Executive summary

This paper provides a brief introduction of the Mongolian Business Register and data sources of the Statistical Business Register, including the challenges. Also, it provides future activities to improve data exchange between ministries and government agencies in Mongolia and analyses the Statistical Business Register (SBR) in Mongolia.

SBR is a vital component of the core statistical infrastructure that supports to collect the economic data and production of economic statistics. SBR provides information to draw a sampling frame, conduct a survey, link data sources, integrate the survey results, analyze business structures, and to provide SBR data to external users on a commercial basis or disseminate business demography statistics as well.

National Registration and Statistical Office (NRSO) maintains a business register information, which has been developed in steps. After the privatization revolution of Mongolia in 1994, NRSO assigned registration numbers for enterprises and that is used as identification number for legal entities. In 1998, NRSO carried out an establishment census with technical and financial assistance of Eurostat and used the result of the census to create the statistical business register.

**Keywords:** Statistical Business Register and align administrative data
CONTENTS

1. BACKGROUND .................................................................................................................. 3

2. DATA SOURCES .............................................................................................................. 4
   2.1. Official Statistics ......................................................................................................... 4
       2.1.1. Establishment census ....................................................................................... 4
       2.1.2. Quarterly report on SBR .................................................................................. 5
       2.1.3. Annual update for SBR ..................................................................................... 5
   2.2. Administrative Data Source ..................................................................................... 5

3. UPDATING PROCESS OF SBR ...................................................................................... 6

4. CHALLENGES .................................................................................................................. 7

5. FUTURE ACTIVITIES ..................................................................................................... 8

6. CONCLUSION .................................................................................................................. 9
1. BACKGROUND

The National Registration Statistics Office of Mongolia (NRSO) conducted establishment censuses in 1991, 1994, 1998, 2006 and 2011. The censuses of 1991 and 1994 covered some parts of economic activities and has limitations to count employees of establishment. The 1998 census covered all kinds of establishments and institutions according to the law on Statistics, and the business register was created. The International Standard Industrial Classification of All Economic Activities (ISIC) was introduced in this census at very first time. However, it was only registered a single activity of enterprises.

The structure of the database of statistical business register has changed several times since 1998. In 2009, significant changes of BR structures were made and the 4th version of International Standard Industrial Classification of All Economic Activities (ISIC) and new administrative coding system is introduced.

In 2013, the international standard statistical unit database was created and worked in the internal network. A complex software was developed to repair, modify, use the database, create results, and repair unit database by administrative statistics database within framework of the MONSTAT project. MONSTAT project avails grants and credits from the Word Bank between 2010 and 2014. Improvements and updating of a statistical register was a key part of the MONSTAT project. The project had four components (Figure 1) and component B covered the issues of improving SBR.

Figure 1. Components of MonStat project
As a part of the project, NRSOM has developed the following platforms to CREATE Statistical Units in Business Register. Of which;

- software was developed to add and update information of enterprises to the statistical unit.
- software was developed that enables the application to aggregate outputs and improve statistical unit data dissemination.
- software was developed to check and update the data from external sources such as Central Department of Taxation and General Authority for State Registration.

The results of the work gives an opportunity to profiler/user to create desired tables and list of units and makes it convenient to share and exchange information cross statistical systems (NRSO, the capital city and province level) in Mongolia. Business registration team activities has reached a new level and staff of NRSO were granted access to business registration database.

2. DATA SOURCES

The Statistical Business Register of Mongolia (SBR) records all types of legal entities, which is registered legally in State register. There are two main sources for updating information of SBR.

2.1. Official Statistics

Data from official statistics is an significant role in updating and maintaining the SBR. The process will be vital to ensure the survey frame is efficient, reliable and timely.

2.1.1. Establishment census

Establishment census is conducted according to the Law on Statistics in every five years, all kinds of establishments are involved in the census and business register database is updated completely.
It provides number of business and company located in the geographical boundary of Mongolia. A total of 66.5 thousand establishments were covered in the 2011 census. Information of the census is gained through questionnaire, fieldwork and face to face interview. Most information obtained through the census is updated the BR. Currently, establishment census of 2016 is being conducted by NRSO, based on web application and traditional data collecting method.

