

# Statistics in focus

## INDUSTRY, TRADE AND SERVICES

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Author

**Hartmut SCHRÖR**

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# Business Demography in Europe - results from 1997 to 2002

## Introduction

The voluntary harmonised data collection on Business Demography of 2004, covering results up to 2002, was the first one to include most of the new Member States and Romania in addition to the EU-15 Member States and Norway, who had already conducted two data collections before. While the EU-15 Member States contributed data on survivals of newly born enterprises since 1998, the newly participating countries reported one and two-year survivals into 2002. Comparisons of these data can now be made among the EU-25 Member States, Norway and Romania.

In addition, this publication focuses on some special aggregates on the ICT (information and communication technology) sector at the beginning of this decade.

The availability of data by country varies depending on the reference year. Therefore tables and figures show only those countries for which data are available.

## Highlights

- Enterprise birth rates above 10 % were recorded mostly in the new Member States (Czech Republic, Estonia, Latvia, Lithuania, Hungary, and Slovakia), Romania and Norway. Among the EU-15 countries for which data are available, only Luxembourg has continuously registered a similarly high birth rate, while Slovenia was the only new Member State reporting a birth rate below 10 %.
- Looking at the activity breakdown by industry, construction and services, it becomes evident that birth rates tend to be lowest in industry, while survival rates are mostly lowest in services. Correspondingly, enterprise death rates are usually higher in services than in industry and construction.
- In terms of persons employed, newly born enterprises but also dying enterprises are usually largest in industry and smallest in the services sector.
- In the ICT sector, enterprise birth rates in the year 2002 were above those of the whole business economy in most countries where these birth rates can be compared. In contrast, death rates tend to be lower in ICT than in the business economy, thus illustrating the relative growth of this sector.
- ICT services, compared with ICT manufacturing and ICT wholesale, accounted for the highest birth rates in ICT in all countries for which data are available.



## Enterprise births

Table 1 provides a closer look from 1998 onwards at enterprise birth rates in the countries participating in the data collection. It can be seen that birth rates tend to be higher in the new Member States than in the EU-15 countries. While Luxembourg continuously reported a birth rate above 10 % for the business economy (NACE Rev. 1 Sections C to K) from 1998 to 2002, only Denmark (1998 to 2000) and Italy (1998) showed such high birth rates among EU-15. On average, the highest birth rates from 2000 to 2002 can be observed in Hungary and Slovakia, combined with a significant increase during these years. The exceptionally high birth rate in Latvia in the year 2002 is due to an extended coverage of the main source of data collection rather than to a real increase of newly born enterprises.

Luxembourg, although showing also high birth rates, recorded a decrease from 12.4 % to 11.4 % during the same period. A decrease of birth rates is obvious from 1998 onwards also in some other EU-15 countries, such as Denmark, Spain, Italy, Portugal, Finland and Sweden. Also Norway, where birth rates have been continuously high, has seen a similar decline.

The lowest birth rates were reported among the EU-15 Member States, particularly by Belgium, Italy, Finland and Sweden. Slovenia was the only new Member State reporting relatively low birth rates, which were in fact the lowest of all countries participating in the data collection

for the years 2000 (6.4 %) and 2001 (6.5 %). In 2002, the birth rate was lowest in Sweden at 6.1 %.

Looking at birth rates across sectors, the number of newly born enterprises as a proportion of the total number of active enterprises was consistently lower in the industrial economy (NACE Rev. 1 Sections C to E) than in either construction (Section F) or the services sector (Sections G to K). Birth rates below 6 % can be found mostly in the industrial sector, for instance in Belgium, Denmark, Italy, Slovenia, Finland, Sweden and Norway. The lowest birth rate in the activity breakdown of table 1 occurs in the industrial economy of Slovenia, ranging from 3.6 % to 4.2 % in the years 2000 to 2002.

At the other end of the scale, eight countries (Spain, Italy, Hungary, Lithuania, the Netherlands, Portugal, Finland and Romania) showed the highest birth rates in construction. In nine countries however, these are found in services. The highest birth rates in the activity breakdown below were reached in the service sector of Estonia, Luxembourg and Slovakia, and in the construction sector of Spain.

The consistently low birth rates in industry across all countries may be partly due to the fact that in this sector higher initial investments in production factors are necessary to create a new enterprise.

Table 1: Enterprise birth rates (%)

		BE	CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	UK	RO	NO
Business economy	1998	8.5	:	10.1	:	9.7	11.4	:	:	13.2	:	:	9.5	:	:	8.5	6.6	9.1	:	12.3
	1999	:	:	10.9	:	9.6	7.6	:	:	13.4	:	9.6	8.0	:	:	7.6	6.3	9.6	:	11.4
	2000	7.0	:	10.0	11.2	9.7	7.8	16.2	11.3	12.4	12.4	9.4	7.6	6.4	10.1	7.3	7.0	8.9	10.9	10.3
	2001	:	12.5	9.3	13.0	9.1	7.7	10.2	11.5	12.2	12.7	9.6	7.5	6.5	14.9	7.2	6.6	:	11.5	10.1
	2002	:	10.0	:	11.5	9.3	7.4	21.8	10.3	11.4	14.5	:	6.0	7.1	15.0	7.2	6.1	:	12.6	:
Industry	1998	5.4	:	5.9	:	7.7	8.2	:	:	8.1	:	:	8.0	:	:	6.6	5.2	6.7	:	7.7
	1999	:	:	5.9	:	7.3	5.4	:	:	7.4	:	6.8	7.7	:	:	5.5	5.0	7.2	:	7.7
	2000	4.4	:	5.6	8.6	7.1	5.5	13.6	9.5	7.5	9.1	6.3	5.8	3.6	7.6	5.4	5.3	6.9	11.6	5.8
	2001	:	10.5	5.1	7.9	6.6	5.2	9.4	9.9	6.8	8.1	6.3	5.6	3.8	12.0	5.2	4.7	:	11.7	5.3
	2002	:	8.5	:	8.6	6.3	5.0	32.3	10.0	6.7	10.6	:	5.8	4.2	13.1	4.6	4.5	:	11.7	:
Construction	1998	7.8	:	9.6	:	12.5	13.3	:	:	10.6	:	:	11.6	:	:	9.7	5.1	8.5	:	8.8
	1999	6.5	:	9.7	:	13.0	9.5	:	:	9.5	:	10.4	9.3	:	:	9.4	5.7	8.9	:	8.2
	2000	6.2	:	10.3	6.5	13.2	9.5	15.4	7.7	9.1	14.6	11.4	10.1	7.4	9.9	9.0	6.9	8.0	14.9	7.7
	2001	:	11.8	9.0	7.4	12.3	9.0	9.5	11.9	8.9	13.7	11.7	10.0	7.2	15.0	8.3	6.3	:	16.3	9.5
	2002	:	10.5	:	9.5	12.6	9.6	15.4	12.5	9.8	20.1	:	7.3	6.8	17.0	8.3	6.0	:	16.0	:
Services	1998	9.0	:	10.9	:	9.6	11.7	:	:	13.7	:	:	9.2	:	:	8.7	7.0	9.6	:	13.9
	1999	7.5	:	11.9	:	9.3	7.7	:	:	14.1	:	9.8	7.7	:	:	7.7	6.6	10.0	:	12.8
	2000	7.5	:	10.6	12.2	9.4	7.9	16.7	12.0	13.0	14.2	9.5	7.3	7.1	10.8	7.3	7.3	9.4	10.6	11.5
	2001	:	13.1	10.0	14.5	8.8	7.9	10.4	11.8	12.8	13.4	9.6	7.5	7.2	15.8	7.4	6.9	:	11.1	10.9
	2002	:	10.4	:	12.3	9.1	7.4	20.1	10.2	11.8	14.3	:	5.7	8.2	15.1	7.6	6.3	:	12.5	:

