



## COMPANIES RESPOND

It is time for the Permanent Census of Companies. Well, it takes place every three years, and the last edition was in 2022. It involves all the largest companies and also some of the smaller ones. It goes without saying that the census is a crucial element to properly understand the country's productive landscape. But how does it work and, above all, what data do we start with?

I am Cristiana Conti, and this is Dati alla mano (Data at Hand), a podcast by Istat, the National Institute of Statistics, where I work in the Directorate for Communication, Information, and Services to Citizens and Users. This initiative is part of a public communication project.

In this episode, we will talk about business, the structure of Italian companies, and the aspects we can explore thanks to the data from the permanent census.

By the way, some might wonder why it is called permanent if it actually takes place every three years. But the puzzle is quickly solved: today, Istat has a system of statistical archives on companies, archives fed by administrative data that are appropriately 'processed' and made statistically relevant, and therefore, we have annual updates on the structure of companies... let's say permanent updates.

These archives are one of the two pillars on which current censuses are based. The second pillar is the three-year multi-purpose survey itself. With the extended information base of the registers and the sample related to a three-year period, it is possible to go into detail, properly analyse specific aspects, identify trends, and explore good behaviours, from an economic and ecological point of view. But let's take a step back and focus on the sample. How many companies will take part this year? And when does the data collection actually begin?

I asked Alessandro Faramondi, who is responsible for economic censuses at Istat.

**Cristiana.** Hello Alessandro and welcome

**Alessandro.** Thank you and greetings to our listeners

**C.** For what concerns the first question, a number is enough for me: how many companies must participate in the Permanent Census?

**A.** I know this one, about 265,000

**C.** Hmm, fewer than the last edition, if I remember correctly in 2022 their number was 280,000...does this mean that the registers are becoming increasingly effective?

**A.** certainly. And we have refined what we call 'sampling domains', and this allows us to limit 'statistical disturbance'

**C.** And when does the survey start?

**A.** On 8 October and lasts until early March.

**C.** And how does it work? How are companies asked to answer to the census??

**A.** They receive an information letter from Istat with credentials to access the company portal and complete the online questionnaire. Furthermore, this portal has recently been renewed, it is simple to use and super safe. And then for anyone who needs help, we have both the online guide and the 1510 hotline, where our operators answer to all questions.

**C.** Interesting, but what type of companies are called for the census?

**A.** All industrial and service companies that have at least 20 employees and a sample of those that have between 3 and 19 employees.

**C.** Why these ones?

**A.** Because this group is representative of a universe that produces over 85% of the total added value and employs over 95% of the workforce. In short, a fundamental pillar of our production system.

**C.** So professionals – I'm thinking of accountants, specialist doctors, lawyers and so on – are not included in the sample?

**A.** They are if they have at least three staff members. And it must be noted that I said staff members, not necessarily employees, they can also be independent workers

**C.** So an architectural firm with, for example, a senior, two juniors, and a secretary, it can be included in the sample, right?

**A.** Exactly.

**C.** I was thinking about the fact that general censuses, those carried out every ten years, I'm also thinking of the population census, the non-profit census... – involved the entire population they had to explore, all people, all companies and so on, but permanent censuses have changed everything.

**A.** Yes, and I repeat, they are possible because we have developed the statistical registers, fed by administrative data.

**C.** Indeed, a pretty nice improvement. And what aspects can we explore further with the next census?

**A.** Production chains, for example. In 2022, we examined 28, and it will now be important to understand how they have evolved and how they have reacted to years of deep changes. For example, if we take into account the conflict in Ukraine, and the related difficult to collect raw materials, but also the situation in the Middle East...

**C.** But what exactly is meant by a supply chain?

**A.** We mean all those activities that pertain to a production line, which goes from the procurement of necessary raw materials up to the promotion and sale of the finished product

**C.** And the 2022 census highlighted 28 of them. Which ones involve the largest number of companies?

**A.** The Agri-food sector involves approximately 20% of companies, but construction and fashion also employ a significant number.... And it is interesting to note, however, that participation in supply chains is not exclusive, in fact, many companies are included in different supply chains. And then there is another aspect

**C.** Which one?

**A.** The fact that for the first time in 2022 we were able to detect the role of the different companies within the supply chain.

