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

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

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1. INTRODUCTION

1.1. Regulation on structural business statistics

Under Article 13(1) of Regulation (EC) No 295/2008 on structural business statistics¹ ('the SBS Regulation'), 'the Commission shall, by 29 April 2011 and every three years thereafter, submit a report to the European Parliament and the Council on the statistics compiled pursuant to this Regulation and in particular on their quality and the burden on business'. This report follows on from the April 2017 report².

This report gives an overview of progress in implementing the SBS Regulation for structural business statistics on:

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

It provides information on the measures the Commission has taken to ensure that high quality European structural business statistics are made available and provides information on the implementation of the SBS Regulation by Member States. It also provides information on the actions Eurostat has launched to make structural business statistics more relevant and reduce the burden on businesses. It covers SBS data transmitted by Member States for the reference year 2016 and therefore also considers the United Kingdom.

1.2. Content of the main data sets

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

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

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

² COM(2014) 243 final.

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

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

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

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

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

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

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

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

1.3. Accessibility and publication of SBS

All data provided by Member States for the reference year 2016, together with the EU aggregates, have been freely available on the Eurostat website since December 2018. SBS data for the reference year 2017 have been available since December 2019. The data can be accessed in the database under ‘Structural business statistics’ (SBS)⁵. The SBS section of the website can be found on Eurostat's homepage under the heading ‘Industry, trade and services’ or via the search function⁶.

SBS have also been used in many other publications for example in the Cohesion Reports⁷ and in the Eurostat regional yearbook⁸.

2. EFFECTIVENESS OF REGULATION (EC) No 251/2009 AND RELEVANCE OF DATASETS

2.1. Availability and completeness of data

Tables 1 and 2 below show that, on the whole, data sent by Member States are complete for all SBS modules. Countries are considered ‘large’, ‘medium’ or ‘small’ in terms of their share of the EU total of value added in the business economy⁹.

Taking into consideration all the data that should be submitted to Eurostat in accordance with Regulation (EC) No 295/2008, 98.5% of SBS data (availability rate) for services, industry, the distributive trade, construction and business services were produced for the reference year 2016 while the availability rate was 99.1% for business demography. The rates represent an improvement compared to the situation described in the previous report to the European Parliament and the Council. The increases in the number of cells transmitted can be explained

⁵ <http://ec.europa.eu/eurostat/web/structural-business-statistics/data/database> (Available only in English, French and German).

⁶ <http://ec.europa.eu/eurostat> (Available only in English, French and German).

⁷ https://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion7/7cr.pdf

⁸ <https://ec.europa.eu/eurostat/documents/3217494/11348978/KS-HA-20-001-EN-N.pdf/f1ac43ea-cb38-3ffb-ce1f-f0255876b670> and online at https://ec.europa.eu/eurostat/statistics-explained/index.php/Eurostat_regional_yearbook

⁹ In order to minimise the burden on businesses and the costs to the national statistical authorities, Member States may mark data for use as a ‘contribution to European totals only’ (CETO). Eurostat does not publish such data and they are not marked as ‘CETO’ when Member States publish them nationally. The use of the CETO flag depends on the Member State’s share of total added value in the business economy, as follows:
Large countries: DE, FR, IT, UK;
Medium countries: BE, DK, ES, GR, IE, NL, AT, PL, PT, FI, SE, NO; and
Small countries: BG, CZ, EE, HR, CY, LV, LT, LU, HU, MT, RO, SI, SK.

by the fact that countries are making constant efforts to improve the delivery of all the required data.

The availability rates were calculated based on the first received version of data. For some countries they do not represent the final figures, as some of the missing data were sent in a later version. In addition to delays, missing data for some countries could also be due to reasons such as lack of data sources to cater for required data for some variables.

Nevertheless, Tables 1 and 2 also show that the availability of SBS data on the Eurostat website was affected by the fact that some data, especially for small countries, are confidential.