Sole proprietorships are not included in the data for Portugal (from 2001) and Romania. In Estonia, only sole proprietorships with at least 20 employees are included; in Latvia, the exceptionally high birth rate of 2002 is due to the inclusion for the first time of natural persons and to difficulties of classification into the correct year of birth. In Slovenia, the reason for the large difference between 2001 and 2002 is the improvement in the inclusion of some forms of natural persons.

Source: Eurostat, Business Demography data collection

## Employment in newly born enterprises

While the study of enterprise birth rates provides useful information on the dynamism in the economy, the effect on the labour market is an important aspect as well. Table 2 shows the employment share of newly born enterprises in total employment in terms of persons employed, broken down again by industry, construction and services. In the total business economy, the employment share ranges from below 2 % to about 5 %. The highest share reported in the last two available years was 5.0 % in Lithuania in the year 2002.

Looking at the main economic sectors, industry, construction and services, we see a pattern similar to that for the birth rates. In all countries, the employment share of newly born enterprises tends to be lowest in the industrial sector, with the exception of Lithuania in

the year 2002, where it was in fact the highest for the industry sector. Employment shares of newly born enterprises above 2 % were quite rare in industry. In contrast, newly born enterprises in Hungary accounted for as much as 8.6 % of the employment of the construction sector, and for 6.1 % in Hungary's service sector in the year 2002. With the exception of Lithuania, employment shares above 5 % occurred only in construction or services, where Hungary's high shares are followed by those of Slovakia and the Czech Republic.

Thus, the similarity between the birth rates and the employment share of enterprise births seems to be that both are rather low in industry, and significantly higher in construction and services.

Table 2: Employment share of enterprise births (%)

		CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	RO	NO
Business economy	2001	4.2	2.2	3.3	3.9	3.1	3.0	4.0	2.1	4.1	2.2	2.7	1.5	4.2	0.5	1.6	3.0	2.2
	2002	3.4	:	2.3	3.8	2.8	4.5	5.0	1.9	4.8	:	2.6	1.4	3.8	0.5	1.6	2.7	:
Industry	2001	2.1	0.6	1.6	2.0	1.2	2.0	2.8	0.4	1.6	1.0	1.7	0.5	2.4	0.2	0.4	2.0	0.9
	2002	1.6	:	1.5	1.6	1.1	3.0	5.4	0.3	1.8	:	1.7	0.5	1.8	0.1	0.5	1.8	:
Construction	2001	5.1	2.4	2.1	6.7	5.0	2.7	4.0	1.8	6.6	2.8	5.0	2.0	5.7	1.0	2.1	3.5	2.8
	2002	4.9	:	2.0	6.4	5.2	3.3	4.8	2.1	8.6	:	4.3	1.9	5.2	1.0	2.0	2.5	:
Services	2001	5.7	3.0	4.6	4.0	3.8	3.7	5.0	2.5	5.5	2.5	2.9	2.5	5.6	0.6	2.2	4.3	2.6
	2002	4.5	:	3.0	3.9	3.3	5.5	4.7	2.2	6.1	:	2.7	2.3	5.3	0.6	2.1	4.2	:

Source: Eurostat, Business Demography data collection

Table 3 gives an overview of the average size of newly born enterprises in terms of the number of persons employed for the same countries and years as in table 2. All countries except Luxembourg, Finland and Sweden reported the largest enterprise sizes in the industry sector. In most other countries, the average size of newly born enterprises was smallest in services, with the exception of the Czech Republic, the Netherlands and Slovenia, where it was smallest in construction.

Overall, it can be observed that rather low birth rates in industry and a low employment share tend to coincide with a larger average size of the newly born enterprises in comparison with construction and services. This observation seems to suggest that entry barriers are highest in industry, because incumbents are rather large and initial investment in production factors, such as labour, is high. Correspondingly, entry barriers seem to be lower in construction and even more so in services, which is reflected in smaller newly born enterprises.

Table 3: Average size of newly born enterprises (persons employed)

		CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	RO	NO
Business economy	2001	1.5	1.4	2.9	2.0	1.5	4.2	4.1	1.7	1.6	2.2	3.7	1.6	1.6	0.4	1.3	3.3	1.3
	2002	1.6	:	2.2	1.8	1.5	2.2	5.7	1.7	1.5	:	4.4	1.3	1.4	0.4	1.4	2.7	:
Industry	2001	1.9	1.6	5.8	3.3	2.1	6.9	7.6	2.1	2.7	3.1	6.6	1.8	2.7	0.4	1.3	8.2	2.1
	2002	1.8	:	4.8	2.6	2.0	2.1	14.1	1.8	2.2	:	6.3	1.7	1.7	0.3	1.5	6.8	:
Construction	2001	1.3	1.4	3.8	2.8	1.6	5.1	6.8	3.3	1.8	1.6	5.0	1.4	1.6	0.4	1.4	5.3	1.2
	2002	1.4	:	2.6	2.5	1.6	3.7	7.9	3.6	1.5	:	5.8	1.4	1.2	0.4	1.3	3.3	:
Services	2001	1.5	1.4	2.6	1.7	1.4	3.7	3.2	1.6	1.4	2.2	2.9	1.6	1.4	0.4	1.3	2.2	1.3
	2002	1.6	:	1.8	1.6	1.4	2.2	3.7	1.5	1.4	:	3.6	1.2	1.4	0.3	1.4	1.9	:

Tables 2 and 3: Sole proprietorships, mostly accounting for the highest share of enterprises, but also for the smallest enterprises, are not included in the data for Portugal and Romania. In Estonia, only sole proprietorships with at least 20 employees are included. In Latvia, natural persons are not included in 2001. Therefore the sizes of the enterprises appear to be larger than in other countries. Denmark, Netherlands, Finland: employment data are reported in full-time equivalents. In Finland, the employment data are consistently lower than in Denmark and the Netherlands, due to the estimation method used.

