

26th Voorburg Group Meeting

**Newport, United Kingdom
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Mini-presentation on Turnover/Output for Technical Testing and Analysis in Poland



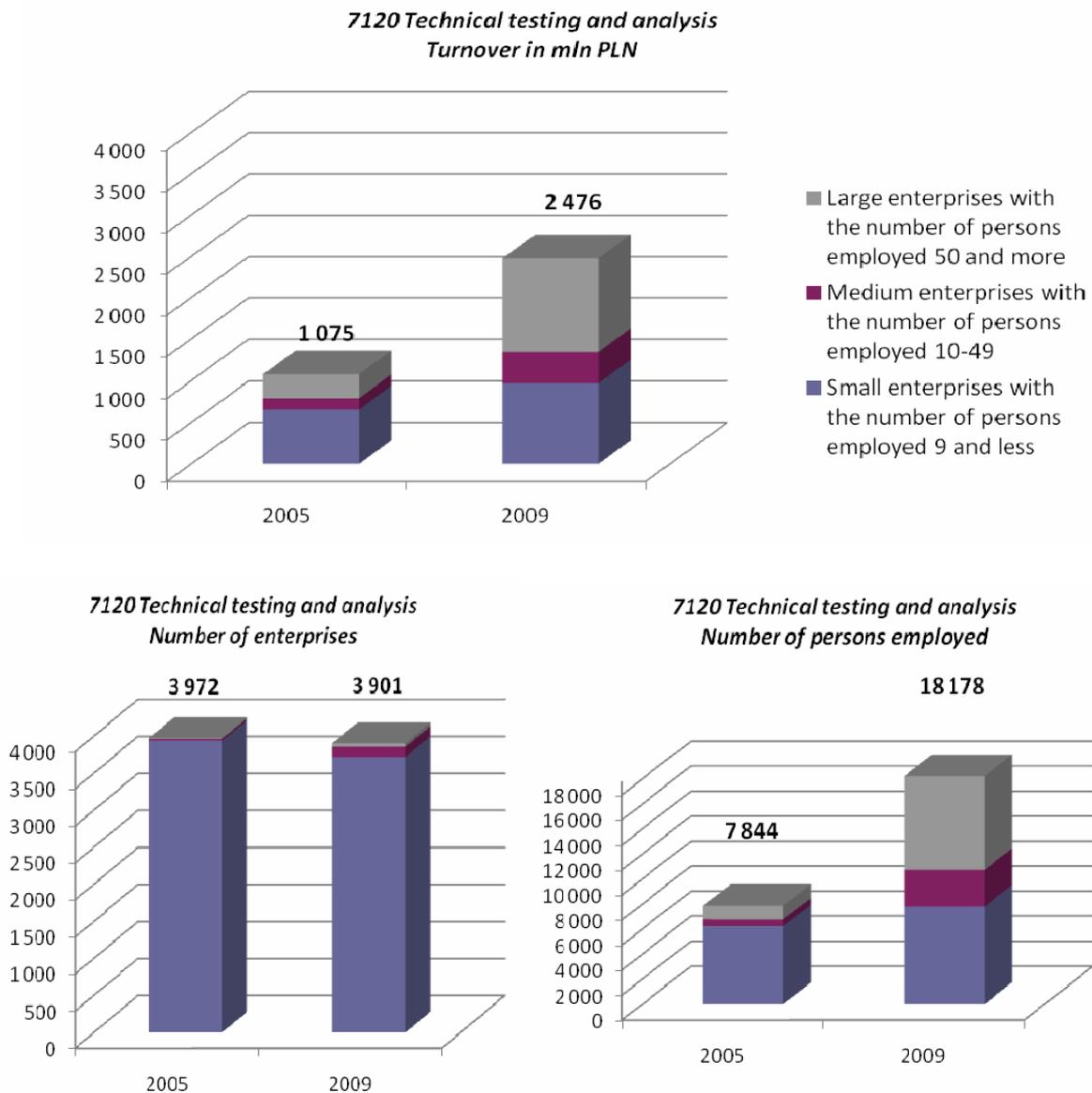
**Central Statistical Office of Poland
Trade and Services Division**

