

EN

EN

EN



EUROPEAN COMMISSION

Brussels, 4.5.2011  
COM(2011) 242 final

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

**on the implementation of Council Regulation (EC, Euratom) No 58/97 and of the  
Regulation (EC) No 295/2008 of the European Parliament and of the Council concerning  
structural business statistics (recast) which repealed and replaced Regulation No 58/97**

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

**on the implementation of Council Regulation (EC, Euratom) No 58/97 and of the Regulation (EC) No 295/2008 of the European Parliament and of the Council concerning structural business statistics (recast) which repealed and replaced Regulation No 58/97**

## TABLE OF CONTENTS

1.	INTRODUCTION.....	3
2.	REGULATORY DEVELOPMENTS .....	3
3.	AVAILABILITY AND QUALITY OF STRUCTURAL BUSINESS STATISTICS DATA.....	4
3.1.	Main data sets.....	4
3.2.	Timeliness, accessibility and relevance of data sets .....	5
3.3.	Confidentiality rules and implementation.....	8
3.4.	Accuracy .....	8
3.5.	Coherence and comparability.....	9
4.	COMPLIANCE WITH THE STRUCTURAL BUSINESS STATISTICS (SBS) REGULATION .....	10
5.	THE BURDEN ON BUSINESSES AND ACTION TO REDUCE IT .....	12
5.1.	Introduction.....	12
5.2.	Actions taken to reduce the burden.....	12
6.	FURTHER DEVELOPMENT .....	13

## **1. INTRODUCTION**

The objective of Council Regulation No 58/97 "(hereinafter referred to as "Regulation No 58/97" or "the SBS Regulation"), as set out in its Article 1, is to establish a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity, competitiveness and performance of business in the Community. The SBS Regulation lays down the norms, standards and definitions necessary for producing comparable Community statistics.

This report covers the implementation of Regulation No 58/97. It should be noted that Regulation No 58/97 was repealed and replaced by Regulation (EC) No 295/2008 of the European Parliament and of the Council concerning structural business statistics (recast) (hereinafter referred to as "Regulation No 295/2008").

The report has been prepared partly under the provisions of Article 14(1) of Regulation No 58/97 as regards final data for reference year 2007 and partly under the provisions of Article 13(1) of Regulation No 295/2008 as regards preliminary data for reference year 2008.

The reason for preparing the report as such was the fact that the first complete data sets covering all Annexes of Regulation No 295/2008 for reference year 2008 data will not be validated until early 2011, which is too late for providing a report within the time limits stipulated by Regulation No 295/2008, hence the partial reporting under the two Regulations.

Generally, the aim of the report is to provide information on the actions undertaken by the European Commission to ensure that high quality European structural business statistics are made available to users, and also on the manner and extent to which each of the Member States has implemented the SBS Regulations. Moreover, it provides information on the burden on businesses and the actions taken by Member States in order to reduce that burden.

## **2. REGULATORY DEVELOPMENTS**

Since the previous report produced in 2007, the SBS Regulation was repealed in 2008, with the adoption of Regulation No 295/2008 of the European Parliament and the Council on 11 March 2008. Due to the fact that several amendments had been made to Regulation No 58/97 in the past, and further amendments were scheduled to be integrated, the « recast » option was preferred for reasons of clarity.

The main objectives of the regulation were to respond to the increased need for statistical data, in particular for services, and to simplify and to lessen the amount of required data wherever possible.

Two new annexes were added to Regulation No 295/2008 (Annex VIII - Structural Statistics on Business services and Annex IX - Structural Statistics on Business demography) and the data requirements for the services sector were reinforced.

Also, a flexible module for conducting a specific and limited ad-hoc data collection of enterprise characteristics was added. It was decided that the first use of the flexible module of the SBS recast was to be for a data collection on "Access to Finance". The results of this data collection are expected in 2011.

Some simplifications were also introduced; a number of mandatory and optional variables were deleted and the frequency of data collection for some variables was changed from annual to multi-annual.

