



Brussels, 24.4.2014
COM(2014) 243 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the implementation of the Regulation (EC) No 295/2008 of the European Parliament
and of the Council concerning structural business statistics**

Table of Contents

- 1. INTRODUCTION..... 3
 - 1.1. Regulation on structural business statistics..... 3
 - 1.2. Content of the main data sets 3
 - 1.3. Accessibility of SBSs 4
 - 1.4. Publications in 2012 and 2013 5
- 2. EFFECTIVENESS OF THE REGULATION AND RELEVANCE OF DATASETS 5
 - 2.1. Availability and completeness of data 5
 - 2.2. Confidentiality rules and their implementation..... 7
 - 2.3. Usefulness of SBSs 8
- 3. ACCURACY..... 8
- 4. COHERENCE AND COMPARABILITY 9
 - 4.1. Coherence..... 9
 - 4.2. Comparability..... 9
- 5. DEADLINES FOR SUPPLYING DATA 10
- 6. ACCESSIBILITY AND CLARITY 10
- 7. COMPLIANCE WITH THE SBS REGULATION..... 10
- 8. THE BURDEN ON BUSINESSES AND MEASURES TO REDUCE IT 12
 - 8.1. Background 12
 - 8.2. Measures taken to reduce the burden on businesses 12
- 9. FURTHER DEVELOPMENT 13

1. INTRODUCTION

1.1. Regulation on structural business statistics

Under Article 13(1) of Regulation (EC) No 295/2008¹ on structural business statistics (hereinafter referred to as ‘the SBS Regulation’), ‘the Commission shall, by 29 April 2011 and every three years thereafter, submit a report to the European Parliament and the Council on the statistics compiled pursuant to this Regulation and in particular on their quality and the burden on business’.

This report follows on from the May 2011 report² submitted pursuant to Article 14(1) of Council Regulation (EC, Euratom) No 58/97 (an earlier regulation, now replaced by the SBS Regulation referred to above).

This report gives an overview of progress in implementing the SBS Regulation based on final data for 2010, the reference year, as regards structural business statistics on:

- services;
- industry;
- trade;
- construction;
- business services; and
- business demography.

It provides information on the measures taken by the Commission to ensure that high quality European structural business statistics are made available, and on the implementation of the SBS Regulation by Member States. It also provides information on the burden that providing statistics places on businesses and the actions taken by Eurostat and Member States to reduce that burden.

1.2. Content of the main data sets

Structural business statistics (SBSs) give a comprehensive picture of the structure, development and characteristics of European business as a whole and of different sectors, and make an important contribution to several other areas such as national accounts, short-term statistics and business registers.

In general, the data cover all sectors apart from agriculture and personal services. Data are collected on the following variables:

- output-related variables (e.g. turnover and added value);

¹ Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (recast), OJ L 97, 9.4.2008, p. 13.

² COM(2011) 242 final.

- input-related variables relating to labour input (e.g. employment and hours worked), goods and services input (e.g. total purchases) and capital input (e.g. investments in tangible goods); and
- business demography variables (e.g. population of active businesses, number of new businesses created and number of businesses closed down).

In addition, several other important indicators are derived from the above, in the form of ratios of certain monetary variables or *per capita* values.

All Member States send several data sets, as required by Commission Regulation (EC) No 251/2009³. The main datasets are:

- annual enterprise statistics (all characteristics are published by country at NACE Rev.2⁴ four-digit level (classes));
- annual enterprise statistics by size class (all characteristics are published by country at NACE Rev.2 three-digit level (groups), with size class determined by number of persons employed);
- annual regional statistics (four characteristics are published by NUTS 2 region at NACE Rev.2 two-digit level (divisions)); and
- annual demographic statistics by legal form or by employee size class (the characteristics are published by country, at NACE Rev.2 four-digit level (classes)).