Source: Eurostat, Business Demography data collection

## Enterprise survival

Table 4 shows the survival rates of newly born enterprises into the year 2002 that were born up to four years before. In other terms, it visualizes the survival of the four cohorts of newly born enterprises from 1998 to 2001 into 2002. Non-survivals may be due to real deaths, but also to mergers and take-overs. Whereas the new Member States tended to show higher birth rates than the EU-15 countries, as seen before, no obvious pattern distinguishing old and new Member States seems to be observable in the survival rates. In the business economy, the highest one-year survival rates from 2001 to 2002 occurred in Slovakia (98.4 %), followed by Portugal (97.6 %), Sweden (97.1 %) and Slovenia (93.6 %). The lowest ones were reported by the Czech Republic (79.5 %), Hungary (81.6 %), Romania (82.4 %), Estonia (83.1 %) and Spain (83.4 %).

Regarding the breakdown by economic activity, it becomes evident that enterprises in services had a lower chance of survival than those in industry and construction. In the five countries for which four year survival rates are available, the rates for the service sector were mostly below the average of the business economy, while the rates in industry and construction were above the average. The same pattern applies to all new Member States and Romania, for which only one and two year survivals have been reported so far. While the entry barriers for newly born enterprises can be considered rather low in the services sector, the risk of non-survival seems to be higher.

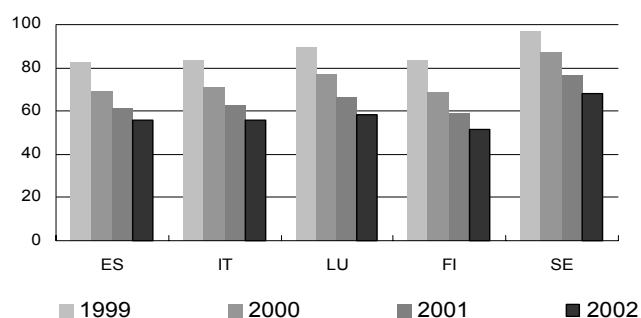
Table 4: survival rates of newly born enterprises from previous years into 2002 (%)

	birth year	CZ	EE	ES	IT	LV	LT	LU	HU	PT	SI	SK	FI	SE	RO
Business economy	2001	79.5	83.1	83.4	90.2	85.8	91.4	87.0	81.6	97.6	93.6	98.4	84.6	97.1	82.4
	2000	:	62.1	71.2	77.7	69.9	71.4	76.1	67.6	:	84.1	89.4	71.7	88.0	71.0
	1999	:	:	62.2	67.8	:	:	65.6	:	:	:	:	60.4	79.0	:
	1998	:	:	55.6	55.7	:	:	58.3	:	:	:	:	51.6	68.2	:
Industry	2001	83.1	88.1	87.0	91.8	82.8	95.3	:	85.1	97.5	94.6	98.5	86.0	97.7	84.7
	2000	:	66.7	77.1	78.7	71.9	79.0	:	73.0	:	88.7	91.6	75.4	90.4	74.8
	1999	:	:	69.3	70.7	:	:	:	:	:	:	:	66.2	81.6	:
	1998	:	:	62.8	57.8	:	:	:	:	:	:	:	57.1	71.3	:
Construction	2001	80.9	92.0	81.4	90.6	88.7	94.8	92.2	83.2	98.2	95.7	98.7	87.5	97.5	85.3
	2000	:	79.5	68.9	78.0	72.1	83.7	78.1	68.8	:	89.4	90.3	74.9	90.2	76.6
	1999	:	:	61.4	70.0	:	:	70.2	:	:	:	:	64.0	82.7	:
	1998	:	:	54.5	58.8	:	:	61.6	:	:	:	:	53.9	72.9	:
Services	2001	78.5	82.2	83.5	89.8	86.0	90.5	86.7	81.0	97.4	92.9	98.3	83.7	97.0	81.7
	2000	:	60.5	71.1	77.5	69.4	69.6	75.9	66.9	:	82.1	88.7	70.3	87.5	69.8
	1999	:	:	61.6	66.9	:	:	65.1	:	:	:	:	58.6	78.2	:
	1998	:	:	55.1	54.7	:	:	57.7	:	:	:	:	50.2	67.3	:

Source: Eurostat, Business Demography data collection

Figure 1 focuses on the cohort of enterprises newly born in 1998 and its survival rates into the following four years in Spain, Italy, Luxembourg, Finland and Sweden. The data suggest that in Spain, Italy and Finland the risk of non-survival is highest during the first year of existence, and that continued survival is more likely after a successful start-up phase of a newly born enterprise. In Luxembourg and Sweden the rates of survival from the third year into the fourth year were lower than from the year of birth into the first survival year.

Figure 1: Survival rates of the cohort of enterprises newly born in 1998, business economy (%)



Source: Eurostat, Business Demography data collection

## Employment in surviving enterprises

Table 5 gives an overview of the size of newly born enterprises in their first survival years in terms of the number of persons employed. Note that this table, for reasons of data availability, does not show the development of one cohort of newly born enterprises over four years, but the status of four cohorts that had reached different ages in 2002. It is evident that enterprises which survive their first years of existence tend to expand in terms of employment. The older the surviving enterprises were in 2002, the higher the average employment was, with a few exceptions. For instance, in the Spanish and Italian industry and construction sectors, enterprises born in 1998 had fewer

employees in 2002 than those born in 1999. In the service sector as well as in the business economy as a whole, enterprises were consistently larger the older they were, or had at least the same average size as younger ones.

The five countries for which four-year survivals are available partially showed that not only among newly born enterprises, but also among surviving enterprises, those in the service sector were smallest. This applies to Spain, Italy and Luxembourg. In Finland and Sweden, however, the differences of enterprise sizes between the main economic sectors were less significant.

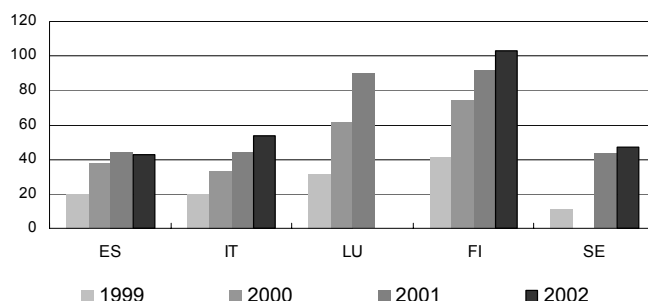
Table 5: Average size of enterprises surviving to 2002 from previous years (persons employed)

