. The webinar focused on the methodology for compiling statistics to analyse the development of small and medium-sized enterprises. Building upon the recommendations developed in the Compendium of Enterprise Statistics in Ukraine 2018, this workshop aimed at sharing the best practices and methodologies in the development of structural business statistics in Ukraine. The webinar shed light on the development, production, and dissemination of SME business statistics, including at subnational level with particular reference to the latest European Standards.

Following the opening remarks, the OECD experts from the Centre for Entrepreneurship, SMEs, Regions and Cities, OECD highlighted the importance of good quality, internationally comparable statistical data to measure and benchmark SME and entrepreneurship performance and why sub-national indicators are important to measure business dynamics for regional development.

During the second session, experts from Statistics Poland and Israel's Central Bureau of Statistics presented methodologies and best practices for developing statistics about the SME sector.

The concluding remarks wrapped up the discussions and provided an overview of the main highlights and way forward to develop SME statistics in Ukraine.

Opening remarks and introduction

The seminar was moderated by **Mr Bill Tompson**, *Head of the Eurasia Division, OECD.*

Opening remarks were delivered by **H.E. Mr Bartosz Cichocki,** Ambassador Extraordinary and Plenipotentiary of Poland to Ukraine. Ambassador Cichocki highlighted the importance of co-operation between Poland, Israel, and the OECD to improve statistics development in Ukraine. The Ambassador reminded that Poland was the first donor of the OECD Eurasia Competitiveness Programme. He also reaffirmed the Poland's commitment to supporting the region's development, and statistics development in Ukraine, in particular.

H.E. Mr Joel Leon, Ambassador Extraordinary and Plenipotentiary of Israel to Ukraine, greeted the participants and acknowledged the significance of the partnership between the OECD and Israel to improve statistics development in Ukraine.

Mr Vadym Pishcheiko, *Advisor to the Chair at the State Statistics Service of Ukraine*, welcomed the participants and expressed his gratitude to the OECD, Poland, and Israel for supporting the State Statistics Service of Ukraine in its efforts to align with European standards. Mr Pishcheiko noted that UkrStat will undertake the third global assessment from Eurostat in 2021, and many actions remain to be undertaken to improve statistics development in the country.

Session 1: Introduction, challenges, and approaches to develop regional and sub-national SME statistics

The first session began with a presentation on ***Measuring Business Demography for Regional Development*** delivered by **Mr Paolo Veneri**, *Head of the Statistics and Territorial Analysis Unit in the OECD Centre for Entrepreneurship, SMEs, Regions and Cities*. In his presentation, Mr Veneri referred to the ongoing project conducted by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities since late 2016, which has sought to develop indicators to measure business demography at the sub-national level.

Mr Veneri started his presentation by stating that firm dynamics are a regional phenomenon – there is a large variation in firm birth rates both between and within countries. Mr Veneri identified the spatial heterogeneity in business activity and lack of cross-country comparable data sources and indicators at the subnational level as the main motivation for conducting the project. Mr Veneri noted that this project aims to create a database of business demography at the regional level. He stressed that while developing this project, the team builds upon existing cross-country databases at the national level, based on the Eurostat-OECD Manual on Business Demography Statistics (2007) and the OECD-Eurostat Entrepreneurship Indicators Programme (2006), and the Eurostat regional database at the sub-national level.

The issue of harmonisation of data across multiple sources was highlighted, stemming from differences in definitions between countries and the so-called “headquarter bias”. Here, Mr Veneri highlighted that indicators based on the location of headquarters (enterprise approach) are better suited to measure firm dynamics, while indicators based on the location of plants (establishment approach) are more suitable for examining employment in business.

Mr Veneri listed the main indicators collected in the enterprise database, which included the number of active firms, birth/death/survival rates of firms, as well as some employment indicators. Mr Veneri stressed that the most important aspect is the geographic dimension, and the team has been using the classification of large (TL2) and small (TL3) regions, according to the OECD Territorial Grid. Mr Veneri noted that the project covers data from 2007 to 2018 (approximately). The key findings of the project highlight that:

- On average, new firms constitute around 11% of all firms, but there is a substantial regional variation. New firms are concentrated in urban and most productive regions. Higher dynamics of firms is associated with a number of characteristics, such as better local governance, more developed research and development infrastructure, lower financing constraints, and a more educated labour force.
- Business births create around 3.2% of new jobs. In small regions, this share can be higher.
- Enterprise approach is susceptible to bias from a region’s actual share of national employment.

Mr Veneri presented his findings showing that firm creation rates and net firm creation rates were higher in metropolitan regions. Capital regions are also particularly dynamic.

A list of regional factors influencing business dynamics across OECD countries was provided, such as the quality of institutions, EU Cohesion funds in case of the EU countries, credit constraints, and human capital and innovation. Mr Veneri highlighted that the quality of local governance is positively correlated with firm creation. The OECD stressed that the challenge of having regional level breakdowns remains, with a particular difficulty in having a breakdown in size and sector. The main research and findings of this project are presented in the OECD publication. The Geography of Firm Dynamics: Measuring Business Demography for Regional Development.

Ms Sandrine Kergroach, *Head of the SME and Entrepreneurship Performance, Policies and Mainstreaming Unit in the OECD Centre for Entrepreneurship, SMEs, Regions and Cities* presented the OECD's approach to the determinants of SME performance and how it monitors the SME business environment. Ms Kergroach reminded the audience that SME productivity is important as it directly relates to job creation, wages, capacity to grow and innovate, and ultimately to the economic contribution of the enterprises. The expert highlighted that the number of enterprises has significantly increased in the period between 2008 and the onset of the COVID-19 crisis in many OECD countries. Over this period, some countries (the UK, France) saw the number of start-ups double, driving job creation. At the same time, Ms Kergroach emphasised that the new jobs were created primarily in low productivity sectors: for example, since 2010, around 90% of new jobs created in France were in low-wage sectors, 75% in the US, 66% in Germany and the UK.

While pointing to the widening productivity gap between small and large firms, she also stressed that between 2010 and 2016, the contribution of SMEs to the value added created in knowledge-intensive services increased, and that in most countries there are SMEs that outperform large firms and are taking the lead in digital-intensive sectors.

Ms Kergroach presented the "*6+1 analytical framework*" to use to evaluate SME and entrepreneurship performance. The first three pillars consider the business environment and include:

- **Institutional and regulatory framework** – taxation, competition policy, regulation effectiveness and appropriateness to SMEs, existing laws and work of courts, land and housing policies, public administration.
- **Market conditions** – domestic market, capacities to integrate into global markets, capability to access public procurement, trade, and investment opportunities.
- **Infrastructure** – digital / transport / energy infrastructure, capability to deliver to the final user market.

The next three pillars, mentioned by Ms Kergroach, concern the SMEs capacity and opportunities to access strategic resources, including:

- **Access to finance** – self-funding, credits, alternative instruments, the overall functioning of the financial system.
- **Access to skills** – training and education, adult literacy, entrepreneurial culture.
- **Access to innovation assets** – capability to access data, technology, networks, R&D, and organisational business model processes.

The last "+1 pillar" corresponds to the **SMEs and entrepreneurship policy governance**, which affects and coordinates all the other pillars.

Ms Kergroach emphasised the complexity of existing policy systems characterised by:

- High heterogeneity of SMEs with different trajectories and active in different sectors and geographical areas.
- Cross-cutting issues with different policy domains, and with different ministries / departments / agencies involved.
- Multilevel governance –to account for the influence of local ecosystems on SMEs and subnational policies.

Ms Kergroach stressed that such a complex policy space requires a whole-of-government approach to design effective SME policies, as well as building capacity and broadening the knowledge and evidence base.

Lastly, Ms Kergroach referred to the OECD Scoreboard, capturing trends in the state of financing SMEs and entrepreneurs, and announced a pilot phase of disaggregated data collection to be

launched in spring 2021. Ms Kergroach also mentioned the SME and Entrepreneurship Outlook, which is an OECD biennial review that uses the 6+1 pillars analytical framework, as well as the research infrastructure bringing together the indicators on SME&E performance, business conditions, policy repository, and analytical tools.