Agnieszka Matulska-Bachura

Introduction

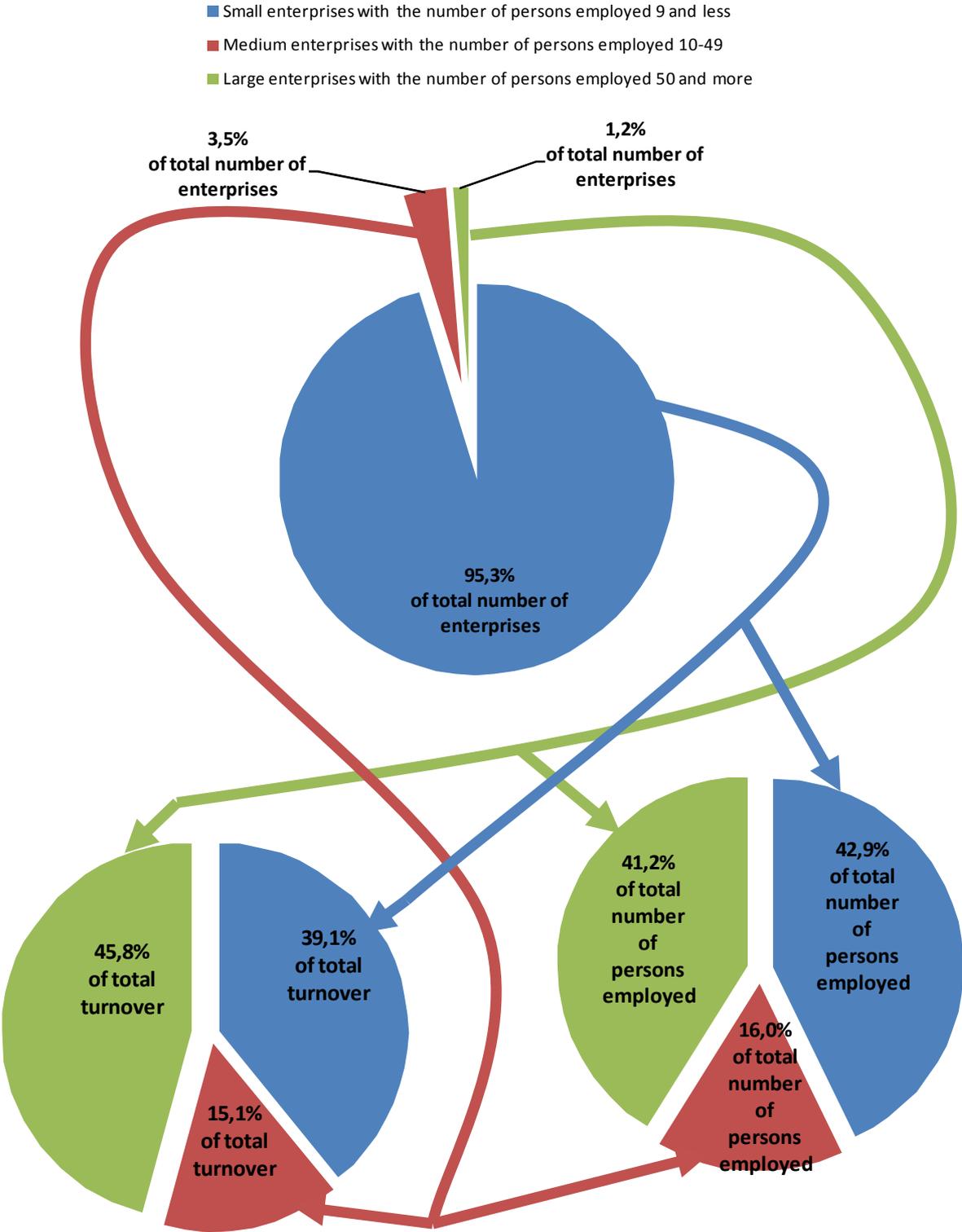
In Poland the market of services related to technical testing and analysis has recently developed dynamically. During years 2005-2009 its turnover increased over twice (2,3 times) and in 2009 it amounted to 2 476,4 mln PLN (572,3 mln EUR)/ 794,7 mln USD). In the same period the number of enterprises slightly decreased from 3 972 in 2005 to 3 901 in 2009 (by 1,8%), especially the population of small enterprises with the number of persons employed 9 and less shrunk (by 5,6%) while larger enterprises with the number of persons employed 10 and more grew significantly (about 5 times). As far as the number of persons employed is concerned as of end of 2009 it accounted for 18 178 and it was over twice larger than in 2005.

