

**Development of Methodological Guidelines for  
conducting Pilot Surveys on the Business Services Sector**

**E.A. Fisher**

**(G.A.M.M.A. Institute - France)**

**Consultant of EUROSTAT - "Services, Transport" Unit**

**July, 1991**

**Sixth Meeting of the Voorburg Group**

**Helsinki, 7-11 October 1991**

# **EUROSTAT**

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The context of Eurostat's programme for statistics on business services.

1. At the fifth meeting on service statistics of the Voorburg Group (held in Paris in October 1990), Eurostat presented a paper<sup>(1)</sup>\* describing its Work Programme and Action Plan for the development of European statistics on services for the period 1989 to 1992.
2. Subsequently, in December 1990, its Action Plan for the period 1991-1993 was issued by the Commission of the European Communities in the form of a draft Council Decision<sup>(2)</sup>.
3. This new Action Plan straddles the date set for the completion of the Internal Market and takes into account the needs of the current international negotiations on trade in services.
4. The objectives fixed for the 1991-1993 multiannual programme are:
  - (a) to set out a European reference framework for statistics on services defining the most appropriate concepts and methods for managing and monitoring Community policies, especially the implementation of the Single European Act, and for satisfying the needs of national, regional and local administrations, international organizations, economic operators and professional associations;
  - (b) to establish a European statistical information system for services,
  - (c) to promote and support harmonization of statistics on services in the Member States.
5. One of the various activities foreseen with a view to achieving these objectives was that pilot surveys of service enterprises be undertaken, priority being given to the activities that are more dynamic and less covered by existing statistics.
6. The purpose of this paper is to describe how Eurostat's pilot surveys of the business services sector are being undertaken, and in so doing to present selected methodological documents which have contributed to these surveys. Annex 1 lists all the documents that are referred to in this paper.

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\* Reference documents are listed in Annex 1

7. In addition definitions of key concepts and variables are presented, and Annexes 2 to 5 contain examples of relevant texts developed for guiding Member States in undertaking the pilot surveys.

#### Methodological Manual for Statistics on Services

8. The framework of reference for the pilot surveys is the "Methodological Manual for Statistics on Services", which is described quite fully in the Eurostat report<sup>(1)</sup> to the fifth meeting on service statistics of the Voorburg Group (mentioned above).
9. The Coordinating Committee for Statistics on Services, (set up in 1987 by the DGNSI Conference in Seville), examined various chapters of the Methodological Manual at its meeting of 13-14 March 1991 in Luxembourg.
10. The Chapters of principal relevance to surveys on the business services sector are the "General Framework" chapter<sup>(3)</sup> and the "ICOBBS" chapter<sup>(4)</sup>. The concepts and variables common to all service sectors are presented in the General Framework. The ICOBBS chapter relates to Information, Communication and other Business Services.

#### Structure of enterprises in the sector

11. The ICOBBS sector is very heterogeneous and an analysis of enterprise structure at sectoral level will not provide the necessary insights for a meaningful appreciation of its constituent parts. Consequently, the sector has been further divided into subsectors, and analysis will be carried out at this subsector level. This subdivision of the sectors takes into account various economic factors at Community level and provides a usefully structured framework within which to discuss the choice of units and the scope and structure of the sector. A provisional linkage with NACE/Rev.1 has been established at the four digit level as shown below:

|   | NACE/Rev 1          |
|---|---------------------|
| 1. National postal activities                               | 64.11               |
| 2. Courier activities other than national postal activities | 64.12               |
| 3. Telecommunication activities                             | 64.20               |
| 4. Computer and computer related activities                 | 72.10 - 72.60       |
| 5. Professional activities                                  | 74.11, 74.12, 74.14 |
| 6. Marketing activities                                     | 74.13, 74.40        |
| 7. Technical activities                                     | 74.20, 74.302       |
| 8. Renting of movables                                      | 71.10, 71.34        |
| 9. Labour recruitment and provision of personnel            | 74.50               |
| 10. Operational activities                                  | 74.60, 74.70        |
| 11. Other business activities n.e.c.                        | 74.81 - 74.84       |

12. The Eurostat pilot surveys of the business services sector concern eight of these eleven sub-sectors, namely the subsectors 4 to 11 listed above in the preceding paragraph. Annex 6 contains a detailed description of each of these eight subsectors.

#### RESER

13. In 1989 a group of researchers working in the field of services and space set up a network called RESER (Réseau Européen Services et Espace). The main objectives of this network are:
- a) To foster interdisciplinary, collaborative and comparative research;
  - b) To facilitate debate on the theoretical and policy issues associated with the development of services and their role in economic, social and spatial development in Europe;
  - c) To initiate a dialogue with other researchers and organizations concerned with services.
14. RESER has participants from nine European countries, and EUROSTAT has played an active role in encouraging studies by members of RESER in the ICOPS sector.

#### The CLAS study

15. In 1990, CLAS (a Milan-based RESER member specializing in the business services sector), was commissioned to prepare model questionnaires and tabulation formats<sup>(5)</sup> for a survey of the ICOPS sector.

#### The SIRC questionnaire

16. At the same time, another RESER member, the Services Industries Research Centre at Portsmouth Polytechnic, designed a draft questionnaire<sup>(6)</sup> for a survey of the eight subsectors comprising business services enterprises.

#### The Voorburg Group's paper for a model survey of computer services.

17. The Voorburg Group presented their paper on computer services<sup>(7)</sup> in February 1991 to the twenty-sixth Session of the U.N. Statistical Commission. This paper, prepared by Statistics Canada, was designed to test the product classes of the CPC and the industry classes of ISIC with respect to the business services subsector "computer services".

G.U.S.S.

18. In 1990, the Group of Users of Statistics on Services (G.U.S.S.) issued a report<sup>(8)</sup> which spelled out the sectoral needs of users of statistics on services. Certain sections of this report referred explicitly to statistics on ICOBS.

The enterprise as the basic statistical unit

19. In the CLAS study two types of questionnaires were proposed:-

- one addressed to the enterprise as such;
- the other to local units of an enterprise.

The approach retained for the Eurostat pilot surveys was to obtain data from the enterprise only.

20. The choice of the enterprise as the basic statistical unit can be justified from a sectoral point of view, if there are advantages as regards both statistical analysis and data collection methods.

In view of the basic definition of the enterprise as "a legally defined unit which has its own balance sheet, is subject to a directing authority (which may be either a natural or legal person) and has been formed to carry out one or more activities for the production of goods or services" (NACE/70,28), one can assume that this unit - because it is defined legally - is more easily identifiable than any other unit and this is advantageous as regards data collection. The enterprise is, moreover, an organization with a separate balance sheet and, as a direct consequence of this, is best equipped to provide the data on the production process asked for in surveys. In addition, most decisions concerning economic strategy made by economic operators in the ICOBS sector are made at enterprise level even if there is, in fact, a group of enterprises. This is a very important point in statistical analysis of the sector which provides the framework in which political bodies, administrators, professional associations and economic operators act and make decisions. Eurostat proposed that its pilot surveys would cover a sample of 3000 business services enterprises in the larger Member States, or 1500 in the case of smaller ones.

