Standard documentation Meta information

(Definitions, comments, methods, quality)

on

Business demography statistics

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Executive Summary

Statistics on **business demography** describe the demographic development of enterprises in Austria and are based on register and administrative data only. They include data on **births** of **enterprises**, their **survival**, on **deaths** of **enterprises**, on active enterprises, and on the corresponding employment data. Furthermore, data on "(Young) High growth enterprises" and their employment, data on knowledge and research-intensive enterprise births and statistics on **bankruptcies** and on **registrations** of legal units are released as well.

The results of EU harmonised business demography statistics play a key role by forming a basis for political decisions and analyses. They allow analyses of births, survival and deaths of enterprises by economic activities, federal provinces and NUTS3 regions, legal forms (grouped), employee size classes, gender (for sole proprietors) and turnover tax classes. The focus of demographic business statistics lies on real enterprise births and deaths. A real enterprise birth (death) occurs if only one enterprise is involved, a combination of production factors – in particular employment – is created (dissolved) and if there is no reactivation (i.e. the enterprise ceases its economic activity but is reactivated within two years). Therefore, no declaration is made about reorganisation (i.e. mergers or take-overs) or succession. Business demography concentrates on the dynamic developments - changes due to new enterprises or enterprises that disappear are shown. Another aspect of particular interest is the relevance of new enterprises in stimulating the economy by creating new jobs. But the statistics also deliver information on lost jobs when enterprises are closed. The development of employment in surviving enterprises is examined as well. For the calculation of survival, the development of a cohort of enterprise births (i.e. enterprises that were all created in the same year) in the following year(s) is analysed and up to five-year-survival rates are derived. The quarterly statistics on registrations and bankruptcies of legal units deliver important early indicators for future economic developments.

The statistical product in question contains five demographic business statistics with the following basic concepts:

Annual statistics:

- The **general business demography (TBD)** contains all enterprises, irrespective of whether they have employees or not. An enterprise birth is defined as an enterprise that has turnover and/or employment in the reference year for the first time.
- Knowledge and research-intensive enterprise births are based on the general business demography; they are a nationally required indicator for the evaluation of the federal government's strategy for research, technology and innovation. The delineation is made according to the "High-technology and knowledge-based services aggregations" of Eurostat.

- The employer business demography (EBD) considers only enterprises with at least one employee. An employer enterprise birth is defined as an enterprise that becomes an employer for the first time (irrespective of whether it already existed without employees before or not).
- The statistics on high growth enterprises (HGE) contains employer enterprises with an average annual increase of the number of their employees of at least 10% over a three-year-period. Enterprises not having at least 10 employees at the beginning of the observation period (t-3) and those that were newly born are excluded of the calculation. Young high growth enterprises (so-called "gazelles"), as a subgroup of high growth enterprises, are no more than five years old.

Quarterly statistics:

- The **statistics on bankruptcies** contain data on bankruptcies by aggregated economic activities. The initiation of bankruptcy proceedings of a legal unit in accordance with the Austrian rules for bankruptcies (<u>IO</u>, RGBl. No. 337/1914) is counted. These bankruptcy proceedings are: bankruptcy opening proceedings, bankruptcy proceedings and restructuring proceedings with and without self-administration. Bankruptcies are not synonymous with enterprise deaths.
- The **statistics on registrations** contain data on registrations of legal units by aggregated economic activities. A registration is the recording of a legal unit in the different administrative registers. Registrations do not (yet) have to be real enterprise births, but can be considered as a declaration of intent to take up an economic activity.

In Austria, business demography statistics are published since 2008 on a mandatory basis in accordance with European legislation¹ and are based since 2015 on the **business registers** of Statistics Austria using **administrative and additional data sources**². With reference year 2021, the requirements of Regulation (EU) 2019/2152 on European business statistics (EBS Regulation) were implemented, whereby the "statistical enterprise" (instead of the "legal unit" so far) is the new unit of measurement since 2021. In addition, from now on the **statistical business register** of Statistics Austria serves as the **main database** for the annual statistics; the structural business statistics are also based on this source as the sole database. In the statistical business register, conceptual changes and quality-enhancing measures were made in advance in order to be able to include even more smaller enterprises in the population and to fully meet the legal requirements of the EBS Regulation for the production of business statistics based on it.

¹ see Annex IX of <u>Regulation (EC) No 295/2008</u> of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (recast)

² see <u>previous version</u> of the standard documentation until reference year 2020 (German only)

Figure 1 shows an overview of the five business demography statistical products and their context and concepts:

Quarterly BD statistics Bankruptcies Registrations Annual BD statistics (TBD, EBD, HGE) **Active enterprises TBD** Enterprise **Employer** births enterprise Active HGE—High growth **TBD** enterprises births employer (10 employees at **EBD** enterprises least) **EBD** Young high growth enterprises Enterprises that Enterprises become already born employers later with at least 1 on ("entry by employee Knowledge and growth") research-intensive enterprise births

Figure 1: Business demography statistics and their context

S: STATISTICS AUSTRIA – own figure.

Business demography statistics – Main Key Points	
Subject matter	(Employer)enterprise births, survival of newly born (employer)enterprises, (employer)enterprise deaths (incl. employment data), (young) high growth enterprises (incl. employment data), knowledge and research-intensive enterprise births (FTI), bankruptcies and registrations of legal units
Population	Enterprises with main market-oriented activity in ÖNACE-2008-sections B to S (without section O and division S94; FTI incl. section O) and that had either turnover or employees at any time between 1/1 and 31/12 during the reference period (2021: 589 615 active enterprises). Employer enterprises: only those with at least one employee (2021: 242 197 active employer enterprises). Bankruptcies and registrations: legal units with main market-oriented activity in ÖNACE-2008-sections B to S (without section O and division S94) (2021: 618 584 legal units)
Type of statistics	Statistics based on secondary data (administrative data)
Data sources/Survey techniques	Main data source: Statistical business register, further sources: business register for administrative purposes, structural business statistics, tax data, employer and employee data from the Federation of Social Insurances, data from the Chamber of Commerce and the Commercial Register
Reference period or due day	Calendar year: The statistics cover all enterprises that were active at any time of the year (during the whole year or only parts of it, no due day)
Periodicity	Annually or quarterly (bankruptcies and registrations)
Survey participation (in case of a survey)	Not applicable
Main legal acts	Bundesstatistikgesetz 2000 i.d.g.F.
	Unternehmensdemografiestatistik-VO: <u>BGBI. II Nr. 270/2009 i.d.g.F.</u> <u>Regulation (EU) 2019/2152</u> on European business statistics, repealing 10 legal acts in the field of business statistics (EBS Regulation)
	Commission implementing regulation (EU) 2020/1197 laying down technical specifications and arrangement pursuant to Regulation (EU) 2019/2152
Most detailed regional breakdown	Annual statistics: NUTS3 Quarterly statistics: NUTS0 (Austria)
Availability of results	General business demography: t+18 months, Employer business demography and knowledge and research-intensive enterprise births: t+20 months, (Young) high growth enterprises: preliminary data t+12 months, final data: t+18 months, bankruptcies and registrations of legal units: t+40 days
Other	Due to the relatively late availability of the underlying administrative data some data are provisional (general business demography and employer business demography: enterprise deaths and their employment of the most recent reference year; quarterly data on bankruptcies and registrations: last four reference quarters)