Chart 1: Technical testing and analysis – turnover, number of enterprises and number of persons employed in 2009



Regarding the number of enterprises in 2009 the large enterprises with the number of persons employed 50 and more constituted a bit over 1%. However, at the same time they generated over 40% of total turnover and employed about 45%.

Chart 2: Technical testing and analysis – structures of population, number of persons employed and turnover by size classes in 2009



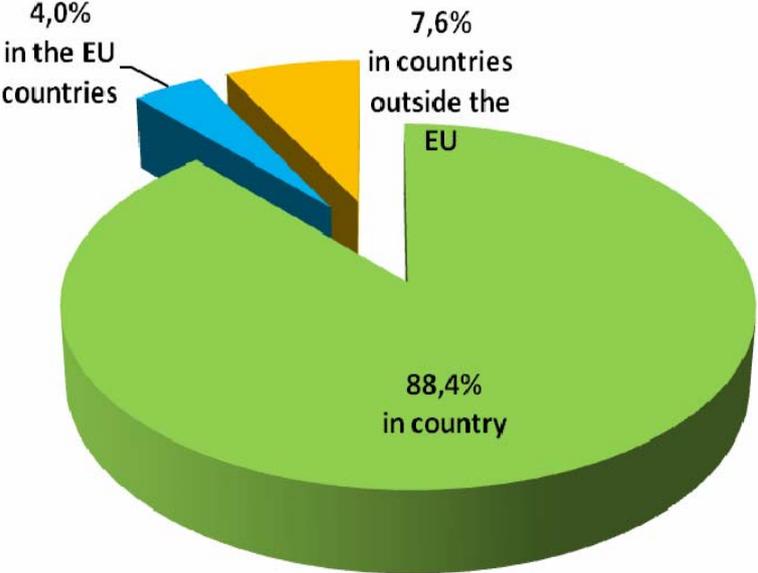
In 2009 enterprises with the core activity within the technical testing and analyses gained the significant part of their turnover from *Other technical testing and analysis services* (71.20.19 by CPA2008/ 83449 by CPC Ver.2) - over 38%, *Testing and analysis services of physical properties* (71.20.12 by CPA2008/ 83442 by CPC Ver.2) – at least 13% and *Composition and purity testing and analysis services* (71.20.11 by CPA2008/ 83441 by CPC Ver.2) – approximately 10%.

Table 1: Structure of turnover by product for enterprises providing technical testing and analysis services (core activity) in % in 2009

Total turnover	100,0
of which	
Technical testing and analysis services	70,0
of which	
Composition and purity testing and analysis services	9,9
Testing and analysis services of physical properties	12,8
Testing and analysis services of integrated mechanical and electrical systems	2,9
Technical inspection services of road transport vehicles	6,1
Other technical testing and analysis services	38,5
Other activities	30,0
in which	
Employment services	3,9
Waste collection, treatment and disposal services; materials recovery services	3,3
Repair and installation services of machinery and equipment	3,3

The majority of technical testing and analysis services were purchased by clients located in country – about 90%.

