

STRUCTURAL BUSINESS STATISTICS: ENTERPRISES AND ENTERPRISE GROUPS | YEAR 2023

Services more dynamic than manufacturing in terms of number of enterprises and investments

In 2023, the enterprises are over 4.5 million (+0.8% compared to 2022). The growth in the number of enterprises is more sustained in advanced service sectors, while in industry it is limited to energy and construction.

The value added in nominal value increase is 7.3%: +15.6% in construction; +7.2% in services +5.6% in manufacturing (including mining and quarrying and supply and sewerage). The increase for the total employment (+2.4%) is less significant than in 2022. Investments per employee grew by more than 11% in nominal terms, rising from 7.6 to 8.4 (k euros). The increase was concentrated in construction and services. In manufacturing, investment intensity grew only for small and medium-sized enterprises.

The enterprises organised in groups (just over 190,000 enterprises) generated 65.3% of total turnover and 57.9% of value added (+8.4% year-on-year).

+3.3%

Employees rate growth

+4.4% for medium and large enterprises,
+5.8% for enterprise organised in groups.

+8.5%

Value added growth for small and medium-sized enterprises

+12.2%

Rate growth of value added for enterprises of domestic groups

+6.7% for MNEs

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Employment on the rise, particularly in medium-sized and large companies

In 2023 there were just over 4.5 million active enterprises (Nace Rev. 2 sections B to S with the exception of sections K and O and division 94) (+0.8% compared to 2022) employing 18.1 million people (+2.4% on 2022), of which about 13.4 million employees (+3.3% on 2022).

About 80% of enterprises operated in services (+1.1% compared to 2022), employing 67.5% of total employment and 63.2% of employees, and producing 55.7% of total value added. For services, employment growth rate was slightly above average (+2.6%; +3.7% for employees).

In 2023, 8.3% of enterprises were active in manufacturing. The total number of enterprises in this sector decreased (-1.6%) from the previous year. The employment growth was below the average (+1.8% for employment; +2.2% for employees). In 2023, manufacturing enterprises employed 23.5% of the workforce and 28.6% of employees, and produced 35.3% of the total value added.

The construction sector accounted for 11.8% of active enterprises, employing 9.0% of persons employed, and generating 9.0% of total value added. The increase in employment compared to the previous year is above average: +3.3% for total employment and +4.6% for employees.

Large enterprises (0.1% of the total) generated approximately 35% of the added value in 2023 (34.7%). They employed around a quarter of the total employment (24.4%) and a third of total employees (33.0%), showing an increase of +4.4% for both variables compared to the previous year. The same increases were recorded for medium enterprises, while they were slightly lower (+4.3%) for "20-49" size class.

4.2% of enterprises belonged to groups (190,777 enterprises in 124,274 groups), with over 6.9 million persons employed (+6.1% on 2022) and generated 65.3% of total turnover and 57.9% of value added (+8.4% year-on-year). Employment growth involved all types of groups: domestic groups grew by 10.6%, foreign multinationals by 4.6% and Italian multinational groups by 1.9%. Large enterprises organised into groups accounted for only 2% of the total, but generated 57.5% of the groups' value added.

The average size of enterprises belonging to groups declined (36.3 employees compared to 39.3 in 2022). For companies belonging to multinational groups, the values were higher: the average size ranged from 111.9 employees for companies in groups with foreign governance to 135.2 for those in groups with Italian governance. The average size of domestic groups was 18.4 employees.

ENTERPRISES MAIN SBS VALUES BY SIZE CLASS. Year 2023

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
0-9	4,273,161	7,465,484	3,029,903	913,183	287,524	38.5	26.9
10-19	144,457	1,902,136	1,721,006	389,134	103,739	54.5	33.9
20-49	60,665	1,795,277	1,725,877	472,111	116,107	64.7	39.1
50-249	25,943	2,524,493	2,495,339	841,673	194,143	76.9	44.9
250 and more	4,565	4,418,650	4,414,299	1,480,576	372,053	84.2	47.6
TOTAL	4,508,791	18,106,040	13,386,424	4,096,677	1,073,565	59.3	39.6

Rising value added and declining turnover

In 2023, for the third consecutive year after the decline due to the pandemic crisis (-10.5% in 2020 compared to 2019), the value added growth continued (+7.3%), although to a lesser extent than in previous years and in particular to 2021. The growth in value added was associated with a reduction in turnover (-2.2%) and a deeper contraction in costs for purchasing goods and services (-7.4%). In particular, there was a significant decrease in costs for purchasing goods (-12.1%), which was not counterbalanced by the increase in costs for purchasing services (+6.1%).

