Turnover for the Software Publishing Sector in Sweden

Jonas Färnstrand
jonas.farnstrand@scb.se
Outline of presentation

- Part 1: Definition of service being collected
- Part 2: Market conditions
- Part 3: Turnover data method
Part 1:
Definition of service being collected
Part 1: Definition of service

- NACE 582: Software publishing
- Divided into
  - 5821 Publishing of computer games
  - 5829 Other software publishing
- No further breakdown in Sweden (i.e. 58210 and 58290)
Part 2: Market conditions
History of software

• First mentioned in 1935 by Alan Turing (British mathematician most known for breaking the German Enigma cipher during World War II)
• The term “software” was coined to contrast to the term hardware
• Further developed by Bill Gates, Steve Jobs etc. in the early 80’s.
• 1985 – first possibility to purchase software patents
• 2013 – New Zealand forbids software patents, other countries follow?
Software publishing in Sweden

• Large variety in what they do
  • Consulting (strongly integrated with NACE 62)
  • Software for securities transactions
  • Provides services for loading prepaid cards for mobile phones
  • Software solutions for the stock market
  • Providing digital business solutions
  • Computer games
  etc
Software publishing in Sweden

- No dominant enterprise
  - The largest enterprise accounts for 5% of total turnover
  - The five largest account for 20% of total turnover

- Relatively small sector
  - 34% of NACE 58 – Publishing
  - 6% of NACE J – Information and communication
  - 0.5% of total service sector
  - 0.3% of total business sector
Turnover by section

<table>
<thead>
<tr>
<th>Section</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+B</td>
<td>3.2%</td>
</tr>
<tr>
<td>C</td>
<td>26.4%</td>
</tr>
<tr>
<td>D</td>
<td>3.5%</td>
</tr>
<tr>
<td>E</td>
<td>0.6%</td>
</tr>
<tr>
<td>F</td>
<td>6.9%</td>
</tr>
<tr>
<td>G</td>
<td>31.2%</td>
</tr>
<tr>
<td>H</td>
<td>5.8%</td>
</tr>
<tr>
<td>I</td>
<td>1.5%</td>
</tr>
<tr>
<td>J</td>
<td>5.1%</td>
</tr>
<tr>
<td>K</td>
<td>3.9%</td>
</tr>
<tr>
<td>L</td>
<td>5.2%</td>
</tr>
<tr>
<td>M</td>
<td>3.0%</td>
</tr>
<tr>
<td>N</td>
<td>2.2%</td>
</tr>
<tr>
<td>P+Q</td>
<td>1.5%</td>
</tr>
<tr>
<td>R+S</td>
<td>3.2%</td>
</tr>
<tr>
<td>L</td>
<td>3.9%</td>
</tr>
<tr>
<td>M</td>
<td>5.2%</td>
</tr>
<tr>
<td>N</td>
<td>3.0%</td>
</tr>
<tr>
<td>P+Q</td>
<td>2.2%</td>
</tr>
<tr>
<td>R+S</td>
<td>1.5%</td>
</tr>
<tr>
<td>A+B</td>
<td>3.2%</td>
</tr>
<tr>
<td>C</td>
<td>26.4%</td>
</tr>
<tr>
<td>D</td>
<td>3.5%</td>
</tr>
<tr>
<td>E</td>
<td>0.6%</td>
</tr>
<tr>
<td>F</td>
<td>6.9%</td>
</tr>
<tr>
<td>G</td>
<td>31.2%</td>
</tr>
<tr>
<td>H</td>
<td>5.8%</td>
</tr>
<tr>
<td>I</td>
<td>1.5%</td>
</tr>
<tr>
<td>J</td>
<td>5.1%</td>
</tr>
<tr>
<td>K</td>
<td>3.9%</td>
</tr>
<tr>
<td>L</td>
<td>5.2%</td>
</tr>
<tr>
<td>M</td>
<td>3.0%</td>
</tr>
<tr>
<td>N</td>
<td>2.2%</td>
</tr>
<tr>
<td>P+Q</td>
<td>1.5%</td>
</tr>
<tr>
<td>R+S</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

J 5.1% (whereof NACE 582 0.3 %)
Value added by section

- C: 23.9%
- M: 7.9%
- N: 4.9%
- P+Q: 5.2%
- R+S: 1.8%
- A+B: 3.9%
- J: 7.7% (whereof NACE 582 0.5%)
- I: 2.2%
- H: 6.3%
- G: 16.4%
- F: 8.1%
- D: 3.9%
- E: 0.7%
- L: 7.0%
- K: 4.9%
EU comparisons NACE 582, 2010

