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**REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL**

concerning the implementation of Council Regulation (EC, Euratom) N° 58/97

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(Text with EEA relevance)

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1. INTRODUCTION

The objective of Council Regulation No 58/97 (hereafter referred to as “the SBS Regulation”), as set out in its Article 1, is to establish a common framework for the collection, compilation, transmission and evaluation of Community statistics on the structure, activity, competitiveness and performance of businesses in the Community. The SBS Regulation lays down the norms, standards and definitions necessary for producing comparable Community statistics.

This report covers the implementation of Council Regulation No 58/97 as amended by Council Regulation No 410/98 and Regulation 2056/2002 of the European Parliament and of the Council. This report has been prepared under the provisions of Article 14 (1) of the Regulation: *“The Commission shall, within three years of the date of entry into force of this Regulation and again every three years thereafter, submit a report to the European Parliament and the Council on the statistics compiled pursuant to this Regulation and in particular on their quality and the burden on business.”*

More generally, the report aims to provide information on the actions undertaken by the Commission to ensure that high quality European structural business statistics are made available to users, and also on the manner and extent to which each of the Member States has implemented the SBS Regulation. It provides information on the burden on business and actions taken to reduce that burden.

2. REGULATORY DEVELOPMENTS

There have been four major regulatory developments since the adoption of Regulation No 58/97 and its implementing provisions.

1) A first amendment, adopted by the Council, was published on 21 February 1998. It added a fifth annex concerning a framework for structural business statistics for life and non-life insurance activities, starting with the 1996 reference period.

2) An adaptation process was implemented in 2001 using the comitology procedure. Its aim was to reduce the statistical burden by removing the less useful parts of the requirements, to make room for new developments of the SBS Regulation in the future; the relevant amendment was adopted on 6 September 2002.

3) A second amendment was adopted by the Council and the European Parliament and published on 21 November 2002. This amendment essentially added two new annexes concerning credit institutions and pension funds, and two variables related to expenditure on environmental protection.

4) A Commission proposal for a recast of the SBS regulation is now in co-decision procedure (COM (2006) 66 final). The recast proposed by the Commission simplifies the requirements by deleting the less important characteristics.

Its aim is to ensure coverage of fast-growing economic sectors - mainly in services - that have not previously been included in statistical monitoring.

It also provides information on the dynamic business services sector, and on business demography. It streamlines and codifies a set of existing legal instruments and would repeal the previous legal act.

The SBS Regulation now has seven annexes

Annex I Common module

Annex II Industry

Annex III Distributive trades

Annex IV Construction

Annex V Insurance

Annex VI Credit institutions

Annex VII Pension funds

The SBS Regulation confers implementing powers on the Commission. In all, 12 Commission Regulations¹ are in force relating to definitions, data series to be transmitted, technical format, derogations to be granted, adaptation to technical and economic development and criteria for quality evaluation. These measures are necessary in order to ensure the harmonised implementation of the SBS Regulation in the Member States. Under the provisions of the SBS Regulation the Member States are free to choose the sources used for compiling the statistics; it is therefore important that the statistical authorities respect the definitions laid down in Commission regulations and inform the Commission about the quality of the data. Other Commission regulations cover the breakdowns that need to be provided for all SBS variables and their technical format, and ensure that all countries transmit data in a harmonised format so as to avoid errors in data transmission.

Derogations are granted to countries so as to give them the time to put in place the necessary data collection systems or adapt existing ones so that, by the end of the transitional period, the provisions of the SBS Regulation will be met. For Annexes 1, 3, 4 and 5 the transitional period has ended. For Annexes 2, 6 and 7 derogations have been granted in a Commission Regulation. For the environmental variables of Annex 2 and Annex 7 a Regulation extending the transitional period is in the process of being adopted.

3. AVAILABILITY OF SBS TO USERS

3.1. Main data sets

SBS gives a comprehensive picture of the structure, development and characteristics of European business and its various activities. Broadly speaking, it covers all market activities except the agriculture sector.