Session 2: Methodologies for compiling, analysing and disseminating SME statistics in Ukraine

Ms Katarzyna Walkowska, *Head of Enterprises Department at Statistics Poland*, opened the session by presenting the Law on Official Statistics of 29 June 1995 which remains the basis for the annual *Statistical Survey Programme of Public Statistics (PBSSP)* established by Statistics Poland in cooperation with ministries, National Bank of Poland, and other institutions. Ms Walkowska presented the Polish Statistical Business Register (SBR) that covers all entities conducting all kinds of activities, including the non-business sector (, financial entities, schools, non-profit organization etc.). All units in the SBR have a unique statistical number (REGON) as well as the Tax Identification Number. SBR is updated on the basis of statistical surveys and administrative data.

Ms Walkowska provided a general overview of the main surveys concerning non-financial enterprises conducted by Statistics Poland, including SMEs. These include: i) monthly reports on economic activity; ii) quarterly survey on revenues, costs, financial results and outlays on fixed assets; iii) annual survey of economic activity of enterprises (with specific methods of data collection depending on company size: a sample survey for enterprises with less than 10 persons employed and an annual census survey for enterprise with 10+ persons employed). Ms Walkowska explained that the criteria for determining the size of enterprises include the average annual employment, annual net turnover from sales and financial operations, and total assets.

Ms Walkowska provided more information about the *Annual sample survey of microenterprises*: the survey is based on a sample of 4%-6% of a population of around 110 000 units with up to 9 persons employed. The survey is based on a stratified sampling scheme in which the basic division into layers is determined according to the predominant kind of activity, regions, legal form, size class, and year of creation. The survey comprises data related to the basic information on the enterprise; number of persons employed and wages; fixed assets and intangible fixed assets, as well as the size and results of the activity. Ms Walkowska also presented the *Annual census survey of enterprises* with 10+ persons employed that covers the basic data about the enterprise, full balance sheet, full profit and loss account, and fixed assets and outlays.

Ms Walkowska emphasised that basic variables are published according to size classes, legal forms, the type of accounting records kept, the kind of activity, and the territorial division. Basic information on the structure and economic results are presented in the annual study “Activity of non-financial enterprises” containing all entities regardless of the size class and type of the accounting records kept. Regarding various databases used by Statistics Poland, Ms Walkowska highlighted BDL Local Data Bank, BDM Macroeconomic Data Bank, and DBW Knowledge Databases for Non-Financial Enterprises.

Ms Walkowska also mentioned that the *Annual survey of enterprise groups* covers both enterprise groups and legal entities included in them. The data collected through the survey is also used in the Statistical Business Register. Ms Walkowska also informed that since 2018, SBS data for Poland are elaborated on the basis of the statistical unit enterprise being equivalent to one or more units.

Ms Walkowska, emphasised that the main changes and challenges faced by Statistics Poland after the introduction of new EU regulation (Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing

10 legal acts in the field of business statistics) were : the requirement to collect provisional data on SMEs within 10 months of the reference period (including number of active enterprises, turnover, and number of employees), extending the NACE Rev.2 activity breakdown to the additional service sections, restructuring data requirements for the financial and insurance activities sector, as well as introduction of new triennial statistics on global value chains and international sourcing.

Ms Agnes Topiol, *expert from the Business Register Division of Israel Central Bureau of Statistics* (ICBS) made a presentation on *How ICBS tackles SMEs*, with a focus on specific types of SMEs. Ms Topiol began by noting that the SME population in Israel plays an important role in research, development and innovation, and provides products and services that can be sold abroad and thus overcome the limited size of the domestic market in Israel.

Ms Topiol provided a brief overview of the process of business statistics production in Israel. She highlighted that the Israeli Business Register (BR) is a pillar of the infrastructure to compile business statistics in the country. The BR is based on the data from several administrative documents provided by Tax authorities and the National Insurance Institute. Ms Topiol informed that administrative files are matched through a single legal ID (a 9-digit number).This is a “smart ID”, providing useful insight about the types of businesses, such as associations, foreign affiliates or branches, cooperatives, and regular businesses. Ms Topiol stressed that the BR is the main source of information on businesses, business demography statistics and the main source used to create sample frames and survey samples.

Ms Topiol emphasised that the types of qualitative data included in the BR (names, identifiers, address, contact details, main activity description etc.) are similar to other business registers compiled around the world. The Israeli BR also includes information on the Institutional Sector, which is calculated according to the System of National Accounts 2008, as well as business characteristics of the businesses of particular interest for Israel’s economic policy: start-ups, international R&D centres, fintechs, and others.

With respect to the quantitative data contained in the BR, Ms Topiol stated that the Israeli BR includes a similar set of indicators that is used in other countries. The information on the number of employees, labour cost, revenue, and free VAT revenue is updated monthly, while the data on turnover, exports value of goods, and total balance sheet are normally updated on a yearly basis.

Ms Topiol presented a list of short-term that rely on the information provided in the BR. Ms Topiol stressed that, in Israel, as in many countries, there is a focus on the topics linked to technology and globalisation. During the COVID-19 crisis, a great attention was paid to the results of the short-term survey on the consequences of lockdowns for businesses.

Later, Ms Topiol provided an overview of the main business demography indicators in Israel, which include the number of active businesses, births and deaths of businesses, business survival rate, and high growth businesses. She stressed that the SMEs are of particular importance for business statistics because the SMEs represent the large majority of businesses worldwide, they provide about 70% of the total workforce and represent more than half of the total value added in the European Union.

Ms Topiol provided a brief overview of the new EU regulation on the European Business Statistics (EBS) valid as of 1 January 2021. The EBS is a new regulation covering most fields of the business statistics with the aim to make them more relevant, consistent, and comparable. Ms Topiol noted that even though Israel is not an EU country, and as such, it is not bound by this regulation, it nevertheless pays careful attention to the EU statistical guidelines and methodologies to adopt the best practices and produce more comparable data.
Ms Topiol highlighted that Israel is often called a “start-up nation”, as it pays a lot of attention to technological development, innovation, and R&D. Ms Topiol explained that with the analysis of SMEs in the business register, ICBS tries not only not to distinguish companies based on their

size class, but also to consider other characteristics linked to the activity, the business model, and the technology used by enterprises. This would allow identifying more specific types of SMEs, and thus better target public policy to enterprises with a great potential for development, for instance to entities engaging in economic activities related to online marketplaces, fintech, or factoryless good producers.
The underlying logic that underpins this effort is that while, one the one hand there is a need for stability in the methods and definitions used in compiling business statistics, on the other hand statistical tools and techniques need to evolve to detect and reflect the structural changes in the economy.
To build on this, Ms Topiol presented four types of specific SMEs:

- **Start-up** – usually an SME that is a result of entrepreneurship based on research and development. Startups are not yet mature businesses with a good or service ready to be marketed and do not carry out profit. The start-up activities are usually funded through capital raising.
- **International R&D centre** – an Israeli affiliate of a foreign multinational enterprise dedicated mainly to R&D activities.
- **Factoryless Good Producers (FGPs)** – a goods producer business which carries out R&D, marketing and sales of its goods and outsources completely the manufacturing process of the goods.
- **Providers of service through digital platforms** – all businesses that provide services directly or indirectly (through intermediaries) through a digital platform.

In conclusion, Ms Topiol stressed the importance of tackling SMEs statistics to support the policymakers in developing evidence-based innovative economic policies. She emphasised that it is crucial for all the countries to boost both employment and innovation in order to “build back better” from the COVID-19 crisis.

Concluding remarks and next steps

H.E. Mr Haim Assaraf, Ambassador and Permanent Representative of Israel to the OECD, gave a very positive assessment of the webinar, and thanked the OECD, and colleagues from Poland, Israel, and Ukraine for the good co-operation to implement the project *Improving Statistics Development in Ukraine*.

Mr Dominik Rozkrut, President of Statistics Poland, noted that the co-operation within this project is extremely important for Statistics Poland. He stressed that collaboration with the OECD allowed Poland to extend its engagement in multiple development projects. Mr Rozkrut expressed particular appreciation for the opportunity to co-operate with the colleagues from the ICBS. He also emphasised that statistics development is crucial to ensuring the right to the truth, considered as a basic human right.

