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Mini-presentation on Turnover / Output

Turnover and Output for the Organization of Conventions and Trade Shows in Sweden

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1. Definition of service being collected[1][2]

The statistical classification of NACE 82.3 *Organization of Conventions and Trade Shows* in the European Union (NACE Rev. 2) is belonging to division 82 *Office administrative, office support and other business support activities* within section N *Administrative and support service activities.*

In NACE Rev. 2 *Organization of Conventions and Trade Shows* has no further breakdown, NACE 82.30.

In the Swedish National Classification (SNI2007) there is a possibility to divide the class further into sub-classes. However, in NACE 82.30 no further divisions have been made.

For more information on classification, see chapter 4.

2. Unit of measure being collected

The unit of measure being collected is turnover in local currency, Swedish krona (SEK). This measure of turnover is excluding VAT and other taxes and subsidies.

3. Market conditions and constraints

In 2013, there were 1 294 enterprises performing *Organisation of conventions and trade shows*, with 2 891 employees[3], a turnover of 5.3 SEK billion (≈0.6 € billion) and value-added of 1.6 SEK billion (≈0.2 € billion).

Table 1: Basic data on Organisation of conventions and trade shows 2013 (enterprise level)

Variable	82.30	Total
No. of enterprises	1 294	1 294
No. of employees	2 891	2 891
Net turnover, SEK million	5 300	5 300
Value added, SEK million	1 616	1 616
Total assets, SEK million	6 566	6 566
Net investments, SEK million	191	191

NACE 82.3 is a relatively small group in the Swedish business sector (excluding financial services), contributing to 0.1 percent of total turnover and 0.1 percent of value added.
In section N, NACE 82.3 accounts for 2.3 percent of the turnover and 1.6 percent of value added. Finally, in division 82, organisation of conventions and trade shows accounts for 18.6 percent of the turnover and 11.9 percent of value added.

[1] NACE Rev. 2 Statistical classification of economic activities in the European Community
[2] SNI2007 Swedish Standard Industrial Classification 2007
[3] Number of employees in full/time equivalents

Table 2: Basic data on Organisation of conventions and trade shows 2013 (enterprise level)

Size class by no. of employees

Variable	0-9	10-49	50-249	250+	Total
No. of enterprises	1 236	49	9	0	1 294
No. of employees	935	987	969	0	2 891
Net turnover, SEK million	1 811	1 666	1 822	0	5 300
Value added, SEK million	466	596	581	0	1 616
Total assets, SEK million	3 003	1 019	2 543	0	6 566
Net investments, SEK million	49	98	44	0	191

As in most industries, a small number of large enterprises produce large part of turnover and value added as seen in table 2 above. 34 percent of the turnover is generated by the nine enterprises with 50-249 employees, the industry has no enterprises that is larger than 249 employees. The industry is dominated by small enterprises, 96 percent has 0-9 employees. Figure 1 below shows the development of turnover in SEK million over the last decade on kind-of-activity (KAU) level.

Figure 1: Turnover in Organisation of conventions and trade shows 2000-2013 (KAU), SEK million
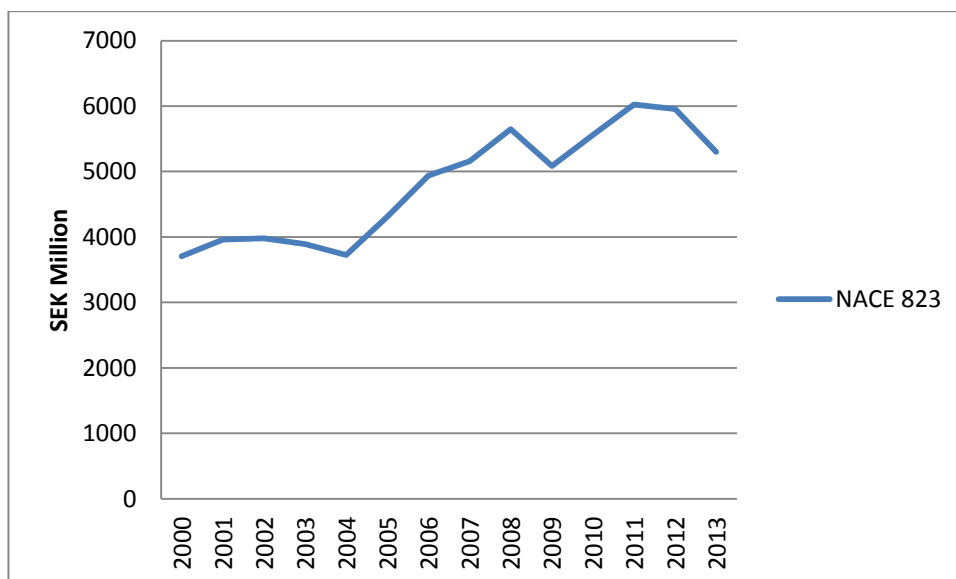
Source: SBS 2000-2013, Statistics Sweden. Values for the period 2000-2006 are back-cast.