The present report covers the seven annexes of Regulation No 58/97, which can also be found in Regulation No 295/2008 under the same headings.

Annex I	Common Module for Annual Structural Statistics
Annex II	Structural Statistics in Industry
Annex III	Structural Statistics in Trade
Annex IV	Structural Statistics in Construction
Annex V	Structural Statistics in Insurance
Annex VI	Structural Statistics on Credit institutions
Annex VII	Structural Statistics on Pension funds

In accordance with Article 12 of the Regulation No 58/97 (Article 11 of Regulation No 295/2008 of the European Parliament and the Council), Commission Regulation (EC) No 1618/1999 (Commission Regulation (EU) No 275/2010) provide the criteria for the evaluation of the quality of structural business statistics.

### **3. AVAILABILITY AND QUALITY OF STRUCTURAL BUSINESS STATISTICS DATA**

#### **3.1. Main data sets**

Structural Business Statistics data give a comprehensive picture of the structure, development and characteristics of European business and its various activities. Broadly speaking, the data cover all market activities except agriculture and personal services.

The main characteristics (variables) covered by the SBS data are:

- Business Demographic variables (e.g. Number of enterprises);
- “Output related” variables (e.g. Turnover, Value added);
- “Input related” variables: labour input (e.g. Employment, Hours worked); goods and services input (e.g. Total of purchases); capital input (e.g. Investments in tangible goods).
- Several important derived indicators are generated in the form of ratios of certain monetary characteristics or per capita values.

Several data sets are transmitted by all Member States according to the requirements laid down in Commission Regulation No 251/2009<sup>1</sup> and the main series are those classified as:

- Annual enterprise statistics;

---

<sup>1</sup> 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)

- Annual enterprise statistics broken down by size class;
- Annual regional statistics.
- On the *Annual enterprise statistics* series all characteristics are published by country and detailed at the class level (4 digits) of NACE Rev. 1.1.

*Annual enterprise statistics broken down by size class.* All characteristics are published by country, detailed down to the NACE Rev. 1.1.- group level (3 digits) and employment size class. For distributive trades' activities, an additional supplementary breakdown by turnover size class is available.

On the *Annual regional statistics series*, four characteristics are published by NUTS-2 region<sup>2</sup> and detailed at division level (2 digits) of NACE Rev.1.1. For the distributive trades section, data are published at group level (3 digits) of NACE Rev. 1.1.

Data requested from the 2008 reference year onwards will be made available on the Eurostat website with the new codes for the classification of activities (NACE Rev.2).

Most of the SBS data are collected by the National Statistical Institutes (NSIs) by means of statistical surveys or business register surveys, or from various administrative sources. The NSIs can use one or more of these sources, according to their survey strategy, taking into account the costs, the quality of data and the response burden on enterprises. At Eurostat level, all data received from the Member States are checked from the point of view of quality and are published on Eurostat's website.

### **3.2. Timeliness, accessibility and relevance of data sets**

#### **3.2.1. Timeliness of data sets**

The transmission deadlines (expressed in months, after the end of the reference year) for providing data to Eurostat are:

- T+10 for preliminary data on Annexes I to IV;
- T+10 for Annex VI;
- T+12 for Annexes V and VII.
- T+18 for final data on Annexes I to IV;

#### **3.2.2. Accessibility of the released SBS data**

All data are available free of charge on the Eurostat's website<sup>3</sup> under the theme "Industry, trade and services".

Definitive 2007 data for Annexes V to VII were released on Eurostat's website in May 2009 and for Annexes I to IV in November 2009.

EU aggregates for definitive 2007 data have been calculated on the basis of the available data provided by Member States and, in the case of missing data, on the basis of estimates. Non-confidential EU aggregates were released in early 2010.

Preliminary 2008 data for Annexes I to IV in NACE Rev.2 were released on Eurostat's website in January 2010 for most of the countries.