21. In some parts of the sector the local unit may also be of significance. This unit is defined as "a production unit (e.g. a workshop, factory, shop, office, mine or warehouse) which is situated in a geographically separate place and in which one or more persons work for a single enterprise" (NACE/70,31). When starting to survey activities within the sector, it would therefore be advisable to ascertain from other sources (e.g. employment registers) just how important the differences between the enterprise concept and the local unit concept are. The relation between an enterprise and its local units on the one hand, and that between an enterprise and a group of enterprises on the other, could also be covered by a question in the surveys themselves.
22. When discussing enterprise structure at subsector level, it is necessary to bear in mind that, in some subsectors, a very dynamic development is under way, with new services and new enterprises offering these emerging services. In some subsectors, especially in telecommunication and information services, enterprises offer overlapping services, and only with difficulty can a distinction be drawn between them. These difficulties will increase in the years to come.

#### Eurostat's Programme of Priority Actions

23. In January 1991 Eurostat launched an ambitious "programme of priority actions" in the form of pilot surveys in various service sectors. Business services was designated a principal sector of study. The pilot survey of business services was intended to :-
- (a) provide basic statistical data on business services;
  - (b) prepare and test a methodology for the regular collection of harmonized statistics on business services.
24. The pilot surveys are to be carried out in all twelve Member States, and the target date for their completion is December 15, 1991. The NSO of each Member State has been invited to participate in Task Force and Coordinating Committee meetings to develop a suitable methodology, and to undertake the survey under contract to Eurostat.
25. Ten of the twelve NSO's of Member States have agreed to the contract terms, and in the other two Member States private agencies have been recruited to carry out the surveys. In addition, the Central Statistical Office of Finland and Statistics Sweden have offered to undertake their own surveys in accordance with the methods proposed by Eurostat.

26. The Methodological framework of the pilot surveys is the Methodological Manual<sup>(3, 4)</sup>. The four other documents described above<sup>(5, 6, 7 and 8)</sup> were also to be taken into account.

#### Eurostat's "Guidelines"

27. In order to assist Member States in carrying out the pilot surveys, Eurostat decided to develop suitable documentation in the form of "Guidelines"<sup>(9)</sup> covering all practical issues related to the survey. The first element to be prepared for the Guidelines was a "list of information that should be covered by the questionnaire for pilot surveys on business services". This list is reproduced in Annex 2.
28. The CLAS questionnaire provided the basis for most of the items included in the "list". From the SIRC questionnaire, questions relating to the demand for business services were retained for the "list". The Methodological Manual offered a detailed classification of types of services, but the Voorburg computer services model, although based itself on the Methodological Manual, was preferred with respect to its nomenclature of types of computer services offered. Finally, the perceived needs of users of service statistics, as presented in the G.U.S.S. report, were analyzed and incorporated, wherever feasible into the "list".
29. The result of this exercise was a very long list of data items, some of which would apparently present problems with respect to definition or data collection. Consequently, each data item was systematically analyzed and classified into a 3-way typology :-
- a) Items for which data should be obtained from all enterprises included in the sample for the pilot survey (shown in Annex 2 in bold type);
  - b) Items for which data would be obtained during a second data collection round from a 5 to 10 percent subsample of the full sample of enterprises (shown in Annex 2 in normal type);
  - c) Items not to be included in the present survey, but which may be included in surveys undertaken after a few years (shown in Annex 2 in italics).



30. The role of the "methodological Manual" in the pilot surveys is fundamental. Not only does it provide the framework for the definition of the business services sector and its constituent sub-sectors; it also indicates which types of variables should be included, (which general characteristics concerning the enterprise, types of service, economic information, employment information and calculated variables). For each variable presented in the "Methodological Manual" there is a definition and recommendations concerning sub-classifications or size-classes for collecting or reporting data (as appropriate).
31. Consequently the "list" (as shown in Annex 2 specifies cross-references for each data item to the corresponding variable number(s) in the "Methodological Manual" or to the number(s) of the relevant explanatory paragraph(s); e.g. "v2" refers to variable 2 (number of local units), and "v3" refers to variable 3 (variables concerning the characteristics and demography of the enterprise), both of which are defined in the Manual.
32. In February 1991 the Eurostat Sub-committee for Statistics on Services approved the "list" of data items, and a model questionnaire was drawn up for data collection. The model questionnaire is reproduced in Annex 3.
33. Suitable guidelines for sampling were established (see Annex 4), and table formats were designed for each Member State to produce (see Annex 5).
34. The "list", the model questionnaire, the sampling guidelines and the table formats are all included in Eurostat's "Guidelines"<sup>(9)</sup> which were issued as a working document to the Coordinating Committee for Statistics on Services at its meeting of 13-14 March 1991.
35. The Committee approved the "Guidelines" for the pilot surveys, and the surveys themselves were then launched in each Member State.

#### Expected output from the pilot surveys

36. The first output foreseen from the surveys is the set of statistical tables shown in Annex 5, completed with data for each of the twelve Member States, (plus a similar set for Finland and Sweden).
37. The twelve sets of tables will be used to prepare a statistical analysis of the business services sector in the Community.
38. Each Member State will evaluate the methodology used to conduct the survey and will make recommendations on how the Methodological Manual and the Guidelines might be improved, with a view to establishing a regular data collection programme in the Community for business services.

|                             |
|-----------------------------|
| DOCUMENTS CITED IN THE TEXT |
|-----------------------------|

1. "Eurostat Activities for Statistics on Services" published in "Papers prepared for the 1990 meeting and final report" (Volume I), Fifth meeting of the Voorburg Group on Service Statistics. Paris, October 1990.
2. "Draft Council Decision establishing a multiannual programme for the development of European Statistics on Services". (Document COM (90) 578 final). Brussels, December 1990.
3. Chapter "General Framework" of the Methodological Manual. (Document S1/90/03-1 En, version 3.2). Luxembourg, January 1991.
4. Chapter "ICOBIS" of the Methodological Manual. (Document S1/90/03-6 En, version 3.2). Luxembourg, February 1991.
5. "Guidelines for surveys on services: Horeca activities and business services". Research report and draft questionnaire prepared by CLAS. Milan, December 1990.
6. Draft questionnaire on business services enterprises, prepared by the Services Industries Research Centre of Portsmouth Polytechnic (U.K.). Portsmouth, December 1990.
7. "Service Statistics: A Model Survey of Computer Services" U.N. Statistical Commission. (Document E/CN.3/1991/15). New York, February 1991.
8. "Besoins sectoriels des utilisateurs", Groupe des utilisateurs de statistiques de services, - G.U.S.S. (Document III-A-4). Brussels, October 1990.
9. "Guidelines for a Pilot Survey on the Business Services Sector". (Eurostat Document S0/91/06.En). Luxembourg, March 1991.

