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DEVELOPMENT OF THE METHODOLOGICAL MANUAL

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SERVICES STATISTICS

DEVELOPMENT OF THE METHODOLOGICAL MANUAL

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1. GENERAL FRAMEWORK COMMON TO ALL SERVICES SECTORS

A new version of the General Framework, called version 1.4, is available in three languages after the summer holidays 1994 and will be submitted for discussion and approval to the meeting of the Coordinating Committee for Statistics on Services in October 1994.

Apart from minor updates and modifications the main reasons for the new issue were to clean the manual from practical and survey bound settings (e.g. size classes) and to subdivide the set of variables into three classes, namely variables to be observed, derived variables and themes (families of variables not yet defined precisely, e.g. prices for service products, internationalisation).

A major revision of the General Framework is due when the new European System of Accounts ESA 1995 will enter into force the concepts of which are in line with the System of National Accounts SNA of the United Nations. This should then be called version 2 of the manual and should integrate, for ease of the reader, the currently separate introduction part to the whole methodological manual.

As a consequence of the work undertaken in the framework of Council decision 92/326/EEC from 18.6.1992 and in order to give the manual a certain official

status facilitating its application on a non-obligatory basis Eurostat plans to create of it a recommendation of the Council or the Commission.

2. STATUS OF SECTORAL CHAPTERS

The Eurostat methodological manual for service statistics consists of a General Framework and sectoral chapters taking into account their particularities. These have to be kept in line with the General Framework and Eurostat tries to give them common structures and a corporate look.

The status of sectoral chapters is as follows:

Distributive trade: Wide convergence on methodological issues, legal act to support data collection is already under discussion and well advanced. The chapter needs urgently to be updated to this legal act, as it has not been modified for some years (availability of new version planned for beginning of 1995).

HORECA/TA: Since quite a long time no more work has been done on the chapter. Ongoing methodological work in the groups concerning tourism statistics. Some refreshment of the chapter could be expected as a consequence of the pilot survey on hotels and travel agencies to be executed in 1993/1994, but no concrete planning.

Transport: Comprehensive renewal and update has been done on this chapter several times. It has e.g. been completed with an annex on international trade in transport services and took benefit from the preparatory work for the pilot survey on transport services (1994/1995).

Banking/Financial Services: Severe problems persist on this chapter. It needs thorough work and afterwards re discussion within the competent working group (meeting January 1995). Increased importance is to be expected, because of the possible change of treatment of FISIM in national accounts. No concrete plans for a new version yet.

Insurance: On a very high level and after thorough revisions in the years 1992 and 1993 (last version dated April 1993) it has been kept constant whilst work on the preparation of a statistical system for insurance (and the support by a legal act) has continued in 1994. A (probably last) mainly "cosmetic" revision will lead to a new version in 1995. There does not seem anyway to be any disagreement between

Member States. Close cooperation with Statistics Canada (and OECD in general) led to a far reaching agreement on international level.

The former ICOBS chapter has been split by the end of 1993 into two separate chapters ***Information, Communication*** including computer services and ***Business Services***. Both have been submitted to the competent working group in January 1994, but need still more discussion. A main reason for that was the more rapid movement (for political reasons) of the communication part (the second edition of a new Eurostat publication "Communication - Yearly Statistics" is about to appear).

Audiovisual Services: Several times this new chapter on audiovisual services has been revised in 1993 and 1994. It took benefit above all from the discussions and the preparation of the pilot survey in this area the results of which are due end of 1994. Most probably more discussions are still needed

Work is in hand to complete the picture with a new sector specific chapter on ***services to persons and the collectivity.*** This work not being achieved yet is from scratch closely coordinated in the OECD and ECE framework from where complementary actions are being launched.

3. POSSIBILITIES FOR FURTHER DOCUMENTS

Over the last period increasingly have been expressed feelings that the methodological manual, as it exists now, may not be sufficient in all circumstances. The following analysis of different needs or contexts leads to a series of additional modifications, enhancements or derivations from the manual:

- Services statistics as described in the current manual are enterprise statistics These latter do also cover and have much in common with statistics on manufacturing industry. Imbedding the services manual (and the manual on industry statistics) in a **manual on enterprise statistics** seems quite reasonable. Work has started on such a manual, the borderline between this and the general framework must though be carefully considered.

- Eurostat tries to harmonise methodological work since a number of years in a wider international context. This **generalisation to international level** of the manual is hindered by the - intended - European specificities contained in it (EC legislation of statistical nature) not finding a unique correspondence in other countries. This specificity makes a part of the value of the manual for European purposes and its suppression would not be a success. A supplementary generalised version of the manual would probably help international coordination.

- If on the one hand the manual is not general enough for international purposes it is on the other not specific enough for the purpose of one **specific country** (statistical systems, sources, administrative structures, nomenclature adaptations). A specialisation and adaptation resulting in a **national manual** would be a useful enhancement. The countries covered could be Member States (including EFTA) and countries from Eastern Europe. In this context a pilot experience seems appropriate.

- Recent modifications to the General Framework concerned also specificities of data collection and evaluation which, of course, depend of administrative situations. It would be very natural to complete the set of methodological documents with a **data collection manual** which serves for the planning and preparation of actions to compile data and which devises common items to all Member States (and others). It needs to be investigated whether such a manual would have to have a sector specific part or annex for each sector or type of sectors. Such a data collection manual would typically serve as well as support for any future pilot survey.

- All the above quoted documents do have as well a certain vocation to support training (on the job or in courses). A typical example is the assistance delivered by Eurostat and Member States to the construction of a statistical system in the countries of Eastern Europe (TES). A study is required to explore the generation of additional documents derived from the existing material and to explore the use of other types of media (videos, multi-media programmes on PC etc).

- Finally it seems that without much effort can be created subsets of existing materials to serve specific purposes. A good example is a **glossary** of terms used in enterprise statistics, if possible in several languages. Work is already in hand with Eurostat to this extent.

Competent persons to whom this paper is being directed, e.g. delegates of Eurostat working groups, members of OECD expert meetings or other international meetings (Voorburg Group, UN instances) are asked to give their advice concerning the possibilities outlined in this paper and to consider cooperation with Eurostat on any of the above topics.

STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES

METHODOLOGICAL MANUAL

OF STATISTICS ON SERVICE ENTERPRISES

CHAPTER "GENERAL FRAMEWORK"

Version : 1.4
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CONTENTS

1. INTRODUCTION

200. The "General Framework" chapter covers the methodological elements relating to statistical units, classification issues and economic variables which are common to the entire services field. This chapter is intended to facilitate examination of the various activities in the services field and to enable relevant comparisons to be made between these activities, regardless of their diversity, and between countries, irrespective of differences in customs and legislation. It is therefore necessary to determine which observation units and classifications should be used and, finally, to decide which common economic variables are to be measured. The "General Framework" is the common basis for collecting and preparing statistics on services. It is intended for business statisticians, but is by no means a "survey manual". Collection difficulties and the recommended approximations are not set out in the "General Framework' as they are felt to fall within the scope of the operational documents.

201. Since the variables in question have to be common to all sectors, they are inevitably fairly poor material with which to examine each sector in detail, particularly with a view to defining economic strategies or regulations. To take transport as an example : freight statistics are extremely important, but obviously cannot constitute a common variable. The same applies to banks (involving credit, etc.). The proposed approach does not exclude other more specific approaches to each sector and subsector.

The variables grouped within this framework do, however, meet the general needs of the Commission, national governments, professional organizations and businesses. National accounts requirements are also covered. Analyses of the needs of national users indicate that the variables most in demand are the number of enterprises and the number of local units per activity and region, turnover and its detailed breakdown per product, and employment data.

2. STATISTICAL UNITS

2.1 Potential statistical units in service statistics

202. The regulation on statistical units (1) distinguishes between, among others, seven types of statistical units :

- the enterprise,
- the group of enterprises,
- the kind-of-activity unit (KAU),
- The unit of homogeneous production (UHP),
- the local unit,
- the local kind-of-activity unit (local KAU),
- the local unit of homogeneous production (local UHP).

203. "The enterprise is the smallest combination of legal units that is an organizational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

The enterprise thus defined is an economic entity which can therefore, under certain circumstances, correspond to a grouping of several legal units. Some legal units, in fact, perform activities exclusively for other legal units and their existence can only be explained by administrative factors (e.g. tax reasons), without them being of any economic significance. A large proportion of legal units with no persons employed also belongs to this category. In many cases, the activities of these legal units should be seen as ancillary activities of the parent legal unit, to which they belong and to which they must be attached in order to form an enterprise used for economic analysis". (Regulation on units, section III A).

204. "An enterprise group is an association of enterprises bound together by legal and/or financial links. A group of enterprises can have more than one decision-making centre, especially for policy on production, sales and profits. It may centralise certain aspects of financial management and taxation. It constitutes an economic entity which is empowered to make choices, particularly concerning the units which it comprises". (Regulation on units, Section III C).

(1) Council Regulation (EEC) N° 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community.

A "group" is a structure which comprises units subject to its decision-making power. Under the Seventh Directive, an enterprise is deemed to belong to a group if 20% or more of its capital is held or controlled by another enterprise. However, in addition to financial control, the aim is to identify the real operational control. A legal unit may be associated with several "groups" but it will be held mainly by a single "group" only, its share holding, be it minority or majority, being sufficient to control the legal unit. "Group" statistics are particularly difficult to follow because the boundaries of the groups may fluctuate according to changes in share holdings. Three types of group can be outlined:

- groups of legal units which, for administrative reasons, are set up when a firm splits to form subsidiaries. Legal units sometimes split, again for administrative reasons, into several legal units, the new units working exclusively for the parent legal unit; such a structure is still regarded as a single enterprise and not as a group of enterprises (cf. paragraph 203). If the new units then make themselves independent of the parent unit and perform activities on behalf of other "enterprises", an enterprise group is formed. There may therefore be a progression from an "enterprise" unit made up of several legal units to an "enterprise group" unit made up of a "quasi-enterprise unit", and finally to an "enterprise group" in which other enterprises may obtain share holdings;

- "true groups" with an economic purpose which have either a horizontal or a vertical integration strategy; they are subject to an economic rationale and the boundaries of these groups are therefore relatively stable;

- "true groups" with a financial purpose subject to a purely financial rationale; the boundaries of these groups may fluctuate greatly.

The group consists of several enterprises under the control of a "group leader". The group leader is a parent legal unit that is controlled (directly or indirectly) by no other legal unit. Any subsidiary of a subsidiary enterprise is considered to be a subsidiary of the parent enterprise.

205. "The kind of activity unit (KAU) groups all the parts of an enterprise contributing to the performance of an activity at class level (four digits) of NACE/Rev.1 and corresponds to one or more operational subdivisions of the enterprise. The enterprise's information system must be capable of indicating or calculating for each KAU at least the value of production, intermediate consumption, manpower costs, the operating surplus and employment and gross fixed capital formation". (Regulation on units, Section III D)

The KAU is identical to the enterprise if the activities in which they engage come under the same heading in the 4-class classification. If the unit carries out several activities, it is necessary to allocate production, employment, etc. to the various KAUs, which is much easier to do for large units producing goods (particularly with "workshops" producing "physical products") than for the production of services. Thus, KAUs can generate products outside the homogeneous group that characterizes their activity owing to secondary activities attached to these KAUs that it is impossible to distinguish on the basis of the available accounting documents. The costs associated with ancillary activities must be attributed to the main and secondary activities and hence to the KAUs observed within the enterprise.

206. "The unit of homogeneous production (UHP) is characterized by a single activity which is identified by its homogeneous inputs, production process and outputs. The products which constitute the inputs and outputs are themselves distinguished by their physical characteristics and the extent to which they have been processed as well by the production technique used, by reference to a product classification. The unit of homogeneous production may correspond to an institutional unit or a part thereof; on the other hand, it can never belong to two different institutional units." (Regulation on units, Section III E)

In practice, these units of analysis, used mainly for the ESA input-output tables, generally cannot be observed directly and are reconstituted on the basis of data recorded for the units of observation.

207. "The local units is an enterprise or part thereof (e.g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which - save for certain exceptions - one or more persons work (even if only part-time) for one and the same enterprise." (Regulation on units, Section III F).

A person working in several places or from home is attached to the local unit from which he or she receives instructions.

The words " a geographically identified place" must be strictly construed, thus there may be several local units in even the smallest administrative district in a Member State.

The local unit is legally dependent on a single enterprise and has no financial, legal or accounting independence. In practice, depending on the nature of the local unit (shop, depot, etc.) and on the nature of the services produced (for private customers, businesses, etc.) the accounts may be more or less detailed, but, even at best, they do not provide a basis for reconstituting the balance sheet. As each local unit is dependent on a single enterprise, it is possible to move without difficulty from local unit level to enterprise level and back without danger of omissions or double counting.