Table 1: Availability and confidentiality of final data on services, industry, trade, construction and business services, NACE Revision 2, 2016

Countries	Total cells transmitted as a percentage of the SBS Regulation requirements (availability rate)	Confidential cells not published as a percentage of total cells sent (availability rate)
Large countries	96.7	10.1
Medium countries	98.2	16.0
Small countries	99.5	20.4
ALL	98.5	16.8

Table 2: Availability and confidentiality of final data on business demography, NACE Revision 2, 2016

Countries	Total cells sent as a percentage of the SBS Regulation requirements (availability rate)	Confidential cells not published as a percentage of cells sent (availability rate)
Large countries	100.0	4,2
Medium countries	97.9	14.1
Small countries	100.0	13.6
ALL	99.1	12.5

2.2. Confidentiality rules and their implementation

As structural business statistics are broken down into a relatively detailed level of activities, many cells at country level have to be protected in order not to disclose confidential information. Member States have implemented various confidentiality rules to avoid the release of data referring to a single enterprise. Member States typically protect data covering a small number of enterprises and figures ‘dominated’ by one or two responding enterprises.

The confidentiality rules at national level are not yet fully harmonised. Tables 1 and 2 illustrate the extent to which confidentiality rules affect data availability at the level of Member States. The percentages of data classified as confidential vary from 4.2 % to 14.1 %, with in general higher rates recorded by the medium and small countries due to the rules mentioned above.

In addition to the confidentiality rules applied at national level, some data at EU aggregate level were not disclosed in order to safeguard countries' confidential data. Table 3 shows that 9.7% of EU aggregates for SBS were affected for reference year 2016 and 12.5% for business demography.

Table 3: Confidentiality of the main variables included in annual enterprise statistics for which EU aggregates were published for all levels of NACE Revision 2, 2016

Area of SBS	Total number of data cells	Number of confidential data cells	Confidential data (%)
Services	5 353	620	11.6
Industry	8 218	812	9.9
Trade	2 104	104	4.9
Construction	718	49	6.8
Total (services, industry, trade and construction)	16 393	1 585	9.7
Business demography	26 111	3 268	12.5

3. COHERENCE AND COMPARABILITY

Data reconciliation and integration support the harmonisation of economic and related statistics, facilitate the aggregation and comparison among disparate data sets and promote the compilation of coherent macroeconomic statistics such as national accounts. In this context, Member States are asked to report to what extent the various data collections are comparable and coherent and can be related to each other.

3.1. Coherence

Coherence refers to the extent to which data from different sources can be combined. Data on structural business statistics can be found in the following related domains: business register, industry production of goods, national accounts, and short term statistics.

In these data collections, inconsistencies in relation to SBS data have been examined. While some variables are unique for the SBS domain, some others can be comparable with the

results from these statistical sources. Minor differences can be found due to a number of reasons such as differences in survey strategy, applied threshold methodology and size of the sample; but the quality of SBS is very good, which makes it possible to use it in combination with other data sources. The consistency across countries and for key measures or variables are confirmed through the use of common definitions, standards and classifications.

The coherence between SBS and other domains in business statistics will continue to be improved with the implementation of the European business statistics framework. An integrated statistical production system for business statistics will also contribute to the overall coherence of economic statistics.

3.2. Comparability

SBS data is comparable over time and across countries. A change in the NACE classification was brought about for reference year 2008 with the introduction of NACE Revision 2. Therefore, data for SBS is comparable for all reference years as from 2008.

Eurostat monitors regularly the application of concepts, definitions and the reporting requirements in Regulation (EC) No 295/2008 to ensure that the data are comparable across countries. The harmonisation and comparability of SBS data in the European statistical system are also coordinated through the SBS and BD Working Groups and BSDG meetings. These groups discussed and provided many guidelines on a broad range of issues regarding the implementation of the SBS Regulation to ensure that the data transmitted by the Member States are of good quality and comparable.

4. DEADLINES FOR SUPPLYING DATA

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

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

For reference years 2016 and 2017, most of the countries delivered their data on time for all SBS areas.

5. ACCESSIBILITY AND CLARITY

All SBSs are available free of charge on the Eurostat website in the area ‘Industry, trade and services’, together with detailed information on all methodological aspects that may be of relevance to users¹⁰. National metadata are available in the annexes of Eurostat's metadata¹¹.