3.1 Turnover by product

The industry is extremely homogeneous. Looking at turnover by product, 93 percent of the turnover in NACE 82.3 is classified as Convention and trade show organisation services (CPA 82.3). When we look at the whole business sector 98 percent of the Organisation of conventions and trade shows is classified within NACE 82.3

4. Standard classification structure and product details/levels

4.1 Industrial classification[4][5][6]

The national industrial classification, *Standard för svensk näringsgrensindelning 2007 (SNI2007)*, is based on NACE Rev. 2 but has an additional hierarchical level, the five-digit level. For the *Organisation of conventions and trade shows*, SNI2007 is equal to the NACE Rev. 2 classification down to four-digit level and is not further divided into subclasses. The complete break-down of the *Organisation of conventions and trade shows* can be seen in table 3 below:

Table 3: Industrial classification for Organisation of conventions and trade shows

NACE Division	NACE Group	NACE Class	SNI 5-digit level	Name	ISIC Rev. 4
82	82.3	82.30	82.300	Organisation of conventions and trade shows	8230

NACE Rev. 2 corresponds to ISIC Rev. 4 down to class level.

In line with NACE Rev. 2, the national industrial classification replaced the previous version (SNI2002/NACE Rev. 1.1) starting with reference year 2008.

With backcasting, results for both short-term (STS) and structural business statistics (SBS) are available from 2000 in the new classification.

4.2 Product classification[7][8][9]

The national product classification, *Standard för svensk produktindelning efter näringsgren 2007 (SPIN2007)*, is in most parts equal to the CPA 2008 classification. The code structure is slightly different (seven-digit code in national classification versus six-digit code in CPA) but most products have a one-to-one relationship. *Organisation of conventions and trade shows* has two SPIN2007 products and two CPA 2008 products. However, in the SBS survey the turnover has only one code for the CPA 82.30.11-12. The break-down on products can be seen in Table 4 below. For a complete list of SPIN/CPA codes, see Annex 1.

The structure of the European CPA classification differs quite a lot from the structure of the international CPC classification. But the products within *Organisation of conventions and trade shows* are held together in the same way as in CPA and belongs in CPC Version 2; 85.

Table 4: Classification of products for Organisation of conventions and trade shows

Variable	SPIN 2007	CPA 2008	Name
v2395	82.300.01-02	82.30.11-12	Convention and trade show organisation services

Regarding the demands from National Accounts (NA) there is at the moment no plans to divide the CPA into more detailed products.

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[4] NACE Rev. 2
[5] Swedish Standard Industrial Classification 2007 (SNI 2007)
[6] ISIC Rev. 4
[7] CPA 2008
[8] Swedish Standard Classification of Products 2007
[9] CPC Version 2

5. Evaluation of standard vs. definition and market conditions

Most of the enterprises have only one activity within the group and NACE 82.3 is extremely homogeneous, 93 percent (4.9 SEK billion) of NACE 82.3 turnover (5.3 SEK billion) is *Convention and trade show organisation services* (CPA 82.3)

Of the entire enterprises' turnover belonging to CPA 82.3 *Convention and trade show organisation services* (5.0 SEK billion), only 1.5 percent (0.08 SEK billion) is not located in NACE 82.3.