Ms Gabriela Miranda, Senior Policy Analyst and Head of Ukraine Unit, OECD, concluded the webinar by thanking Israel and Poland for their financial and intellectual support to the project, and all the participants for their attendance and contributions to the discussion.

Questions raised during the webinar

Question:

During the webinar, representatives from the *State Statistics Service of Ukraine* have asked the representative from *Statistics Poland* to provide further explanations on the changes to the definitions of the variables introduced as part of the new EU regulation on the European Business Statistics (EBS).

Answer:

In accordance with EBS, in most cases, the changes of the names of variables and the rewording of definitions does not change the economic meaning of the Structural Business Statistics (SBS) variables.

The changes were introduced to create a better link between variables and accounting principles, to ease data identification in financial statements, and to create cooperation with accountants. Shorter definitions are also useful to increase understanding and accuracy, and enable better distinction between variables.

This logic applies to the following EBS variables:

- *240202 Change in stock of finished goods and work in progress* (corresponded to *13 21 3 Change in stocks of finished products and work in progress manufactured by the unit* in the SBS Regulation)
- *220301 Employee benefits expense* (corresponded to *13 31 0 Personnel costs* in SBS Regulation it was)
- *240103 Expenses of services provided through agency workers* (corresponded to *13 13 1 Payments for agency workers* in the SBS Regulation)
- *240104 Expenses of long term rental and operating leases* (corresponded to *13 41 1 Payments for long-term rental and operational leasing of goods* in the SBS Regulation)
- *260101 Gross investment in tangible non-current assets* (corresponded to *15 11 0 Gross investment in tangible goods* in the SBS regulation)
- *260104 Gross investment in construction and improvement of buildings* (corresponded to *15 14 0 Gross investment in construction and alteration of buildings* in the SBS Regulation)
- *260103 Gross investment in the acquisition of existing buildings* (corresponded to *15 13 0 Gross investment in existing buildings and structures* in the SBS Regulation)
- *260106 Gross investment in intangible non-current assets, other than goodwill* (corresponded to *15420 Gross investment in concessions, patents, licences, trademarks and similar rights* in the SBS Regulation)
- *240201 Change in stocks of goods* (corresponded to *13210 Change in stocks of goods and services* in the SBS Regulation)

The following variables have changed more significantly:

- *140301, 250101 Net turnover* (in SBS Regulation it was *12 11 0 Turnover*) - net turnover equals turnover as defined Regulation (EC) No 295/2008 on SBS minus excise duties and other taxes on products linked to turnover but not deductible.
- *250301 Value of output* (in SBS Regulation it was *12 12 0 Production value*) - value of output equals production value as defined for Regulation (EC) No 295/2008 plus income

from product or turnover related subsidies minus other operating income (except income from product- or turnover-related subsidies) and minus excise duties and other taxes on products linked to turnover but not deductible.

- *250401 Value added* (in SBS Regulation it was 12 15 0 Value-added at factor cost) - value added equals gross value added as defined for Regulation (EC) No 295/2008 minus other operating income adjusted with income from product- or turnover-related subsidies and, if necessary, with capitalised output plus other operating expenses than amortization expense.

List of Participants

Ukraine

Last Name	First Name	Organisation
Balyk	Oleksandr	Secretariat of the Cabinet of Ministers
Bozhko	Inna	Ministry of Culture and Information Policy
Chupakhina	Natalia	Ministry of Digital Transformation
Datsko	Marya	Ministry for Development of Economy, Trade and Agriculture
Holvazina	Olesya	Ministry of Communities and Territories Development
Hymbel'	Lesya	Ministry of Culture and Information Policy
Ishchenko	Vira	Secretariat of the Cabinet of Ministers
Kolpakova	Olena	State Statistics Service
Korkishko	Larysa	State Statistics Service
Kostyrko	Viktor	State Statistics Service
Kravchenko	Olena	SME Development Office
Matronich	Larysa	State Statistics Service
Melnychenko	Oleksandr	Secretariat of the Cabinet of Ministers
Petroshchuk	Oleksanndr	Ministry of Communities and Territories Development
Pishcheiko	Vadym	State Statistics Service
Podobna	Victoria	State Statistics Service
Ponomaremko	Olha	State Statistics Service
Pyliuta	Maryna	State Statistics Service
Rybachok	Svitlana	Secretariat of the Cabinet of Ministers
Shcherban	Tatiana	State Statistics Service
Solodukha	Alexander	State Statistics Service
Tkachenko	Victoriia	Ministry for Communities and Territories Development
Tymofeeva	Olena	State Statistics Service
Usenko	Vadym	Ministry of Communities and Territories Development
Vasylchuk	Oleksandr	Ministry for Development of Economy, Trade and Agriculture
Voloshyn	Oleksii	Cabinet of Ministers
Zakharova	Tetiana	State Statistics Service
Zubko	Stanyslav	Ministry of Communities and Territories Development

Israel

Last Name	First Name	Organisation
Assaraf	Haim	Delegation of Israel to the OECD
Bouganim	Eden	Central Bureau of Statistics
Finkel	Yoel	Central Bureau of Statistics
Gamburg	Yaron	Delegation of Israel to the OECD
Levi	Avigail	Central Bureau of Statistics
Lion	Joel	Embassy of Israel in Ukraine
Mazeh	Sigalit	Central Bureau of Statistics
Nir	Michal	Central Bureau of Statistics

Shimony	Oz	Central Bureau of Statistics
Topiol	Agnes	Central Bureau of Statistics
Zisman	Lior	Central Bureau of Statistics

Poland

Last Name	First Name	Organisation
Bartochowska	Magdalena	Statistics Poland
Chmura-Golonka	Ewa	Permanent Representation of the Republic of Poland to the OECD
Cichocki	Bartosz	Embassy of the Republic of Poland
Frac	Rafal	Ministry of Foreign Affairs
Jurczak	Grażyna	Statistics Poland
Krawczyk	Piotr	Permanent Representation to the OECD
Kubel	Ewa	Permanent Representation to the OECD
Mirosław	Stępień	Statistics Poland
Mongialo	Dariusz	Permanent Representation to the OECD
Piotrowska	Anna	Statistics Poland
Płatek	Aneta	Statistics Poland
Rolik	Mateusz	Embassy of Poland in Kyiv
Rozkrut	Dominik	Statistics Poland
Świerkot-Strużewska	Olga	Statistics Poland
Walkowska	Katarzyna	Statistics Poland

OECD

Last Name	First Name	Organisation
Alekseeva	Anna	OECD – Eurasia division
Alfonso	Francesco	OECD – Eurasia division
Atamer	Peline	OECD – Eurasia division
Chahtahtinsky	Anna	OECD – Eurasia division
Chan	Philip	OECD – Statistics and Data Directorate
Halliday	Orla	OECD – Eurasia division
Kergroach	Sandrine	OECD – Centre for Entrepreneurship, SMEs, Regions and Cities
Larrakoetxea	Elisa	OECD – Eurasia division
Lytvynenko	Ksenia	OECD – Eurasia division
Miranda	Gabriela	OECD – Eurasia division
Quadbeck	Daniel	OECD – Eurasia division
Tompson	William	OECD – Eurasia division
Veneri	Paolo	OECD – Centre for Entrepreneurship, SMEs, Regions and Cities
Will	Salomé	OECD – Eurasia division
zur Hausen	Talisa	OECD – Eurasia division

Annex B: Agenda and detailed proceedings of the 2nd webinar

Agenda, 13 July 2021

Please note that the timing below is based on Kyiv, Ukraine time zone (GMT+2)