208. "The local kind-of-activity unit (local KAU) is the part of a KAU which corresponds to a local unit". (Regulation on units, Section III G)

209. "The local unit of homogeneous production (local UHP) is the part of a unit of homogeneous production which corresponds to a local unit". (Regulation on units, Section III H)

2.2. The three approaches

210. Statisticians have developed three types of approach for economic analysis : analysis by sector, by branch and by function.

211. The sector (2) comprises units having the same principal activity through reference to an activity classification system. The level of main activity can be determined in a fairly detailed way. Two sectors can be formed:

- the sector comprising the enterprises or KAUs;
- the sector comprising the local units or local KAUs.

The "sector" data classifies the units according to principal activity, but does not generally distinguish between the principal activity or possible secondary activities, and therefore does not allow statistics on products to be compiled directly; however, as is often the case with services, some units are small and very specialized, and they therefore produce only a single product.

212. "The branch consists of a grouping of units of homogeneous production . The set of activities covered by a branch is identified by reference to a product classification. The branch produces those goods or services specified in the classification and only those products." [ESA, 268]

"Branches are units designed for economic analysis which cannot be observed directly: data collected from the units used in statistical enquiries have to be rearranged to form branches." [ESA, 270]

213. "Branch" statistics are therefore statistics which have been highly processed, presenting a product-by-product breakdown; since accounting analysis is involved, for services at least this means analysis by "invoiced products". The branch or product analysis makes it possible to study demand and carry out "market research", whereas sector statistics, being based on production units, are directed more towards supply and management. In fact, for services, there is very often a correspondence between "activity" and "product" and the "branch" data (with the idea of product) and the "kind of activity unit" data (with the idea of activity) therefore tend to converge.

214. The statistics are collected by branch, with units being asked to supply information on the breakdown of their production according to "kind-of-activity units" (sales, employment, value added, etc.) or more directly on the breakdown of sales by product. In this latter case, the valuations must be manipulated by rearranging the corresponding employment. The "branch" is obtained by adding the total for sales, employment, etc. of this product for the whole of the main activity sectors.

215. The breakdown of receipts by product facilitates calculation of the turnover and resources from secondary activities for both the industrial and the service sector. This makes it possible to reorganise the information and to make the transition from a statistical system based on the "enterprise sector", which is classified according to the principal activity, to "branch" statistics, by grouping the "homogeneous production units" producing the same goods. To this end, a "sector-product" transition or a "sector-branch" transition is carried out, as seen in the table below:

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(2) "Sector" in this context refers to sectors of industry rather than to institutional sectors as defined in the ESA.

"Sector - product" transition

Sectors / Products	Sector A	Sector B	Sector C	Sector ii	Production System
Product A	X	X	X	.....	Total of products A
Product B	X	X	X	.....	Total of products B
Product C	X	X	X	.....	Total of products C
Product ii	.....	.....	.....	.....	.....
Production System	Total Sector A	Total Sector B	Total Sector C	Total	Production System

Insofar as, with a few exceptions, any product can be sold by any enterprise irrespective of its main activity, the observation system must be complete in order to carry out a "sector - product" transition (the observation system even if separated, must cover the whole economic activity, and the observation instrument for industrial units, for example, must also cover "services" products, which are produced as a secondary activity, and vice versa...). The "sector - product" transition makes it possible to find out "who produces what" (or vice-versa). The determination of "who consumes what" requires another approach (input/output tables).

216. Analysis by sector or by branch covers only a subdivision of services: those invoiced and those not invoiced but not regarded as ancillary (i.e. non-invoiced services involving capital expenditure). A service invoiced by an industrial or service enterprise is taken into account in the analysis by product, as are non-invoiced non-ancillary services. However, some non-invoiced services internal to an enterprise are not counted as products (and are known as ancillary activities). These occur particularly frequently in the case of services rendered to enterprises and even more frequently with land transport. Analysis by function gives a picture of all services whether or not they are invoiced and, if not, whether or not they are ancillary.

Ancillary activities are "for example, administration, accounts, data processing, process monitoring, purchasing, sales and marketing, warehousing, repairs, transport and renovation." (Regulation on units, Section I, C6)

217. "An activity must be regarded as ancillary if it satisfies all the following conditions:

a) it serves only the unit referred to: in other words, goods or services produced must not be sold on the market;

b) a comparable activity on a similar scale is performed in similar production units;

c) it produces services or, in exceptional cases, non-durable goods which do not from part of the unit's end product (e.g. small implements or scaffolding);

d) it contributes to the current costs of the unit itself, i.e. does not generate gross fixed capital formation."

"Thus, the general rule is that, since production processes are not usually viable without the support of ancillary activities, these ancillary activities should not be isolated to form distinct entities, even if they are carried out by a distinct legal entity or at a distinct place, and even if separate accounts are kept. Furthermore, the ancillary activity is not taken into account when classifying the activity of the entity by which the ancillary activities are carried out. The best example of an entity carrying out ancillary activities is the central administrative department or registered office." (Regulation on units, Section IV B)

218. The relative size of "invoiced services" and "ancillary services" varies widely according to the activities and the countries involved (regulations, tax law, company behaviour, etc.). A country by country comparison of the volume of ancillary services alone (whether invoiced or not) is therefore misleading because services tend to be contracted out more often in some countries than in others. Likewise, international comparisons of value added by a sector will be misleading if in one country the services are contracted out (invoiced and therefore not featuring in the value added for industrial activities) and in another country provided in house (and therefore featuring in the value added).

full analysis of services therefore requires an analysis by product (invoiced or non-ancillary services) and an analysis of ancillary services (certain non-invoiced services). But an analysis of ancillary services is extremely difficult because the traditional accounting frameworks cannot be used. Recourse has to be made to analytical accounting techniques, which have more to do with case studies than with a standard statistical system. Moreover, although a full analysis of services requires ancillary services to be identified, which is very difficult, it also requires invoiced or non-ancillary services to be identified, which is easier. Nevertheless, in some activities or sub-sectors where ancillary services are very common, e.g. land transport, it is impossible to limit the study to invoiced or non-ancillary services.

219. The three types of approach (sector, branch, function) are adapted, in theory at least, to the various spatial dimensions (region, country, European Community). A principal activity sector can be defined in terms of a given geographical area. Likewise, the analysis by branch or function (where possible) can be done by region or by aggregating the national systems.