	birth year	CZ	EE	ES	IT	LV	LT	LU	HU	PT	SI	SK	FI	SE	RO
Business economy	2001	2.1	3.8	2.5	2.0	5.3	5.9	:	2.0	4.9	1.8	2.1	0.8	1.5	5.2
	2000	:	5.4	3.0	2.2	6.8	6.3	3.0	2.3	:	2.3	2.6	1.1	1.8	6.6
	1999	:	:	3.4	2.3	:	:	:	:	:	:	:	1.3	1.9	:
	1998	:	:	3.4	2.3	:	:	4.3	:	:	:	:	1.4	1.9	:
Industry	2001	2.7	7.2	3.8	3.3	8.5	11.0	:	4.0	8.3	2.2	3.1	0.9	1.6	13.7
	2000	:	10.8	5.4	3.6	10.8	11.8	:	4.4	:	2.7	5.1	1.3	1.8	16.9
	1999	:	:	6.1	3.8	:	:	:	:	:	:	:	1.3	2.1	:
	1998	:	:	5.5	3.4	:	:	12.0	:	:	:	:	1.3	1.8	:
Construction	2001	1.5	4.6	3.8	2.2	6.6	9.6	5.2	2.2	7.1	1.9	1.8	0.9	1.6	8.2
	2000	:	7.1	4.2	2.2	7.8	11.3	7.7	2.2	:	2.5	1.8	1.1	1.9	9.2
	1999	:	:	4.5	2.3	:	:	8.1	:	:	:	:	1.3	1.8	:
	1998	:	:	4.4	2.2	:	:	8.6	:	:	:	:	1.5	2.2	:
Services	2001	2.1	3.4	2.1	1.8	4.7	4.7	2.2	1.7	3.8	1.8	2.0	0.8	1.5	3.3
	2000	:	4.4	2.4	2.0	6.1	5.0	2.6	2.0	:	2.1	2.2	1.1	1.8	4.3
	1999	:	:	2.8	2.1	:	:	3.7	:	:	:	:	1.3	1.8	:
	1998	:	:	2.9	2.1	:	:	3.7	:	:	:	:	1.4	1.8	:

Sole proprietorships are not included in the data for Portugal and Romania. In Estonia, only sole proprietorships with at least 20 employees are included. In Latvia, natural persons are not included up to 2001. Denmark, Netherlands, Finland: employment data are reported in full-time equivalents. In Finland, the employment data are consistently lower than in Denmark and the Netherlands, due to the estimation method used. Source: Eurostat, Business Demography data collection

Figure 2 shows for five EU-15 countries the development of the employment in those enterprises that were born in 1998 and survived to the following years, i.e. the percentage of growth related to the year of birth. It illustrates that while the survival rate drops in the first years following the birth (see figure 1), the loss in employment is compensated to some extent by the fact that those enterprises which survive usually grow. Finnish enterprises that were born in 1998 and survived to 2002 more than doubled their employment during that period (103.4 % employment growth).

Figure 2: Employment growth in enterprises born in 1998 (persons employed), business economy (%)



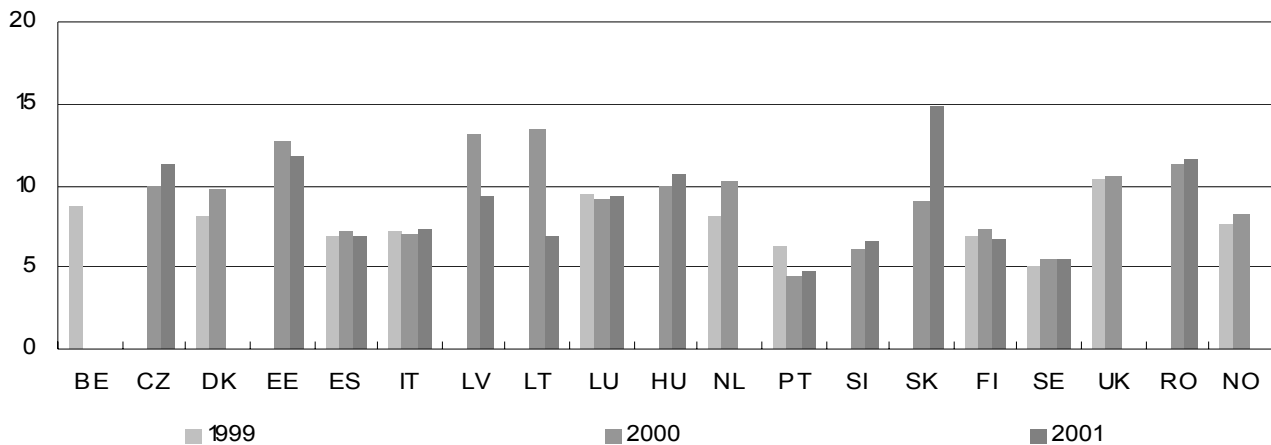
Source: Eurostat, Business Demography data collection

## Enterprise deaths

Death rates across all Member States show an analogy to the birth rates. While birth rates above 10 % occur mostly among the new Member States (see table 1), the same pattern applies to death rates above 10%. As figure 3 shows, enterprise death rates above 10% in the years 1999 to 2001 occurred in the Czech Republic, Estonia, Latvia, Lithuania, Hungary, the Netherlands,

Slovakia, the United Kingdom and Romania. The highest death rate in the business economy was 14.7 % in Slovakia in 2001. During the same time, the lowest death rates could be observed in Spain, Portugal, Slovenia and Sweden. Apart from Portugal, where sole proprietorships are not covered in 2000 and 2001, Sweden showed the lowest death rate of 5.1 % in 1999.

Figure 3: Enterprise death rates, business economy (%)



Source: Eurostat, Business Demography data collection

Table 6 gives a more detailed breakdown of the death rates from 1997 to 2001 by the main economic sectors. There does not seem to be an overall tendency of rising or decreasing death rates across all countries. However, the death rates broken down by industry,

construction and services seem to mirror the pattern of enterprise births to some extent. While birth rates were highest in services and lowest in industry, the same applies to the death rates.

Table 6: Enterprise death rates (%)