Table 5: Turnover by product and industry 2013, SEK million

Industry (NACE)	**823**	56	78	79	90	Other	**Total**
Product (CPA)							
823	4 922	24	12	4	37	0	**4 999**
56	154	83 056	0	3	130	15 861	**99 204**
78	5	151	38 344	59	103	8 138	**46 800**
79	0	0	0	60 270	0	622	**60 892**
90	40	685	106	17	13 351	1 894	**16 093**
Other	179	2 264	1 800	882	1 350	-	-
Total	**5 300**	**86 180**	**40 262**	**61 235**	**14 971**	-	-

The table above shows that only 77 SEK million of CPA 82.3 belongs to a different industry than NACE 82.3. These 77 million is located in, NACE 56 *Food and beverage service activities* (24 million), NACE 78 *Employment activities* (12 million), NACE 79 *Travel agency, tour operator reservation service and related activities* (4 million) and NACE 90 *Creative, arts and entertainment activities* (37 million).

An industry that is lacking in the table above, which provides conference activities is NACE 55.10 Hotels and similar accommodation. Conferences with overnight staying are not covered by 82.3, these are included in 55.10 Hotel and similar accommodation services. But NACE 55.10 should probably have some day conference activities.

Despite the fact that the enterprises in the Swedish SBS sample get a web-bases questionnaire with a drop-down list, for other activities that is not their main activities it seems that enterprises in NACE 55.10 choose to report *Convention and trade show organisation services* on their main variable *Hotel and similar accommodation services*.

6. National Accounts Concepts and measurement issues related to GDP measurement[10]

Since the reference year 2008 National Accounts publish results according to the new industrial classification (SNI2007/NACE Rev. 2).

Since 1997, the main source for annual output calculations has been the SBS, although other sources are used when appropriate. SBS contains detailed information on both in-

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[10] ESA95 GNI Inventory, Sweden, Reference Year 2005, Revision 5, October 2009

come and intermediate consumption. For quarterly GDP, the value is calculated either by extrapolating the value in the NA system using an indicator, using data directly from a source or by using a model. For the *Organisation of conventions and trade shows* the STS is used to extrapolate the value in the NA system.

SPPI in Sweden for 82.3 are under development in Sweden between 2013 and 2015. Year 2015 will be a trial year for the indices and it will be included in the overall SPPI starting 2016, as well as published separately. Apart from principal production the industry's secondary activities are recorded separately. Data on the output of *Organisation of conventions and trade shows* within the business sector is obtained from the SBS. The industry's intermediate consumption is also provided by the SBS. Balancing and plausibility assessment are performed in the supply and use tables. Value added is obtained residually as the difference between output and intermediate consumption.

7. Turnover data methods and criteria for choosing different output methods

Two EU-regulated surveys collect information on turnover in the business part of the *Organisation of conventions and trade shows*. Short-Term Statistics collect industry-level turnover monthly/quarterly and Structural Business Statistics collect turnover on industry-level as well as product-level annually.

7.1 Short-Term Statistics

Turnover in the service sector is published quarterly in accordance with Council Regulation of Short Term Statistics, (EC) No. 1165/98 and amended by the regulation (EC) No. 1158/2005. The *Organisation of conventions and trade shows* is covered by the regulation as a part of NACE 82 *Office administrative, office support and other business support services*. They are also covered by the survey for National Accounts (NA) purposes.

The statistical unit as well as the unit of collection is enterprise. Results are only presented as development indices and not as absolute values.

The short-term statistics is a sample survey, with a certain number of large enterprises surveyed monthly, while the remaining enterprises of the sample surveyed quarterly (but with turnover divided into months). The monthly data is used for the service production index. The total number of enterprises surveyed in the service sector is approximately 7 500. The un-weighted response rate is approximately 80 percent while the weighted response rate is approximately 90 percent.

Results are published 35 days after the end of the time period in question. The results are mainly used by the NA in their calculations of private consumption and Gross Domestic Product (GDP). In theory, NA would need the turnover divided into product groups, but due to the response burden only total turnover is collected. This turnover is then divided into product groups with various keys to meet the requirements of short-term NA calculations.

Administrative VAT data is used as input in the calculations since August 2015. The cause to the change in method was mainly to reduce response burden.