---

<sup>2</sup> Common classification of territorial units for statistics (Regulation (EC) No 1059/2003)

<sup>3</sup> <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>

### 3.2.2.1. Publications programme for 2009

In addition to their dissemination on Eurostat's website, the results were also presented in a number of publications, including: one Panorama publication "European Business: Facts and figures", ten issues of Statistics in Focus and a new restructured *dedicated section on European business* on Eurostat's website.

SBS data were also used in many other publications. Major contributions were made during 2009, in particular to the Eurostat yearbook, Eurostat pocketbook and Regional yearbook.

Moreover, beginning in mid 2009, a new tool (*Statistics Explained*<sup>4</sup>) for the dissemination of (meta-) data via Eurostat's website was developed. Statistics Explained is based on Web 2.0 Wiki-type technology and its main purpose is to explain European statistics, by presenting data and pointing out what is interesting or surprising about them, with all necessary background information.

### 3.2.3. Effectiveness of the Regulation and relevance of data sets: completeness

In very broad terms it can be concluded from Tables 1, 2 and 3 that data transmitted by Member States are reasonably complete for Annexes I to IV, but the availability of data for the annexes covering the financial sectors (Annexes V to VII) is in general much lower.

Also, from the figures presented in the tables below, it can be observed that the availability of data on Eurostat's website was reduced by the presence of confidential data, especially for the small countries as regards definitive data on Annexes I to IV.

A high level of availability and a low level of confidentiality were recorded for preliminary 2008 data on Annexes I to IV, since those data are requested only at the three-digit level of NACE Rev.2.

**Table 1. Availability and confidentiality of final 2007 data for Annexes I to IV, NACE Rev.1.1**

Countries <sup>5</sup>	Total transmitted cells in % of required by SBS Regulation	Confidential cells in % of transmitted cells
Large countries	94	13
Medium countries	92	22
Small countries	86	26
<b>ALL</b>	<b>90</b>	<b>22</b>

<sup>4</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Structural\\_business\\_statistics\\_overview](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Structural_business_statistics_overview)

<sup>5</sup> CETO flags classification :

Large countries: DE, FR, IT, UK

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

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

**Table 2. Availability and confidentiality of final 2007 data for Annexes V to VII, NACE Rev.1.1**

Countries	Total transmitted cells in % of required by SBS Regulation	Confidential cells in % of transmitted cells
Large countries	63	9
Medium countries	78	11
Small countries	70	6
<b>ALL</b>	<b>73</b>	<b>9</b>

**Table 3. Availability and confidentiality of preliminary 2008 data for Annexes I to IV, NACE Rev.2**

Countries	Total transmitted cells in % of required by SBS Regulation	Confidential cells in % of transmitted cells
Large countries	99	5
Medium countries	95	16
Small countries	91	14
<b>ALL</b>	<b>94</b>	<b>13</b>

### 3.2.3.1. Relevance to users

An indicator of the relevance of the SBS data to our users is the number of data or publications downloaded from Eurostat's website and the number of publications sold during 2009.

The figures presented in the table below represent the data accessed by our users available on the Eurostat website for Eurostat's publications during the year 2009.

**Table 4. Number of accessed data**

<b>Sold publications (hard copies)</b>	
- European Business: Facts and figures (Editions from 2007 to 2009) <sup>6</sup>	<b>64</b>
<b>Free downloaded publications</b>	
- European Business: Facts and figures	<b>14.584</b>
<b>Free downloaded datasets</b>	
<b>Annexes I to VII</b>	<b>49.230</b>
- Annual enterprise statistics	22.814
- Annual enterprise statistics by size class	8.594
- Annual regional statistics	11.463
- Preliminary data	1.744
- Other	4.615

<sup>6</sup> The production of hard copies was discontinued in 2010.



### 3.3. Confidentiality rules and implementation

The tables in paragraph 3.2 illustrate the extent to which confidentiality has reduced data availability. Similar confidentiality rules were applied by all countries, mostly in order to protect data on one or more enterprises. Moreover, in several Member States this approach was supplemented by a "dominance rule" under which data were not disseminated if one respondent dominated the figures by more than a certain fixed percentage; the percentages used vary slightly.