220. The increasing internationalization of services cannot, however be analyzed by these means. International flows of industrial products are studied by examining the statistics on foreign trade. Goods crossing frontiers "physically" are represented in the Customs statistics as imports and exports of products. As for services, which are "intangible" products, flows are shown not in terms of physical frontier crossings but by the transfer of revenue. Recourse can be made to the Balance of Payments Statistics, which are established principally on the basis of the enterprises' declarations to banks when revenue is transferred.

The terms "import" and "export" are much more vague in the services field than in the industrial sector. In the case of international flows related to tourism also, there are no "exports" in the classical sense as regards receipts of the term, but "sales to non-residents", which are much more difficult to evaluate than goods going through customs.

The internationalization of services and the size of market share do not always result in direct flows. For a good number of services, internationalization consists in the direct establishment of a subsidiary abroad. This is particularly the case in computer services, law offices, etc... So it is necessary to monitor, by activity, the direct establishment of branches abroad (and the foreign establishment of branches in the national territory) with regard to both annual flows and stocks. The transfer of revenue (dividends...) connected with the establishment of these branches should also be monitored. Otherwise, if the internationalization of services is only examined through the exchange registered in the Balance of Payments, this internationalization will be minimized. Finally, the internationalization of a country does not only consist of "transfrontier" transfers. The revenue of a subsidiary that is established abroad can be directly reinvested in any other area than the national territory.

2.3. Relation and comparison between types of statistical units

221. There are logical links between the different types of units and, in theory, it is easy to make the transition from one to the other by examining the legal, economic or financial links. However, even if some data can be directly aggregated by additioning (value added for example), other data (turnover) cannot, so that a "consolidation" is necessary.

222. A K.A.U. or a group of K.A.U.'s constitutes an enterprise; likewise, a local unit or a group of local units constitutes an enterprise ; there is no risk of omission or double counting. An enterprise or a set of enterprises constitutes a group. In so far as several groups can have a financial interest in the same enterprise whilst the latter can only be attributed to a single group, there is a real risk of omission or double counting, all the more if the "membership" of the groups varies according to changes in share holdings.

223. When compiling the registers, it is possible to give priority to the unit of highest aggregation (the group), to then compile a register (for groups) of the various subsidiaries belonging to it, as well as enterprises that are not subsidiaries of groups, and finally to compile a register (for the legal units having several local units) of these various units. The reverse procedure is also possible: compiling a register of local units, reconstituting the enterprises and supplementing that with a file of the "groups". The only golden rule is that there should be no omissions or double counting.

224. As is the case for classification systems, a particular statistical unit cannot be "multi-purpose"(3). For accounting data, one usually looks to the smallest units with a complete accounting system, i.e. to the enterprise sector. For employment data, which is of a quite different kind, one looks to the local unit which has information on the number of employees, i.e. to the unit which actually pays the wages; this is the sector of the local units. However, if a direct comparison between employment data and accounting data is to be made it is better to look directly to the enterprise sector.

225. The sectors are not "water-tight": in reality, the production units, which are classified according to their main activity, have, at least in the case of the largest, mixed or juxtaposed activities. They engage in, where appropriate, a principal activity, secondary activities and ancillary activities such as, for example, administration, repairs, warehousing and in-house transport.

226. The sector of the local units is much closer to the branch or the "kind of activity unit" than the enterprise sector because the local units obviously have a specialization which is equal to or greater than that of the legal unit which is merely the gathering together of a set of local units. But accounting statistics cannot be obtained on a systematic basis from the local units because:

- they do not have full accounting systems,
- some of them invoice their customers (retail trade) but others do not and deal only with the enterprise of which they form a part (for example a warehouse),
- some of them are only responsible for managing personnel or, as is more often the case, the means of production on behalf of their enterprise,
- finally, some of them, in much the same way as above, only perform "ancillary activities" (administration, general services) on behalf of the enterprise, which by definition are "non-invoiced", and therefore do not come under traditional accounting analysis.

227. The regional analysis is based more on the local kind-of-activity unit (local KAU) and the local unit; the location of a temporary work enterprise or of a retail trade enterprise with many branches is not important at the regional level; but it is important for the local units of this enterprise. So, the analysis of local units is more or less significant depending on the different sectors ; for some activities (the financial sectors, retail trade, transport, HORECA, etc.) it is particularly important, although the analysis by "enterprise", should not be forgotten.

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(3) See introduction to NACE/70:

II. STATISTICAL UNITS AND CLASSIFICATION SYSTEMS

5. No single statistical unit is suitable for all the factors to be observed.

6. No single statistical unit can fulfil all requirements.

7. The problems of devising statistical units and setting up classification systems are not independent of each other.

8. No classification system can fulfil all requirements.

9. There is no way of avoiding the use of more than one statistical unit or system of classification. But everything possible must be done to ensure that the statistical units are in agreement among themselves and that the systems of classification are likewise. The coherence of the resulting statistics depends on this.

The analysis by country is based on the resident enterprise sector, which excludes their foreign subsidiaries. The analysis at Community level can be carried out by aggregating the statistics of the member countries (including intra-Community trade). But when it comes to studying economic and financial strategy at a European as well as international level, it is the analysis of the "group" unit, despite all its difficulties, which is best suited.

2.4. The enterprise as the basic statistical unit

228. The choice of observation unit obviously depends on the study area ("services") and the concerns of the users. Even in the initial stages of the development of service statistics both an overview of "services" and the various sectors as well as a more detailed approach more appropriate to the subsectors are required. The enterprise is the preferred unit, which does not exclude additional approaches in some sectors, based on the local units (regionalization) or on the groups (economic strategy at national or international level).

229. Services are predominantly the domain of the small enterprise. The most common unit (and representing a very high proportion) is therefore an enterprise, a local unit and a local KAU all at the same time. In addition, even when an enterprise has several local units, the regional relationship of the enterprise and of its various local units is often identical. It is easy to make the transition from statistics based on the local units to those based on the legal units (enterprises) by aggregating, but these statistics are relatively unreliable, except for those relating to employment. It is much better to use the "enterprise" unit for accounting analyses, which is why the latter should be favoured.