Turnover, million EURO

- France
- Sweden
- Norway
- United Kingdom
- Germany
- Denmark
- Poland
- Romania
- Italy
- Austria
- Hungary
- Portugal
- Belgium
- Slovakia
- Cyprus
- Slovenia
EU comparison, NACE 5821 vs NACE 5829

- Other software publishing
- Publishing of computer games

Countries included: United Kingdom, Germany, Belgium, Cyprus, Sweden, France, Denmark, Slovenia, Romania, Poland, Hungary, Austria, Italy, Norway, Portugal, Slovakia.
Software publishing in Sweden

• Foreign impact on the sector
  • 44% of the turnover belongs to foreign controlled enterprises

• 7 of the 10 largest enterprises are foreign controlled
Software publishing in Sweden

- Export-oriented industry
Software publishing in Sweden

- Relatively few small (and really big) enterprises
  - 90% have <10 employees (96% in total service sector)
  - These account for 21% of total turnover (25% in total service sector)
- ...but more medium-sized enterprises
  - 8% have 10-49 employees (3% in total service sector)
  - These account for 34% of total turnover (21% in total service sector)
Software publishing, 2000-2011
Software publishing, 2000-2011

Index 2000=100

- Turnover
- Number of employees
Software publishing, 2007-2011

The diagram shows the publication of software from 2007 to 2011. The y-axis represents the number of publications, and the x-axis represents the years from 2007 to 2011. Two categories are shown: computer games (in orange) and other software (in gray).

- **Computer games** have a steady increase from 2007 to 2011.
- **Other software** also shows a steady increase but at a slower rate compared to computer games.

The data suggests a growing trend in both categories over the five-year period.
Minecraft
Turnover by NACE and product
### Integrated with NACE 62

<table>
<thead>
<tr>
<th>Product</th>
<th>CPA 582</th>
<th>CPA 62</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NACE 582</td>
<td>11 400</td>
<td>6 800</td>
<td>3 000</td>
</tr>
<tr>
<td>NACE 62</td>
<td>8 600</td>
<td>125 300</td>
<td>29 800</td>
</tr>
<tr>
<td>Other</td>
<td>400</td>
<td>31 700</td>
<td>-</td>
</tr>
</tbody>
</table>
Part 3: Turnover data method
STS

- Service production index
- Quarterly and monthly statistics, only turnover
- EU-regulated survey
- Sample survey
- Results presented as development indices, released t+35 days
- Data in NACE Rev2 2000-
- No admin data used at present
SBS

- Annual statistics
- EU-regulated survey
- Based on administrative (tax) data
  - 600 largest enterprises surveyed separately (two enterprises within NACE 582)
  - Sample 17 000 enterprises for turnover by product (231 enterprises within NACE 582)
- Transmission to NA t+15 months
- Preliminary results transmission to Eurostat t+10 months, definitive t+18 months
- Data in NACE Rev2 2000-
• Turnover by product via additional sample surveys (NA and BR)
• Detailed distribution of e.g. other income as well as cost variables

• \( \pi ps \)-Sample: 17 000 enterprises (population 1 000 000)

• Data collection:
  • Web-based questionnaire
  • Pre-printed values (from admin data)
  • Certain number of turnover variables included (based on industry)
  • Use of drop-down lists for other activities
### Turnover by products within NACE 582:

<table>
<thead>
<tr>
<th>Variable</th>
<th>CPA 2008</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>v2842</td>
<td>58.29.11-40</td>
<td>Publishing of software on a physical medium, downloadable software</td>
</tr>
<tr>
<td>v2844</td>
<td>58.21</td>
<td>Publishing services of computer games</td>
</tr>
<tr>
<td>v2847</td>
<td>58.29.50</td>
<td>Licensing services for the right to use computer software</td>
</tr>
</tbody>
</table>

### Other commonly existing products within NACE 582:

<table>
<thead>
<tr>
<th>Variable</th>
<th>CPA 2008</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>v1482</td>
<td>62.01</td>
<td>Software originals</td>
</tr>
<tr>
<td>v1531</td>
<td>62.09</td>
<td>Other information technology and computer services</td>
</tr>
</tbody>
</table>
Questions?

Thank you!