**C.** What does that mean, what can be a specific role in a supply chain?

**A.** Well, the ability to influence the quantity, price, and quality of the finished product.

**C.** This is also interesting...and useful to know. But what are the new developments in the October census? In other words, what new informational content are you going to collect?

**A.** In particular, we will delve into the international aspect, for example, re-export issues. And then the questionnaire will again include questions on training, innovation, sustainability...

**C.** For what concerns sustainability, it is a common misconception that environmental responsibility is inversely proportional to economic performance. Is that really the case?

**A.** No, as you rightly said, it is a common misconception. Let me explain, we carried out an analysis of the 2022 census microdata relating to manufacturing companies with at least 10 employees. Well, there is a positive correlation between sustainability and productivity and it is significant

**C.** So, have we debunked this common misconception?

**A.** Yes, at least concerning the companies in that segment most committed to environmental protection.

**C.** And these are important pieces of information, especially because energy transition, emission reduction, and the use of clean technologies are strategic objectives at both national and European levels.

**A.** Certainly, even more so at a time when there is discussion about the possibility of reconciling environmental sustainability measures and adequate levels of economic performance.

**C.** But why did the analysis focus on that type of company, manufacturing companies?

**A.** Because compared to other sectors they are the most involved, also due to the type of production processes. In the two years 2021-2022, those that declared they had carried out at least one action to improve environmental sustainability were 59%.

**C.** It would seem to emerge a new rule related to company development

**A.** Yes, the aim is to make costs more efficient, also through new sustainable technologies. The data tells us that 42% of these companies have made investments to manage energy and transport in a more efficient and sustainable way.

**C.** How?

**A.** Well, for example, most have installed highly energy-efficient machinery/systems/equipment, over 40% have installed systems for the production of electricity from renewable sources, just under 30% have acquired low-emission vehicles, and a smaller but still significant proportion has invested in the thermal insulation of buildings or in heat recovery...

**C.** Moving on to another topic, how much does population ageing affect companies? In Italy, as we know, we are getting older and do not have generational turnover.

**A.** Yes, this is a trending topic! The generational turnover today is one of the main challenges for Italian companies. Here, turnover is actually rare, also because most of our companies are basically family businesses.

**C.** But in your opinion, what impact does the ageing of the workforce and entrepreneurs have?

**A.** Well, it certainly impacts the business dynamism and the adoption of more advanced technologies. For example, in Italy, we observe a delay in the use of artificial intelligence: 5% of our companies use it, compared to 8% of the European Union average and 11% in Germany. However, it is important to note that artificial intelligence solutions are significantly more common in the insurance and financial sectors.

**C.** And what is its main use?

**A.** If we talk about all the companies that use it, the main use is certainly related to computer security. If we then look at financial companies in the insurance sector – as we said, these are the most advanced in this direction – then the applications are more diversified, ranging from computer security to the automation of business processes, from customer relations to creditworthiness assessment and accident risk

**C.** In conclusion, what do we expect from the new permanent census?

**A.** We expect to capture the evolution of our production system in relation to the changes that have occurred in this challenging time. We need to understand how we position ourselves in terms of competitiveness in the current context.

**C.** The permanent census has a very important task!

**A.** Yes, these are important years. We will also try to understand if companies have followed through on their 2022 intentions

**C.** That is to say?

**A.** In 2022 almost half of the companies had planned to invest in strategic assets in the following three years

**C.** Which ones exactly?

**A.** Research and development, technologies and digitalisation, human capital and training, environmental sustainability and social responsibility.

**C.** We'll see. Thank you, Alessandro, and good luck with your work.

**A.** Thank you too, and greetings to everyone who has listened so far.

Before concluding, I wanted to ask Francesca Vannucchi – who is responsible for the communication of all permanent censuses – what she is preparing to make the company census known to the public. I will share her answers as I recorded them.

*(Francesca's recording)*

To recap, the permanent census of companies is an important event to understand the evolution of our productive population, especially in an extremely delicate geopolitical context. The data collected will help us understand our international position and which assets we can rely on for our competitiveness.

I am Cristiana Conti, and this was Dati alla mano (Data at Hand), a podcast from the Italian National Institute of Statistics. This episode was produced with the support of Storielibere.fm

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Are there topics you would like to explore further? Write to me at [datiallamano@istat.it](mailto:datiallamano@istat.it)

Alessandro Faramondi and Francesca Vannucchi worked on this episode.