230. Analysis of the "enterprise sector" favours the geographical "country" space rather than the region or the international space, but for services it is also the most direct way of analysing on a regional or international basis. This type of analysis has its drawbacks and its limitations and must be supplemented according to the objectives pursued. For an analysis of concentration by activity for example, an examination of enterprises alone may lead to misinterpretations if corrections are not made, by grouping together the sector enterprises which come under the same decision centre (group). This also applies to studies of economic and financial strategy, and, in general, to everything in the international arena where the analysis of the enterprise unit must be supplemented by an examination of the "groups" (and particularly their non-resident subsidiaries). For regional analysis, the enterprise approach must be supplemented for proximity services and for multi-regional enterprises by observation of local units and local KAUs

231. The enterprise approach does not enable the "function" to be studied;. an accounting analysis only deals with "invoiced services" and therefore neglects the "ancillary services", but this very difficult analysis of function presupposes, not surprisingly, an examination of invoiced services - this is therefore an unavoidable step. Like all the approaches by principal activity, the enterprise sector has its drawbacks for analysing time series. Each unit has one and only one principal activity according to which it is placed in the classification system, and possibly one or several secondary activities. The principal activity may vary over time, particularly for enterprises in the grey area between two activities.

This drawback can be overcome by statistical methods which introduce stability criteria to prevent units alternating from one main activity to another. However, changes in activity are a reality and full account must be taken of this. This upsets the time series analysis, when large units are involved: one sector expands at another's expense. This phenomenon is exacerbated if examination of the sectors takes place at a detailed level and most of the changes only cancel out with large sectors (HORECA, transport activities, etc.). In the time series, therefore, a distinction must be made between what emerges from the inter-sectoral reclassifications and what is the result of real change. This drawback can be overcome by conducting an additional analysis by product or even by kind of activity unit. It is through a breakdown of production of the enterprises and the enterprise sectors by product or by kind-of-activity unit that the "branches" can be rearranged in the national accounts. These breakdowns are therefore essential in determining the quality of the national accounts, but the development of a complete and coherent system like the national accounts is possible (with a few important exceptions) at a relatively high level of aggregation (it does not contain a breakdown of the "sub-branches" and is not always on an annual basis).

232. For industrial statistics, it is the enterprise sector and the breakdown by KAU which are adopted. The KAUs are observed from kind-of-activity units employing a minimum of 100 people, as smaller enterprises seldom pursue more than one activity(4). Moreover, the gathering of statistics by kind-of-activity unit (i.e. not only breakdowns by sale, but also by employment, etc.) seems unlikely to be within the means of enterprises with fewer than 100 employees. For services, where there is a definite division between enterprises with 100 or more employees and those with fewer, any information collected solely on kind-of-activity units with 100 or more employees would be very incomplete. For multi-activity enterprises with fewer than 100 employees, data must be collected on the various KAUs provided that separate data are available on these activities. If not, a breakdown of the turnover of the enterprises must be obtained at the very least.

3. ACTIVITY AND PRODUCT CLASSIFICATION SYSTEMS

3.1. General aspects

233. Classification systems are an essential part of enterprise statistics. The units are classified according to their principal activity which is defined by reference to an activity classification system. Likewise, the principal activity is determined by the volume of value added per activity; if this figure is not available, it is possible to make an estimate from the various sales, when they are referred to by a product classification system, so that each sale is corrected by a ratio measuring the share of value added in the turnover.

234. The development of a classification system is a long process and the final result is largely the result of a compromise between the needs and requests of the various partners and users. Once the official classification systems have been adopted they are fixed for their period of operation (approximately 20 years); this restriction enables time series comparisons to be made and registers to be drawn up with reference to stable classification systems, etc. This stability constraint is strong as, once it has been adopted (i.e. fixed), a classification system begins to become obsolete, and this is particularly true for services which undergo very rapid changes. The summary table in paragraph 238 illustrates the changes in services over 20 years: more levels for the ICOBS, fewer for distributive trade, etc. The constraint of having classification systems which do not vary in the face of changes in the real world is something which can be overcome with survey classification systems. This is done by having a more detailed breakdown than the official one but still linked to it. Moreover, a classification system cannot be completely multi-purpose ; headings at the two- or three-digit level do not permit all types of analysis. It is always possible, for example if the "information" area is to be investigated, to approach the problem from a different angle and "rearrange" the statistics from the basic levels (four digits).

235. The new European classification systems must meet, in particular, the requirements of international comparability; they have therefore been harmonized with the classification systems of the United Nations which were originally designed first and foremost to describe economies at very different stages of development.

The revision of the Community's classification systems, NACE/Rev. 1 for activities and CPA for products, has been completed. NACE/Rev. 1 replaced NACE/70 in 1992 and the CPA was adopted at the end of 1993. The new classification systems are harmonized with those of the United Nations, ISIC/Rev. 3 for activities and CPC for products. The Community classification systems must meet a double requirement:

- they must ensure data comparability between Community countries on the one hand and third countries on the other, particularly those countries with highly developed service sectors;
- they must provide a breakdown which is sufficient for the policy purposes of the Community and of the Member States.

236. As far as the activity classification system is concerned, ISIC/Rev. 3 and NACE/Rev. 1 are the same at the two-digit level, which satisfies the comparability requirements for national accounts, in large fields (like "services") and, with a few exceptions, for sectors (ICOBS, HORECA/TA, transport activities, etc.). For the more detailed levels in the classification system, which are the levels with which enterprise statistics are concerned, the ISIC/Rev. 3 is not the same as the NACE/Rev. 1 (which is more detailed), but the two classification systems are linked and a transition can be made by aggregating from NACE/Rev. 1 to ISIC/Rev. 3, thus making international comparisons possible. The CPA is more detailed than the CPC of the United Nations, yet linked to the latter.

3.2. Activity classification systems : NACE/70, NACE/Rev. 1 and ISIC/Rev. 3

237. In general taking account of the constraints of harmonization with other classification systems, NACE/Rev. 1 has fewer headings than NACE/70 and no longer distinguishes between market and non-market services. It has 59 headings at two digits (as opposed to 80 for NACE/70), 224 headings at three digits (as opposed to 343) and 516 at four digits (as opposed to 758). The same applies for services (including administrations). The number of four-digit levels in the new NACE is the same as the three-digit level in the former NACE, but it should be borne in mind that the four-digit headings of the NACE/70 were rarely used.