09.50 - 10.00	*Online access to the virtual workshop*
	Introduction and moderation by Ms **Gabriela Miranda**, Senior Policy Analyst, Head of Ukraine Unit, OECD
10.00 - 10.15	**Opening Statements**
	• Mr **Yaron Gamburg**, Deputy Chief of Mission, Permanent delegation of Israel to multilateral organisations in France • Ms **Ewa Kubeł,** Deputy Permanent Representative of Poland to the OECD • Mr **Vadym Pishcheiko**, Advisor to the Chair, State Statistics Service of Ukraine
Session 1 – The importance of international co-operation and standards for comparable statistical datasets	
10.15 – 10.40	*The OECD will open the webinar by presenting the organisation's approach to using primary data collected by national statistical offices to compile internationally comparable economic datasets of short-term indicators. Examples will include the Business Tendency and Consumer Opinion Surveys, the Consumer Barometer, and the Composite Leading Indicator. In addition, the session will shed light on existing data quality frameworks and the importance of the international cooperation and standards* • Mr **Philip Chan,** Analyst, National Accounts Unit, Statistics and Data Directorate, OECD ***Q&A session with webinar participants***
Session 2 – Methodologies, standards, and best practices for developing questionnaires and surveys	
10.40 – 11.45	*Experts from Statistics Poland will provide an overview of the processes for developing questionnaires with a particular focus on organisational aspects of designing and testing web questionnaires. The session will also shed light upon the process of designing draft questionnaires on the example of a specific survey. In addition, experts from Statistics Poland will share good practices in developing and implementing surveys and questionnaires.* • Mr **Paweł Szymankiewicz,** Consultant from Programming and Coordination of Statistical Surveys Department, Statistics Poland • Mr **Piotr Łysoń,** Director from Social Surveys Department, Statistics Poland
11.45 – 12.50	*Experts from the Israel Central Bureau of Statistics will present the latest methods and approaches to the elaboration of questionnaires and surveys with a particular focus on activities, rules, and processes in population sample surveys. The session will shed light upon the methodology development, as well as the best practices in the design and implementation of different types of surveys and questionnaires, and tools and processes of data collection* • Ms **Michal Nir,** Survey Methodologist, Survey Department, Israel Central Bureau of Statistics *Practical examples presented by Israel and Q&A session with webinar participants*

Closing remarks and next steps	
12.50 - 13.00	• Ms **Gabriela Miranda**, Senior Policy Analyst and Head of Ukraine Unit, OECD

Detailed proceedings

Overview

The capacity-building webinar *Methods and standards for developing questionnaires and surveys* was the second of the three webinars organised within the project *Improving Statistics Development in Ukraine in 2021*, implemented with the financial and intellectual support from Poland and Israel to the benefit of the State Statistics Services of Ukraine (UkrStat).

The focus of the webinar was to contribute to the improvement of methods and standards for developing questionnaires and surveys. The workshop aimed at sharing the existing methodologies, best practices, and approaches to the design and implementation of questionnaires and surveys in line with international standards. This topic is of particular importance to Ukraine's government statistics due to the transition to the Generic Statistical Business Process Model (GSBPM) in 2019, and the creation of a separate process of data collection. The webinar also supported UkrStat to improve the quality of the information collected through questionnaires. A practical exercise designed by the experts from Israel's Central Bureau of Statistics was shared with Ukrstat's experts ahead of the webinar. During the webinar, representatives from Ukrstat discussed the answers provided and the ways improve questionnaire and survey design.

Following opening remarks, OECD expert from the Statistics and Data Directorate presented the Organisation's approach to using primary data collected by national statistical offices to compile internationally comparable economic datasets of short-term indicators. In addition, the session shed light on existing data quality frameworks and the importance of international cooperation and standards.

During the second session, experts from Statistics Poland and Israel's Central Bureau of Statistics presented methodologies and best practices for developing questionnaires and surveys with a particular focus on aspects of designing and testing web questionnaires, as well as activities, rules, and processes in population sample surveys. The concluding remarks wrapped up the discussions and provided an overview of the main highlights and way forward to design and implement questionnaires and surveys in Ukraine.

Opening remarks and introduction

The seminar was moderated by **Ms Gabriela Miranda**, *Senior Policy Analyst and Head of Ukraine Unit, OECD.*

Opening remarks were delivered by **Mr Yaron Gamburg**, *Deputy Chief of Mission, Permanent delegation of Israel to multilateral organisations in France*. Mr Gamburg highlighted the importance of co-operation between Poland, Israel, and the OECD to improve statistics development in Ukraine, and reaffirmed Israel's commitment to statistics development in Ukraine. Mr Gamburg emphasised the importance collecting reliable information for a successful economic recovery from the COVID-19 pandemic.

Ms Ewa Kubeł, *Deputy Permanent Representative of Poland to the OECD*, greeted the participants and acknowledged the significance of the partnership between the OECD, Israel, and Poland to improve statistics development in Ukraine.

Mr Vadym Pishcheiko, *Advisor to the Chair at the State Statistics Service of Ukraine*, welcomed the participants and expressed his gratitude to the OECD, Poland, and Israel for supporting the State Statistics Service of Ukraine in its efforts to align with European standards. Mr Pishcheiko noted that Ukraine will continue working with experts and colleagues from Poland and Israel to improve statistics development, commenting that Ukraine is ready for future cooperation. Mr Pishcheiko also noted that wider opportunities such as obtaining the status of "Observer" in the OECD Committee on statistics and statistical policy would facilitate positive change and reforms in Ukraine.

Session 1: The Importance of international co-operation and standards for comparable statistical datasets

The first session began with a presentation on ***OECD Short Term Indicators and International Comparability*** delivered by **Mr Philip Chan***, Analyst in the National Accounts Unit of the OEC Statistics and Data Directorate.* In his presentation, Mr Chan presented the OECD's approach to using primary data collected by national statistical offices to compile internationally comparable economic datasets of short-term indicators.

Mr Chan started his presentation by identifying the System of National Accounts as a key statistical output as part of the **Main Economic Indicators** database, which includes balance of payment, international trade, labor market statistics, consumer/producer price indices, purchasing power parities, and national accounts aggregates..

He then moved on to present the scope and relevance of **international comparability** in OECD statistical indicators. He focused on the *coverage* (comparable data is provided for 38 OECD member countries, 5 key partner countries, and area totals for the Euro area, major seven economies, OECD-Europe, and OECD total), *harmonisation* (for instance, how to perform seasonal adjustments), the use of statistical *standards* (on industry, services, financial statistics, Business Tendency and Consumer Surveys). Mr Chan noted that international comparability is crucial for the OECD, which relies heavily on national release calendars. During the COVID-19 pandemic, constant communication with countries was particularly important for data availability. Mr Chan emphasised the importance of harmonisation for international comparability across time and regions, as well as adhering to international statistical standards.

Mr Chan shed light on how the OECD employs the International **Standard Industrial Classification** (ISIC) for industrial statistics and the IMF guidelines for financial statistics in sub-domains, such as monetary aggregates. Mr Chan also presented the **Business Tendency Surveys and Consumer Surveys** which are both EU-harmonised. For instance, definitions for house- and enterprise-level statistics are taken from the **Joint Harmonised EU Programme of Businesses and Consumer Surveys**. Mr Chan referred to the OECD Handbook for Business Tendency Surveys, which is an implementation guide for non-member countries on design, methods, and presentations and implementation of results.

Mr Chan highlighted that the OECD underlines a need for an overarching policy to ensure data and statistical quality for international comparability. International organisations depend on the quality of data received from national statistical bodies and on the quality of internal processes. Mr Chan referred to the Data Quality Framework for OECD Statistical Activities, which provides a systematic mechanism for ongoing identification and resolution of quality problems and gives increased transparency to the processes used by the OECD to assure quality. The Data Quality Framework is based on collaboration between the IMF, Eurostat, Statistics Canada, and other national statistical offices (NSOs).

In conclusion, Mr Chan introduced important analytical products of the OECD. Examples included the Consumer Barometer, which allows to gauge consumer confidence on a global scale,

particularly important during the COVID-19 pandemic, and the Composite Leading Indicator (CLI) which is derived from a selection of series mostly taken from the Main Economic Indicators database.

Session 2: Methodologies, standards, and best practices for developing questionnaires and surveys

Mr **Paweł Szymankiewicz**, *Consultant from Programming and Coordination of Statistical Surveys Department*, *Statistics Poland,* opened the session by providing an overview of the processes for developing questionnaires with a particular focus on organisational aspects of designing and testing web questionnaires. The session shed light upon the process of designing draft questionnaires with an example of a specific survey.

Mr Szymankiewicz presented Poland's Law on Official Statistics, which remains the basis for the annual programme of statistical surveys of official statistics. It is prepared by means of the System of Statistical Metadata (SMS), administered by Statistics Poland. Mr Szymankiewicz described the **survey planning** procedure according to the Law on Official Statistics and the importance of making detailed datasets available online.

