ENTERPRISE GROUPS IN TURKISH BUSINESS REGISTERS

"Training Course on Business Surveys"

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Paramaribo, SURINAME

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Aims
Background
EGs Field Study
Results of EGs Study
Problems Encountered
Future Plans
AIM

– to establish EGs data at a global level,
– to get basic figures and variables on EGs units,
– to delineate the pictures of EGs in terms of control and share relationship within the legal units belonging to that group,
– to gain information on the legal units and their links to enterprises and enterprise groups,
– to compare some of the variables and figures (activity, address, etc.) obtained for the legal units with our BR, by this way quality checks are performed
EGs figure is obligatory to be produced in BR according to the Regulation (EC) No 177/2008.

For this aim;

– Pilot study under PHARE 2005 Project (reference year 2007, for 3 biggest cities)
– EGs study has been conducted annually since 2008
– EGs studies are also sub-project of the Upgrading Statistical System of Turkey II – III Programme (USST II-III)
EGS FIELD STUDY

Geographical Coverage
Whole Turkey

Method
The questionnaire is
✓ applied to legal entity having control authority
✓ carried out by regional offices of TurkStat
✓ completed by enterprise via web application
✓ filled out by finance manager or accounter
EGS FIELD STUDY

Data Sources

- Annual Business Registers Frame
- Revenue Administration
- SBS survey - Foreign Controlled Enterprise Statistics in TurkStat
- Outwards FATS in TurkStat
- Ministry of Economy – Foreign direct investments activated in Turkey
- Ministry of Treasury – Turkish companies that have foreign direct investments abroad
- The Central Bank – Capital Exporting Company Information and Foreign Capital Company List
- Banking Regulation and Supervision Agency – Subsidiaries and affiliates of Banks
- Association of International Investors Data
- Ministry of Science, Industry and Technology – Foreign Capital Companies
- Turkish Union of Chambers and Commodity Exchanges – Foreign Capital Companies
- EGs of previous year
EGS FIELD STUDY

Criteria for selection

- foreign capital share >50%
- the biggest 500 companies
- legal name containing “holding” or “company groups”
- elimination of legal units belonging to EGs detected previous year
- threshold of number of persons employed
- legal status>1
- active units
- extracting repeated ones
- frequency of data sources
- visiting official web sites of the units, etc.
EGS FIELD STUDY

Data Edits

• EGs in the previous year, but not an EGs in this year
• Comparison with SBS survey
• NACE Rev.2 activity ‘9609- Other service activities not classified in anywhere’
• Domestically controlled truncated groups which fill the country name of legal units resident only in Turkey, etc....
EGS FIELD STUDY

Variables

• Identity and address information of group head,

• Country name, legal name, address, date of association and share information of controller unit abroad and of the controller unit globally at the uppest level (if any),

• Tax number and legal name of group head,

• Date of association, principal activity, secondary activity (if any), nationality, type and web address (not compulsory) of the group,

• Information of the country name and the number of legal unit resident abroad,
EGS FIELD STUDY

Variables

• Information on the legal units belonging to EGs
  ✓ legal name
  ✓ tax number
  ✓ status in consolidated budget
  ✓ date of association
  ✓ date of separation of legal units)

• Information on control-links of EGs
  ✓ tax number of owner legal unit
  ✓ legal name of owner legal unit
  ✓ tax number of owned legal unit
  ✓ legal name of owned legal unit
  ✓ Share of ownership (%)
  ✓ control (direct, indirect, no control)
## RESULTS

