TWINNING CONTRACT

AZ/16/ENI/ST/01/19 (AZ/53)

Support to the State Statistical Committee and the State Tax Service under the Ministry of Economy to strengthen collection, harmonization, analysis, publishing and dissemination of business statistics

MISSION REPORT

Activity 2.1.C

Activity Title: Statistical Enterprise; profiling and consolidating

Component 1: A unified approach for improved quality of information exchange with the State Tax Service under the Ministry of Economy databases is implemented

Mission carried out by

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4-25 May 2021

Via: Online Activity: Webex videoconferencing app

Version: Final

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Twinning Project: AZ/16/ENI/ST/01/19 (AZ/53)
"Support to the State Statistical Committee and the State Tax Service under the Ministry of Economy to strengthen collection, harmonization, analysis, publishing and dissemination of business statistics"

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List of Abbreviations

AZ	Azerbaijan
BC	Beneficiary Country
EBS	European Business Statistics
EC	European Commission
EG	Enterprise group
EG	Enterprise Group Register *or* Euro Group Register
EU	European Union
MS	Member State
NACE	Nomenclature générale des Activités économiques dans le Communautés européennes NACE is the industrial classification of units dealing in economic activities
RS	Remote Sessions
RTA	Resident Twinning Adviser
SRSU	State Register of Statistical Units
SSC	State Statistical Committee
STS	State Tax Service under the Ministry of Economy
ToR	Terms of Reference

This project is funded by the European Union

1. General comments

This mission report was prepared within the EU Twinning Project "Support to the State Statistical Committee and the State Tax Service under the Ministry of Economy to strengthen collection, harmonization, analysis, publishing and dissemination of business statistics". It was the third mission to be devoted to 'A business case for compliance of the statistical units in the SRSU developed' within Component 1, Result 2 within Activity 2.1 of the project.

The purposes of the mission were:

- Capacity building in Statistical Enterprise; profiling and consolidating

The consultant would like to express his/her thanks to all officials and individuals met for the kind support and valuable information which he/she received during the stay in Azerbaijan (or Remote Sessions and which highly facilitated the work of the consultant.

This views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, SSC, STS, SME-Agency, Statistics Finland, Statistics Lithuania, Statistics Netherlands, Statistics Denmark and HAUS.

2. Status at the beginning of the mission

Activity 2.1.C was carried out on four Remote Sessions (RS - WebEx meetings). Last RS presented the observations made during the previous sessions and translated into proposals for improvement of the process, whereas the RS's before focused on analysing the situation in STS and SSC and presenting best practices out of MS.

- The mission was a direct continuation of activities 2.1.A and 2.1.B.
- On previous missions BC expressed their wish to focus the content of the missions on enterprise group register issues, instead of statistical unit enterprise issues. As the profiling of the statistical unit enterprise requires a well-developed enterprise group register, focusing on EGR was agreed by all parties.
- At present there are no large-scale data source for the compilation of the AZ enterprise groups. An analysis of the administrative data with subordination showed that this data only had links for governmental units and therefore in its current form cannot be used as a point of departure for the creation of EGs
- Negotiations with the STS of the acquisition of the ownership data concerning market-oriented businesses were started after the previous mission (negotiations ongoing).

3. Status of mission results

- In project formulation phase this mission was devoted for statistical unit enterprise but BC expressed their wish to focus the content on enterprise group register.
- It was found that the EG information on AZ companies web pages is very limited compared to EU public listed companies. This data can still be used as a demo data on EG register set-up.
- Direct data collection of the very largest AZ EGs was considered, and an example of direct data collection form was presented in the meetings
- Example of the EG data model with tables, relations, variables and explanations was presented on Excel file. BC will study further this data model. BC will load data of two AZ EGs in the Excel sheets according to this data model.
- A list of top 50 AZ EGs will be prepared by BC. This list can be used as a starting point for pilot data collection for EG purposes.

- Mission report

4. Sustainability of the achievements

The BC has started applying presented methods for trial runs on a few very large enterprise groups. The EG information concerning these EGs is acquired from companies' web pages. Getting access to relevant administrative data or other sources containing ownership links (e.g. financial reports) is, however crucial for the sustainability of the work.

