1. Introduction

The Japanese Business Register (formally called “The establishment frame database”) is the database in which all establishments and enterprises in Japan are listed. This business register aims to provide current useful business frame information every year for the sampling frame of many economic surveys conducted by national and local governments. The register also aims to reduce respondent burden by eliminating redundancies.

This paper will describe the brief overview of the renovation and development of a new Japanese Business Register and introduce some key issues, challenges and future plans regarding the maintenance of the new Business Register including profiling methods. First of all, a brief overview of the new business register will be given.

1.1 Legal bases, Regulations and Plans for the New Business Register

The “Statistics Act” was revised in 2007. In the new act, the legal basis of the business register was stipulated for the first time in Japan, and the legal base of the profiling for the business register was also stipulated in the new statistics act.

Based on the new act, an official Statistics master plan (formally called “The 1st Term Master Plan Concerning the Development of Official Statistics”) was decided (Cabinet Decision) for the first time in 2009, which included the items for the development of the business register and especially pointed out to use various administrative record information including “the Commercial and Corporate Registration Data” and “Labor Insurance Data” for the effective maintenance of the new business register.

In 2011, “The Development Plan of the Business Register” was decided (it was the decision of the Minister for Internal Affairs and Communications) based on the new act and the new master plan. This development plan defines the operation and development cycle (including the maintenance of the new
unique “Common Enterprise Code” among governmental agencies), database functions, data sources (including administrative records), development schedule, etc.

1.2 Brief History and Overview of the New Business Register

Based on the related regulations and plans, the Statistics Bureau of Japan (the SBJ) started the register renovation in 2010 and began the operation of the new business register in 2013. After the implementation, the new register has been storing various survey data and administrative records data. In 2013, the “Annual Business Frame” based on information in the new business register was released for the first time and will be produced every year regularly from now on. As of 2014, many national and local governments used this business frame information as a sampling frame for surveys they conducted. The SBJ plans to release some register based statistics which are going to be created based on the annual business frame. The SBJ is now preparing to make the following two register statistics.

(a) Business pattern: Number of enterprises, establishments and persons engaged (Area, Industry)

(b) Business demography: Change of enterprises and establishments (birth and death)

The chart below summarizes these register functions and shows the image of data flow as stated above (data source, profiling and data input process, annual Business Frame, Register Statistics etc.). Details of the data sources and the profiling based on the administrative records (lower-left box in the following chart) are going to be explained later.
2. Current Situation of the Japanese Business Register Development and Maintenance

As explained in the previous section, the Japanese new Business Register is maintained and updated based on various data sources including administrative records. In this section, main data sources and profiling methods based on the administrative record data used for the register maintenance will be explained.

2.1. Data Sources

The major and fundamental data source for the business register is the results of “The Economic Census”, which has been conducted by the SBJ since 2009. The Economic Census is comprised of the following two surveys:

(a) “The Economic Census for Business Frame”: survey to grasp enterprises/establishments structure (conducted in 2009).

(b) “The Economic Census for Business activity”: survey to grasp the economic activity (including accounting items) of enterprises and establishments (conducted in 2012).

Within the period between the Economic Census, the business register is updated using administrative records (the Commercial and Corporate Registration Data, Labor insurance data, etc.) and other survey results.

The following administrative record data are mainly used for updating information in the business register.

(a) “The Commercial and Corporation Registration Data”: Monthly commercial and corporation registration data (including establishment, moves, trade name changes, mergers and so on) from the Ministry of Justice.


(c) “The EDINET (Electronic Disclosure for Investors’ Network) Data”: Electric disclosure system for investors to obtain disclosure documents (including information of enterprise name, address, financial information and so on.) based on the “Financial Instruments and Exchange Act”.

In addition to the above data sources, some other surveys for various industries with a large number of survey objects (including censuses in specific industries) are selected and recorded in the business register.
2.2. Profiling Methods Based on the Administrative Records

The basic statistical unit in the business register is an “Establishment” and an “Enterprise”. An establishment is a local unit defined as a single physical location where an economic activity is conducted. An enterprise is defined as an individual proprietorship or a corporation.

The administrative records do not always match up with establishments or enterprises in the business register. For example, the unit in the Labor Insurance Data is not always the same as the unit in the business register (establishment defined as a local unit) because a unit in the Labor Insurance Data sometimes refers to more than one establishment, or on the contrary more than one Labor Insurance data units exist in an establishment unit in the business register. These results are attributed to the system of the Labor Insurance. The image of such situations is as follows.

![Diagram of Labor Insurance data and Business Register data]

To overcome such cases, administrative records and statistical units are linked through profiling methods such as telephone calls, mailing and web-based inquiry. These administrative records are recorded into the business register after this profiling process. Under the present circumstances, targets of profiling process are limited to the Commercial and Corporation Registration Data and the Labor Insurance Data, and also limited to newly opened or closed units (establishments).

3. Challenges and Future Plan

The new business register system was successfully launched and the annual business frame information has been used by many national and local administrative agencies to conduct their economic and business surveys. However many problems still remain that we should tackle to maintain the business register more effectively. To improve the business register maintenance, the SBJ aims to adopt the
following new measures. These measures are included in “The Second Term Master Plan Concerning the Development of Official Statistics” decided in 2014 (Cabinet Decision) and the newest report of “The Study Group on the Business Register” established in the SBJ with external business register experts.

3.1 The Development of the Advanced Profiling Methods

For updating the business register information, some administrative records (Labor Insurance Data and Commercial and Corporation Registration) are used. However, there are some difficulties in capturing newly opened or closed establishments and enterprises with current administrative records. It is also difficult to capture the changes in some important information for establishments and enterprises in a timely manner, such as the number of workers, capital, turnover, number of branch offices, etc.

The SBJ is planning test profiling methods to grasp the structure of large and complex establishments and enterprises efficiently. The SBJ will examine the methods including direct or indirect contact by experts with more various data sources (for example other administrative records, commercial database information, etc.) based on the examples of business registers in foreign countries. Through the test profiling process, needed workload (time and staff), equipment, and knowledge are going to be estimated and studied. Referring to the examples of foreign countries, the SBJ is also planning to develop the prototype systems and study the change detection methods that will help to specify and subtract target enterprises and establishments for profiling.

3.2 Using Present and Additional Administrative Records Effectively

The SBJ have been using various survey results and administrative records to develop and update the business register information; however there still may be room for practically using these data more effectively. For example, change information (changes in the number of workers, number of branch offices, turnover etc.) is not used at all.

The utilization of these administrative records data is considered to be more effective for business register development if combined with the advanced profiling methods.

References

