

## **Profiling business groups and its effect on business statistics**

In France as in many other countries of the European Union, business statistics are undergoing great changes. Until now, business surveys were based on the observation of legal units that had a juridical definition. From now on, business statistics will be based on the economical notion of “business” units. In accordance with the European definition, “a firm is the smallest combination of legal units that form an organizational unity in terms of producing goods and services that has a certain degree of freedom in decision-making in particular in allocating current resources”. Appointing business units within complex business groups is called “profiling”. We will show through a few examples that this change of definition was necessary in order to avoid breaks in business statistics due to firm reorganizations since they generally don’t have an economical relevance. We then examine the consequences of this change of definition on the way we perceive production units. If “profiling” doesn’t have an impact on the GDP and other economical aggregates, classification in activity sectors will be improved and hence will undergo important changes. During the “profiling” operation, we essentially focused on preventing breaks in the data due to incoherencies and on measuring the effects of this change in definition. Finally, Insee will switch from producing business statistics based on a legal definition to producing statistics based on this economical definition at a single date - probably when national accounts undergo a change in their base year - and all firms will be concerned.