

STRUCTURAL BUSINESS STATISTICS: ENTERPRISES AND ENTERPRISE GROUPS | YEAR 2022

The value added of enterprises continues to grow in 2022

In 2022, enterprises generate value added in nominal value of just over **1 trillion**, up **11.3%** year-on-year: +20.0% in construction; +9.7% in manufacturing (including mining and quarrying and supply and sewerage); +11.2% in services. Considering 2019, the last pre-crisis year, the increase of the value added in nominal values is +21.1%.

The enterprises are about **4.5 million** (+2.6% compared with the previous year) in line with the increase in 2021 over 2020 (+2.5%). For employees, the growth between 2022 and 2021 is 4.5%.

In 2022, in an overall price increase, turnover (+22.1%), gross operating surplus (+13.8%), and labour costs (+9.0%) grow from the previous year.

The growth is driven by enterprises organised in groups, which generate 66.7% of total turnover and 57.3% of value added value and increase by 27.0% and 11.6% respectively by 2021.

+3.5%

Employment rate growth by 2021

+6.8% for enterprises with 50-249 persons employed,
+5.1% for enterprise groups.

+10.2%

Value added growth for enterprises with more than 250 persons employed by 2021

+14.3%

Rate growth of value added for domestic groups by 2021

+10.5% for MNEs

www.istat.it

UFFICIO STAMPA

tel. +39 06 4673.2243/44

ufficiostampa@istat.it

CONTACT CENTRE

tel. +39 06 4673.3102



Employment on the upswing, domestic groups also on the rise

In 2022 there were about 4.5 million active enterprises (Nace Rev. 2 sections B to S with the exception of sections K and O and division 94) employing slightly less than 17.7 million people (+3.5% on 2021), of which about 13 million employees (+ 4.5% on 2021).

79.7% of companies operated in services (67.4% of total employment and 55.7% of total value added). For services, employment growth rate was slightly above average (+3.7%; +4.9% for employees). The number of manufacturing enterprises decreased slightly (-0.1%) and the employment growth was below the average (+1.6% for employment; +2.0% for employees). In 2022, manufacturing enterprises produced about 36% of the total value added value and employed 23.7% of the workforce. The largest increase in employment, well above average, was in the construction sector: +8.0% for total employment and +11.6% for employees. About 12% of enterprises were active in this sector, generating 8.4% of the total value added value.

Enterprises with more than 250 employees (0.1% of the total) showed a variation of +4.0% for employment. The largest percentage increases, compared to the previous year, were recorded for "50-249" enterprises (+6.8% for total employment and +6.7% for employees).

3.7% of enterprises belonged to groups (166,175 enterprises in 109,167 groups), with over 6.5 million employees (+5.1% on 2021). Employment growth involved all types of groups: domestic groups grew by 5.8%, after a 1.1% drop in the previous year; Italian multinational groups by 3.7% and foreign multinationals by 6.0%. 2.2% of enterprises belonging to enterprise groups had more than 250 workers, employing 58.9% of the total employment of enterprise groups and producing 58% of the groups' value added.

The average size of enterprises belonging to groups grew (39.3 employees compared to 39.1 in 2021), while for total enterprises it grew by 0.1 employees. For companies belonging to multinational groups, the values were higher: the average size ranged from 118.1 employees for companies in groups with foreign governance to 131.2 for those in groups with Italian governance. The average size of domestic groups was stable at 19.5 employees.

ENTERPRISES MAIN SBS VALUES BY SIZE CLASS. Year 2022

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	4,245,950	7,467,762	3,031,718	901,220	271,630	36.4	26.6
10-19	139,739	1,835,779	1,659,936	377,266	95,644	52.1	33.7
20-49	58,138	1,721,139	1,654,942	477,977	108,657	63.1	38.7
50-249	24,796	2,417,557	2,389,823	901,778	178,986	74.0	44.0
250 and more	4,343	4,232,006	4,228,184	1,532,714	345,236	81.6	46.4
Total	4,472,966	17,674,243	12,964,553	4,190,956	1,000,154	56.6	38.7

Medium-sized enterprises boosted value added growth

In 2022, for the second consecutive year after the decline due to the pandemic crisis (-10.5% in 2020 compared to 2019), the value added growth continued (+11.3%), consolidating the positive trend recorded the previous year (+21.6%). Turnover grew by 22.1% and significant increases were also recorded for gross operating surplus (+13.8%) and labour costs (+9.0%). Nevertheless, the year 2022 presents exceptional characteristics in terms of price increases that can influence the values of purchases and sales of all goods and services¹.