Chart 3: Structure of turnover by residence of client for enterprises providing technical testing and analysis services (core activity) in % in 2009



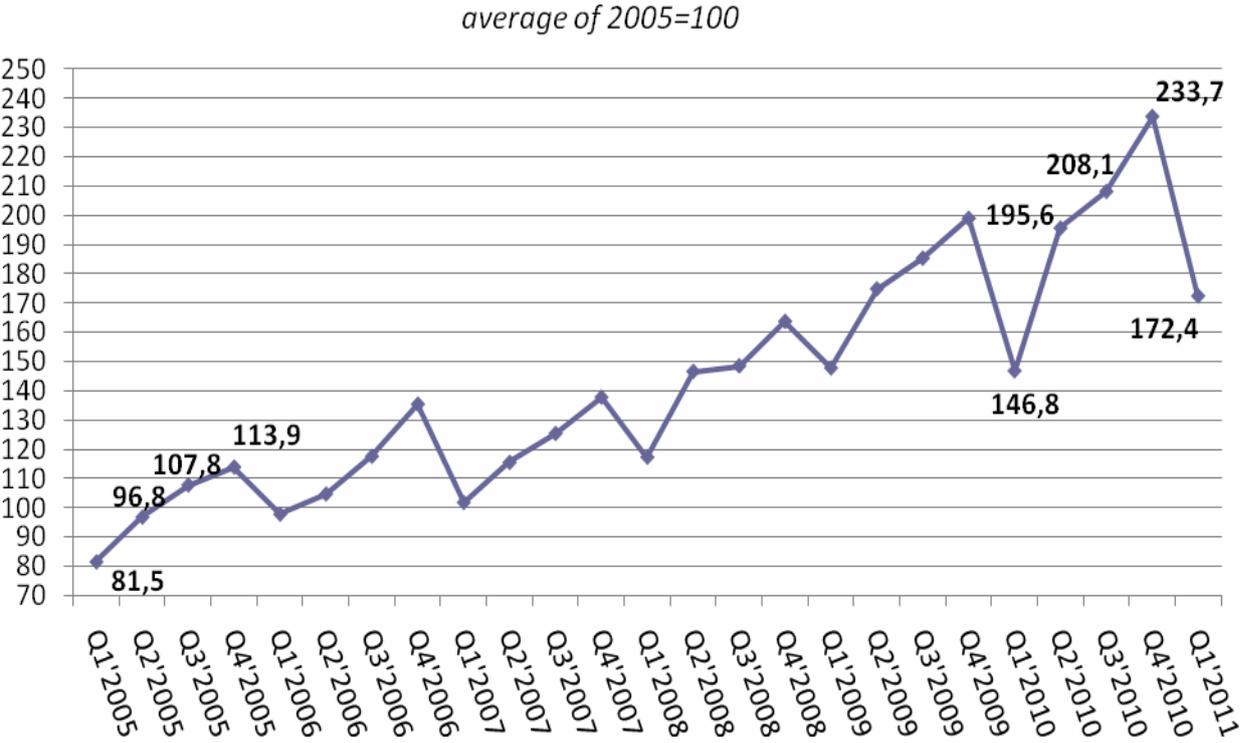
However, above 10% of turnover was generated by sale to clients with residence abroad. Based on the results of survey “International trade in services” it was recorded that in 2009 the operational leasing services constituted 33,7% of services exported by the enterprises with the core activity within the technical testing and analysis while the research and development services – 17,8%, other business services- 16,4% and the architectural, engineering and other technical services – 15,8%. At least quarter of exported services (24,9%) was rendered to the residents of Germany, followed by Italy - 15,7% -, Austria- 13,1% - and Malta - 12,2%.

