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## Methodological note

### Eurostat experimental statistics on the structure of multinational enterprise groups

### EuroGroups Register

The EuroGroups Register (EGR) is a statistical register of Eurostat and national statistical authorities of the European Union (EU) and European Free Trade Association (EFTA) countries.

The EGR covers the population and units of multinational enterprise groups operating in the EU and EFTA countries. A multinational enterprise group is defined as an enterprise group comprising at least 2 enterprises or legal units located in different countries. If at least one legal unit of an enterprise group is in the EU or EFTA, the multinational enterprise group is in the scope of the EGR.

### EGR production process

To create the EuroGroups Register, Eurostat collects input information on group entities and on their relationships from the national statistical business registers (NSBR) of EU and EFTA countries, and to compensate coverage on outside EU and EFTA acquires data from commercial data provider.

The following information is collected from national statistical business registers on the constituent units of the groups:

- groups, enterprises, legal units
  - identification,
  - demographic events,
  - stratification parameters,
  - control and ownership information,
  - and economic variables.

All entities in the EGR process are uniquely identified. For unique identification of legal units the EGR project launched an internal identification system, called [EuroGroups Register identification service](#), assigning globally unique identifiers to all incorporate legal units delivered to the EGR. The unique identifier for EU and EFTA legal units is composed by the country code, the EGR register code and the national ID number. Unique identification is a key to clearly identify participants of cross-border relationships and to avoid creation of duplicates.

The EGR acquires every year data on the largest multinational enterprise groups from a commercial data provider. This acquisition ensures consistency and completeness of the largest enterprise groups in EGR. The commercial data provider delivers data on legal units and relationships between the legal units of 3 000 predefined multinational enterprise groups, with the same characteristics as required from the national sources.

After validation of input data from the national sources and the commercial data provider, the EGR calculates the consolidated output on the legal units, on their relationships and enterprises.

Complementary and conflicting information of the different sources are treated in the EGR process with predefined priority settings and business rules. In the EGR production the highest priority data are the data from the country of the subsidiaries (bottom-up view), followed by the data from the country of the parent companies (top-down view), followed and complemented by data from commercial data provider.

Having final information on legal units and relationships between them for a reference year the EGR calculates the enterprise group structures. The enterprise groups are built on those legal units, which are linked together by control relationships, where the voting rights are above 50%.

The following enterprise group characteristics are calculated in the EGR process for each group: EGR identification number, group name, country of ultimate controlling institutional unit, country of global group head, country of global decision centre, group main and secondary activity code, group employment, group turnover and other group characteristics.

Before publishing the final data on the groups, the calculated group structures and group characteristics are revised and validated by the countries and Eurostat.

The EGR produces annual data, reflecting the status of the registered enterprise groups as of 31<sup>st</sup> December of the reference year. The collection and validation of the EGR data are complex and long processes. The EGR final data for reference year T are available for users 15 months after the end of the reference year, in March T+2.

## Information system

EGR offers online applications for users with remote access. With the EGR applications users can identify legal units, browse and improve EGR data. Users and producers alike benefit from the following EGR applications:

- [EuroGroups register identification service](#) - an application supporting the EGR producers in identifying legal units.
- EuroGroups Register CORE application - the heart of EGR system, it stores, transforms and consolidates input data of different sources and generates the EGR frames.
- EuroGroups Register interactive module - an interactive web interface to browse and validate data in the consolidation area of EGR.
- [EuroGroups register FATS online interface](#) - an application providing users with a foreign affiliates statistics (FATS) oriented web interface for browsing and downloading EGR data.

## EGR data and experimental statistics

The EGR delivers detailed information on all registered multinational enterprise groups and their constituent units for all available reference years starting of 2014:

- **legal units belonging to multinational enterprise groups:** EGR identification number, national identification number, name, address details, date of birth, EGR identification number of the group to which the unit belongs;
- **relationships between legal units:** relationships of legal units in the groups, including the EGR identification number of the subsidiary and parent, percentage of the ownership and control;
- **enterprises:** EGR identification number, national identification number, name, address details, date of birth and economic characteristics as main and secondary activity code, number of persons employed, turnover and institutional sector, EGR identification number of the group to which the unit belongs;
- **enterprise groups:** EGR identification number, group name, group head, country of global decision centre, group main activity code, group employment and group turnover.

## EGR coverage and accuracy

The EGR process is a regulated activity. To meet the legal requirements of regulation 2019/2152 NSIs deliver to the EGR Identification System all the incorporated resident legal units. For legal units belonging to MNE groups, NSIs also deliver their control relationships and their enterprises. The control relationships are mandatory variables, while minority ownership relationships has to be exchanged only when are available in the national statistical business registers.

The EGR final data for reference year T are available for users 15 months after the end of the reference year, in March T+2. The EGR has successfully completed numerous annual cycles starting for the 2015 reference year. The volume of the EGR data was increasing over the years and since 2018 reference year cycle the process and coverage has reached a good level of stability and maturity.

## Access to EGR micro data

EGR micro data are subject of statistical confidentiality and can only be shared within European Statistical System (ESS) and European System of Central Banks (ESCB). National statistical compilers are given access to all units of the multinational enterprise groups, if at least one of the group's unit is within their national territory. These populations can be used for national survey frames, official statistics production, or quality checks.

It is planned that the EGR should become a platform that supports the production of micro-based statistics on globalisation in Europe. EGR data help national statistical institutes and national central banks compile statistics and micro data are not disseminated by Eurostat to the public.

## Legal background

The necessary data exchange between the national business registers and Eurostat is defined in the [Regulation \(EU\) 2019/2152](#) of the European Parliament and of the Council of 27 November 2019 on European business statistics and in the Implementing [Regulation \(EU\) 2020/1197](#) of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics.