Services Trade by Enterprise Characteristics (STEC)

European Commission – Eurostat
Directorate G: Global business statistics
Outline of the presentation

- What is STEC?
- STEC project milestones
- STEC Task Force
- Activities to be achieved by participants
- Data linking
- Some analytical results
- Data linking conclusions
- Future steps
What is STEC?

- Services Trade by Enterprise Characteristics (STEC) is an EU project towards integrating trade in services statistics into business statistics.

- Already existing for goods: TEC (Trade by Enterprise Characteristics).

- The main aims of STEC are:
  - Link services' trade data together with enterprise's "specific" data (number of employees, activity, turnover)
  - Show the role of small and medium enterprises in services trade
  - Show the role of multi-national enterprises in services trade

- No new data collection: reuse of data that already exist and apply Micro Data Linking (MDL).
STEC project milestones

- **February 2011** – Global Forum on trade statistics held in Geneva witnessed a demand for more comprehensive data on international trade and globalisation.

- **May 2012** – STEC project was endorsed by the European Statistical System Committee (ESSC).

- **January 2013** – STEC Task Force was set up by Eurostat with experts from EU Member States.

- **Spring 2014** – results of the pilot data collection exercise delivered to Eurostat.

- **June 2014** – results of pilot project presented in ITS Working Group.
STEC Task Force

• Participants: AT, CZ, DK, EE, LU, PL, UK, NL and IE

• Three meetings: 2013 in February, May and September

• Data received for year 2011: from six countries (AT, CZ, DK, EE, LU, PL)

• Coverage: 14% of services exports, 12% of services imports
Activities to be achieved by participants

• Link the data on services trade with data available on:
  ➢ Business Register (BR)
  ➢ Annual economic data from structural business statistics (SBS)

• Build the cross-classification tables (28 tables).

• Send to Eurostat the services' trade data combined with the other data sources
Data linking

Services trade data:
- Partners: Extra EU, Intra EU, World.
- Flows: exports and imports.
- EBOPS (18 groups).

Business register data
- Enterprise's size class: small (0-49 employees), medium (50-249), large (250-...).
- Type of trader's ownership: domestic, foreign controlled.
- Activity (15 groups according to NACE classification).

Structural Business Statistics data
- Turnover (goods and services), including the value of exports.
## Services trade by enterprise's activity: table example

<table>
<thead>
<tr>
<th>EBOPS/NACE</th>
<th>service_name</th>
<th>(01-09)</th>
<th>(10-33)</th>
<th>(41-43)</th>
<th>(45-47)</th>
<th>(49-53)</th>
<th>61</th>
<th>62-63 (computer, information)</th>
<th>(64-66)</th>
</tr>
</thead>
<tbody>
<tr>
<td>205</td>
<td>Transport</td>
<td>245.9</td>
<td>208.3</td>
<td>4871.2</td>
<td></td>
<td></td>
<td></td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>245</td>
<td>Communications services</td>
<td>0.7</td>
<td></td>
<td></td>
<td></td>
<td>233.3</td>
<td></td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>249</td>
<td>Construction services</td>
<td>172.5</td>
<td>614.3</td>
<td>11.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>239.5</td>
</tr>
<tr>
<td>253</td>
<td>Insurance services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>260</td>
<td>Financial services</td>
<td>5.8</td>
<td>0.4</td>
<td>8.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>226.8</td>
</tr>
<tr>
<td>262</td>
<td>Computer and information services</td>
<td>114.5</td>
<td>58.4</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td>600.4</td>
<td>71.2</td>
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<tr>
<td>263</td>
<td>Computer services</td>
<td>57.0</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>560.7</td>
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<tr>
<td>264</td>
<td>Information services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.4</td>
<td>39.7</td>
</tr>
<tr>
<td>266</td>
<td>Royalties and licence fees</td>
<td>20.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15.8</td>
</tr>
<tr>
<td>268</td>
<td>Other business services</td>
<td>81.7</td>
<td>1012.5</td>
<td>76.9</td>
<td>711.4</td>
<td>72.0</td>
<td></td>
<td>186.4</td>
<td></td>
</tr>
</tbody>
</table>
Services exports by enterprise size class, 2011
Services imports by enterprise size class, 2011

services imports, Thous.EUR

<table>
<thead>
<tr>
<th>Country</th>
<th>a_0_49</th>
<th>b_50_249</th>
<th>c_250_more</th>
<th>d_Non-linkable</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LU</td>
<td></td>
<td></td>
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<tr>
<td>AT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PL</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CZ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td></td>
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</tr>
</tbody>
</table>

Eurostat
Enterprises controlled by foreign Multi-National Enterprises (MNE) in services trade, 2011

CZ: 70% exports, 70% imports
LU: 68% exports, 68% imports
PL: 61% exports, 61% imports
EE: 45% exports, 45% imports
AT: 43% exports, 43% imports
DK: 21% exports, 21% imports
Services trade distributed by NACE activities, weighted average of 6 countries, 2011

**Transportation and storage**: 20.2% exports, 25.1% imports

**Manufacturing**: 6.5% exports, 10.7% imports

**Wholesale and retail trade**: 5.6% exports, 5.4% imports

**Computer programming activities**: 5.1% exports, 4.1% imports

**Legal, accounting, engineering**: 3.3% exports, 1.8% imports

**Telecommunications**: 2.3% exports, 2.2% imports

**Financial and insurance**: 2.1% exports, 3.1% imports

**Administrative activities**: 1.4% exports, 2.0% imports

**Construction**: 1.3% exports, 0.9% imports

**Advertising, market research**: 1.2% exports, 0.7% imports

**Programming and broadcasting**: 1.0% exports, 1.3% imports

**Electricity**: 1.0% exports, 1.0% imports

**Scientific research**: 0.6% exports, 0.5% imports

**Agriculture**: 0.2% exports, 0.6% imports

**Other_NACE**: 5.7% exports, 6.4% imports

**Unknown_NACE (travel, financial_admin)**: 37.7% exports, 39.0% imports

**% services exports or imports**
Services exported by the enterprises in "Manufacturing" activities 2011
Services imported by the enterprises in "Manufacturing" activities 2011

- Computer and information services: 63.78%
- Other business services: 4.94%
- Royalties and licence fees: 14.69%
- Transport: 11.34%
"Other business services" breakdown in "Manufacturing activities" exports, 2011
"Other business services" breakdown in "Manufacturing activities" imports, 2011
Data linking conclusions

*Services trade data (exports and imports)*

+ 

*BR (number of employees, activity code, ownership)*

+ 

*SBS (turnover)*

- MDL requires some know-how and is a time consuming process that requires plenty of manual work.
- Non-linkable part cannot be avoided (travel, financial services, administrative sources, SPEs).
- Confidentiality is not a major issue on the aggregated level.
- Different alternatives to present the same statistical data.
STEC: future steps

- Eurostat will disseminate the first results of STEC data in Statistics Explained in the first half of 2015.

- The STEC Task Force will be convened again in 2015 with a revised mandate that will include:
  - Improvements in the methodology used in the first pilot exercise.
  - Look into the issue of secondary confidentiality, to ensure a more optimal method for disclosing cells.
  - Define a framework for a potential regular data collection of STEC data.

- A new data collection exercise should follow, hopefully, with a larger participation.
Thank you for the attention!