

STRUCTURAL BUSINESS STATISTICS: ENTERPRISES AND ENTERPRISE GROUPS | YEAR 2021

In 2021, a strong increase in the value added of enterprises

In 2021, enterprises were about **4.4 million** (+2.5% compared with the previous year).

They produced **898 billion** of valued added (+21.6 compared to 2020). Value added increased by 37.4% in construction, 20.5% in manufacturing (including mining and quarrying and supply and sewerage) and 20.3% in services, recovering the drop recorded in 2020 (-10.5%). The value added produced in 2021 also showed a significant increase compared to 2019 (+8.8%).

Increases are recorded for the **gross operating surplus** (+33.9%), **turnover** (+22.4%) and **labour costs** (11.8%); these measures were also up on 2019 (+16.5% gross operating surplus, +8.5% turnover and +2.4% labour costs).

Enterprise groups, which generate 57.2% of the value added and 64.2% of the total turnover, registered a growth in value added of **21.4%** compared to 2020 and **9.9%** compared to 2019, recovering the drop in 2020 (-9.5%).

2.9%

Employment rate growth

+4.3% for enterprises with more than 250 persons employed, +9.2% for MNEs.

27.7%

Value added growth for enterprises with 10-19 persons employed

24.3%

Rate growth of value added for MNEs

+15.0% for domestic groups.

www.istat.it

PRESS OFFICE
tel. +39 06 4673.2243/44
ufficiostampa@istat.it

CONTACT CENTRE
contact.istat.it
[contact_for_media](mailto:contact_for_media@istat.it)



Employment on the upswing, driven by large enterprises and MNEs

In 2021 there were 4.4 million active enterprises (Nace Rev. 2 sections B to S with the exception of sections K and O and division 94) employing over 17 million people (+2.9% on 2020; +1.1 on 2019), of which 12.4 million employees (+ 3.5% on 2020; +1.6% on 2019).

79.5% of companies operated in services (67.3% of total employment and 55.8% of total value added). For services, employment growth rate was equal to the general average (+2.9%). Employment in manufacturing (24.1% of total employment and 36.4% of total value added) increased by 1.3% compared to 2020 with a still slightly negative balance, equal to -0.1%, compared to 2019 (+0.6% for employees). About 12% of enterprises were active in construction: the sector produced 7.8% of total value added and recorded the most significant increase for employment up on 2020 (+7.5%; +10.8% for employees).

Enterprises with more than 250 employees (0.1% of the total) showed a variation of +4.3% that means almost 167 thousand additional employees, 40.1% of the total increase.

3.6% of enterprises belonged to groups (158,776 enterprises in 104,278 groups), with over 6.2 million employees (+4.9% on 2020). Employment growth was driven by multinational groups (+9.5% over 2020) and in particular by foreign multinationals (+11.2%), while domestic groups recorded a further decline (-1.1%). 2.2% of enterprises belonging to enterprise groups had more than 250 workers, employing 59.5% of the total employment of enterprise groups and producing 58.6% of the groups' value added.

The average size of enterprises belonging to groups returned to the values of 2019, with 39.1 employees compared to 38.6 in 2020, while the average size of the entire population in the scope remained stable at 3.9 employees.

The average size of enterprises belonging to multinational groups was particularly significant, oscillating between an average of 107.2 employees for companies belonging to groups with foreign governance and 129.7 for companies belonging to groups with Italian governance. On the other hand, the average size of domestic groups dropped to 19.5 compared to 20.4 employees in 2020.

ENTERPRISES MAIN SBS VALUES BY SIZE CLASS. Year 2021

SIZE CLASS BY EMPLOYMENT	Enterprises	Total employment	Employees	Turnover (mln euro)	Value added (mln euro)	Value added for empl. (k euro)	Labour cost for employees (k euro)
0-9	4,143,750	7,361,259	2,960,568	790,629	245,501	33.4	24.0
10-19	133,353	1,750,205	1,572,044	327,785	85,655	48.9	31.8
20-49	54,916	1,628,590	1,564,370	388,255	95,218	58.5	37.1
50-249	23,185	2,263,367	2,239,554	692,388	158,739	70.1	42.6
250 and more	4,203	4,070,515	4,066,708	1,233,994	313,221	76.9	45.7
Total	4,359,407	17,073,936	12,403,244	3,433,051	898,334	52.6	37.1

A full recovery of the 2019 value added level

In 2021, the growth rate of value added was 21.6% after the decline in 2020 (-10.5%), resuming the positive trend recorded in the six years preceding the pandemic crisis.