In addition to the confidentiality of data at country level, data at Community level were also suppressed in order to protect confidential national data. The rules for the identification of the EU totals that needed to be suppressed have been laid down in a Confidentiality Charter agreed with all Member States. For 2007 data, as a result of the rules applied, 7 % of all aggregated EU data for annual enterprise statistics in Annexes I to IV could not be published for confidentiality reasons.

**Table 5. Confidentiality of the main variables of annual enterprise statistics for which EU 2007 aggregates were published; all levels of activity NACE Rev.1.1**

<b>Annex</b>	<b>Total number of cells</b>	<b>Number of confidential cells</b>	<b>Number of confidential cells in total number (%)</b>
Annex I	856	57	7
Annex II	5652	480	8
Annex III	1252	42	3
Annex IV	324	14	4
<b>Annexes I-IV</b>	<b>8084</b>	<b>593</b>	<b>7</b>

In order to meet the users' needs for information, the European Commission is currently investigating how to make more EU aggregates available. Ways of calculating estimates for the confidential EU aggregates which would provide sufficient protection of the data of individual respondents, while at the same time ensuring a certain level of accuracy of the aggregates, have been explored and will be applied from the reference 2008 year onwards.

For the time being, estimates have been used in order to provide more EU aggregates on the basis of non-confidential national data in order to fill the gaps for which the actual values could not be disclosed.

### 3.4. Accuracy

Under the terms of Commission Regulation (EC) No 1618/99 of 23 July 1999 (hereinafter referred to as "Regulation No 1618/99") concerning the criteria for the evaluation of quality of structural business statistics, all Member States shall provide to Eurostat on an annual basis information on quality indicators such as the coefficients of variations, the non-response rate and two specific reports – one related to the applied methodology and the other related to the principal activity.

On the basis of the information provided by all Member States, Eurostat conducted an annual assessment for the 2007 reference year and the main parts have been included in this report.

In order to evaluate the quality of the data provided at EU level, Eurostat has calculated aggregated EU coefficients of variation for six characteristics, at group level (3 digits) of NACE Rev.1.1, and for all activity sectors.

The table below shows that, with few exceptions, the aggregated EU coefficients of variation for the six compiled characteristics (Number of enterprises, Turnover, Value added, Personnel costs, Gross Investments, Number of employees) is below 1.5 %. In general, the coefficients of variation provided are lower for industry and slightly higher for construction, trade and services.

**Table 6. Distribution of aggregated EU coefficients of variation (%)**

EU coefficients of variation <sup>7</sup>	Number of enterprises	Turnover	Value added	Personnel costs	Gross Investments	Number of employees
0.0-0.5	73.5	1.9	30.4	42.3	26.2	48.5
0.6-1.5	26,5	97.2	63.7	57.1	67.8	48.5
1.6-2.5	0	0.9	5.9	0.6	4.2	2.4
>2.5	0	0	0	0	1.8	0.6

Starting with the data collection for the 2008 reference year, SBS data will be evaluated annually from the beginning of 2011 on the basis of a new Commission Regulation (EC) No 275/2010 concerning the implementation of Regulation No 295/2008, as regards the criteria for the evaluation of the quality of structural business statistics. The reports will be produced in line with the European Statistics Code of Practice.

### 3.5. Coherence and comparability

As each Member State is free to choose the way it compiles SBS data, strict compliance with the Commission Regulations is required in order to ensure data comparability across countries.

As it was mentioned above, Member States were asked to provide, for each reference year, two reports in which they have the opportunity to provide Eurostat and their users with information about the applied methodology.

Coherence refers to the extent to which statistics will allow the combined use of data from different sources, and for this reason Eurostat has tried to identify which are the common features between SBS and other business surveys and to what extent they are consistent (consistency can be considered as a synonym for coherence). Comparability is a special case of coherence using data from the same source but for different time periods and/or regions.

SBS data can be linked with several other statistical domains such as: National accounts, Labour cost survey, Labour force and Short term statistics. However, in order to make combined use of these statistics, their coherence must be ensured.