The main characteristics (variables) of the SBS data cover

¹ Commission Regulations No. 2700/98, 2701/98, 2702/98, 1225/99, 1227/99, 1228/99, 1618/99, 1614/2002, 1667/2003, 1668/2003, 1669/2003, 1670/2003,

- Business Demographic variables (e.g. number of enterprises)
- “Output related” variables (e.g. turnover, value added)
- “Input related” variables; labour input (e.g. employment, hours worked); goods and services input (e.g. total of purchases); capital input (e.g. investments in tangible goods)

The Regulation stipulates the transmission deadlines which, in summary, are 18 months for final data for Annexes I – IV, 10 months for preliminary data and 10 – 18 months for Annexes V – VII.

In the series on annual enterprise statistics, characteristics are published by country and detailed at NACE REV 1.1 class level (normally 4 digits).

The annual enterprise statistics are broken down by size class. Characteristics are published by country and detailed down to NACE REV 1.1 group level (3 digits) and employment size class. For distributive trades an additional supplementary breakdown by turnover size class is available.

In the annual regional statistics, four characteristics are published by NUTS-2 region² and detailed at NACE REV 1.1 division level (2-digits). For the distributive trades section, data are at the 3-digit level.

Most of the SBS data are collected by the National Statistical Institutes (NSIs), through statistical surveys, the business register or administrative sources. The NSIs can use one or more of these sources, according to the survey strategy they have adopted, taking into account the costs, the quality and the response burden on enterprises. At Eurostat level, data are validated before being published. A number of logical checks between different variables are performed and the consistency of the data over time is also checked.

3.2. Timeliness, punctuality and completeness of data sets available to users

Release of SBS data

All data are available free of charge on the Eurostat website under the theme "Industry, trade and services". A timetable for release, known as the Release Calendar, is drawn up annually. As for the most recently released data, for most countries the definitive 2004 data for Annexes 1 to 4 were released in NewCronos in November 2006.

EU aggregates have been calculated on the basis of the available data, and in the case of missing data on the basis of estimates. Initial aggregates were released in December 2006. Preliminary data for Annexes 1 to 4 for 2005 were available for most countries in January 2007.

Publications programme 2006

In addition to being disseminated on Eurostat's Website, the results are presented in a number of publications. As part of the 2006 SBS publications programme, one Panorama publication,

² Common classification of territorial units for statistics (Regulation (EC) No 1059/2003)

one pocketbook, 18 Statistics in Focus and a new version of the “European business dedicated website” were released. The 2006 edition of the panorama publication *European business - Facts and figures* was released in February 2007. This publication gives a comprehensive picture of the structure, development and characteristics of European business and its different activities.

At the same time, a new restructured section dedicated to European business was released on the *Eurostat website*. This portal now includes a presentation of structural business statistics by topic (including special topic, such as globalisation, SMEs, regional business, foreign controlled enterprises etc.), with specific links to publications, data and methodology.

A [pocketbook](#) was published in October 2006, which summarises simply and concisely the main features of European business and its different activities. The publication is also intended to serve as a showcase for and an introduction to the data available in this field.

The publications programme also included a total of seven in-depth studies of specific sectors in the Statistics in Focus (SIF) collection, three SIFs on a horizontal (cross-sectoral) topic, and eight SIFs focussing on the presentation of results from SBS development projects (in several cases in combination with relevant data from the regular data series). SBS data are also used in many other publications. In 2006, some important contributions were made, in particular to the Eurostat yearbook, the Eurostat pocketbook, the Regional yearbook, the Transport review ("panorama") and new publications on culture statistics.

Completeness of data sets available to users

In very broad terms, it can be concluded from table 1 that data sets delivered to Eurostat are reasonably complete from most Member States. There are gaps for some countries, however, which affect the availability of data to users. These gaps will be commented on under 4.