**LIST OF INFORMATION THAT SHOULD BE COVERED BY THE  
QUESTIONNAIRE FOR PILOT SURVEYS ON BUSINESS SERVICES**

(as defined by the coordinating Sub-committee for  
Statistics on Services at its meeting of 11 February 1991).

**N.B.****Meaning of text style:**

- Bold** = Items that must be covered by the mailed questionnaire.  
**Normal** = Items to be collected, possibly in a second round, by interviewing a sub-sample of enterprises.  
*Italics* = Items not to be included in the present pilot survey, but which may be included in surveys undertaken after a few years.

**D) GENERAL CHARACTERISTICS AND DEMOGRAPHY OF THE ENTERPRISE****Respondent identification code:**

(coding to be carried out by the survey agency, e.g.  
geographical code; register identification code; etc)

(\*)

**1.- Identification of the enterprise**

v2+v3

(for register compilation, control and maintenance)

- Denomination/Corporate name
- Address
- Telephone
- Telefax
- Telex
- Principal subsector of business services
- Number and location of local units (in the same country as the enterprise).

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(\*) Variable number (v), or paragraph number in the  
"Methodological Manual" (see paragraphs 30 and 31 above).

|  |           |   |
|--|-----------|---|
|  | (*)       |   |
| <b>2.- Present legal status of the enterprise</b>  | <b>v3</b> |   |
| - Sole proprietorship  | v3        |   |
| - Partnership  | v3        |   |
| - Specific   | v3        |   |
| - Limited liability  | v3        |   |
| - Company  | v3        |   |
| - Limited company  |           |   |
| - Joint stock company  |           |   |
| - Limited liability company  |           |   |
| - Non-profit organization  |           |   |
| - Association  | v3        | - |
| - Cooperative  |           |   |
| - Mutual   |           |   |
| - Other non-profit organisation (specify)  |           |   |
| - Other  |           |   |
| - State company  |           |   |
| - Public establishment   |           |   |
| - Local/Regional government body   |           |   |
| <b>3.- Year of the business start-up</b>   | <b>v3</b> |   |
| <b>4.- Year of change to present legal status of the enterprise<br/>(if change occurred in the last five years).</b> | <b>v3</b> |   |
| <b>5.- Attachment of the enterprise to a group</b>   | <b>v3</b> |   |
| - Nationality of the group:  |           |   |
| - the same country of the enterprise   |           |   |
| - other EC country   |           |   |
| - extra-EC country   |           |   |

(\*)

## 6.- Local units of the enterprise in other countries (\*)

v6

## - in other EC countries

- number of local units
- *number of employees*
- *turnover*
- *tangible investments*

v22

v8

v16

## - in extra-EC countries

- number of local units
- *number of employees*
- *turnover*
- *tangible investments*

v22 -

v8

v16

---

(\*) The item "local units" in this context will have to be checked at a later date to ensure it is consistent with recommendations expected to be made by Eurostat with respect to statistical units.

## II) TYPES OF SERVICES OFFERED

N.B. (The numbers in brackets refer to CPC-COM codes)

(\*)

### - Types of services offered

|  |      |
|--|------|
| 1.- Computer and related services (84)                                   | 16   |
| - Professional computer services (841 + 842)                             |      |
| - Hardware consultancy (841)   | 65 - |
| - System software development and consultancy (842)                      | 65   |
| - Processing services (843)  | 65   |
| - Data base services (844)   |      |
| - Maintenance and repair of computers (845)                              | 65   |
| - Training in data processing  | 65   |
| - Training in hardware and operating system handling                     | 74   |
| - Training in programming languages                                      | 74   |
| - Training in the use of customized or packaged software products        | 74   |
| - Other computer related services (849)                                  |      |
| 2.- Professional services (861 to 863 + 865 + 866)                       | 19   |
| - Legal services (861)   | 20   |
| - Accounting, auditing, bookkeeping (862)                                | 22   |
| - Taxation, management consulting and related services (863 + 865 + 866) | 22   |
| 3.- Marketing services (864 + 871)                                       | 27   |
| - Advertising and direct marketing (871)                                 | 27   |
| - Market research (86401)  | 27   |
| - Public opinion polling services (86402)                                | 80   |
| 4.- Technical services (867) 30  |      |
| - Architectural services (8671)  | 30   |
| - Engineering services (8672 to 8675)                                    | 31   |
| - Testing and analysing of all kinds of products and materials (8676)    | 86   |

|   |           |
|---|-----------|
|   | (*)       |
| <b>5.- Renting and leasing services (831)</b>                           | <b>33</b> |
| - Automobiles and other transport means (83101 to 83105)                | 33        |
| - Other machinery and equipment (83106 to 83109)                        | 33        |
| <b>6.- Labour recruitment and provision of personnel services (872)</b> | <b>37</b> |
| - Recruitment services (87201 + 87202)                                  | 37        |
| - Personnel provision services (87203 + 87209)                          | 37        |
| <b>7.- Operational services (873 + 874)</b>                             | <b>40</b> |
| - Investigation and security services (873)                             | -         |
| - Building cleaning services (874)                                      | 41        |
| <b>8.- Other business services (875 to 879)</b>                         | <b>42</b> |
| - Auctions  | 42        |
| - Packaging (876)   | 42        |
| - Secretarial and translation (87903 to 87906)                          | 42        |
| - Debt collection and credit rating (87901 + 87902)                     | 42        |
| - Photographic services (875)   | 42        |
| - Organization and exploitation of fairs and exhibitions                | 42        |
| - Other n.e.c. (87907 + 87909)  |           |

### III) ECONOMIC INFORMATION

(\*)

#### 1.- Turnover, stocks, fixed production.

##### 1.1 - Total turnover

v8

- of which by product (CPC-COM codes):  
(see Section II for major components of each product)

|  |     |
|--|-----|
| - Computer related services (84)                               | v8a |
| - Professional services (861 to 863)                           | v8a |
| - Marketing services (864+871)                                 | v8a |
| - Technical services (867)                                     | v8a |
| - Renting and leasing services (831)                           | v8a |
| - Labour recruitment and provision of personnel services (872) | v8a |
| - Operational services (873+874)                               | v8a |
| - Other business services (875 to 879)                         | v8a |
| - Other (non-business services) goods and services             |     |

1.2 - Change in stocks (N.B. whilst this item may not be relevant to all subsectors of business services, the value of stocks for work in progress may be significant for technical services, computer and related services and renting and leasing services in particular)

- Value at beginning and end of financial year of:

- Total stocks v30

- of which:

|   |      |
|---|------|
| - Stocks of goods purchased for resale and subcontracting               | v30b |
| - Stocks related to production  | v30a |
| - Stocks of other purchases of raw materials and provision and services |      |