Mr Szymankiewicz also presented an overview of the process of **questionnaire design** and how Poland employs graphic designs to improve the quality of questionnaires. Mr Szymankiewicz noted that questionnaires are designed on a platform that is administered by the Programming and Coordination of Statistical Surveys Department in Statistics Poland. Final questionnaires are published on the website of Statistics Poland, along with information about the date of the start of data collection (making the "web questionnaire" available on the Reporting Portal of Statistics Poland).

Mr Szymankiewicz discussed how **web questionnaires are developed and tested** in the Statistical Computing Centre. Testing is planned as an important step and is carried out one month or a few months before the beginning of data collection. Reporting from the testing is sent to the designer of IT applications connected to the web questionnaire and to the survey co-ordinator. Mr Szymankiewicz also emphasised that since 2009, it is obligatory to submit data in electronic form (web questionnaire) for respondents.

Mr **Piotr Łysoń**, *Director from Social Surveys Department, Statistics Poland* presented a summary of the Household Budget Survey (HBS) in Poland. Mr Łysoń mentioned that in the case of household and agricultural sample surveys, data is collected by statistical interviews. There are four general methods of data collection used in these kinds of surveys:

- **CATI**: Computer-Assisted Telephone Interviewing
- **CAWI/CAII**: Computer-Assisted Web/Internet Interviewing
- **CAPI**: Computer Assisted Personal Interviewing (suspended)
- **PAPI**: Paper and Pencil Interviewing (suspended)

Mr Łysoń stressed that from the beginning of COVID-19 pandemic (March 2020), "face-to-face" interviews are suspended and data from households and farms is collected mostly through the CATI method.

Mr Łysoń presented the **two key stages of sample selection**. The first is the primary sampling units (PSU) based on the records of statistical areas designed for the Census. The second stage focuses on addresses of dwellings, based on the registers of inhabited dwellings in the selected PSU. At the second stage, dwellings for both basic and reserve samples are selected.

Mr Łysoń listed the two types of survey methods: questionnaires and the household budget diary. The latter is used to record the main daily expenditures (an alternative method is a collection of receipts, coded according to the eCOICOP classification).

Mr Łysoń stated that the first questionnaire is about the recruitment process, and used to collect data on the type of dwelling,its conditions and the characteristics of the residential area. The second questionnaire is used to collect characteristics about social demographics of households and a subjective self-evaluation of living conditions for those that participate. For this questionnaire, Mr Łysoń said that some questions referring to wealth were suspended during COVID-19, as they are difficult to ask in CATI mode.

Mr Łysoń mentioned that Household Budget Surveys results are used by bodies such as Statistics Poland for further analyses, governmental institutions and other public units, international organisations, universities, mass media, and private users. For example, results can be used for the analysis of living conditions, their changes over time, for setting the minimum wage level, for poverty measurement, and for the analysis of social benefits.

Ms **Michal Nir**, *Survey Methodologist, Survey Department, Israel Central Bureau of Statistics (ICBS)*, began her presentation with an overview of ICBS and the Survey Department, focusing on its organisational structure, main functions, the type and number of surveys carried out.

Ms Nir described the survey process within **TSE-Total Survey Error Framework**, reminding the audience that the cost of statistical errors is very high. Errors can arise in any of the steps of survey design, sample selection, data collection, and data analysis.

Ms Nir described more in depth the face-to-face/telephone surveys “measurement arena”. Three main elements could be a source of error in face-to-face/telephone surveys: the interviewer, the respondents, and those responsible for questions and questionnaire design. Regarding questionnaire design, Ms Nir emphasised the importance of processes such as the unification and standardisation of questions in surveys, the use of proxies when designing questions, carrying out a pilot and pre-test to check the quality of the questionnaire. Ms Nir also presented the **Total Survey Quality**, which depends on factors such as relevance, accuracy and reliability, timeliness and punctuality, coherence and comparability, accessibility, and clarity.

Ms Nir ended her presentation with a practical exercise based on survey questions examples taken from Labor Force and Social Surveys, followed by a Q&A session with participants.

Concluding remarks and next steps

Ms Gabriela Miranda, *Senior Policy Analyst and Head of Ukraine Unit, OECD*, concluded the webinar by thanking Israel and Poland for their financial and intellectual support to the project, and all the participants for their attendance and contributions to the discussion.

Questions raised during the webinar

Question:

UkrStat's representatives asked the OECD to expand on the format and data communication mechanisms between national statistical offices and the OECD. In addition, they shared UkrStat's interest to align data collection/dissemination to OECD standards, starting with the transmission channels for data and metadata, and also enquired whether UkrStat could test the SDMX data transmission mechanism to the OECD.

Answer:

Mr Philip Chan, replied that the most commonly used tool is SDMX. This tool proved itself being effective at reducing long-term costs of data transmission. Mr Chan added that emails and web-scrapping can be used to transfer data as an alternative.

Question:
A participant enquired about the time lag between data reception and publication by the OECD.

Answer:

Mr Chan replied that the lag can vary depending on the type of data, however industrial statistics can take up to 30 days. This time lag is being currently tackled by the OECD. Mr Chan underlined that in cases where a member country uses the SDMX platform, transfers proceed faster and in cases when countries use emails to send the data, the time lag is greater.

Links to OECD work presented during the webinar

Short term statistics

- Business Tendency and Consumer Opinion Surveys
- Production and Sales Indicators
- Short-term Financial Indicators

https://www.oecd.org/statistics/data-collection/short-termstatistics.htm

Other areas of statistical work including Quarterly National Accounts, Purchasing Power Parities, and International Trade are also in this link.

Glossary and departures from target definition

- Business Confidence
  https://www.oecd.org/sdd/leading-indicators/glossaryforoecdcompositeleadingindicators.htm#BUSINESS_CONFIDENCE_INDICATOR

- Consumer Confidence
  https://www.oecd.org/sdd/leading-indicators/glossaryforoecdcompositeleadingindicators.htm#CONSUMER_CONFIDENCE

OECD Consumer Barometer

- Main page containing the map
  https://www.oecd.org/sdd/leading-indicators/oecd-consumer-barometer.htm

- Press release and methodology
  https://www.oecd.org/sdd/leading-indicators/statistical-insights-the-oecd-consumer-barometer.htm

OECD Composite Leading Indicators

- Main page, including an introductory video and monthly press releases
  https://www.oecd.org/sdd/leading-indicators/composite-leading-indicators-cli-oecd-july-2021.htm
- Methodology
  https://www.oecd.org/sdd/leading-indicators/oecd-cli-detailed-methodological-information.htm
- FAQ
  https://www.oecd.org/sdd/compositeleadingindicatorsclifrequentlyaskedquestionsfaqs.htm

Quality Framework for OECD Statistical Activities

- https://www.oecd.org/sdd/qualityframeworkforoecdstatisticalactivities.htm#:~:text=For%20an%20international%20organisation%2C%20the,dissemination%20of%20data%20and%20metadata

List of Participants

Ukraine

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Amosenko	Liudmyla	Ministry of DT
Bondik	Anna	Ministry of Education and Science
Chornomorets	Inna	Ministry of Education and Science
Golovchenko	Yuriy	Ministry of Culture and Information Policy
Hymbel'	Lesia	Ministry of Culture and Information Policy
Kharlamova	Tetyana	Ukrainian Institute of Education Development
Khomych	Olena	Ministry of Economy
Kinshchak	Alla	Ministry for Communities and Territories Development
Klimchuk	Victoriia	Ministry of Economy
Kopyl	Olena	Ministry of Culture and Information Policy
Kopytova	Tamara	Ministry of Infrastructure
Kosencuk	Yulia	Ukrainian Institute of Education Development
Kostyshyna	Irina	State Statistics Service of Ukraine
Krut	Iryna	Ukrainian Institute of Education Development
Kutsovol	Raiisa	State Statistics Service of Ukraine
Lysenko	Roman	Ministry of Finance
Makarchuk	Oksana	Ministry of Economy
Mashtabey	Serhiy	Ministry of Infrastructure
Moroz	Luiza	Ministry of Culture and Information Policy
Perekheida	Natalia	Ministry of Infrastructure
Petrovych	Olesya	Ministry of Environmental Protection and National Resources
Pishcheiko	Vadym	State Statistics Service of Ukraine
Pravosud	Olha	State Statistics Service of Ukraine
Samsonyuk	Kateryna	Ministry for Communities and Territories Development
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Voloshyn	Oleksii	Secretariat of Cabinet of Ministers of Ukraine
Yamkovenko	Denys	Ministry of Culture and Information Policy
Yevpak	Anna	Ministry of Culture and Information Policy
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Finkel	Yoel	ICBS
Gamburg	Yaron	Delegation of Israel
Mazeh	Sigalit	ICBS
Nir	Michal	ICBS
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Koszela	Alicja	Statistics Poland
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Jurczak	Grażyna	Statistics Poland
Malinowsky	Jerzy	Statistics Poland
Łysoń	Piotr	Statistics Poland
Walkowska	Katarzyna	Statistics Poland
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Annex C: Agenda and detailed proceedings of the 3rd webinar