At the same time the enterprises with the core activity within the technical testing and analysis imported the following services: other rail transport services – 67,5% of total imported services, other services – 10,8% and the operational leasing services - 6,3%. Among importers Germany with the share of 37,4% of total imported services, Austria – 21,8% and the USA – 10,8% were the most popular.

Quarterly information on turnover of enterprises with core activity within technical testing and analysis are coherent with annual data and prove double increase in the value from 2005 to

2009. Moreover, some kind of inter-year cycle can be observed. During a year turnover gradually rises in order to reach its peak in the 4th quarter of a year. In the 1st quarter the dramatic decrease is usually recorded.

Chart 4: Quarterly indices of turnover for enterprises providing technical testing and analysis services (core activity) in 2009



Classification

The Polish Classification of Activities (PKD2007) is fully methodologically, conceptually, in the scope and coding system (up to fourth digit) coherent and comparable with the classification the NACE Rev. 2. Therefore the activity related with technical testing and analysis is classified into class 71.20 and also corresponds to the class 7120 of the ISIC Rev.4. However, in the PKD2007 the activities in question have been additionally broken down into two sub-classes: 7120A Food quality related testing and analysis and 7120B Other technical testing and analysis.

Table 2: Technical testing and analysis in PKD2007, Nace Rev.2 and ISIC Rev.4

PKD2007		NACE Rev.2		ISIC Rev.4	
Code	Description	Code	Description	Code	Description
M	Professional, scientific and technical activities	M	Professional, scientific and technical activities	M	Professional, scientific and technical activities
71	Architectural and engineering activities; technical testing and analysis	71	Architectural and engineering activities; technical testing and analysis	71	Architectural and engineering activities; technical testing and analysis
71.2	Technical testing and analysis	71.2	Technical testing and analysis	712	Technical testing and analysis
71.20	Technical testing and analysis	71.20	Technical testing and analysis	7120	Technical testing and analysis
71.20A	Food quality related testing and analysis				
71.20B	Other technical testing and analysis				

In the Polish Classification of Goods and Services (PKWiU) services of technical testing and analysis are classified in division 71 Architectural and engineering services; technical testing and analysis services under the code 71.20.1 Technical testing and analysis services. Polish national classification is compliant with the CPA2008. The differences between the CPA2008 and the CPC Ver. 2 are presented in Table 3.

Table 3: Technical testing and analysis services in PKWiU2008, CPA2008, CPC Ver.2

PKWiU2008 = CPA2008		CPC Ver.2	
Code	Description	Code	Description
M	Professional, scientific and technical services	8	Business and production services
71	Architectural and engineering services; technical testing and analysis services	83	Other professional, technical and business services
71.2	Technical testing and analysis services		
71.20	Technical testing and analysis services	834	Scientific and other technical services
71.20.1	Technical testing and analysis services	8344	Technical testing and analysis services
71.20.11	Composition and purity testing and analysis services	83441	Composition and purity testing and analysis services
71.20.12	Testing and analysis services of physical properties	83442	Testing and analysis services of physical properties
71.20.13	Testing and analysis services of integrated mechanical and electrical systems	83443	Testing and analysis services of integrated mechanical and electrical systems
71.20.14	Technical inspection services of road transport vehicles	83444	Technical inspection services of road transport vehicles
71.20.19	Other technical testing and analysis services	83449	Other technical testing and analysis services

Surveys on output variables

In Poland the public statistics compiles wide range of variables which could be helpful when describing the technical testing and analysis activities such as turnover, revenues from various types of business activity (e.g. operational or financial revenues, etc.), number of enterprises or number of person employed, etc.. They are compiled within the different domains of statistics: structural business statistics, short-term statistics, labour statistics or international trade in services.

Undoubtedly, the variable most often used for presenting the output of technical testing and analysis is **turnover**.

