I. METHODOLOGICAL INTRODUCTION

The publication _" Selected Economic Indicators of the small and medium enterprises of the CR in 2002 to 2006"_ presents results obtained by the processing of an annual statistical survey carried out in enterprises, sorted by the number of employed persons to size groups. The limit for inclusion is determined by Act No. 47/2002 Coll. on support of small and medium enterprise that is in harmony with Commission Recommendation No 280/96/EC of 3 April 1996.

Within small and medium-sized enterprises, the following size groups are differentiated depending on the **number of employed persons**:

  1 – 9 (micro-enterprises)
  10-99 (small enterprises)
   100 – 249 (medium-sized enterprises)

Data in the tables are divided in two groups: total results for a branch and more detailed breakdown by sub-categories in industry.

Organisation of the survey

Beginning in 1997, the annual structural survey was prepared in cooperation with the French Statistical Office (INSÉE) as a transition project of production statistics, i.e. as a joint survey to be taken in all industries covering market activities in the area of agriculture, forestry, industry, construction, trade and part of market services. Separate surveys are taken for banking and insurance, primarily due to the application of different system accounts, but their processing is the same.

From the viewpoint of institutional sectors of national accounting, the joint annual survey embraces the non-financial corporations sector S.11, part of the financial corporations sector S.12, and subsectors S.141 + S.142 (entrepreneurs incl. own-account workers) of the households sector S.14.

The joint project implies that there is a single sampling plan, a common questionnaire, and a single grossing-up system. The project has been on until now and is primarily designed to be a major data source for compilation of national accounts, which also implies methods for selection of respondents, namely the economic activity aspect.

Reporting unit, sample/population size, and mutations of questionnaires

The annual structural survey, **the results of which we are releasing here, is the only survey that provides results for the industry as a whole, disregarding the size or legal form of the enterprise**. Given the fact that it also provides input information for national accounting, its position is unique for year-on-year estimates of the development of the whole industry, too.

The basic reporting unit of statistics on industry is the enterprise - i.e. a legal person or a natural person in the position of entrepreneur. The enterprises are divided into two groups, irrespective of their prevailing activity:
-       natural persons in business under the Trade Licensing Act (and similar regulations)
-       legal persons in business under the Commercial Act – i.e. trade companies and partnerships (which also include incorporated natural persons).

As these two groups use different accounting systems, as laid down in regulations, adjustments had to be made to their questionnaires accordingly.

The population/sample of enterprises under survey is structured by industries (CZ-NACE two-character codes) and enterprise size groups. The group of medium-sized and large enterprise (with 100+ employees) are 100% surveyed, while about 55% sample is used to survey small enterprises (10 to 99 employees). The sample percentage in the group of micro-enterprises (0 to 9

employees) is about 2.6%. For the reasons of capacity, the survey taken in small enterprises has been the least extensive, which clashes with the requirement made by external users for detailed data on this sector.

Other factors that limit the provision of other requested breakdowns of data (e.g. local aspect) include (i) missing sources for the supplementing and updating of data in the Business Register (BR), especially where correct allocation of carried out activities to the CZ-NACE industries, (ii) locations where such activities are carried out, and even (iii) information on whether the reporting unit is active or not are concerned. This is why the data for individual years are influenced to a certain extent by gradual upgrading of the BR used as the sampling frame. The gradual obtaining of information on prevailing activities of enterprises and transfers between industries that followed also affected the results and especially year-on-year comparability.

Contents of the survey

Legal persons *and incorporated natural persons (using double-entry accounting as dictated by the law) are sent the P 5-01 questionnaire in three mutations, depending on the number of employees, namely:*

- **questionnaire mutation (a)**, *designed for enterprises with 0 to 19 employees (except for joint-stock companies)*
- **questionnaire mutation (b)**, *designed for enterprises with 20 to 99 employees (including joint-stock companies employing 20 to 99 people)*
- **questionnaire mutation (c)**, *designed for enterprises with 100+ employees (incl. joint-stock companies).*

We are well aware that the extent of the questionnaire arises problems such as low response rate, frequent mistakes in the questionnaires, and problems encountered in processing. This is why a structural survey has been incorporated for the nearest future into the programme of statistical priorities. Currently, work is under way to prepare new generations of the survey with the aim to also fully satisfy the requirements of Commission Regulation (EC, EURSTOM) No 58/97 of 20 December 1996, modernize the processing of the survey, and, of course, attempt to revise the extent of the survey.