Data showed positive significant variations in gross operating surplus (+33.9%), turnover (+22.4%) and labour costs (11.8%) also compared to 2019 (respectively, +16.5%, +8.5% and +2.4%).

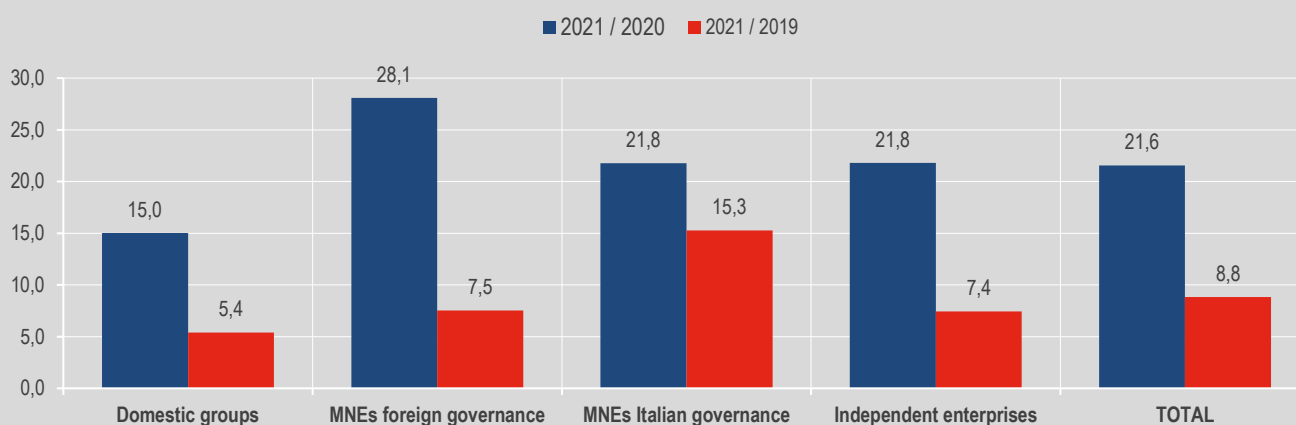
The increase in value added is higher for small enterprises: +24.1% in the class 0-9 persons employed, +27.7% for class "10-19" and +24.7% for "20-49" class employees. The highest values in labour cost growth were also recorded for these enterprises, respectively +12.7%, +13.9% and +14%. The growth for enterprises with more than 50 employees, although significant, is more contained: +18.1% in the "50-249" class and +18.9% for "250 and more" class. For the latter, the increase in labour costs was +10.4%.

Turnover growth fluctuated between +20.1% for "0-9" class enterprises and +23.4% of those in the "20-49" class. The deviations in gross operating surplus were wider, going from +29.5% recorded in class "0-9" to +53.9% of enterprises in class "10-19" due to the combined effect of the variation in value added and labour costs.

The exceptional performance of small businesses is also confirmed within the enterprise groups, with an increase in value added greater than the average and respectively of 30.2% in "0-9" class, 29.8% in "10-19" class and 27.9% in "20-49" class; even in the case of enterprises belonging to groups, the rate growth is more contained for companies in "50-249" and "250 and more" classes of persons employed (+19.8% in both classes).

MNEs with foreign governance drove the growth (+28.1% for value added). On the other hand, the growth of Italian multinationals (+21.8%) was slightly above average, while for domestic groups the increase was more limited (+15.0%) (Chart 1).

CHART 1. INCREASE IN VALUE ADDED BY TYPE OF ENTERPRISE GROUP. Years 2019, 2020 e 2021, percentage values.



Strong growth in the construction sector

The increase in value added over 2020 concerned all sectors, even if the construction sector clearly emerges with an increase in value added close to 40% (+37.4%). However, the increase in value added for manufacturing and services was above 20% (+20.5% and +20.3%, respectively). Compared to 2019, the average increase in value added was 8.8%, but with significant differences between the different sectors: +32.8% in construction, +9.9% in manufacturing and +5.5% in services.