The increase in value added is higher for medium enterprises and enterprises in the class "10-49" persons employed (both, +8.5%). For large enterprises the growth was +7.8% whereas below-average results were recorded by micro enterprises (+5.9%) and those with 20-49 persons employed (+6.9%).

The comparison with the previous year showed a greater growth in value added for independent enterprises (+13.5%), while the growth for enterprises organised in groups slowed (+8.4%). In 2023, domestic group companies recorded the most significant increase (+12.2%), while those belonging to multinational groups grew by +6.7% (Chart 1).

The decline in turnover affected companies with more than 20 persons employed: -1.2% for those in the "20-49" size class, -6.7% for medium-sized enterprises, and -3.4% for large enterprises. The same trend was observed for enterprises belonging to groups (-4.4%), with an even more pronounced decline for medium-sized enterprises (-8.8%), -3.3% small enterprises in the "20-49" size class and -3.9% for large enterprises.

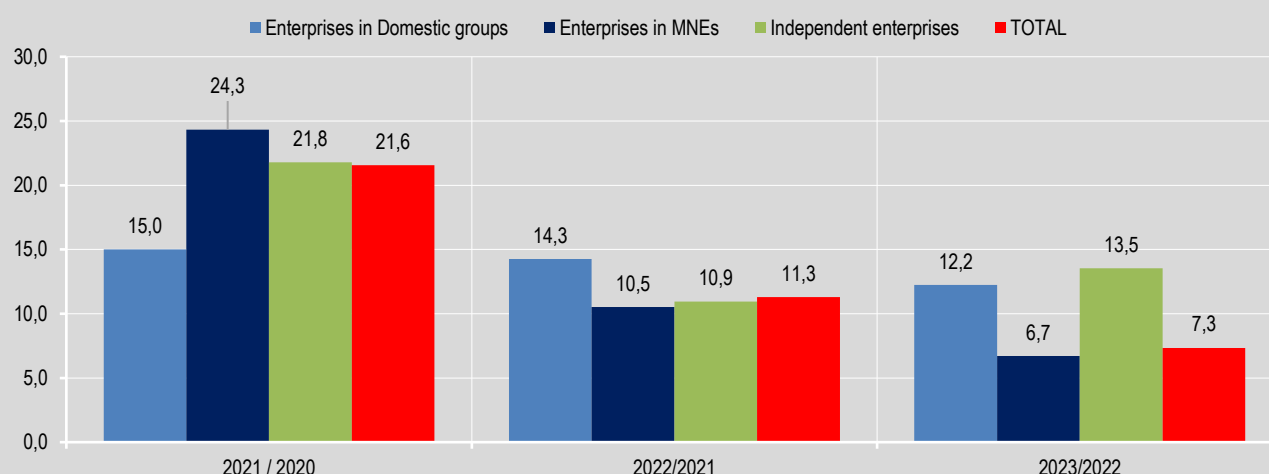
The costs for purchasing goods fell across all size classes in particular -17.7% for medium-sized enterprises and -14.9% for large enterprises. At the same time, the costs of purchasing services rose, particularly for larger enterprises (+8.1%) and those in the "10-19" size class (+6.9%).

Labour costs (+5.5%) and gross operating surplus (+9.2%) increased. The increase in labour costs showed rising values starting from +1.2% for micro enterprises, continuing in the central size categories with the following figures: +4.6% and +5.2% for the small in the "10-19" and "20-49" classes respectively, and exceeding the overall average values for medium (+6.6%) and large (+7.2%) enterprises.

Gross operating surplus increased by 14.0% for the "10-19" size class and by 8.6% for the large enterprises. Remarkable increases also concerned medium-sized enterprises (+11.2%).

Investments per employee grew by more than 11% in nominal terms, rising from 7.6 to 8.4 (k euros). All size categories increased except for large enterprises (-1.7%).