A comparison with the pre-crisis period showed as companies belonging to groups drove the growth of the value added. In this case, it is Italian multinational groups that grew the most (+26.1% 2022 over 2019 and +15.3% 2021 over 2019, in both cases, the only figures above the average increases) (Chart 1).

The increase in value added is higher for enterprises in the class 20-49 persons employed (+14.1%), influenced by the growth of enterprises belonging to groups (+16.3%), and for enterprises in the 50-249 class (+12.8%). The largest increase was in companies of domestic groups (+14.3%), while Italian multinationals grew by 9.4% and multinational companies with foreign governance by 12.0% (Chart 1).

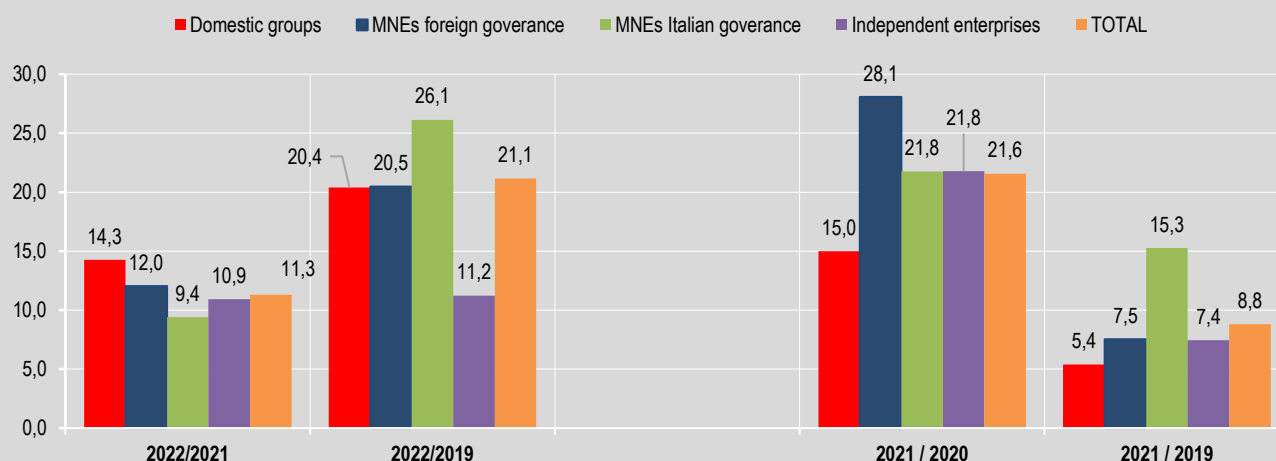
Turnover growth fluctuated between +14.0% for "0-9" class enterprises and +30.2% of those in the "50-249" class. Slightly above 24% was the increase recorded for companies in the "250 and more" class. Considering only enterprises belonging to groups, the increases were higher than the general values for all size classes: small enterprises grew by 23.3% while the highest growth, in terms of turnover, was recorded in the 50-249 class (+33.4%).

The increase in labour costs was greater for smaller enterprises: there was a decreasing trend starting in the 0-9 size class (+13.4%), continuing in the middle size classes, with values above the average, and reaching +5.4% for enterprises with more than 250 persons employed.

The deviations in 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.

Gross operating surplus increased by 20.0% for the 20-49 class and by 17.2% for the largest enterprises (250 and more). Lower and below-average increases were only recorded for enterprises in the "0-9" class (+13.4%).

CHART 1: VALUE ADDED BY TYPE OF ENTERPRISE GROUP. Years 2022 and 2021, percentage variations compared with the previous year and 2019



Construction sector continues to grow strongly

In 2022, as in 2021, the increase in value added compared to the previous year concerned all sectors, with a particularly impressive result in Construction, which grew by 20.0% (+25.4% for companies belonging to groups). Manufacturing growth was below average (+9.7%), with better results for companies belonging to groups (+10.3%). In Services, growth (+11.2%) was in line with the average (11.8% for those in enterprise groups).