METHODOLOGY OF INDICATORS

Average number of active enterprises *is the number of enterprises, which were active at least for a part of year. The given numbers are numbers from the survey, grossed up to the basic population of enterprises. The grossing-up takes account of identified activities of the enterprises included in the sample and the activities are assumed to be the same in the basic population. The basic population is generated from the Business Register, which also includes extinct and dormant enterprises as well as enterprises whose activities are not known.*

Number of persons employed *includes* **active entrepreneurs** *(working proprietors of companies and cooperating family members, for whom the work in the company is the main economic activity) and* **employees***. The number of persons employed under contracts for work or of service is not included, as it is not surveyed.*

Average registered number of employees *(in actual persons) is calculated as the arithmetic average of the average number of employees in individual months. It covers all categories of permanent, temporary and seasonal employees, who have contracts of employment with and receive wages for work from their employers.*

Average number of persons employed per enterprise *is the ratio of the registered number of employees to the average number of active enterprises.*

Wages and salaries refer to payments to employees having contracts of employment with their employers. They exclude payments resulting from contracts for work and contracts of services and remuneration of board members – i.e. payments to persons not included in the number of employees.

Personnel costs include all benefits of employees, persons working under contracts for work or of service, including income of partners and members of cooperatives from employment, remuneration to board members, and expenses on statutory and other social insurance. In the system of double-entry accounting, they are the difference between the turnovers of double and credit sides of Account Group 52 – Personnel costs. They also include payments in kind, provided they are part of wages. In the single-entry accounting system, they are the sum of expenses on wages and social and health insurance payments.

Average monthly wage (nominal) per employee is the ratio of wages and salaries to average registered number of employees divided by twelve.

Production value is the sum of turnover (revenues) from sales of own goods, services, merchandise, changes in the stock of finished product and work in progress, and capitalization minus expenses on merchandise sold.

Production consumption is the sum of expenses on consumed purchases of material, energy and other deliveries that cannot stored.

Book value added is the difference between production value and production consumption.

Turnover (revenues) from own goods and services are revenues from sales of own tangible and intangible production to external users.

Gross acquisition of tangible fixed assets - indicator is free of the value of land, subsoil deposits.

ON TABLES CONCERNING THE CLASSIFICATION OF INDICATORS

Classification by branch and CZ-NACE subsection

The subject of **CZ-NACE** is all economic activities performed by businesses. In general, activity is a combination of work, production technology, information network, materials, goods and it leads to creation of specific goods or outputs (services). Each item includes grouping of homogeneous activities on the relevant sorting level.

An industrial branch (hereinafter referred to as the industry only) is a grouping of enterprises, which produce manufactured goods of similar economic destination from the same or similar kinds of materials and supplies or the same technological procedures. The industry includes industrial activities of the whole enterprise. Where the enterprise manufactures goods falling under several industries (industrial branches), it is allocated to that industry, which prevails in quantity.

The statistical classification of economic activities (CZ-NACE) in force since 1 January 1992 breaks the industry into three sections: (i) mining and quarrying, (ii) manufacturing, and (iii) electricity, gas and water supply, broken further down into subsections.

NOTE

*The indicators shown in the publication are contained in both types of statistical questionnaires. The sample is grossed up to the basic population of **active enterprises**.*

The year-on-year indices are calculated using current prices.

Financial data in the tables are given in millions of CZK. The calculations used source data in CZK or thousands of CZK. Differences between calculated and summed up data, if any, may be due to rounding off.

If the data released here are compared with data derived from other surveys with different periodicity (monthly or quarterly), they will differ in value even if the indicators are identical in terms of methodology. Differences are attributed to the state of the register on the day of generating samples for the survey (i.e. due to different samples), to the system used to gross up the results to the basic population, and, where annual data are concerned, to statement-of-accounts operations. These operations are reflected in neither monthly nor quarterly data, as the calendar year was the accounting period.

Registr of individual businesses fileing tax return (from administrative sources) was activated. New calculation of these administrative sources were used to grossing up to the basic population of enterprises.