		BE	CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	UK	RO	NO
Business economy	1997	:	:	8.1	:	7.7	9.3	:	:	8.7	:	:	7.0	:	:	6.7	7.1	9.7	:	:
	1998	6.7	:	8.3	:	8.0	6.5	:	:	9.0	:	7.7	6.5	:	:	8.0	5.9	10.5	:	:
	1999	8.7	:	8.1	:	6.9	7.1	:	:	9.4	:	8.1	6.3	:	:	6.8	5.1	10.4	:	7.6
	2000	:	9.9	9.7	12.7	7.2	7.0	13.2	13.4	9.2	9.9	10.2	4.4	6.2	9.0	7.3	5.5	10.6	11.2	8.3
	2001	:	11.3	:	11.8	6.9	7.3	9.2	6.9	9.4	10.7	:	4.7	6.6	14.7	6.7	5.6	:	11.6	:
Industry	1997	:	:	5.1	:	6.8	7.4	:	:	5.2	:	:	6.2	:	:	5.8	5.6	8.9	:	:
	1998	4.9	:	5.4	:	7.5	5.6	:	:	5.8	:	5.9	6.6	:	:	6.4	5.0	9.4	:	:
	1999	6.3	:	5.2	:	5.9	5.8	:	:	6.3	:	6.0	5.5	:	:	5.7	4.3	8.7	:	6.4
	2000	:	7.4	6.6	10.4	6.0	5.1	11.3	10.7	5.9	7.9	7.8	:	4.9	8.0	5.3	4.7	9.4	8.4	8.5
	2001	:	8.5	:	8.8	5.9	6.2	7.7	6.0	5.5	8.8	:	4.5	5.4	12.0	5.5	4.7	:	9.4	:
Construction	1997	7.6	:	5.7	:	7.5	9.1	:	:	6.8	:	:	7.9	:	:	6.4	6.7	9.2	:	:
	1998	5.7	:	6.3	:	8.4	7.7	:	:	6.7	:	5.2	6.4	:	:	8.3	5.2	10.3	:	:
	1999	7.3	:	6.3	:	6.8	7.5	:	:	8.4	:	5.3	6.9	:	:	6.7	4.3	9.3	:	7.7
	2000	:	8.7	7.5	8.6	7.2	6.0	10.1	8.1	6.2	9.1	7.5	:	5.1	9.5	6.1	4.8	9.7	8.3	6.7
	2001	:	9.7	:	9.1	6.8	8.9	8.0	5.2	7.1	10.4	:	4.4	5.5	13.7	6.7	4.7	:	9.3	:
Services	1997	10.0	:	8.9	:	7.8	9.8	:	:	9.1	:	:	6.9	:	:	7.0	7.3	10.0	:	:
	1998	7.1	:	9.1	:	8.0	6.5	:	:	9.4	:	8.2	6.6	:	:	8.2	6.1	10.7	:	:
	1999	9.2	:	8.9	:	7.1	7.4	:	:	9.7	:	8.8	6.2	:	:	7.4	5.3	10.9	:	7.8
	2000	:	10.8	10.6	13.5	7.4	6.9	13.7	14.4	9.7	10.4	11.0	:	6.8	9.2	6.8	5.8	10.9	11.9	8.6
	2001	:	12.3	:	12.7	7.0	7.2	9.6	7.2	9.8	11.0	:	4.9	7.3	15.7	7.0	5.8	:	12.1	:

Figure 3 and table 6: Sole proprietorships are not included in the data for Portugal (from 2000) and Romania. In Estonia, only sole proprietorships with at least 20 employees are included. In Latvia, natural persons are not included. Czech death rates of 2001 are overestimated, because reactivations are not taken into account.

Source: Eurostat, Business Demography data collection

The death rates between 1997 and 2001 ranged from 4.3 % to 12.0 % in industry and from 4.3 % to 13.7 % in construction. In both sectors, Sweden recorded the lowest death rates in 1999, and Slovakia the highest one in 2001.

In the services sector, the death rates ranged from 4.9 % (Portugal, 2001) to 15.7 % (Slovakia, 2001). Apart from Portugal, where sole proprietors were excluded

from 2000, the lowest death rate in services was again Sweden in 1999, whereas the Portuguese death rates in this sector from 1997 to 1999, when sole proprietorships were covered, ranged from 6.2 % to 6.9 %. The relatively high death rates in services seem to confirm the observation that while entry barriers are low in this sector, the risk of failure and actually enterprise death is rather high.

## Employment in enterprise deaths

The data on employment in enterprise deaths, which are available from 1999 onwards, indicate the number of persons employed in an enterprise in the year when it died. Again, different tendencies can be observed depending on the economic activity. With a few exceptions, dying enterprises were smallest in services, while the largest ones could be found mostly in industry, but partly also in construction. The highest average size of enterprise deaths occurred in

industry sector of Portugal in 2000 (11.8 persons employed), whereas in the same year it was only 3.4 persons employed in the services sector. Thus, the effect on the labour market of the enterprise deaths was not proportionate to the death rates themselves. While death rates were relatively high in services, the dying enterprises were significantly smaller than in industry and construction.

Table 7: Average size of enterprise deaths (persons employed)

		CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	RO	NO
Business economy	1999	:	1.4	3.3	2.0	1.4	2.9	2.8	1.9	1.7	2.5	2.0	1.3	1.8	0.4	1.5	1.6	1.2
	2000	1.3	1.2	3.5	2.0	1.3	3.5	2.6	1.7	1.7	2.6	5.1	1.4	1.5	0.4	1.6	1.9	1.1
	2001	1.4	:	3.4	2.0	1.5	3.4	3.4	:	1.8	:	4.7	1.4	1.5	0.4	1.6	2.1	:
Industry	1999	:	1.5	6.8	3.7	1.9	4.6	2.9	2.8	3.1	3.4	4.9	1.6	2.4	0.5	2.1	2.7	1.6
	2000	1.4	1.4	6.4	3.4	1.8	6.0	3.8	2.6	3.1	3.5	11.8	1.6	2.1	0.4	2.2	3.2	1.7
	2001	1.5	:	8.1	3.2	2.1	5.4	5.1	:	3.8	:	11.0	1.5	1.9	0.5	2.2	4.4	:
Construction	1999	:	1.5	5.6	2.7	1.5	3.4	2.9	4.7	1.9	2.5	1.6	1.5	1.8	0.6	1.6	2.2	0.9
	2000	1.2	1.4	5.7	2.7	1.4	3.8	5.8	4.5	2.0	2.5	5.7	1.4	1.4	0.6	1.5	2.9	1.0
	2001	1.2	:	5.4	2.8	1.5	4.2	3.6	4.1	2.0	:	4.9	1.6	1.6	0.6	1.6	4.3	:
Services	1999	:	1.3	2.7	1.7	1.3	2.7	2.8	1.7	1.4	2.4	1.7	1.3	1.7	0.4	1.4	1.5	1.2
	2000	1.2	1.2	2.9	1.7	1.3	3.1	2.3	1.5	1.4	2.5	3.4	1.3	1.4	0.4	1.5	1.7	1.0
	2001	1.4	:	2.6	1.7	1.4	3.0	3.0	1.4	1.5	:	3.3	1.3	1.4	0.4	1.6	1.7	:

Source: Eurostat, Business Demography data collection

Table 8 compares the number of persons employed in enterprise births and deaths in the year 2001. In most countries, the number of persons employed in newly born enterprises clearly exceeded that of the persons employed in enterprise deaths. Estonia (except the services sector), Sweden and Finland however reported higher employment in deaths than in births.

It should be noted that the net change of employment due to enterprise births and deaths is only one factor behind the growth or decrease of the labour market as a whole, because expansion or contraction of enterprises in the whole population of active enterprises affects the overall employment as well.

