

Structural business statistics introduced

Statistics Explained

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Structural business statistics (SBS) cover industry, construction, distributive trades and services. SBS data are presented according to the **NACE** activity classification; they describe the structure, conduct and performance of businesses across the **European Union (EU)**. These statistics can be broken down to a very detailed sectoral level (several hundred economic activities) and as such they are much more detailed than **national accounts**. A subset of SBS data is also available for European regions, as well as according to the size of enterprises.

Summary

What are structural business statistics?

The main indicators within SBS are generally collected and presented as monetary values (for example, income or expenditure related indicators such as **value added** or **investment**), or as counts (for example, the number of **enterprises** or **persons employed**); this is in contrast to **short-term business statistics (STS)**, where data are presented as indices (in relation to a base year, for example 2010 = 100). Generally SBS does not collect information on products (the external trade and the production of specific products are covered by external trade statistics and/or PRODCOM). The exceptional presentation of products statistics within SBS concern for example multi-yearly data for products sold in distributive trades, or information on certain financial products (such as life assurance).

How are SBS measured?

SBS are based upon data for enterprises or parts of enterprises, such as local units which are often used for regional SBS data. An enterprise carries out one or more activities at one or more locations and may comprise one or more legal units. When an enterprise is active in more than one economic activity, then the value added and turnover that it generates, the persons it employs, and the values of all other variables will be classified under the enterprise's principal activity; the principal activity is normally the one that generates the largest amount of value added.

Which parts of the economy does SBS cover?

SBS covers the 'business economy' (NACE Rev. 2 Sections B to N and Division 95) which includes:

- industry;
- construction;
- distributive trades;
- (market) services.

Note that financial services (NACE Rev. 2 Section K) are generally kept separate because of their specific nature. As such, the term 'non-financial business economy' is often used to refer to economic activities covered by NACE Rev. 2 Sections B to J and L to N and Division 95.

As such, SBS do not cover agriculture, forestry and fishing, nor public administration and (largely) non-market services such as education or health. For information on these areas of the economy, refer to national accounts by branch or other sector specific statistics.

Key structural business statistics indicators

SBS contain a comprehensive set of basic variables describing business demography and employment characteristics, as well as monetary variables. In addition, a set of derived indicators has been compiled: for example, ratios of monetary characteristics or per head values. Some of the most commonly used indicators include:

- [Number of enterprises](#)
- [Local unit](#)
- [Turnover](#)
- [Value added at factor cost](#)
- [Total purchases of goods and services](#)
- [Gross investment in tangible goods](#)
- [Number of persons employed](#)
- [Employee](#)
- [Personnel costs](#)
- [Apparent labour productivity](#)
- [Wage-adjusted labour productivity ratio](#)
- [Gross operating surplus](#)
- [Gross operating rate](#)

Use and examples

SBS may be used to answer such questions as:

- how much wealth is created in an activity and how many persons are employed?;
- is there a shift from the industrial sector to the services sector and in which specific activities is this development most noticeable?;
- which countries are relatively specialised in the manufacture of a particular activity — for example, the manufacture of aerospace equipment?;
- how productive is a particular activity, such as chemicals manufacturing, and how does it fare in terms of its operating profitability?

Legislation

SBS are compiled under the legal basis provided by Parliament and Council [Regulation 295/2008](#) and Council [Regulation 58/1997](#) (and later amendments) on structural business statistics, and in accordance with the definitions, breakdowns, deadlines for data delivery, and various quality aspects specified in their implementing regulations.

At the heart of regional statistics is the [NUTS](#) classification — the classification of territorial units for statistics. SBS may be broken down by NUTS region. A limited set of the standard SBS variables (for example, the number of local units, wages and salaries and persons employed) is available, down to the two-digit (division) level of the NACE classification and according to NUTS 2 regions, as well as for statistical regions covering the EFTA countries.

SBS data may also be analysed according to the enterprise size-class. This is generally defined in terms of the number of persons employed, except for specific data series within retail trade activities where turnover

size-classes are also used. A limited set of the standard SBS variables (for example, the number of enterprises, turnover, persons employed and value added) is available, mostly at the three-digit (group) level of the NACE classification. The [European Commission Recommendation \(2003/361/EC\)](#), adopted on 6 May 2003, classifies SMEs according to their number of persons employed, annual turnover, and independence. For statistical purposes, SMEs are generally defined as those enterprises employing fewer than 250 persons. The number of size-classes available varies according to the activity under consideration. However, the main groups that are often used for analytical purposes and presenting the data include:

- small and medium-sized enterprises (SMEs): with 1 to 249 persons employed, further divided into;
- micro enterprises: with less than 10 persons employed;
- small enterprises: with 10 to 49 persons employed;
- medium-sized enterprises: with 50 to 249 persons employed;
- large enterprises: with 250 or more persons employed.