(\*)



|  |      |
|--|------|
| 1.3 - Fixed production (value of fixed investment produced for own use)                  | v15  |
| - of which:  |      |
| - Value of fixed production of tangible investment goods                                 | v15a |
| <b>2.- <u>Purchases and leasing</u></b>  |      |
| 2.1 - Purchases of goods and services (total)  | v13  |
| - of which:  | -    |
| - Purchases of goods and services for resale and sub-contracting work from third parties | v13a |
| 2.2 - Leasing  |      |
| - Leasing used by the units (expressed as yearly rent)                                   | v18  |
| - <i>Land</i>  |      |
| - <i>Existing buildings</i>  |      |
| - <i>Construction or conversion of buildings</i>   |      |
| - <i>Transport equipment</i>   |      |
| - <i>Plant and machinery</i>   |      |
| <b>3.- <u>Taxes and subsidies</u></b>  |      |
| 3.1 - Duties and taxes other than VAT  | v28  |
| 3.2 - Subsidies  |      |
| - Operating subsidies  | v29  |
| 3.3 - <i>Financing specific to non-profit organizations</i>                              | v29  |
| - <i>Gifts</i>   | .    |
| - <i>Grants</i>  |      |
| - <i>Annual dues</i>   |      |

(\*)

**4.- Labour costs.****4.1 - Labour costs**

v10

- of which:

- Gross wages and salaries v11
- Employers' compulsory social security contributions v12a
- Voluntary social security contributions v12b
- and other labour costs (N.B. the replies to this question are not expected to be very reliable) -

**5.- Investments and disposals****5.1 - Tangible investments**

v16

- of which:

- 4.1 Land v16a
- 4.2 Existing buildings v16
- 4.3 Construction or conversion of buildings v16
- 4.4 Transport equipment for the transport of goods outside the enterprise v16
- 4.5 Plant and machinery: v16
  - computers
  - furniture and equipment

**5.2 - Disposals of fixed assets**

v17

**5.3 - Immaterial investments**

v14

- of which:

- Research and development
- Development of computer software
- Staff development and training

#### IV) DATA ON EMPLOYMENT

(\*)

##### 1.- Variables concerning the number of employees

- Number of persons employed v22
  - Number of wage and salary earners (part of v22) v22a
  - Number of part-time persons employed (part of v22) v22b
    - (part-time workers are taken to be persons whose usual hours of work are less than the weekly or monthly number of hours normally worked in the unit concerned)
- Number of hours worked
  - of which:
    - Number of salaried hours worked v23
- Personnel qualification levels (v24)
  - Wage and salary earners v24
    - Executives and managers v24
    - Other wage and salary earners v24
  - Non-wage and salary earners v24
    - Company heads v24
    - Family workers v24

**V) INFORMATION ON THE DEMAND FOR BUSINESS SERVICES**

(\*)

**1 - Value of turnover provided, by customers' nationality (national, EC countries, extra-EC countries)** **v8b**

**2 - Percentage distribution of domestic turnover by (national) client group:** **v8**

- Households
- Government
- Private enterprises

- *of which:*

- *Same sub-sector*
- *Other service sub-sector*
- *Non-service sector*

**3 - The part (percentage) of turnover provided to enterprises:**

- with less than 10 employees
- with more than 500 employees

**VI) DATA ON LOCAL UNITS** (for multiplanted enterprises only)

(\*)

- Number of the smallest local units belonging  
to the enterprise

v3

- Number of local units by region

v3

- Number of employees by region

v3

- Turnover by region

v8

- Labour costs by region

v10

- Purchases on goods and services for resale by region

v13a

- Tangible investments by region

v16

(\*)

Calculated variables (to be derived from the above data items)

|  |     |
|--|-----|
| - Number of enterprises  | v1  |
| - Mono-regionality variables (an enterprise is considered to be mono-regional if at least 80% of its employees are in a single region) | v3  |
| - Main region of operation (number of employees by region)   | v3  |
| - Division of the enterprises according to the number of persons employed  | v4a |
| - Division of the enterprises according to class of value added or turnover  | v4b |
| - Gross value added at market prices (°)   | v20 |
| - Value of production (or margin) (°°)   | v21 |
| - Gross operating surplus  | v31 |

(°) Since the value of fixed production (v15) for business services is expected to be negligible, it should be possible to calculate variable v20 for the total sample of enterprises.

(°°) Variable v30 may have to be used to provide what is expected to be a reasonable estimate of variable v21

(\*)

**Deviations from the Manual:**

**Replaced:**

|   |    |
|---|----|
| "Legal and business consultancy"<br>with<br>"Professional computer services"(841 + 842) CPC-COM | 65 |
| "Data bank services"<br>with<br>"Data base services"(844) CPC-COM                               | 65 |
| "Security services"<br>with<br>"Investigation and security services"(873) CPC-COM               | 40 |

**Not included:**

|   |      |
|---|------|
| - Prices of products sold   | v9   |
| - Number of business start-ups with a distinction between<br>genuine start-ups and non-genuine ones | v3   |
| - Number of business closures with a distinction between<br>genuine closure and non genuine ones    | v3   |
| - Number of female persons employed   | v22c |
| - Application software development and consultancy  | 65   |
| - Turnkey system  | 65   |
| - System integration  | 65   |
| - Data processing services  | 65   |
| - Facilities management   | 65   |

**Added:**

Other computer related services (845) CPC-COM

**MODEL QUESTIONNAIRE**  
**FOR PILOT SURVEYS ON BUSINESS SERVICES**

This is a model questionnaire intended to provide Member States with a prototype for designing their own questionnaire. It is based on the data items shown in the "List" (see Annex 2).

Note that questions are presented in two text styles, i.e. **bold** and normal: **the items in bold print are to be collected from all enterprises in the sample**, whereas items in normal print may be collected from a subsample of between 5 to 10 percent of the full sample (in a second round): see Annex 4, below.

Member States need not follow the format of this questionnaire if they can obtain some or all of the data items in the "List" (see Annex 2) by other means (e.g. through registers or existing surveys).

Naturally, the model questionnaire will have to be adapted to the national situation. The national currency should be specified; appropriate units for reporting the national currency also; instructions for returning the completed questionnaires should be added; a covering letter with some background on the pilot survey should be considered; the questionnaire may have to be translated; an attempt should be made to enhance the appearance of the questionnaire; etc.

Note that Annex 2, the "General Framework" and the Chapter "ICOBIS" of the Methodological Manual contain definitions and examples of the variables presented in this model questionnaire.