The table also shows that the availability of data to users is considerably reduced by the existence of confidential data. Many data are confidential, especially in the smaller countries. No detailed analysis has yet been made for Annexes 5 to 7. However, data availability seems to be relatively good for those countries that do not have derogations, and for the most part the data are non-confidential.

Table 1: Total transmitted cells and publishable cells after checking for confidentiality treatment. Annexes 1 to 4, 2003 data in % of data required by the SBS Regulation

Country	total transmitted cells in % of required by SBS Regulation	non-confidential cells in % of required by SBS Regulation	Confidential cells in % of transmitted cells
Large countries	91	80	12
Medium-sized countries	78	61	23
Small countries	81	61	24
ALL	81	64	21

3.3. Confidentiality rules and implementation

The national statistical authorities and the Community authority are required to apply the principle of protecting the data of individual respondents, as set out in Article 13(1) of Council Regulation (EC) No 322/97 of 17 February 1997 on Community Statistics³. As structural business statistics are broken down into a relatively detailed level of activities, and as a combined breakdown by activity and size class is required, many data at country level have to be protected in order not to disclose any confidential information. The table in paragraph 3.2 above illustrates the extent to which confidentiality reduces data availability. The confidentiality rules at national level are not yet fully harmonised. In all countries, data relating to one or a small number of enterprises are protected. In several Member States this is supplemented by a "dominance rule" under which data are not disseminated if one respondent dominates the figures by more than a certain fixed percentage. This percentage can differ considerably from country to country.

In addition to confidential data at country level, data at Community level also have to be suppressed in order not to disclose any of the confidential national data. Rules for determining the EU aggregates that need to be suppressed have been laid down in a Confidentiality Charter agreed with the Member States. In application of the rules of the Confidentiality Charter, a considerable number of Community aggregates are suppressed. Table 2 shows that, of all EU aggregates for which data were available for the reference year 2004 in the annual enterprise statistics, 32% could not be published for reasons of confidentiality.

Table 2. Main variables of annual enterprise statistics for which EU aggregates for 2004 are published, all activity levels

	Total number of cells	Number of confidential cells	Number confidential cells in % of total number
Annex 1	492	106	22%
Annex 2	4956	1578	32%
Annex 3	1116	387	35%
Annex 4	300	110	37%
Annexes 1-4	6864	2181	32%

The Commission is currently investigating ways of making more EU aggregates available in order to satisfy the users' need for information. Ways of calculating estimates for the confidential EU aggregates that afford sufficient protection to the data of individual respondents, while at the same time guaranteeing a certain level of accuracy of the aggregates, will be explored. For the time being, estimates for the EU are made on the basis of non-confidential national data in order to fill the gaps in the EU aggregates for which the real value could not be disclosed. The recast of the SBS Regulation contains a possibility for Member States to flag data as "contribution to European totals only", which is also expected to increase the number of available European aggregates.

³ Official Journal L 052 , 22/02/1997 pp.1-7

3.4. Accuracy

The SBS Regulation stipulates that Member States shall deliver a quality report annually to Eurostat. The reports contain information on coefficients of variation and non-response rates.

Member States submit data on coefficients of variation (expressed as a percentage). On the basis of Member States' contributions, Eurostat calculates the coefficients of variation for the EU aggregates. The table below shows that the aggregate EU coefficients of variation for most NACE groups are below 1.5 %. In general, coefficients of variation are lower for the NACE groups in industry. For construction, trade and especially services, coefficients of variation are higher. This means that in general the data presented for the industrial activities are more precise.

Table 3. Distribution of aggregate EU coefficients of variation (CV), in % , NACE aggregated at 3-digit

CV EU range	Number of NACE groups
0.0 – 0,5	95
0,6 – 1,5	51
1.6 – 2.5	21
Above 2.5	2

The non-response rates vary between Member States; in a few cases they are above 20 percent.

3.5. Comparability and coherence

Compliance with the Commission Regulations on definitions is the basic tool for ensuring comparable data across countries. The choice of methodology for the compilation of structural business statistics is left to the statistical authorities. Member States submit information on their national methodologies and this information is published by Eurostat, to help users to understand the methods of data collection.