Current legislation

Given the large number of revisions and amendments that have been made over time to the SBS Regulation, a process of recasting the legislation was concluded in March 2008:

- [Regulation \(EC\) No 295/2008](#)
- [Regulation \(EU\) No 446/2014](#)

The key implementing legislation includes the following:

- [Regulation \(EC\) No 251/2009](#)
- [Regulation \(EC\) No 250/2009](#)

Previous legislation

There have been considerable changes to the initial legislation adopted with respect to structural business statistics (SBS). The legislative history of the Regulation may be followed by referring to:

- [Consolidated SBS Regulation, prior to the recast](#)

Although the following links have no legal value, they provide consolidated versions of the main implementing legislation prior to the recasting exercise:

- [Data series: list of variables collected by sector](#)
- [Definitions](#)

Classifications

As noted above, the enterprises which are surveyed for SBS are classified according to their principal activity and assigned to a particular NACE code. The revised [NACE Rev. 2](#) classification was adopted at the end of 2006, and has since been progressively introduced. By 2010, the vast majority of SBS data were available according to the NACE Rev. 2 classification. Changes in the classification have allowed a broader and more detailed collection of information to be compiled on (market) services, as well as providing the possibility to better identify new areas of economic activity such as technology-producing sectors. The first reference year for which SBS data were collected under NACE Rev. 2 was 2008 (when some data were also collected using [NACE Rev. 1.1](#)). Starting with data for the 2009 reference year the information presented for SBS is displayed only in terms of NACE Rev. 2.

Policy context

The statistics collected within SBS are of use for following a number of policy areas which are generally under the auspices of the [Directorate-General for the Internal Market, Industry, Entrepreneurship and SMEs](#) .

The single market

The central principles governing the [internal market](#) for services guarantee EU enterprises the freedom to establish themselves in other EU Member States, and the freedom to provide services on the territory of another EU Member State other than the one in which they are established. These central principles governing the internal market were set out in the [EC Treaty](#) . The objective of [Directive 2006/123/EC](#) of 12 December 2006 on services in the internal market is to eliminate obstacles to trade in services, thus allowing the development of cross-border operations. It is intended to improve competitiveness, not just of service enterprises but also of European industry as a whole.

European industry contributes to output, jobs, innovation and [exports](#) and is interrelated with service activities. Indeed, many service activities such as transport, information and communication services depend on industry to produce the equipment and hardware which they use. The internal market for goods is one of the EU's most important and continuing priorities which aims to create a user-friendly environment for businesses and consumers. Creating a [single market](#) for the service sector — one of the main drivers of the EU's economy — relies largely on the opportunities available for businesses to provide services throughout the EU, and for other businesses and individuals to access such services.

In April 2011, leading up to the 20th anniversary of the beginning of the single market, the European Commission released a Communication titled [Single Market Act — twelve levers to boost growth and strengthen confidence](#) (COM(2011) 206 final), aimed at improving the single market for businesses, workers and consumers. The initiatives within the Communication covered areas as diverse as improving access to finance for SMEs, worker mobility, the regulatory environment, strengthening standardisation, or providing consumers with easier, quicker and cheaper procedures for dispute settlement. In October 2012, this was supported by a further Communication from the European Commission titled [Single Market Act II — Together for new growth](#) (COM(2012) 573 final), which identified four drivers around which to focus key actions:

- developing fully integrated networks (such as transport and energy) in the single market;
- fostering the mobility of citizens and businesses across borders;
- supporting the digital economy across Europe to boost productivity and creativity;
- strengthening social entrepreneurship, cohesion and consumer confidence.

In October 2015, the European Commission presented a new single market strategy: its aim is to benefit both consumers and businesses by promoting a deeper and fairer single market, as detailed in a Communication titled [Upgrading the single market: more opportunities for people and business](#) (COM(2015) 550 final). The strategy is composed of targeted actions that are grouped together in three key areas:

- creating opportunities for consumers, professionals and businesses;
- encouraging and enabling the modernisation and innovation that Europe needs;
- ensuring practical delivery that benefits consumers and businesses in their daily lives.

Enterprise policy

The [European Commission's](#) enterprise policies aim to create a favourable environment for business to thrive within the EU, creating higher [productivity](#) , economic growth, jobs and wealth. Policies are aimed at reducing administrative burden, stimulating [innovation](#) , encouraging [sustainable](#) production, and ensuring the smooth functioning of the EU's [internal market](#) . Policy reform in this area, and in particular the implementation of industrial and sectoral policies that form part of the [Europe 2020 initiative](#) , is designed to help turn the EU into a 'smart, sustainable and inclusive economy'.

At the [European Council](#) meeting of 26 March 2010, EU leaders set out the Europe 2020 strategy. The latest revision of the [An industrial policy for the globalisation era](#) (COM(2010) 614 final), which provides a blueprint to put industrial competitiveness and sustainability centre stage. This industrial policy establishes a strategic agenda and proposes some broad cross-sectoral measures, as well as tailor-made actions for specific industries, mainly targeting the so-called 'green innovation' performance of various sectors.

