



# Foreign Affiliates Statistics (FATS) data collection

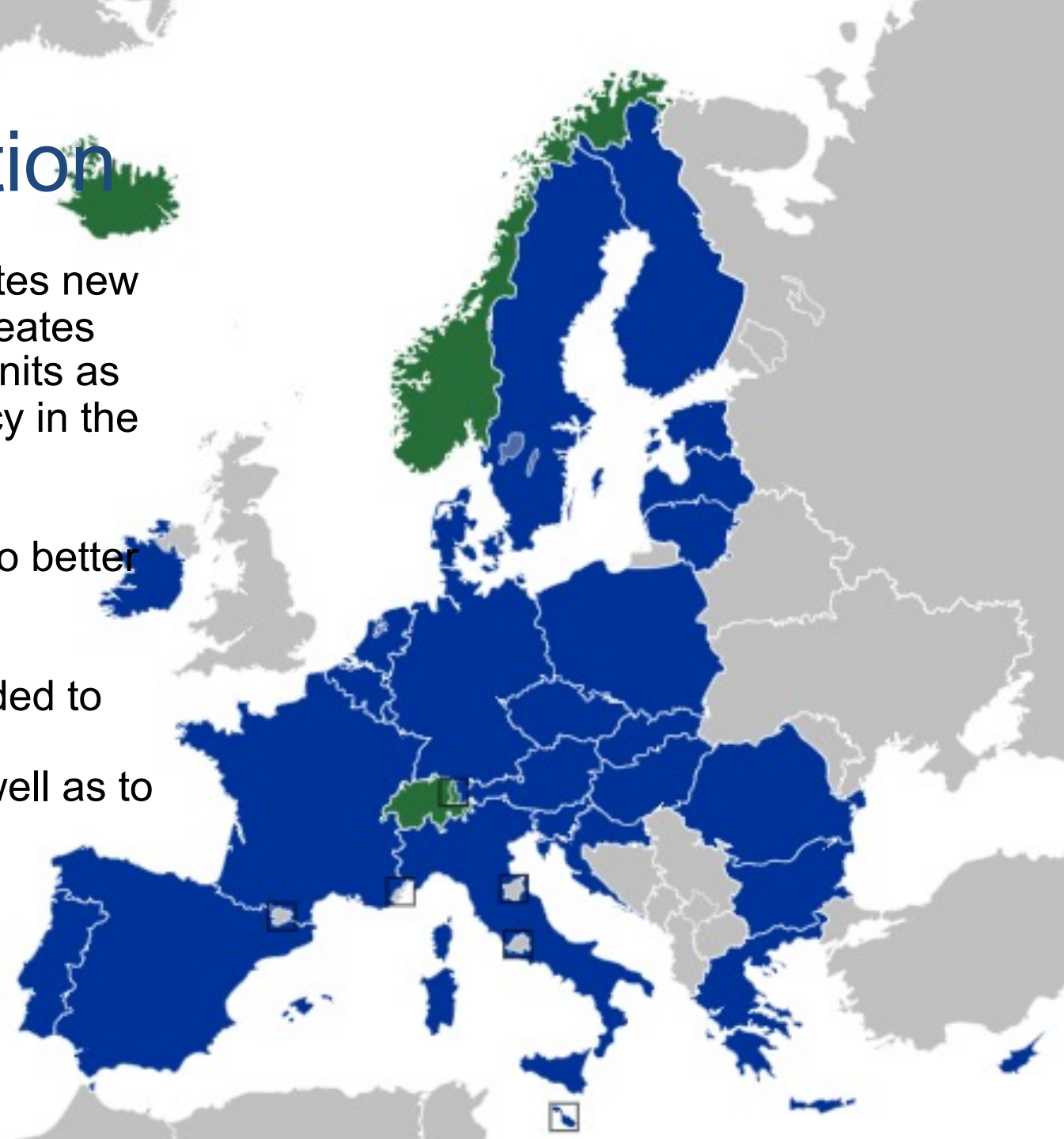
Fourth Meeting of the Informal Working Group on Data for  
Services Trade and Development Policies

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*European Commission, Eurostat*

# The EU and Globalisation

- The globalisation of the world economy creates new needs for statistics and, at the same time, creates challenges to obtain information on foreign units as well as to ensure high quality and consistency in the European Union statistics
- The European Statistical System prioritizes to better measure globalisation related activities
- Statistics on Foreign Affiliates (FATS) is needed to better capture the impact of globalisation on the European economy as well as to improve the consistency of national data on cross-border business activities