Coherence refers to the extent to which the statistics will allow the combined use of data from different sources. Structural business statistics could be linked with several other statistical data sets such as national accounts, labour data and short term statistics, but in order for users to make a combined use of them, their coherence must be ensured.

The coherence between structural business statistics and short-term statistics has been tested in the past, revealing certain differences in methodology. Further investigation is therefore needed. A similar comparison has been made between SBS data on employment and other sources of labour data. Again, differences in methodology and also in definitions were observed. Further harmonisation work needs to be undertaken. As the business register serves as the framework for compiling SBS, this ought to ensure a coherent approach. However, studies have shown that there are significant differences between these two sources; this aspect requires further analysis.

4. COMPLIANCE WITH THE SBS REGULATION

Compliance with the SBS Regulation is evaluated on the basis of the timeliness of transmission of the data by the Member States, as well as of the completeness of the datasets sent. Overall, the compliance level has risen when compared to the evaluation made for the previous report. Other compliance issues, such as the quality of the data transmitted, cannot yet be fully evaluated.

The timeliness of the data transmission has generally improved over the years. However, some countries still send the data with significant delays, which influences the timely dissemination of EU aggregates. National action plans have been drafted by the Member States concerned in order to ensure that the Regulation deadlines are respected in future.

For the trade sector, for instance, the EU aggregates could not be released together with those of other sectors, as German data were sent with a considerable delay. Compared to the previous report that covered the timeliness of the data for the reference year 2000 for the countries then subject to the SBS Regulation, the most notable improvements in timeliness were in the case of France and Ireland. Ireland, however, is still sending the data with a delay. Spain considerably improved the timeliness of construction data (Annex 4) as did Norway in the case of trade data (Annex 3). Belgium and Luxembourg both sent the 2004 data later than the 2000 data.

As far as the completeness of the datasets transmitted by the countries is concerned, when all datasets for the definitive series of Annexes 1 to 4 provided by the EU27 countries and Norway are taken together, this represents 85% of the required data overall. This is a marked improvement on the situation described in the previous report to the European Parliament and the Council, but it is still insufficient. Several countries are taking action to improve data availability.

Table 4 presents an overall evaluation of compliance for all countries that are subject to the SBS Regulation in 2007 (EU27, Iceland, Liechtenstein and Norway). The evaluation was based on the timeliness of the transmission of final 2004 data for Annexes 1 to 4, 2005 data for Annexes 5 to 7 and preliminary 2005 data for Annexes 1 to 4. The completeness of the data of the definitive series for Annexes 1 to 4 for 2003 was also taken into account. The completeness of the financial annexes (5 to 7) has not yet been assessed in detail, but it has been taken into account as far as possible. The countries have been divided into four categories of compliance:

VG Very good compliance, all required data (with minor exceptions) are delivered on time

G Good compliance, a few elements are missing or there are small delays in data delivery (data are sent less than 2 months after the deadline)

P Data are partly available but major elements of compliance are missing or deadlines are not met (data are sent more than 2 months after the deadline)

N A large proportion of the data is missing, or there are major delays in deliveries (>6 months after the deadline), or an approved version of the data has not yet been received, or a new version of sufficient quality is still awaited (or has been received only after a very long delay).