1.2. What is your present legal status ? (please tick appropriate box).

Sole proprietorship. ☐

Partnership. (*Specific or Limited*). ☐

Company. (*Limited, joint stock, Limited liability*). ☐

Non-profit organization. (*Cooperative, Mutual Association, Friendly society*). ☐

Other. (*State company, Public establishment, Local/Regional government body*). ☐

1.3. What was the year of your business start-up?

1.4. If you have changed your legal status in the last five years, in which year did you change it?  1  9

1.5. Does your enterprise have any local units in other EC countries? 

|                          |                          |  |
|--------------------------|--------------------------|--|
| No                       | Yes                      | How many   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> <input type="text"/> <input type="text"/> |

1.6. Does your enterprise have any local units in other extra-EC countries? 

|                          |                          |  |
|--------------------------|--------------------------|--|
| No                       | Yes                      | How many   |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="text"/> <input type="text"/> <input type="text"/> |

## Section II

## TYPES OF SERVICES OFFERED

- Please indicate with tick(s) the type(s) of services offered by your enterprise.

- 2.1. Computer related services. - ☐
- Professional computer services. ☐
- Hardware consultancy. ☐
- System software development and consultancy. ☐
- Processing services. ☐
- Data base services. ☐
- Maintenance and repair of computers. ☐
- Training in data processing. ☐
- Training in hardware and operating system handling. ☐
- Training in programming languages. ☐
- Training in the use of customized or packaged software products. ☐
- Other computer related services. ☐

**2.2. Professional services.**☐**Legal services.**☐**Accounting, auditing, bookkeeping.**☐**Taxation, management consulting and related services.**☐**2.3. Marketing services.**☐**Advertising and direct marketing.**☐**Market research.**☐**Public opinion polling services.**☐**2.4. Technical services.**☐**Architectural services.**☐**Engineering services.**☐**Testing and analysing of all kinds of products and materials.**☐

2.5. Renting and leasing services.

☐

Automobiles and other transport means.

☐

Other machinery and equipment.

☐

2.6. Labour recruitment and provision of personnel services.

☐

Recruitment services.

☐

Personnel provision services.

☐

2.7. Operational services.

☐

Investigation and security services.

☐

Building cleaning services.

☐

**2.8. Other business services**☐

Auctions.

☐

Packaging.

☐

Secretarial and translation.

☐

Debt collection and credit rating.

☐

Photographic services.

☐

Organization and exploitation of fairs and exhibitions.

☐

Other n.e.c. (please specify)

☐

### Section III

## ECONOMIC INFORMATION

N.B. All financial data should be in thousands of national currency.

### 3.1. Turnover.

**3.1.1. What was your gross turnover in the last financial year?**

**If possible, excluding VAT.**

\_\_\_\_\_

(000's)

**If not, including VAT.**

[illegible]

(000's)

**3.1.2. Please give the breakdown of the turnover for the following categories of services.**  
If this breakdown is estimated, please indicate as a percentage only.  
(see Section II for major components of each category)

|  | AMOUNT<br>(000's) | % |
|--|-------------------|---|
| Computer related services.                                 |                   |   |
| Professional services.                                     |                   |   |
| Marketing services.  |                   |   |
| Technical services.  |                   |   |
| Renting and leasing services.                              |                   |   |
| Labour recruitment and provision of<br>personnel services. |                   |   |
| Operational services.                                      |                   |   |
| Other business services.                                   |                   |   |
| Other (non-business services) goods<br>and services.       |                   |   |
| Total (should agree with the total<br>in 3.1.1. above).    |                   |   |

**3.2. Change in stocks** *(N.B. whilst this item may not be relevant to all subsectors of business services, the value of stocks for work in progress may be significant for technical services, computer related services and renting and leasing services in particular)*

**3.2.1. What was the value (exclusive of VAT) of the total stocks at the beginning of the financial year?**

(000's)

**3.2.2. What was the value (exclusive of VAT) of the total stocks at the end of the financial year?**

(000's)

**3.2.3. What was the value of the changes in stocks?**  
(3.2.2. minus 3.2.1.)

(000's)

**3.3. Fixed production.**

**3.3.1. What was the value of the total fixed production in the financial year?** ("fixed production" means the non-sold production entered in the property account)

(000's)

**3.3.1.1. What was the value of the fixed production of tangible investments goods only?** (conversion or construction of building and other real property, transport equipment, plants and machinery)

(000's)

**3.4. Purchases.**

**3.4.1. What was the total amount of purchases of goods and services in the financial year?**

(000's)

**3.4.1.1. What was the amount of purchases of goods and services for resale and sub-contracting work from third parties?**

(000's)



**3.5. Leasing.****3.5.1. What was the total amount of leasing due? (total yearly rent).** (000's)**3.6. Taxes and subsidies.****3.6.1. What was the amount of duties and taxes due, (other than VAT)** (000's)**3.6.2. What was the amount of the operating subsidies received?** (000's)**3.7. Labour costs.****3.7.1. What was the amount of total labour costs for your enterprise in the last financial year?** (000's)**- of which:****3.7.1.1. Gross wages and salaries?** (000's)**3.7.1.2. Compulsory social security contributions?** (000's)**3.7.1.3. Voluntary social security contributions and other labour costs?** (000's)**3.8. Investments****3.8.1. What was the value of the tangible investments (bought or produced) in the last financial year?** (000's)

## Section IV

## DATA ON EMPLOYMENT

## 4.1. Number of employees

(number)

4.1.1. How many persons were employed on 31/12/1990?

4.1.2. How many wage and salary earners were employed?

4.1.3. How many part-time persons were employed?

## 4.2. Number of hours worked.

(number)

4.2.1. Give the total hours that were actually worked during the financial year.

4.2.2.1. Of these, how many were salaried hours?

## Section V

## INFORMATION ON THE DEMAND FOR BUSINESS SERVICES

## 5.1. Breakdown of turnover by category of demand

## 5.1.1. Please, give the percentage breakdown of turnover by country category of clients:

(%)

Customers in this country

Customers in other EC countries

Customers in other extra-EC countries

## 5.1.2. Please, give the percentage breakdown of turnover by national client group:

(%)

Households

Government

Private enterprises

## 5.1.3. Please, give the percentage breakdown of turnover by client enterprise size.

(%)

Provided to enterprises with less than 10 employees

Provided to enterprises with more than 500 employees

**PILOT SURVEYS ON BUSINESS SERVICES**  
**GUIDELINES FOR SAMPLING PROCEDURES**

- 1) **Selecting a target sample of 3000 enterprises.**  
(For a target sample size of 1500 enterprises, the subsample sizes should be adjusted proportionately).

The ideal situation is where a country has up-to-date registers of enterprises classified by the eight subsectors of business services, and by size of enterprises (either in terms of number of employees or salaried persons, or of turnover). In this case, a proportional sample can be drawn up for each of the eight subsectors: thus, for a country aiming at a total of 3000 enterprises, if the main services offered by 20 percent of its total number of business services enterprises are computer-related services, then 600 such enterprises are to be included in the sample (20% of 3000).

If the proportional factors cannot be determined, then 375 enterprises of each subsector can be included (i.e. one eighth of 3000).

If, for a particular subsector, the size of the enterprises is known (e.g. by number of employees), sort them by decreasing order of size, select the largest and then each  $k^{\text{th}}$  enterprise (where  $k$  = total number of enterprises in subsector divided by the number required in the subsample).