Agenda, 9 November 2021

Please note that the timing below is based on Kyiv, Ukraine time zone (GMT+2)

09.50 - 10.00	*Online access to the virtual workshop*
	Moderation by Ms **Gabriela Miranda**, Senior Policy Analyst and Head of Ukraine Unit, OECD
10.00 - 10.15	**Opening Statements**
	• H.E. Mr **Bartosz Cichocki**, Ambassador Extraordinary and Plenipotentiary of Poland to Ukraine • H.E. Mr **Haim Assaraf**, Ambassador and Permanent Representative of Israel to the OECD • Mr **Vadym Pishcheiko**, Advisor to the Chair, State Statistics Service of Ukraine
Session 1 – The importance of sound business statistics for analysis and policy	
10.15 – 10.40	*Drawing on OECD expertise, this session will illustrate the importance of sound business statistics to carry out quantitative analysis of economic and social phenomena, complement qualitative information, and improve policy design. Business demography indicators can help understand the structural characteristics of the enterprise sector, its performance, and its entrepreneurial dynamics.* • Ms **Mariarosa Lunati,** Senior Advisor, Global Relations Secretariat, OECD *Q&A session with webinar participants*
Session 2 – Methodology for calculating enterprise demography statistics	
10.40 – 11.45	*Experts from Statistics Poland will provide an overview of the latest changes to the methodology for calculating enterprise demography statistics, with a particular reference to indicators such as enterprise births, deaths, survival of employer enterprises as well as fast-growing enterprises and "gazelle" enterprises.* • Ms **Katarzyna Walkowska**, Head of Enterprises Department, Statistics Poland *Q&A session with webinar participants*

11.45 12.50	–	*Experts from the Israel Central Bureau of Statistics will share their experience with the development of enterprise demography statistics. A particular focus will be put on CBS methodology with statistical indicators for start-ups.* • Mr **Lior Zisman**, Head of Business Register Section, Israel Central Bureau of Statistics • Ms **Riki Kadury**, Head of the Science & Technology Section, Israel Central Bureau of Statistics *Q&A session with webinar participants*
Closing remarks and next steps		
12.50 13.00	-	• Ms **Gabriela Miranda**, Senior Policy Analyst and Head of Ukraine Unit, OECD

Detailed proceedings

■ Overview

The capacity-building webinar *Methodology for calculating enterprise demography statistics* was the third and last of the three webinars organised within the project *Improving Statistics Development in Ukraine in 2021*, implemented with the financial and intellectual support from Poland and Israel to the benefit of the State Statistics Services of Ukraine (UkrStat).

The webinar aimed to share methodological approaches for calculating key indicators of business demography, in line with European standards and building upon the recommendations developed in the Compendium of Enterprise Statistics in Ukraine 2018. It touched upon the methodology for calculating new indicators, in particular births, deaths, survival of employer enterprises, as well as fast-growing "gazelle" enterprises. The topic is of particular importance to Ukraine given the context of the EU regulatory developments from 2019, which made amendments to the indicators of business demography statistics.

Following the opening remarks, the OECD expert from the Global Relations Secretariat highlighted the importance of sound business statistics to carry out quantitative analysis of economic and social phenomena, complement qualitative information, and improve policy design. The session emphasised the crucial role of cooperation among all the key relevant stakeholders and the opportunity to consider multiple and alternative sources for the collection of enterprise statistics. .

During the second session, experts from Statistics Poland and Israel's Central Bureau of Statistics presented methodologies and best practices for the development of enterprise demography statistics.

The concluding remarks expressed gratitude to Poland and Israel for their financial support to the project and aspirations for continued Ukraine-OECD engagement on improving statistics development in Ukraine.

■ Opening remarks and introduction

The seminar was moderated by **Ms Gabriela Miranda**, *Senior Policy Analyst and Head of Ukraine Unit, OECD*.

Opening remarks were delivered by **H.E. Mr Bartosz Cichocki**, *Ambassador Extraordinary and*

Plenipotentiary of Poland to Ukraine. Ambassador Cichocki highlighted Poland's willingness to provide support and capacity building to improve statistics development in Ukraine, which allows to bring Ukrainian statistical practices closer to the EU regulations and contribute to the implementation of the Programme for the development of state statistics until 2023. Ambassador Cichocki also stressed the key role of OECD data and recommendations in helping countries recover from the economic crisis caused by the COVID-19 pandemic, fighting climate change, reducing inequalities and designing rules for new technologies. He also expressed that the Polish government considers the OECD Eurasia Competitiveness Programme as one of the most effective OECD regional programmes, and wishes to further bring countries in the Eurasia region closer to OECD standards. He also mentioned that Ukraine is a reference in the region, with 24 OECD legal instruments already implemented. Ambassador Cichocki concluded expressing Poland's readiness to support and advise Ukraine on the ways to further strengthen its engagement with the OECD. In particular, with regards to the continuation of the OECD-Ukraine cooperation in the statistical sector, he proposed that Ukrainian experts participate regularly in sessions of the OECD Committee on Statistics and Statistical Policy.

H.E. Mr Haim Assaraf, *Ambassador and Permanent Representative of Israel to the OECD*, greeted the participants and acknowledged the significance of the joint efforts of the OECD, Poland and Israel in assisting Ukraine to develop its statistical system. He highlighted that data analysis lies at the core of better governance and is a prerequisite to build better policies for better lives. The Ambassador concluded by suggesting to start planning further activities in this regard.

Mr Vadym Pishcheiko, *Advisor to the Chair at the State Statistics Service of Ukraine*, expressed gratitude to the OECD, Poland, and Israel for organizing this series of webinars to share knowledge on statistics development and to support Ukraine in its efforts to align its work with the EU standards. He pointed out the important role of enterprise demography statistics as a barometer of the economy, which provides the government with the understanding of trends in business and entrepreneurial activity and is essential for the development of good fiscal policy. Mr Pishcheiko highlighted that, although Ukraine already publishes data on business demography, it needs revision given the changes in EU regulations.

Session 1: The importance of sound business statistics for analysis and policy

In the first session **Ms Mariarosa Lunati**, *Senior Advisor, Global Relations Secretariat, OECD*, illustrated the OECD approach to the development of SME and entrepreneurship data and explained how OECD builds cooperation with statistical offices and other stakeholders in member countries and in partner countries.

Ms Lunati noted that business demography statistics is a relatively recent category of statistical information collected by national authorities, developed in a structured way using a methodology that is now standardized and shared within the EU and OECD countries, although some differences still exist. She stressed the crucial importance of cooperation between statistical offices and the importance of adopting common standards to ensure cross-country comparability with regards to structural data (e.g. number of enterprises, employment associated with the enterprises), demography statistics (birth, death, survival and growth of enterprises), trade by enterprise characteristics (which allows to understand the participation of SMEs in international trade) and innovation activities (e.g. investment in R&D).

Furthermore, Ms Lunati underlined the importance of cooperation with other institutional actors, for instance with central banks, in the collection of data on financing for SMEs and entrepreneurs. She also highlighted that the OECD itself makes use of alternative sources of information to complement official statistics produced by national statistical authorities, in particular with regards to the data that would be very costly to measure through official statistics systems. As an

example, Ms Lunati mentioned the Facebook-OECD-World Bank Future of Business Survey, stressing that although there is a trade-off in terms of reliability of samples and representativeness of the data collected, the complementarity approach allows answering a wider range of questions, especially in the short- and medium-term.