<sup>7</sup> The coefficients of variation were calculated for final 2007 data for Series 1A, 2A, 3B and 4A (Annexes I-IV), on NACE Rev.1.1, at 3-digit level (groups) or regroupings as mentioned in section 9 of Annex 1 to the SBS Regulation.

The coherence between Structural business statistics and the domains mentioned above were analysed in the past, and a number of differences in both the data and the methodology were discovered. This is not unexpected, as each domain has defined the methodology in the way which best suits the particular analysis.

Business and Trade statistics are confronted by major challenges in a globalised world. A strong movement towards integration of world markets is changing the structure of the economy and the way businesses operate. Eurostat has therefore developed a programme for the modernisation and better integration of enterprises and trade statistics (MEETS)<sup>8</sup>. The programme will run for a period of six years from 2008 to 2013.

One important project under the MEETS programme is on “*Consistency of concepts and methods of business-related statistics*” which has started in the third quarter of 2010 and will run for a period of 48 months. This project will help improve the consistency of concepts and facilitate the production of integrated legislation governing enterprise and trade statistics in the future.

#### **4. COMPLIANCE WITH THE STRUCTURAL BUSINESS STATISTICS (SBS) REGULATION**

Compliance with the SBS Regulation is evaluated on the basis of the punctuality of data transmitted by the Member States, and also on the completeness of the data and the number of versions needed before the final release.

Overall, the compliance level for 2007 data has been increased relative to the compliance level recorded in the previous report. A full analysis of all compliance issues, in particular those related to comparability, will not be possible until the renewed quality reports are available in May 2011.

Punctuality has improved generally over the years. However, some countries continue to send their data with some delay, which has influenced the punctuality of the dissemination of EU aggregates.

Compared with the previous report, the most notable improvements from the punctuality point of view were made by Belgium, Ireland, Greece and Slovenia.

However, Belgium and Greece sent their data with some delay. First data for 2007 were provided by Malta with a major delay.

As far as the completeness of the datasets transmitted by the countries is concerned, when all datasets for the definitive series of Annexes I to IV provided by the EU-27 and Norway are taken together, they make up 90% of the required data. This represents a significant improvement in comparison with the situation described in the previous report provided to the European Parliament and to the Council in 2007, but it is still insufficient. Several countries are taking action to improve data availability.

---

<sup>8</sup> OJ L 340, 19.12.2008 - (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)).

Preliminary 2008 data were provided by most of the countries before the deadline set in the Regulation. A few countries sent their data with some delay, for instance around 20 days after the deadline in the case of Belgium and Italy, and with a delay of more than one month for Greece and Poland. In general, punctuality has not improved for these data sets compared to last year, but this situation was due to the fact that the 2008 reference year was affected by the implementation of NACE Rev.2. Overall, 94% of the required data is available.

Data for Annexes V to VII were still missing for some series. Overall, 73 % of the required data for financial annexes is available.

The assessment presented in table 7 shows an overall evaluation of compliance for all Member States that were subject to the SBS Regulation for reference year 2007 (EU-27 and Norway).

The evaluation was based on the punctuality, completeness of the data and the number of versions provided for final 2007 data in respect of Annexes I to VII and also in respect of preliminary 2008 data for Annexes I to IV.

The countries have been divided into four categories of compliance:

**VG** = Very good compliance, all required data (with minor exceptions) were delivered on time.

**G** = Good compliance, a few elements missing or minor delays in data delivery.

**P** = Data were partially available but major elements of compliance were missing or deadlines were not met.

**N** = A large part of the data was missing or there were major delays in data delivery.

**Table 7. Overall assessment of compliance**

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

From the table above it can be noted that the compliance level was "very good" or "good" for most of the Member States. Moreover, Malta has made considerable efforts to solve the non-compliance issues and has begun transmitting data for previous reference years. All countries intend to increase the level of compliance from reference year 2008 onwards.