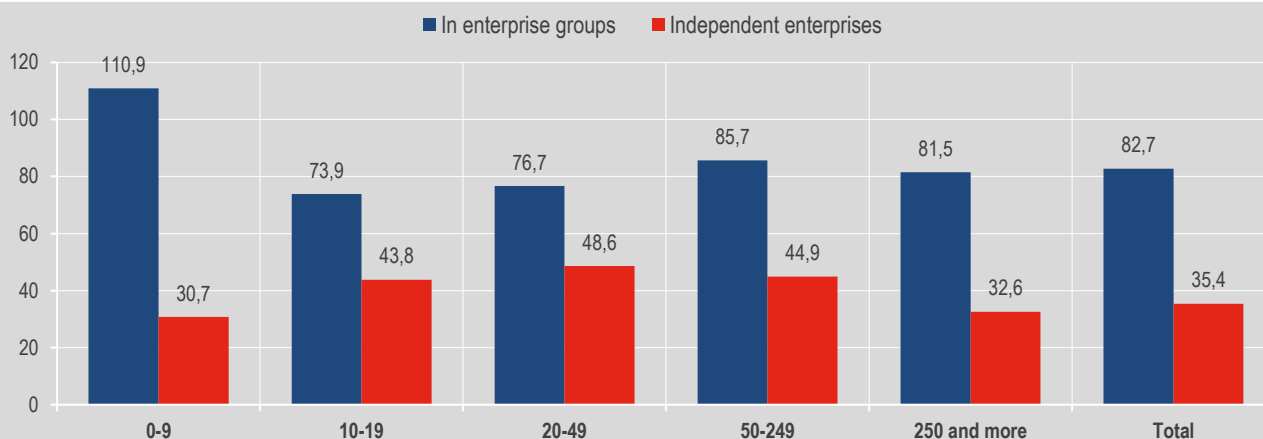
Compared to 2020, the gross operating surplus in construction grew by 58.7% while labour costs rose by 21.7%. In the construction sector, 3.3% of enterprises were organized in group structures that represent 17.3% of total employment, 26.1% of total employees and 27.6% of total values added of the sector.

Gross operating surplus in manufacturing was up 33.8% on 2020 while the increase in labour costs was 10.4%. In the sector, 8.3% of enterprises were organized in groups that represent 53.7% of total employment, 59.7% of total employees and 72.2% of value added of manufacturing.

In services, gross operating surplus and labour costs grew by 31.2% and 11.4%, respectively. 3.2% of enterprises of the sector were part of a group representing 32.6% of employment, 47.3% of employees and 51.5% of the value added of services.

Apparent labour productivity increased by 27.9% for construction. Variations were more limited in manufacturing (+18.9%) and services (+17.0%). Apparent labour productivity was generally higher for enterprises belonging to enterprise groups (over 82k against 35k euros for independent enterprises) for all the size classes. The gap continued to widen in micro-enterprises where the indicator for enterprises in groups was more than three times that of independent enterprises (almost 111 thousand euros against 30 thousand and 700 euros), a figure influenced in particular by manufacturing MNEs (Chart 2).

CHART 2. APPARENT LABOUR PRODUCTIVITY BY ENTERPRISE SIZE AND GROUP STATUS. Year 2021, thousands of euros



Glossary

Apparent labour productivity: value added divided by the number of persons employed.

Domestic group: a group consisting only of resident legal units.

Enterprise: an organisational unit producing goods or services which has a certain degree of autonomy in decision-making. An enterprise can carry out more than one economic activity and it can be situated at more than one location. An enterprise may consist out of one or more legal units (Council Regulation (EEC) No 696/93).

Enterprise group (EG): an association of enterprises bound together by legal and/or financial links and controlled by the group head (Council Regulation (EEC) No 696/93).

Global decision centre (GDC): a GDC of an enterprise group is the unit where the strategic decisions at enterprise-group level are taken.

Governance of the EG: the country in which the group's GDC is located, either domestically or abroad.

Gross operating surplus: in the context of Structural Business Statistics (SBS), it is defined as value added minus labour costs.

Independent enterprise: an enterprise non belonging to an enterprise group.

Multinational EG with foreign governance: an enterprise group that has at least two enterprises or two legal units located in different countries under foreign Governance.

Multinational EG with Italian governance: an enterprise group that has at least two enterprises or two legal units located in different countries under Italian control.

NACE: it is the Statistical classification of economic activities in the European Community.

Number of employees: it represents the average number of persons who were, at some time during the reference period, employees of the statistical unit.

Number of persons employed: the sum of the Number of employees and the Number of self-employed persons.

Value added: it is a composite indicator of net operating income, adjusted for depreciation, amortisation and employee benefits, all components being recognised as such by the statistical unit during the reference period. Its value is given by the formula: + Net turnover + Income from product- or turnover-related subsidies + Capitalised output ± Change in stock of goods - Total purchases of goods and services.