7.2 Structural Business Statistics

Structural Business Statistics is a survey carried out annually in accordance with "Regulation (EC) No. 295/2008 [...] concerning structural business statistics" (the regulation consists of a number of annexes and the description below is valid for annexes I-IV and VIII, or NACE 05-82 (excluding 64-66) and 95). Furthermore, detailed results (much more detailed than demanded in the above mentioned regulation) of the survey are delivered to National Accounts. The SBS has been produced in its current format since 2003.

Information is collected on enterprise level or in some cases KAU level. The statistical unit for NA purposes is KAU. Results are published on enterprise (institutional) level as well as KAU (functional) level and for some variables local KAU (regional) level. The regional information is produced via a model-based approach.

The survey is based on administrative data, more precisely on income and balance sheet statements from the Swedish Tax Agency (Skatteverket). Three separate sample surveys (specification of income statement, specification of investments and specification of shares) are carried out to provide more detailed information. In addition to this, the 600 largest enterprises in the business sector are surveyed separately.

The administrative data is, at least in theory, available for the entire population of around 1 000 000 enterprises. Non-response in administrative data (15 percent un-weighted, 3 percent weighted) are dealt with through mean value imputations based on industry and size class. This material is used for what is called the common variables within the income statement and balance sheet, such as turnover, other operating income, depreciation costs, personnel costs and total assets. Tax material was used for 1254 enterprises in the *Organisation of conventions and trade shows* in 2013.

The 600 largest enterprises in the business sector are surveyed independently of the tax data. This is due to their importance to the business sector (roughly one-third of value added) and their often complex organisations. These enterprises are asked to complete a questionnaire consisting of a detailed income statement (including turnover by product but also for example more detailed costs), a balance sheet, a specification of investments and a specification of shares. The response rate for these enterprises have been 100 percent in recent years. No enterprises within the *Organisation of conventions and trade shows* was surveyed this way 2013.

The specification of income statement is used to get more detailed information, e.g. turnover by product, for the remaining enterprises. A sample of approximately 17 000 enterprises is used for this part of the survey, allocated in 300 strata based on the demands of NA. 40 enterprises in one stratum were sampled in the *Organisation of conventions and trade shows* 2013. The sample method used is πps, i.e. probability proportional to size. The response rate in this survey is usually around 80-85 percent un-weighted and 88-90 percent weighted. The response rate in the *Organisation of conventions and trade shows* was 88 percent un-weighted and 90 percent weighted for reference year 2013.

Besides being an important input in the NA calculations, the collection of turnover by product is also an important input to the Business Register. The detailed information makes it possible to detect any change in activity within the enterprises, and thus keep the Business Register as updated and correct as possible.

The surveys regarding specification of investments and specification of shares are similar to the specification of the income statement. They are however less detailed and thus demand lower sample sizes.

Preliminary results are compared with STS and other short-term indicators for consistency. Preliminary results are transmitted to Eurostat 10 months and definitive results 18 months after the end of the reference period. Definitive detailed results are transmitted to NA 15 months after the end of the reference period. Preliminary and definitive results are also published in on-line databases, 11 months and 16 months after the end of the reference period respectively.

8. Evaluation of comparability of turnover data with price index practices[11]

The product group 82.3 *Organisation of conventions and trade shows* is under development in Sweden between 2013 and 2015. Year 2015 will be a trial year for the indices and it will be included in the overall SPPI starting 2016, as well as published separately, for more information read the paper from SPPI in the same subject.

9. Summary

The *Organisation of conventions and trade shows* is a relatively small part of the Swedish economy, contributing only 0.1 percent of total turnover and 0.1 percent of total value added in the business sector. The industry is extremely homogeneous. Looking at turnover by product, 93 percent of the turnover in NACE 82.3 is classified as *Convention and trade show organisation services*.

STS are used for quarterly GDP calculations while SBS are used for the more detailed annual accounts.

Regarding turnover by product, CPA 82.3 has only one variable. No further breakdown is planned at present.

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[11] Tjänsteprisindex 2013

Annex 1

Variable	SPIN 2007	CPA 2008	Name
v2395	82.300.01	82.30.11	Convention organisation services
	82.300.02	82.30.12	Trade show organisation services