The majority of the data is collected by national statistical institutes (NSIs) by means of statistical surveys, business registers or from various administrative sources. Member States apply various statistical methods, according to the data source, such as grossing up, model-based estimation or different forms of imputation, to ensure the quality of SBSs produced.

All data received from Member States undergo quality checks before being published on Eurostat's website.

1.3. Accessibility of SBSs

All data provided by Member States for 2010, the reference year, together with the EU aggregated results, have been freely available on Eurostat's website since November 2012. The SBS section of the website is easy to find under the area heading 'Industry, trade and services'⁵ or via the search function⁶.

³ Commission Regulation (EC) No 251/2009 of 11 March 2009 implementing and amending Regulation (EC) No 295/2008 of the European Parliament and of the Council as regards the series of data to be produced for structural business statistics and the adaptations necessary after the revision of the statistical classification of products by activity (CPA), OJ L 86, 31.3.2009, p. 170.

⁴ Commission Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains, OJ L 393, 30.12.2006, p.1.

⁵ http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database.

1.4. Publications in 2012 and 2013

In addition to being available on Eurostat’s website, the results have also featured in a number of articles published on the restructured European business section of *Statistics Explained*⁷. *Statistics Explained* is based on web 2.0 wiki-type technology and its main purpose is to explain European statistics by presenting data and highlighting what is interesting or surprising about them, taking into consideration all the necessary background information.

SBSs have also been used in many other publications. Major contributions were made in 2012 and 2013 to the Eurostat yearbook, Eurostat pocketbook and regional yearbook.

2. EFFECTIVENESS OF THE REGULATION AND RELEVANCE OF DATASETS

2.1. Availability and completeness of data

Tables 1, 2 and 3 show that, on the whole, data sent by Member States are reasonably complete for all SBS modules. Countries are considered as “large”, “medium” or “small” in terms of their share of the EU total of value added in the business economy.

Missing data were explained by the fact that there were some problems in the calculation of some indicators; some data were not available for 2010 reference year; lack of data sources for regional and ‘kind of activity unit’ (KAU) data; data were available after the data transmission deadline or zeros values were not provided.

The countries have promised to provide the complete datasets with the next data delivery (2011 reference year).

The availability of SBSs on Eurostat’s website was limited, however, by the fact that some data, especially for small countries, are confidential.

Table 1: Availability and confidentiality of final 2010 data on services, industry, trade and construction, NACE Rev.2

Countries ⁸	Total cells sent as a percentage of the SBS Regulation requirement	Confidential cells as a percentage of cells sent
------------------------	--	--

⁶ <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>.

⁷ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Category:Structural_business_statistics.

⁸ In order to minimise the burden on businesses and the costs to the national statistical authorities, Member States may mark data for use as a ‘contribution to European totals only’ (CETO). Eurostat does not publish such data and they are not marked as ‘CETO’ when Member States publish them nationally. The use of the CETO flag depends on the Member State’s share of total added value in the business economy, as follows:

Large countries: DE, FR, IT, UK;

Medium countries: BE, DK, ES, GR, IE, NL, AT, PL, PT, FI, SE, NO; and

Small countries: BG, CZ, EE, CY, LV, LT, LU, HU, MT, RO, SI, SK.

Large countries	94	10
Medium countries	92	15
Small countries ⁹	98	24
ALL	95	18

The 2010 results for the 27 EU Member States and Norway showed a 5 % increase in data availability as compared with the previous report to the European Parliament and the Council. In particular, small countries provided more data on the four sectors covered in Table 1.

Likewise, data availability was very good (95 %) for statistics on business services (Table 2) and business demography (Table 3). An important contribution to this high rate of availability was also made by the small countries.

The fact that some Member States decided not to flag the values of some indicators as confidential, when they could have done so, also contributed to the high availability of data.