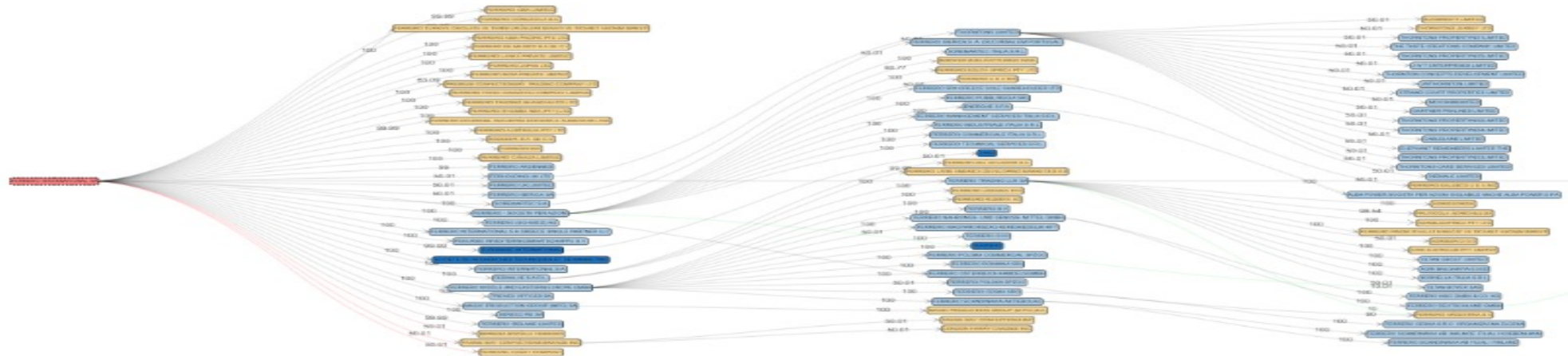


# What is FATS?

- FATS measures the commercial presence through affiliates in foreign markets
- A foreign affiliate is an enterprise resident in one country that is under the control of an institutional unit (enterprise, government, natural person...) resident in another country
- In this context control means the ability to determine the general policy of an enterprise, for example by choosing appropriate directors, if necessary. Enterprise A is deemed to be controlled by an institutional unit B when B controls, directly or indirectly, more than half of the shareholders' voting power, or by other means secures the control over A

# What is the Ultimate Controlling Institutional unit?

- The Ultimate Controlling Institutional unit (UCI) is the institutional unit, proceeding up a foreign affiliate's chain of control, that is not controlled by another institutional unit



# Inward FATS and Outward FATS

- FATS describes the overall activity of foreign affiliates (turnover, personnel, value added...)
- A distinction can be made between Inward and Outward FATS
  - Outward FATS describes the activities of an enterprise's own affiliates abroad
  - Inward FATS describes the activities of foreign controlled enterprises in the reporting country or area

# Who are FATS users?

- FATS are used by different types of users:
  - European Commission services
  - International organisations
  - Ministries
  - Chambers of commerce
  - Trade unions
  - Journalists
  - Academia and researchers
  - Etc.

# What is FATS used for?

- FATS can be used for many different purposes:
  - To shape national and European policies and decisions by helping to assess the impact of foreign-controlled enterprises on the economy;
  - To monitor the effectiveness of the internal market and the gradual adaptation of economies to a more globalized world;
  - other kinds of research on business relations in different countries.

# EU legal framework

- The European Business Statistics (EBS) Regulation pulls together the various statistical domains into a **coherent** legal framework, facilitating improved **consistency** and **harmonisation** across all business statistics
- Harmonised methodology, statistical populations, concepts, breakdowns across all EU member States (and EFTA countries)



[Commission Implementing Regulation \(EU\) 2020/1197 of 30 July 2020](#) laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics repealing 10 legal acts in the field of business statistics



# Eurostat FATS

- Eurostat disseminates FATS statistics received from:
  - All EU Member States
  - The European Free Trade Association (EFTA countries)
  - EU candidate and potential candidate countries
- Eurostat compiles and disseminates aggregated EU statistics



# FATS statistics in the EU

- Eurostat collects and disseminates FATS data since reference year 2003
- FATS geographical coverage includes over 250 countries, continents and specific geographic/economic zone aggregates
- 48 economic activity breakdowns (based on the NACE classification)
- Statistical unit enterprise (market producers)
- Annual data collection

# FATS variables under European framework

- Variables
  - Number of foreign controlled affiliates
  - Size of employment
  - Employee benefits expense
  - Purchases of goods and services
  - Purchases of goods and services for resale
  - Turnover
  - Value of output
  - Value added
  - Gross investment in tangible non-current assets

# Data sources

- For the production of European business statistics as required under the EBS Regulation, national statistical compilers use the following data sources, including a combination of them:
  - surveys;
  - statistical business registers;
  - administrative records, including information from tax and customs authorities such as annual financial statements;
  - exchanged micro data;
  - other relevant sources, methods or innovative approaches insofar they allow data to be produced that are comparable and compliant with the applicable specific quality requirements

# Further information

- Globalisation dedicated section on Eurostat website:

- <https://ec.europa.eu/eurostat/web/globalisation-businesses/overview>

- Eurostat Statistics Explained articles on Inward and Outward FATS:

- [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign-controlled\\_enterprises\\_statistics\\_-\\_inward\\_FATS](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign-controlled_enterprises_statistics_-_inward_FATS)

- [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign-controlled\\_enterprises\\_statistics\\_-\\_outward\\_FATS](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign-controlled_enterprises_statistics_-_outward_FATS)

- European Business Statistics compilers' manual for FATS:

- <https://ec.europa.eu/eurostat/documents/3859598/18622388/KS-GQ-23-018-EN-N.pdf/bfcf28ea-1430-e089-d971-76f85800623a?version=3.0&t=1709546836946>



National business registers



Eurogroups register



European profiling



Publications



Methodology



Legislation

# Thank you!

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statistics and data on Europe



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