Annual information on turnover of enterprises running the above mentioned activity are elaborated within the structural business statistics on the basis of data collected within the *Annual survey on enterprises (SP)* and the *Survey of small enterprises (SP-3)*. In compliance with the Regulation (EC, EURATOM) No 58/97 of the Council of 20 December 1996 as well as the Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 march 2008 concerning structural business statistics member states are obliged to produce and provide Eurostat with annual data on turnover for Technical testing and analysis within the 18 months from the end of reference year.

Moreover, the latter regulation imposes on the EU countries additional duty to produce biennially data on turnover with the breakdown by product and turnover with the breakdown by residence of client. In order to fulfill all the requirements in 2010 Poland launched new survey which collects all necessary data from responding units within the survey “Business services” (form *BS “Turnover of business services”*).

The *Annual survey on enterprises (SP)* collects information from enterprises (with some exceptions) with the number of persons employed 10 and more. The subjective scope of survey concerns information included in financial statements: balance sheet and the profits and losses account. However, there are also collected additional information, for example number of persons employed, type of book-keeping system etc.

The *Survey of small enterprises (SP-3)* covers enterprises (with some exceptions) with the number of persons employed 9 and less. Information are collected from the sample of enterprises (about 5%) which are selected randomly within the settled strata (groupings required by SBS Regulation with the breakdown into voivodships). Information on turnover

are estimated on the basis of data from the Section 4 Revenues and costs from total activity of questionnaire *SP-3*.

Annual information on turnover by product and turnover by residence of client are obtained within the survey “Business services”. It comprises all enterprises with the number of persons employed 10 and more which run business services related activities including, among others, technical testing and analysis activities, but also legal activities, IT, book-keeping and auditing activities etc. The questionnaire BS “*Turnover of business services*” consists of three parts: identification information, turnover by residence of client and turnover by product. Two first parts are common for all business services related activities while the third one specifies different products regarding the type of activity.

The short-term information on turnover of enterprises classified into the technical testing and analysis activities are produced on the base of data collected within the questionnaire *Monthly report on activity (DG-1)*. All enterprises with the number of persons employed 50 and more and the 10% sample of enterprises with the number of persons employed between 10 and 49 are surveyed. The smallest entities are not covered with the survey. When the survey was launching it was assumed that the results for the enterprises with the number of persons employed 10 and more are representative for all population. The time series for turnover of technical testing and analysis are available from 2000 and data are presented as the indices.

The survey is conducted in compliance with the requirements of Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98 concerning short-term statistics. Although there is duty to produce data at the level of division 71 Architectural and engineering activities; technical testing and analysis information are available for class Technical testing and analysis.

The enterprises with the core activity within the technical testing and analysis are also observed within the survey “International trade in services”. It collects information on import and export of services by country of client - non-residents.

Methods of data collection

In Poland the public statistics has collected most of data electronically via Internet since 2009. Each respondent has their own account at the special website and can fill in questionnaire in on-line or off-line version. The paper version of questionnaires are very rarely used and are acceptable only in case of enterprises with the number of persons employed 5 and less or in