6. COMPLIANCE WITH THE SBS REGULATION

Member States' compliance with the SBS Regulation in 2016 is assessed on the basis of the completeness of the data provided, the number of versions received before publication of the final data, and whether the data are provided within the deadlines.

The countries (EU-28, Iceland, Liechtenstein and Norway) have been divided into four categories of compliance:

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

In general, compliance levels in most Member States are ‘good’ to ‘very good’. Twentyfive countries have a very good compliance level. A further 5 have a good compliance level and 1 country is partially compliant. In comparison to the reference year 2015, 12 countries have improved their overall compliance score and 11 countries had the same compliance score.

Eurostat regularly submits a compliance report to the SBS Working Group, with the objective of identifying aspects of the quality where a potential Member State needs to progress to achieve a maximum compliance with the SBS Regulation and to guarantee the coherence, relevance, timeliness, accessibility and comparability of the data.

In addition, Eurostat has developed a data validation tool which Member States can use to check for accuracy and confidentiality before sending the data to Eurostat. The vast majority of the Member States uses this validation tool. The tool has helped to reduce the number of versions and improved the quality of the data transmitted by the Member States.

¹⁰ <https://ec.europa.eu/eurostat/web/structural-business-statistics/overview>

¹¹ https://ec.europa.eu/eurostat/cache/metadata/en/sbs_esms.htm

7. BURDEN ON BUSINESSES

Member States have continuously improved their data collection processes with the aim of reducing the burden on enterprises. Already in 2016, 26 out of 31 countries were using sample surveys combined with administrative data in data collection. For example, all larger enterprises - above an industry-specific employment threshold - were included in the survey in most countries, while smaller enterprises were selected as a part of a sample.

In many Member States there is a strong and growing focus on developing coherent and well-founded strategies so that administrative data sources can be fully exploited in the statistical processes. Statistical authorities are often involved in the design of administrative data in order to make administrative data more suitable for statistical purposes. In quite a number of cases, countries have used estimates or supplemented survey data with administrative data to produce the relevant SBS indicators.

8. CHANGES INTRODUCED AND ENVISAGED IMPROVEMENT OF SBS

8.1. INTEGRATION OF SBS PRODUCTION WITH THE OTHER DOMAINS IN BUSINESS STATISTICS

Regulation (EU) 2019/2152 developed a cross-cutting legal framework on European business statistics¹² for their development, production and dissemination and replaced 10 legal acts that currently exist in the field of trade and business statistics, including Regulation (EC) No 295/2008, with effect from 1 January 2021.

It covers statistical requirements such as the structure, economic activities and performance of European businesses, their research, development and innovation activities and their ICT-usage, e-commerce presence and global value chains.

The adoption of Regulation (EU) 2019/2152 in 2019 was an important step towards a more integrated system of European business statistics. The legislative work still continues with the preparation of the necessary technical implementing and delegated acts .

The first preliminary SBS data to transmit following the new data requirements will occur in October 2022. For the SBS domain, Regulation (EU) 2019/2152 will bring about important

¹² Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics (OJ L 327, 17.12.2019, p. 1).

changes¹³ such as broader measurement of the economic sectors, better coverage of the service sector, better integrated data collection and data processing across sectors and domains, several simplifying measures for data requirements to reduce unnecessary statistical burden on respondents, and much better comparable, relevant, consistent and coherent data.

8.2. THE APPLICATION OF STATISTICAL UNIT ENTERPRISE IN SBS

In SBS, the statistical unit is the ‘enterprise’ as defined by Regulation (EC) No 696/93. However, implementation still differed between countries for reference year 2016.

An inaccurate identification of the statistical unit can cause a deviation from the objective of producing comparable and relevant statistical figures. In the context of ESS coherence and consistency, statistical information is not comparable in a statistical domain if different statistical units are used in different EU countries. Aware of this limitation, all Member States have committed to put in place national action plans to implement the enterprise definition for SBS by reference year 2018. In the meantime, Eurostat sponsored a multi-year project that produced a set of recommendations on how to proceed with this task.

¹³https://ec.europa.eu/eurostat/statistics-explained/index.php?title=European_business_statistics_manual_-_data_requirements#cite_note-1