Methodological note

Data Sources and legal framework

Structural Business Statistics (SBS) and Statistical Register on Enterprise Groups (EG) data are produced according to the EU Regulation n. 2019/2152 of the European Parliament and of the Council on European business statistics.

According to the Council Regulation (EEC) n. 696/1993, 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 center, especially for policy on production, sales and profits. It may centralize 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.

According to the EU Regulation n. 2019/2152 regulation, the control links between the corporations and some salient characteristics of the group to which they belong must be recorded in the Business Register.

Control is defined in the European System of Accounts (ESA 2010): “Control over a financial or non-financial corporation shall be defined as the ability to determine general corporate policy, for example by choosing appropriate directors if necessary” (§2.35); “A single institutional unit secures control over a corporation or quasi-corporation by owning more than half the voting shares or otherwise controlling more than half the shareholders' voting power” (§2.35).

Data population and classifications system

The reference population is provided annually by the Business Register of Enterprises (Asia), which Istat creates starting from both administrative sources and statistical surveys.

SBS coverage: Nace Rev. 2 sections B to S with the exception of sections K and O and division 94

The reference population of the Business Register of Enterprise groups is made up of all corporation belonging to groups and included in the SBS observation field.

Sampling design

Frame SBS microdata registers combine admin data – after appropriate statistical treatments –, SBS sample survey on small and medium enterprises (PMI), SBS census survey on large enterprises (SCI) and sample survey on internal flows within the same enterprise group (RFI).

PMI survey sampling design is at a stratified stage with equal probability selection of units; the strata are defined by the combination of Nace Rev. 2 four-digit codes, size classes by employment (0-1, 2-9, 10-19, 20-49, 50-99, 99-249) and administrative Regions (NUTS 2).

The total SCI survey is aimed at enterprises with 250 employees or more.

The RFI survey is aimed at large Italian enterprise groups selected according to size criteria (number of legal units, number of enterprises and number of employees) and coverage of different sectors of economic activity.

Data collection

For the year 2021, SBS surveys (SCI, PMI and RFI) were conducted by self-filling an online questionnaire accessible from the Istat Business Statistical Portal (single entry point for data collection).

Data processing

The estimates of the variables for legal units with 250 or more persons employed are obtained by sum from the SCI survey. For the rest (less than 250 persons employed), the estimates of the variables are obtained by sum directly from Frame SBS register if administrative sources are available otherwise they are obtained from the estimates produced by the PMI survey on the basis of the methodology of reporting to the universe of 'constrained weighted estimators'. With this methodology, the sample estimates converge to the auxiliary variables of the Asia register (Statistical Business Register) - number of legal units and number of employees - for the different estimation domains required by the SBS Regulation.

The Business Register of EG is set up on the basis of the following administrative sources: 1) the archive of all shareholders of non-listed companies, 2) the archive of all shareholders of listed companies, 3) Consolidated Accounts and financial statements.

Accuracy of the estimates

The sample size for the strata in PMI survey is calculated by solving a multivariate and multi-domain allocation problem where the sample size is the minimum that allows to simultaneously obtain predefined levels of accuracy of the estimates of the parameters of interest within different planned estimation domains (a generalization of the solution of Neyman for the univariate case).

Number of persons employed and turnover are the variables for which the maximum sampling errors (in terms of percent of Coefficient of Variation (CV) have been fixed. The estimation of the corresponding means and stratum variances necessary for the calculation of the optimal allocation is calculated using data from respondents to the previous edition of the survey.

The calculation of the optimal allocation carried out using Istat generalized Mauss-R software returned a total size of 79,092 units (of which 2,717 for legal units with 250 persons employed or more) and the following system of constraints for the maximum sampling errors of the parameters of interest:

Domain	Description	CV	
		Turnover	Empl.
DOM1	Nace Rev. 2 – Group (3 digits) and empl. size class	0,14	0,15
DOM2	Nace Rev. 2 – Division (2 digits) and region (NUTS 2) regione amministrativa	0,15	0,15
DOM3	Nace Rev. 2 – Class (4 digits)	0,14	0,15

Coverage and territorial detail

Data are available at national level only.

Timeliness

The estimates are produced in accordance with the timeframe required by the EU regulations (t+18 months).

Dissemination

Data are available at IstatData the Istat data warehouse, in the section “Enterprises/Competitiveness”.

Data on SBS surveys will be available at the Laboratory for Elementary Data Analysis (ADELE).

For technical and methodological information

Simone Ambroselli

ambrosel@istat.it

Serena Migliardo

migliard@istat.it