Table 4. Overall assessment of compliance

COUNTRY	SBS	Overall evaluation
BE	<ul style="list-style-type: none"> Definitive 2002 data for annexes 1 to 4 have not yet been sent to Eurostat. Data for reference years 2003 and 2004 were sent with a considerable delay. Data availability is satisfactory. Data for Annex 5 have not been provided for the reference years 2002 to 2005. 	P
BG	<ul style="list-style-type: none"> Annex 1 to 4 data were sent two months before the deadline. Other data were also sent before the deadline Data availability could still improve as data for the most detailed level have not been provided yet. Actions to overcome this are being undertaken 	G
CZ	<ul style="list-style-type: none"> Data were sent on time. For the annexes on industry and construction data for the KAU series are missing; for industry data on environmental protection expenditure have been transmitted for reference year 2004 with a considerable delay; for credit institutions no regional data have been provided. The data provided for the activities at class level are still of insufficient quality, which results in a low data availability for the users. 	P
DK	<ul style="list-style-type: none"> Data were in general sent on time, some series were provided with a short delay. No data were provided for annex 5 for 2004 and 2005 and for Annex 7 for 2005. Data availability is satisfactory. 	G
DE	<ul style="list-style-type: none"> Remaining problems are transmission delays for trade. Most Annex 1 data were sent on time for reference year 2004; Section H was sent with a considerable delay however. The Annex 2 data exclude the data for section E which were sent with a significant delay. 	G
EE	<ul style="list-style-type: none"> Data sent on time Data complete. 	VG
EL	<ul style="list-style-type: none"> Starting from a very unsatisfactory situation, an improvement in the provision of data has been noted since 2005. Data on Section K were provided for the first time in February 2007. A cut-off threshold existed in industry: no data on enterprises with less than 10 persons employed were provided, but efforts to estimate the missing part have been made. Some series are missing for annexes 5 and 6. 	P
ES	<ul style="list-style-type: none"> Data sent on time. Few data missing: good data availability. 	VG
FR	<ul style="list-style-type: none"> All data sent on time except for annex 5, for which no data were provided for reference years 2004-2005. Good data availability. 	VG
IE	<ul style="list-style-type: none"> Considerable delays in the provision of data for annexes 1 and 3 for the 2004 reference year (temporary problems due to major IT project). Data availability has improved over the last three years. Construction data on enterprise > 20 persons employed only. Full derogation for Annex 7, but will continue sending available data. CSO would like to set up a survey for Annex 7, but this is proving very difficult. Data for Annex 5 missing for reference years 2002 to 2005 and for Annex 6 for reference year 2005. 	G
IT	<ul style="list-style-type: none"> Main series were sent on time, data on environmental protection expenditure sent with a significant delay. Data availability is in general satisfactory, but there are still some data missing. 	VG
CY	<ul style="list-style-type: none"> Data sent on time. Some data missing: data on NACE division 70 not provided and data of Annex 5 incomplete. 	VG
LV	<ul style="list-style-type: none"> Data were sent on time, with very few exceptions. Data availability is very good. For data for reference year 2003 several versions were needed before data could be published; 2004 data quality has improved. 	VG
LT	<ul style="list-style-type: none"> Data sent on time. Data availability is very good. 	VG
LU	<ul style="list-style-type: none"> Still significant delays for sending the 2004 data, but data include the secondary confidentiality pattern. 	G