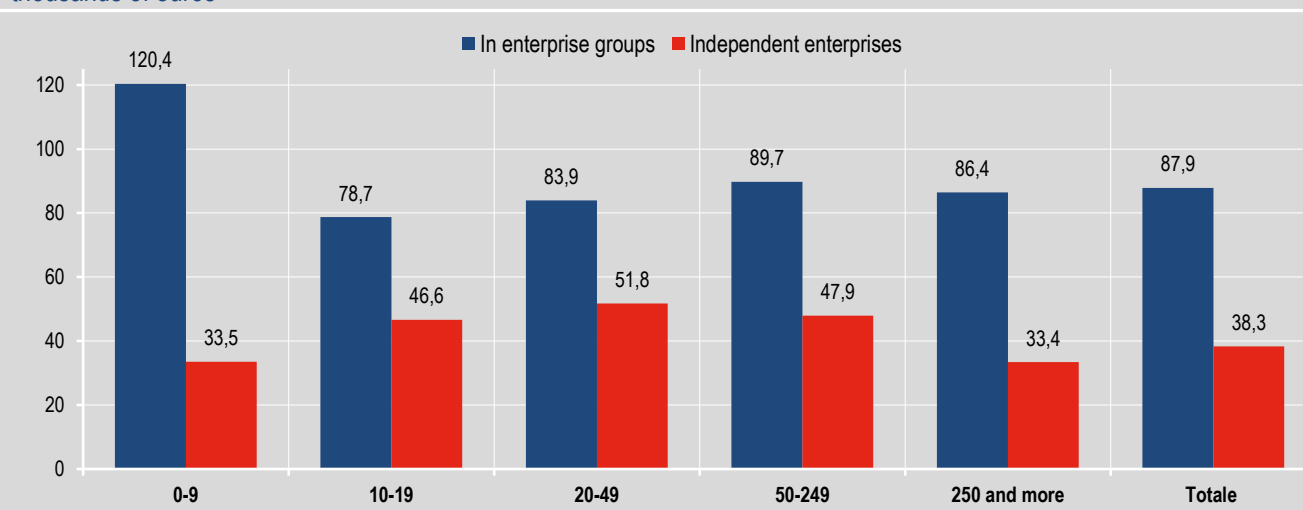
Compared to 2021, the gross operating surplus in Construction grew by 23.6% while labour costs rose by 16.5%. In the sector, 3.5% of the companies were organised in group structures, employed 17.7% of the workforce and 25.9% of the employees and realised 28.9% of the sector's added value.

Gross operating surplus in manufacturing was up 14.7% on 2021 while the increase in labour costs was 5.1%. In the sector, 8.6% of enterprises were organized in groups that represent 54.4% of total employment, 60.1% of total employees and 72.6% of value added of manufacturing.

In services, gross operating surplus and labour costs grew by 11.9% and 10.5%, respectively. 3.2% of enterprises of the sector were part of a group representing 33.3% of employment, 47.9% of employees and 51.8% of the value added of services.

Apparent labour productivity increased by 11.1% for Construction, by 8% for Manufacturing and by 7.3% for services. Apparent labour productivity was generally higher for enterprises belonging to enterprise groups (about 88k against 38k and 300 euros for independent enterprises) for all the size classes. The largest gap continued to be observed for micro-enterprises, where the productivity indicator goes from over 120k euros for enterprises in groups to 33.5K euros for independent enterprises, a figure influenced mainly by enterprises in the manufacturing sector (Chart 2).

CHART 2. APPARENT LABOUR PRODUCTIVITY BY ENTERPRISE SIZE AND GROUP STATUS. Year 2022, 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 Governance

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 design is a one stage stratified sampling; 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 2022, 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 R2BEAT software returned a total size of 79,940 units (of which 4,257 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 – Division (2 digits)	0.14	0.15
DOM2	Nace Rev. 2 – Group (3 digits) and size class	0.23	0.25

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

tel. 06 4673.6220
ambrosel@istat.it

Serena Migliardo

tel. 06 4673.6223
migliard@istat.it

Notes

ⁱ In 2022, industrial producer prices rose by 34.4% (https://www.istat.it/wp-content/uploads/2023/01/Ind_Cons_prodprices_1222.pdf) and services producer prices increased by 3.9% (<https://www.istat.it/en/press-release/industrial-construction-and-services-producer-prices-january-2023-q4-2022/>); while the Italian consumer price index for the whole nation (NIC) increased by 11.6% on annual basis (<https://www.istat.it/en/press-release/consumer-prices-december-2022/>).