Number of headings in NACE/70, NACE/Rev. 1 and ISIC/Rev. 3 for services

	NACE/70	NACE/Rev.1	ISIC/Rev.3
2 digits	48	26	26
3 digits	201	90	72
4 digits	317	209	134

238. This manual covers approximately the following number of headings:

	NACE/REV.1				NACE/70		
	Nace/ Rev.1	2 digits	3 digits	4 digits	2 digits	3 digits	4 digits
Distributive trade	50.52	3	19	77	6	40	141
HORECA/TA	55,63.3	1	6	10	1	8	15
Transport	60.63 sauf 63.3	4	11	17	7	16	18
Financial Services Insurance Services	65.67	3	5	12	2	8	9
ICOBS	64, 70.74	6	25	40	5	18	21
Sub-total	50.74	17	66	156	21	90	204

In the breakdown, "travel agencies" and "postal and telecommunications services" are recorded in HORECA and ICOBS respectively and not under transport contrary to the classification adopted in NACE/Rev.1 ; furthermore for NACE/70, and it has been decided that each 3-digits level will have at least a corresponding 4-digits level number in order to make the comparison significant.

239. The number of headings has not been reduced on a uniform basis; the number in distributive trade has been roughly halved, with many forms of retailing coming under fewer headings; in transport, air transport is broken down in more detail in the new classification system; in ICOBS, computer services come under six headings with three (and four) digits as opposed to a single four-digit heading in NACE/70; the residual heading 839.3 (other business services n.e.c.) in NACE/70 is broken down into four four-digit headings in the new NACE ; and finally communication comes under three four-digit headings as opposed to a single heading in NACE/70.

Changing the European classification systems raises the obvious problem of the continuity of the time series. The transition from the former to the new NACE presents few problems at the two-digit level and in most cases at the three-digit level except, of course, for new services like computer services, where it is only possible to make the correspondence between a four-digit level in the NACE/70 (therefore often inaccurate) and the two-digit level in the NACE/Rev. 1. When new activities are involved this latter drawback is difficult to overcome.

3.3. Product classification systems : CPC, CPA

240. The CPC (Central Product Classification) of the United Nations is an innovation in the services field. The CPC product classification system at the three-, four-, and five-digit levels is linked to the ISIC/Rev. 3 activity classification system and contains approximately 1,500 entries. A CPA product classification system has been adopted for the Community ; it is linked to NACE/Rev.1, unlike the CPC and the ISIC/Rev.3. Using the CPA, a stable classification system, it will be possible to draw up product classification systems which are more detailed and flexible for investigation of the production units. The survey classification systems, which can be revised, can be adapted to economic developments as well as to changed circumstances by permitting a breakdown of the receipts of the production units by type of invoicing or by type of customer.

4. ECONOMIC VARIABLES

4.1. Classes of variables

241. The various economic variables should make it possible to describe the various "services" sectors and sub-sectors within a common framework. The variables are split into three classes :

- statistical elements, i.e. structural characteristics of the units;
- calculated variables (data on the units), accounting aggregates;
- subjects.

242. Variables on the structural characteristics of the units facilitate study of the production system and its development. These come under four headings: current operating income, current operating expenditure, capital expenditure and uses.

243. From the accounting data it is possible to draw up a simplified generation of income account which, on the basis of turnover, capitalized production, expenses, and the related stocks, determines the value added and the gross operating surplus. In making the transition from turnover to value added, an intermediate step enables the value of production to be determined (5). In this document the definition of value of production is very generalized

(turnover) + (change in stocks of products held by the producer) - (purchases for resale ± subcontracting to third parties + change in stocks of products purchased for resale and subcontracting to third parties)

and may be adapted to each sector or sub-sector possibly with the aid of complementary definitions in the case of the financial sectors (see chapters on individual sectors). It is obvious that some sub-sectors have no purchases for resale (e.g. lawyers) and others have no changes in stocks (temporary works).

244. In fact, even though the variable "turnover" is necessary, notably for the breakdown of sales by product, it is not always very significant when comparisons are being made between activities. The activities or the enterprises involving the "purchase and resale of goods or services" have, all things being equal, a turnover which is much higher than suppliers of services as well. By subtracting purchases of goods and services for resale and subcontracting to third parties from turnover, we obtain the value of production. This provides a measurement of the production of the service alone, as well as the trading margin and/or industrial production, if any, and enables significant comparisons to be made between different activities and enterprises. The value of production is consistent with production in the ESA's "input-output table" . The other aggregates, "value added" and "gross operating surplus", which can be produced with the aid of complementary definitions in the case of the financial sectors, can be directly compared between enterprises and sub-sectors. The following is the simplified generation of income account.

(5) See figure on next page.

DEBIT	CREDIT
Purchases for resale of goods and services, and subcontracting to third parties - Change in stocks of goods purchased for resale and subcontracting to third parties Balance = Value of production	Turnover + change in stocks of products by their producers Capitalized production
Other purchases - Change in stocks for other purchases Balance = Gross value added at market prices	Value of production
Taxes linked to production excluding taxes on profits Balance = Gross value added at factor cost	Gross value added at market prices Operating subsidies
Labour costs Balance = Gross operating surplus	Gross value added at factor cost

245. The other variables enable the main variables (gross wages and salaries, etc...) to be broken down, or supplemented (prices of products sold), or to shed light on some sectors (exports) although they are not relevant for others. For services, the small enterprises cannot be overlooked (zero to nine employees); even if the accounting information is less complete than for the larger enterprises, it is possible to make estimations.

It is particularly important to have data on employment in the services sector, because of its role concerning job creation.

4.2. List of economic variables

The following list of variables in no way presupposes the type of data collection which can obviously take many forms.

246. A distinction is made between three types of economic variable:

- statistical items: variables to be collected or compiled. These come under four headings: current operating income, current operating expenditure, capital expenditure and uses.

- variables calculated either directly by tabulation or on the basis of statistical elements (e.g. value added). These come under two headings: data on units and accounting aggregates;

- subjects which do not really constitute variables which can be defined precisely.