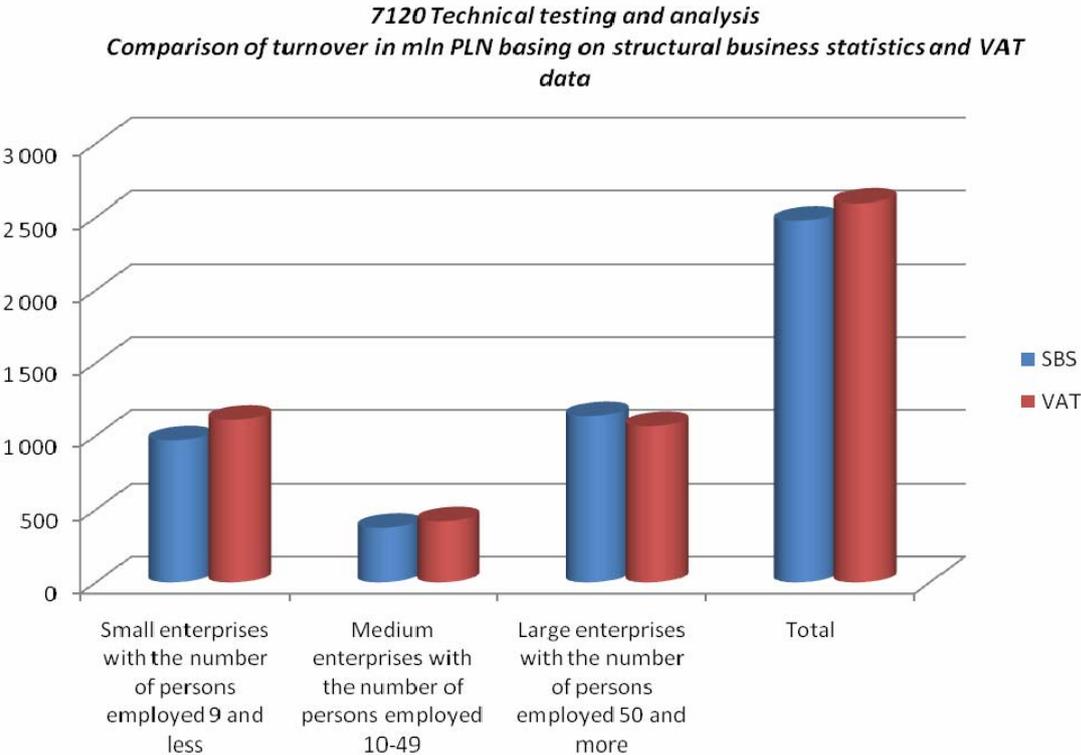
other very special situations. The electronic questionnaires includes logical and book-keeping control procedures. It improves data quality and, undoubtedly, shorten timeliness for data dissemination.

Moreover, it makes possibility for integrating questionnaires and ensuring better comparability of data. For example, all enterprises with the number of persons employed 10 and more running business services related activities are obliged to fill in the SP and BS forms and data on total turnover provided within those two questionnaires has to be coherent. Therefore, after completing the SP form the enterprises in question should be automatically directed to the BS form.

Administrative data sources

Nowadays, the works on using the VAT data for estimating short-term data on total turnover, especially turnover of the smallest units, are in progress.

As for turnover of technical testing and analysis activities structural business statistics and VAT data on turnover for 2009 has been compared. It can be stated that data on turnover, which come from those various data sources are coherent and could be used for estimation. However, the timeliness in which VAT data are disseminated to public statistics (about 110 days after end of reference quarter) makes it impossible to use data by statistics.



Data dissemination

At the national level data for technical testing and analysis are published in:

- **Internal market** (electronic publication – available at http://www.stat.gov.pl/gus/5840_746_PLK_HTML.htm)

Data presented in publication concern phenomena taking place on the internal market and allow for a complex analysis of activity of trade and services entities. The study contains information on the financial results of those enterprises and basic data on phenomena and tendencies observed on the market, i.e. the volume of sales, the development of the trade network, and international conditions. The information on market processes is supplied with data on the deliveries and stocks of selected products and their consumption.

Data presented in the publication are obtained from the reports of all types of economic entities conducting service activities. The results of the statistical surveys are presented in regional breakdowns and by organisational structure and ownership form of entities. Data by type of activity are presented according to the Polish Classification of Activities PKD 2007 (NACE Rev. 2).

The publication consists of three parts: methodological notes including a glossary, a description of the survey and sources of information, an analytical commentary including a short analysis of the survey results in the form of text and tables, and a set of tables which constitutes the main scope of the publication.

Short term information on turnover for technical testing and analysis are presented together with architectural and engineering activities.

- **Quarterly macroeconomic indicators** (electronic publication available at http://www.stat.gov.pl/gus/5207_ENG_HTML.htm)

Quarterly indices of turnover for technical testing and analysis are presented together with architectural and engineering activities in part “Business services”.