	<ul style="list-style-type: none"> Progress in data availability (employment size class data for all annexes and KAU statistics for Annex 2 have been provided for 2003); information on local units (regional series) and some special series of Annex 2 are still needed. 	
HU	<ul style="list-style-type: none"> Data sent on time. Very few data missing. 	VG
MT	<ul style="list-style-type: none"> No data were received for 2003 and 2004. 	N
NL	<ul style="list-style-type: none"> Very slight delays in data transmission except for series on environmental protection expenditure, for which the delay is a bit longer. Data availability is satisfactory. 	G
AT	<ul style="list-style-type: none"> Data sent on time except for Annex 5 for reference year 2005. There was a temporary problem in the timeliness of the data transmission for the 2002 data, as Statistics Austria changed the survey strategy for Annexes 1 to 4 for that year. Very good data availability. 	VG
PL	<ul style="list-style-type: none"> Improvement in timeliness of data transmission. Limited sector-specific detailed data (variables from the sectoral modules that do not belong to annex 1) is available. 	P
PT	<ul style="list-style-type: none"> Data sent on time. Very few data missing. 	VG
RO	<ul style="list-style-type: none"> Data sent on time Good data availability 	VG
SI	<ul style="list-style-type: none"> Data sent on time. Availability of data could still be improved. 	G
SK	<ul style="list-style-type: none"> Data sent on time for Annexes 1 to 6 for reference year 2005; delays for annex 7 until reference year 2005, for which the data were sent on time. 	VG
FI	<ul style="list-style-type: none"> Data sent on time. Very good data availability. For 2003 several versions needed to be processed before data could be published; for reference year 2004 the quality of the first datasets sent has improved. 	VG
SE	<ul style="list-style-type: none"> Data sent on time. Good data availability. For reference year 2003 there have been problems with the quality of the data, but this was solved in early 2007. The quality of the 2004 data is better. 	G
UK	<ul style="list-style-type: none"> Data sent on time except for Annex 5. Very good data availability: all series complete. 	VG
IS	<ul style="list-style-type: none"> Data for Annexes 1 to 4 have never been provided Data for Annexes 5 to 7 for reference year 2005 have not been provided yet 	N
LI	<ul style="list-style-type: none"> No data have ever been provided 	N
NO	<ul style="list-style-type: none"> Data sent on time. Good data availability. 	VG

Since the previous report, several countries have improved their overall compliance with the provisions of the SBS Regulation. The level of compliance for France, Ireland, Luxembourg, Finland, the United Kingdom and Norway improved between reference years 2001 and 2004. Compliance levels in most of the new Member States are "good" to "very good".

Greece has made considerable efforts to catch up since 2005, when data for reference years 1999 to 2002 were provided, but it will have to continue its work. Under the terms of Greece's action plan there should be full compliance for the data to be delivered for the reference year 2006. For Belgium a revision of the survey strategy created serious compliance problems: definitive data for 2002 for Annexes 1 to 4 were not provided, and data for 2003 and 2004 were sent with a considerable delay. Further efforts to improve the timeliness of the data are therefore needed. Germany has sent data on trade, hotels and restaurant and the energy sector on a more timely manner, but still needs to further shorten the delays. According to the action

plan which it presented to the Commission services, the German Statistical Office will send the 2005 data on time. Preliminary data for 2005 were transmitted on time.

5. THE BURDEN ON BUSINESSES AND ACTION TO REDUCE IT

5.1. Introduction

The Commission Communication of March 2005 on "Better Regulation for Growth and Jobs" identified simplification as a priority action for the EU. In the Commission Communication on the reduction of the response burden, simplification and priority setting in the field of Community Statistics (COM (2006) 693 final) this commitment was directed more specifically at statistics. Actions taken and actions planned by the Commission are reported in the Communication.

The SBS recast (COM (2006) 66 final) aims to keep the burden on enterprises as light as possible, by taking away a number of mandatory variables, moving other variables from annual to multi-annual collection, and deleting the optional variables. The SBS recast is an example of the kind of tool which could be used to achieve simplification:

- The SBS recast introduces the possibility for countries simply to **contribute to the European totals** without being forced to provide figures plus all the details. This is not a fully European approach, but it is a step in that direction and will substantially reduce the burden.
- **Use of administrative data** will also reduce the burden on businesses. The SBS recast takes this up in new areas. Collection of data on business demography (a new area in the recast) will be purely register-based and will therefore put no burden at all on businesses.

5.2. Burden measurement

In order to receive accurate information on the burden on businesses resulting from Structural Business Statistics, Eurostat has collected this information by means of a standardised questionnaire. One part of the questionnaire was for data on the actual burden, while a second part of the questionnaire concerned actions taken or planned in Member States to reduce the burden on businesses.

Eurostat has received answers from 18 countries; of these, 15 contained information on the burden on business for Annexes I – IV, and five for Annexes V – VII. In 14 cases, there was an indication of the potential savings, if parts of the SBS Regulation were deleted. The 15 countries for which information is available are DK, EE, EL, ES, IT, LV, LT, LU, NL, AT, PO, SE, UK, BG and NO. The survey results cover Annexes 1 – 4 of the SBS Regulation. For Annexes V – VII very few countries responded. In most countries, information on Annexes V – VII is collected from administrative records.

