

Introduction

Objectives, scope and structure of the publication

This publication gives a comprehensive picture of the structure, development and characteristics of European business and its different activities: from mining and quarrying, through manufacturing activities, to energy transmission and recycling, construction and a range of services. It presents the latest available statistics (extracted in December 2008 and January 2009) from a wide selection of statistical sources describing for each activity: output and employment; country specialisation and regional distribution; gross operating and tangible investment expenditure, productivity and profitability; the importance of small and medium sized enterprises (SMEs); labour force characteristics.

All of the statistical information contained within this publication is structured according to the NACE Rev. 1.1 classification of economic activities or the related CPA classification of products from 2002, although there are older and more recent versions of both of these classifications. Within the text, all subsequent references to the term NACE refer to NACE Rev. 1.1 and CPA to CPA 2002. The statistics in this publication cover what is referred to as the business economy, defined here as the sum of industry, construction and services (NACE Sections C to K). The publication does not cover agriculture, forestry and fishing, nor the public administration and largely non-market services such as education and health. Note that because of a lack of standard business statistics, financial services are kept separate from the other sectors, and comparisons are made throughout the publication against a benchmark called the non-financial business economy (as defined by NACE Rev. 1.1 Sections C to I and K).

The first chapter provides a general overview of the EU-27's business economy, with comparisons made across the main sectors. In addition, some information of a cross-sectoral nature is presented, such as energy costs, business demography, the importance of foreign controlled enterprises, etc.

It is followed by 25 sectoral chapters, consisting of an overview of the activity in question, usually followed by a number of subchapters that analyse its component activities. The chapters and subchapters present a standard set of information

complemented by sector specific information that highlights aspects of specific concern and distinguishing features. Each chapter concludes with a statistical annex presenting a selection of the most important indicators. The analyses focus on the EU-27, while available data for the Member States and for Norway are included (subject to availability).

Changes compared with the previous edition

This edition of European business continues the efforts made in recent years to focus increasingly on official statistics, and to broaden and deepen the analysis as the European statistical system continues to make advances. A particular effort has been made in this edition to include, where available, data at the most detailed activity level (NACE four digit or class level) and to facilitate further comparisons across the different activities of the business economy (chapters and subchapters).

A number of changes in the structure and organisation of the chapters have been made when compared with the 2007 edition, essentially to try to follow more closely the NACE classification and to re-align chapter definitions with those activities covered by the SBS Regulation.

1. Chapter 2 (mining and quarrying): has been moved to the start of the sectoral chapters to reflect its position within the NACE classification, and has been split from fuel processing and energy activities;
2. Chapter 6 (fuel processing and chemicals): this chapter has been created by taking what used to be part of the energy chapter and combining it with one of its main downstream industrial activities, namely, the manufacture of chemicals;
3. Chapter 7 (rubber and plastics): have been split from the previous chapter, where they used to be treated together with chemicals;
4. Chapter 14 (network supply of electricity, gas and steam): this is a new chapter that has also been created as a result of splitting up the energy-related activities;
5. Chapter 24 (research and development): previously covered together with real estate and renting (Chapter 23), has been given its own chapter;
6. Chapter 26 (financial and insurance services): a new subchapter on funds and similar financial entities has been included.

Data sources

The main part of the analysis contained within European business is derived from structural business statistics (SBS), including core, business statistics which are disseminated regularly, as well as information compiled on a multi-yearly basis, and the latest results from development projects.

Other data sources which are used extensively throughout the publication include short-term statistics (STS), the labour force survey (LFS), PRODCOM (statistics by product) and external trade (the last two are only used for industrial chapters). In addition, use has also been made of specialist sources for particular areas, notably transport, energy, research and development, environment, tourism and information society statistics.

This edition of European business has also benefited from the co-operation of a wide range of professional trade associations (representative organisations) and other non-official bodies. Tables and figures based on data from these non-official sources are clearly sourced.

Time frame

The majority of the data presented within this edition of European business was extracted from Eurostat databases during December 2008 and January 2009. The text was written during the first quarter of 2009. Data are generally available up to the 2006 reference year for structural business statistics, and up to 2007 for the other official sources.

Exchange rates

The competitiveness of an economy can be radically changed as a result of movements in currency exchange rates. Euro exchange rates were fixed for eleven Member States in 1999; Greece subsequently joined the euro area in 2001, and was followed by Slovenia at the start of 2007, Cyprus and Malta at the start of 2008, and Slovakia at the start of 2009.

Fixed exchange rates, or a common currency such as the euro, can reduce uncertainty, particularly for enterprises that have a high propensity to import or export goods and services from or to other countries using the same or linked currencies. For those enterprises that operate across currency borders, for example into or out of the euro area, there may be a higher degree of uncertainty,

as the price of goods and services with respect to suppliers or customers abroad is (at least in part) likely to reflect exchange rate fluctuations.

These exchange rate movements are inherent within all the monetary indicators that are presented in this publication, as data are consistently shown in the euro (EUR) denomination. As such, exchange rate fluctuations should be born in mind when analysing the evolution of series over time, especially between euro area and non-euro area countries. The final section of this publication contains a table showing exchange rates against the euro for the period 1997 to 2007.