Ms Lunati proceeded by providing examples of cross-country analysis made possible by comparable statistics. She highlighted that SMEs account for the largest share of the population of enterprises and for a very important share of employment across all countries. Ms Lunati showed that SME employment is concentrated in a few sectors without significant evolution of this pattern over time (the highest SME employment is observed in wholesale and retail trade). With regards to the impact of the COVID-19 on employment, the sectors where SMEs concentrate were those that were hit the most across all countries, but the smallest and youngest enterprises were less likely to receive government support.

Ms Lunati concluded by offering the following recommendations to improve the process of production of enterprise statistics:

- Refer to international standards when available;
- Formulate questions in business surveys to allow comparison over time, across countries, and between surveys;
- Explore potential use of new data sources (e.g. big data) and partnerships with the private sector.

Session 2: Methodology for calculating enterprise demography statistics

Ms Katarzyna Walkowska, *Head of Enterprises Department, Statistics Poland,* provided an overview of the latest trends in the methodology for calculating enterprise demography statistics. She started noting that there are three sorts of Annual Business Demography (ABD) indicators in Poland, which are listed in the European Business Statistics annexes: the basic Business Demography (on the whole population of enterprises), the Employer Business Demography (focused on enterprises having at least one employee) and the High Growth Enterprises Demography. She specified that data sources are the statistical business register and administrative data such as tax information and social security and annual and short-term surveys.

Ms Walkowska mentioned that for Quarterly Business Demography (QBD) Statistics Poland looks at the number of registrations (data source: National Official Business Register) and bankruptcies (data source: Court and Commercial Monitor). The expert added that in the view of the European Statistical Recovery Dashboard, QBD data would be transmitted to Eurostat on a monthly basis starting January 2022.

Furthermore, Ms Walkowska reflected on how the annual Business Demography survey is organized. At the beginning of the year, data from different sources (statistical surveys and administrative data sources such as the value-added tax and the social security system) are taken. The data on active, new or liquidated high-growth enterprises are used to elaborate data tables required by Eurostat. The first data sets are on Business Demography and high-growth enterprises. The second data sets are on employers and gazelles. Finally, the next ones represent more general demographic data.

Ms Walkowska proceeded to explain the methodology on the basic Business Demography. Statistics Poland creates data sets on active enterprises, new enterprises and liquidated enterprises. The most important data source in this regard is the social security data, allowing calculation of the average annual number of people employed, which makes it possible to observe the activity, death and birth of enterprises. The expert stressed that Statistics Poland also uses microdata linking legal units from the business register, to data from statistical surveys

and administrative data. Data on new and liquidated enterprises are collected. By comparing data sets over time, the team can find out which enterprise is active in one year and not in the following. It was noted that Statistics Poland checks if the enterprise was not reactivated after liquidation and whether the disappearance of an enterprise was not simply its merger into another entity.

Ms Walkowska also described the methodology to calculate Employer Business Demography indicators, covering enterprises employing at least one person. She explained that Statistics Poland creates three data sets: active enterprises (which employed at least one employee), new enterprises (which were created as new ones with at least one employee but also which existed earlier without employee and entered the population with at least one employee – entry by growth) and liquidated enterprises (which were liquidated having at least one employee as well as those which remained active but without any employees – exit by decline).

Ms Walkowska introduced High Growth Enterprises as those having at least 10 employees with an average annual growth in the number of employees higher than 10% per annum, over a three years period. She added that this category does not include enterprises "born" 3 years ago due to the assumption that such enterprises cannot grow as quickly, but includes also young high-growth enterprises (gazelles, born in t-4 and t-5).

Lastly, Ms Walkowska spoke about the recent amendments to the European regulation on Business Statistics. One of the examples mentioned was the addition of a number of sections to the employers business demography with additional information on the number of active enterprises, on gazelles, regional statistics and quarterly data. Another example referred to the change in the definition of active enterprises. The expert acknowledged that compliance with the European regulation had presented a challenge for several years due to methodological differences in constructing indicators.

Mr Lior Zisman, *Head of Business Register Section, Israel Central Bureau of Statistics (ICBS)*, shared Israel's experience on the development of enterprise demography statistics. Mr Zisman noted that the Israeli Business Register (IBR) was established by the Central Bureau of Statistics based on European Union regulations and became operational in 2003, therefore all the data is available since that year. IBR has the following three main purposes:

- Classifying legal units into economic activities (according to ISIC Rev.4) and classified sector (according to SNA2008);
- Extracting frameworks for Business's Economy surveys sampling (by economic activity, employee size class, etc.);
- Calculating and publishing Business Demography statistics.

Regarding IBR's sources, Mr Zisman stressed the difference with Poland, highlighting that the ICBS uses only administrative sources, namely National Insurance Institute and VAT (Value Added Tax) authorities. He explained that the files are provided monthly and consist of administrative data (such as the name of the business, its contact information, activity status and date, economic activity code) and quantitative data (such as the number of employee jobs and wages from National Insurance Institute, total revenues, revenues at a VAT rate of 0% and inputs from VAT authorities). Mr Zisman highlighted that the most important variable for the IBR is a unique and smart ID entity number that is identical in both administrative sources, which allows to match information from different sources with the corresponding business entity and define the legal form of the business.

Mr Zisman mentioned that, prior to the Eurostat-OECD Manual on Business Demography Statistics, the ICBS had already tried to produce some business demography indicators such as opening and closures of businesses based on the VAT files, but this approach had some disadvantages, since not all the enterprises were covered. The expert pointed out that as reports on termination of business activity are usually submitted late, annual reports are reliable as of

the second half of the following year (June t+1). Mr Zisman mentioned that in 2020 there was a decline in both openings and closures assumingly due to the COVID-19 pandemic impact. In particular, while in 2020 the average churn rate in Israel was about 15%, for businesses in "accommodation and food services" it was about 21% due to a high rate in openings and closures.

In line with the Eurostat-OECD Manual on Business Demography Statistics, the ICBS started constructing database for business demography statistics from the IBR based on Annual frozen Snapshots of year t, taken in the second half (June) of the following year (t+1), due to data updates and revisions of the IBR. Mr Zisman offered an overview of the main business demography indicators of Israel: out of a total of around 620,000 businesses, 53% are non-employers and only 0.3% of them employ 200 and more employees, accounting for around half of total employee jobs in the country. He added that almost 70% of active businesses in the country are sole proprietorships but account for only 9% of employee jobs, while around 30% of active businesses are companies but account for 60% of employee jobs. On one hand, while the largest portion of active businesses is found in professional, scientific and technical activities (20%), they employ only 7% of employees in Israel. On the other hand, while nearly 4% of businesses are in manufacturing, mining and quarrying, they were noted to employ 9.4% employees. With regards to the survival rate of the businesses, Mr Zisman emphasised that in Israel this indicator is highest in human health and social work activities and lowest in accommodation and food service activities.

As of 2020 the share of active employers' population birth in Israel was 9.4%, while the share of active employers' population deaths was 10.4%. Furthermore, he noted that while in Israel high-growth enterprises accounted for 8% in the total economy, the country had experienced a decline in high-growth businesses rate recently due to the COVID-19 pandemic.

Mr Zisman concluded by providing a quick overview of the recent ICBS publications and invited the audience to consult them:

- A Collection of Statistical Data From the Business Register, 2011-2019 publication;
- Latest media release Business Demography 2018-2020 media release;
- Sole Proprietorship's Business Demography in 2019 According to Characteristics of the Business's Owners.

Ms Riki Kadury, *Head of the Science & Technology Section, Israel Central Bureau of Statistics,* focused her presentation on ICBS's methodology on statistical indicators for start-ups. Ms Kadury reminded the audience that since 2009 Israel had been known as a start-up nation with the highest density of start-up companies in the world (one start-up company per 1,844 citizens), and highlighted that the country has been the leader in civilian R&D expenditure, which had attracted technology-oriented global investors.

Ms Kadury stated that the rise in start-ups yielded the necessity for their proper representation in the official statistics. Against this background, in 2012, at the request of policymakers, ICBS started to create the Israeli-Startup database with an internal unique methodology. Ms Kadury explained the steps undertaken in this database creation process.