In most countries, SBS surveys are conducted via sampling surveys. In some Member States, small enterprises are covered by use of administrative data only. Thus, only a very small proportion of enterprises receive a questionnaire to fill in.

On average it took the enterprises in the sample 110 minutes to complete the questionnaire - this corresponds to 6 minutes per enterprise as an average over all enterprises in the sector.

There is a difference in the burden depending on the size of the country, as can be seen from the table below:

Table 5: Minutes spent per enterprise to report on Annexes I - IV

Annexes I - IV	Time spent by the enterprises in the sample (in minutes)	Minutes spent on average for all enterprises in the sector
large countries	114	5
medium countries	86	8
small countries	182	41
average (EU)	110	6

The differences between groups of countries for "time spent by enterprises in the sample" are hard to explain. However, as regards the average for small countries for "minutes spent by all enterprises in the sector", the reason for the high average is that the sampling fractions are bigger. As all countries have to report at the same level of detail, small countries have to set up a bigger sample to obtain results of acceptable accuracy.

It should be noted that the EU average sampling fraction is 5.8 percent for the countries participating in the survey. Only one country reported a census survey.

Table 6: Sample size

Annex I - IV	Sample size, number of enterprises	Total number of enterprises	Sampling fraction %
large countries	438573	9084194	4.8
medium countries	184845	2078198	8.9
small countries	33610	147665	22.8
average (EU)	657028	11310057	5.8

From the number of hours spent on SBS, it is possible to make a very rough estimate of the cost to enterprises: If this average time spent is applied across the EU as a whole, the burden on the economy due to SBS Annexes I – IV would add up to about €75 million for the whole Community.

Finally, there were questions about the burden placed on enterprises with less than 50 employees. On average, enterprises with less than 50 employees account for 70% of the time spent by all enterprises. Although large enterprises are normally included in the surveys, small enterprises contribute quite considerably.

5.3. Actions taken by Member States to reduce burden

This section summarises the actions taken in Member States in recent years to reduce the burden on business.

Sample surveys are used frequently. In February 2007, 26 out of the 27 Member States were already using sample surveys instead of censuses. With an average sample size of 5% for big countries, 8% for medium-sized countries and slightly over 20% for small countries, this means that there is a substantial reduction of the burden on business. These figures also indicate that it is justified to reduce the burden on small countries more substantially, e.g. by differentiated reporting requirements, as planned in the SBS recast using the "CETO" (contribution to European totals only) flags.

In quite a number of cases, countries have already exempted very small businesses from their surveys. In order to provide the necessary information, these gaps are filled either by using estimates or by supplementing survey data with administrative data. With the better coverage of services within business statistics, this trend will continue. In most areas of services, small enterprises account for a larger share.

In many Member States there is a strong and growing preference for using administrative data instead of surveys. However, there are obstacles to the increased use of administrative data. Administrative data normally differ from statistical data in terms of formats, codes, transmission protocols, etc., so making these data usable for statistics requires investment. Political support is needed in order for agreements to be reached between the NSIs and the relevant governmental organisations. Changing the use of administrative data also requires additional internal resources, as NSIs have to adjust their internal workings to make good use of this investment.

Better sampling strategies can also help reduce the burden on business. Very often, Member States initially implemented simple sampling strategies; with more sophisticated methods the burden on business could be further reduced. However, once again, this requires investment from the NSIs.

These are examples that can be observed in many Member States. Some countries have also started to explore more direct ways of collecting the data, e.g. directly from company accounts. Ideally, statistics would be generated as a by-product of the regular accounting by enterprises, data would be processed automatically, common identifiers would enable the collected information to be used in the most efficient way, and that information would automatically be further disseminated, e.g. to Eurostat, as soon as it had been processed.