Table 2: Availability and confidentiality of final 2010 data on business services, NACE Rev.2

Countries	Total cells sent as a percentage of the SBS Regulation requirement	Confidential cells as a percentage of cells sent
Large countries	100	0
Medium countries	97	10
Small countries	90	15
ALL	95	11

Table 3: Availability and confidentiality of final 2010 data on business demography, NACE Rev.2

Countries	Total cells sent as a percentage of the SBS Regulation requirement	Confidential cells as a percentage of cells sent
Large countries	99	10
Medium countries	91	12

⁹ Data for Malta are from 2009.

Small countries	98	13
ALL	95	12

2.2. Confidentiality rules and their implementation

The tables in paragraph 2.1 illustrate the extent to which confidentiality rules have reduced data availability.

All Member States have implemented similar confidentiality rules, mainly in order to avoid the release of data on one or more specific businesses. In several Member States, this approach was supplemented by a ‘dominance rule’ under which data were not published if one respondent accounted for more than a certain percentage of the figures. The percentages used vary slightly between Member States.

The percentages of data classified as confidential vary from 0% to 24%, with higher rates recorded by the medium and small countries due to the rules mentioned above.

However, the confidentiality rates for 2010 for statistics for the services, industry, trade and construction sectors were 4 % lower than those in the previous report.

In addition to the confidentiality rules applied to data at country level, data at EU level were also withheld from the statistics for publication in order to protect confidential national data. The rules determining the circumstances in which EU totals must be withheld from publication have been laid down in a Confidentiality Charter agreed with all Member States.

As a result, **8.3%** of the aggregated EU results for 2010, the reference year, for statistics on **services, industry, trade and construction** could not be published for reasons of confidentiality.

Around **14%** of the aggregated EU results for **business services and business demography** have not been made available due to confidentiality issues. The numbers and percentages of confidential data cells are presented in the table below.

Table 4: Confidentiality of the main variables included in annual enterprise statistics for which EU 2010 aggregates were published for all levels of NACE Rev.2

Area of SBS	Total number of data cells	Number of confidential data cells	Confidential data (%)
Services	5 569	679	12.2
Industry	8 008	457	5.7
Trade	2 092	170	8.1
Construction	732	56	7.7
Total (services, industry,	16 401	1 362	8.3

trade and construction)			
Business services	151	21	13.9
Business demography	18 532	2 700	14.6

2.3. Usefulness of SBSs

An indicator of the usefulness of SBSs is the number of downloads from Eurostat's website. The figures in the table below are for the period October 2012 to August 2013, during which the 2010 data were available.

Table 5: Number of downloads

Area of SBS	Number of downloads
	127 574
Services, industry, trade and construction	106 594
Industry and construction	59 540
Trade	20 302
Services	13 885
Regional data — all sectors	12 867
Business services	5 954
Business demography	15 026

3. ACCURACY

In order to measure the accuracy of SBSs, Commission Regulation (EU) No 275/2010¹⁰ requires all Member States to provide Eurostat, on an annual basis, with information on quality indicators such as coefficients of variation. They must also submit a report on the methodology used to collect and process the data. On the basis of the information provided by all Member States, Eurostat has conducted an assessment for 2010, the reference year, the main parts of which are included in this report.

Member States are free to decide on the most efficient and effective ways of collecting and processing data, in accordance with national particularities (e.g. size class, economic activity and regions) and available administrative sources.

¹⁰ Commission Regulation (EU) No 275/2010 of 30 March 2010 for implementing Regulation (EC) No 295/2008 of the European Parliament and of the Council, as regards the criteria for the evaluation of the quality of structural business statistics, OJ L 86, 1.4.2010, p. 1

In order to evaluate the quality of the data at EU level, Eurostat has calculated aggregated EU coefficients of variation based on the national coefficients of variation for six characteristics and for all sectors at NACE Rev.2 one-digit level (Section).