If the size of the enterprises cannot be determined at all, use a random selection method to generate each subsample (e.g. based on the last digit of their telephone number).

If the size of only some of the enterprises is known, these above two methods may be combined.

Note that sample sizes will have to be inflated to make allowance for non-reponses. To calculate the inflation factor, use response rates from similar surveys (where known), or double the target sample (where unknown).

**2) Selection of a subsample of the 3000 enterprises for additional questions (possibly through personal interviews).**

Items in normal text style in the document "List of information that should be covered by the questionnaire for pilot surveys on business services" (hereafter referred to as the "List") may be collected for a subsample of 150 to 300 enterprises (5-10% of the total).

The following criteria are proposed for the selection of these 150 to 300 enterprises:

**a) On the basis of data collected on type of services offered and on turnover by product, the subsample should contain examples of:**

- i) each subsector thus identified;
- ii) enterprises covering more than one subsector;
- iii) enterprises indicating significant turnover under the category "other business services" (CPC-COM codes 875 to 879);
- iv) enterprises also involved in non-business services.

The purpose of this criterion is to attempt to cover as many services as possible of those shown in Section II of the "List".

**b) The subsample should contain examples of enterprises of all types of legal status.**

**c) It is suggested that mainly the largest enterprises (in terms of turnover or number of employees) will have local units in other countries ; therefore at least half the subsample (for each subsector) should contain the largest enterprises. This procedure should also produce interesting information on the demand for business services (i.e. with particular reference to the largest enterprises).**

**LIST OF STATISTICAL TABLES  
ON BUSINESS SERVICES  
TO BE PRODUCED**

This Annex presents a list of statistical tables on business services which are to be sent to Eurostat by the contractees. Items collected through personal interviews of a smaller subsample are preceded by a plus sign (+).

It is anticipated that when the present tables have been analysed, users will identify additional needs for tables.

Consequently, contractees will maintain their computerized data files of survey replies till at least the end of 1992, in order to permit the generation of additional tables during 1992, if required.

TABLE I

Enterprises by business services sub-sector and employment size class

|   | Total | Employment size class |     |       |         |      |
|---|-------|-----------------------|-----|-------|---------|------|
|   |       | 0                     | 1-9 | 10-99 | 100-499 | 500+ |
| Total .....                               | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Sub-sector                                |       |                       |     |       |         |      |
| Computer and related services. ....       | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Professional services. ....               | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Marketing services. ....                  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Technical services. ....                  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Renting and leasing services. ....        | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Recruitment and provision of personnel. . | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Operational services. ....                | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Other business services. ....             | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |

Selected cell item to use:

- Number of enterprises
- Number of Local Units in the same country
- Number of employees
- Number of part-time employees
- Turnover excluding VAT
- Gross value added at market prices
- Investments
- Labour costs
- (+) Number of Local Units in other EC countries
- (+) Number of Local Units in extra-EC countries

TABLE II

Enterprises by business services sub-sector and number of Local Units

|   | Total | N. of Local Units in the same country |     |     |     |       |      |
|---|-------|---------------------------------------|-----|-----|-----|-------|------|
|   |       | 1                                     | 2   | 3-5 | 6-9 | 10-99 | 100+ |
| Total .....                             | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Sub-sector                              |       |                                       |     |     |     |       |      |
| Computer and related services. ....     | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Professional services. ....             | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Marketing services. ....                | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Technical services. ....                | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Renting and leasing services. ....      | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Recruitment and provision of personnel. | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Operational services. ....              | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |
| Other business services. ....           | xxx   | xxx                                   | xxx | xxx | xxx | xxx   | xxx  |

Select cell item to use:

- Number of enterprises
- Number of Local Units
- Number of employees
- (+) Number of Local Units in other EC countries
- (+) Number of Local Units in extra EC countries



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TABLE III

## Enterprises by business services sub-sector and selected statistical indicators

|   | Indicators |                    |        |                              |
|---|------------|--------------------|--------|------------------------------|
|   | mean       | standard deviation | median | Number of enterprises < mean |
| Total .....                               | xxx        | xxx                | xxx    | xxx                          |
| Sub-sector                                |            |                    |        |                              |
| Computer and related services. ....       | xxx        | xxx                | xxx    | xxx                          |
| Professional services. ....               | xxx        | xxx                | xxx    | xxx                          |
| Marketing services. ....                  | xxx        | xxx                | xxx    | xxx                          |
| Technical services. ....                  | xxx        | xxx                | xxx    | xxx                          |
| Renting and leasing services. ....        | xxx        | xxx                | xxx    | xxx                          |
| Recruitment and provision of personnel. . | xxx        | xxx                | xxx    | xxx                          |
| Operational services. ....                | xxx        | xxx                | xxx    | xxx                          |
| Other business services. ....             | xxx        | xxx                | xxx    | xxx                          |

Select cell item to use:

- Employment
- Turnover excluding VAT
- Gross value added at market prices
- Gross value added at market prices per employee
- (+) Number of salaried hours worked
- (+) Number of hours worked

| TABLE IV   |       |                       |     |       |         |      |
|--|-------|-----------------------|-----|-------|---------|------|
| The demand for business services by sub-sector and employment size class   |       |                       |     |       |         |      |
|  | Total | Employment size class |     |       |         |      |
|  |       | 0                     | 1-9 | 10-99 | 100-499 | 500+ |
| Total .....  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Sub-sector   |       |                       |     |       |         |      |
| Computer and related services. ....  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Professional services. ....  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Marketing services. ....   | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Technical services. ....   | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Renting and leasing services. ....   | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Recruitment and provision of personnel. .  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Operational services. ....   | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Other business services. ....  | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Selected cell item to use: - Share of turnover for national market = (*) ,<br>- Share of turnover for other EC countries<br>- Share of (*) coming from enterprises<br>- Share of (*) coming from government<br>- (+) Share of (*) coming from enterprises employing less than 10 persons<br>- (+) Share of (*) coming from enterprises employing more than 500 persons |       |                       |     |       |         |      |

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TABLE V

Enterprises by business services sub-sector and type of legal status

|  | Total | Type of legal status |             |         |                         |       |
|--|-------|----------------------|-------------|---------|-------------------------|-------|
|  |       | Sole proprietorship  | Partnership | Company | Non-profit organization | Other |
| Total .....                                  | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Sub-sector                                   |       |                      |             |         |                         |       |
| Computer and related services. ....          | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Professional services. ....                  | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Marketing services. ....                     | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Technical services. ....                     | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Renting and leasing services. ....           | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Recruitment and provision of personnel. .... | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Operational services. ....                   | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |
| Other business services. ....                | xxx   | xxx                  | xxx         | xxx     | xxx                     | xxx   |

Select cell item to use:

- Number of enterprises
- Number of employees
- The percentage of enterprises having changed to present legal status in the last five years
- Turnover excluding VAT
- Turnover per employee
- Gross value added at market prices
- Gross value added at market prices per employee



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TABLE VII

Enterprises by type of services and age

|   | Total | Age size class |     |     |     |     |     |     |
|---|-------|----------------|-----|-----|-----|-----|-----|-----|
|   |       | 0              | 1   | 2-3 | 4-5 | 6-7 | 8-9 | 10+ |
| Total .....                               | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Sub-sector                                |       |                |     |     |     |     |     |     |
| Computer and related services. ....       | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Professional services. ....               | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Marketing services. ....                  | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Technical services. ....                  | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Renting and leasing services. ....        | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Recruitment and provision of personnel. . | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Operational services. ....                | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |
| Other business services. ....             | xxx   | xxx            | xxx | xxx | xxx | xxx | xxx | xxx |

Select cell item to use: - Turnover excluding VAT  
 - Turnover per employee  
 - Gross value added at market prices  
 - Gross value added at market prices per employee



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TABLE VIIIb

Enterprises by professional services offered and employment size class

|                                    | Total | Employment size class |     |       |         |      |
|------------------------------------|-------|-----------------------|-----|-------|---------|------|
|                                    |       | 0                     | 1-9 | 10-99 | 100-499 | 500+ |
| Total .....                        | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Legal services. ....               | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Accounting, auditing, bookkeeping. | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Taxation, management consulting .. | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |

Cell item to use: - Number of enterprises











TABLE VIII<sup>f</sup>

Enterprises by personnel services offered and employment size class

|                               | Total | Employment size class |     |       |         |      |
|-------------------------------|-------|-----------------------|-----|-------|---------|------|
|                               |       | 0                     | 1-9 | 10-99 | 100-499 | 500+ |
| Total .....                   | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Recruitment services. ....    | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |
| Personnel provision services. | xxx   | xxx                   | xxx | xxx   | xxx     | xxx  |

Cell item to use: - Number of enterprises

TABLE IXb

Enterprises by professional services offered and legal status

|                                    | Total | Legal status             |             |         |                            |       |
|------------------------------------|-------|--------------------------|-------------|---------|----------------------------|-------|
|                                    |       | Sole proprie-<br>torship | Partnership | Company | Non-profit<br>organization | Other |
| Total .....                        | xxx   | xxx                      | xxx         | xxx     | xxx                        | xxx   |
| Legal services .....               | xxx   | xxx                      | xxx         | xxx     | xxx                        | xxx   |
| Accounting, auditing, bookkeeping. | xxx   | xxx                      | xxx         | xxx     | xxx                        | xxx   |
| Taxation, management consulting .. | xxx   | xxx                      | xxx         | xxx     | xxx                        | xxx   |

Cell item to use: - Number of enterprises

















815. Legal services are usually provided by small enterprises and these are sometimes units without employees. On the other hand, there is a tendency to find a wide variety of specialized legal services concentrated in larger enterprises. The most important activities are advice and representation in civil, criminal and other cases and the notary public. In view of the growing internationalization of the enterprises, advice and representation would seem to offer the best prospects for growth.
816. Accounting services and the like are provided mainly by small units, with some medium sized and a few very large enterprises. It is estimated that one percent of the enterprises covers over 50 percent of the total turnover. Most of these large scale enterprises are established not by natural growth but by means of mergers and take-overs, in order to meet the requirements of a clientele becoming increasingly active at international level. Since competition in this field comes from other firms operating at international level, a lot of joint-ventures and other forms of cooperation between the "big six" and other large national enterprises have been established. This results in exports of services in this field being relatively small, since in this line of work the provider of these services is often established in the neighbourhood of the potential purchaser.
817. The large enterprises offer a variety of services, which are not limited to accountancy, auditing and bookkeeping, but which also include management, organization, taxation and automation consultancy. These four areas are considered to be the new growth areas for the larger accountancy firms. The growth potential of the traditional activities is regarded as low.
818. The degree of market concentration means that it is necessary to cover all the large-scale enterprises in the surveys, thus ensuring a clear picture of the market. On the other hand, sufficient data on the small and medium sized enterprises is needed to shed some light on employment and income development in this area.
819. The structure of the statistical units in the field of management consultancy and related services is largely comparable with that of accountancy services and this implies that the degree of market concentration is almost the same. Particularly in the run up to 1992, there is a general assumption that there will be an increasing demand for management consultancy in the near future. In several countries, management consultancy is provided by accountancy firms. This overlapping of services provided by enterprises that appear different (if classified according to their main activity) can only be shown by asking for the proposed breakdown of turnover in the pilot surveys. The way in which, in various publications, the "big six" are referred to sometimes as management consultants and sometimes as accountants highlights this overlapping of services.
820. It is the enterprise which is the statistical unit best suited for providing reliable and detailed information. In most cases, especially in the case of the small sized firms, there will be no significant difference between the enterprise or the kind-of-activity approach. This is not to be expected in the case of the larger enterprises since they generally provide a number of different Services. In order to arrive at a classification which is correct according to the NACE/Rev.1, it would be very helpful to include a question on the breakdown of turnover. (These companies often provide services that happen to be the main products of activities in the fields of the NACE/Rev.1 sub-groups 7412 and 7414). The optimal solution would, of course, be to split up these large enterprises into kind-of-activity units which can be fully described, since this is the best way to achieve homogeneity.

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The text which is reproduced below describes in more detail the types of services covered in each of the eight subsectors of the business services sector. The paragraph numbers are those appearing in the original source text namely the ICOBS chapter of the "Methodological Manual".

#### **Computer and computer-related activities**

812. Computer and computer-related services, including all the computer based information services, are offered by a large variety of private enterprises. The majority of enterprises in this subsector, which is dominated by software consultancy and supply, are small units with less than ten employees. On the other hand, there are some very large enterprises throughout this subsector, each with a turnover of several hundred million ECU and thousands of employees. Parts of this subsector are expanding rapidly, with the emergence of new services and suppliers of these services, brought about by the rapid development of information and telecommunication technology. In these swiftly growing areas with annual growth rates of 20 percent and above, it is very difficult to get a clear statistical picture about the units concerned. There is nevertheless some stability in these service industries in terms of turnover and employment.

These large enterprises (software-houses for example) usually have several local units and operate in an internationally oriented environment. Some of them are owned by foreign enterprises, and capital interlocking on an international basis has become more widespread in the last few years. On the other hand, several of these large enterprises in the subsector of computer and computer-related services are owned by domestic manufacturing enterprises, especially by the mechanical and electrical engineering and hardware manufacturing industries.

813. Only the enterprises can provide data for all the indicators wanted, but there may be some problems acquiring data from small enterprises for some indicators, for example exports or expenditures on goods and services or acquisitions of fixed capital assets. Nevertheless the enterprise in this subsector too is, in principle, the only unit which can provide all the data required.