2.1.2. Quarterly report on SBR

Since 1998, the business register was created, BR is updated in every quarter and used on sampling frame of the economic statistics survey. Quarterly survey of the BR is a main source to register new enterprises in the system by inquiring their contact information, legal status, activities, revenue, salary, person engaged and other basic information.

2.1.3. Annual update for SBR

Annual statistical survey of economic sectors is a main source to update economic indicators for SBR such as number of employment, annual sales, tangible and intangible assets. These are updated in SBR after a month of the completion of data processing of annual statistical report of all sectors.

2.2. Administrative Data Source

Administrative sources is the most efficient source of information and it helps to reduce respondents burden. Administrative statistics is a source to revise, update and control the accuracy of data. The followings are the sources of administrative statistics:

a. Mongolian Tax Administration
b. Registration on Legal Entity
c. Minister of Finance
d. Ministry of Justice and Home Affairs
e. Ministry of Education, Culture and Science
f. Ministry of Roads, Transportation, Construction and Urban Development

g. Ministry of Food, Agriculture and Light Industry

h. Ministry of Health

3. UPDATING PROCESS OF SBR

From 1999, NRSO started to conduct a quarterly business register survey with help of enumerator by visiting to the selected enterprises and the newly existing enterprises, so that, all existing units are covered once in a year. The provincial statistics offices collect the data from legal entities and send it to NRSO, the business register is updated at central office of NRSO; and the database of business register is sent to each aimag in every quarter. This updating process was continued till 2013.

In 2013, a complex software was developed to repair, modify, use the database, create results, and repair unit database by administrative statistics database. Based on the work, the statistical business registration team members are able to update information through the internal network. The information is automatically checked and approved by the platform and SBR team of NRSO before it is integrated into the Statistical unit database.

The business register team of NRSO has the responsible for the updating process based on the various data sources mentioned previously. The main updating process on SBR are updating contacts, classifications, link between enterprises, identifying births and deaths of enterprises, and removing duplicates. The details are shown in Figure 1.
4. CHALLENGES

NRSOM need to improve data quality of SBR. The updating process of BR is time consuming and it requires manual processes with a high risk for mistakes. Several government agencies are involved in the data collection, but there are no access enabling exchange the data collected in a particular period of time. Also, another problem is use of the different types of the system or platform in other government agencies run, e.g. the tax authorities uses an Oracle based system while NRSOM runs on SQL.
There are a lot of works in progress to improve the data exchange (Figure 2). For example, evaluation on the different types of database in government agencies is made. In addition, development of new software is required which enable to exchange the information of the legal entity, civil and property registration in national level. As a result, will facilitate the work of the NRSO team; development of the software for instant and automatic checking and verification of data from external sources.

Figure 2. New database in future

5. FUTURE ACTIVITIES

There is a demand to link other administrative registers for improvement of SBR and other statistics such as Social insurance, Education, and Health database etc. Following activities are need to deal with for improving database exchange between the government agencies (Figure 2):

- To assess and evaluate current situation, define future activities:
  - To implement new management for an appropriate new database structure
To set the databases by order and clear the disparities of databases:

- To clear the disparities and duplications of databases
- To align of associated databases

To prepare aligned databases of other government agencies to be done:

- To store, update of data and ensure the confidentiality of information in standard way
- Key indicators to be identified
- Align all classifications and standards

Reduce overlap of work and steps

In addition, implementation of the new methodology on usage of Open data and BIG data into SBR is required.

6. CONCLUSION

A better qualified database of SBR and mechanism to exchange data between government agencies are required.

Using other agencies’ data for statistical purpose allow us opportunity to improve sampling frame of economic statistics survey; improve the coverage of sample survey which is the basic tool to build the sampling design in local unit level and estimate the GDP in LKAU level; reduce respondent burdens; and save cost of the enterprise survey.

Within the framework of using administrative data for business register, there is need to develop the administrative data sharing mechanism and to align international/national standards and classifications via government agencies. Furthermore, there is a strong demand to develop IT application to update administrative data on time.