Dedicated website

The structural business statistics dedicated section (which may be found on the Eurostat website) has been compiled by Eurostat's structural business statistics unit. It provides access to a selection of publications, data and background information describing European business. It includes a presentation of the statistics by topic (including special topics such as globalisation, SMEs, foreign controlled enterprises, etc). All the chapters of European business: facts and figures in PDF format and MS Excel files containing the data used in the tables and figures can be downloaded from here, free of charge. The structural business statistics dedicated section is located directly under the theme Industry, trade and services on the Eurostat website or by using the following link:

http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/introduction.

There are also dedicated sections available for:

- **Short-term business statistics:** http://epp.eurostat.ec.europa.eu/portal/page/portal/short_term_business_statistics/introduction;
- **Statistics by product:** <http://epp.eurostat.ec.europa.eu/portal/page/portal/prodcom/introduction>, and;
- **External trade:** http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/introduction.

More statistics available on-line

This publication presents only a selection of the data available. Readers who are interested in knowing more about a certain topic or sector, or accessing a longer time-series, or downloading the freshest data are encouraged to consult (free-of-charge) Eurostat's website: <http://ec.europa.eu/eurostat>.

Main tables

There are a number of ways for users to access/extract data. The most simple is to use what are referred to as main tables (automatically updated), presenting selected, key indicators. Main tables are available for practically the full range of subjects for which Eurostat has data, not just business statistics.

For structural business statistics there are a set of main tables which provide an overview of business structures in the countries and/or for the EU as a whole, as well as tables which provide selected data for specific sectors: industry and construction, distributive trades, services and financial services. Most tables contain data by country and years; these are only available with a limited activity breakdown. They are complemented by some tables which show a more detailed activity breakdown only for the EU-27 aggregate.

Complete database

Database access allows users to select information from the whole data set, based on user defined data extractions. This option should be used by those who wish to make their own selection of statistics. The data that is returned when querying the database may be extracted in a variety of formats:

- i. as an HTML page for an Internet browser;
- ii. as a tab delimited file for a spreadsheet application, or;
- iii. as a flat text file for a database application.

Structural business statistics (SBS)

Annual structural business statistics are available as part of the industry, trade and services domain of the Eurostat statistics database (available on the Eurostat website). The first heading of this branch concerns SBS – Main indicators, the first table (European business) presents the majority of the important indicators used in the publication across a full range of NACE divisions, while a second table presents summary indicators by size class.

Thereafter the tables are structured by activity, again these include the main structural variables (such as value added and employment), as well as derived indicators (including apparent labour productivity, average personnel costs and wage adjusted labour productivity). However, the list of indicators is considerably longer than the main indicators that are used within European business and the size class summary tables. Indeed, the data set covers all variables collected under the SBS Regulation, as well as a number of derived indicators based on these. As the data are split according to activity, users who wish to obtain data across all NACE will need to make a number of extractions. Note that the data under the heading annual enterprise statistics do not include much information for financial intermediation (NACE Section J), as specific tables are provided for credit institutions, insurance services, and pension funds.

The next heading in the SBS data tree contains the information that was used to construct the maps that are presented in the overview of each chapter, in other words, annual regional statistics.

The link below takes the user into the Eurostat database at the point where the SBS data tree can be expanded, from where tailor-made extractions can be made, specifying all of the dimensions of the data request, including the countries, time periods, indicators, and units.

To extract data: http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/data/database.

Special topics for structural business statistics

In addition to those tables which are documented above, there is also more specific SBS information on a collection of particular topics, such as:

- Business demography
- Business registers
- Business services
- Demand for services
- Entrepreneurship indicators
- EuroGroups register
- Factors of business success
- Foreign-controlled enterprises
- Globalisation
- Inter-enterprise relations
- International sourcing
- Regional structural business statistics
- Small and medium-sized enterprises (SMEs)

To extract data: http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/data/database.

Short-term business statistics

The information on short-term business statistics (STS) is also available as part of the industry, trade and services domain on the Eurostat website. The data are structured under three main headings: industry; construction; and trade and other services.

Within the industry domain the data is broken down according to the indicators specified in the STS Regulation. There are tables presented for indices of production, import prices, turnover, new orders, labour input (number of persons employed; volume of work done/hours worked, gross wages and salaries), and producer (output) prices. A number of tables exist for each of these indices, with monthly, quarterly and annual frequencies often available, while there may be different presentations for certain indices (gross, working day adjusted, seasonally adjusted, or trend cycle).

The structure of the tables presented for construction follows very closely the structure used for industry, with separate tables for indices of production, new orders, labour input, construction costs for new residential buildings, and building permits (number of dwellings and area).

The structure of the tables for distributive trades and other services is somewhat different, as the information is initially divided according to the activity under analysis, with separate tables for wholesale and retail trade, and for other services.

To extract data: http://epp.eurostat.ec.europa.eu/portal/page/portal/short_term_business_statistics/data/database.

PRODCOM

Information on product statistics (PRODCOM) is also available as part of the industry, trade and services domain, under a separate heading called Statistics by product. This set of data is quite particular insofar as the links presented take the user to either a set of MS Excel spreadsheets or a database application (rather than the standard interface used for most Eurostat data). The application presents the user with the choice of extracting external trade or PRODCOM data (annual or monthly). The interface permits the selection of the country, PRODCOM code (PRCCODE), volume or value data (measurement unit), period, and indicator (production, imports or exports). The application also allows for exports and imports to be extracted at the same time. In order to make user-defined queries of PRODCOM data: <http://epp.eurostat.ec.europa.eu/newxtweb/>. In order to use/downloaded PRODCOM data in MS Excel format: http://epp.eurostat.ec.europa.eu/portal/page/portal/prodcom/data/tables_excel.