Table 8: Number of persons employed in enterprise births and deaths, 2001

		CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	RO
Business economy	births	167,579	33,865	11,943	479,956	451,391	15,579	28,787	4,758	107,641	112,479	66,904	9,276	64,975	6,369	44,585	114,958
	deaths	142,947	:	12,592	362,974	424,821	11,301	14,306	:	103,723	:	53,753	8,254	58,978	6,774	47,706	74,582
Industry	births	33,040	2,500	2,224	58,713	62,258	3,427	7,971	145	15,741	9,739	15,010	1,328	16,202	710	3,806	41,638
	deaths	20,712	:	3,470	51,275	72,823	2,173	3,219	:	23,819	:	20,006	1,609	11,700	909	6,166	17,864
Construction	births	19,704	3,978	664	126,463	77,647	1,123	2,781	547	14,101	13,275	13,849	1,338	8,507	1,301	5,057	12,486
	deaths	15,420	:	1,154	69,227	73,564	790	637	545	11,945	:	5,945	1,115	7,374	1,377	4,491	5,654
Services	births	114,835	27,387	9,055	294,781	311,486	11,029	18,035	4,066	77,799	89,465	38,045	6,610	40,266	4,357	35,722	60,834
	deaths	106,815	:	7,968	242,473	278,434	8,338	10,450	2,646	67,959	:	27,802	5,530	39,904	4,489	37,049	51,064

Tables 7 and 8: Sole proprietorships are not included in the data for Portugal in 2001 and for Romania. In Estonia, only sole proprietorships with at least 20 employees are included. In Latvia, natural persons are not included. Denmark, Netherlands, Finland: employment data are reported in full-time equivalents. In Finland, the employment data are consistently lower than in Denmark and the Netherlands, due to the estimation method used.

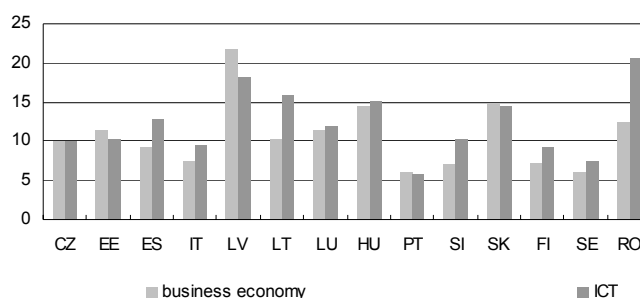
Source: Eurostat, Business Demography data collection

## Enterprise births in ICT

ICT (information and communication technology) was one of the most dynamic economic sectors at the beginning of this decade, which was reflected in the "new economy" and "dotcom" boom since the mid-nineties. The ICT sector as defined in this data collection however covers a wider range of activities and comprises ICT manufacturing, ICT wholesale and ICT services (which includes ICT wholesale).

In the ICT sector, enterprise birth rates in the year 2002 were above those of the whole business economy in most countries where these birth rates can be compared. As figure 4 shows, birth rates in ICT exceeded those of the business economy in 10 of the 14 countries shown, while they were lower in four countries (Estonia, Latvia, Portugal and Slovakia). The highest birth rate in ICT was reported by Romania at 20.7 %.

Figure 4: Enterprise birth rates, 2002 (%)



Source: Eurostat, Business Demography data collection

Table 9 shows that birth rates in the whole ICT sector (ICT total), decreased in some countries from 1998 onwards, although at a high level. This was the case in Denmark, Italy, Luxembourg, Portugal and Sweden. In Finland, the birth rate rose from 9.2 % in 1998 to 10.7 % in 2000 and dropped again to 9.2 % in 2002. In some of the new Member States, the birth rate rose (Lithuania, Slovenia) or stayed at a rather high level (Latvia, Hungary, and Slovakia).

ICT services accounted for the highest birth rates, sometimes above 20 %, in all countries. Birth rates in

ICT services were in some cases more than twice as high as in ICT manufacturing and ICT wholesale. In Denmark, this could be observed in all reference years from 1998 to 2001.

Apart from ICT services, a clear dominance of either of the remaining activity aggregates cannot be identified. Birth rates in ICT manufacturing tended to be higher than those in ICT wholesale in the Czech Republic, the Netherlands and Finland, while the opposite applied to Denmark, Latvia, Luxembourg, Hungary, Slovenia and Romania.

Table 9: Enterprise birth rates in ICT (%)

		CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	RO	NO
ICT total	1998	:	18.5	:	13.5	19.4	:	:	18.6	:	:	11.9	:	:	9.2	10.4	:	17.3
	1999	:	18.6	:	12.5	12.4	:	:	17.9	:	15.3	9.1	:	:	9.7	9.1	:	18.2
	2000	:	20.1	9.8	14.8	12.7	21.4	12.1	17.1	16.7	16.2	9.3	8.3	10.0	10.7	11.1	20.9	18.6
	2001	12.6	17.0	11.0	13.5	11.9	12.6	14.6	16.4	15.7	15.1	9.6	9.0	14.8	10.5	8.4	21.7	18.4
	2002	10.2	:	10.2	13.0	9.5	18.2	15.9	12.0	15.2	:	5.8	10.3	14.4	9.2	7.5	20.7	:
ICT manufacturing	1998	:	7.5	:	:	11.4	:	:	7.1	:	:	8.2	:	:	6.2	4.8	:	:
	1999	:	7.9	:	:	6.8	:	:	0.0	:	11.3	9.8	:	:	4.2	4.6	:	:
	2000	:	6.9	9.2	:	7.2	10.7	5.3	0.0	9.5	10.0	6.7	2.9	5.3	5.5	5.3	12.9	:
	2001	8.0	6.8	3.6	:	5.9	4.3	8.2	7.1	8.3	7.5	6.4	2.4	8.4	5.5	3.6	14.9	4.8
	2002	6.7	:	7.2	8.1	5.2	4.3	10.1	6.7	12.6	:	8.7	3.2	12.2	4.0	4.0	14.0	:
ICT w wholesale	1998	:	8.7	:	8.7	9.7	:	:	16.3	:	:	9.7	:	:	4.7	4.9	:	:
	1999	:	9.4	:	7.8	8.0	:	:	15.0	:	9.2	6.4	:	:	4.6	4.3	:	:
	2000	:	8.3	3.7	8.6	8.7	20.4	6.3	12.7	14.8	8.4	7.0	10.1	8.9	4.4	5.0	17.5	:
	2001	4.9	7.7	6.5	7.8	7.7	12.1	8.4	10.4	15.8	8.0	6.7	7.6	12.1	4.7	4.7	15.6	7.3
	2002	1.5	:	7.0	7.7	8.1	13.1	8.7	9.3	13.3	:	4.4	7.9	3.0	4.7	4.2	18.5	:
ICT services	1998	:	19.2	:	13.7	20.8	:	:	18.7	:	:	12.2	:	:	9.5	10.7	:	:
	1999	:	19.2	:	12.7	13.2	:	:	18.1	:	15.5	9.0	:	:	10.2	9.3	:	:
	2000	:	20.8	9.9	15.2	13.5	22.5	12.9	17.2	17.9	16.4	9.4	10.5	11.3	11.2	11.5	21.9	:
	2001	14.1	17.5	12.0	13.9	12.7	13.3	15.3	16.5	17.1	15.4	9.7	11.4	16.4	11.0	8.7	22.4	18.8
	2002	11.3	:	10.5	13.3	10.2	19.2	16.7	12.0	15.6	:	5.7	12.6	14.9	9.6	7.6	21.4	:

The merging of administrative registers in Denmark in 1999 may have resulted in the over-evaluation of enterprise births in that year; the quality of 1998 Italian data is generally low, reflecting changes made to the business register; Portuguese data from 2001 onwards do not include sole proprietorships; in Latvia, the exceptionally high birth rate of 2002 is due to the inclusion for the first time of natural persons and to difficulties of classification into the correct year of birth. In Slovenia, the reason for the large difference between 2001 and 2002 is the improvement in the inclusion of some forms of natural persons.