Table 6: Aggregated EU coefficients of variation (CVs) for statistics in services, industry, trade and construction (%)

2010	Share of EU coefficients of variation (%)					
	Number of enterprises	Turnover	Added value	Personnel costs	Gross investment	Number of persons employed
0.0-0.5	69	62	69	85	0	100
0.6-1.5	23	31	31	8	31	0
1.6-2.5	8	0	0	8	31	0
>2.5	0	8	0	0	38	0

The table above shows that the aggregated EU coefficients of variation for the variables are in most cases below 1.5, with the exception of the ‘gross investment’ variable, for which the coefficients are mainly between 0.6 and 2.5.

In general, the coefficients of variation are lower for industry and slightly higher for construction, trade and services.

4. COHERENCE AND COMPARABILITY

As mentioned above, Member States are asked to deliver a report for each reference year, giving information about the methodology used to collect and process the data.

4.1. Coherence

Coherence refers to the extent to which statistical correctness allows data from different sources to be combined. Eurostat is therefore keen to identify the features common to SBSs and other business surveys and to determine to what extent they are consistent.

SBSs can be used alongside statistics from a number of other sources, such as business registers, national accounts, labour cost survey, labour force statistics, business demography and short-term statistics. Analysing the coherence of SBSs and the other statistical sources revealed a number of differences in both the data and the methodologies used. For any particular statistical source, the methodology will be chosen which best suits the purposes of that source and for this reason there tend to be differences in methodology between sources.

4.2. Comparability

Statistics on services, industry, trade and construction are comparable over time and across countries only from reference year 2005 onwards, as some countries implemented changes in

¹¹ The coefficients of variation were calculated for final 2010 data for series 1A, 2A, 3A and 4A (Annexes I-IV), at NACE Rev.2 one-digit level (Section).

methodology and scope before that year. The implementation of the new classification of activities (NACE Rev.2) in 2008 prevents any time series being carried across that year.

Statistics on business services and business demography are comparable from 2008, when the survey became mandatory.

5. DEADLINES FOR SUPPLYING DATA

The deadlines, by which Member States must supply data for the reference year, as laid down in the SBS Regulation, are as follows:

- 10 months after the year-end for preliminary statistics on services, industry, trade and construction; and
- 18 months after the year-end for final data for all sectors.

For reference year 2010, 19 countries delivered their data on time for all SBS areas.

Derogations from the provisions of the SBS Regulation were granted to some Member States to allow them to make the necessary adaptations to their national statistical systems. Complete derogations were granted to Estonia and France for statistics on business services.

6. ACCESSIBILITY AND CLARITY

All SBSs are available free of charge on Eurostat's website in the area 'Industry, trade and services', together with detailed explanations of methodological issues that may be of relevance to users¹².

The NSIs also publish SBSs at national level, which make the data even more easily accessible to the users.

7. COMPLIANCE WITH THE SBS REGULATION

Member States' compliance with the SBS Regulation is assessed on the basis of the completeness of the data provided, the number of versions received before publication of the final data, and whether the data are provided within the deadlines.

The overall compliance score for 2010 data shows an improvement on the compliance level recorded in the previous report. Most countries are now delivering data more promptly than was previously the case, although some continue to miss deadlines, which delayed the publication of EU aggregates.

An average of 1.4 versions of each Member State's data was provided before publication of the final data.

¹² <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>.

Table 7 shows an overall assessment of compliance for all 27 EU Member States and Norway for all the areas that were subject to the SBS Regulation for reference year 2010.

The countries have been awarded one of four grades for compliance:

- **VG** = Very good compliance. All required data (with minor exceptions) were delivered on time (scores of 90% or above).
- **G** = Good compliance. There were a few elements missing or minor delays in data delivery (scores between 70 and 89%).
- **P** = Data were partially available but major sections of required information were missing or deadlines were not met (scores between 10 and 69%).
- **N** = A large part of the data was missing or there were major delays in data delivery (scores of less than 10%).

Table 7: Overall assessment of compliance

Countries	Overall score
AT, BE ,BG, CZ, DE, EE, ES, FI, FR, HU, LT, LV, NO, PT, RO, SI, SK	VG
CY, DK, IE, IT, LU, NL, PL, SE, UK	G
EL, MT	P
-	N

The above table shows that compliance was ‘very good’ or ‘good’ for most Member States.