CHART 1: VALUE ADDED BY TYPE OF ENTERPRISE. Years 2021, 2022 and 2023, percentage variations compared with the previous year



Growth in the construction sector continues at a steady pace

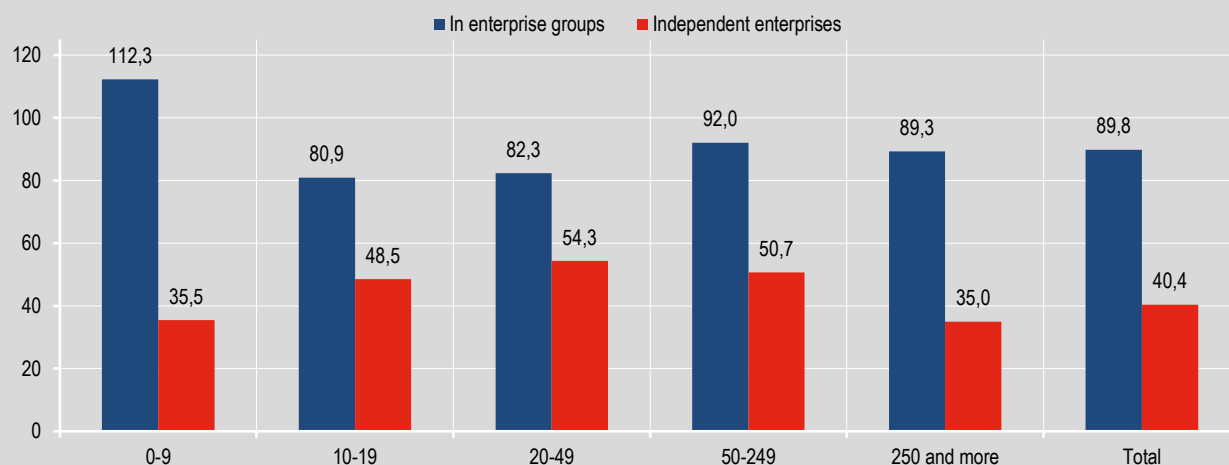
In 2023, the value added of the construction sector grew by 15.6% year-on-year (+28.5% for companies belonging to groups) continuing to benefit, albeit to a lesser and more limited extent than in the past, from tax benefits on expenses incurred for construction works. Turnover increased (+14.5%), as were costs for purchasing goods and services, +3.2% and +20.9% respectively. Labour costs rose by +7.9%, gross operating surplus was up 23.2% on 2022 and investments per employee grew by 45.8%. In the sector, 4.2% of the companies were organised in group structures, employed 20.1% of the workforce and 28.8% of the employees and realised 32.1% of the sector's added value.

In services, the growth of value added on 2022 was +7.2% (8.2% for those in enterprise groups). Turnover increased (+5.3%) and costs for the purchase of goods and services also rose by +2.1% and +6.4%, respectively. Labour costs and gross operating surplus grew by 5.9% and 8.5%, respectively. The increase in investment per employee was above average, at +15.4%. In Services, 3.7% of enterprises of the sector were part of a group representing 34.6% of employment, 49.1% of employees and 52.3% of the value added of services.

Manufacturing value added growth was +5.6% with better results for companies belonging to groups (+6.7%) but below average values. Compared to 2022, turnover declined (-13.2%) but, at the same time, spending on goods purchases fell sharply (-25.8%). Slight increase in costs for the purchase of services (+1.4%). In manufacturing, investment per employee grew by 2.1%, with particularly significant figures for medium-sized (+26.3%) and small enterprises (+12.7% and +7.1% respectively for small enterprises in the "10-19" and "20-49" classes). Labour costs rose by 4.5% while the gross operating surplus grew by 6.8%. In the sector, 9.3% of the companies were organised in group structures, employed 55.6% of the workforce and 61.2% of the employees and realised 73.3% of the sector's added value.

Apparent labour productivity increased by 11.9% for construction, by 3.8% for manufacturing and by 4.5% for services. Apparent labour productivity was generally higher for enterprises belonging to enterprise groups (about 90k against 40k and 400 euros for independent enterprises) for all the size classes. The largest gap continued to be observed for micro-enterprises, where the indicator goes from over 112k euros for enterprises in groups to 35.5k euros for independent enterprises (Chart 2).

CHART 2. APPARENT LABOUR PRODUCTIVITY BY ENTERPRISE SIZE AND GROUP STATUS. Year 2023, 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.

Size class: enterprises are grouped by average annual number of employees into the following categories:

- Micro enterprise: fewer than 10 employees
- Small enterprise: from 10 to 49; subclasses from 10 to 19 employees and from 20 to 49 employees
- Medium enterprise: from 50 to 249 employees
- Large enterprise: 250 employees and more

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 2023, 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 84,197 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)	0.13	0.15
DOM2	Nace Rev. 2 – Group (3 digits) and size class	0.22	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).

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