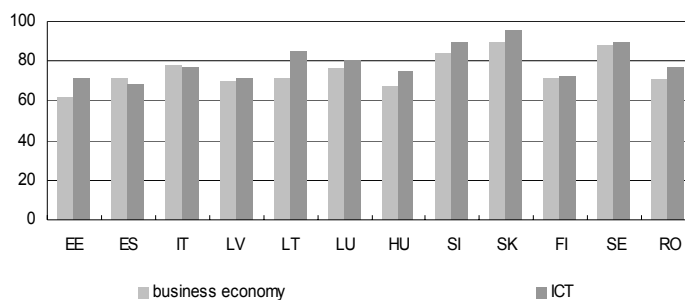
Source: Eurostat, Business Demography data collection



## Enterprise survival in ICT

Figure 5 compares the survival rates of enterprises newly born in 2000 that survived to 2002 in the whole business economy and in the ICT sector. In all countries for which data on this comparison are available, except Spain and Italy, the two-year survival rates in ICT were higher than in the business economy as a whole. Differences were highest in Estonia (62.1 % in the business economy, 71.1 % in ICT) and Lithuania (71.4 % in the business economy, 85.1 % in ICT). Coupled with the high birth rates, these relatively high survival rates show that start-ups in the ICT sector were not only more frequent than in other activities, but that these newly born enterprises also had a higher chance of surviving the start-up phase. The fact that ICT is a fast moving economic sector did not seem to increase the risk of failure of newly born enterprises, but rather to offer opportunities for business success.

Figure 5: 2-year survival rates from 2000 to 2002 (%)



Source: Eurostat, Business Demography data collection

While birth rates in ICT services tend to be significantly higher than in ICT manufacturing and ICT wholesale, the survival rates are more constant across all countries. Table 10 shows the survival rates of the four cohorts of newly born enterprises between 1998 and 2001 to the year 2002 in the ICT sector. There were less significant differences between the survival rates in the three ICT aggregates than in terms of the birth rates. In the Czech Republic, Spain, Slovenia and

Finland, the survival rates in ICT services were lower than in ICT manufacturing or ICT wholesale. However, the high birth rates among ICT services apparently were not cancelled out by equally lower survival rates. This could indicate that while entry barriers were rather low particularly in the dynamic ICT services sector, the newly born enterprises were not significantly less sustainable than in other economic activities.

Table 10: Survival rates of newly born enterprises from previous years into 2002

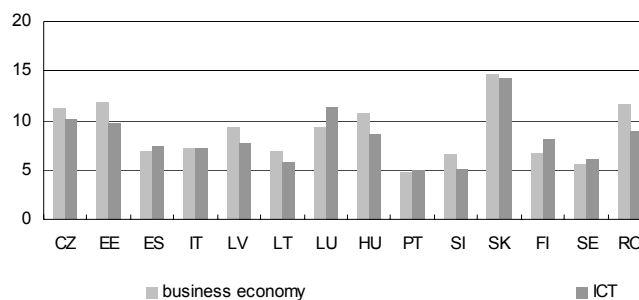
	birth year	CZ	EE	ES	IT	LV	LT	LU	HU	PT	SI	SK	FI	SE	RO
ICT total	2001	82.9	88.1	80.8	90.2	88.5	92.0	88.6	87.2	97.0	97.6	98.8	83.6	97.2	87.6
	2000	:	71.1	68.5	76.7	71.4	85.1	80.0	74.6	:	89.5	95.0	72.0	89.4	77.1
	1999	:	:	60.2	64.4	:	:	61.7	:	:	:	:	57.0	79.5	:
	1998	:	:	54.3	52.9	:	:	59.4	:	:	:	:	48.2	69.6	:
ICT manufacturing	2001	85.9	83.3	:	92.8	80.0	87.5	100.0	88.5	91.7	100.0	99.2	87.2	98.6	87.3
	2000	:	70.6	:	74.2	71.4	100.0	:	76.4	:	90.9	93.4	87.0	86.5	80.2
	1999	:	:	:	70.5	:	:	:	:	:	:	:	75.0	90.8	:
	1998	:	:	:	59.8	:	:	100.0	:	:	:	:	66.0	71.9	:
ICT w wholesale	2001	87.9	91.7	87.5	90.9	83.1	95.2	85.0	76.9	97.2	92.3	100.0	88.3	98.5	86.4
	2000	:	78.9	75.8	75.9	72.0	87.8	72.9	64.2	:	96.9	98.8	75.6	85.2	77.5
	1999	:	:	67.8	68.9	:	:	54.1	:	:	:	:	67.4	78.9	:
	1998	:	:	65.3	58.8	:	:	61.5	:	:	:	:	46.9	67.5	:
ICT services	2001	82.4	88.3	80.8	90.0	88.7	92.3	88.6	87.1	97.2	97.4	98.7	83.5	97.2	87.7
	2000	:	71.2	68.2	76.9	71.4	84.4	80.0	74.5	:	89.3	95.3	71.4	89.5	76.8
	1999	:	:	60.2	63.9	:	:	61.7	:	:	:	:	56.4	79.2	:
	1998	:	:	54.3	52.2	:	:	59.3	:	:	:	:	47.1	69.5	:

Source: Eurostat, Business Demography data collection

## Enterprise deaths and changes to the enterprise population in ICT

Whereas birth rates and two-year survival rates were mostly higher in ICT than in the business economy, death rates tended to be lower in most of the countries where both rates can be compared (see figure 6). In 2001, death rates in ICT were below those of the whole business economy in nine countries, while they were higher in five countries (Spain, Luxembourg, Portugal, Finland and Sweden). The largest difference in 2001 occurred in Slovenia where the death rate of the business economy exceeded that of the ICT sector by almost one third (31 %). In general, the low death rates in ICT confirm the relative growth of this sector compared with the business economy that the birth and survival rates already suggested.

Figure 6: Enterprise death rates, 2001 (%)



Source: Eurostat, Business Demography data collection

Table 11 contrasts the absolute number of enterprise births and deaths of 2001 in the ICT sector in 14 countries. It illustrates that the balance of enterprise births and deaths was positive in all countries for the whole ICT sector. There were however differences

between the three components. While in ICT manufacturing there were more deaths than births in seven countries and in ICT wholesale deaths exceeded births in five countries, the balance in ICT services was clearly positive in all countries.