Eurostat has carried out actions in order to increase the level of compliance in two areas. First, a compliance report has been submitted to the SBS Steering Group twice yearly and to the Business Statistics Directors once a year. Letters from the Director-General of Eurostat to the Heads of National Statistical Institutes have also been used to address cases of serious non-compliance. In addition to monitoring and reporting, bilateral contacts have been made in order to investigate and resolve shortcomings in compliance.

Secondly, Eurostat has tried to find ways to facilitate data transmission, e.g. by simplifying the data transmission formats and by streamlining the data requirements, especially with the new SBS Recast Regulation.

## **5. THE BURDEN ON BUSINESSES AND ACTION TO REDUCE IT**

### **5.1. Introduction**

The Commission Communication of March 2005 on "Better Regulation for Growth and Jobs" identified simplification as a priority action for the EU. In the Commission Communication on the reduction of the response burden, efforts to simplify and set priorities in the field of Community Statistics ((COM (2006) 693 final) were directed more specifically at statistics.

As mentioned before, in order to reduce the burden on data providers and also on businesses, the "recast" SBS regulation aims to keep the burden on enterprises as light as possible and, for this reason, a number of mandatory or optional variables were deleted or had their frequency changed from annual to multi-annual.

### **5.2. Actions taken to reduce the burden**

This section summarises the actions taken by Eurostat and the Member States in recent years in order to reduce the costs and the burden on business.

Eurostat has worked together with the National Statistical Institutes to find ways of reducing the burden on businesses. The recast of the SBS Regulation reduced the number of mandatory variables, by moving some variables from annual to multi-annual frequency and also by deleting optional variables.

Additionally, the SBS recast introduces the possibility for countries simply to **contribute to the European totals** (CETO flags) without being obliged to provide detailed data when the figures are not sufficiently reliable to be published at national level.

Some of the actions taken by Member States were related to their way of organising the SBS data collection. Sample surveys were frequently used by the majority of the Member States. All but one of the 27 Member States have used a sample survey or a combination of sample survey and data collected from other sources, instead of censuses. Member States have focused on applying new sampling strategies in order to reduce both the burden on business and the costs of National Statistical Institutes.

Additionally, 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. However, there are several obstacles to using administrative data sources alone, due to the fact that administrative data normally differ from statistical data in terms of definitions, formats, codes, transmission protocols, etc. For this reason, political support is needed to establish agreements between the National Statistical Institutes and the relevant governmental organisations on producing administrative data which would serve the relevant purposes.

Moving from surveys to the use of administrative data sources requires an initial investment in the form of additional internal resources and new adjusted working methods at the level of the National Statistical Institutes before efficiency gains can be materialised.

Some countries have also started to explore more direct ways of collecting data, including direct collection from company accounts. Ideally, statistics would be generated as a by-product of the regular accounting by enterprises, data would be processed automatically, common identifiers would enable the collected information to be used in the most efficient way and the information would automatically be forwarded, for example to Eurostat, as soon as it is processed.

To conclude, the burden on businesses is an issue which is taken into consideration whenever changes are made to data requirements or data production processes. However, producing high quality SBS data, which correspond to users' needs in a cost effective way, is the main objective.

## **6. FURTHER DEVELOPMENT**

The European Statistical System is constantly looking to identify ways of dealing with new and emerging needs for statistics, whilst at the same time making great efforts to reduce both the burden on respondents and the costs of producing statistics.

Moreover, given the increasing importance of European statistics - at EU level - for the development, implementation, monitoring and evaluation of EU policies, the Commission (Eurostat) has issued a Communication on the production method for EU statistics - a vision for the next decade<sup>9</sup>. This Communication offers a vision for reforming the way in which European statistics are produced.

The MEETS programme for the modernisation and better integration of enterprise and trade statistics, which has already been mentioned, is taking practical steps to implement this vision. The aims of the programme are to develop target sets of indicators and conduct a review of priorities; devise a streamlined framework of business-related statistics; and implement a smarter way of collecting data and of modernising and simplifying Intrastat.

---

<sup>9</sup> COM (2009) 404 final: Communication from the Commission to the European parliament and the Council on the production method of EU statistics: a vision for the next decade.