

Standard-documentation Meta information

(Definitions, comments, methods, quality)

on

Foreign Affiliates Statistics – FATS

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Executive Summary

Foreign Affiliates Statistics (FATS) has been produced by Statistics Austria since the year 2009, starting with reference year 2007. **Subject** of this statistics is to describe the **structure and activity of Austrian foreign affiliates**, i.e. enterprises resident in Austria which are controlled by foreign units as well as Austrian enterprises' affiliates abroad (see display 1).

Aim of the statistics is to provide additional information on the **internationalisation degree** of the Austrian economy. The statistics is produced mainly by facilitating **already existing data**. Data sources used are the Foreign Direct Investment (FDI) statistics provided by the Central Bank (Oesterreichische Nationalbank – OeNB) and Statistics Austria's own Structural Business Statistics, and, in odd reference years, R&D statistics. Only for parts not covered by these statistics, **additional data collection** contacting respondents is allowed. This additional data collection is also arranged within the Central Bank's FDI survey. For the domestic part of the statistics, individual data are linked by using information from Statistics Austria's Statistical Business Register.

When comparing with findings from other examinations on trans-border economic phenomena, like foreign direct investments, international sourcing processes, global value chains or industrial location decisions, following **specific features** of the FATS statistics are to be considered:

- FATS statistics strictly follows the **control principle** as concerns delineation of enterprise group structures. This means that the statistics only includes data on enterprises over which foreign units have control in terms of voting shares or shares in the enterprise's nominal capital (normally > 50%).
- In contrast to the Direct Foreign Investment Statistics, e.g., variables considered by the FATS statistics are not weighted by the capital shares observed but are taken into account **at full**.
- FATS statistics considers direct as well as indirect control links (including multiple minority and effective minority control).
- For the geographical allocation of control the UCI principle is applied. The UCI (ultimate controlling institutional unit) is the unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

In comparison to Austrian FATS data published by Eurostat it has to be considered that **national data** on Austrian affiliates abroad (Outward FATS) also contains data on foreign affiliates controlled by Austrian units which in turn are controlled by foreign enterprises, i.e. **going beyond the UCI concept**. However, these data are published separately from data according to the UCI concept.

Results from the FATS statistical domain can be used to shed light on the following issues:

- Engagement of **foreign businesses in Austria** through their own establishments (broken down by economic activities, by country of control, etc.);
- **Effects** of the activities of multinational enterprises on **domestic** employment, labour income, capital formation, etc.;
- Contributions to the assessment of the **Austrian economy's "attractiveness"** to multinationals;
- **Structural comparisons** of Austrian enterprises with and without foreign control;
- Trends in the foreign engagement of Austrian enterprises through their own establishments (again, broken down by economic activities, by target areas and countries, etc.)
- and many more.

Finally, it should be considered that FATS statistics provides no information on

- foreign enterprise births in a given period of time (enterprise demography);
- enterprise or group internal organisation of production process (value chains etc.);
- relocations and international sourcing processes;
- international activities of the Austrian non-market sector.