In October 2012, the European Commission presented a Communication on [A Stronger European Industry for Growth and Economic Recovery](#) (COM(2012) 582 final) as a new partnership between the EU, Member States and industry. It focused on four pillars: investment in innovation; better market conditions; access to finance and capital, human capital, and skills; and six task forces that were put in place to boost investment in innovation.

The [Entrepreneurship 2020 action plan: reigniting the entrepreneurial spirit in Europe](#) (COM(2012) 795 final) was presented as a Communication by the European Commission in January 2013. It proposes action to increase Europe's entrepreneurial potential, to remove existing obstacles and to transform the culture of entrepreneurship in Europe. The plan has four main parts: educating young people about entrepreneurship; highlighting entrepreneurial opportunities for women and other groups; creating an environment based on easy administrative requirements; and making it easier for entrepreneurs to attract investors.

In January 2014, the European Commission adopted a Communication titled [For a European Industrial Renaissance](#) (COM(2014) 14 final). This Communication stresses the importance of full and effective implementation of industrial policy in the EU and aims to facilitate this. Examples of the initiatives put forward include investing in innovation, resource efficiency, new technologies and skills, simplifying legislation, updating the SBA, and reinforcing the Entrepreneurship action plan. Please refer to the website of the European Commission's Directorate-General for the Internal Market, Industry, Entrepreneurship and SMEs for further information on the work being done in relation to [specific actions for industrial renaissance](#).

In April 2016, the industrial renaissance policy was complemented by a Communication titled, [Digitising European industry — reaping the full benefits of a digital single market](#) (COM(2016) 180 final), which addresses the growing footprint of digital technologies and their potential impact on industrial activities and individual businesses, while examining the possibilities for digital transformations (for example, of public services) and addressing challenges in areas such as funding, ICT standardisation, big data or skills.

SMEs are often referred to as the backbone of the European economy, providing a potential source for both jobs and economic growth. In June 2008, the [Small business act for Europe \(SBA\)](#) (COM(2008) 394 final) was adopted by the European Commission and endorsed by the Council in December 2008. It aims to improve the overall approach to entrepreneurship, permanently anchor the 'think small first' principle in policymaking and to promote SMEs' growth. The SBA is a set of 10 principles which should guide the design and implementation of national and EU policies. Between 2008 and 2010, the European Commission and EU Member States took measures to ease the administrative burden on small businesses, to facilitate SMEs' access to funding, and to support their access to global markets. The results of a [review of the SBA](#) were published in February 2011, providing an overview of the progress achieved through implementing the Act and setting out new actions to respond to challenges resulting from the recent financial and economic crisis. The review launched a process which aims to integrate the SBA into the Europe 2020 strategy; six of the seven Europe 2020 [flagship initiatives](#) included proposals to help SMEs achieve sustainable growth. During 2014, the European Commission launched a public consultation on the SBA with the aim of gathering feedback and ideas on how to revise the SBA in order to provide the strongest support possible for SMEs and entrepreneurs. [COSME](#) is an EU programme for the competitiveness of enterprises and SMEs; it runs from 2014 to 2020 with a planned budget of EUR 2.3 billion and aims to support SMEs in the following areas: improving access to finance; access to markets; supporting entrepreneurs; and improving conditions for competitiveness.

In September 2017, the European Commission outlined a renewed industrial policy strategy, bringing together the existing and some new horizontal and sector-specific initiatives into a comprehensive industrial strategy; it was titled, [Investing in a smart, innovative and sustainable industry — a renewed EU industrial policy strategy](#), which recognises the dawning of a new industrial age, characterised by economic, societal and environmental transformations as well as technological breakthroughs in areas like robotics, the internet of things, artificial intelligence, energy systems and the bio-economy. The strategy highlights that automation, enabled by information technologies, is transforming traditional manufacturing processes and the nature of work and that industrial activities are increasingly integrated in global value chains with strong service components. While such a transformation provides enormous opportunities, in order for these to be achieved it is likely that many will require substantial investment in advanced manufacturing, skills and talents, as well as intangible assets like research and innovation. The strategy therefore highlights the need for the EU to strengthen its industrial base and to continuously adapt and innovate by facilitating investment in new technologies and embracing changes brought on by increased digitalisation and the transition to a low-carbon and more circular economy.

Explore further

Other articles

- [Structural business statistics overview](#)

Methodology

- [Basic summary of the methodology employed for structural business statistics](#) (ESMS metadata file — sbs_esms)
- [Detailed methodological information relating to national methodologies and quality reports relating to structural business statistics for the EU Member States](#) (Source: RAMON)
- [More detailed methodological information relating to structural business statistics](#) (Source: RAMON)