247. Statistical items

1. Current operating income (plus any breakdowns)

10. Turnover (sum of 10a)
10a. Turnover by product (part of 10)
10b Intra-/extra-EC exports (part of 10)
11. Change in stocks of products held by producers
12. Capitalized production
12a. Capitalized production of tangible investment goods (part of 12)
13. Operating subsidies

2. Current operating expenditure (plus any breakdowns)

20. Purchases of goods and services
20a. Purchases of goods and services for resale or subcontracting to third parties (part of 20)
21a. Changes in stocks of goods purchased for resale or subcontracting to third parties
21b. Changes in stocks of materials and supplies
22. Labour costs
22a. Gross wages and salaries (part of 22)
22b. Employer's social contributions (part of 22)
22c. Voluntary social security contributions and other labour costs (part of 22)
23. Duties and taxes (other than VAT) linked to production

3. Capital expenditure

30. Tangible investments by type
31. Disposals of fixed assets

4. Uses

40. Number of persons employed
40a. Number of wage and salary earners (part of 40)
40b. Number of persons employed on part-time basis (part of 40)
40c. Number of female persons employed (part of 40)
41a. Number of hours worked by wage and salary earners
41b. Number of hours worked by non-salaried persons

248. The calculated variables are as follows:

6. Data on statistical units

61. Number of enterprises
62. Number of local units
63a. Breakdown of enterprises (or local units) by number of persons employed or number of paid hours worked
63b. Breakdown of enterprises (or local units) by value added or turnover class

7. Accounting aggregates

71. Changes in stocks (11+71a)
71a. Changes in user stocks (21a+21b)
72. Value of production
73. Gross value added at market prices
74. Gross value added at factor cost

249. Subjects

91. Variables concerning the characteristics and demography of enterprises (or local units)
92. Variables on market share and internationalization
93. Prices of products sold
94. Intangible investments
95. Leasing used by units
96. Variables on personnel qualification levels
97. Accounting ratios

4.3. Criteria for the definition of variables

250. The definitions used are mostly taken from or based on the Eurostat document: "Structure and activity of industry Coordinated annual inquiry into industrial activity in the Member States. Methods and definitions", 1978. The industrial handbook contains definitions only of those variables to be collected from the units. The aggregates (e.g. value added) which are deemed to be calculable from the collected variables are not defined.

The following documents have also been used:

- "General reference programme for statistics on enterprises in wholesale and retail distribution in the countries of the EC", 1978.
- "European system of integrated economic accounts ESA", 1979.
- "Regulation on the statistical units for the observation and analysis of the production system in the Community", 1993.

The source used is cited in the paragraph "definition". Where a source has not been quoted verbatim, because its wording was not applicable for services, it is marked "adapted from".

251. This present manual is a manual on enterprise statistics and not on national accounts. It includes, on the one hand, basic variables which are based on the enterprise statistics and which are expressed in business vernacular, e.g. turnover ; and on the other hand variables which will be calculated by statisticians from the basic variables, such as value added. This manual is also aimed at obtaining the data required for the national accountants, in order to make the transition from enterprise statistics to a national accounts statistical system. However, the requirements of the national accounts have not been systematically included in this Manual. For example, a class of variables has not been created covering sales by "customer sector", even thought it would be very helpful to have such information, at least for certain activities, even on the basis of a simplified classification (e.g. enterprises, households, general government).

252. Thus, in enterprise statistics, turnover may or may not include purchases of goods or services intended for resale. This is not the case for the "production" in the "input-output table" of the national accounts. It is precisely for this reason that, taking the turnover as basis, it is necessary to have information on purchases of goods intended for resale in order to achieve the transition from "turnover" to "production" in the ESA.

253. In this way, an engineering enterprise, for example, which is in charge of setting up a firm, can operate in two ways, either as a supplier of pure services or by supplying the firm "turnkey", in which case it will purchase, on behalf of its customer, the whole construction work, the machine tools, etc. necessary, and will then invoice these to its customer within the framework of the "turnkey" delivery. In enterprise statistics, invoices and turnover will differ very much depending on whether or not the engineering service plans a "turnkey" delivery; in the national accounts, purchases intended for resale and sub-contracting will be eliminated during the "sales - production" transition and reassigned under "product" to the corresponding industries (concerning employment, they will be considered as investments or as "gross fixed capital formation"), and in total the engineering production will be the same, whether or not there is a clause for "turnkey delivery".

254. For an enterprise, purchases of land are included in investments, which is not the case in the "gross fixed capital formation" of the national accounts. Hence the need is to consider land purchases separately, so as to prepare the transition from the enterprise statistics to a national accounts statistical system. Furthermore, turnover does not include fixed production, which is part of the production in the national accounts...

255. A large number of indicators have been selected. It is not a matter of systematically collecting all the data immediately, especially since the precise definition of some variables (e.g. immaterial investments) is at this time premature, and since the collection of other variables (price of some products) requires further methodological progress. The general framework provides the definitions for a certain number of basic or calculated variables, but does not make provisions for the method of data collection.

5. SOURCES OF STATISTICAL INFORMATION ON SERVICES

256. There are numerous statistical sources for production activities. The data collected and analyses carried out are derived from different sources in the majority of cases. It is, therefore, the systematic grouping together of available sources which provides an overall understanding of the production process. Among these statistical sources, we can distinguish :

- official sources of statistical information;
- non-official sources of statistical information;
- registers and lists of production units which constitute one of a number of sources, but whose strategic importance for the development of statistical data is such that they merit being set apart from the rest;
- accounting data published by the units (management reports).

5.1. Official sources of statistical information

There are many general sources, especially in the employment field.

Administrative files

257. Many such sources exist but their use for statistical purposes depends upon the opportunity of accessing these and of rearranging the data obtained. If National Statistical Offices (NSOs) have access to general or specific sources of data, given the application of regulations currently in force, this data can be analysed and rearranged by the NSOs themselves.

258. The tax source (or rather tax sources), derived from annual company tax declarations (by individual, as well as groups of enterprises) where available, is an extremely important source for the main statistics concerning units of production. One must, however, be able to determine the main activity of the enterprise in question (with reference to the NACE) and of reporting units (this is particularly possible where a general register of production units exists). If not, this data source is of far less interest. Likewise, the use of VAT and turnover declarations during the year, for the collection of indirect taxes, provides a means of observing recent trends.

259. Numerous other administrative sources exist which are more specific or more sector oriented. This is often the case for activities which are subject to a rigid organization and which must provide regular reports for controlling bodies, who are often responsible for analysing and distributing these data. Such is the situation, for example, for central bank reports and insurance managements etc; in France the "Ministry of Employment" publishes a great deal of statistical data derived from compulsory declarations by temporary employment agencies.

Censuses and surveys

a) General censuses

260. Population censuses, which are carried out every ten years or so, are one reference source for data on employment in the various sub-sectors. They provide a great deal of information, which allows a breakdown of the working population according to type of economic activity (NACE), sex, status (salaried employee, non-salaried employee), qualifications ...; which is valuable for regional analyses. Some countries also carry out censuses on production units.

b) Specific surveys

261. Specific surveys on production units supplement the existing statistical system, where necessary. Direct surveys are, however, as costly for the production units questioned as they are for the organization carrying them out.