Table 11: Enterprise births and deaths, 2001

		CZ	EE	ES	IT	LV	LT	LU	HU	PT	SI	SK	FI	SE	RO
ICT total	births	3516	151	7072	14894	182	288	281	3815	796	251	1054	1159	3392	1699
	deaths	2822	133	3833	9109	111	115	195	2082	414	141	1012	896	2470	704
ICT manufacturing	births	533	6	:	897	5	16	1	304	24	18	119	47	72	110
	deaths	425	15	271	913	6	12	0	261	27	37	171	45	105	49
ICT w wholesale	births	66	36	1645	1741	83	62	80	294	357	26	139	179	518	273
	deaths	84	43	1027	713	55	31	93	189	259	19	104	226	591	181
ICT services	births	2983	145	6735	13997	177	272	280	3511	772	233	935	1112	3320	1589
	deaths	2397	118	3562	8196	105	103	195	1821	387	104	841	851	2365	655

Source: Eurostat, Business Demography data collection

The balance of enterprise births and deaths itself however is not the only factor explaining a change in the whole population of active enterprises. Mergers, take-overs, split-offs and break-ups change the number of active enterprises as well, but do not lead to births or deaths, and are therefore not covered in this data collection. Table 12 shows the development of the number of active enterprises from 1997 to 2002 in ICT. During this period, most countries have seen a steady

growth. In the countries that reported data, the only countries without a steady growth of the ICT sector were Italy and Lithuania, where the number of active enterprises dropped from the year 2001 to 2002, as well as Finland, where the number dropped slightly from the year 2000 to 2001. Note that the seeming decrease in Portugal from 2000 to 2001 is due to a limitation in data coverage of legal forms.

Table 12: population of active enterprises in the ICT sector

	CZ	DK	EE	ES	IT	LV	LT	LU	HU	NL	PT	SI	SK	FI	SE	UK	RO	NO
1997	:	13,280	:	40,489	84,037	:	:	1,181	:	:	9,231	:	:	9,955	31,159	:	:	7,809
1998	:	14,016	:	43,339	97,345	:	:	1,337	:	29,179	9,653	:	:	10,325	32,913	:	:	9,191
1999	:	15,464	:	44,934	106,807	:	:	1,455	:	31,616	9,686	:	:	10,513	35,009	:	:	10,530
2000	26,622	17,738	1,234	49,300	116,533	1,358	1,775	1,580	22,114	34,027	9,792	2,630	6,469	11,040	38,431	:	6,325	11,563
2001	27,861	18,532	1,372	52,323	125,250	1,442	1,977	1,715	24,236	36,142	8,338	2,792	7,122	11,012	40,277	169,730	7,846	12,479
2002	28,751	:	1,667	55,202	111,798	1,679	1,782	1,748	27,061	:	8,451	3,018	7,721	11,165	41,283	:	9,671	:

The quality of 1998 Italian data is generally low, reflecting changes made to the business register. Sole proprietorships are not included in the data for Portugal (from 2001) and Romania. In Estonia, only sole proprietorships with at least 20 employees are included; In Latvia, natural persons are not included up to 2001.

Source: Eurostat, Business Demography data collection

## ➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

### LEGAL BASIS

Currently, data on business demography are collected on a voluntary basis. A revised Regulation on Structural Business Statistics amending and consolidating existing Council Regulation (EC, EURATOM) No 58/97 of 20 December 1996 has been proposed to the Member States. It comprises a new Annex providing a complete legal basis for business demography statistics.

The development of a harmonised methodology, the testing, and the data collection exercises from 2002 to 2004 are all part of a process that is aimed at providing more comprehensive and comparable statistics on business demography on an annual basis.

### DATA SOURCE

The main source of data for this development action is the statistical business registers that the National Statistical Institutes maintain. The use of the statistical business registers makes it possible to identify demographic events at the level of each individual unit, and at the same time avoids surveys among enterprises that would add to their response burden.

### DEFINITIONS

An active enterprise is defined as an enterprise that had either turnover or employment at any time during the reference period, even for a limited time. If there is insufficient information to determine whether or not an enterprise is active, then national methods leading to this aim are accepted.

An enterprise birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises. It does not include entries into a sub-population resulting only from a change of activity. A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth.

An enterprise death amounts to the dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. Deaths do not include exits from the population due to mergers, take-overs, break-ups or restructuring of a set of enterprises. It does not include exits from a sub-population resulting only from a change of activity. An enterprise is included in the count of deaths only if it is not reactivated within two years. Equally, a reactivation within two years is not counted as a birth.

Survival is defined as the continuity of an enterprise over time. Thus an enterprise has survived from year  $t$  to year  $t + x$  if it is still active in year  $t + x$ , even if it had a change of ownership.

The number of persons employed is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family

workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). The number of persons employed excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service. Unpaid family workers refer to persons who live with the proprietor of the unit and work regularly for the unit, but do not have a contract of service and do not receive a fixed sum for the work they perform.

Employment indicators for Denmark, the Netherlands and Finland are provided in full-time equivalents (FTEs) and as such may show values that are lower than the corresponding data for the other Member States, especially for activities where the proportion of part-time work is high.

### STATISTICAL UNIT

The statistical unit used for this project on business demography is the enterprise. This unit is defined in the statistical units Regulation (Council Regulation (EEC) No 696/93 of 15 March 1993 as the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources.

### ECONOMIC ACTIVITIES - NACE

NACE is a hierarchical classification of economic activities. Business demography indicators have been produced in this project for activities within NACE Rev. 1 Sections C to K and M to O, excluding NACE Class 74.15. NACE Sections C to K are referred to as the business economy, NACE Sections C to E are referred to as industry, NACE Section F is referred to as construction and NACE Sections G to K are referred to as services. No data are collected for management activities of holding companies (NACE Class 74.15) which is excluded from all higher aggregates (Group 74.1, Division 74, Section K, services and the business economy total).

The "ICT total" aggregate consists of "ICT manufacturing" (NACE Rev. 1 codes 30, 31.3, 32, 33.2, 33.3), "ICT wholesale" (51.43, 51.64, 51.65) and "ICT services" (ICT wholesale, 64.2, 71.33 and 72).

### COVERAGE OF UNITS

No threshold in terms of the size of units has been set for this project. The coverage in general is very good, though differences in national administrative sources affect coverage of the smallest units (0 employees). The relatively high threshold for value added tax (VAT) in the United Kingdom may explain some of the differences, though in the United Kingdom, as in other countries, the impact of the VAT threshold is reduced by voluntary registrations and the use of additional sources.

### NON-AVAILABILITY

The colon (:) is used to represent data that is not available or confidential.

## ***Further information:***

### **Databases**

[EUROSTAT Website/Data/Industry, trade and services/Industry, trade and services - horizontal view/ Structural Business Statistics \(Industry, Construction, Trade and Services\)/Business Demography/Selected derived indicators concerning business demography](#)

[EUROSTAT Website/Data/Industry, trade and services/Industry, trade and services - horizontal view/ Structural Business Statistics \(Industry, Construction, Trade and Services\)/Business Demography/Business demography indicators presented by size class](#)

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### **European Statistical Data Support:**

Eurostat set up with the members of the 'European statistical system' a network of support centres, which will exist in nearly all Member States as well as in some EFTA countries.

Their mission is to provide help and guidance to Internet users of European statistical data.

Contact details for this support network can be found on our Internet site: [www.europa.eu.int/comm/eurostat/](http://www.europa.eu.int/comm/eurostat/)

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