### General results

<table>
<thead>
<tr>
<th>CASES</th>
<th>2014</th>
<th></th>
<th>2013</th>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COUNT</td>
<td>%</td>
<td>COUNT</td>
<td>%</td>
<td>COUNT</td>
<td>%</td>
</tr>
<tr>
<td>ENTERPRISE GROUP</td>
<td>4272</td>
<td>75,0</td>
<td>3269</td>
<td>80,7</td>
<td>2688</td>
<td>70,7</td>
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<tr>
<td>Analysed</td>
<td>4069</td>
<td>71,4</td>
<td>3167</td>
<td>78,2</td>
<td>2534</td>
<td>66,6</td>
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<tr>
<td>Not analysed (Mid Subsidiary)</td>
<td>203</td>
<td>3,6</td>
<td>102</td>
<td>2,5</td>
<td>154</td>
<td>4,1</td>
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<td>NOT BELONGING TO AN ENTERPRISE GROUP</td>
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<td>21,4</td>
<td>571</td>
<td>14,1</td>
<td>801</td>
<td>21,1</td>
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<tr>
<td>NONRESPONSE</td>
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<td>3,7</td>
<td>212</td>
<td>5,2</td>
<td>313</td>
<td>8,2</td>
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<tr>
<td>Liquidated</td>
<td>19</td>
<td>9,0</td>
<td>4</td>
<td>1,9</td>
<td>25</td>
<td>8</td>
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<tr>
<td>Inactive</td>
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<td>34,8</td>
<td>38</td>
<td>17,9</td>
<td>41</td>
<td>13,1</td>
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<td>Be Rejected</td>
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<td>2,4</td>
<td>3</td>
<td>1,4</td>
<td>10</td>
<td>3,2</td>
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<td>Address Problem</td>
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<td>52,4</td>
<td>164</td>
<td>77,4</td>
<td>51</td>
<td>16,3</td>
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<td>1,4</td>
<td>1</td>
<td>0,3</td>
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<tr>
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<td>0</td>
<td>0,0</td>
<td>5</td>
<td>1,6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5699</td>
<td>100</td>
<td>4052</td>
<td>100</td>
<td>3802</td>
<td>100</td>
</tr>
</tbody>
</table>
### RESULTS

#### Number and percentage of EGs by group types

<table>
<thead>
<tr>
<th>TYPE OF EGs</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of EGs</td>
<td>%</td>
<td># of EGs</td>
</tr>
<tr>
<td>All Resident Group</td>
<td>572</td>
<td>14,1</td>
<td>368</td>
</tr>
<tr>
<td>Domestically Controlled Truncated Group</td>
<td>208</td>
<td>5,1</td>
<td>157</td>
</tr>
<tr>
<td>Foreign Controlled Truncated Group</td>
<td>3289</td>
<td>80,8</td>
<td>2642</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4069</td>
<td>100</td>
<td>3167</td>
</tr>
</tbody>
</table>
RESULTS

Number of EGs by group types

- All Resident Group
- Domestically Controlled Truncated Group
- Foreign Controlled Truncated Group

Comparison for years:
- 2012
- 2013
- 2014
RESULTS

Number of EGs by association years in EGs 2012, 2013 and 2014 surveys
RESULTS

Number of EGs by NACE Rev.2.

- Manufacturing (C)
- Wholesale and retail trade; repair of motor vehicles and motorcycles (G)
- Professional, scientific and technical activities (M)
- Construction (F)
- Information and communication (J)

Chart showing the number of EGs for different sectors in years 2012, 2013, and 2014.
Number of legal units abroad by country belonging to domestically controlled truncated groups in 2014
RESULTS

• # of legal units resident abroad for domestically controlled truncated groups: 510 units in 2014, 459 units in 2013
  (according to the data kept in country table)

• # of legal units resident in Turkey: 8746 units in 2014, 6974 units in 2013.
  (according to the data kept in legal unit table)

• contents of the reference year 2014
  – Enterprise groups 4069
    • Turkish 780
    • Foreign 3289
RESULTS

Number of EGs by nationality in 2014 survey

[Bar chart showing the number of EGs by nationality, with France having the highest number, followed by Germany and the Netherlands, and so on.]
PROBLEMS ENCOUNTERED

- Lack of administrative sources
- No updated data in the available sources
- Lack of staff in BR for selection of the scope of EGs frame (searching the organization structures, annual reports of the units via internet)
- Not possible to detect the whole scope of the EGs
• to initiate profiling studies
• to increase the scope of EGs annually
• to continue the negotiations with other administrative bodies
• to publish EGs results when the whole scope of the EGs is gained
Thank you...