Several options exist for surveys which are aimed at describing the structure of production units:

- a series of surveys (one per NACE position or NACE group) which are not interrelated or drawn up together, but which can be modified to suit the specific activities surveyed in an optimal way. In the long-run, this method proves to be very expensive since it requires as many processing chains as surveys launched;

- a detailed census of production units, carried out for example every five years, with a general questionnaire for the units, modified in relation to each particular activity ; this method is often adopted in the absence of a register of production units. The census is thus carried out in two stages: census of units, then polling by sampling and survey questionnaire. This method can be complemented by a light survey, carried out in the years between censuses to allow changes in main indicators to be followed. Disadvantages exist with this method if one wishes to follow developments in activities or products in some detail, or if one wishes to follow those activities which are undergoing a complete transformation (e.g. communications), although this method could be supplemented by ad hoc surveys;

- one or more series of annual surveys of production units with an extensive "central frame", but designed in such a way as to be flexible enough to adapt to different characteristics of activities. As in the case of censuses, this method permits a horizontal processing of data and does not have the disadvantage of multiplying the number of processing chains as in the first option, given of course, that once these are perfected, they can be employed for a sufficiently long time period (5 years appears to be a strict minimum) without significant modification. This assumes that they have been designed in a sufficiently flexible manner in relation to their potential uses and adaptations.

Integrated statistical accounts

262. National Accounts obviously represent an important reference synthesis for the study of market services. They provide complete calculated and coherent results for each major category of economic activity, though on a rather aggregate level. Moreover, the collection of National Accounts data is placed "downstream" from other statistical sources since they specifically regroup all available sources of statistics and arrange them in a complete and coherent theoretical framework. The quality of National Accounts data is, among other things, dependent upon the existence, adaptation and quality of the statistical sources used. A permanent interaction (and reciprocal consolidation) thus exists between, on the one hand, improving and diversifying basic sources of statistics and, on the other hand, the quality of estimates made in the central accounts of the National Accounts.

"Satellite accounts" covering a specific field (health accounts, housing accounts, environment accounts etc.) are also drawn up as part of National Accounts. These satellite accounts are consistent with the central accounts but have a different approach. They are not based on the concept of sector or branch: each "satellite account" defines its field of study, which mostly cuts across the various sectors, and its selected variables, which are not necessarily accounting variables.

5.2. Non official sources of statistical information

263. Two main sources can be distinguished :

- Sources derived from private research organisations.
- Sources derived from professional organisations in the broadest sense of the term (trade unions, Chambers of Commerce, etc...)

These sources of the second type tend to be as numerous as professional organisations are well organised, as is often the case where professionals involved in a wide range of activities are generally aware of their common interest. Thus, traditional professional activities such as banking, insurance, distributive trade, etc., possess a more powerful operating network, which is more unified and which has more resources available than any recently established activities (e.g. ICOBS). In the business world, existing sources are often based upon forecasts or upon the recent past.

5.3. Registers and lists of units

264. The situation is currently very disparate, depending on the country and activity, but Member States are expected to have harmonized registers by 1996/97 (see § 267). A general register is already available for production units, covering one or several types of unit, a register for local units and/or enterprises, with references to their group relationships where appropriate. Moreover, the current content of these registers may vary: specific characteristics and the address of the unit, its main activity in relation to a given classification (NACE) and the number of salaried persons it employs.

265. In the absence of any general register of units, partial registers may exist (based on such criteria as : size, activity or legal status) or alternatively, there may be lists of units. These lists would not, however, be filled (exhaustive lists) unless inscription is compulsory, i.e. declaration of the activity of the unit is a necessary precondition of its exercise.

For regulated activities, lists of an administrative origin generally exist, kept by Ministries or controlling bodies. One automatically envisages the activities of insurance companies and financial organizations coming under this section. Social reasons could also dictate this situation (temporary work etc...) or professional risk (security work etc...)

266. Other lists of professional, as opposed to administrative, origin can be of extremely good quality if inscription is compulsory for the exercise of the activity in question ; this is the case for "Ordres professionnels"; the compulsory transfer of funds to mutual responsibility societies is another case in point, though several mutual societies may exist which engage in the same activity and in this case an exhaustive census would be required.

In a more general way, professional organizations can be used as a source for unit lists. Sources are often non-exhaustive and focus upon the largest units, tending thus to exaggerate their representation. In addition, lists of "professional" origin are often structured in terms of the type of product sold, rather than the main activity of the unit; thus, there is a risk of double-counting between the various lists. The quality of a list or register is therefore measured in terms of its lack of both omissions and double counting.

267. The Regulation (6) on Community coordination in drawing up business registers for statistical purposes requires Member States to compile registers by 1 January 1996 for enterprises and by 1 January 1997 for local and legal units. The Regulation notes that "some statistics are not currently available, particularly in sectors with many small and medium-sized enterprises (SMEs), such as services, because a register of these enterprises for statistical purposes does not exist".

The register is designed for enterprises, the legal units responsible for those enterprises and the local units dependent on those enterprises. It concerns all service activities with the exception of public administration (Section L of NACE), for which the register is optional. Households producing services involving the letting of own or leased property are excluded.

In addition to identification data, name and address and the dates of commencement and cessation of activities, the following information is required:

(6) Council Regulation (EEC) N° 2186/93 of 22 July 1993.

•the legal category of legal units;

•the main activity (at four-digit level of NACE), any secondary activities, the size measured by the number of persons occupied (or the "persons occupied" size class) for enterprises and local units, plus details of turnover (amount or size class) for enterprises with a turnover not exceeding ECU 2 million).

All elements needed for compiling samples for statistical surveys of production will thus be available.

It is useful in general to have an item of information appearing systematically in a register, particularly if the information is of good quality (e.g. fairly uniform), since this alleviates the burden on units interviewed during statistical surveys. Requests are often made, for example, to sort enterprises featuring in surveys of services by the date of their creation. Such requests can be met in two ways: either by including an extra question in the survey form, which adds to the workload of the units interviewed, or, if (as will be the case) the information appears in the registers, by including it in the survey form when the sample is drawn, thus enabling statistical applications sorted by this criterion to be carried out subsequently at next to no cost.