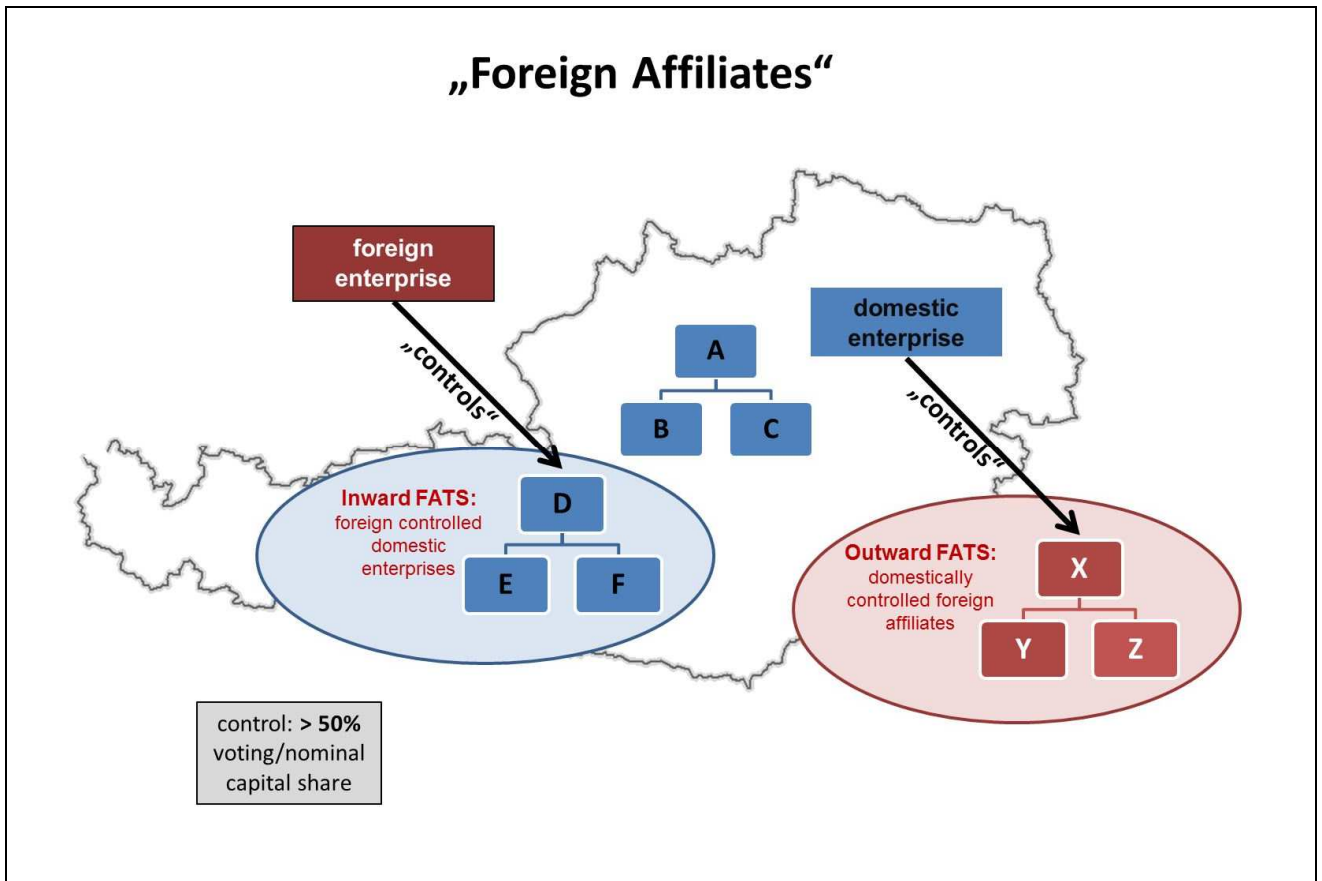


Figure 1: „Foreign Affiliates“

Foreign Affiliates Statistics – Main Features	
Subject Matter	Structure and activity of Austrian foreign affiliate units ; measuring the Austrian economy's internationalization in terms of cross-border control (majority) relations of Austrian enterprises / legal units: <ul style="list-style-type: none"> • Foreign controlled enterprises resident in Austria (Inward FATS) • Enterprises resident abroad under control of Austrian enterprises (Outward FATS).
Population	<ul style="list-style-type: none"> • Austrian resident enterprises (legal units) operating in the market sector under foreign control, and • Austrian enterprises (legal units) with foreign affiliates under their control.
Type of statistics	Secondary statistics using available data, only small amounts of data are collected in addition within the Central Bank's (OeNB) annual FDI survey by way of contract (see below).
Data sources / Survey techniques	external data sources: <ul style="list-style-type: none"> • Foreign Direct Investment statistics of OeNB (annual data), including small parts of data collected for FATS purposes only, by way of contract internal data sources: <ul style="list-style-type: none"> • Statistical Business Register • Structural Business Statistics (annually) • Data on R&D in enterprises (bi-annually)
Reference period or due day	Calendar year; Due day for recording of control links and thus of the reference population: 31 December.
Periodicity	annual (R&D characteristics: bi-annually)
Survey participation (in case of a survey)	compulsory
Main legal acts	<u>EU</u> : Regulation (EC) No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates (consolidated version) Commission Regulation (EC) No 834/2009 implementing Regulation (EC) No 716/2007 as regards the quality reports <u>national</u> : Auslandsunternehmenseinheitenstatistik-Verordnung: BGBl. II Nr. 345/2008
Most detailed regional breakdown	Austria
Availability of results	Final data: t + 21 months
Other	-