First, it was essential to define what a start-up is, thus the ICBS identified the following features defining a start-up:

- Technological entrepreneurship based on R&D for the purpose of founding a new profitable company;
- The resources of the company are directed to the development of an idea, service or product;
- The company has not yet made a profit or has yet to become a mature company;

- Usually funded by capital raising.

The second step in this process has been the search for meaningful external sources of information. In this regard, the ICBS found external sources from the private sector (IVC Israel High-tech venture capital), NGO sector (SNC- Start up Nation Central), and government sector (IIA- Israel Innovation Authority). Ms Kadury explained that once the information is received from external sources, it is merged with information from internal sources (Israeli Business Register), and emphasised that only the companies found in both sources are suspected of being a start-up. Then, she continued, the ICBS uses its algorithm to identify unique characteristics of Israeli start-up companies.

Ms Kadury noted that the start-up database does not include companies that are operating at the pre-seed stage and have not yet been officially registered by the Israeli tax authorities, and that all the start-up companies stay in the database, even if they grow, for future follow-ups. Ms Kadury informed that the findings on start-ups are published on an annual basis on the ICBS website. She pointed out that until 2017 the number of active companies had increased, however, since 2017, the number had been in a constant decline.

In conclusion, Ms Kadury stressed that start-up companies were characterized by around twice higher average monthly wage per employee in comparison to the average rate for all the companies, with the highest wages found in businesses with 21 to 50 employees. Ms Kadury also highlighted that in 2019 start-up companies raised over USD 8 billion in financing, with a higher number of funding taking place at earlier stages of their lifecycle, but most of the funds invested at later stages. Finally, it was noted that in 2019 most of the government grants were allocated to start-ups active in the development of medical technologies.

Concluding remarks and next steps

Ms Gabriela Miranda, *Senior Policy Analyst and Head of Ukraine Unit, OECD*, concluded the webinar by thanking everyone for their participation in the event, with special gratitude to Poland and Israel for their financial support to the project. Ms Miranda expressed interest to continue working with UkrStat with the support of both OECD member countries not only in terms of capacity-building activities but also through the collaboration with the OECD Statistics Department and other expert directorates. Finally, Ms Miranda acknowledged the interest of UkrStat in the work of the OECD, in its long-term engagement with the OECD and its openness to build on the expertise of Israel and Poland in the area of statistics. Ms Miranda concluded informing that a report with key takeaways of the three project webinars, including presentations and proceedings, would be prepared in English and Ukrainian and shared with all the participants of the webinars by the end of the 2021.

Questions raised during the webinar

Question:

A representative from the State Statistics Service of Ukraine mentioned that certain enterprises do not pay VAT and asked a representative from the Statistics Poland whether the information on other types of taxes is used.

Answer:

A representative from the Statistics Poland reiterated that Statistics Poland has other sources of information to rely on, such as social security system data.

Question:

A representative from the State Statistics Service of Ukraine asked to clarify whether for the definition of active enterprises three indicators are used (presence of employees, turnover, and profit).

Answer:

Statistics Poland checks information from different sources on whether a company existed administratively, paid taxes, was in the social security system, was registered in Statistics Poland's services, its information on profit.

Question:

A representative from the OECD asked whether the same indicators are used regardless of the size of a company.

Answer:

For the Eurostat indicators for business demography – yes.

Question:

A representative from the OECD recalled that in the definition of high-growth enterprises Eurostat and Statistics Poland exclude the enterprises "born" in t-3, and that gazelles are defined as those "born" in t-4 and t-5. Against this background, the question was whether the high-growth enterprises are generally, indeed, gazelles (younger enterprises), or whether the episodes of high growth can also occur when the companies are much older; and what the average age of high growth enterprise is.

Answer:

Statistics Poland refers to the Eurostat definition. However, in Statistics Poland's publications the older ones are also covered.

Question:

A representative from the State Statistics Service of Ukraine asked whether indicators related to active enterprises with 10 and more persons employed presented by Statistics Poland are based on the new regulation.

Answer:

These additional indicators are studied only for national needs. Statistics Poland decided to focus on bigger enterprises for the following two reasons: 1) there is more information available on them, thus more variables can be collected; and 2) it is more appropriate to measure high growth of these enterprises.

Question:

A representative from the State Statistics Service of Ukraine whether Statistics Poland had an exhaustive list of business demography indicators for the employers and for the development of SMEs.

Answer:

Statistics Poland uses all the variables from the Implementing Regulation (EU) 2020/1197. For national publications, Statistics Poland uses different kind of indicators, which differ from the EU regulation.

Question:

A representative from the State Statistics Service of Ukraine asked whether Statistics Poland makes revision of indicators if the new regulation foresees some change in the definition of indicators.

Answer:

If there is some change in the definition of indicator, Statistics Poland checks if it has all the information for this indicator and then calculates it in a slightly different way, adjusting the calculation to a new definition.

Question:

A representative from the State Statistics Service of Ukraine asked the representatives from Israel Central Bureau of Statistics whether the ICBS uses any other sources of information regarding the identification of other subjects of financial market, for instance credit institutions, banking and non-banking institutions, in addition to the one provided by the National Insurance Institute and VAT (Value Added Tax) authorities.

Answer:

Israel Central Bureau of Statistics uses two main sources: National Insurance Institute and VAT (Value Added Tax) authorities. The ICBS uses the unique entity number, which has specific codes for different types of entities. In addition, a lot of information is provided by business survey. In Business Demography Snapshots there is a variable “sector”. The ICBS uses the ISIC classification to know if the business is in the financial sector as well as textual description of what businesses are doing received from the VAT authorities. The ICBS does not allow inserting the specification of banks or insurance companies.

Question:

Does ICBS conduct surveys of start-ups?

Answer:

The ICBS does not conduct any surveys. The statistics on start-ups is obtained from external sources and internal sources (Israeli Business Register - IBR).

Question:

Does ICBS obtain the information on the number of employees and salaries from administrative sources?

Answer:

Yes, from IBR.

Question:

A representative from the *State Statistics Service of Ukraine* asked the representative from *Statistics Poland* whether, according to a new Regulation (EU) 2019/2152, there is now only one indicator on the number of active enterprises – from the register of business demography, while according to a past Regulation (EC) No 295/2008, there were two indicators on it – from the register of business demography and the Structural Business Statistics (SBS)?

Answer:

The number of enterprises is published according to the SBS with a breakdown for persons employed, and there is business demography data with a breakdown for the number of employees. If understood correctly, according to the new regulation, the data on active enterprises is based only on the register. However, in the case of Poland, the data is not based only on the register due to the assumption that the register's data do not provide all the information that is up-to-date and do not include information from administrative resources and surveys. Thus, Statistics Poland merges all the sources to receive the most factual information and to have the consistency of business demography and structural business statistics.

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Kroutchinin	Yaroslav	OECD – Eurasia division
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Miranda	Gabriela	OECD – Eurasia division
Tompson	William	OECD – Eurasia division
Upton	Geoff	OECD – Eurasia division
Zanko	Yustyna	OECD – Eurasia division

Improving Statistics Development in Ukraine 2021

Quality and reliable statistics are pivotal for evidence-based policymaking. The COVID-19 crisis has shed light on the importance of high-quality statistics to measure the impact of government initiatives and to design policies to support an inclusive and sustainable recovery. Strengthening statistical capacities is therefore central to Ukraine's successful sustainable growth agenda. With this in mind, the Government of Ukraine introduced the Programme for the Development of State Statistics until 2023, which aims to provide objective, reliable and unbiased statistical information according to international best practices, including those of the OECD. With the financial support of Israel and Poland, the OECD conducted the project Improving Statistics Development in Ukraine 2021 which contributed to building the capacity of the State Statistics Service of Ukraine (SSSU) to collect relevant data and producing high-quality statistical information that can serve as a key input for policymaking. In the framework of this project, the OECD organised three capacity-building webinars, tailored to the needs of the SSSU and relevant line Ministries, sharing OECD know-how and drawing on the expertise of Statistics Poland and the Israel Central Bureau of Statistics. This report synthetises the substance of these webinars and highlights key takeaways.

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2021 Poland's 25th Anniversary

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