#### **Professional activities**

814. For the purposes of this chapter, professional activities are synonymous with activities in the field of legal and business consultancy. They cover legal services, accounting, auditing, bookkeeping taxation, management consultancy and related services.

826. The development of architectural services largely depends on the volume of building and restoration funds. As legislation does not protect the title of architect in every country, it could be hard to get a clear picture of the market due to an incomplete register. In some countries a great number of architects appear to perform their activity as a secondary one (e.g. Italy). Their main (official) activity could be that of civil servant. Apart from this register problem there is another complicating factor in measuring turnover, namely the fact that architectural services are often carried out by small sized enterprises, often enterprises without employees, which means that asking for data on turnover is tantamount to asking for figures on income.

827. Engineering is developing in two main directions :

- processing (chemical, petrochemical, off-shore, environmental, etc.)
- technical consulting (advising, concept design, construction control, construction of infrastructures, buildings, industrial units, public facilities and agriculture).

Both main trends are also developing other activities such as computer services, management and organization and planning consultancy. In some countries (U.K. and Spain) the construction economists operate as a third party. They are known as quantity surveyors, safeguarding the financial interests of the client. In most countries, however, this service is provided by the architect or the engineering office. The engineering services exported tend to be in the field of processing activities and agricultural technical consultancy. These areas are also regarded as the activities with the best growth potential for the near future.

828. The market structure is largely comparable with that described in professional activities and marketing activities, with the difference that the export share of engineering services is much bigger (about 25 - 30 % of total turnover). Comparability also stretches to the measurement of turnover (in the case of turn-key projects one has to be aware of a possible mix up of gross and net turnover figures), the breakdown of turnover by type of service, and the need to cover all the large enterprises. In engineering activities too, there is (or has been) a tendency to establish large international companies through mergers, take-overs or joint-ventures. On the other hand, (inter-) national cooperation is often temporary and only lasts for the duration of a project (e.g. the Oosterschelde dam, the Channel tunnel) and is often organized in the form of a temporarily established enterprise. This situation makes the need for an up-to-date register even more essential. It also makes it necessary to pay attention to possible double counting of the variables requested in the statistical inquiries carried out in the various countries participating in such projects.

#### **Renting of movables**

829. This activity also includes operational leasing. It can be divided into two main categories :

- renting and leasing of automobiles and other means of transport
- renting and leasing of other machinery and equipment.

Financial leasing is not taken into account since it is regarded as a service rendered by financial institutions. The renting and leasing of textiles and clothing is also excluded. Although the hiring out of textiles in combination with a laundry service (e.g. hospitals) is a relatively new and growing market, it is looked upon as a secondary activity of laundry companies.

830. Renting and leasing is a growing service activity especially in developing economies. Investment budgets, liquidity and reasons of cost-effectiveness play an important role in the decision to change to leasing instead of spending a large part of the financial resources on rapidly depreciating goods such as automobiles or even software. Since servicing and replacement are important factors in this activity, the exports question is taken to be of minor importance (with the possible exception of the large car rental enterprises).
831. It may prove difficult to compile a register of units, the principal activity of which is renting and leasing. This is due not only to the fact that there are a large number of small enterprises operating in this field, but also to the fact that it seems to be difficult to develop a set of sufficiently discriminating criteria. The main reason for this lies in the fact that the renting and leasing activity is often started as a spin-off from financial institutions, automobile traders and machinery producers. This makes it extremely difficult to obtain a true picture of the market, divided as it is between small, medium or large enterprises. A number of these units are operating throughout the world, but it is not yet been possible to ascertain the exact degree of their market share.

#### **Labour recruitment and provision of personnel**

832. Although, for legislative reasons, temporary employment services are not common in every Member State, it is clear that these are a growing phenomenon. Not only do these enterprises provide temporary labour forces, they are now also developing a wider scope of related services such as cleaning and security services. In most cases the activities are provided by individual enterprises which in turn form a group. The market structure in most countries is such that a few large-scale enterprises dominate the market (up to 75%), with a diversified turnover, and the rest of the market consists of a large number of small enterprises operating at local level. This structure seems to be typical for the business services sector, with the exception of the legal services.
833. The economic indicator is particularly useful in assessing the activity of temporary employment services. Since it is regarded as cyclically sensitive it is used as an indicator of the economic situation (if available at very short notice).
834. It is not clear whether or not exports contribute in any way to total turnover. As the products diversify and labour management for temporary foreign projects (e.g. the Channel tunnel) increases, it is worthwhile asking for export figures. The enterprise remains the best statistical unit for surveying purposes. Large companies should be asked to provide a breakdown of their turnover.



**Operational services**

835. The most important activities here are security services and contract cleaning services.
836. Since the security surveillance service is often provided during unsociable hours, it is not surprising that security services are often linked with temporary employment services, although this is not the case for the largest companies in the security activity sector. There is a wide variety of security services which compete with other service areas such as engineering (industrial process security) and computer services (data security). Other forms are armoured car service, protection of water or fire hazard, closed circuit television and other electronical security devices. The market consists of a few internationally operating enterprises, all with local units (possibly acting as normal enterprises) in the countries in which they operate, and of small or medium sized enterprises operating at local level. Although regular production statistics are not yet available it is considered to be a market with a faster than average growth rate and with a relatively low export share (at enterprise level).
837. Contract cleaning services largely depend on part-time workers. This activity started up as enterprises switched from in-house cleaners to contract cleaning, for reasons of cost-effectiveness. The market is dominated by a few very large enterprises (sometimes multinationals), with a few medium-sized and a large number of small enterprises. The proliferation of small enterprises is due to the fact that very little capital is needed to start up. The question of exports is irrelevant here since the producer has, for economic reasons, to work in the same region as his clientele. As in other activities, the large contract cleaning enterprises provide more than one type of service, so it is advisable to include all large-scale enterprises in the sample pilot survey and to request a breakdown of turnover.

**Other business activities n.e.c.**

838. This subsector contains a wide variety of activities such as
- auctioning activities
  - packaging
  - secretarial and translation activities
  - debt collection and credit rating
  - photographic activities
  - organization of trade fairs and exhibitions etc...
839. There are only a few large enterprises in this sector. Some of them operate in the field of agricultural auctions (e.g. the flower auctions in Holland) and the auctioning of art and antiques <sup>1)</sup> (Christies and Sotheby's etc.). Others operate in the photographic activities and packaging activities fields. This also implies that the degree of international interlocking is relatively low in this sector. There are a large number of small enterprises and statistical units without employees (e.g. free-lancers working in fashion design, interior decorating and modelling). Auctioneering and packaging activities have the best potential for growth, although this should also be true of secretarial and translation activities in the run up to completion of the Single European Market. Growth depends not only on overall macroeconomic growth but also on the spin-off activities. Almost every activity mentioned here keeps a low export profile. Auctioning activities, bill collecting and credit rating activities and packaging activities are the exceptions to this.
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