5. Recommendations for the future (short and long term)

- Efforts for getting the ownership data from STS to SSC should be continued
- Possibilities for direct data collection of the very largest AZ EGs should be further studied
- Outline way forward to implement changes in the BR structure and needed software changes for EGR
- BC should only proceed with implementation of the statistical unit enterprise after the establishment of the enterprise group register

6. Identification of needs for additional support

BC should be able to proceed the work with enterprise groups. The need for additional activities within this project, component 1 and result 2 will be assessed after the summer.

7. Outstanding issues

- There are no specific outstanding issues.

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Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project: AZ/16/ENI/ST/01/19 (AZ/53)

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Component 1: A unified approach for improved quality of information exchange with the State Tax Service under the Ministry of Economy databases is implemented
4-25 May 2021 - Hosting institution: Remote Session via Webex

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Activity 2.1.C: Statistical Enterprise; profiling and consolidating

Result 2: A business case for compliance of the statistical units in the SRSU developed

Indicators of achievement

2.1.1 The business case elaborated and the methodological guideline with amendments/proposals and a roadmap developed for compliance of statistical units in the SRSU, presented and disseminated.

2.1.2 Use of administrative data sources for maintaining and updating the SRSU improved.

2.1.3 Recommendations given for alignment of the statistical units in the SRSU with the Council Regulation (EEC) No 696/93.1.1.3 Enhanced capacity of the staff of the State Tax Service under the Ministry of Economy and the SSC provided.

Prerequisite: 2.1.B
This activity will be carried out in 4 Remote Sessions, replacing a 4 Working Day's mission.
Purpose of the activity

Capacity building in Statistical Enterprise; profiling and consolidating

Expected Outputs of the Activity

- Enterprise groups, profiling and consolidation, EU best practices and MS experiences
- Consolidation of the ENT figures (from 2.1.B)
- Mission report

Resources

State Statistical Committee (SSC)

- Mr. Togrul Ajalov – Head of sector for work with registers of statistical units and administrative information sources, Deputy Head of Department
- Ms. Shafa Garayeva- Chief Advisor of sector for work with registers of statistical units and administrative information sources
- Mr. Hamid Kalantarli- Leading Advisor of sector for work with registers of statistical units and administrative information sources
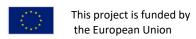
- Ms. Nargiz Chalabi- Advisor of sector for work with registers of statistical units and administrative information sources
- Ms. Shabnam Garayeva- Leading advisor of sector for metadata and classification
- Mr. Fuad Gojayev- Chief advisor of sector for metadata and classifications

State Tax Service under the Ministry of Economy (STS)
- Mr. Telman Mammadov, *Chief State Tax Inspector of Economic Analysis Main Department*
- Mr. Elvin Alizade, *State Tax Inspector*

MS Experts
- Mr. Timo Laukkanen, Senior Statistician, CL1, Statistics Finland
- Mr. Søren Kristensen, Chief Advisor, Statistics Denmark

Twinning Project Administration
- Mr. Ville-Matti Pilviö, RTA
- Ms. Gultakin Babayeva, RTAA
- Mr. Tarlan Arzumanov, Language Assistant

Agenda

Day/Time	Place	Event	Purpose / Details
4.5.2021 Tuesday 10:00-13:00 Baku	Webex	Remote Session 1	Opening, Introductions, Mission Agenda and Schedule, the working methodology Profiling in theory and practices, EU best practices and MS experiences Agreement of tasks by participants for next RS Preparations for next RS (Homework)
7.5.2021 Tuesday 10:00-13:00 Baku	Webex	Remote Session 2	BC AD use for EGR creation Agreement of tasks by participants for next RS Preparations for next RS (Homework)
18.5.2021 Tuesday 10:00-13:00 Baku	Webex	Remote Session 3	Enterprise Groups, profiling and consolidation of the Enterprise Agreement of tasks by participants for next RS Preparations for next RS (Homework)
25.5.2021 Tuesday 10:00-13:00 Baku	Webex	Remote Session 4	Presentation of MS experts' findings Agreement on proposed implementation plan Next steps and Next Mission content Agreement on summary mission report

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