Eurostat took steps to improve compliance in two ways: by reporting on the compliance monitoring carried out and by providing Member States with a tool for data validation.

Eurostat now submits a compliance report to the SBS Steering Group twice a year and also provides a report to the Business Statistics Directors Group once a year. In some cases the Director-General of Eurostat has also sent letters to the heads of NSIs.

Eurostat has explored ways of reducing the number of versions of data sent by Member States before publication of the final data. It has developed a data validation tool which Member States can use to check for accuracy and potential confidentiality before sending the data to Eurostat.

8. THE BURDEN ON BUSINESSES AND MEASURES TO REDUCE IT

8.1. Background

In order to be able to adapt to the changing economic environment and to respond promptly to users with a new need for statistics as situations arise, Eurostat is constantly looking to identify different ways to make the European Statistical System (ESS) more flexible as regards SBSs.

Measures which could help to achieve a flexible, high-quality system of business statistics must however be subject to the limits implicitly imposed by the goal of **reducing the statistical burden** on respondents, notably businesses, and by the **reduced resources** at the disposal of national statistical authorities. Working within these constraints means that Eurostat needs to aim for the rational development of business statistics by finding synergies, prioritising and focusing on European targets.

In line with the *Vision Communication* (COM(2009) 404), a project has been launched to establish a framework regulation for the integration of business-related statistics (FRIBS) which will simplify the production of business statistics by providing shared infrastructure and defining consistent data requirements.

8.2. Measures taken to reduce the burden on businesses

Eurostat works with NSIs on an on-going basis to find ways of reducing the burden on businesses by simplifying the data requirements, whilst at the same time ensuring that the available statistics meet the needs of users.

Following several consultations with the main users of SBSs, both within and outside the Commission, Eurostat has identified a number of possible ways of reducing the burden on NSIs and businesses. These measures relate to **the requirements imposed on financial services businesses, the details requested for multiannual datasets and the discontinuation of KAU based datasets.**

In addition to the above changes, the **list of required characteristics is undergoing a review which will** take into account proposals from the European Statistical System Committee (ESSC) on areas not to be prioritised.

Some of the steps taken by Member States to reduce the burden on businesses were related to SBSs data collection. Sample surveys are frequently used by the majority of Member States and they have adopted new sampling strategies in order to reduce both the burden on business and the costs for NSIs.

In addition, a number of countries have excluded small businesses from their surveys and used administrative data sources combined with estimates instead.

In many Member States, there is a strong and growing preference for using administrative data sources instead of carrying out surveys. There are however several obstacles to using

only administrative data, which normally differ from statistical data, e.g. as regards the definitions, formats, codes and transmission protocols used. NSIs are working with the bodies responsible for administrative data to try to overcome these obstacles, which would allow them to make greater use of administrative data and simplify the data collection process.

Some countries have developed and implemented online systems for collecting annual fiscal and statistical information. These systems use modern information technology and can improve the quality of the data and reduce the time taken to enter and process it.

The burden placed on businesses is taken into consideration whenever changes are made to data requirements or data production processes. However, producing high-quality SBSs which meet users' needs in a cost-effective way remains the main objective.

9. FURTHER DEVELOPMENT

ESS is constantly looking to identify ways of responding to new and emerging needs for statistics, whilst at the same time reducing both the burden on respondents and the cost of producing statistics.

Eurostat developed a programme for the modernisation of European enterprise and trade statistics (MEETS)¹³ which ran for six years, from 2008 to 2013. Its main outcome was a proposal for practical steps to modernise business statistics, such as developing a target set of indicators and conducting a review of priorities. Implementing this proposal will require significant commitment and investment from ESS in the coming years.

¹³ Decision No 1297/2008/EC of the European Parliament and of the Council of 16 December 2008 on a Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS), OJ L 340, 19.12.2008, p. 76.